A POSSIBLE WAY OUT

FORMALIZING HOUSING INFORMALITY IN EGYPTIAN CITIES

AHMED M. SOLIMAN

FOREWORD BY HERNANDO DE SOTO

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Preface

This book is an attempt to bring together the research and experience gained in the last two decades on the issue of informal housing in Egyptian cities and elsewhere in other cities in the South. Drawing from the experience of teaching at the department of Architecture of Alexandria University and working closely with the urban poor in different areas in Egypt, the aim of this publication is to explore, in a comparative context, issues of fundamental importance to the urban fabric of Egyptian cities. Living for some time in a popular district adjacent to informal housing areas has provided deep insights on the way that the urban poor acquire a roof over their heads at no cost. Developing this experience, combined with intensive research on housing informality and contribution in many local and international conferences has enhanced the knowledge and information on this issue.

Over time, I have undertaken consultancy, research, teaching and training assignments for the Egyptian government and universities, international agencies, and have written, or contributed widely to, books and international journals on the problems of low-income housing groups in Third World cities. Hence, combining the practical and academic experiences that have improved the understanding of the value of housing for the urban poor: it is not just a shelter, but it has a lot of meanings, values, and aspirations that secure their future and as methods by which they protect themselves against poverty. Therefore, looking at a shelter from the viewpoint of the users, and how they acquire, develop and construct it, and the ways they communicate with, and involve into, the government and the market, formally/informally, is the main task of this study. The basic idea of this volume is to examine informal housing complexity and diversity in a broader context, linking that with socioeconomic and political changes at the national and international levels. It explores the importance of having some sort of land title as an official document to secure informal investment in housing. Adjustment of housing informality would enhance the economic situations of the users on the one hand, and improve the development process and help in poverty alleviation within the country on the other.

Property rights or legal adjustments and reform and reconciliation are today's realities to ensure better practices and responsible performance by the government. In terms of access to land, property rights are evolving into becoming the rights of being secure in the place. This

potential locked up in the assets they have accumulated. This task of formalization and integration of informal housing, which is the cornerstone of this book, could begin in Egyptian cities, as an example for countries in the South. Professor Ahmed Soliman sheds light on the process of housing informality in three Egyptian cities, and focuses on the different paths followed to informality. He also treats the housing issue from the perspective of integrated urban programs as opposed to narrowly defined housing projects. He explores a special relationship or partnership between the State, the professionals, the urban poor, and other stakeholders in formulating a mechanism by which the urban poor can secure their property titles. The importance of having a legal document for housing, one that is interconnected to a formal property system and its institutions, is that it could convert the fixed assets into liquid capital, thereby allowing the assets of the poor to be integrated into the local economy and the development process.

Questions addressed in this book focus on the mechanisms of informal housing development and its typologies. In addition, Professor Soliman examines the role of public/private partnerships in land provision for housing low-income groups in Egyptian cities, and on how the activities and characteristics of these groups might be better facilitated through specific policy measures. Three hypotheses emerged during Professor Soliman's study: the first focuses upon informality as a means of developing housing, which reflects the economic status of the poor and their influence on the demand and supply of land for housing. The second looks at the impact of the land delivery system - in terms of organization and functions- on the mode of demand as a reflection to the informal housing market for the urban poor. The third examines the integration of the previous two hypotheses as a reflection on the nature of partnerships of the final output of the built environment of the urban poor. These hypotheses are assumed to reflect the nature of partnerships between the private developers, beneficiaries, and the State, and their influence on the quality of the built environment and constitute the mechanisms by which the urban poor influenced the manner in which housing is supplied in the Egyptian cities.

The study shows that the three cities examined - Greater Cairo, Alexandria, and Tanta - have been able to accumulate fixed informal housing assets worth the equivalent of the government's budget for five years to come (around 453 billion LE equivalent US$ 133 billion). Unleashing the potential of these informal assets, as well as those belonging to their fellow countrymen, through formalization, could help the inhabitants of Egypt to show the way to prosperity in the global market economy.

Reading the chapters of this book will allow students of housing, at whatever level of interest and experience, urban and town planners, and academic institutions, to gain a detailed understanding of formalizing informal housing in three Egyptian cities, as well as the larger global context. The diversity of case material and the specific policy focus make this book an important contribution to the formulation of future urban strategies in the South.

Hernando De Soto
President of the Institute for Liberty and Democracy (ILD)
Lima, Peru
December 2002

Foreword

During the World Conference on Human Rights in 1993, Mr. Boutros Ghali, former Director General of the United Nations, called on the world community to adopt a concept of human rights that helps make these rights truly international, in conformity with the three universal principles of comprehensiveness, security, and democracy. He considered that respect for, and the gradual achievements of, human rights call for both cooperation and coordination between states and international organizations.

Man's right to housing has been recognized since 1948, through the issuance of the World Declaration of Human Rights, whereby housing, along with other basic human needs, like food, clothing, health care, and social services, was established as a basic factor of people's right to proper living conditions. More significant is the fact that when the nations passed the covenant on people's economic, social, and cultural rights in 1966, they took upon themselves to carry out the required measures to gradually guarantee the achievement of people's right to an appropriate dwelling place, in view of the vital significance of international cooperation in this connection.

In spite of all of these efforts, at least one billion people throughout the world still lack appropriate housing, and billions more live in informal housing settlements. Moreover, the property systems of developing nations exclude the assets and transactions of nearly 80% of their population, cutting off the poor from the global capitalist economy.

Yet, the poor inhabitants of developing countries could raise their standards of living if they were able to use the assets they do hold in the local and global markets. And they have managed to amass a considerable amount in assets, some US$ 10 trillion in real estate alone. In Egypt, for instance, the wealth that the poor have accumulated is worth fifty-five times as much as the sum of all direct foreign investment ever recorded there, including the Suez Canal and the Aswan Dam. But the existing property laws in these countries do not allow them to transform their assets into leverageable capital.

A more inclusive and comprehensive property law would allow these people, who have adapted every other Western invention, from the paper clip to the nuclear reactor, to produce sufficient capital to make their domestic capitalism work. Formal property rights and institutions would provide them with the tools to release and harness the

means redefining the structure of the state and its responsibilities. The main question is what the significance of "secure rights" is. Therefore, this volume examines the relationship and the ways that the residents within informal settlements, the government and professionals communicate with each other in the formulation of housing informality. Gaining experience from this special relationship, it becomes apparent that all actors have a certain role to play in legal adjustments.

The conceptual framework of this book was initially developed in an international workshop organized by Geoffrey Payne that took place at Charney Manor in Oxfordshire, England, in March 1997. It was on public/private partnerships in land for housing the urban poor where I was among a group of researchers from different countries, each of whom brought different experiences and viewpoints to the issues examined. The Department for International Development funded the research, which took two years to complete. In addition, a lot of new materials developed during the investigation of informal housing development carried out by the author between 1997 and 2001. ILD in Peru commissioned the author to carry out the recent investigation of informal housing typologies in Egypt and covered two cities, Alexandria and Tanta. The materials on the Cairo case were driven from various sources, but depended partially on the main consultant who worked in parallel with the author. The book combines a concern for contemporary informal housing issues with a broader concern for the importance of informal housing sector in the face of socioeconomic changes in the Egyptian environment, on the one hand, and in the face of globalization on the other.

This work provides an unprecedented look at the ground-level changes in Egypt in the face of global restructuring. In particular, it shows how liberalization involves some important breaks with earlier forms of housing informality. Firstly new forms of informal urban development are taking place at the rural-urban interface luminal zones of middle-class sub-urbanization and transnational real-estate investment that are created by complex, and often bizarre, intersections of rural and urban restructuring. Secondly these emerging patterns of informal urban development often take place on private or privatized, rather than public, plots of land. They involve new configurations of actors: real-estate developers, transnational investors, liberalizing government officials. Such forms of informality are no longer the domain of the poor, and in fact have become a major source of land and housing for the urban middle and upper classes.

Ahmed Mounir SOLIMAN,
June, 2003, Beirut, Lebanon

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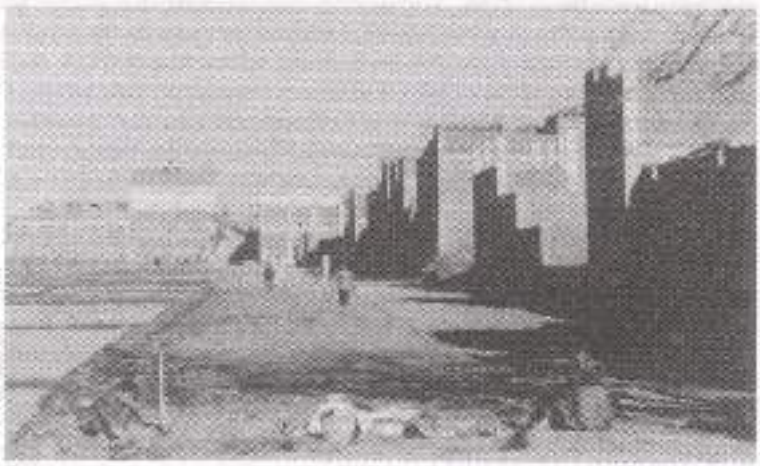
Last but not least, Manar, Ayn, Yahya, and my mother always help define special perspectives on life and loving that make the usual difficulties of authorship seem much more bearable.

CHAPTER I

A PERSPECTIVE OF INFORMAL HOUSING



Arbitrary residential development on private agricultural land in the Greater Cairo Region

INTRODUCTION

> *By 1957 Cairo contained within its boundaries at least as many persons as had inhabited all of Egypt when the French Expedition made its population estimate little more than a century and a half earlier. Within that relatively brief span of history, the Egyptian population had increased eightfold from 3 to 24 million while Cairo's population had become fully twelve times greater than it had been in 1800 (Janet Abu-Lughod, 1971).*

In her classical book *Cairo: 1001 Years of the City Victorious*, Janet Abu-Lughod shed light on the rapid urban growth within the city of Cairo. In her view, the massive migration from rural to urban fringe of Cairo City has affected its urban fabric. Despite her vision on changing

urban fabric of the city, she would not imagine that the city of Cairo would reach its current arbitrary urban fabric. In the late 1950s the population of Cairo City exceeded one million people, with a limited boundary surrounding the riverbanks as such as *El Zamalak* and *Garden City* areas. Abu-Lughod (1971) divided Cairo City into thirteen major sub-cities. Her division depended upon the differences in population characteristics. These differences were parallel to the differences in the physical appearances of the quarters, in the kinds of housing and shopping facilities available, and even in the dominant dress worn by the inhabitants that perhaps symbolizes their belief systems. These thirteen major sub-cities were under the typology of the four quarters division of the city: the eastern city, the southern city, the western city, and finally, the sub-cities of the new north. During the time she wrote her classical book, there were several urban fringes on the periphery of Cairo City. These urban fringes accommodated a population that was identified as the rural and the modern or industrial urban. These areas were the emergent forms of modern urbanism, which later formulated the uncontrolled housing settlements. Physically, each of these marginal areas mediated between and modulated the contrasting worlds that flanked it. Internally, as well, each contained contrasts, which were due in part to shifts in upward social mobility and in part to differences in place of birth or origin. The middle class was embarking on drastic social change and in the grey areas, which the middle class called home, both rural and traditional roots were exchanged for the modern future promised by the social revolution.

The official movements of the urban fabric of Cairo were oriented towards the north and south with limited expansion in the eastern and western sectors. What happened was a huge physical development of industrial zone in the north (*Shubra El Khaima*) and in the south in the satellite town of *Helwan*. Also, in the northeast of the city, there were new proposals for erecting a new dormitory settlement (*Nasr City*) on a desert location 25 kilometers from the city center of Cairo. In the western side of the city, there were other important proposals for vast urban land development of *El Awqaf City*. These three counterparts were the main axes of urban development within the city. Within a period of not more than ten years, these three zones of urban development were the corner stone for establishing the illegal informal housing sector within the city. Throughout, Cairo's condition was tied to the wider fate of Egypt and its surrounding region and to the central fact of Egyptian existence, the Nile. The changes that took place in Cairo during the early 1960s are vastly different from the early 1950s. The new industrialization, which took place in the early 1960s and marked an impact on

future development of the metropolitan region, was a national and not a local policy that depended upon the electricity power generated by the High Dam.

Between 1956-1965, there were two important Master Plans for metropolitan Cairo. The first Master Plan of 1956 contained a number of recommendations that have been already carried out, such as the construction of several major highways, the *Jamiah Bridge*, the inauguration of a program of public housing, and finally the decision for erecting a new dormitory satellite of *Nasr City* in the northern part of the east quarter of Cairo. However, to illustrate the unrealistic assumptions upon which this plan was based, it needs only to be pointed out that it recommended a population ceiling for Cairo of 3.5 million, a size already approached when the plan was published. The second Master Plan of 1960 introduced further expansions towards *El Mohendeseen* area. So, what happened to the metropolis of Cairo in the last four decades? How did it happen? Who was responsible for its current urban fabric? Who was responsible for its informal housing development? Many questions need clear and specific answers.

What happened in Cairo City had occurred in the rest of Egyptian cities, but the progress of physical development from one city to another differed according to its importance and its economic base. Most of the Egyptian cities that witnessed rapid urbanization were the cities located in the Delta region. Alexandria and Tanta are the most affected. On the other hand, Alexandria City was spreading along a narrow strip of the north coast, a distance of fifteen kilometers from the old *Turkish City*. It extended from *Sidi Bisher* to *El Max* area, surrounded by derelict desert areas along *Sidi Bisher* to *El Montaza*, from *El Max* to *El Agamy* areas in the north, and ringed with fertilized areas in the southern part of the city, which was used for cultivating vegetables. In addition the *Sawaha* area was characterized by stagnant water.

In the heart of the Delta valley lies Tanta City with a population of one million. Tanta thronged with pilgrims to its famous mosque and the potent tomb of its saint, *El Sayed Ahmed El Badway*. It was a little town and any person would walk easily through it at most of 15 kilometers. *El Sawad El Badway* mosque was the civic center of the city surrounded with the narrow alleys and sidewalks of a traditional Islamic city. What has happened to our cities is a massive change in urban fabric of the Egyptian cities.

In the last few decades, Egyptian cities have seen rapid population growth, imbalance in the distribution of resources and income, and the spread of poverty. There is widespread recognition in the new century that we are living in a period of profound technological, social, eco-

nomic and political change, and that this process of change is accelerating. This process of change has resulted in increasing demand for housing; also the magnitude and complexity of the urbanization process have expanded enormously, creating a real housing problem for the urban poor. To a certain extent, during the last few decades, conventional public housing policy has been the only official approach adopted in Egyptian cities, as in most Third World countries, but this has been insufficient to meet the increasing demands of the urban poor. The result has been the sprawl of informal housing development, which has brought about several problems within the urban centers.

MAIN OBJECTIVE OF THE BOOK

The main objective of this book is therefore to suggest alternatives; how to justify, control, formalize, integrate and improve the environment of informal housing development in order to use the informal housing assets as collateral in enhancing the national economic situation and economic status of the urban poor, as well as to adjust the development process for poverty reduction. This book aims to achieve maximum opportunities from the environmental experience of the urban poor to house themselves and to use Egyptian resources in the most efficient manner. In addition, legalization of informal housing areas is a great issue discussed in this study in order to enhance the economic situation of the urban poor as well as to enhance the economic situation of the country as a whole. It aims to treat the housing issue not in narrowly defined housing projects but more in the direction of integrated programs at the urban level. The book examines the aims from five main aspects. First, the development of government and professionals' action in relation to the housing delivery system, their understanding of the demand from low-income groups, and the degree of their involvement in meeting the needs and requirements of the urban poor. Second, identifying the needs of the urban poor, their understanding of the housing delivery system, the way in which they satisfy their needs, and the role they play in influencing official bodies' action. Third, the mechanism of land delivery systems as the main component of housing construction is highlighted in order to understand the various actors involved in this market and the way it influences the housing delivery system for the urban poor.[1] Fourth, to identify the various housing typologies and their characteristics as a way for understanding the transformation that has occurred in the periphery areas of the Egyptian cities. Finally, public/private partnerships in land provision are essential

as a main tool for enhancing a land delivery system for the urban poor and how it has worked for the benefit of the lowest strata of Egypt's population. Most previous works concerning the study of informal housing development in Egypt have been carried out in Cairo and other Egyptian cities, none being done as a comparative study between three Egyptian cities where the study concentrates on informal housing areas in Cairo, Alexandria and Tanta cities. These three cities were chosen to represent other cities in Egypt, as they combine the capital, the second city in Egypt, and an intermediate city in the heart of the Delta of the Nile. More broadly, the book seeks to highlight the inter-relationship between the housing delivery system and economic, social, and political development within the country, especially before and after the open door policy, the recent change of economic milieu and its relative influence on housing for low-income groups. Therefore, the book lays emphasis on the major developments that brought about changes in the economic, social, and political context, and their influence on informal housing development. The study is not concerned with describing the current informal housing development situation in Third World countries; rather, the following sub-sections are an attempt to sketch out the main issues which are considered relevant and to show why they are important.

MAJOR ISSUES OF CONCERN TO THE RESEARCH

Questions addressed in this book focus on the mechanisms of informal housing development and its typologies, the role of public/private partnerships in land provision for housing low-income groups in Egyptian cities and on how the activities and characteristics of these groups might be better facilitated through policy measures. Three hypotheses emerged. The first focuses upon informality as a way for informal housing development as a reflection of the economic status of the poor and their influence on the demand and supply of housing plots. The second is the impact of land delivery system as organization and functions on the mode of demand as a reflection to the housing market for the urban poor. The third is the interaction between the previous two hypotheses as a reflection on the nature of partnerships of the final output of the built environment of the urban poor. These hypotheses are assumed to reflect on the nature of partnerships between the private developers, beneficiaries and the state, and their influence on the quality of the built environment and the mechanisms of the urban poor by which they influenced the supply of housing in the Egyptian cities.

The choice of methodology was that of a multiple case study ap-

proach, using the collection and analysis of qualitative data and existing documentation where available. Much of the case study material available on housing for low-income groups in Egyptian cities consists of narrative descriptions and tends to lack analysis, especially on the land delivery system. Consequently, an attempt was made in this research to include and/or filter recommendations extracted from either literature and/or from recent conferences on the Egyptian informal residential areas as a methodological tool. This literature describes, among other things, ways of incorporating multiple sources of information (Spradley, 1980), making micro plans process and verifications of information (Goethert, and Hamidi, 1988) as appropriate tools for the analysis of the case studies' data. This fieldwork took place in different periods, between August-December 1996, January-May 1997, and the years of 1999 and 2000. The methods used in conducting the fieldwork were through a variety of sources. First, collecting data and some maps for the case studies from different sources were gathered (such as governmental planning offices, Ministry of Housing, Utilities and Urban Communities, and previous researches conducted on such areas). Second, informal discussion with some responsible people in governmental offices and with the people who are aware and interested in this subject area was carried out. Most of these people are either teaching in Egyptian universities or working in governmental organizations. The third method was conducting personal area observation and carrying out informal interviews with the settlers of the study areas, and recording the study areas by shooting some photographs and slides. Fourthly individual interviews of the local council of the Egyptian cities were held, using an open-ended interview guide. Fifth, participant observation of the residential area of each city, and inspection of written and financial records from the cadastral department in each city and any available existing materials on housing for low-income groups within the three cities were collected.

The research findings were based on six case studies chosen from a pool of 1034 informal residential areas, occupied an area of 344 square kilometers, initially identified in Egyptian territory. These six case studies are located in three Egyptian cities; the Greater Cairo Region (GCR), the chief metropolitan area in Egypt where the pressure for housing and land is greatest, and it was decided to cover one informal residential area and the other new developed desert area. The second city is Alexandria as the second Primate City in the country, in which two informal residential areas were chosen. The third is Tanta City, an intermediate city, located in the middle of the Delta Region, in which two study areas were identified. The remaining cities were neglected

for one or more of the following reasons. Firstly, the settlers could not be considered within the category of low-income groups. Secondly, the cities did not accommodate the appropriate number of population as they were planned to have, and would therefore not provide much useful information for the study. Finally, the cities did not represent their objectives in achieving a method of partnership in land delivery system covering a variety of land acquisition options, either as public or private land (for instance, allocation of residential plots).

Before carrying out the research, it was essential to identify who are the low-income groups. It is not our intention to dig deeply into the different definitions of this sector of the society; rather we will briefly examine these strata of the society from a wider view, relating it to the level of the poverty line in the Egyptian context. Differences in the definition between absolute and relative poverty provide a useful starting point. As Serageldin (1989) has put it:

> *Poverty has been defined in two ways. Absolute poverty is the inability to secure the minimum basic needs for human survival according to standards so low that they challenge the adequate comprehension of most members of industrial society, a condition that Robert McNamara right by labeled as beneath any concept of human dignity. The second notion of poverty is relative poverty. Variously identified as the lower 30 or 40 percent of the income distribution the relatively poor may have barely secured the minimum basic needs, but have such limited resources that they lack the means of adequate social participation. They are effectively marginalized from mainstream society, even though they may constitute a majority of the population.*

Others explain poverty as a condition of relative deprivation (Townsend, 1993), and linked this with social exclusion (Beall, 2002) which represents little more than an unhelpful re-labeling of poverty or acts to distract attention from inequality generated by workings of the economic system (Willis, 2000). World Bank research on the social dimensions of adjustment, for instance, has used measurements based on economic and social indicators of individual well being, such as per capita income, under-five mortality rate or net primary enrolment, in order to show that the poor are not a homogeneous group. Using economic classifications they distinguish on the basis of consumption and income data between: the *"new poor,"* who are the direct victims of adjustment; *"the borderline poor,"* who are on the brink of poverty, and who are pushed over the line by austerity measures; and the

"*chronic or structural poor*," who were extremely poor even before adjustment began (World Bank, 1987; 1988; and 1990). In addition, the Global Report on Human Settlements (2001) quotes the World Bank as concluding, "Very little progress has been made in reducing income poverty levels in the last decade." According to a World Bank estimate, in 2000 there were 1500 million people living below the international poverty line of one US dollar a day (UNCHS, 2001). On the other hand, social policy provides a different conceptual framework for the analysis of what causes and perpetuates poverty. It identifies the importance of understanding poverty in terms of social processes, rather than in terms of static indicators. It recognizes that poverty is contextually based and is the consequence of interrelated factors at the individual, household, and community levels. In addition, it recognizes that the poor access their social and economic needs in terms of different practical and strategic priorities points in their life cycle (Moser, 1997).

In the meantime, the economic crisis and the adjustment policies have led to a considerable drop in income, which in many cases placed a significant proportion of the low classes below the poverty line. It argued (Minujin, 1995) that the phenomenon of impoverishment is more accurately measured when two methods are used simultaneously: the unsatisfied basic need approach, and the poverty line approach. When both criteria are used to analyze household survey data, one observes the evolution and composition of poverty based on distinctions between the following types of poorest: the structural poor, the new poor, and the non-poor. The families that fit the unsatisfied basic needs criteria are the "structural poor" whilst those with incomes below the poverty line, but who do not lack any of the things considered by the unsatisfied basic needs indicator, constitute the impoverished group that includes the "new poor." The first group, that is the structural poor, is made up of families that have historically lived in poor conditions. The situation of the families belonging to the second group mentioned, the new poor, is very different, and they are considered within the category of the middle-income groups. Their basic structural needs are taken care of, but their income cannot cover a basic basket of goods and services.

At the beginning of the 1950s, the relative weight of the middle sectors of society in Egypt increased very much. The state model of social security spread and covered an increasing proportion of the population in order to cope with the changing socioeconomic and political aspects that occurred in Egyptian society. This middle-income group's stratum of the society does not belong to the lower class or to the higher class; it is a hybrid, that is, it comprised the people who are

historically related to certain fields and especially to the public sector. Typical middle-class public sector jobs such as teaching, the civil service and clerical work, which gave the employee and his or her family access to a series of benefits, lost status and suffered deterioration in working conditions, as well as in their income level, in comparison with other jobs. The low-income groups of the society are people who are living below the poverty line, and have a maximum annual income of 610 US$ or equivalent to 2000 LE.[2] It presents around 40 percent of the total urban population (*El Wafyed*, 1 February 1997), while the middle-income groups represent 20 percent of the Egyptian population, and formulate most of the official civil workforce within the country (Egyptian NGOs, 1994). Other studies indicated that about 15.7 million persons, 26.5 percent of the total population is deemed to be poor in Egypt in 1997 (Datt et al., 2001).

In 1999, the World Bank indicated that good macroeconomic performance over the past five years does not seem to have made a dent in Egypt's poverty rate. Per capita GDP at purchasing power parity has grown from $2,590 in 1993 to $3,050 in 1997. Yet a recent review of poverty rates in Egypt by El-Laithy and Mukherjee (1999) highlights the uncertainty as to whether poverty rates have fallen at all. Also, a recent study from a 1999 survey of 347 households, drawn from seven governorates in all regions of Egypt, indicated that per capita consumption has decreased. The decrease has not been dramatic - from a mean 240 LE per capita per month to 213 LE, but it has occurred at all points along the distribution. This reduction in consumption is relatively large for the Upper Rural region and for the Metro region (Haddad and Ahmed, 2003).

THE NATURE OF URBAN INFORMAL HOUSING

With the rapid urbanization process, growth of population, lack of reasonable housing stock, lack of funds, poverty and rural-urban migration in the Third World cities, the urban poor have no place to live in the formal housing sectors in the city. They were forced to follow the methods of primitive man in erecting their housing by themselves in urban areas. They were creating a new type of settlement, which manifested itself in the Third World. These settlements are called squatter settlements or shantytowns, or spontaneous settlements, uncontrolled areas, illegal areas, or informal housing areas. It is significant that the concept of the informal housing sector was first explicated and enunciated by the American anthropologist Janet Abu-Lughod, in a classic

book on *Cairo: 1001 Years of the City Victorious* (1971). Much recent research has examined the characteristics of low-income informal housing areas from a variety of aspects; economic, social, physical and political. Informal and formal housing areas as a dualistic analysis have been examined and criticized (Payne, 1984, Rakodi, 1992, Soliman, 1988). In recent research, more complex categorization of housing production and supply (Drakakis-Smith, 1979, 1997), housing systems and its relation to land tenure (Angel et al., 1983, McAuslan, 1985), lower-income settlement types (Jones and Ward, 1995), different forms and manifestations (Arandel and El Batran, 1997) or housing sub-markets appeared (Soliman, 1989, Aina, 1989). Such housing typologies may provide a basis for analysis of the organization and characteristics of production and supply by each type of housing delivery system, but run the risk of being sterile descriptive tools (Rakodi, 1992). This classification reflects the reality of housing delivery in Egypt, as well the mechanism of housing operating according to this classification (Soliman, 1989).

On the other hand, a large amount of literature in the English language on the geography and sociology of "slum and squatter" areas did not define the differences between the various informal areas. The following is an attempt to draw up a line between the processes of transformation of the illegal, unregulated, or informal housing areas.

There is a distinction between the "squatter" and the "slum dweller" of a city. Charles Stockes (1962) divides slums into the "slum of hope" and "slum of despair." Hope means the quality of psychological response by the inhabitant of the slum who tries to improve his status. "Despair" for the same reason denotes a lack of intention of any attempt to change status and by the time the dwelling is demolished. Herbert Gans (1962, 1971) says that there are two types of low-rent neighborhoods, the entry area and the area populated by social rejects. This is the "urban village." The residents would enhance their physical environment, and would improve their housing units. Serious urban problems of developing countries arise from the mushrooming of shanty towns of squatters around major cities. These settlements can house over one-third of the total city's population, most of them are recent newcomers to the city. Social rejects populate the second type of area and in legal conditions; this may be called the "urban jungle." In the former type, the residents would enhance their physical environment and improve their housing units. In the latter type, the urban jungle, the physical environment is in a static situation and might deteriorate over time.

John Seely (1959, 1971) points out that the slum population is

characterized by two disparities: the first is the disparity between need and opportunity; the second is the difference between permanence and change. For some the slum represents a set of opportunities for behavior that they want to indulge in or to permit. For others, the slum represents a set of necessities to which, despite their wants, they have been reduced. Similarly, though, changes are possible. Some are in the slum and feel they are in the slum on a temporary basis only, while others feel they are there to stay. There is an underlying harmony between the views of these three writers, but each has a somewhat different perspective.

One can divide the slum according to the degree of improvement to the existing physical conditions, legality of tenure, and the quality of social condition. The first type (slum of hope, urban village, and opportunities) is where people are living in an illegal situation, and slums of this type are always in a dynamic process of construction, with the possibility of legalizing their tenure status and changing its social environment. The second type (slum of despair, urban jungle and necessities) is where people are living in squalid conditions but in a legal situation and a static process of construction, failing to recognize change in the practical and legal status of areas over time, as these areas always deteriorate, and would eventually reach despair. The first type is a "squatter," while the other is a "slum dweller" or "ex-formal dweller." However, squatter settlement is not uniform and varies from one country to another. But most of the squatting areas in the Third World share a lack of urban services (such as drinking water, sanitary services, electricity, garbage disposal, health services) and most squatters have received no elementary education (Yeh and Laquian, 1979). Serious urban problems of developing countries arise from the mushrooming of shantytowns of squatters around major cities. These settlements can house over one-third of the city's total population (Payne, 1984), most of them recent newcomers to the city. Recently, a new form of housing is manifesting itself in the low-income housing market in Egypt. This form is neither squatter nor slums (ex-formal), but acts as a hybrid type between squatter and formal housing types and is called semi-informal housing (Soliman, 1989).[3] The semi-informal housing is similar in appearance to that of the squatter and formal sectors but contravenes fewer legal standards, as a result the units become more socially and politically acceptable. Semi-informal housing areas are illegal because they are, invariably, in violation of one or more of the laws regulating land subdivision, sale of plots, construction and/or land use. Therefore, the book questions the recent development of housing typologies in Egypt and the mechanisms that influenced the production of housing.

WHAT IS HOUSING?

Over the past twenty years, many studies have attempted to define housing (Soliman, 1996a) within the context of conditions and varying situations in the Third World, ultimately branching into three views: Marxist or Radical, Liberal or non-Marxist, and Positive. Such theoretical differences indicate the function of the housing, within the frame of which, housing developed.

The Marxist view (Radical) defines housing in terms of three fundamental dimensions (Burgess, 1982). Firstly, it is a necessary good. Housing is obviously a means of subsistence that is necessary for the reproduction of the labor force and is therefore a good whose cost enters directly or indirectly into the production of all commodities. This means that housing in a capitalist social formation is of interest to classes of people other than those who immediately consume it. Second, housing is a fixed good. A material precondition for producing a house is that it has to occupy land in a specific location. Land cannot reproduce at will, it is a scarce commodity and rights to land and its use are enshrined in legal rights to property. Third, in a capitalist social formation, housing not only has a use value but also an exchange value; it is, or can become, a commodity whose consumption can only be realized by those with a housing need and who can afford to purchase it. As a commodity, housing cannot be analyzed merely in terms of its relations of consumption to an individual or family, but fundamentally only in terms of the social process of its production, exchange and consumption, and in relation to the many class-based interest tied to the commodity cycle.

The non-Marxist view (Liberal) defines housing in terms of four dimensions (Turner, 1972, 1976). First, housing is defined as a verb, not a noun. Turner points out that when housing is used as a noun, it becomes static and does not go through development or change with time, and hence provides no new segments or spaces for the family members who dwell in the housing unit. By not providing for or adding to the housing mass stock, it does not bear any effect on the mechanisms of the state housing market. When defined as a verb, however, housing becomes a dynamic process of uninterrupted development that proceeds according to the needs of residents. The real value lies in the relationship originated among such aspects that help accomplish housing mechanisms, or among the beneficiaries, their activities, and their fulfillment. The ultimate result is a product materialized by the beneficiaries. A housing unit can be turned from a very small residential nucleus attached to the basic utilities into a whole building consisting of

several housing units and combining a number of a family members or members from outside the family circle. It affects the mechanisms of the housing market by adding new units to the housing mass stock of the community. This development takes effect in stages depending on the need and available economic capacity of every head of households.

Second, a housing system is a system partially attached to and interactive with the community members as well as with those special systems that govern and shape the community, so that it cannot be separated from the socioeconomic changes that happen with the passage of time. In other words, it is a semi-detached system, as a process subsuming the people and organizations directly involved, the operations they carry out, and the goods and services generated. All of these have connections with the context; the number of connections within the system, however, seems to be more numerous than those of the system with context. Therefore, housing is among the basic components that go into the movement of comprehensive development, due to the elements, material, and services which actively relate to different activities; whether in industry, manufacturing, or services, as with various building materials, like iron, cement and timber, or infrastructure services, road networks, transportation, etc. These include the investment of capital, which in turn reflects the process of economic and development growth of the community.

Third, one of the major functions of housing in a community is that it affects and is affected by the residents. Turner distinguishes between "*What it is*" and "*What it does*" in that it is not necessary to analyze a housing unit or residence in terms of structure or a special slicing of residence or its final build-up. What matters most is the effect of the residence, with whatever build-up, on its residents. While housing affects and is affected by the residents, the latter have a direct impact on the housing unit, whereby the occupants may change the inner space, the finishing materials, etc., and hence express a kind of interaction between man and solid walls. In other words, housing of materially higher standard does not necessarily "*house*" people better. This is because market, or exchange, values in housing do not necessarily correspond to human or use value. By implication, the material values of housing should be substituted by human use values, of which the material value is only one amongst many indicators. Housing with a parlor and appropriate dimensions does not necessarily provide its residents with an appropriate setting. The main aim of the mechanisms of the housing market lies in the development of the capital invested to obtain a maximum possible material return, rather than the fulfillment of basic needs on the part of individuals who will occupy the housing unit.

Fourth, freedom to build a housing unit is one of the most significant priorities and needs of the residents. Every family has a set of needs which differ from those of other families due to socioeconomic changes that occur to each family alone. Hence, the freedom of opinion in the design and building of housing units expresses and reflects the character and requirements of each family, and consequently the final product reflects the life of the residents and most clearly expresses the customs and backgrounds of every social group. The level of autonomy in a housing system should indicate the extent to which user needs (e.g. according to the family cycle or according to stages in the migrant's life in the city, or according to their financial status) are being met and user resources are being utilized. The autonomous system sets limits within which people are free to act, so that will to use personal and local resources flourishes. The priorities of the user also are manifestly different from those of the standard settlers. Mismatches in provision and priorities can thus arise. The central issue in all this is *who decides, what, and for whom.*

The Positive view defined housing, in a broad sense, in relation to three aspects of socioeconomic and environmental dimensions. Firstly, housing and the improvement of houses often do not have a high priority among squatters, or even the homeless pavement dwellers (Peattie, 1979). It is argued (Pugh, 2000) that housing is viewed as the central social and economic asset in the "*domestic sector*," which is defined as the part of the economy in which capital, resources, time and energy are used for housing and environmental improvement. Economic conditions are considered more important than housing because a constraint on one's economic position rather than government policy determines the individual's housing situation. The family's or individual's economic status is the basic factor that determines the family priorities, in terms of global outlay on residence or of channeling expenditure to other life aspects, which differs from one family to another in terms of setting priorities for various forms of outlay. With the revival of a limited-income- family economic status, money is spent on residence to improve its physical state as a saving for the future and hence guarantee the life-course of the family members against future dangers. Probably this is as a kind of saving to be used later as a real-estate investment in view of housing market alterations in the near future. With the deterioration of the said economic status, expenditure is primarily geared toward food and clothing and then towards the general health condition of all family members. The physical condition of housing is left as it is without change, improvement, or additions and, in this case, the residence turns into a protective dwelling for all family members. In brief,

it is the family economic status that determines the course of expenditure, and hence improvement of the housing unit is closely connected to the economic status, which plays a major role in the mechanisms of the housing market for various levels of social groups.

Secondly, fit housing reflects the health and environmental condition of not only its residents but also the entire community. Suitable housing supplies people with the basic services of clean drinking water and human waste drain networks, services that reflect the health and environmental condition of the community. The role of increased housing quality in improving health has been a core belief in many countries for a long time. Shelter per se plays a fairly small role, contrasted with clean water supply, sanitation, preventive medicine and diet, indirectly improving health (Hardoy and Satterthwaite, 1989; Hardoy et al., 1990). On World Habitat Day (1989), the United Nations Center for Human Settlements (Habitat) declared that shelter, in the broad context of dwelling and related amenities and neighborhoods, represents the habitat most intimate to human beings, especially to women and children who are its most intensive users. The housing conditions - shelter, living space, supply of basic services and amenities are woefully inadequate and are primary causes of a wide range of communicable and often chronic diseases, injuries and psychological stresses. That is why the health condition in housing areas is one of the major features that reflect the general situation of the community and help in healthy generations who can keep the wheel of development turning. For this purpose, most governments of Third World countries pay close attention to health conditions in residential areas, particularly in connection with diseases related to human waste. It was this that pushed many researchers (Hardoy, et al., 2001) to pay attention to basic services that affect health conditions of residents in illegal housing areas through improving their health situation therein. On the other hand, governments pay attention to health conditions in Third World cities to help avoid possible cases of disease and epidemics in the community and, at the same time, cut down on costs of public health services and affairs. Given the important correlation between adequate shelter and good health, and between good health and social productivity, it is more than a little remarkable that greater attention is not paid to this issue.

Finally comes housing as social consumption. This view was long unsupported especially in the context of developing economies by the supposedly poor capital output ratio of housing compared to other investments. Housing is an item of consumption for all social groups, which government authorities should make available to all community members as part of a government's obligation to achieve justice by

distributing available services to all community members. The authority of state departments over all social groups depends on observing justice in distributing services, including housing, so that the said departments can guarantee loyalty on the part of the community towards the current regime. Failure to supply this commodity may reflect a state of socio-political unrest in those countries, as in the case of Egypt. However, each view has analyzed housing based on a certain area of a certain experience. Turner's ideas (non-Marxist) were based on what he had observed, and worked, in an autonomous settlement in Latin America. Burgess (Marxist view) built his arguments on his bias towards and his wide reading of literature on, a Marxist approach and to his great support of the socialist system. Second, because of a lack of agreement on the "mutually" recognized terms of reference, it can be related to a general problem of the debates between Marxists and non-Marxists, mainly their difference in scientific methods (Nientied and Linden, 1985). Nientied and Linden argued that Turner and Burgess have been treated as single opponents, and as representatives of the self-help and the Marxist views respectively, however, both qualifications were held to be true only to a certain extent. The third view looks at housing from an economic point of view and concentrates on the improvement of the environment within a given area as a reflection of increasing the rate of productivity of people who are living in informal housing areas.

CONTROVERSIES IN APPROACHES TO HOUSING

There is a clear divergence among Marxist, non-Marxist, and Positive views. The Marxist view considers that housing is a commodity whose value changes with the passage of time from a commodity with a use value to one with an exchange value in the housing market, while the opposite is true. The Liberal view (non-Marxist) considers that housing is a product set for use, or being of use value, by low-income groups, and its circulation in the housing market needs a long period of time, probably extending between 15-20 years. Hence, it bears no actual impact on the mechanisms of the housing market. The Positive view, on the other hand, considers housing to be a component of economic development. It is an absolute economic operation because its components need material resources to go into the building process; whatever type the housing unit may be, formal or informal, it affects, and it is affected by, the country's national economic condition. It is a process by which participating in the general economic development of a given area is possible. Burgess's definition of housing as a necessary good for the reproduction of the labor force has been criticized by Pickvance

(1976, 1977). He argues that firstly housing has a small role to play in the reproduction of labor power compared to collective means of consumption such as school, hospitals, or technical training. Reproduction of labor power does not simply imply the availability of certain numbers of workers at certain places. Secondly, educational and cultural institutions and the workplace itself as a source of social relation are more important in reproduction than the provision of dwellings. This is quite clear in most new towns in developing countries where a large number of people who work in these new towns, always live in the primate cities and they do not like to live in the new towns, despite the availability of housing units, for example *10th of Ramadan City* in Egypt. Thirdly, housing as a use value is only weakly linked to the process of reproducing labor force. To argue a strong link between the qualities of dwellings and (say) labor productivity would be a form of physical determinism, although there are obviously minimum standards below which a worker's efficiency is likely to be impaired. Fourthly, given the improvement in housing standards over time in squatter areas, the quality of housing is likely to be linked to economic constraints rather than to the reproduction of labor power. In other words, altering and improving the housing units depends on the economic status of each family, not only on the volume or on changed work force in the country's production movements. Fifthly, the Marxist view maintains that most governments use housing productivity as a means to guarantee a fair distribution of the country's natural and industrial resources as a means of pressure on the work force to sustain socio-political stability and loyalty to those governments. The fact remains, however, that the housing productivity of the public sector in most governments of Third World countries does not exceed 10-15 percent of the gross national housing productivity, and governmental housing productivity is not enough to satisfy all the work force of the country. That is why the government has no authority, with this slender housing productivity, over all social groups. It is argued that over 50 percent of the total housing production in most of the developing countries are built by the informal private sector, through which it accommodates a large proportion of the urban poor in the primate cities.

Secondly, Burgess's definition of housing as a fixed good is not quite clear in the sense that (1) land can be vertically extended. Most of residential buildings in developing countries can be extended in the form of adding more flats to the existing buildings to reach the maximum height allowed. (2) Burgess seems to build his assumption on European thinking ignoring the building regulations and construction process of the local environment in the developing countries, where

most housing sites depend upon the maximum volume of the plot area. (3) A lack of planning control is a familiar phenomenon, through which the settlers in informal housing areas invest their land plots to the maximum use, regardless of the right regulation of a given area. On the contrary, in the advanced countries planning control and building regulation are very strict. (4) The way the state intervenes to provide public or subsidized housing is partly related to the need, not only to produce certain key components of the labor force, but also to sustain social stability for a certain class of the population.

In brief, the Marxist view assumes that the government's cadre plays the role of ruling bourgeoisie over all social groups, whereby the ruling leadership is represented by the government's body and decision-making leadership, while the other class is represented by the workers (proletariat) who serve the ruling body. The proletariat production pattern is the concept of petty commodity production, which represents small forms of production in socio-political regimes, dominated by capitalism, or monopoly in society, or even by feudalism. In cities of developing countries, one notices that petty commodity production is an ever-existing trait in capitalist economy, but within a framework of underdevelopment. Due to its presence, the accumulation of capital resulting from this production remains within a narrow margin and does not contribute much to the social compound. In this way, the Marxist view depends on the working class, which is the root of developing the working capital in various investments. The governing body is required to supply enough housing units to house this class and hence guarantee the investment of capital. Nevertheless, petty commodity production represented in building housing units for the proletariat actually interacts with, and depends on, capitalist production and neither of the two can be divorced from the country's national economy.

In the second view, Turner treats housing as a product, an output of people's efforts in the form of self-help building by consuming their time in construction process, or supervising the erection of their houses, or both processes. The final output is a product to be consumed as a use value alone. Turner viewed housing as what it does to people's life, or the effects of dwellings units on the life style of the residents, while he dismissed the standards of dwellings (*What it is*), and its impact on the life of the residents and the whole environment. Both the standards and the quality of houses are very important in making a housing policy suitable for human beings. Housing standards, such as the number of rooms used by households for sleeping, the number of bathrooms, etc., have a major effect on both the residents themselves, and the surrounding environment. Therefore, treating housing from one aspect and ne-

glecting the other would result in an inconvenient housing policy. That is why the various dimensions of housing units are what eventually stand out as the community's environmental fabric. Because of that, a developed country very much helps the working class to obtain housing without cost to government budgets, or any materials expenses, which consequently helps governments gear their outlay toward developing other community services.

On the other hand, Turner's proposals will be supported by the professional and the state in the developing countries for the following reasons; (1) they will save a large amount of the public budget through supporting site and services programs, where the government would have to provide serviced plots leaving the rest to be implemented by the poor. Theoretically, the idea is good. Practically, site and services programs have shown many deficits in most of the Third World countries (Soliman, 1989). (2) Self-help housing functions as an ideological means to quiet the fundamental political demands of the poor, especially because this individualistic approach will result in a growth of social inequality and will therefore blunt collective consciousness (Nientied and Linden, 1985). (3) Changing the settlers' status from self-helper to owner - occupier will imbalance the housing market in the developing countries. Nientied and Van der Linden argued that there are some far-reaching implications of guaranteeing access to the elements of housing which, if taken seriously, would, in their implications, shake the foundations of capitalist society. Therefore, it is unrealistic to expect any government to implement Turner's approach beyond a limited scale, i.e. governments would seek a compromise or take up only some convenient components of the Turner strategy, or limit themselves to a few projects.

Some 20 years after Turner's article was published, the United Nations declared 1987 the "International year of shelter for the homeless," to draw attention to the housing problems of the poor in the world. On the occasion, the United Nations Center for Human Settlements (Habitat) wrote: "It is clear that neither squatter settlement upgrading, nor sites and services projects in their present form provide a long-term answer to the problems of accommodating the growing numbers of urban poor at decent standards. As conceived at present, they will not be able to guarantee that very large numbers of people will be able to satisfy their basic rights with respect to shelter" (UNCHS, 1987).

The last criticism of the Liberal view is that it is wrong to assume that the final product has only a use value. Actually, with the passage of time, a house utilizes the area available in the building, whether vertically or horizontally, by adding another unit. This can take the

form of transferring ownership of a housing unit or renting it to a second party, which ultimately leads to a change of the final product from one with a use value to one with an exchange value, or with a use and exchange value, and consequently affects the mechanisms of the country's housing market.

The definition of housing produced by the Positive view rests on three dimensions; the economic status, the public health situation, and the definition of housing as an item of consumption to be supplied by government authorities. In reference to the family's economic status, the Positive view overlooks the point that all low-income group members are part of the labor force in the domain of the marginal economic sector as represented by the family members, starting from the wife and children to the family father. In this sector women play a major and vital role in increasing the family income, so there are many sources of income for all family members. The final outcome is that the lowest working class, particularly those in the marginal economic sector, can reserve part of their income to spend on residence. Besides, there is the residential saving factor whereby most families living in marginal human settlements invest in real-estate by way of improving and developing their own residential unit, relying on the fact that the price of the said unit is increasing steadily with the passage of time, and that the sole guarantee to provide for the future of the family members is by investing and saving in the real-estate domain. Consequently the amount of money spent on housing is continuously increasing, for a double purpose; (a) to house all family members, and, (b) to invest the housing unit as a saving tool for the near future. As for the public health situation, the Positive view seeks to achieve a sound public health milieu for all community members. That is why government departments intervene in marginal human settlements to improve the environmental and physical state, and in effect the public health state, until the point is reached where government departments can avoid paying more money on public health services. Actually, the public health state of marginal human settlements is to a certain degree a common objective for both residents and the government departments in charge.

The Positive view also rests on the point that a housing unit is an item of consumption to be supplied by government authorities. In the light of the obligatory responsibilities of the said authorities, and of the numerous statistics and studies of housing allocations in developing countries, it has been noticed that the contribution of the housing sector and others is supplied by the formal private sector and the marginal private sector. This is discussed in the following chapters. Hence the

government bodies alone cannot supply all housing needs, except in Hong Kong and Singapore (Wang, and Yeh, 1987). It is wrong to define the housing unit solely as an item of consumption, as has already been pointed out above, it is simultaneously an item of consumption and of saving which can be handled and exchanged according to the mechanisms of the housing market.

All writers have some significant views. Housing in reality could be used as a use value or exchange value or both together. As well, it could be seen as an item of consumption, or as a product, or as a commodity, or a combination of them, depending on the methods or ways in which the house is constructed for.

In the first view (Marxist), Burgess considered that, housing being a commodity of human labor and incorporating a determined labor-time, is given a price in the market which could be realized if the producer turned his use value into exchange-value by putting it up for sale and/or rent. Secondly, a house consumes commercially supplied products (such as cement, roofing materials, etc.). These already have an exchange value that is derived from the labor time spent on their manufacture. The final output is a commodity. Over time, a house in informal residential areas changes its category from an item of consumption into a product, and it would be changed into a commodity once it enters into the market (either formally or informally).

In short, there are similarities and differences among the three views. The difference is that housing as a use value, or an exchange value, and the composition of the commodity or product contains a number of varying factors in the resident's socioeconomic stature, bears close connection with the country's economic development. It also affects, and it is affected, on the national level by the mechanisms of the housing market, and is closely linked to the country's global development. The disagreement between Marxist, Non-Marxist, and Positive views concerning the definition of housing is that the Marxist view considered housing a commodity changing its category from use value into exchange value and vice versa. Non-Marxist sees it as a product and looks at low-income housing in terms of use value alone. The Positive view sees housing as a component of an economic process and as a process by which participating in the general economic development of a given area is possible.

Burgess's ideas, probably, were built before the recent movement in the socialist countries, especially Eastern Europe, and the diversion in their thought towards the socialist system. People who are living in those countries have realized that they are no longer tools for generating capital for the benefit of the government. However, for years to

come the socialist system will undergo major changes and new movements towards the western societies will emerge.

Within this context, housing can be defined (whether as a consumption, commodity, or product) or crystallized as a use value, an exchange value, or a use and exchange value irrespective of its area and the materials used in building it. It is the final product of development and investment (irrespective of the mass of money spent on it, whether from the formal or marginal economic sector); of the extent of governmental intervention in orienting the housing sector, and of the nature of the beneficiaries.

The real value of a house remains in having or not having documentation for land title, which could be used to change the fixed commodity into liquid capital. Either residence, as such, is the final product of investing various capitals in orienting or organizing different commodities that go into the mechanisms of the housing market, either through building or distribution activities, or by operating this market; it is closely connected to the country's strategy of global development.

The inevitable conclusion is that low-income housing projects have not produced the expected results. Although most governments continue to adhere to the idea of an "Enabling Strategy," few of them have achieved any progress of their low-income housing programs. There is certainly a need for a new tool to draw all the key actors together as habitual mutual suspicion gives way to mutual respect and understanding (Turner, 1997). Organized projects, in the form of squatter settlement regularization and upgrading projects and sites and services schemes, have largely remained isolated.

GOVERNMENT INVOLVEMENT

The study focuses on the degree of government involvement, the role of the urban poor, and the methods of private developers' intervention in order to understand the mechanisms of providing suitable accommodation for low-income groups. It examines the variation between the type of housing implemented by the state, the private developers and the urban poor, in either organized/regularized areas, in the form of sites and services and upgrading schemes to those in shanty or squatter areas, or in the semi-informal settlement types found between the two. In this study, careful attention was given to understanding and identifying three main assumptions. Firstly, the degree by which the private developers' participation should be kept at a maximum level. Secondly, state agencies should be kept in a role of minimum direct intervention, but providing a great support. Thirdly, the professional contribution

would enhance the prevailing law/procedures from which documentation of property title will emerge. Fourthly, basic services should be geared to prevailing site-specific circumstances. Inconclusion, housing consolidation showed a greater performance in semi-informal housing areas than the other two types. Also, the current mechanisms in semi-informal housing areas have had a positive impact in accelerating and consolidating housing production in Egypt.

After almost four decades of trying to eradicate informal housing communities and unorganized housing areas, many governments in developing countries are taking a more accommodating attitude (Laquian, 1983). This change in attitude has brought about remarkable creativity in public efforts to provide shelter and basic services to the urban poor. In the recent past these attempts did not serve the target population and showed ineffectiveness in providing reasonable shelter for the urban poor (Gilbert and Varley, 1991; Soliman, 1991).

Lately, the attitude has changed from central provision to local enabling (Turner, 1983). The idea is that the greater the degree of equality of access to housing components is, (land, services, etc.) the larger the proportion of the population who can participate according to their economic enablement will be. On the contrary, this does not mean that they can be self-sufficient; there must be a form of cooperation with both market and state forces. Therefore, this study takes these four magnets, the state, the professionals, the market (the level of contribution of private developers in providing affordable and accessible land plots), and the users, into consideration. However, this book examines the mechanisms and the roles of the four magnets in the degree of housing consolidation in the informal settlements of Egypt. The intention is not to examine all housing components, rather it will concentrate on four assumptions, and also the process of land conversion and the degree of involvement of both the state and the private developers will be examined. Overall, this study does not deal in any detail with the role of the government in ensuring the housing components, not only because this has been discussed elsewhere (Gilbert, and Ward, 1985; Gilbert, 1984; Soliman, 1987), but also because there are various rationales as to why a government should become involved in housing. The policies regarding the upgrading, redevelopment and conforming of the informal housing areas pursued by the local authorities with the aid of the international community must also be elucidated. These policies are, in effect, decided upon in political contexts often marked by populism and authoritarianism, but also by attempts to decentralize/democratize which are not without effect on the nature of the urban projects pursued.

How might the political choices made in the informal housing areas be analyzed? Do they respond to real social demand? How the latter is identified, understood and represented? Can one simply facilitate or induce democratization from below through the "authorized or imposed participation of the inhabitant" in the projects at the informal scale? What are the modalities of implementation? What is the impact of urban policies intended to integrate and pacify, and which can also control, marginalize, or indeed exclude? What is the legitimacy of the large voluntarism urban sites that can be decontextualized? What city model does one intend to develop through these interventions in the informal housing areas?

THE INFORMALITY CONCEPT

The invention of the term informal sector is generally attributed to Keith Hart in his seminal article "Informal Income Opportunities and Urban Employment in Ghana" published in 1973. Hart spoke of income opportunities rather than sectors, and he defined informality simply as "self-employment." For Hart, informal income opportunities were ways for the poor to get by when neither corporations nor the government could provide sufficient employment for the expanding population. Hart's "informal income opportunities" varied in terms of legality, official registration, skills required, and so on, but because he used only the criterion of self-employment for definitional purposes, it was relatively easy to define a sector using his definition.

The ILO team that wrote the Kenya Report, making governmental support for "the urban informal sector" a major element in their recommended national development strategy, massively changed Hart's basic idea. The team divided the economy into two sectors, formal and informal effectively recreating and renaming W. Arthur Lewis's (1954) dualistic model of the interaction between the modern and traditional sectors in underdeveloped countries. They defined the informal sector using seven different criteria "*as way of doing things*" characterized by (a) ease of entry; (b) reliance on indigenous resources; (c) family ownership of enterprises; (d) small scale of operation; (e) labor-intensive and adapted technology; (f) skills acquired outside the formal school system; and (g) unregulated and competitive markets (ILO, 1972). In general, the ILO team saw small-scale industrial, handicraft, and repair establishments as the core of the informal sector and the priority for government support. Key assumptions underlying this development strategy were that poor countries must diversify from dependence on primary production through manufacturing, rather than through the

expansion of services, and that small enterprises generate more jobs and require less capital investment per job than larger firms (Bromley, 1990).

Even the neo-Marxist petty commodity production literature of the late 1970s often seemed to adopt a dualism analysis, and many observers concluded that the debates about the utility of the informal sector concept were largely semantic. Recently, however, a few authors began to question economy, especially the collection of "The Informal Economy" edited by Portes, Castells, and Benton (1989). Like many others before it, this book begins by assuming, ILO-style, that dualism; multicriterion definitions of formal and informal sectors can be applied. The three writers argue that these activities involve "the unregulated production of otherwise licit goods and services," and termed it a "novel economic trend." The resilience of the growth of informal arrangements was in context in which it was believed to be extinct or in which it was expected to disappear with the advance of industrialization. During the course of the text, however, as numerous authors and countries are involved and as subcontracting and alternative activities are emphasized, the initial assumptions gradually lose credibility, leaving the reader confused as to what "the informal sector" is and how it relates to "the informal economy" and to "informality" (Bromley, 1990).

While many economists writing during the 1960s clearly expected "traditional" (now called informal) activities to disappear in Africa and many developing countries; these activities have been recognized as significant, and growing, for at least two decades. The concept of the informal sector is fatally flawed as a tool of analysis or policymaking (Peattie, 1996). It would be better off substituting for the term "informal sector," phrases such as (according to purpose and context) "family firm," "self-employment," "small enterprise," and "working poor" (Peattie, 1987). The informal sector is therefore said to contain the mass of the working poor whose productivity is much lower than in the modern urban sector from which most of them are excluded (Breman, 1985). The informal economy is no longer novel in Africa (Stren, 1992), yet formulated a "dominant sector" in the national economy in many Third World countries. For example, in Egypt, the informal economy sector may account to formulate 30 percent of the national economy distributed between small, bigger to intermediate enterprises. It is estimated that around 68 informal housing settlements are located in the Greater Cairo Region, in which more than 11.39 million occupy these settlements.

For De Soto (1989) "informality" is the key to survival and success, ignoring or deliberately breaking unreasonable official rules

and regulations in order to make a living and to satisfy basic needs. In his view, "informality" occupies an intermediate position between "formality/legality," when all laws and regulations are complied with, and "criminality," when acts are performed clearly against official laws, basic morality, and the public interest. Arif Hasan (2000 and 2002) defines as "informal" all activity which is related to land development, affects land use and land values, and which, in whole, or in part, does not have *de jure* recognition. The main actor of informality processing is the intermediary, *Dallal, or Simsar*. Corrupt stake groups view informality as a mass response to mindless, pompous bureaucracy and to the manipulations of the economic system. Even though it may officially be illegal, it is not immoral because it breaks no basic moral codes and it is a simple necessity for the poor in order to make a living and satisfy their basic needs. In short, informality exists when the means are illicit but the ends are licit.

De Soto, in his book *The Other Path* and numerous short articles, has defined and elaborated a concept of informality with four fundamental characteristics. First, it is sociological in character, deriving from the interdisciplinary field of law and economics rather than from mainstream economics or sociology. Second, it focuses on economic activities and enterprises, rather than on individuals, households, or neighborhoods; it represents a way of doing things, rather than a fixed population or territory. Third, it bridges the gap between production and reproduction, dealing with the totality of income-generating and expenditure-saving activities. Fourth, it is not dualistic, because it does not presuppose that the whole economy is, or should be, divided into two sectors. De Soto sometimes uses the expressions "informal sector" and "informal economy," but they seem little more than alternative ways of saying "those activities and enterprises that can be deemed informal" (Bromley, 1994).

Thus, to the first definitional criterion for informality (*activities with illegal means but legal ends*), he often adds a second criterion, social utility, whereby the people involved and the society as a whole are better off if the law on these activities is broken than if it is obeyed. Applying the two criteria (*illegal means but legal ends* and *social utility*), De Soto gives numerous examples of informal activities in *The Other Path*, with a particular emphasis on trade, transport, housing, manufacturing and repair. He shows how the poor struggle to make a living and to feed, house and clothe themselves and their dependents. Although they achieve these objectives, they also contribute to the national economy, provide vital services, and enhance the nation's human resources through the development of craft and entrepreneurial skills

and through their increased capacity to educate themselves and their children. In some cases they help reduce the country's imports and indebtedness by providing goods, services, or both, that otherwise would have to be imported.

De Soto's (2000) new book entitled *"The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else"* argues that the poor inhabitants of Third World nations, five sixths of humanity, do have things, but they lack the process to represent their property and create capital. They have houses but not titles; crops but not deeds; businesses but not statutes of incorporation. It is the unavailability of these essential representations that explains why people who have adapted every other Western invention, from the paper clip to the nuclear reactor, have not been able to produce sufficient capital to make their domestic capitalism work. Why then are these countries so underdeveloped? Why cannot they turn these assets into liquid capital, the kind of capital that generates new wealth? For De Soto, this is the mystery of capital. De Soto explains how this unwitting process, hidden deep in thousands of pieces of property law throughout the West, came to be, how it works, and how today it can be deliberately set up in the developing and the former communist nations.

Some writers argued that property title alone does not help in economic development, but a high level of home ownership may even have a detrimental impact on economic development (Payne, 2002). In most cities title deeds cannot do a great deal of harm beyond accelerating the introduction of taxes on land and housing in poor settlements (Gilbert, 2002), but it seems that securing land title in some cities differs from others, by which it depends on different circumstances that control the system of a given environment, and the cost involved in legalizing land tenure (Soliman, 2003). However, informality in its simple term *is doing things that do not obey the prevailing laws or systems*. It involves using numerous mechanisms to avoid complying with prevailing legal procedures. It is doing things at the lowest cost to raise the maximum profit or doing things to avoid complicated procedures to implement things in the shortest time. In other word, informality exists when the prevailing law does not recognize *who owns what in which, and what is going on the market*. Therefore, examining the informality as a way of informal housing development is a crucial aspect in this study to understand the mechanisms of informality, and to understand why the urban poor are not interested in obeying the law. In addition, how to convert the informal housing into a formal one can lead this sector to participate probably within the national economic development and change its status from dead capital into live capital.

INFORMAL HOUSING DEVELOPMENT

In the second half of the twentieth century, the cities in countries in the southern part of the world witnessed the development on their peripheries of vast areas urbanized from below. Unplanned and unregulated quarters spread out on the fringes of formal planning: illegal housing developments and buildings, unplanned occupancy, self-built structures, illegal conversions of constructed property, private appropriation of public spaces, etc. Long denied, ignored or suppressed quarters appear like the accrued aspect of a resolutely modernist urban project conducted since the independence of these countries. For most of the regional metropolises, the entrance into the twenty-first century took place under the sign of the integration of urbanization by popular expression. In the context of economic globalization, the absorption and containment of unplanned zones of urban development have become imperative as a minimal response to the extensive liberalization of the use value of land and to the redistribution of resources and power in the city. The question of illegality of land and real estate today concerns the majority of the inhabitants of regional metropolises, as well as those of secondary cities. It can therefore no longer be contained in an unacknowledged fringe. Furthermore, from the perspective of an over all control desired by the local powers, the passage from a policy of containment to a policy of integration has become vital and it represents an inescapable reversal. The unauthorized quarters are finally being considered as integral parts of the urban matrix.

The urban informality has thus changed in nature; its form and its practices have been transformed by radical changes in the socioeconomic context as well as by the effect of development policies, of regularization or integration imposed or encouraged by the public authorities or by the international community. These changes and policies have introduced new dynamics in the quarters, to such an extent that it is today necessary to reformulate the framework and the analytical tools applied to them and to reconsider the matter of urban land and, more broadly, the new urban configurations: land liberalization, the appearance of new actors (i.e. NGOs), citizen participation, tensions between modes of production in the city and its practices. How was the new systems that designate (or sometimes do not designate) these informal areas be accounted for and deciphered? On the one hand, urban "informality" or "illegality" leads the researcher to diversified analytical terminology and repertories, which must be untangled, unregulated, uncontrolled sub-habitat, emerging areas, cancer areas, shantytowns, etc. On the other hand, the social and cultural representations of the

unplanned areas, often stigmatized by decision-makers and the media when they are not simply ignored by the local authorities, are excluded from the dominant representations. It is therefore also necessary to understand how the inhabitants of popular quarters predetermine themselves, the judgments and norms such as are applied to them, as well as the way "the other" regards them. Based on the modes of confrontation between urban law, norms and practices, a critical approach is needed to the formalization of the informal housing areas, to the issues and the postulates of this formalization. Finally, one must consider the hybridization of legal land systems governing the right of land use that can well be the driving force behind the urban dynamics in the informal housing areas. Do the day-to-day adjustments, the individual arrangements (between occupants, holders of property titles, authorities) concerning the right of use of land and constructed property not call into question the often-simplified ideas of the absence of regulation in the informal and irregular areas?

The book therefore proposes to approach the question of irregular quarters and of popular expression mainly on the basis of the tension created between, on the one hand, the actual attempts at integration (regularization policies, projects for development or improvement of the environment, new forms of urban management) and, on the other hand, the internal or specific dynamics of the quarters. The dynamics of the actors, the renewal of action systems, rendered possible or not by the necessary modernization of the quarters or legalization of informal development is the dominant axis of the book.

The areas of "popular expression" must also be analyzed according to their urban and spatial practices and modes of social appropriation. Recent studies have brought out the social or communal capital of these areas, their creative capacities in which ways of developing the city are revealed, without all that confining them to a cultureless or ideal approach. Expected in this regard are sociological, anthropological and political papers and exchanges on the internal dynamics, the fluidity of sociability, their urban organization, the types of social alliances and the modes of control of political resources which bring into play actors from within and from without the informal areas.

What is the political and social networking? How are the political and urban resources, public or comprehensible, rendered, and what have been the modalities of social transaction for an authorized or spatial acknowledgement? How is the informal area produced from day to day? What is the nature of the relationship between the informal area and the city? How are the notions of community and territory to be specified? Are these informal areas indicative of a new urban condition,

of a new territorial question or, on the contrary, are they indicative of vernacular societies reflecting local appurtenances?

Examination of the urban informality should also begin with trans-regional comparison between the main metropolis of Cairo, the second metropolitan area of Alexandria and a sample of the intermediate City of Tanta. One must be able to grasp these new modes of hybridization of cities and their management, as much based on their similarities as based on the expression of their differences and their local legal, cultural and social specificity.

INFORMAL HOUSING TYPOLOGIES

To give a name to urban illegality also leads the researcher to represent and classify it. How might one account for the recovery of these areas, for their extent and their limits, in the methodology and in the attempts of definition and classifications, but also in the modes of cartographic and statistical representation? In this study, housing typologies have differentiated informal settlements, which are built on either agricultural (private) or desert (state) land, thus depending on a physical definition. The main typologies and their sub-typology classifications have been reached. These typologies and possible sub-typologies were discussed, to elaborate these types and to set a first detailed list of possible typologies. This main typology has been classified into three classifications; the first is informal residential development on agricultural privately owned land and the second is informal residential development on state desert land. The third is the informal residential development within the blocks of the public housing sector. The first classification is known in the literature as semi-informal settlements, while the other classification is known as squatting settlements. On the other hand, the current classifications may be confusing and diverse in some cases. In addition, some sub-typologies may combine other characteristics from other typologies (such as *Nadi El Said* and *El Dekhila* areas). This area has been established on fill in a part of *Lake Maryout* and a part of it being established as land reclamation.

The preliminary study carried out by the ILD team in 1996 had listed a typology of nine residential areas to be analyzed for the formalization of Egypt's urban informal sector. Three areas were classically informal, and the other six more or less formal. This classification was under an umbrella of three main typologies of informal residential areas in Greater Cairo and was used as the base for this analysis. A greater detailing of the informal typologies is necessary to ensure that the main (1) location, (2) temporal and (3) land tenure characteristics of each

informal typology can be targeted to gain a fair representation of the aggregate of informal areas in Egypt.

Spontaneous settlements or informal housing areas provide an estimated 54 percent of the total housing units and occupy an area of approximately 8,000 hectares (assuming that each hundred square meters of land contains two housing units). Informal housing areas constitute a considerable proportion of many Egyptian cities. Several studies (Soliman, 1996b) indicated that at least 11.2 million people or 20 percent of the total Egyptian population are living in such settlements. In Cairo and Alexandria, the proportion is 36 percent, but in *Giza* (*El Guizeh* in Arabic) it is as high as 60 percent. On the other hand, an official statement (Egyptian Popular Parliament, 1992) indicated that the total number of people living in informal residential areas is about 8.1 million. There is considerable doubt about this figure, since a single informal settlement in Cairo (*Ezbet El Haganah*) accommodates at least one million persons. On the other hand, it is estimated (*Al Akhbar*, 1996) that the total population of informal areas exceeds 15 million people, or more than 50 percent of the total urban population. In particular, it would also be necessary to see which norms are at the source of legalization procedures or of the information of the informal housing areas, to observe how, between occupants contracting parties, proprietors, public authorities, etc., different systems of values and representations are confronted with the application of the law within the machinery of regularization. It would be relevant to go more deeply into the relationship between the law that confers ownership and the right of occupant use, or again, the effects of the procedures of regularization or adjustment of the right of land use when these procedures ignore the prevailing legal system based on an admixture of customary and positive law.

Formalizing informal housing areas is an essential key to improving the operation of urban land markets because the efficient and equitable use of land depends on maintaining a balance between different (and often conflicting) interests in the land market. However, formalizing informal housing areas is a critical and an important issue for urban development in that it can, firstly, increase land delivery systems, which facilitate accessibility to housing plots to accommodate the growing population. Secondly, it can sustain land prices in the markets, which would give various options for the wider society to obtain plots for housing construction at reasonable prices. Thirdly, it can improve the urban management in the municipalities, which would control urban sprawl in the periphery of the major urban centers. Fourth, it can enhance the environment of the municipality and improve transparency and trust between the various actors involved. Fifth, it can be an effi-

cient way of identifying different and changing needs and provide adequate access by all actors to essential information. Sixth, it can create an environment of trust that facilitates access to financial resources. Seventh, it can increase the level of economic investment of the urban poor by using their houses as collateral for economic development. Eighth, it can encourage the urban poor to invest their housing as collateral in various aspects of economic development as a way for poverty reduction. Ninth, it can enhance the possessions of the urban poor as part of the economic reform policy. Finally, it can increase the market performance through legalizing the property and transaction rights of citizens.

PUBLIC/PRIVATE PARTNERSHIPS IN LAND PROVISION

The first focus of the City Conference "Fit Dwelling for All," which was held in Istanbul in June 1996, called on all governments to conduct appropriate measures to help, support, protect, and guarantee the implementation of the principle of people's right to a proper dwelling place, a right which basically springs from the 1948 Universal Declaration of Human Rights. Within the frame of a feasible solution in this connection, it is expected that the said measures would include protection against discrimination in relation to dwelling places, supplying the right of tenure, equivalent access to sites, effective protection against coercive displacement, and adoption of policies that aim at making houses fit for living easily available at equitable prices.

The "enabling approach" to shelter exemplified by the Global Shelter Strategy (GSS) implies a radically different role for government, withdrawing from mere "procurement and supply" to one of "enabling." Actually, the success of the entire process is subject to the ability of the authorities to adapt to, and make plans for, a new role for them to pick up. This requires that they simplify and modernize their bureaucratic procedures, facilitate legal and fiscal arrangements, and provide basic facilities and services, which local communities cannot provide for themselves and which are conducted largely through community participation, and hand in hand with all specialists in various aspects and modes of housing activities.

However, there is a hidden meaning under the above declaration that some sort of cooperation, or participation and/or partnership between governments, private sector and people in needs for shelter, is taking place. It became apparent that the activities of grassroots organizations and NGOs are essential in poverty reduction in urban areas. In

addition, the creation of a space for the urban poor became an important task where they can decide for themselves which is which (Baumann, 2001). The interaction between community organizations and the state may be better understood as being the means for the distribution of scarce resources between on the one hand, a state that is unable to provide comprehensive infrastructure and services and, on the other, urban citizens who seek neighborhood improvements (Mitlin, 2001). This sort of partnership varies dramatically all over Third World countries. It might be a partnership between public and private sectors in providing or facilitating the provision of services or a cooperation in facilitating the flow of housing components (building materials, land, etc.) or a partnership in tackling cost recovery of a housing project (some sort of saving or subsidy or a combination of them, or housing cooperatives), and finally a partnership in simplifying the building and planning procedures, and land transaction and registration. This kind of partnership usually takes a formal relationship between public and private sectors, while the informal partnerships between public/private sectors are very rarely questioned in Third World cities. On the other hand, public/private partnerships in land provision for housing the urban poor are hardly found in the literature (Payne, 1999).

Land is the most important issue of housing for low-income groups. To be effective, policies must shift toward the development of land in a manner that can make sufficient land available (UNCHS, 1983). Commercial private developers, the urban poor, and the government are the key actors whose contribution is essential in delivering land at a reasonable price to accommodate the growing urban population in countries like Egypt. The three groups therefore need to cooperate actively to facilitate the supply of affordable land. The need for land is not confined to production and dwelling alone. It also includes social and economic performance. While the basic framework of land policies and strategic planning is conducted at a national level, the major responsibility will have to be allocated to local and municipal administrations. To implement reforms like these requires that a new mode of urban management be established.

A study for the procurement of necessary land for the establishment of habitation areas is the basic and primary constituent of integrated development. The state is the only body that possesses the power and abilities to provide this constituent factor, which it does through calculation. The development lies within the frame of integrated development conducted through a chain of policies which help enhance the supply of the land delivery system. These policies are a means of keeping control over unplanned growth by setting rules and procedures for

allocating land in accordance with different access levels for the target groups, besides which a study of appropriate legitimate rules and conditions for legalizing land possession, without using it in stock exchange competitions, guarantees the stability of the development process.

The nature of partnerships in Egypt takes various forms; formal, informal and hybrid. There are a few examples of formal partnerships, whereas informal partnerships exist in Egypt by which the majority of urbanized land is being established outside the official procedures. Within this context, there is a joint arrangement between public and private sectors and a third party, without contract, working and operating together for individual benefit. The system does work in providing land provision for housing the urban poor. What forms will this take if the government does not recognize these informal arrangements and how will the majority of the urban poor solve the problem of housing where the informal sector is doing the most?

This section assesses public/private partnerships in land provision for housing the urban poor in three Egyptian cities. The implications of this process for access to land for housing different income groups are highlighted. The role of each group in facilitating the delivery of reasonable housing sites is reviewed. In addition, the mechanisms of informal arrangements for access to land are examined to assess the role of the state, private sector and beneficiaries in this process. Neither the state nor the urban planner is in a position to regulate the growth of informal housing, or to represent the interests of the citizens. The retreat, or absence, of the public authorities from the administration of the informal development, the crisis of confidence between the state and the governed and growing deficit of urban policies cannot be concealed. Urban research has not yet exhausted the analyses of the exercise of power in the city, of the mechanisms for correcting urban inequalities between central and peripheral areas, or of the modes of shared governance now emerging. In order to have access to a "minimum right to the city," city dwellers are more and more frequently organizing themselves on localized levels. They group themselves according to different modalities, which extend from traditional communalism to formal associations (secular, religious), by way of political violence.

The assertion of the inhabitant/actor, although not inevitably creating new identities, nevertheless favors the emergence of new communities of interest and the reconstitution of alliances (private/public, persons of note/officials and religious figures/politicians). The organization of the inhabitant as a collective actor in his area is often recognized at the setting up or negotiation of urban projects in the vicinity. The

main questions to be answered are: How do the state and the municipalities, who make the rules of the urban game, assimilate these forms and non-forms of government that elude them? How are the relations between the state and citizen in different contexts (from the main metropolitan to the intermediate city) to be considered in the light of initiatives at the level of the informal/ex-formal areas and of negotiations and demands? How does popular management in the quarters by the inhabitants or shared management with new forms of partnership between the associative sectors, private and public, affect urban politics and the role of institutional actors? Finally, can one evoke a political culture of "urban legality or para-legality or extra-legality"? The conflicts and strategies of the collective actor for access to the city quite often favor a redevelopment of the rules of power. Significant advances concerning the right to the city have been acquired in Latin America (De Soto, 1989), but does the notion of urban movement have significance in Egypt? The book suggests that once informal residential areas are established, it is difficult or impossible to dispossess settlers. The formulation of informal residential areas is attributed to the informal cooperation among the three groups, and the nature of this partnership has facilitated, directly or indirectly, access to reasonable housing sites for the benefit of the urban poor. This report will therefore seek to address the following questions: What is the nature of partnerships for land in Egypt, and who are the actors involved in facilitating access to land for housing the urban poor? What are the differences between the private and public sectors, and who are they? To what extent do partnerships in land provision facilitate access to housing?

THE STRUCTURE OF THE BOOK

This book treats the key issues of informal housing development in four parts. Each part focuses on one aspect of the issue and the four together form an integrated package. The book begins with an introductory chapter which reviews the theoretical background of various issues arising within the study. An attempt is made to reach a clear housing classification that would help in setting up a possible way to formalize informal settlements in Egypt and elsewhere in other cities in the South.

Part One deals with the existing socioeconomic and physical settings of the three Egyptian cities and housing policies of Egypt. It contains two chapters. The first chapter examines the broad patterns of socioeconomic growth in Cairo, Alexandria and Tanta City, the nature of their physical development and, finally, the levels of formal and in-

formal land and housing production. Each city presents a different type of informal housing development for the urban poor. The Cairo region accommodates about 25 percent of Egypt's population and 45 percent of its urban residents. It has three main constituents, Cairo City, *Giza City* and *Shubra El Khaima* districts, which belong to three separate governorates. At present, the city of Cairo alone represents 14 percent of the total population of the country and constitutes 31 percent of its urban population. The city spreads outwards to agricultural and desert land, which is the only way to provide new locations for housing plots to accommodate the growing population. Due to increasing and continuous encroachment, about 630 hectares of agricultural land are lost yearly to urban land uses, informal developments and inferior living standards. Twin cities are designed to maintain links with their main city. Zoning laws segregate industrial uses from housing and land subdivision regulations allocate large percentages of land to roads and open spaces leading to costly developments. The city extends eastwards, but it is constrained by agricultural lands that are protected.

Alexandria, the main port and second economic center in Egypt, has implemented a range of public/private partnerships in land provision for housing the urban poor. The urban fabric of the city is characterized by unsuitable land location for residential development, a sharp increase in land prices, and lack of suitable land for housing the urban poor. Most of the informal housing areas are located in the southern part of Alexandria City, adjoining the industrial zones of the city and close to both the city's ring road and the agricultural areas. The third city is Tanta. Two important components have affected Tanta's urban growth: informal housing development and rural-urban migration. Informal housing areas constitute a considerable proportion of Tanta City and occupy the peripheral areas.

Chapter two emphasizes the housing shortage and its imbalance in the housing market in Egypt. It has been of great concern to policy makers. The rapid urbanization process that is combined with the increasing population growth, rural to urban migration and the dualism in economy has significantly contributed to excess demand over supply in the housing market, particularly for the lowest strata of Egyptian society. Prior to the revolution of 1952, the state intervened primarily to sustain social control over society and to alleviate the rapid spatial growth within the major urban centers in order to protect public health and safety in overcrowded and informal residential areas. Recently the state acted as a main partner in providing the main components of housing production. Current housing policies are aimed at controlling the urban growth, increasing the housing stock and upgrading the exist-

ing informal residential areas. Despite recent developments in housing policies, the continuing deterioration in housing conditions, the low level of housing production, and restricted building regulations, the need has been created for policy analysis and programs to be aimed at addressing current and future housing needs. This chapter highlights an overview of housing policy development in Egypt, and examines the key provisions of housing performance, structural changes in the housing delivery system and political pressure on different housing policy initiatives.

Part Two includes three chapters and emphasizes urban informality within three Egyptian cities. Chapter three examines unplanned and unregulated quarters. They spread out on the fringes of formal planning and include illegal housing developments and buildings, unplanned occupancy, self-build structures, illegal conversions of constructed property, private appropriation of public spaces, etc. The hybridization of legal land systems governs the right of land use that can well be the driving force behind the urban dynamics in the informal housing areas. What is the nature of the relations between the informal area and the city? De Soto sometimes uses the expressions "informal sector" and "informal economy," but they seem little more than alternative ways of saying "those activities and enterprises that can be deemed informal." In addition, how may the informal housing be converted into a formal one in order to lead this sector to participate probably within the national economic development, and how may its status be changed from dead into live capital? Chapter four examines the main typology of informal housing development. It has been divided into three classifications. The first is informal residential development on privately owned agricultural land and the second is informal residential development on state desert land. The third is the informal residential development within the blocks of the public housing sector. Housing consolidation showed a greater performance in semi-informal housing areas than the other two types. The current mechanisms in semi-informal housing areas have had a positive impact in accelerating and consolidating housing production in Egypt. After almost four decades of trying to eradicate informal housing communities and organize housing areas, the Egyptian government is taking a more accommodating attitude. How may one analyze the political choices made in the informal housing areas? Do they respond to real social demand? What city model does one intend to develop through these interventions in the informal housing areas? Chapter five reviews a partnership between public and private sectors in land provision for housing the urban poor. It might facilitate the provision of services and facilitating the flow of housing

components (building materials, land, etc.). A partnership in tackling cost recovery of a housing project (some sort of savings or subsidies or a combination of them, or housing cooperation) is illustrated within the three Egyptian cities. A partnership in simplifying the building and planning procedures, and land transaction and registration is reviewed. This kind of partnership usually takes a formal relationship between public and private sectors, while the informal partnership between public/private sectors is very rarely questioned in Egyptian cities. On the other hand, public/private partnerships in land provision for housing the urban poor are hardly found in the literature. Government needs to change the way it works to encourage people working within the legal system. Both formal and informal partnerships are needed in increasing the land delivery system to accommodate the growing population, the majority of whom are within the category of the urban poor. Part three contains three chapters, and examines public/private partnerships in land provision within the three Egyptian cities. Chapters six, seven and eight examine in detail public/private partnerships in land provision for housing low-income groups in Cairo, Alexandria, and Tanta, respectively. A comparative study has been done to illustrate the various partnerships in the three cities and how they are varied, from one city to another, and even within the city itself. Various mechanisms have played major roles in the way various actors were involved. Public/private partnerships in land provision have been introduced in various ways: private sector developers changed land from agricultural into residential use, while government support indirectly assisted this change by erecting some public housing blocks, constructing new infrastructure passing through agricultural fields, or permitting the construction of new housing developments. The last chapter highlights the main lessons learned from the study. It concludes with a summary assessing some of the key lessons offered by the case studies and identifying their implications towards a common ground. It is hoped that lessons learned might apply to other cities in Third World countries with similar characteristics.

NOTES

1. Actor in England sounds too much like a person who performs in the theatre, but throughout the text it is used as an accepted technical term in the literature.

2. LE Livre Egyptien (French). The US$ was equal to 3.4 LE at the time that this study was carried out (October 1999- June 2000).

3. Semi-informal housing, throughout this study and other literature being written by the author, is sometimes written as semi-formal housing, so both terminologies have the same definition.

CHAPTER 2

URBANIZATION AND URBAN DEVELOPMENT IN THREE EGYPTIAN CITIES: CAIRO, ALEXANDRIA, AND TANTA

Informal urbanization on private agricultural land surrounds the periphery of the major urban centers in Egypt.

EGYPTIAN CONTEXT

This chapter examines the broad patterns of urbanization and urban development in Cairo, Alexandria and Tanta cities, the nature of their physical development and, finally, the levels of formal and informal land and housing production. It also gives a brief background of the Egyptian environment. The aim is to explore the level of informal residential areas and their effect upon stimulating residential developments in certain locations within the urban fabric of the three cities. The role of each party involved in the provision of land, either formally or informally, for housing the urban poor is also highlighted. A comparative study is undertaken to examine the various partnerships in each city,

and the consequences of their land delivery systems. Each city presents a different type of private/public partnership in land provision for housing the urban poor. The majority of Egypt's 65 million inhabitants are concentrated into about 5 percent of the country's land area (http://www.undp.org.eg/profile/egypt.htm). This is mostly agrarian land, which is concentrated in the narrow Nile Valley and Delta. The high population density puts a heavy burden on Egypt's infrastructure and services, and it has caused massive migration to Cairo and Alexandria, resulting in urban overcrowding. This explains why Egypt has "turned to its deserts" for expansion, despite the heavy costs involved and the impact on its limited water resources. The most recent of such projects is the *"Toshka"* mega initiative, which aims to reclaim 420,000 hectares in Southern Egypt, by diverting Nile waters from the *Toshka* overflow basin through a 360 kilometer-long canal into the desert. The ultimate goal is to develop arable land for agriculture, create jobs and establish human settlements.

Egypt's economy mainly relies on four sources of income; tourism, remittances from Egyptians working abroad, revenues from the Suez Canal and oil. World Bank data suggest that almost 50 percent of Egypt's GDP in 2000 was generated by the service sector. Tourism, which accounted for 4 percent of GDP in 2000 and is overall the country's largest revenue earner, employing of 2.2 million people, was severely affected by the terrorist attacks on the United States in September 2001. According to official sources, Egypt's real economic growth has declined from approximately 5 percent to 2.1 percent per annum. Independent assessments indicate that GDP growth for 2001/2002 will only be 1.5 percent, which will not be enough to absorb Egypt's growing labor force. However, with inflation rates going down to 4 percent from a level of 21.9 percent, family consumption is growing at a per annum rate of 4.5 percent.

Since the 1990s, the shift to a free market economy and the adoption of economic reforms and structural adjustment has produced mixed results. Stabilization programs have been successful, and a series of IMF stand-by agreements, along with massive external debt relief, helped Egypt improve its macroeconomic performance during the 1990s. Meanwhile fiscal balance, foreign reserves, and external debt have improved compared to the late 1980s. By mid- 1998, however, the pace of structural reform slackened, and lower combined hard currency earnings resulted in pressure on the Egyptian pound, resulting in its devaluation against the US dollar (in May 2002, 1USD = 4.60 LE).[1] The impact of such devaluation on the purchasing power of the ordinary Egyptian is yet to be measured. The streamlining and moderniza-

tion of Egypt's civil service, through civil sector reform and privatization programs is ongoing. Layoffs are partly responsible for the relatively high rate of unemployment, despite national efforts at job creation. The private sector is still not large enough to absorb new entrants into the labor force.

The main objectives of Egypt's National Development Plan 2002-2007 are: improving the quality of life and the standard of living, increasing employment opportunities and reducing unemployment, reducing poverty incidence and provision of social security for poor families, increasing rates of economic growth, increasing female participation in development, improving human resources, and finally, preserving the environment. The aim is to enhance the living conditions of the urban poor, and to improve economic performance. Cairo, the national capital and main economic center, provides valuable information on a variety of land delivery systems and informal settlements. Alexandria, the main port and second economic center in Egypt, has implemented a range of public/private partnerships in land provision for housing the urban poor. The third city is Tanta. It is the main economic center in the Delta area, and represents an excellent example of an intermediate city in the country. For some decades now, the ways and means by which the housing policy in Egypt developed and the difficulties that were faced in drawing up a clear strategy have been an important issue. Egypt's population has grown ten-fold during the last century and a half. Cairo has grown thirty fold during the same period. The story of this dramatic growth of a country and capital is not unique in the Third World. The difference is one of scale. During the last five decades, Egypt has seen a continuous transformation in the socioeconomic and political development of housing policy. This transformation has occurred due to urban population growth, development of the economic situation, changing of the political circumstances, and arbitrary spatial growth.

Firstly, Egypt's urban population has grown steadily through the twentieth century, nearly tripling from 1947 to 1976, while the over all population doubled. The 1986 Census found 48 percent of the population living in urban areas (CAPMAS, 1986), concentrated primarily in Cairo, Alexandria, Suez Canal Cities, and scattered 157 intermediate cities. The 1996 Census recorded a national population of about 59.272 million, with an annual increase of 1.25 million or 2.1 percent (CAPMAS, 1996). As illustrated in Table 2.1 the total population of the country is projected to reach 83.7 million by the year 2017. The total area of Egypt is around one million square kilometers and 96 percent of it is desert, and the remainder covers arable land and residential areas in

Table 2.1. Current and projected population in Egypt between 1996-2017

Region	Governorate	Population in 1996 census	Projected population in 2017	Projected increase in population
Greater Cairo Region	Cairo	6.789	7.784	0.995
	Giza	4.780	7.449	2.669
	Qaluobia	3.905	5.957	2.054
	Total	14.873	20.590	5.718
Delta Region	Menoufia	2.758	4.101	1.343
	Gharbeah	3.905	4.269	0.864
	Kafer El Sheikh	2.223	3.348	1.125
	Damietta	0.915	1.256	0.340
	Dakahalia	4.224	5.775	1.551
	Total	13.525	18.749	5.224
Alexandria Region	Alexandria	3.328	3.850	0.522
	Beharia	3.328	5.608	1.027
	Matrouh	0.212	0.502	0.290
	Total	7.521	9.960	2.439
Suez Canal	Northern Sinai	0.253	0.335	0.082
	Southern Sinai	0.054	0.084	0.030
	Port Said	0.469	0.670	0.201
	Ismailia	0.715	1.172	0.457
	Suez	0.418	0.586	0.168
	Sharqhia	4.288	6.194	1.906
	Total	6.197	9.041	2.844
Upper Egypt	Bani Souef	1.860	2.762	0.902
	Menehia	3.309	4.855	1.546
	Fayoum	1.990	3.181	1.191
	Total	7.159	10.798	3.638
Assyout Region	Assyout	2.802	4.101	1.299
	Wadi Gadid	0.143	0.162	0.025
	Total	2.944	4.268	1.328
Southern Egypt	Souhag	3.123	4.771	1.648
	Qenha	2.441	3.432	0.991
	Luxour	0.360	0.502	0.142
	Aswan	0.974	1.172	0.198
	Total	6.898	9.877	2.979
Red Sea Gove.		0.150	0.413	0.263
Total of Egypt		59.277	83.702	24.430

Source: General Organization for Physical Planning (GOPP) (1999) Map for Development and Urbanization in Egypt, Ministry for Housing, Utilities and New Communities, Cairo, Egypt.

which the population of Egypt lives in only forty thousand square kilometers. This gives an over all density of around 1250 people per square kilometer. At the beginning of this century the population reached 69.2 million with an annual increase of 1.3 million.

Two important components have affected Egyptian urban growth: natural increase, rural-urban and urban-rural migration. Natural increase is responsible for two-thirds of urban growth during the period

1966-1996 and migration of one-third. Between 1976 and 1996, Egypt's population rose from 38 million to 59.277 million, an increase equal to the total population of Egypt in 1956. There is a tiny decline of the urban population from 43.8 percent in 1976 to 43 percent by 1996. This has led to stabilization of the urban population on the one hand and stabilization of rural migration to large cities on the other. This stabilization of urban population has affected the rapid physical growth of large villages and intermediate cities. In addition, the urban agglomeration witnessed spontaneous housing development on the peripheries. The consequences are brutal on rural areas, decreasing the rate of agricultural production, structural movement of society, increasing the pressure on various utilities, increasing the demand for housing, and finally the spread of spontaneous residential areas on the periphery of urban centers.

Secondly, in the last five decades the development of the economy in Egypt has changed dramatically, taking the form of formal and informal economy. The Egyptian economy is characterized by a difference in social customs between the subsistence sector and exchange sector of an economy, a gap in the level of technology between the rural subsistence sector and the industrial magnetized sector. It is a gap in the level of per capita income between the regions of a country if the cash economy and industrial development are geographically concentrated, and it possibly a gap in terms of cash investment in which a distinction between formal and informal enterprises exists. Dualism is a concomitant of the growth of a cash economy, which may either arise naturally as a result of specialization or be imposed from outside by the importation of an alien economic system, typically capitalism. This transformation of economy in Egypt has major effects on the society in a variety of ways; among them are the creation of an informal economy, and the establishment of informal residential areas in which the urban poor live.

Thirdly, with the emergence of the 1952 Revolution, new reforms were introduced by which the structure of Egyptian society changed, from the dominance of the feudal system into incentive industrial and socialist systems. The task of the reforms was to provide incentives' stimulus from the subsistence sector (rural population) and to draw the subsistence sector to the top of the economy. With the beginning of the 1960s, the employment system changed in Egypt, whereby many people who were involved in the formal sector (such as civil services employed in various governmental offices) sought job opportunities outside formal working hours. Thus, the creation of informal employment, among the people who were responsible in formulating the general pol-

icy for the country, gave the chance for other people to follow them. These people had the privilege of having higher social status by virtue of their official positions, thus, they enjoyed high salaries from both formal and informal jobs. At the beginning of the 1970s, the political circumstances changed, and subsequently the economy changed into *Infitah* system *(open door policy)* followed by an arbitrary free economy policy, and currently within a capital oriented policy (Ikram, 1980). The changing of the political circumstances with a free economy had encouraged, or at least accelerated, the level of urbanization within the country. It also encouraged more people to move to the main urban centers, which put further pressure on the primate cities and increased the demand of urban housing, especially for the people most in need of it. People who could not find work in the formal sector, classified as under employed and unemployed, found their way out in working as casual workers or in small private enterprises, or in self-sufficiency work, or as hard currency dealers, or in the black market. Those people who worked in the informal sector became economically efficient and earned profits, although in many cases small in scale and limited by simple technologies and little capital. It may be viewed that people in formal employment earn more than that in informal employment because its proponents do not appreciate that there is no necessary correlation between high income and high social status.

Fourthly, late in the year 2001, the country witnessed a hard currency crisis against the US dollar. The crisis reached its peak after the attack on America on 11th of September when the exchange rate of the US dollar against the Egyptian pound rose from 3.4 in September 2000 to 4.5 before the Eleventh September of 2001. After the September crisis, the Egyptian government introduced a new exchange rate against the US dollar that allowed a fluctuation percentage of 3 percent up or down in the announced value of the Egyptian pound by the Central Bank of Egypt. In January of 2002, the Egyptian pound collapsed against the US Dollar to reach 5.25 LE. This fluctuation has affected the market mechanisms where all the commodities have risen between 20-30 percent of their original prices before September the 11th. The consequences are the appearance of a black market for hard currency, the increase in building material prices with an average of 25 percent of its original prices, and a drop in the tourism industry. All of these helped in the scarcity of hard currency and the decline in the national growth production which affected the annual growth rate per capita.

Finally, the salient physical changes in the urban areas are the result of the changes of the economic situation, and the growth of development in Egypt. The consequences were the spread of the built-up

areas in the major urban centers and the development of continuous built-up areas between intermediate and small sized cities. The new built-up areas around the traditional, compact city cores are characterized by a new pattern of spontaneous development or arbitrary physical growth, called village towns, urban villages, *Ashwaiyyat* etc.[2] This uncontrolled development has occurred in the absence of planning controls, specious land ownership, and a lack of a national urban planning policy. The spread of the urban centers to the surrounding areas is considered as if it concerned a natural process; stretching, spreading out, overflow, arbitrary growth, and ruralization of urban areas etc. originating in ecological phenomena. Thus, for example, expressions like invasion into agricultural areas or state lands, conquering of areas, occupying key positions, squatting on public land etc., have been widely used in most of the Egyptian cities, and are related to perceptions of the struggle of immigrants to settle in the urban areas.

This spontaneous growth has been associated with social and economic segregation in the urban areas, and it has separated the old quarters within the city from the new areas. The spatial growth in Egypt is divided into specific functional sections and is devoted to transportation, commerce, administration, education, manufacturing, and residential. The arbitrary housing development, *Ashwaiyyat*, spread into three major counteragents: the primate cities, the new established regions, and intermediate cities. The arbitrary physical development has led to urbanization of the rural areas and realization of urban areas. A lump sum of money has to be paid by the government to alleviate the health hazards. This trend is not limited to urban agglomerations alone but can be observed also in the intermediate cities such as *Tanta*, *El Mansoura*, *El Mahalah El Koubra* etc. Also the villages and towns located on their peripheries grew rapidly, especially in Lower Egypt. Therefore, the arbitrary roles of the informal residential areas put further financial burden on the government. On the other hand, these areas destroy the homogeneity of the natural growth of the cities, and weaken the planning control over the urban areas.

To sum up, the swiftness of urban growth, the fast change of the economic situation, the changing political circumstances, and the arbitrary spatial growth have led to a rapid formal and informal urbanization process by which informal residential areas were formulated on the periphery of the major urban centers. These areas are constructed, as direct responses to the shortage of housing for the low-income groups, also these areas are the main outcome of a lack of an accurate housing policy within the country. The question is: Has the state succeeded in stimulating the socioeconomic development in setting up a proper

housing policy? Did these policies achieve their objectives? The following section examines briefly these issues in the light of history and urban development in the three Egyptian cities. The following section examines the context of each city and highlights the main physical growth characteristics.

EXPANSIONS OF THE GREATER CAIRO REGION

The Greater Cairo Region passed through several stages of urban expansion, and it was affected by the transformation of the socioeconomic and political milieu. This transformation could be divided into five stages, explained below.

POST-WAR CAIRO

The immediate post-World War II period is a convenient point at which to look at Cairo and to set the scene for its subsequent explosive growth, in which the development of informal areas played such an important part. In 1947 the Census recorded that Cairo contained a population of just over 2 million inhabitants. (The population of what was eventually to be the Census definition of Greater Cairo was estimated to contain 2.8 million inhabitants at this time). Already migration to Cairo had been heavy, and the city's population was expanding at over 4 percent per annum. Construction activities had been frozen during the War years, aggravating the already high levels of overcrowding of the existing housing stock (densities averaged over two persons per room).

Due to the free-spending ways of the Allied armies, the city's economy had enjoyed a boom, and Cairo's industrial base soon started to expand rapidly as bourgeois industrialists began to invest heavily in consumer industries, protected by high import tariffs. Basic infrastructure was in place in terms of roads, Nile bridges, railways and trolley lines and also in terms of water and waste water systems and power grids. Cairo did not lack the professional and business classes (many of whom were non-native) that are instrumental in the development of capitalist cities. In effect, Cairo was poised to begin expanding at a scale never seen before in its history. Leading up to the War, Cairo had already begun expanding out of the traditional core made up of the historic or Eastern town and the European or Western sector (today's downtown), mostly to the north on two axes, *Shubra/Road El Farag and Abbassia/Heliopolis/Matariya/Ain Shams*. In the south the agglomerations of *Maadi* and *Helwan* were small isolated satellites. Across the

Nile there was very little development, restricted to urban quarters near the traditional village of *Giza/Dokki/Agouza*.

In post-War Cairo the poor mostly crowded in the Eastern town. Already there were quarters that might be called informal, although sub-standard tenements were the preferred description, especially in *Boulaq, Road El Farag*, and South Cairo. Unplanned and random extensions were limited to incipient add-on to traditional in-lying villages such as *Imbabah (Kitkat), Mit Okba, Kom El Gharb*, etc. There was already an established pattern of poor rural migrants finding basic accommodation in the crowded eastern town, as they prospered and their families grew, to seek affordable housing in either the tenements or expanding villages. In the late 1940s Cairo had no independent local administration, and central ministries and utilities concessions rather confusingly controlled urban affairs. Moreover, there was no form of planning mechanism or guiding master plan. Urban development was regulated mainly through the Subdivision Law (52 of 1940), which set quite high and European standards for lot layouts, public spaces, and the requirement that infrastructure needed to be in place before plot sales could begin. The Egyptian Government had not undertaken a single public housing project.

EXPANSION UP TO 1967

With very few exceptions, Cairo's expansion during the two decades 1947-1967 was at the expense of agricultural land. Most of this was formal expansion, especially in *Mohendeseen, Dokki, Hadaek El Quba, and Shubra*, and it was either directly government sanctioned or through private land development companies or through the replacement of military camps (for example *Abbassia* area). The population of Cairo continued to grow rapidly (expanding to 3.4 million inhabitants by 1960, at a rate exceeding 4 percent per annum).[3]

The main axis of growth continued to the north, where the wide Delta plain invited easy conversion to urban use and where development was pulled both by the newly established industrial areas of *Shubra El Khaima* and also by numerous public housing projects and factories located in the wide wedge of agricultural land (*Amerta, El Wayli, Zawia El Hamra*, etc.) lying between the earlier two northern growth paths and conveniently accessed by the new extension of Port Said street. The west bank of the Nile also quickly urbanized, mostly in the form of middle class subdivisions at the vanguard of which was *Madinet El Mohendeseen*. There were also additions to *Helwan and Maadi/Maasara* and to the northeast axis (see FIGURE 2.1).

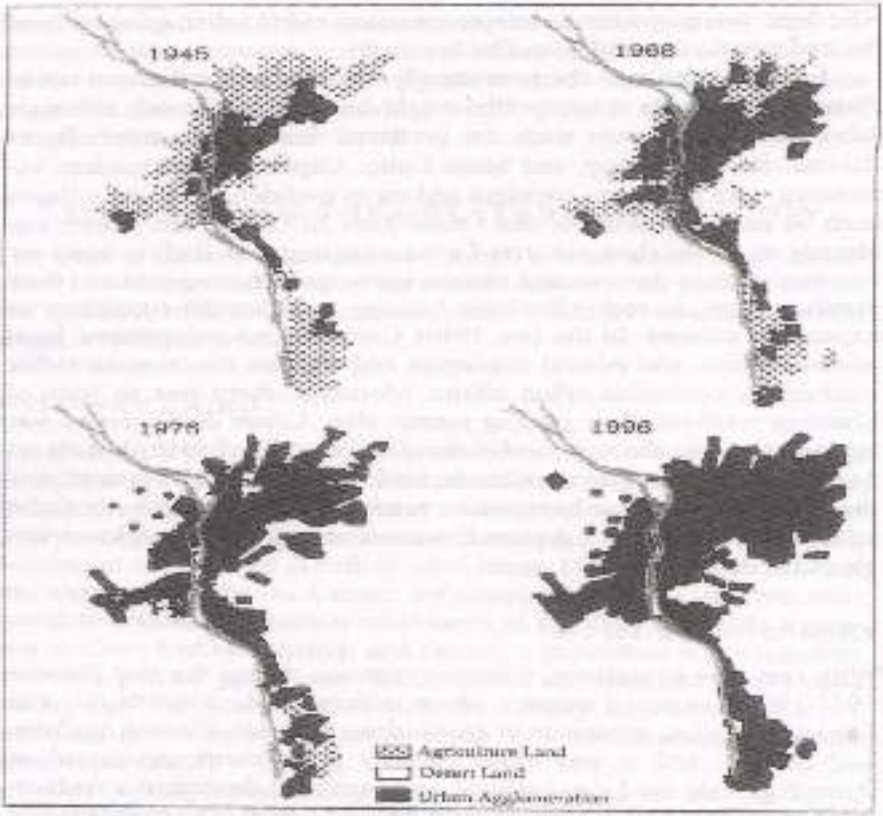


Figure 2.1. Development of the Greater Cairo Region

Source: GOPP, 1999.

In terms of urban management and urban planning much happened during the two decades before 1967. In 1949 the Municipality of Cairo was created and was transformed into the Housing and Utilities Directorate of the Governorate of Cairo in 1960/1961. However, this municipal administration remained largely dependent on central government allocations and central ministries still played a pivotal role in the development and running of utilities. A Master Plan of Cairo was published in 1956, which foresaw the need for east-west expansion into the desert flanks. A public housing program was launched, with the first large projects appearing in *Tellal Zeinhoum* and *Am El Sira* in

1957/1958. By 1965 the Cairo governorate had constructed almost 15,000 units for low-income families (Abu-Lughod, 1965) and in 1958 the government launched the *Nasr City* scheme, a very ambitious desert fringe development which was to be executed by the Ministries of Housing and Defense, organized through a public sector concession company affiliated, with the Ministry of Housing. By 1966 there were three similar such companies; *Nasr City, Heliopolis, and Maadi.*

It was towards the end of this period that the first informal areas began to appear. It is unfortunate that there is virtually no recorded history of the germination of the phenomenon of informality, but then, because of its marginal character (and at the time rather insignificant scale), informal areas did not generate academic or professional interest.[4] One can only deduce how these first areas began to blossom by looking at old maps and trying to read from the urban fabric one encounters today. It appears there was no official resistance, even though these early informal subdivisions clearly contravened the Subdivision Law and Building Code. Perhaps it was simply the fact of a government increasingly preoccupied with creating new socialist zones and prestigious heavy industry, where private sector development was seen as something from a bygone era.

One can summarize from oral histories that a number of informal areas began their incipient growth in the mid 1960s. Prominent examples include *Boulaq El Dakrour, Manshiet Nasser, Waraq El Hadir* and *Imbabah.* In almost all of the earliest cases, subdivision and development began from, or was grafted into, existing village settlements. This helps to explain, at least to some extent, the lack of official reaction. Rural housing was not regulated (building permits were unnecessary outside city limits), so local administrations had a plausible excuse for overlooking what was already becoming quite evident. The logic probably went: if some peasants want to sell off some strips of agricultural land, well, this can hardly be construed as contravening the Subdivision Law, which was meant for modern, proper housing areas.

HIATUS 1967-1974

The 1967 War with Israel, the subsequent War of Attrition, and the run up to the 1973 war completely froze formal development in Cairo. All the nation's public funds were reserved for the war effort, urban infrastructure plans were shelved, and Cairo's formal expansion more or less stopped. However, the demographic growth of Cairo did not. Migration continued, if somewhat abated, and the natural increase of Cairo reached its highest levels. In addition, Cairo had to accommodate

a significant number of the over one million people evacuated from the Suez Canal Zone. Cairo's formal growth may be halted, but its informal growth was just beginning to build up momentum.

Based on maps derived from 1977 aerial photographs, quite substantial fringe areas must have already been largely subdivided and sold during the 1967-1974 period. These include all of *Dar El Salaam* and almost all of *Basaten*, vast areas of *Imbabah*, and most of *Boulaq El Dakrour*, *Amrania*, *South Giza*, and *Zouwia El Hamra*, etc. Significant expansion out from core villages also was registered, as illustrated by the areas of *Safi El Laban* and *El Barageil*. Many of the Canal Zone refugees are said to have crowded into core informal areas such as *Manshiet Nasser*. One can surmise that at all levels of government the state, preoccupied with the war, could easily turn a blind eye to what was happening.

INFITAH AND OIL BOOM 1974-1985

Starting in 1974 domestic economic conditions in Egypt changed dramatically for the better. The economy was progressively opened up *(Infitah)*, the financing of infrastructure resumed (for example, the *6th of October Bridge* and overpasses were begun in 1974), and, most importantly, Egyptians were allowed to travel freely. This coincided with the oil price rise of 1973 (and later 1979), which soon made neighboring countries (most importantly, Saudi Arabia, Libya, and Iraq) awash with money and eager to hire all classes of Egyptians to do their work, particularly unattractive work such as construction. The earnings of these Egyptian expatriates soon found their way back into Egypt and began to create an unprecedented cash-based economic boom that a portion of the peasantry and lower classes could also enjoy.

This boom provided the main financing for, and accelerated the development of, informal areas in Cairo. It was particularly important because it put serious investment money in the hands of the kinds of *Baladi* and blue-collar families who are attracted to live in informal areas. Not unreasonably, for many the choice of investment was land, bricks, and mortar. The level of construction in the large fringe areas already established before 1974 rose to fever pitch, with new buildings going up and, equally common, vertical extensions being added. Also, new informal areas began to be created during this period, for example *Ezbet El Nakheal*, and urbanizing villages continued to grow. In 1981, a much-quoted study concluded that an overwhelming 80 percent of the additions to Cairo's housing stock over the previous ten years were informal (ABT, 1982).

Although the period of 1974-1990 could be called the heyday of urban residential informality in Egypt, it was also the period when the state finally took notice of the phenomenon and began to proscribe it Starting in 1978 a series of decrees and orders made it increasingly illegal to build on agricultural land, and in parallel, efforts were stepped up to preserve state lands from encroachment. Throughout the period in question, these proscriptions had little real impact, only making it more difficult for authorities to turn a blind eye and opening up a considerable business in petty bribes. There was little official commitment to tackle the issue, since it began to dawn on decision-makers just how vast informal areas had become. For urban planners and the state alike, an unwelcome reality hopefully could be wished away.

Wish it away they did, through the launching of the new towns policy in 1977. Starting with the establishment of *10th of Ramadan City* 60 kilometers east of Cairo and formalized in the Law of New Communities in 1979, the new towns movement quickly came to dominate both Egypt's urban development discourse as well as budgetary allocations, and it is still dominant today (at the latest count, there are 39 new towns in Egypt.). Regardless of the huge investments required and the pathetic record of success in terms of population attraction, the policy of creating modern planned desert settlements was, and still is, offered by government as the ultimate solution to the phenomenon of urban informality, one in which alternatives are offered which will absorb the millions who are in, or would otherwise go to, informal areas of Greater Cairo.

RETRENCHMENT AND CONSOLIDATION 1986-2000

Map analysis of the Greater Cairo Region (GCR) comparing 1982 with 1987 showed that, at least in terms of additional lands coming under informal urbanization, informal development had slowed considerably, with few additions to the large fringe development and a somewhat reduced level of activity around satellite villages. How much effective government control existed is debatable, but probably the decisive factor was the drying up of remittance income from Egyptians working abroad.

Another factor working against the phenomenon of expanding informality was demographic. Starting in the mid-1970s, the population growth rates of Greater Cairo started to fall significantly. During the 1961-1975 periods Greater Cairo was growing at an average of 3.1 percent per annum, and this rate fell to 2.7 percent for the period 1976-1986 and to 1.9 percent for the period 1986-1996. Natural increase

rates slowed (urban Egypt was the first area to exhibit significantly falling fertility), but also due to much decreased migration into the city (for further details see Bayat and Denis, 2000). The growth of the Greater Cairo Metropolitan Region (which takes in a considerably wider area) has also slowed in population growth, but much less than Greater Cairo (Census definition).

On the level of both public awareness and government action, informal areas of Greater Cairo gained prominence in the 1992-93 period. The radical Islamic fundamentalist movements of the late 1980s and early 1990s became active in certain informal areas and suddenly these areas, termed *'Ashwaa'i* (meaning random or unplanned or haphazard) gained notoriety as breeding grounds for fundamentalism and came to threaten the security of the state. In response, the government began to deliver much-needed infrastructure and social services to these areas (with police stations figuring prominently), and a national program to upgrade these areas continued to the mid-1990s. However, virtually no attempt was made to tackle the underlying tenure aspects of informality.

During the past two decades, Greater Cairo's population has increased to more than 16 million (1994) and forecasts indicate an expected total of 20 million by the turn of the century. At the beginning of this century, the city region accommodates about 25 percent of Egypt's population and 45 percent of its urban residents. The GCR is the largest metropolitan area in Africa and the Middle East, with a total area in the order of 360,000 hectares, of which the urban mass covers some 35,000 hectares. It has three main constituents, Cairo City, *Giza City* and *Shubra El Khaima* districts that belong to three separate governorates (see FIGURE 2.2). Cairo offers a richer environment than the provincial cities and villages in terms of jobs, services, goods and entertainment. The city contains more than 55 percent of national university places, 46 percent of medical beds, 40 percent of pharmacies, 43 percent of jobs in public sector establishments, 40 percent of jobs in private sector establishments and 40 percent of government investment. This concentration of services and opportunities inevitably leads migrants to move to Cairo from all parts of the country (Metropolitan Association, 1990).

At the turn of the century, less than 10 percent of the nation's total population was living in Cairo. During the period from 1960 to 1986, Cairo's population more than doubled to two million and many new districts came into existence (Khalifa and Mohieddin, 1988). At present, the city of Cairo alone represents 14 percent of the total population of the country and constitutes 31 percent of its urban population (see TABLE 2.2).

Table 2.2. Demographic change in Egypt and Cairo between 1947-1996

Year	Total population of the country (million)	Cairo population (million)	National urban population (million)	%	National rural population (million)	%
1947	18.967	2.091	6.361	33.5	12.604	66.5
1960	25.984	3.349	9.864	37.9	16.120	62.1
1966	29.723	4.220	12.033	40.5	17.691	59.5
1976	36.626	5.074	16.036	43.7	20.590	56.3
1986	48.205	6.230	21.173	43.1	27.032	56.1
1990	55.000	7.490	24.200	44.0	30.800	56.0
1996	59.277	6.789	29.760	48.0	32.240	52.0

Source: CAMPAS (1976, 1986; and 1995), Cairo.

During the period 1980-1985, the crude birth rate in GCR was estimated to be around 33 per thousand persons, and the total fertility rate around 3.8. Mortality levels improved during the last thirty years. The crude death rate fell from 16 per thousand persons in the early 1960s to 9 per thousand in the 1980s. The infant mortality rate dropped from 161 per thousand to 77 per thousand in the same period (CAPMAS, 1986). This is due to the improvement of health care, especially in informal residential areas. The population growth in the GCR will therefore depend heavily on the rate of natural growth. The contribution of internal migration, if recent trends continue, will not exceed one third of the growth rate of the region.

URBANIZATION PROBLEMS

The living environment and the urban fabric of the region suffer from sustained population increase. In the last forty years, the physical growth in the GCR takes three main forms. First, the city sprends outwards to agricultural and desert land, which is the only way to provide new locations for housing plots to accommodate the growing population. Second, pre-existing buildings are extended with additional floors. This is because of the scarcity of land inside the city, and its rapid price increases. More dwelling units are crammed into them by decreasing the size of new units and subdividing older ones, as the only way to reduce the unit cost. Finally, these trends are reflected in the increase of over all densities within the GCR from 275 persons per hectare in 1948 to 340 persons per hectare in 1982, and 420 persons per hectare in 1995 (CAPMAS, 1995). The GCR continues to be the strongest magnet in Egypt's urban economic and administrative structure for the foreseeable future a logical outcome of its sheer weight, population, diversity and historic momentum (see FIGURE 2.2).

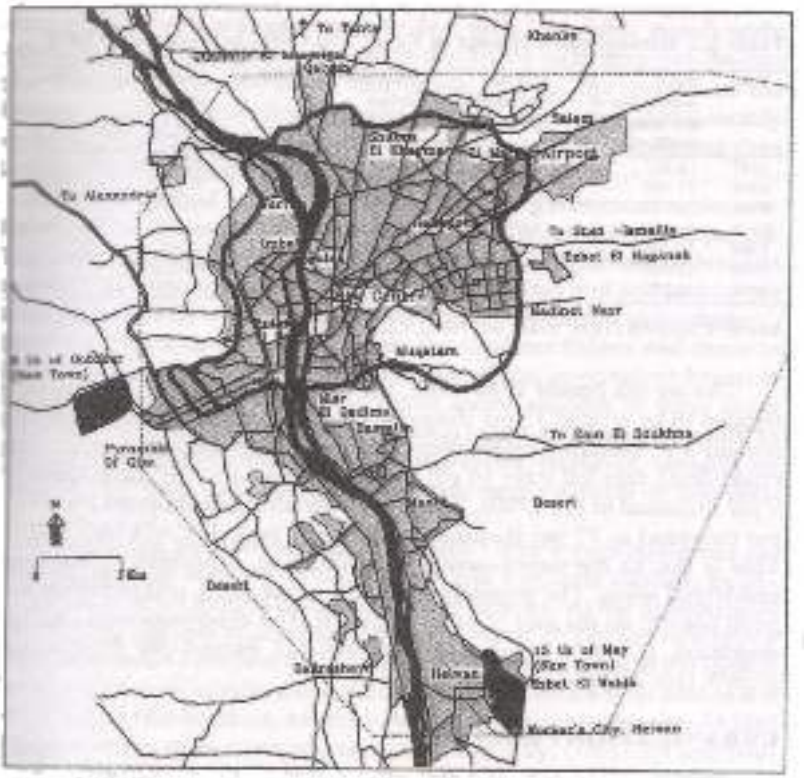


Figure 2.2. Greater Cairo Region

Source: Drawn by author based on map from the GOPP (Cairo, 2000).

The region continues to attract migrants because of the location of development projects and investments. As a result, the annual population increase in the region totals 350,000, a figure that exceeds the target population of one of the major urban centers. The annual increase demands a yearly increase in the city's land area in the order of 1,500 hectares to provide living environments for the new population. Also, the arable land surrounding Cairo has suffered greatly since the early 1950s from increasing and continuous encroachment; about 630 hectares of agricultural areas are lost yearly to urban land uses, informal developments and inferior living standards, and poor infrastructure and accessibility to reasonable residential locations. In 1990, the government established a strategy for developing the GCR. This emphasized

three levels of planning output, namely; strategic planning frameworks and general plans, master and development schemes for key components and, lastly, sector studies on implementation, economic development, and action areas etc. (Metropolitan Association, 1990). The main objectives of GCR schemes are achieved through the realization of a number of related objectives. Firstly, key goals to cover two subject areas: enhancing the national economy, and upgrading living and environmental standards. Secondly, key objectives to cover ten aspects: protection of arable land, appropriate and efficient location of industry, reducing internal traffic and transportation, optimization of the spatial relations between residence, community facilities and workplaces, decentralization of services, scaling of urban mass, provision of planned urban land for middle and low-income families, upgrading of existing urban fabric and components, conservation of natural urban fabric resources, and finally, pollution control and environmental protection. Thirdly, offering housing sites within the surrounding new satellite settlements for people most in need of housing plots. The aim of this scheme is to enhance the role of the private sector in participating in housing development, and the role of the public sector to contribute directly in facilitating land delivery system for the private sector, NGOs, and people most in need of housing plots.

Within the framework of the urban development strategy, new communities and the provision of planned urban land were proposed and classified into four types. First, independent and self-contained new towns at a sufficient distance from the city center, so that their residents will not need to commute to work in Cairo. These require the development of a strong economic base, residential areas and necessary support infrastructure and services. Examples include *10th of Ramadan* and *Sadat* new towns. Second, satellite cities: these are similar to new towns, but are situated closer to the city center in order to reduce public investment and permit them to benefit from the advantage of their location. Examples include *6th of October, 15th of May, Al Amal,* and *Badr* satellite new towns. Third, twin cities: these are an expansion away from agricultural land and are supposed to have a viable economic base. Twin cities are designed to maintain links with their main city. Examples include new *Beni Suef* and *New Damietta City*. Finally, new settlements, which are areas of predominantly residential development and which take advantage of existing employment bases and offer an alternative to living in the informal settlements. They are designed to be dormitory towns in which most residents travel to work elsewhere. In the long run they too are expected to develop autonomy in employment and services. Over time, groups of four to eight new settlements

are expected to be linked together, with one of the settlements, or a satellite city, functioning as the central community provision of services (such as *El Sheikh Zaied City* with *6th of October*, and *City of 15th of May* with *Helwan City*). The state gave a positive contribution to building new cities within the framework of the urban development strategy (El Kafrawy, 1991) for the following objectives. First, to enable resettlement to take place in centers, which are hopefully attractive in many ways to the private developers, by creating a new socioeconomic map of the urban areas in Egypt through the distribution of population and economic activities.

Second is to offer an alternative solution to the housing sites at the national level, and to meet the increasing demand of housing in the old urban centers, especially the primate cities (Cairo and Alexandria), by encouraging people to move to the new towns where housing plots would match their income level and suit their social life. It is assumed that the private developers would acquire 40 percent of the housing plots, and the government would develop the rest.

Third, to reduce the high density of the population in the Delta region in Egypt by extending urbanization outside the Delta into the desert, thus absorbing a large share of the expected increase in population, and changing the migratory movement to the new cities, rather than Cairo. This would relieve, in part at least, some of the existing and expected stresses, like housing, water and power supply, sanitation, communications, transport facilities, etc on the services in the populated areas. On the other hand, it would enhance the strategic national security of the country by uniformly distributing the population over the total land area.

Fourth, to protect the scarce and precious agriculturally fertile land of the Nile Delta against encroachment and conversion to urban uses by developing desert areas which this would be otherwise unused, thus making beneficial use of the country's land and human resources.

Fifth is to increase regional and national incomes, as new cities are considered productive societies that add to the domestic production through expanding the state's economic base by attracting new industrial enterprises. This would stimulate the private sector and its contribution to investment, and would create employment opportunities, thereby reducing national rates of unemployment.

CAIRO'S ACUTE HOUSING SHORTAGE

The increasing demand for housing due to population growth and a continuously decreasing supply due to rent control, laws prohibiting

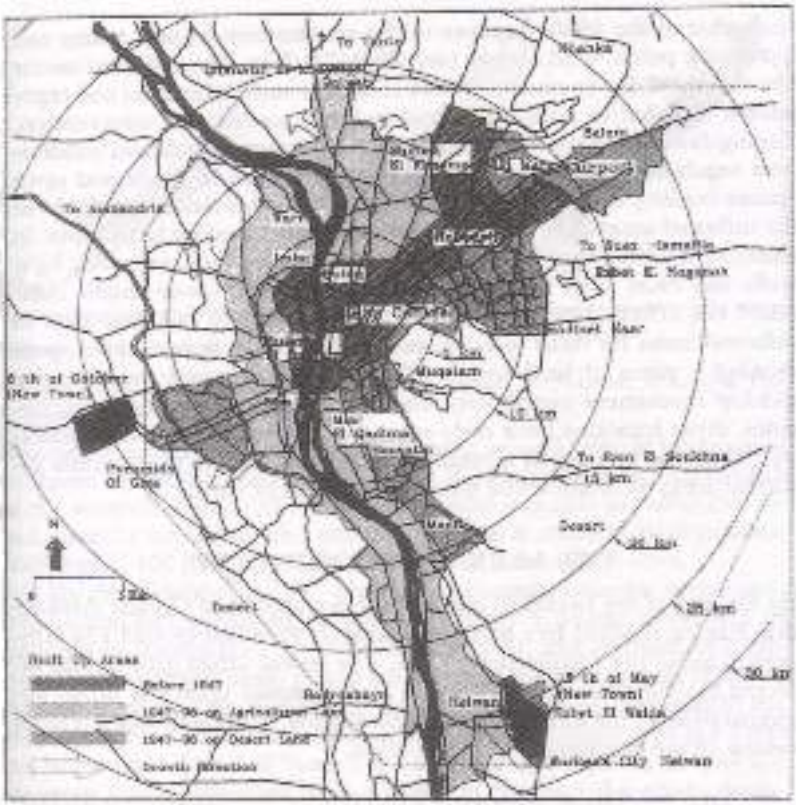


Figure 2.3. Arbitrary growth of the Greater Cairo Region

Source: GOPP (2000), and author survey.

eviction, the scarcity of building materials and a lack of land in reasonable locations, are among the main reasons leading to an acute housing problem in Cairo. The public and private sectors have failed to provide sufficient housing, resulting in overcrowding of the existing housing stock and its deterioration. Land in informal settlements is generally purchased, either from its original owner, as in the case of agricultural land, or from an illegal developer, as in the case of desert land. Most are located on agricultural land, while a few are on desert land. The magnitude of informal construction in Cairo was estimated at 75 percent of all construction in the GCR during the late 1970s, and is now estimated to be in the range of 40 percent. This figure has changed

somewhat in the 1980s because of the construction of new towns and increasing public land supply (see FIGURE 2.3). The informal sector has expanded due to several factors related to unsuitable laws and regulations and due to both direct and indirect government intervention. Zoning laws segregate industrial uses from housing and land subdivision regulations allocate large percentages of land to roads and open spaces leading to costly developments. Land subdivision standards in the informal areas have been high until recently, creating large plots. In addition, building regulations concerning plot coverage, setbacks, light wells and room sizes imposed costs that the urban lower-middle class could not afford. Most low-income groups prefer to purchase land in informal areas for three reasons: easy access to job opportunities; purchasing a piece of land within informal areas is much easier and a quicker investment opportunity than is available in formal areas, besides, these locations have early economic potential; and the availability of various services at a reasonable cost makes land plots within informal areas more attractive for people in need of shelter.

THE ALEXANDRIA CONTEXT

By the end of the twentieth century, the population of Greater Alexandria Region reached five million persons. It stretched around 120 kilometers along the Mediterranean Sea. The recent urban growth that affected the Egyptian territory had a major impact upon the urban agglomeration of the Greater Alexandria Region. The following is a brief review of the development of this region.

A BRIEF HISTORY OF ALEXANDRIA CITY

Alexander the Great founded Alexandria in 332-331 BC. In the early development of the city, Dinocrates, Alexander's architect, built a break-water or mole, the Heptastadium, linking Pharos Island, where the lighthouse, one of the Seven Wonders of the World, was built, with the mainland, thereby forming the bases of the present eastern and western harbors. The original city was based on a grid-iron plan, although the two old principal streets can be identified to this day. The two main routes were the *Canopus* route (now *Fouad Street*) which ran east-west connecting the East Gate to the West Gate at the opposite end of the street into the *Somha* route perpendicular to it (Now *El Nabi Daniel* street) which ran north-south (see FIGURE 2.4).

During the reign of Ptolemy II (285-246 BC) Alexandria was admired amongst cities of the world and under the Roman rule commerce

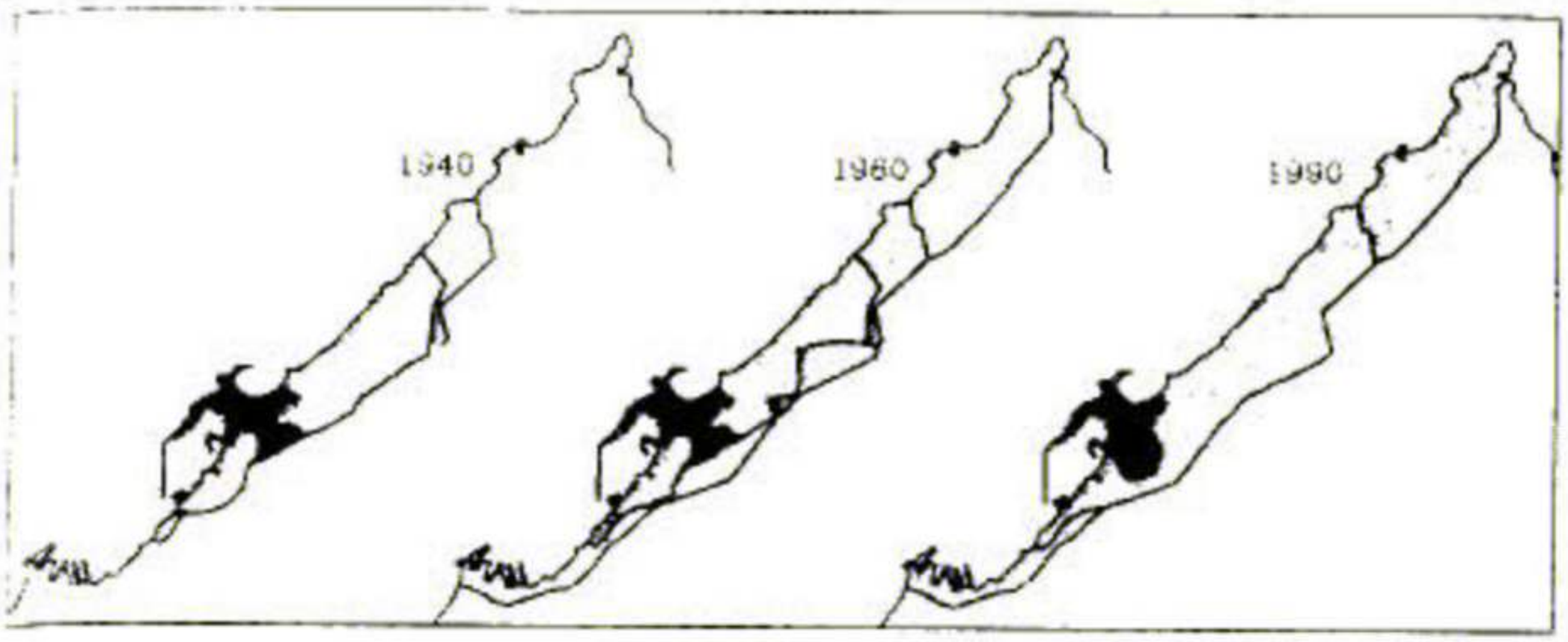


Figure 2.4. Historical maps of Alexandria

Source: Drawn by the author based on map from Fraser, P. Ptolemaic Alexandria. Oxford: Oxford University Press, 1972.

flourished significantly, the city becoming second only in importance to Rome by the 4th century AD. When the Arabs captured Alexandria in the seventh century AD, their commander was able to report that he had taken "a city of which I can only say that it contains 4000 palaces. 4000 baths, 400 theatres, 12000 greengrocers and 40000 Jews."

By the middle of the 18th century the European quarter in the eastern harbor had expanded, which encouraged Egyptian governors to promote modernization. In 1819 Mohamed Ali had dredged *El Mahmoudiya Canal* and again linked the Nile and western harbor. In 1854, the city witnessed the building of Egypt's first railway that marked the start of Egypt's industrial revolution and the consolidation of the western harbor and the naval base. The city developed rapidly. In 1863 the tramway was constructed as a connection between the newly established eastern section of Alexandria, the city center and the western part of the city. *Misr Railway* station was built in 1876 adjacent to part of *El Nabi Daniel Street*.

POST-WAR ALEXANDRIA

In the second half of the 19th century, European migration to Alexandria increased, and western urban forms and new means of transport were introduced. Due to the increased awareness of the importance of planning at this time, in 1918 the Municipality of Alexandria commissioned the British planner McLean to carry out an extensive town-planning scheme for the city.

In 1934, *El Cornish* route was constructed to link the western harbor with the new established suburb of *El Ramel* which stimulated suburban growth, principally eastwards, much of it with villas used only in

the summer by affluent Cairenese. In 1882 the Census recorded that Alexandria contained a population of just over 233,000 inhabitants, and by the year of 1947 it reached almost one million persons (0.919 million). Alexandria's industrial base soon started to expand rapidly, as bourgeois industrialists began to invest heavily in consumer industries protected by high tariffs. Also, the cotton industry became a main commodity for trade between Egypt and the outside world, by which the city flourished and started to expand towards eastern section. Basic infrastructure was in place to serve the city's boom.

EXPANSION UP TO 1967

Alexandria's expansion during the two decades 1947-1967 was towards the eastern section of the city, with very few exceptions of the agricultural land in the southern part of *El Ramel* area. The population of the city increased around 50 percent in the years between 1947 and 1967, with half of this percentage due to immigration. A result of this was the arbitrary extension of the city to the west, mixed land uses in different areas, and increasing pressure on the city infrastructure.

The decolonization measures of the 1950s and the nationalization of foreign-owned properties had led to changing the ownerships of most *Ezabs* located at the southern edge of the city into public control (*Ezbet Hagar El Nawateyah and Abu Soliman*). Thus, many areas had converted the ownership from private into public control.

The 1958 plan had introduced a new axis of growth for east west into the desert flanks. The first priority of the plan was the construction of Suez Canal Road to link *Moharam Bey District* with *El Horia* route, and *Smoha* district with *El Ramel* area. This led to easy conversion of adjacent agricultural land to urban use where development was pulled both by the newly established industrial areas of *Seouph* and also by numerous public housing projects and factories located in the wide wedge of agricultural land and along *El Mahmoudiya Canal* (*El Harmeen project, Bacoous, Abu Soliman,, etc.*) lying at the southern part of *Abu Quir* railway. Due to the construction of Suez Canal Road, many informal residential areas were demolished and resettled near the road (*Ezbet Nadi El Said and El Siadeen area*). The end of 1959 and the beginning of 1960s saw the launching of the development of informal residential areas in the southern part of the city. These areas were constructed as *Ewaq*, or emergency housing for a short period of time, until people could be located in another area within the city (*Ewaq El Siadeen Area*, and *El Karantena*).[5] Thus, it could be said that the appearance of informal residential areas within the city dates back to the late

1950s and the early 1960s. The principal growth of informal residential areas was at the beginning of the 1960s, when *Hamdi Ashor*, the governor of Alexandria, started to implement the master plan of 1958.

HIATUS 1967-1974

The 1967 War with Israel, the subsequent War of Attrition, and the run-up to the 1973 war completely froze formal development in Egypt, including Cairo and Alexandria cities. All the nation's public funds were reserved for the war effort, urban infrastructure plans were shelved, and Alexandria-Cairo's formal expansion more or less stopped. However, the demographic growth of Alexandria and Cairo did not. Migration continued, if somewhat abated. In addition, Cairo and Alexandria had to accommodate a significant number of the over one and a half a million people subsequently evacuated from the Suez Canal zone.

Alexandria's formal growth may have halted, but its informal growth was just beginning to build up momentum. Based on maps derived from 1977 aerial photographs, quite substantial fringe areas must have already been largely subdivided and sold during the 1967-1974 period. These include all of *Ezbet Abu Soliman* and a great part of *Hager El Nawateyah* and *El Dekhila*, vast areas of *Ras El Soda* in the east, and most of *Souph* area etc. Many of the Canal Zone refugees are said to have crowded into core informal areas such as *El Dekhila* area. The state turned a blind eye to what was happening at this time.

INFITAH AND OIL BOOM 1974-1985

After the War of October 1973, the political and economic milieu within Egypt, in the regime and internationally, had changed dramatically, and to take advantage of the new environment a fresh economic strategy needed to be articulated. This is what President Sadat did in his October Working Paper which was introduced in May 1974; the aim of it was to provide the guidelines for Egypt's development. This paper characterized, first, "*the construction battle*" to modernize Egyptian society by the year 2000. Second, was to liberalize the economy, or to "*open*" it, to the outsiders for investments and/or to encourage the private sector in economic development. Third, the priorities set for the plan emphasized a modernized industry, an intensive high-value agriculture, oil and energy development and tourism. In fact, during the Sadat period, the country experienced a new period of transition in all the aspects of life.

The form and substance of many post-open-door new towns are much the same as the desert town built several years earlier. However,

Table 2.3. The growth of Alexandria's population

Year	Population	Annual average growth rate (%)
1960 (census)	1,516,000	2.5
1966 (census)	1,801,000	1.9
1976 (census)	2,318,000	1.8
1986 (census)	2,917,000	2.8
1989 (estimate)	3,168,000	2.8
1993 (estimate)	3,537,000	2.8
1996 (census)	3,328,000	2.7

Source: Data for census years from CAPMAS (1986), Statistical Indicators, Cairo. The estimates are arrived at by assuming an average population growth rate of 2.8 percent a year from 1986 to 1995.

new towns, as a major Egyptian phenomenon, commenced with the reconstruction of the Suez Canal Cities after the War of 1973. It was a part of the national urbanization strategy to locate new industries and population away from Delta areas and large cities. This strategy aimed to draw up a new comprehensive map of Egypt. Also, as a part of *Infitah* policy, Egyptians were allowed to travel freely. This coincided with the oil price rise of 1973 and later 1979. This boom provided the main financing for, and accelerated the development of, informal areas in Alexandria, and informal residential development flourished as it happened in Cairo.

RETRENCHMENT AND CONSOLIDATION 1986-2000

Informal urbanization and informal development had slowed considerably, with few additions to the large fringe developments and a somewhat reduced level of activity around satellite villages. How much effective government control existed is debatable, but probably the decisive factor was the drying up of remittance income from Egyptians working abroad. World oil prices began to tumble in 1983-1984, and host countries started to apply restrictions to Egyptian workers at about the same time. The Gulf and Iraq Wars (1980-1988; 1990) and the strike on Kuwait (1990) led to the elimination of the Egyptian worker's best bet, Iraq. The total population of the Greater Alexandria Region is currently approaching 5.0 million (see TABLE 2.3) with a growth rate estimated at 2.8 percent a year and an urbanized area of 314.4 square kilometers giving an average density of around 11,132 persons per square kilometer. The central part of Alexandria (the old town and inner-city areas) accommodates 29 percent of the total population, with densities of 133,464 persons per square kilometer in *El Gomrock* and 87,559 persons per square kilometer in *Moharam Bey* (CAPMAS,

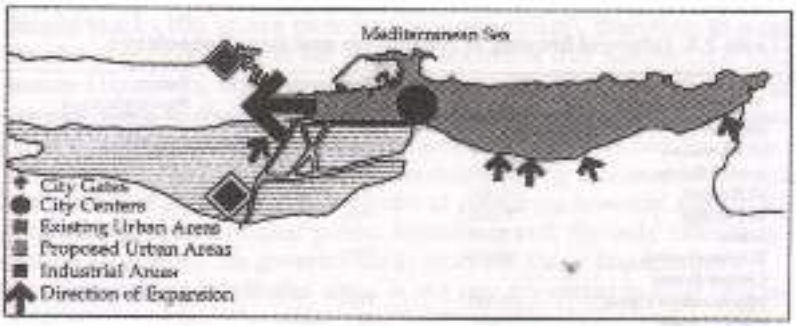


Figure 2.5. Existing residential areas in Alexandria

Source: Drawn by the author based on map from Alexandria Comprehensive Plan.

1996). The eastern sector constitutes more than 30 percent of the city's area and accommodates around 1.7 million persons, close to half the total population. The western sector contains 785,000 inhabitants, some 22 percent of the city's population, in 60 percent of the city's built-up area. Up to the beginning of the 1960s, the main investment of private developers was oriented towards the housing sector because of the high revenue obtained, and this supplied the market with a large number of housing units. In more recent years, housing production has slowed down and the problem has increased enormously for various reasons. These include: the rapid urbanization process; the application of rent control acts in 1952, 1961, and 1976; building regulations (Law No. 25 of 1992, law No. 101 of 1996, and Military Orders of 1996), and free rent control of 1996; imbalance between the demand and supply from the affordability point of view; a lack of suitable communication between the local authority and the beneficiaries; unsuitable land location for residential development; sharp increase in land prices; a lack of housing finance; inadequate official procedures; many vacant units being held by some speculators; and the increase of government intervention within housing production.

These factors led to a reduction of rented accommodation, an introduction of the owners' union system and increasing numbers of luxury units being built in recent years. All of these combined to create a real housing problem for the urban poor, and have led to a sprawl of informal residential areas within the city. As illustrated in Table 2.4 the population of informal housing areas constitutes 30 percent of the total population of Alexandria city. However, the housing problem within the city has grown at a fast rate to reach a deficit of around 165,000 units in 1995. As illustrated in Table 2.5, Alexandria city will need an

Table 2.4. Informal housing in Alexandria and size of population

Area	Population	Area occupied (hectare)	Density Persons/hectare
Western Sector			
El Karaatim	15,000	10	5 000
South Matruu	12,000	14	850
El Sindeon	35,000	30	1166
El Dekhila	70,000	400	175
Abun	15,000	40	375
Scattered areas	180,000	N/A	N/A
Central Sector			
Mahmoudiya Canal	30,000	N/A	N/A
Nadi El Said	70,000	300	230
Railway (El Hadara)	20,000	15	1333
Hagar El Nawateyah	100,000	500	200
Ezbet Hagazay	15,000	25	600
Scattered Areas	200,000	N/A	N/A.
Eastern Sector			
Ezbet Abu Soliman	40,000	80	500
Ezbet Danna	75,000	80	930
El. Montaza El Quebilia	150,000	N/A	N/A.
El Mandra El Quebilia	180,000	N/A	N/A.
Nasser Road	18,000	N/A	N/A.
Total	1,170,000		

Source: Field survey by the author carried out between 1996- 1997 and 1999-2000.

Table 2.5. Total housing units needed in Alexandria City (1995- 2010)

Housing units requirements	Number of housing units	Annual housing units should be built (starting in 1995)
To meet the growth of population between 1995-2010	165 000	11 000
To replace old buildings	166 000	11 065
To meet the current housing shortage	100 000	6 670
Total housing units needed up to year 2010	431 000	28 735

Source: Calculated by the author from Housing in Egypt (1989), and the Ministry of Housing, Utilities, and Urban Communities (1996), Cairo.

additional 28,735 units annually up to the year 2010, to meet three requirements; rapid population growth (from 1995-2010), the replacement of the old housing units, and the current housing shortage within the city. According to the recent estimate by the housing construction authority (Housing in Egypt, 1989), the maximum capacity of the housing construction sector, public and private, is around 2.7 housing units annually per thousand people. Hence, there is an urgent need to increase this capacity to reach 28 housing units per thousand annually, an increase of more than ten times the existing capacity. Assuming that each 10 housing units would need 200 square meters as a walk-up resi-

dential block (100 square meters to each apartment), therefore, to meet the above requirements in the city of Alexandria will need at least 8.62 square kilometers, equivalent to 50 percent of the residential areas of the new town of *Bourg El Arab City*, around 20.273 square kilometers (GOPP, 1998). In the meantime, a scarcity of resources and the uncaring attitude of the local authority towards housing low-income groups are combined to create a new barrier to providing low-cost shelter for such groups. Conventional public housing is still the only official approach adopted by the governorate to meet the above requirements.

The existing residential areas in the city are varied in their characteristics, the type of housing being built, and the social status of their residents (see FIGURE 2.5). The most expensive residential areas are in the eastern sector, close to and parallel to the coast. In the southern part of this area are the middle class houses, and behind the railway track are the informal and popular housing areas. The western sector, the narrowest part of the city, which was the location of the old railway station, contains the main industrial zone of the city, and also poor-quality houses for low and lower income people. Houses vary in height from one to five storeys. Basic services in the city are relatively inadequate, especially the sewerage system. The most recent statistics available (for 1984) showed that 58 percent of the buildings in the city were connected to the sewerage system, 80 percent had electricity and 76 percent had piped water supplies (Alexandria Comprehensive Plan, 1984; CAPMAS, 1986). Most of the residential areas in the south suffer from the lack of such services, while the areas in the north are much better served. Social segregation is evident within the city's residential areas with distinct areas being occupied by high-income, middle-income and low-income groups. The northern areas enjoy better road access to the coast, good services and less pollution, all characteristics that are desired by the more affluent groups. The least affluent groups occupy the southern part, which has poor access, inadequate or poor quality services, cramped conditions and high levels of pollution. The middle strip of the city suffers less than the southern part does and is occupied by middle and higher-income groups. Thus, the further a residential area is from the coast, in general the poorer the quality of services, the higher the density and the higher the level of air pollution (with some exceptions such as *Kafer Abdow and El Farandia* areas).

TANTA CITY STRUCTURE

Residential and industrial development in Tanta has extended beyond the present city boundaries along the main roads, with the latter con-

Table 2.6. Average annual population growth rates in Tanta City (1937-1995)

Period	Total population	Growth rate %
1937 - 47	105 138	3.7
1947 - 60	199 697	2.1
1960 - 66	229 697	2.5
1966 - 76	283 240	2.0
1976 - 86	407 000	2.2
1986 - 96	448 000	2.1

Source: CAPMAS (1976, 1986, and 1996)

Table 2.7. Population growth and land needed in Tanta City to the year 2010

Year	1995-2000	2000-2050	2005-2010	Total
Population	448 000			583 000
Average population increase	45 000	45 000	45 000	135 000
Location of population on built-up and fill-in areas (50%). Gross density 375 P./ Hectare.	22 500	22 500	22 500	67 500
Location of population on new urban land. Gross density 375P./Hectare	22 500	22 500	22 500	67 500
New urban land needed (Hectares)	60 ha.	60 ha.	60 ha.	180 ha.
Average land needed per year (Hectares)				12 ha.

Source: Government of Egypt (1993) Development, New Communities and Housing in Egypt, the Ministry of Housing, Utilities, and New Urban Communities, Cairo. Tanta City Council (1996) Tanta Planning Department, Tanta, Egypt.

centrated along the Cairo-Alexandria highway. Tanta has a population estimated at 448,000 (CAPMAS, 1996) and will require approximately 360 hectares of land (see TABLE 2.6) to accommodate the projected additional population of 135,000 by the year 2010. The maximum population absorption possible by full use of densification and in-fill schemes within the existing urban area has been calculated at 435,000 persons. This indicates that there is an overcrowding in population of 13,000 within the city. This could be enough to locate the increasing population for the next 15 years. Taking into consideration the immediately required planning, central efforts, and the high cost for needed infrastructure upgrading and adaptation, this does not seem to be a very realistic and politically justifiable assumption. If densification and in-fill capacity can be used adequately for urban development, absorption of 50 percent of the additional population (67,500) can be assumed as feasible under most favorable conditions (see TABLE 2.7). This means a minimum of 180 hectares of new urban land will be needed for urban

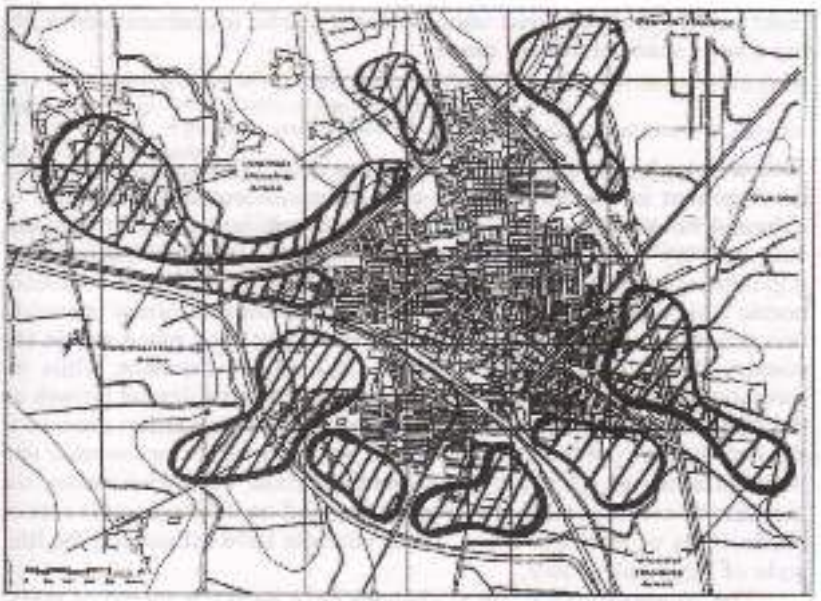


Figure 2.6. Tanta City structure and surrounding informal areas

Source: drawn by the author based on map from Tanta Planning Department, Tanta.

use to accommodate the remainder by the year 2010. The average increase will be 2 percent per year under this assumption, a low rate compared with the increase between 1972 and 1976 and the latest increase recorded in 1996 census of 2.1 percent.

Encroachment of agricultural land by informal building activities and consequent losses of agricultural land can be seen throughout the fringes of the town and the surrounding villages (see FIGURE 2.6). The losses of highly productive soil not only cause heavy damage to the country's economic base, but the informal and haphazard layouts are also severely affecting the town's economy. Public investments have been unable to cope with the enormous pace of development. On the other hand, the private and public sectors have contributed together for encroachment of agricultural land. Private sector developers changed land from agricultural into residential use, while government support indirectly assisted this change by erecting some public housing blocks, constructing new infrastructure passing through agricultural fields, or permitting the construction of new housing developments. The results are insufficiently-served new residential areas, an unbalanced settle-

ment pattern and scattered uncoordinated public investments consuming a large share of limited funds.

CONCLUSION

This chapter has outlined the broad patterns of urbanization and urban development in the three cities, in order to understand the nature of informal housing development, and the possibility of facilitating the land delivery system for housing the urban poor. The rapid increase in population, in conjunction with the continuous changing of socioeconomic situations has led to the spread of informal and formal urbanization process in the country. Formal urbanization took place within the country through the official arbitrary physical development, while informal urbanization took the form of spontaneous residential growth on the periphery of the major urban centers. This urbanization process is the outcome of continuous changes in the level of socioeconomic and political structure of society, commercialization, industrialization, the increase of non-agricultural opportunities, and on increase in the rate of productivity of the labor force. These changes have influenced the lifestyle of Egyptian society.

The consequences of these changes have been the spread of major urban centers and the development of continuous, informally built-up areas between intermediate and small cities. This spontaneous growth has been associated with social and economic segregation, and has separated the old quarters within the city from the new areas. The haphazard form of new informal residential areas also weakened planning control over urban development, raised the cost of providing services and roads, and the installation of such services became more difficult and costly.

It is important to underline the point that the land delivery system is not an issue that can be isolated from the wider social context. It is a part of the broader economy and society and, as such, any possible improvement in partnerships depends upon the feasibility of government and/or the local authority introducing reforms and attitudes to facilitate the land delivery system for housing the urban poor. The next chapter will take this discussion further by considering the various mechanisms for informal housing development that operate in each of the three cities and will address key issues of their performance and the lessons they offer for the future.

NO[illegible]

1. At the beginning of February 20[illegible], the Egyptian government devalued the [illegible] pound against the US Dollar to reach 1 US$= 5.

2. Another Arabic term used in public to refer to an informal settlement is *Ash[illegible]*, meaning "haphazard".

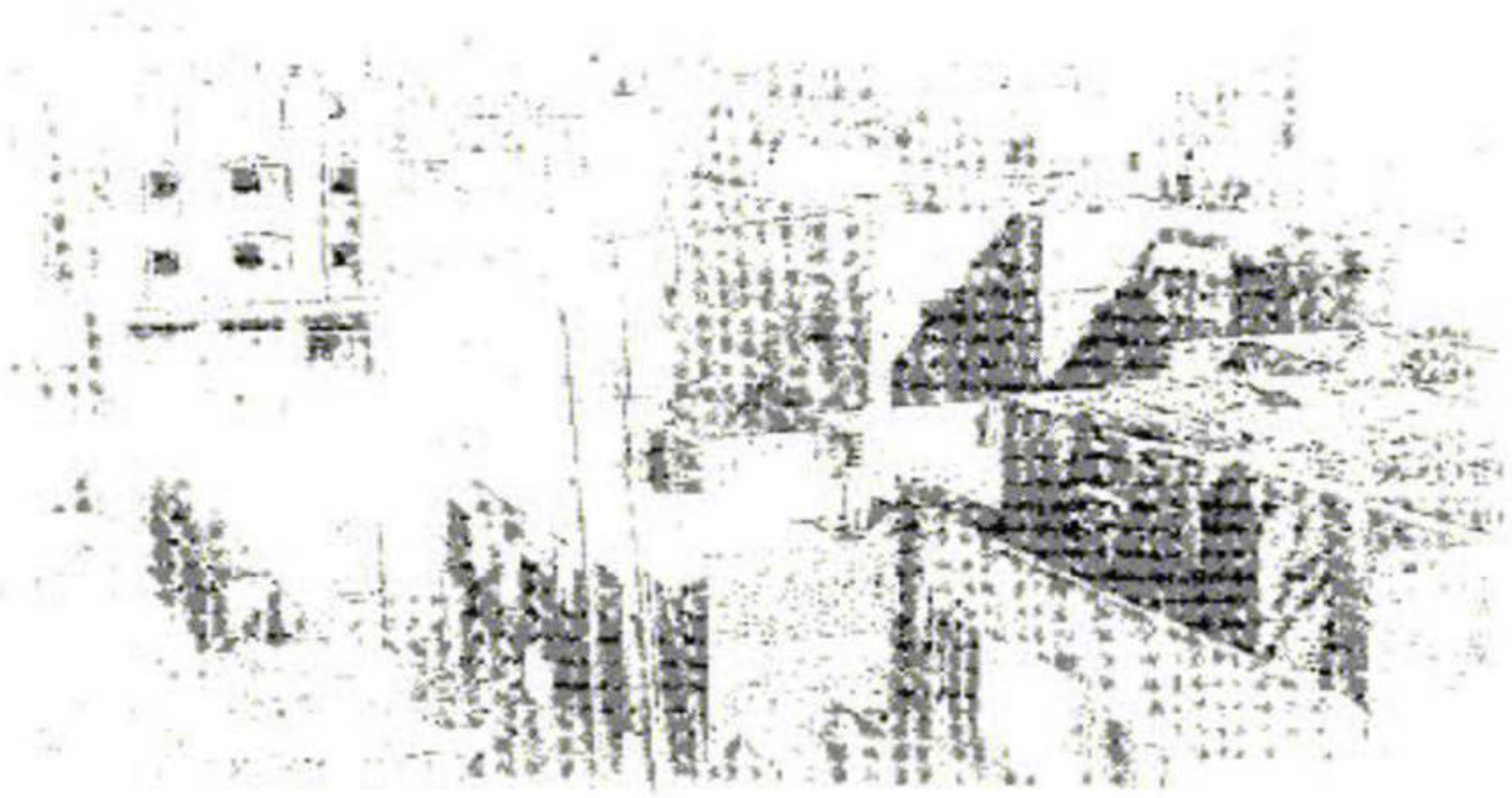
3. The population of Greater Cairo at this time had grown to 4.5 m[illegible]

4. [illegible] Abu Lughod, a very keen observer of Cairo whose main research on the period 19[illegible], did cover the phenomenon on a small scale in her book [illegible]

5. [illegible] *Kom-[illegible]* area was demolished, and its residents have [illegible] in the western sector of th[illegible]

CHAPTER 3

HOUSING POLICY OF EGYPT: RETROSPECT AND PROSPECT



Semi-informal housing on private agricultural land in Tanta City

INTRODUCTION

There are perhaps few human rights that are denied so wildly, usually on a daily basis, as the right to have adequate shelter. This can be seen in the very poor housing and living conditions that affect the rural and urban poor alike. In many Third World countries such conditions are rapidly deteriorating. In the majority of developing countries, such as Egypt, the low-incomes of many urban households, combined with the high costs of urban land, conspire to make access to affordable, appropriate and legal housing even more difficult to achieve. Most of this housing is located in polluted areas, where a high proportion of the residents have serious health problems. For instance, a study of Egyptian pesticide factories found that 40 percent of the workers had problems related to pesticide poisoning, ranging from asthma to enlarged

livers (Pepall. 1992). It is found that 70 percent of those workers are living in informal residential areas. The result is that about 600 million people worldwide live in housing that is detrimental to their health and safety. As the world continues to urbanize, these problems become increasingly more urgent (Payne, 1996). It is a well-known fact that in most of the developing nations, the problem of housing is essentially an urban one. It is closely linked with the development process and the changes of the socioeconomic situation and the political circumstances, notwithstanding the fact that the great majority of people who are lacking adequate urban housing are those most in need. This is because the development of housing policies adopted in these countries often results in the growth rate of population of cities not being equaled by a corresponding effort in housing delivery. The consequences of such policies include overcrowding in homes, shortage of affordable housing, and the emergence of informal housing areas and general deterioration of the urban infrastructure and environment.

Housing in its present crisis state in Egypt is not a spontaneous phenomenon. In fact it is as old as the modern urbanization and development process, which has existed for more than five decades. Egyptian cities, particularly Cairo and Alexandria, have played a decisive role in socioeconomic development, which has stirred the housing production within the country. The key to this role was the complementary relationship between industrial technology and spatial growth of the major urban centers. The phenomenon of industrialization and urbanization became virtually inseparable and it directly affected the housing delivery system in Egypt. In the meantime, the total population of Egypt is approaching the figure of 69.2 million persons, and it is expected to reach 80 million by the end of this decade. The rapid increase of population combined with the continuous changing of the socioeconomic and political environment within the country have led to excess of demand over supply in the housing market. The housing shortages and their imbalance in the housing market in Egypt have been of great concern to policy makers and politicians.

Recently, the state acted as a main partner in providing the chief components of housing production in order to protect public health and safety in overcrowded cities, and tackled the problem of informal housing areas. Current housing policies aim at controlling the urban growth, increasing the housing stock, and upgrading the existing informal residential areas. Despite recent development in housing policies, the continuing deterioration in housing conditions, the low level of housing production and restricted building regulations, have all created the need for policy analysis and programs aimed at addressing current and future

housing needs. The objective of this chapter is to address the history and development of housing policy in Egypt, and to highlight the main features of these policies. Also, the roles of national, regional, local political and economic structures in the housing policies are questioned, together with the prospects of housing policies in the present socioeconomic and political situation. This chapter highlights an overview of housing policy development in Egypt, and examines the key provisions of housing performance and political pressure on different housing policy initiatives. It also explores structural changes in the housing delivery system. Policy implications and recommendations for future housing policy are examined.

THE HISTORY AND DEVELOPMENT OF HOUSING POLICY

The significance of housing development lies not only in the construction of housing units, but even more in stimulating people from the crowded urban areas whose contributions have major influences in economic activities and the development process. Housing investment is seen to be an effective way of removing some of the frustrations of the middle and low-income groups. The Egyptian government has invested heavily in public housing programs to enable the population to have a stake in the country. Government intervention in housing development witnessed tremendous changes due to the changing socioeconomic and political situation within the country. The following section examines two main housing issues; government policy on housing, and performance of housing development.

GOVERNMENT POLICY ON HOUSING

There are various reasons as to why a government should become involved in housing. Perhaps the most common are humanitarian reasons, functionalism, social control and finally human right considerations (Leckie, 1989). The latter became one of the government's main tasks to ensure that human rights, and other rights, are met. Meeting housing needs is the justification that most Third World governments use for their housing policies. The debate within the government centers on who is in need of housing, what constitutes adequate housing, how best to ensure that those in need obtain adequate housing and how government resources should be spent to fulfill housing needs. However, Egyptian housing policy witnessed various actions through three eras; *Nasserism* (1952 to 1970) a period of extensive intervention, *Sadatism*

(1970-1981) a period of active but ad-hoc intervention, and the beginning of the 1980s till now, a period of modifying the previous policies, where the state played an autonomous role where the housing market constantly fluctuated. It is important to point out that before 1952 there was no housing policy in the country. The only publicly constructed housing project was workers' city in *Imbabah*, with about 1000 dwelling units (Abu-Lughod, 1971).

The *Nasserism* era took place in the period between 1952 to 1970, during which the state of Egypt played an important role in providing housing for Egyptian society, either through state public housing programs or through the private sector. The first public housing program was introduced as a result of studying the Master Plan of Cairo in 1956. The involvement of the private sector was large until the beginning of the national socialization reforms of the early 1960s, and the issuing of rent control laws. The government had encouraged low-income groups as the main workforce in order to accelerate the industrial and nationalization trend. However, the state participated in national affairs, naturally accompanied by a planned and centrally directed economy. The housing policy was directed towards the welfare of the limited-income groups through three different aspects.

First, in the mid-1950s, the country witnessed the establishment of the development of popular housing companies for constructing low-cost housing to accommodate middle and low-income groups. This public housing was built only in the GCR (5350 units) and Alexandria (1500 Units). The construction of workers' housing, sometimes called dormitory towns and which were built for workers and official employees, was attached to major industrial centers established at that time, such as the residential town for the Iron and Steel Mill company in *Helwan*, and *Abo Zaabal* in the north of Cairo for railway employees, *Kafer El Dwar*, and *El Mahalla El Koubra* for textile and tile employees, and other cities particularly in Aswan, Suez and Alexandria (Serageldin, 1985). In 1958, *Nasr City*, as a dormitory, was designated to become the new government center and to house a middle class population of civil servants, while the remaining cities in the country do not apply to such policies.

Second, with the beginning of the 1960s, the government became solely responsible for providing housing for middle and low-income groups with huge public housing programs, allocation of land plots, and the establishment of new residential areas. The First Five-Year Plan was introduced to cover the period 1960-1965, allocating targets and finances to the local units charged with plan execution (Abu-Lughod, 1971). In this first plan, the country's wide allocation for housing is

Table 3.1. Country-wide allocation for housing between 1960-1965

Type of housing	No. of dwelling units	Annual rate of dwelling units	The cost of housing (LE)
Low-income urban housing	45000	9000	Estimated to cost LE 1 582,000
Middle-income urban housing	22800	45000	Estimated to cost LE 1 900,000
Rural housing	500	100	Estimated to cost LE 100,000

Source: J. Abu-Lughod, *Cairo: 1001 Years of the City Victorious* (Princeton N.Y.: Princeton University Press, 1971).

illustrated in Table 3.1. The public housing program for the middle and low-income groups was successfully expanded. This public housing was designed with a population density of 75 persons per *Feddan* (Egyptian acre which is around 4200 square meters), and its size varied from 65 to 85 square meters per housing unit. Smaller units were provided for single laborers, and the largest units were allocated for government employees. Most of these units were built in Cairo and Alexandria. Unfortunately, the building of such residential facilities for laborers and government employees was discontinued later. Even more, an ambitious program of direct government construction was envisaged during the second five-year plan for 1965-1970. In July 1965, as reported in the press (Egyptian Gazette, 1965), certain policy changes were made to place greater emphasis upon rural housing and privately financed housing. In addition, more attention was to be paid to the possibility of repairing and renovating existing urban structure.

Third, housing policy shifted into condominiums in new large scale land subdivisions such as *Madinet Al Awqaf*, *Maadi* (west of Cairo) and *Heliopolis*, taking advantage of the liberal credit terms available under the government subsidized co-operative housing program. However, this program was concentrated in Cairo, clearly favored intermediate- size subdivisions and was constrained by the lack of vacant serviceable land. In the early sixties, *Heliopolis* and *Al Maadi* companies were nationalized and *Nasr City* was established. These three companies together with *Madinet Al Awqaf* (now called El *Mohendeseen* district) became the residential quarters for both the middle and low-income groups, and witnessed huge public housing programs. During the First Five Year Plan (1960-1965), the Ministry of Housing paid attention to the country's wide allocation of public housing that resulted in public housing completion of 38 units per thousand people in the period from 1961 to 1964, and decreased to 32 units in the

following plan (1965-1970) (National Housing Policy, 1979). This decrease was the result of the introduction of a rent control act, very restrictive housing regulations and a decline in the construction industry. The aim of this program was to make acceptable housing primarily an obligation of Egypt's professionals (who were representative of middle and upper middle class during that time) by exercising a substantial influence on them and to fulfill the expectations of the middle and low-income groups. The 1967 War with Israel, the subsequent War of Attrition, and the run up to the 1973 War completely froze formal housing development in Egypt. All the nation's public funds were reserved for the war effort, urban infrastructure plans were shelved, and Cairo and Alexandria's formal expansion more or less stopped. In addition, Cairo and Alexandria had to accommodate a significant number of the over one and half million people evacuated from the Suez Canal Zone. Most of the evacuees settled on the peripheries of Cairo and Alexandria.

Even with these attempts at rationalizing the system, a very large number of units in formal areas of Egypt remain rented at extremely low-rates that are not related to the market. In effect, tenants are sitting on a significant asset and waiting for the death of the lessee and his children. The only way a building owner can reclaim the unit is to offer a sizeable cash incentive (sometimes approaching the real market value of the unit) for the tenant to renounce his contract and leave (a semi-legal system operates for a third party to purchase the rental contract from the tenant, endorsed by the owner, but this only perpetuates the condition of informality).

Sadat's era took place between 1970 and 1981, a period of active but ad hoc intervention. After the 1973 war, the political and economic circumstances within Egypt, in the regime and internationally, had changed dramatically. With the introduction of the open door policy in 1974, the government intervened more positively in the housing market and recognized the private developers as the principal means of tackling the housing shortage. The housing policy was converted into three trends: formal and informal private sector, public sector, and housing development in new towns.

Firstly, the state encouraged the private sector and considered it a main supply for housing production for a certain stratum of the society, especially middle, above middle, and upper classes. Also, the state gave the green light for the urban poor to settle in the urban areas through the encouragement of self-help technique during the reconstruction of the Suez Canal Cities. This was demonstrated by facilitating the flow of subsidized building materials, forming co-operative housing societies, introducing self-help techniques and allowing, to a great extent, a free

market within the formal private housing sector. In the late 1970s, the recognition of the role played by the informal sector became an indispensable part of housing production in Egypt, in which at least 75 percent of housing construction was built by the uncontrolled private sector (Mourad, 1983). This was primarily encouraged by the foreign aid agencies with the state acknowledging the huge potentialities of the squatters and informal sector in tackling the scarcity of housing for middle and low-income groups, if it was wisely managed.

Secondly, in 1979, the government set up a national housing plan to overcome the problem of housing, and projected 8.6 million housing units to be built by the year 2000, or an annual housing production of 180,000 dwelling units (National Housing Policy, 1979). Adequate shelter for all is the declared objective to be achieved through the private and public sectors. One of the main issues to be tackled is taking account of the invisible resources of middle and low-income groups and guiding their efforts to participate in housing construction. The idea was a shift of focus from providing completely subsidized housing to providing other means of housing, either in goods or services, or both. It aimed to develop a policy instrument capable of meeting the needs of middle-income groups and the urban poor at the lowest income level, and to encourage the residents themselves to produce a cheap and reasonable housing unit and the basic infrastructure that accompanies it. As a consequence, site and services and upgrading programs, core housing and wet core units have been developed to house this stratum of Egyptian society (Davidson, 1981; 1984). Many projects have been introduced in different Egyptian cities, for example; Alexandria, Ismailia, *Helwan*, Aswan, Cairo, and two new towns; *El Sadat*, and *10th of Ramadan*.

Thirdly, the policy adopted towards the provision of housing in the new towns depends upon two principles. The first is constructing huge public housing units to cover various social classes of the required population, and the second is leaving housing in the hands of private developers who cater only to a small minority of the privileged who can afford to build their own homes. The aim was to modify current national housing policies to minimize reliance upon government rental housing and stimulate individual home ownership. Therefore, the housing policy for the new towns depends upon the integration of local policy with national housing policy, and depends upon home ownership, either through owning a flat in walk-up units or land plot (within the scheme of sites and services) or a parcel of land in the private residential section within the new towns. This policy recommendation is the central theme underlying the objectives and proposals for housing in

the new towns (El Kafrawy, 1991). It may be summarized as follows. First, housing in a new city intended to use it as an instrument for partially solving the national housing problem infers parameters. Accordingly, it has to reduce the average cost per unit, by lowering Egypt's current new housing construction costs; the strategy would provide more housing per level of over all investment. Second, the location and dimension of plots must cover the whole spectrum created by the needs of different household income groups. It should create opportunities for residents to enlarge their housing units according to their social status, as well as to have gardens and space for keeping small animals and poultry. Third, the effective demand for housing of all income groups must be based on their ability to pay. This would be applied through providing a wide range of choice of housing type, location and cost, to give residents the opportunity to match their housing with their personal needs and life styles. Fourth, the immediate environment must ensure both individual and family privacy as well as stable and close relationships with neighbors. This would provide opportunities for social integration among varying income groups within neighborhood areas and stimulus for upward-mobility income groups, while minimizing government housing subsidy costs. Fifth, covering different types of demand resulting from different income categories would help in providing housing that is adaptable to changing family needs: for example stages of family life cycle, increasing income, changes in household size. Finally, allowing different types of investment, public, cooperative and private, to accelerate the development process through providing land tenure opportunities for all levels of employed residents and the private developers.

Fourthly, rent control had a major effect on housing development in the last few decades. It was first applied during World War II as a measure to combat wartime inflation, and it froze rents at the 1941 rates. This was codified in Law 121 of 1947 (applying to properties built before 1943). After the Revolution in 1952, a series of laws reduced rentals on new construction and also rents on existing units. Finally, Laws 49 and 106 of 1976 and 1977 incorporated previous legislation, codified existing rent levels and established a system for calculating rent levels in new buildings very much in favor of tenants. The law also made it very difficult for rents to be raised and practically impossible for tenants to be evicted. In addition, rental contracts were considered inheritable as long as children lived on the premises. Law 136 of 1981 made small amendments, such as allowing 30 percent instead of 10 percent of the units in a building to be sold *(Tamlik)* rather than rented. After so many years the very "pro-tenant" legislative

framework governing rental properties, Law 4 of 1996 concerning tenant-landlord relations, was promulgated. This law defined an unrestricted and market-oriented kind of contract for all rentals subsequent to the date of the law. However, it maintained, with minor modifications, the restrictive provisions of earlier laws for all rental contracts concluded before this date. Due to the restrictions imposed by rent control laws, the majority of units built by the private sector were owner-occupied. In order to evade rent control laws and secure a return on rental units, the application of key money appeared. Key money is an amount paid by the renter to the owner which is equivalent to the difference between regulated rents and actual costs, or as compensation to the owner against the increasing cost of building materials. This practice enabled the private sector to earn enough return on rental housing to continue supplying it. In effect, rent control and key money greatly undermine social equity objectives both vertically and horizontally. In vertical terms, wealthy people benefit from rent control as much as the poor do. Horizontally, two families with similar incomes will experience widely different welfare levels, depending on whether they have lived in a rental unit for many years, or whether they have recently arrived and must pay key money (Saker, 1990).

Finally, at the beginning of the 1980s, the state has played an arbitrary role within the housing market, with new restrictions being imposed on private developers in terms of building procedures and regulations. In August 1986, the government introduced new economic reforms to reduce the foreign debt. This led to the shrinking of investment by the private sector and to a reduction of cash flow from migrant workers in oil countries. These regulations have, to a certain extent, slowed down private formal housing production and increased informal housing by which a large proportion of the builders (40 percent) are classified as middle-income groups. In the recent past, many conferences have been held in Egypt, for example Shelter and Urbanization, 1990, Policies and Housing Systems, 1992, and New Urban Communities, 1996, which indicated that it is time to guide public and private resources, either in kind or in cash, taking into account the valuable efforts of middle and low-income groups as a major resource in housing production. Therefore people in charge of evaluation for sites and services and upgrading programs came to the conclusion that there was a need for a more supportive attitude from the state towards housing the middle-income groups and people who are in most in need.

Due to the outcomes of these conferences, the state had to change its policy in housing development in new towns (Soliman, 1991). The state had allowed the private developers to be the main contributors in

the housing process in new towns. It allocated large parcels of land without services to the private developers for housing investment at a low price per square meter (around 50-100 LE per square meter). The role of private developers was to develop this desert land according to plans that were submitted to the Ministry of Housing and New Communities.

However, the policy shifted again into the old conventional public housing. There is agreement between central and local authorities on the structural conditions of the dwelling as a main factor that strongly affects the quality of the dwelling. Therefore the state introduced incomplete public housing units, left without finishing the inner spaces, which later on the residents themselves would complete according to their needs, requirements and finances. This policy also did not achieve its goals, and the dwellings produced became beyond the affordability of the urban middle and low-income groups. Again, the final housing productions become unsuitable and unsafe for living because of the arbitrary change of skeleton of housing blocks. Also, the involvement of the private companies in housing development in new towns produced housing beyond the means of the urban poor, housing that only the high-income groups can afford.

To sum up, many of the schemes did not develop farther than designs; others changed their objectives after one stage or another and ended up as typical government-constructed housing. This resulted in a situation of confrontation rather than collaboration. In addition, the predetermined standards that assume the existence of a pre-determined structure of socioeconomic groups resulted in miss-matches and conflicts that have a direct and negative effect on environmental quality. Two main dominating groups benefited from this policy; commercial and industrial capital, and bureaucratic and technocratic leadership in the private and government sectors, while the poor and those on fixed incomes, the middle-income groups, were hardest hit.

PERFORMANCE OF HOUSING DEVELOPMENT

In 1986, it was estimated that the total housing stock in Egypt was around 11.3 million housing units: 5.9 million in urban areas and 5.4 million in rural areas (CAPMAS, 1987) with an average annual housing production of around 180,000 units between 1986 and 1991. As illustrated in Table 3.2 the total housing stock was around 14.64 million housing units in 2000. On the other hand, the average number of households in Egypt is around 13.6 million (subdivided over the total population of 68 million at five persons per household). By comparing

Table 3.2. Annual housing production and total housing stock in Egypt in the years 1952-2000

Years	Units completion (1000)	No. of years for housing completion	Annual housing completion (1000)
Housing stock before 1960	7,325,000	N.A.	3,975 (in 1960)
1-7-1960/30-6-1965	68,000	5.0	13,600
1-7-1966/31-12-1976	432,587	10.0	43,458
1-1-1977/30-6-1982	652,525	5.5	118,604
1-7-1982/30-6-1987	879,188	5.0	175,837
1-7-1987/30-6-1988	184,803	1.0	184,803
1-7-1988/30-6-1992	681,182	4.0	170,295
1-7-1992/30-6-1995	490,703	3.0	163,567
1-7-1995- 2000	900,000	5.0	180,000
Informal housing	3,122,000	40.0	80,000
Total housing stock in 2000	14,600,086		

Source: A. Soliman, "A Tale of Informal Housing in Egypt," in *Housing the Urban Poor: Policy and Practice in Developing Countries*, ed B. Aldrich and R. Sandhu (London: Zed Books), 295-315. The data of 1995 to 2000 was obtained from the Ministry of Housing and New Communities, Cairo.

the total housing stock to the average number of households, this will give a surplus in housing stock of over more than one million units. The 1986 census revealed that there were 1.8 million vacant housing units in Egypt, representing 17 percent of the total stock. In Cairo alone, the census uncovered the presence of 523,000 vacant housing units. In the meantime, the number of precarious units was multiplied by 3, from 40,000 to 144,000 (Arandel and El Batran, 1997). However, most of these units are in the luxury category and located on the North Coast (*El Saheal El Shamaley* in Arabic), in the larger cities such as Cairo and Alexandria, and in new towns. Thousands of these units are kept empty for future use for speculative purposes; others are considered beyond the ability of the urban poor to afford them, and others are used as summer resorts, and thus may be considered to be outside the housing market.

In the years of 1976, 1986 and 1996, the average annual production of housing units has stood at around 227, 242, and 257 housing units per thousand inhabitants respectively (GOPP, 1999). This is lower than the annual growth in the number of households per thousand inhabitants, which gives 270 (annual increase per thousand inhabitants subdivided over the average household size of 5.0 persons). In order to meet the increasing demand for housing, the government set up an am-

Table 3.3. The contribution of public and private sectors in urban housing production in the years 1982-1999

Type of housing	Number of housing units built by public sector	Number of housing units built by private sector
Luxury	1918	92690
Above middle	13220	192994
Middle	187923	436338
Public	832611	716300
Total	1035678	1438325

Source: The Ministry of Housing, Utilities and New Communities, *Government of Egypt* (Cairo: GOPP, 1999).

bitious housing program in 1993 to construct 300,000 units per year. The share of the state was to be 40 percent of the housing production and the rest was to be implemented by the private sector (Government of Egypt, 1993). Throughout the history of housing delivery in Egypt, the country could not construct more than 180,000 per year, and the state would not exceed the level of 18 percent of the total housing production if the flexibility of building regulation and the affordability of the cash flow are provided. Therefore, there is a great doubt about the implementation of such a program in Egypt, especially after the introduction of the recent Military Orders (Orders No. 1 and No. 7 of 1996) which imposed powerful restrictions within the building processes.

The housing production in the period 1960-2000 has been constructed through various sectors, public authorities, private developers, and the informal private sector. Housing provision has fluctuated throughout this period according to the allocation of investment in housing where the share of housing sectors has declined from 3.6 percent in 1975 to 2.4 percent in 1979 (World Bank, 1979). On the other hand, the housing production during the thirty years of 1952-1982 was 1.118 million units, while it became 2.474 million units during the following thirteen years of 1982-1999. Therefore, the contribution of public and private sectors in housing production has rapidly increased to meet the increased demand for housing, but still lies far behind the requirements of the urban poor. Most of this housing production is in the category of above-middle and luxury housing, and a high proportion of this production is constructed on the North Coast and in new towns where the urban poor have no place to fit in.

As illustrated in Table 3.3 the contribution of the public and private sectors are 1.055 and 1.438 million units respectively. This indicates that the state has encouraged the private sector in housing production in all levels of housing types, given the fact that the private sector is coming back to take its proper place in housing investment. The

share of the state in housing production is estimated to be 18 percent of the annual housing production. It is constructed through four fields; public housing schemes, sites and services and upgrading programs, allocation of land plots, and public housing schemes in new towns.

In the field of public housing, the state has constructed a number of public housing projects distributed mainly in Cairo and Alexandria. These housing projects were constructed to accommodate the lowest income groups in, or close to, the new industrial premises, for example, *Helwan, Abou Zabal, Imbabah*, etc. In the mid-1960s four property companies were established for land allocation. These are *Heliopolis, Nasr City, El Maadai*, and *El Ameryiah* companies. A huge public housing project took place in *Nasr City* as a new satellite city, or a dormitory town, which was constructed adjacent to the city of Cairo. The *Nasr City* that was first put forth in organized form in 1958 was designed to occupy an area of 20,000 acres, in which 45 percent was allocated for housing purposes for the middle and low-income groups. The rest of the country did not have the privilege of having a share of such schemes.

The state has allocated a large number of land plots as either *Waqf* lands or large parcels in scattered location, in old urban areas and new towns respectively, to the private developers. The aim was to participate in increasing the housing production through the enhancement of land delivery systems within the country. Sites and services and upgrading schemes were introduced with the emergence of the reconstruction of Suez Canal Cities in the beginning of 1975. These schemes aimed at providing land plots and main services to people who are most in need, and leaving the rest of housing processes to be constructed by the beneficiaries using self-help techniques.

The government invested heavily in housing development in the new towns as a means of housing development to increase the housing stock within the country. Table 3.4 shows the total housing production in the first generation of the Egyptian new towns (*10th of Ramadan, 15th of May, 6th of October, El Sadat, Bourg El Arab, El Salyhia* and *New Damietta)*. The total housing production within the new towns in the period 1989-1993 is around 27,531 dwelling units, giving an annual production of 9,190 dwelling units, which represents 4.5 percent of the total annual housing production in Egypt. On the other hand, it appears that the three cities, *10th of Ramadan, 6th of October* and *15th of May* have total housing completion of 23,943, 24,155 and 25,824 respectively (Government of Egypt, 1993). These cities contain the majority of people who have already settled in new towns. The two cities, the *6th of October* and *15th of May*, especially the latter, are making good pro-

Table 3.4. Total housing production in the first generation of new towns between 1989-1993

New Town	1/7/1989					31/3/1993					1996
	Constructed	%	Under Construction	%	Total	Constructed	%	Under Construction	%	Total	Constructed
10th of Ramadan	12320	61	7969	39	20289	18827	78	5120	22	23947	6507
6th October	9967	41	14205	59	24171	16308	67	8047	33	24355	6341
El Sadat	3004	19	12533	81	15537	8616	55	6916	45	15532	5612
New Borg El Arab	1952	22	6725	78	8677	4786	55	3863	45	8649	2834
15th of May	17206	65	9235	35	26443	20135	78	5689	22	25824	2927
El Salhya	3594	85	582	15	3976	-	-	502	-	502	-
New Damietta	3606	36	3452	64	8548	6446	96	240	4	6686	3350
Total	50941	47	36700	33	109641	75100	71	30198	29	105293	27571

Source: The Ministry of Housing, Utilities and New Urban Communities, *New towns development* (GOPP: Cairo, 1993).

gress in accommodating new people. This is due to many reasons. First, both *15th of May* and *6th of October* have the privilege of providing dwellings at reasonable prices for people who are working within the two cities. Second, *15th of May*, as a worker-residential city contains 90 percent of the total dwelling units as low-cost housing units and these units are affordable to most people who work there. Third, *6th of October* is considered a suburb of *El Giza* itself (*El Gaizeh* in Arabic) governorate, and it offers reasonable accommodation compared to the housing prices in *El Giza* (for example housing in *El Malek Faisal Street*). Also, its close proximity to the city of Cairo (16 kilometers from the Pyramids Road) has encouraged many people to settle there (most of them within the category of middle-income groups).

Secondly, the private formal housing sector represents 28 percent of the total housing production and operates within the framework of the institutional structure of the country. Most of the private formal housing sector is constructed for people who have the ability to afford luxury-housing units. On the other hand, the formal private sector does not provide dwelling units for people who are most in need; rather it operates according to the requirements of free market mechanisms. Recently, the private sector intervened heavily in housing development in new towns. The result was the construction of many dormitory dis-

Table 3.5. Number of informal housing areas in Egypt and their populations

Governorate	No. of informal residential areas	Total population (1000)	Total urban population (1000)	Percentage of total population of informal areas to total urban population in each governorate
Cairo	79	2438	6774	36
Giza	52	1398	2332	59.9
El Kalyoubia	60	1398	1494	45.9
Alexandria	40	686	3285	38.4
Fayum	28	1163	325	30.7
Beni Swif	46	100	458	31.6
El Menia	30	145	558	48.9
Assyut	49	273	1590	25.2
Sohag	34	401	670	56.1
Qena	8	381	723	31.3
Aswan	14	22.7	560	28.5
Ismalia	16	170	395	43
Suez	18	130	280	46.4
Port Said	15	140	560	43.7
El Gharbiha	48	420	1700	24.7
El Dekhlia	50	200	800	25
El Menufiah	40	230	850	27
Kafer El Shukh	38	180	700	26
Damietta	32	160	650	25
El Behertah	80	170	700	24
Total	707	8027.7	20819.3	38.6

Source: A. Soliman, (in Arabic) *Housing and Sustainable Development in Developing Countries: Sheltering the Urban poor in Egypt* (Beirut: Dar El Ratch Al Jamin Press, 1996a). The above figures have been enhanced according to the survey by the author.

tricts in new towns that led to the appearance of opulent private cities with lavish properties equipped with swimming pools and athletic facilities. Names such as *Al Rihab, Misr El Aseelia, New Cairo, Mena Garden City, Dream Land, Utopia* and *Beverley Hills*, are currently considered new suburbs of the Greater Cairo Region.

Also, Alexandria's suburbs such as *King Maryout, El Agamy, Abou Talat* etc., became areas full high classes villas. This trend points to the transition of Cairo from a the European model of a compact city to the American pattern of vast diffused spatial development such as Los Angeles, where identity, history, memory and symbolism are lost to the diversified sub-centers of the vast urban plain. Finally, in the last four decades, spontaneous settlements or informal housing areas have pro-

vided 54 percent of the total housing stock, approximately more than 7.3 million units. They occupy an area of approximately 8,000 hectares (assuming that each hundred square meters of land contains two housing units). Informal housing areas constitute a considerable proportion of many Egyptian cities. Several studies (Soliman, 1995; 1988) indicate that at least 8.02 million people or 38.6 percent of the total Egyptian urban population are living in informal settlements as shown in Table 3.5. The main problem of the housing delivery system in Egypt is, therefore, the scarcity and rising costs of land, and a mismatch between total annual housing production and the annual growth in the number of households. The lack of suitable land close to job opportunities has led to the spread of the informal areas around the major industrial locations, and an increased burden on the existing infrastructure.

To sum up, the housing delivery system in Egypt fluctuates and depends upon a number of variables. These include the costs of construction and building materials, the influence of rent control laws and building regulations, the scarcity and rising cost of land, and finally the mismatch between total annual housing production and the annual growth in the number of households. Also, the lack of funds has resulted in poor infrastructure as a main component of housing production and led to the spread of informal housing areas. These informal residential areas are characterized by social and economic segregation in the urban areas, and have separated the old quarters of Egyptian cities from the new areas. These informal residential areas have been created because of the absence of planning control, shortage of housing stock for the low-income groups, the scarcity of vacant urban land for housing development, and the imbalance between demand and supply for housing the urban poor. The informal housing areas are occupied by the middle-income groups and the people who are most in need, who do not find suitable accommodation in the primate cities. Also, they are characterized by reliance on indigenous illegal resources, small-scale informal operation, labor intensive and adapted technology, skills acquired outside the formal system, and finally unregulated and competitive markets (Soliman, 1995).

POLITICAL STRAIN

The ultimate decision-makers on housing development, especially for the urban poor, are the politicians. The politicians' decisions depend upon the nature and interests of the state and its social and economic objectives, and in this way they reflect the distribution of power within society (Rakodi, 1992; Gilbert, 1984). State intervention in the housing

field is subordinated to the interests of the monopolies in two ways. The monopolies can be the affluent class or the lowest class, this depends upon the development process within a given area. First, social investments only come after the needs of industrial enterprises for direct aid have been satisfied, and, second, there is a constant tendency to make publicly subsidized sectors profitable, so that they can be transferred to private sector interests (Soliman, 1991).

In this view, state intervention in the housing process, as an agent of private capital, interferes in the conflicts over the built environment between the working class, or the lowest strata of society and the appropriation of the major interests in a given area. In Egypt, dominant political groups have influenced the housing process and the formulation of housing policies. As a result, in certain circumstances the state may take steps in favor of the poor, while in others it may act against the poor in favor of dominant political/capitalist groups (Soliman, 1987; 1988). Political support, in this sense, may be crucial. Thus, in the mid-1970s, within the framework of the open door policy, Egypt was forced to balance the imperatives of capital accumulation against the needs of those with few personal resources. This policy led directly to changes in housing policy, leaving the supply of luxury housing to the market, while reserving a role for the state in the provision of housing for the lower classes. Since then, for many reasons, the state has intervened more widely to increase housing production across the social strata. One reason has been to maintain control over the urban poor. Another has been to use housing policy to enhance economic development in order to cope with the increasing needs of the population and match the goals of international development assistance. A third reason has been to overcome the problem of the international debt (this was around US$ 45 billion in 1976, and is currently nearly US$ 28 billion). Consequently, the attitude of the state towards housing production has changed and recognized the private developer as a main provider for housing production, while the role of the state was eliminated in providing public housing or other means of housing such as sites and services and upgrading schemes.

The first step of the shift in housing policy came prior to the peace initiative with Israel in 1974, in which the reconstruction of the Suez Canal Cities emerged and to which purpose a new ministry was created: the Ministry of Reconstruction. This Ministry played a critical role both in housing the evacuees and in showing an Egyptian-Israeli peace initiative, thus representing an important national, not a merely local, project. The Master Plan proposals for the Suez Canal Cities concentrated on housing development, as a main subject of one of the

demonstration projects in each of the three Canal Cities. One of the Egyptian government's objectives in housing was to reduce, and eventually remove, subsidies; these have been very high and have benefited only a very small percentage of the population. The housing approaches developed in the Canal Towns' demonstration projects depended on the government's objectives in making housing affordable to low-income groups. This program developed with the objectives affordable to the section of the population lying in the income band between the bottom 10 percent and lowest 25 percent range, more appropriate in social terms, and technically suitable for construction on incremental bases. One of the main projects implemented according to these objectives was *El Heker* project in Ismailia City. In this project, housing policy changed from one of direct provision of subsidized housing by the government using central funds, to one of basic infrastructure only, with user control of the building process (Davidson, 1981; 1984; Davidson and Payne, 1983). Later on, some other projects, which followed the same approaches, were implemented in different Egyptian cities, for example *Zabbaleen* and *Manshiet Nasser* areas in Cairo (Urban Edge, 1992; Sims, 2002) and *Hagar El Nawateyah* and *Nadi El Said* areas in Alexandria (Soliman, 1996b), *Nasreya* area in Aswan (Akbar, 1990). Furthermore, while the state produces rental housing only marginally, it maintains the policy of rent control with only minor modifications aimed at making the construction of rental housing more profitable. Nevertheless, the public production of mass housing did not stop; on the contrary, it increased considerably to reach a rate of approximately 30,900 units per year (Kardash, 1993). At the beginning of the 1990s, the government's attitude towards low-income settlement was diverted in a positive way for national security reasons. In May 1993, President Hosni Mubarak announced a national program to upgrade the informal housing areas in Egypt, in which 550 million Egyptian pounds were allocated up to the year 2002. The recent terrorist movement in Egypt has encouraged politicians to address the problem of informal housing areas where much of the unrest is concentrated. To control terrorism in the country, the government set up a national plan for upgrading these areas which also meant an increased official presence in such areas. As illustrated in Table 3.5, the total number of around 707 informal areas in Egypt accommodated more than eight million people and represented 38.6 percent of the total of the cities' urban population (Egyptian Popular Parliament, 1992). Thus, the state has a double role, widening its control over society and providing some improvements to the informal settlements. Such improvements are seen as a way of gaining political support from the large

number of people who live in these settlements. In 1991, the Egyptian government established a wide range of Economic Reform Structure Programs, according to which the private sector was engaged in a policy of market-based remedies (El Sayed, 1996).

In the field of housing, the private sector was involved in the provision of residential housing units in new towns. The contribution of the private sector is much greater than the public sector and the middle-income groups have made the most of this contribution as small houses constructed on the allocated land plots. In the last five years, the government initiated a new economic policy through the privatization program. The introduction of private involvement in large strategy enterprises and in public services has been slower and has raised more difficult issues, at least of public interest and acceptability. The fundamental claim is that increased efficieneies should follow from the replacement of public monopoly by private competition or even, given the rigidities of public administration and the tendency to government failure, by private monopoly. This program took two forms in Egypt: first, programmed privatization where the government makes policy decisions to sell assets, to franchise the whole operation or to contract-out particular aspects of it. The second is pragmatic privatization where an initial decision to involve the private sector is made due to necessity or to management convenience and leads to a growing commitment. In the latter process, the government allowed the private enterprises to be involved in land development within the new towns. Some form of partnership frequently undertakes land development between local government and entrepreneurs. This kind of partnership allowed the private enterprises to construct huge housing projects in newly developed satellite towns. This kind of partnership is similar to the move in the direction of the new World Bank policy (Pugh, 1995), namely, the new partnership between the government, the private developers and the beneficiaries. The question is: has private/public partnership offered a suitable environment for the housing development? Is this approach suitable to accelerate housing production within the country? Are the new towns considered a popular district or an informal residential area which could be found in the primate cities? What is the type of partnership offered for the middle and low-income groups?

A CRITIQUE OF CURRENT POLICIES

Rapid population growth and increasing urbanization have made housing one of the most critical problems currently facing most of Egyptian cities. Increasing overcrowding, the rising cost of land, declining hous-

ing quality and lack of access to social services characterize much of the housing stock in Egypt. Also, the inability of the housing delivery system to meet effective needs over the years has created strain in the existing housing stock and infrastructure in the urban areas, especially in the Greater Cairo Region. Housing policy in Egypt passed through various stages that accompanied the changing socioeconomic and political development within the country. It lacked continuity over time, and it has been changed according to change in presidency. Despite the fact that the government introduced a full range of policies to overcome the housing problem, most of these policies did not achieve their aims. On the level of the public housing schemes, the government applied these schemes in the Greater Cairo Region and a few other primate cities (Alexandria, and the main cities in the Delta and Suez Canal Regions). These schemes did not provide reasonable housing for the lower income groups, in which informal housing was still spreading throughout the country. Also, most of the public housing units did not meet the requirements and the needs of the majority of the population, yet were distributed to many people who had power or who had access to the affluent groups, while people who lacked shelter did not benefit from such schemes.

To a certain extent, people who acquired public housing units have potential needs according to their economic situation. Their main demands concentrated on the size of the apartment and the number of bedrooms within the public housing schemes. They were characterized by a continuing process of enlargements of their dwelling in a horizontal direction. For example, a survey of two estates of five-storied walk-ups of flats (the economic housing of worker's city, *Helwan*, and *Madinet Nasr* estate in Cairo) showed that occupants had managed to extend their houses by a median figure of 35 square meters. This has been achieved by community action in engaging a specialized contractor to build the five-storey stacks of rooms attached to the mother building. The new rooms provide added accommodation for a growing household and, in addition, to some young married couples unable to leave the parental home due to the unavailability of alternative accommodation.

Generally, cost recovery is used to reimburse all project costs from the beneficiaries (Agbola, 1990). In the case of public housing, the recovery of investment costs falls into two categories; social costs, and financial costs. The former cost is usually paid through the government or the state and covers the main infrastructure costs for the welfare of the society, or on a subsidized basis, while the financial cost is covered through the beneficiaries on an incremental basis. Of all the economic

constraints which affect the demand for housing and utilities, the most significant by far was that of household income and its regularity. The claims of other expenditure categories such as health or education and changes in household structure and priorities are also important, though their impact on policy formulation is more difficult to quantify. Also, it is argued (Hassan, 1990) that housing shortage in Egypt is a result of the descending priority of housing in the economic development, and the decreasing percentage of national expenditure on housing over the last 40 years. This percentage has fallen from 32 percent in 1952-1953 to 11.8 percent in 1961-1962. Between 1965 and 1975, investment in housing averaged 21 percent each year. This percentage was slightly reduced to an average of 20 percent each year during the First Development Plan 1976-1981. Thus the state started, during the last ten years, to take considerable measures to overcome these difficulties. The public housing schemes identified four categories of housing needs related to the affordability of the residents, these being lowest, low, and middle and above middle-income groups. These categories were formulated by three major factors; the income level of a population, the type of housing which the residents have been able to obtain under certain situations, and finally the degree of transformation inside one family.

Sites and services and upgrading schemes were widely applied in different Egyptian cities. The first of these schemes was *El Heker* project in Ismailia City which was implemented in 1977. The central concept of these schemes is a shift of focus from providing completely subsidized housing to providing other means of housing either in goods, services or in both. It is argued that these schemes did not achieve their objectives, and creamed off the lower strata of the society to benefit from them (Soliman, 1988; Payne, 1985). This was compounded by the fact that sites and services schemes had, for the most part, failed to meet the needs of the poorest households due to stringent payment conditions. Furthermore, reaching the poor and achieving cost recovery proved to be two irreconcilable objectives and often neither goal could be reached. In Ismailia, the combination of well below-market land prices with the high cost of services meant that the poorest households could not afford the improvements and had to sell their land and move elsewhere (Soliman, 1988). Also, the experience of first generation sites and services projects has also borne out the belief that housing projects for the sake of relocation often stand out in terms of efficient implementation and realistic standards (Swan et al., 1983), so a shift towards more democratic government is needed (Linden, 1994). In recent years, the government invested heavily in housing development in the new towns as a means of alleviating the increasing demand

for public housing in the primate cities. Government policy concentrated on providing public housing as walk-up buildings, which consisted of two categories. The first category of apartment housing (low and medium middle class) consists of two bedrooms, a living space and a utilities space for a total area of about 70 square meters. These walk-up houses consist of four to five storied blocks of flats, usually detached and roughly square or rectangular in shape, deployed on plots of about 180-200 square meters. The second category of apartment housing (upper middle classes) is superior to the previous one in terms of design, organization, habitability and comfort. It consists of three bedrooms, a living space and utilities for a total organization area of about 100 square meters. It is expressed in space in the following types: five-storey buildings and combined units of two-storey houses. It is very rare for the middle classes to obtain the latter. Both types are representative of contemporary public apartment housing in the Egyptian New Towns (*Iskan El Shabab*). The two types of apartment houses for middle and low-income groups which consist of two bedrooms and three bedrooms (with an average size of 70 square meters and 100 square meters) are sold at 35,000 and 45,000 LE respectively. The purchaser has to pay 3,500 LE and 4,500 LE respectively (around 10 percent of the units' price) as a down payment, and the remainder can be paid on an incremental basis over four years at a subsidized interest rate. Only a few people in Egyptian society can obtain such housing units, and even if they can obtain them, they cannot afford to pay such prices.

During the period when Attef Sedkey was Prime Minister in 1989, it was established that housing should not be viewed as a consumption of goods but as a productive investment capable of expending economic growth, thereby helping to achieve over all economic policy objectives (increased employment in the construction industry and increased sales of building materials, etc.). With the help of the United States Aid Program, United Nations Development Program, and the United Nations Center for Human Settlement, the Ministry of Housing, New Communities, and Utilities set up various programs to upgrade the informal housing areas in Egypt. Housing-needs assessment conducted in preparation of the upgrading programs demonstrated that low and moderate-income families, representing approximately 60 percent of the total population, were most in need of government intervention to enhance their physical conditions, as well as to alleviate the health hazards of these areas. As a result, this policy of housing upgrading was applied on a wider scale within the country, and it still is in progress. Until now this policy was applied in enhancing the physical environment of the informal housing sector, while development of the eco-

nomic situation of the residents was left out. Consequently, the policy achieved a part of its objectives, while the socioeconomic situation of the residents did not improve. At the beginning of 1996, new building regulations and Military Orders (orders No. 1 and 6) were issued. These reforms have forbidden construction on agricultural land, and have set up restricted regulations on building construction. This procedure slowed down housing construction in both the formal and informal sectors, and prohibited the low-income groups from construction in the informal housing areas. Consequently the continuity of the housing process in informal housing areas declined and housing prices rose; difficulty in finding reasonable accommodation within these areas became inevitable. Furthermore, in late 1996 (after the building collapse in Cairo on 27th of October 1996), new Military Order (Order No. 7) was introduced. It stated that any person who erected a housing unit without obtaining a license from the Housing Department would be prosecuted by the Egyptian courts, and would be accused of a crime that might put him or her in prison. Hence, these regulations created a new gap in the housing delivery system, especially in informal housing areas, inflated housing prices, and left vacant areas within informal housing areas unused. In addition, the ongoing upgrading programs within informal housing settlements became a main burden on the government budget, and lost its main objectives in enhancing the quality of the environment, which would put the government in doubt about its intention in applying such programs.

CONCLUSION

The rapid transformations of socioeconomic situations, the spread of spontaneous urban growth, and the changing of the political situation have led to an increase in the demand for housing over supply, and encouraged the spread of informal residential areas. The state was forced to face these problems to avoid health hazards, ensure safety within the urban areas, and tackle the continuous deterioration of the infrastructure within the country. Also, the increasing need for affordable housing for the urban poor became a main problem to be solved. In the last five decades, various housing policies have been applied in order to accelerate the efficiency of the housing delivery system and, at the same time, to improve the physical environment of the urban centers for the purpose of competing with the continuous development process for the welfare of the society. In the last five decades, the development of housing policy of Egypt has passed through various stages and has had various policy makers. The changing of housing policies was re-

lated to the changing of presidency and the fluctuation of the socioeconomic situation of society, which led to a failure of a continuous housing policy within the country. This failure is related to the absence of correlation between different stages of housing development, and misunderstanding of the environment of the urban poor on which arbitrary decisions have been taken towards the housing delivery system. Also, the unwillingness of politicians to understand the housing issue with regard to the treatment of housing as consumption, as a product, a commodity, or as an activity has led to setting up unrealistic housing programs, not only for the urban poor but also for the wider range of society.

Despite the fact that there is a huge public housing program in Egyptian cities and new towns, the state failed to offer reasonable and affordable housing for the target population. The issue of affordability is a persistent one for housing projects. The adoption of various rules of thumb for family housing expenditures and the use of various imported standards make most completed buildings unaffordable for the intended beneficiaries. For housing units to be affordable, housing projects must be tailored to beneficiaries' total income level, housing characteristics and their capacity to pay. To be affordable, such projects must be geared to the employment needs and purchasing power of middle and low-income urban dwellers. It is only when housing prices are affordable that an appreciable cost-recovery performance can be expected. Statutory urban and housing development cooperation, e.g., new towns' cooperation, as well as private sector development with social principles, some cross-subsidization from commercial to social spheres and from high-income to middle and low-income housing, should be promoted. The last change in the way the government intervened within the informal housing areas (National Upgrading Program) has led to a greater understanding within official circles of the land market as a main component of housing production. The dynamics of change of land use and land prices across different income segments of the market have emerged. Land delivery systems found in informal housing areas are seen by government as appropriate to new areas for low-income groups (Soliman, 1996b). In contrast, after the recent issuing of Military reforms this attitude became just a blue-print plan. It also left in doubt the upgrading schemes which led to the loss of its objectives in the development of informal housing areas. Even more, these Military Orders became a new obstacle within housing production and put further difficulties in the way of the urban poor in finding suitable shelter.

CHAPTER 4

ILLEGALITY AS A WAY FOR HOUSING INFORMALITY IN URBAN EGYPT

Housing informality is a way of doing things that do not obey/follow the system of a given environment

INTRODUCTION

For the past few decades, the ways and means by which the urban poor find accommodation and the difficulties they face in doing so have been an important issue. Some scholars provided a means for comparing the socioeconomic characteristics of renters with those of owners (Gilbert and Varley, 1991). Others examined the process of self-help techniques and the relative autonomy of the self-help construction process (Turner, 1976) and the role of the state as an important contribution for the decrease/increase of housing construction within informal housing development (Gilbert and Ward, 1985). The link between the market (formal or informal), the state, and community has

emerged as a model for contemporary policies for enablement and participation as a way for poverty reduction (Burgess, Carmona, and Kolstee, 1977). The role of the state within this has also been studied, including its role in accelerating the process of housing consolidation within informal housing areas. The role of private land developers working within illegal, semi-legal or semi-informal land markets has also been considered since, in many Egyptian cities, they provided housing plots more cheaply and in much greater quantities than the public sector and the legal private sector, thus providing reasonably-priced land for the urban poor. The main questions are: What are the main factors that influence the formulation of informal settlements? How did the urban poor acquire their land plots within urban areas? What are the roles of both private and public sectors in facilitating the provision of land for the poor?

CHARACTERISTICS OF INFORMAL SETTLEMENTS

The physical and spatial characteristics of informal settlements in Egypt are related to common features and differences among them, government intervention, and the residents' role in adapting to their environment. Informal settlements had some similarities in their physical features, which are a limited location, a main road as a strong edge limiting future expansion, privileges of various services such as water and electricity supplies in the old parts of informal housing areas, and finally, lack of social and public facilities such as schools and clinics. There are differences in housing heights and the width of streets and in sanitary services installed within informal areas. In an attempt to understand how this situation developed, the following subsections briefly examine the issues of the formulation of informal settlements and the specific causes of informality in Egypt.

FACTORS INFLUENCING HOUSING INFORMALITY

Informal urban settlement activity in Egypt, especially in Greater Cairo, started in the 1940s and 1950s. It made its appearance due to structural disturbances within the entire economy and society. Until the 1970s, the rate of informal growth was moderate. Starting from the mid-1970s, construction activity increased considerably, mainly due to the stability of security within the country, and the savings accumulated by migrant workers in the Gulf States. The comparatively high salaries that were paid there during the 1970s and 1980s enabled hundreds of thousands of Egyptians to buy a piece of land and to start construction. Investment

in housing for rent or sale was attractive because it promised high returns. In addition, the possession of land and of one's own house is culturally valued as an important form of social prestige and security.

Egyptian informal settlements are not equivalent to shantytowns or slums in other Third World cities. Particularly in semi-informal settlements on private, agricultural land (e.g. *Kafr El-Tormos, Warag, Ezbet El Matar, Mantiqat El Nugum,* and *Saft El Laban)*, the quality of construction does not differ significantly from that of formal settlements. In general, investments there are higher than in squatter settlements since there is a relatively high degree of security of tenure which allows for considerable investments at reasonable risk. The housing stock on squatted desert land tends to be of lower quality and includes dilapidated buildings and extremely precarious structures (e.g. *Ezbet Nasr, Ezbet Bekhit, Qaid Bey,* and *Ezbet Khetrallah*). The same is true for informal pockets in formal core residential areas (e.g. *Ezbet Allam, Heker El Sakakini,* and *Telal Zeinhom)*.

Most informal settlements suffer from a serious lack of facilities, i.e. deficient water networks, lack of adequate sewerage systems, lack of public and social services and infrastructure. Serious environmental problems cause further deterioration in the living conditions. The living standard in general tends to be very low in squatter areas. Although residents in all informal settlements belong to the poorer segments of the population, those living in informal areas on privately owned agricultural land represent a wider socioeconomic spectrum. Many of them belong to the lower middle or even middle-classes. Squatters, however, who do not have to pay for land but in turn take a much higher risk of eviction, are usually from a very poor background. The poorest of the poor are often found among renters in squatter settlements. All informal settlements show a relatively high rate of unemployment, low levels of professional skills and education and high illiteracy rates, particularly among women. Housing crises concentrate in the urban agglomeration of places such as Cairo, Alexandria and other intermediate cities such as Tanta. Low-income groups, civil servants, and the urban poor are the strata most hit by the housing crises in Egypt. High population growth rates and the shortage in formal affordable housing units as well as the ever-increasing land prices and high costs associated with formal development standards accelerated the growth of informal areas. In informal areas, small and medium-sized contractors have developed a variety of cheaper "model houses" by modifying the formal standards and adjusting them to local needs. Construction costs are thus far lower than those in formal areas and the owner-builder saves the fees for architectural designs and official approvals. The uncontrolled settlements

occurred in the absence of affordable housing for low-income groups, lack of a national planning policy, the weakness of planning control, and spontaneous growth. First, scarcity of affordable housing for low-income groups might be attributed to the following reasons. In the previous chapter, it is argued that there is a housing crisis in Egypt, in both quantity and quality bearing in mind the limited public budget allocated to housing investment, and the fact that the share of state housing would not exceed 10 percent of the total annual housing production. On the other hand, the increase in construction costs, the price of building materials associated with the influence of rent control, scarcity, and rising of land prices, have all created concrete obstacles for the private developers in contributing probably to formal housing production, hence the appearance of informality.

Second, the lack of a national urban planning policy has contributed to the spontaneous growth of cities by rural-urban migration. The spread of the urban centers to the surrounding areas is considered a natural process: stretching, spreading out, overflow, arbitrary growth, etc., originating in an ecological phenomenon. Thus, for example, expressions like invasion into agricultural areas or state lands, conquering of areas, occupying key positions, squatting on public land, etc., have been widely used in most Egyptian cities, and are related to perceptions of the struggle of immigrants to settle in the urban areas, and at the same time, to tackle the shortage of housing for low-income groups. Finally, the arbitrary physical development required the installation of basic services to alleviate the health hazard and, at the same time, required a lump sum of money to be paid by the government. Therefore, while on the one hand the arbitrary physical growth put further financial burden on the government, it destroyed the homogeneity of the natural growth of the cities, and weakened the planning control over the urban areas on the other. The GCR, Alexandria and Tanta cities seem to be spontaneous cities with leaks in some planning districts, or cities surrounded by belts of uncontrolled residential areas.

Third, the inappropriate planning control has accelerated the formulation of informal housing areas especially in the periphery of the urban centers. Despite the fact that the government introduced the urban planning law in 1982, many defects are encouraging or helping the establishment of uncontrolled housing areas. This law did not clearly identify the urban areas, and even the regulation for establishing a new housing area outside the city boundary is left vague. On the other hand, the urban planning law No.3, decree No. 13 stated that the built-up area should not exceed 60 percent of the total size of the land parcel whereas in informal areas nearly 100 percent of the plot is built upon and only

15-20 percent of the land is left for public uses (streets, open space, public services) compared to 33 percent in formal areas. Moreover, construction in formal areas has to comply with the building code (law 106/1976 plus several amendments). The high construction standards imposed by the law increase the costs beyond the financial capacity of many private owner-builders. This has encouraged the private developers to escape from inner city areas, or regulated areas within the city, and to accumulate in agricultural areas for the purpose of speculation, in order to avoid the continuous increase in land prices within the city and escape from following the regulation of planning law in order to make the best use of their land parcels. Also, decree No. 50 stated that the sub-divider should install the various services to his parcel at his own cost as a condition to obtain a formal license for land subdivision. To sustain the low price of the land plots, the private sectors, together with sub-dividers, preferred to invade the peripheral areas of the urban centers to avoid paying extra money and to make them affordable for low-income groups. Finally, the spontaneous growth has been associated with social and economic segregation in the urban centers, and has separated the old quarters within the Egyptian cities from the new areas. The spatial growth in Egypt has been divided into specific functional sections devoted to transportation, commerce, administration, education, and manufacturing into three major counter-magnets: the primate cities, the new established regions, and secondary cities.

This sprawl growth is characterized by the following: (1) rapid encroachment of arable land by uncontrolled physical growth, mainly housing development; (2) lack of technical infrastructure such as transport network, water supply and sewerage in informal urbanized areas of the cities; (3) low degree of coordination between public development projects and the ongoing informal urbanization; (4) weak performance of the urban economy of most medium sized towns due to lack of economic resources apart from agriculture, a small degree of backward and forward linkages between economic sectors; and finally lack of cultural activities and the weak performance of political activities due to which towns probably could not contribute at the national level. Consequently, small and medium sized towns do not provide the basic services for their own population in an adequate way thereby forcing them to move towards the economically more advanced locations.

CAUSES OF INFORMALITY

Several factors have historically been associated with informal residential development on agricultural and desert lands in Egypt. The gov-

ernment, either directly or indirectly, has played a major role in all cases. First, changes in official economic policy have taken economic power away from the traditional landholders and spread ownership across a wider section of society. This trend first appeared in the land-reform measures and revolutionary land-ownership strategies of the early 1960s. Nevertheless, it continued under the *Open-Door Policy* of Sadat and the privatization policies of Mubarak. Second, the announcement of official planning schemes has normally led the urban poor to occupy land close by, in order to pursue the job opportunities created by such government work. Thus, informal housing areas emerged during the construction of *Nasr City* (a dormitory satellite town to Cairo) and construction of the ring roads around Cairo and Alexandria. In the case of *Nasr City*, the government allowed those engaged in the construction process to settle temporarily on a public site near the project, eventually creating the *Manshiet Nasser* squatter settlement. In the latter cases, private developers purchased large areas of agricultural land in the vicinity of the proposed ring roads, and subdivided them illegally, thus creating both the *Ain Shams* area of Cairo and *Ezbet Mohesan* in Alexandria. Third, rapid urban development has stimulated greater inequality in land holdings. In Egypt, land is seen as a far safer investment in uncertain times than industrial production or cash: meanwhile, during booms, land ownership permits lucrative profits. It is estimated that the annual total of agricultural land converted to urban use in Egypt is 20,000-30,000 hectares (Housing in Egypt, 1991).

Finally, Egyptian land-tenure laws have created unstable patterns of ownership. In particular, Egyptian inheritance laws dictate that children should inherit equal shares of property, but this often results in parcels being abandoned when multiple progeny cannot agree over subdivision or sale. Alternatively, if a landlord dies without children, his property is transferred to the Ministry of *Awqaf*. In both cases, land may change from private freehold to public title. Further instability was created by the Agrarian Land Reform of 1961, which redistributed fertile land from traditional owners to small landowners. This was confirmed in 1963, when the land tenure of large areas changed from private to public. In all cases, such movement of land from public to private ownership, and vice-versa, has had a major impact on the building patterns. In addition to these broad underlying conditions, the main premises for the acceleration of illegal development in Egypt may be summarized as follows. First is a desire among owners of agricultural/desert lands to subdivide their land into small plots for sale, and the increasing demand for such plots. Second, the subdivision of inherited agricultural land, causing farm plots to become too small to be

cultivated economically. Third is a desire of owners of large plots who are employed in sectors other than agriculture to avoid the difficulty of finding suitable farming tenants, and who sell their land for development instead. Finally, unfavorable farming conditions, such as when crops on lands close to urbanizing areas are damaged by children and domestic animals from neighboring dwellings or are overshadowed by adjacent dwellings. All of these reasons have initiated and encouraged the formulation of informal housing development on agricultural desert areas on the periphery of the urban centers. As a result, because of the increasing number of buildings in the locality and speculation, land prices increased, and movement of the oldest settlers occurred. Lower-income groups can no longer afford the new high prices, and they have to look elsewhere for cheaper lots in younger settlements, at other more distant locations. A new clientele for the lots replaces the first one. They are lower-income groups who have improved their economic status in one way or another. Their savings are usually channeled into starting a business to ensure continued improved economic status, and securing a dwelling. Sometimes both are jointed in the same structure.

ACTORS, ORGANIZATIONS, AND RESIDENTS INVOLVED IN INFORMALITY

Several actors and organizations are involved in the formulation of informal settlements. Their roles and involvements are differed from one settlement to another, but they are contributed by one way or another in the development process. In an attempt to understand how their roles developed, the following subsections briefly examine the roles of different actors, organizations, and the residents.

ACTORS IN INFORMAL HOUSING DEVELOPMENT

Various groups have been associated with facilitating access to informal housing in Egypt (see TABLE 4.1). These include owners of agricultural areas (providers); private enterprises that serve as illegal land developers (operators); those who provide informal services to the operators (suppliers); government agencies (regulators) and public/private interest groups (facilitators); people who need housing (customers); and, finally, formal-sector institutions (merchants, banks, professionals, etc.). All these groups have participated or cooperated in one way or another in accelerating, formulating, or encouraging the mechanisms of this market (Solman, 1999). The main groups participating in informal housing production may be described as follows.

Table 4.1. Actors and their roles in land provision

Actor	Semi-informal	Squatting	Hybrid
Provider (land owners)	Generally active	Reactive Status quo, specific	Proactive over specific issues
Operators/speculators (private developers). Informal service suppliers	Supportive	Opportunity for development	Critical in some ways
Facilitator/Regulatory (public and private groups and State agencies)	Active	Lacked vision	Concerned with a wide range of issues affecting residential development
Customers (urban poor)	Increasingly active	Active/ coordination	Image of future vision
Formal-sector institutions (merchants, banks, professionals, etc.)	Active	Initially opposed, later supportive and contributory	Inward investment

Source: A. Soliman, "Partnerships in three Egyptian Cities," in *Making Common Ground: Public-Private Partnerships in Land for Housing*, ed. Geoffrey Payne (London: ITDG Publishing, 1999), 89-112.

Providers (landowners). Such individuals may own land on the periphery of the city and may be motivated by profit to sell their plots to newcomers who are seeking affordable housing sites.

Private developers (operators/speculators). Such larger private concerns may buy large plots of desert/agricultural land in key locations. In general, they benefit from understanding the important dynamics of informal urbanization, and they see illegal subdivision as a good opportunity for profit. However, contrary to owner-subdividers, these "professional subdividers" do not often settle in an area. They are most likely to find a role when personal relations and trust are weak. This may be the case when residents have little in common with each other and come to an area individually.

Suppliers of informal services. Three groups deserve mention here. First are small landlords, who may have parcels close to or adjacent to the city. Second are middlemen or local brokers *(Simsar* or *Dallal)*. In the early phase of settlement activity, newcomers usually hear about the possibility of settling in a certain area through relatives, friends, or colleagues. But later, some residents may assume a more established role in relation to the sale of both land and houses. With time and an increase of tenant residents, they may also act as middlemen between landlords and tenants. Such brokers normally work out of coffee shops *(Qhwyya)*, grocers, or shops, and both buyers and sellers pay them a fixed amount or a percentage of a contract's value. The third important groups in this category are small and illegal contractors. Such people

accelerate housing production on agricultural areas, encouraging further invasion of agricultural land.

Public/private bodies (facilitators) and governmental agencies (regulators). Whatever their form and organization, these agencies often support the invasion of agricultural areas on the periphery of cities by erecting religious centers (usually mosques), public-housing complexes, administrative buildings, and/or educational complexes. Because these buildings are public or religious, they establish new land-use patterns that replace the area's former agricultural use. In addition, the government has taken the initiative in developing new economic activities on virgin desert land or using such land as a location for military activities.

Prospective customers. These people may be acutely in need of housing sites. They may generally be considered low-income.

Formal-sector institutions (merchants, banks, professionals, etc.). Whether such bodies are private or public, they participate by providing cash and services needed to purchase agricultural land within a city's periphery. The provision of cash must be accompanied by collateral. It is very rare that such institutions will finance informal housing development directly, but they may play an important role behind the scenes.

THE ROLE OF POPULAR ORGANIZATIONS

Throughout the field survey within informal residential areas, there was a common objective of community groups to develop leaderships amongst the urban poor. The objective was to formulate an organization headed by a leader to lead/guide the negotiations with the state and its agencies to extend and obtain entitlements, and to install the basic services within their areas. There was a belief that the state could not negotiate on an individual basis, rather, it could negotiate at a communal level, and hence it was the objective to create an organization. Over time, local grassroots organizations strengthened and pushed their leaders to become members of the local council in their own cities. The major objectives were: supporting a critical mass among the urban poor; creating local knowledge and understanding through community exchanges; maintaining a culture of daily saving to strengthen grassroots organizations and community loan funds; supporting women to collectively take charge of the development process; building capacities to hold dialogue with local officials through exchanges; and exploring precedent-setting activities to demonstrate what the poor can do.

A main output of this kind of organization was an informal credit system, which included the formation of monthly savings and credit

groups of low-income women in order to promote income generation, reduce daily risks such as illness and obtain informal loans for housing construction. This system of informal monthly credit was organized among the residents by collecting a lump sum of money on a monthly basis from a certain number of people within the community. The person who was responsible for organizing the collection and distribution of money was usually the oldest, or the *Sheikh* of the mosque or the most trusted person among the community. Over a period, usually on an annual basis, each person who participates in such system could have in turn the collected monthly money. Therefore, each person could obtain a lump sum of money to be reimbursed on a monthly basis without paying any interest. This system was designed to build a strong local community with financial transactions (savings and loans) creating the basis for Community-Based Organizations (CBOs). Despite the diversity of informal sectors in three Egyptian cities, there were various organizations which operated in different ways and at different levels in order to obtain goods and services for the needy people.

Land subdivision and informal development of desert areas follow different procedures from those which pertain on agricultural land. Here the most characteristic processes have involved collective invasion by people from Upper Egypt or by Bedouin. Therefore, kin groups, friendship networks, and popular organizations have played a major role in informal development on desert land.

During the early years of informal settlement activity in Egypt, traditional community leaders like *Sheikhs*, *Omdas*, and neighborhood and family elders played an important role. They represented the settlers in negotiations with the local administration and often arranged for the installation of public water taps along main streets. Gradually, they also negotiated the extension of infrastructure (water, electricity, and sewerage in some areas) through self-help. However, among younger Egyptians today, the patriarchal values underlying these traditions have lost much of their value. As a result, the traditional role of the *Sheikh Al hara* (neighborhood leader), or the *Kibir Aaaila* (extended family elder with ultimate decision-making power), is rarely filled. Newer conditions of enhanced personal freedom and increased anonymity are instead reflected in less organized or coherent local communities.

In many cases, however, traditional leaders from particular areas of origin in Upper Egypt have set up small community organizations called *Rabita (pl. Rawabit)*. These are an exclusively Upper Egyptian type of popular organization, to which membership is restricted by place of family origin, with the name of the origin place serving also as the name of the association. *Rawabit* normally collect money and build

premises that consist of a mosque or a church, with an annexed multipurpose room and in some cases additional rooms. *Rawabit* offer support on special occasions like funerals and pilgrimage, and their multipurpose rooms are sometimes also used for wedding parties and festivities during religious feasts. Some of the more active *Rawabit* organize additional activities like literacy classes and support for widows and orphans. A few are registered with the Ministry of Social Affairs under the NGO law (law No. 32/1964, amended by law No. 153/1999), but most operate informally. Another informal organization that has played a role in informal settlement areas such as the *El Dekhila* and *Ezbet Alfam* areas of Alexandria is the Arab Council *(Maglis Al-Arab)*. The council drew on traditions introduced centuries ago by Bedouin immigrants to Upper Egypt from the Arabian Peninsula. The head of the Arab Council was traditionally a charismatic figure and, like other council members, he derived his authority mainly from his socioeconomic status and his communication and negotiation skills. Over the years, the council managed to obtain some public services and have some utilities extended to desert squatter areas. It was also able to organize support for individual community members in cases of personal crisis and it settled disputes of all kinds among residents of informal areas. However, after the head of the Arab Council died in 1989, the council ceased to exist. Popular organizations have also played a role in both *Ezbet El Haganah* and *El Dekhila*, as well as in other squatter settlements. While the structure of these organizations and their roles in community development has been similar, their degree of influence has varied. Generally, however, the more homogeneous the residents of an area are in terms of regional origin, the stronger their popular organizations will be. This has been true of settlements where most residents come from Upper Egyptian villages.

THE RESIDENTS' ROLE

Three aspects of the residents' role in shaping their environment are noticed (Soliman, 1991). First, the presence of a hierarchy of use; meeting spaces and scattered layouts are related significantly to the residents' social, economic, and climatic considerations and are violated by governmental public housing closely spaced and in straight rows, which is also rejected by the residents. Second, the residents themselves, without government or professional intervention, create the pattern and space form. The settlers are their own architects and they form their settlements according to their needs and requirements.

Furthermore, the settlers within public housing complexes, squat-

ted on vacant public areas in front of their housing blocks, they added new spaces, and converted their units to suit their requirements. Therefore, to meet the need to accommodate expanding families, many residents took matters into their own hands. Thus, one resident would decide to add a room to an apartment on the ground floor; once built, this would provide the person above with an excellent balcony (AlSayyad, 1996). What then would prevent the upstairs resident from making it into a room as well? In other words, they constitute self-reliant communities, where people decide together on how to shape their common destinies. All decisions about what to build and how to build it are in the hands of the users, representing the principle of community participation. In addition, the women's role in sustaining and managing their duties within their units and environment improves the relationship among the residents of the community on the one hand, and increases the level of household income on the other. Third, the hierarchy of circulation systems within the areas is similar to their area of origin, where their cultural and traditional ties lie. They construct their physical environment basically in a manner similar to what they have in their villages. The result is a traditional rural pattern with a variation of spatial proportion relating to street widths, building facades, and a hierarchy of spaces with limited access. In short, low-income groups are capable of achieving and providing greater flexibility in their physical environment as compared to what is found in organized areas. Finally, the residents' role in adapting to their environment can be attributed to the diversity of their socioeconomic situations reflected in the types of housing being constructed. The socioeconomic characteristics of the residents within informal housing areas have five aspects. First, the population and household data have identified a low level of special status related to a lack of social facilities within the informal areas. This lack of social facilities has resulted in a reduction in education (55 percent of the total population is illiterate), increased health hazards, a high birth rate, and overcrowding in the areas. Second, the significance of accessibility to job opportunities has played a major role in the success of the development of informal housing areas, for example, *Manshiet Nasser* (Cairo) and *El Nasserieyh* (Aswan) (Hadjitheodorou, 1981). Due to the growth of industry close to informal housing areas, there is an increased potential for both skilled and unskilled workers to find suitable job opportunities capable of absorbing a variety of workforces. Third, the decision to enter informal areas is based on economic factors, cultural attitudes, and the quality of the physical environment. A high percentage of the residents in informal areas immigrate directly to the areas without a stop-over in other sectors of the city. Fourth, not

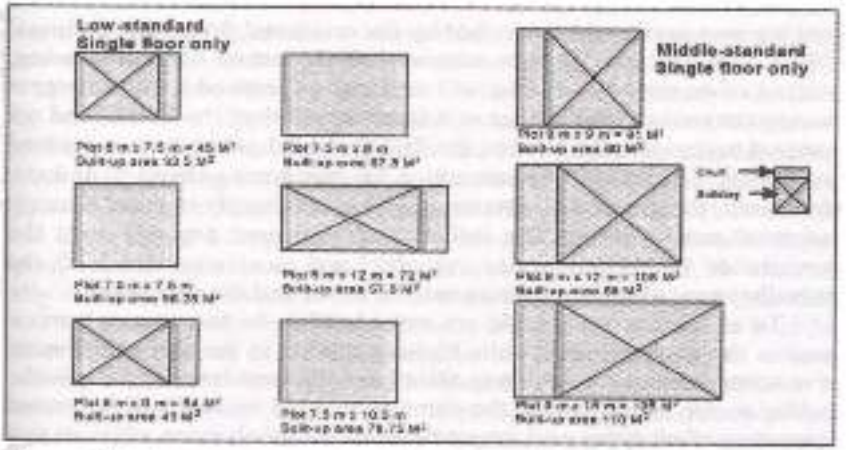


Figure 4.1. Variation of housing types in informal housing areas

Source: author

all residents of informal areas are considered poor, but one-third of the total population is living below the poverty line (Soliman, 200). Finally, formal legal and administrative procedures do not exist within the informal housing sectors, the result being a free rent market, an increase in the housing production, and the institution of key money. A variation of housing types has been produced in informal housing areas in Egypt, shown in Figure 4.1, to suit the varied needs and resources of the residents. Of particular significance is the fact that the residents have adopted their own methods and their own procedures to provide suitable shelter for themselves.

There are three lessons to be obtained from informal housing areas in managing their housing development. First, the variation of housing types, their quality, and the level of investment and improvements in housing construction have not been tailored based solely on the degree of security of tenure. Factors such as the condition of the site soil, the economic level of the residents, the quality of the environment, and the level of consolidation among the residents are more important. Second, the design and standard of the houses within informal housing areas have been tailored according to the residents' requirements; the resources are simply not available to provide either high standards or large plots for all (Dix et al. 1992). Third, the flexibility of the implementation process in the form of local planning conventions, piecemeal growth and short time span, have all led to the increase of housing production through release from restrictive planning control within infor-

mal housing areas, and controlled by the residents' decisions (Soliman, 1987). The user has his own control over the nature of local housing, instead of an outsider, and he will continue to respond to his emergent socioeconomic circumstances at a faster speed than the formal and organized areas. Finally, despite the fact that land prices have increased in the last decade, and opportunities for purchasing cheap plots have decreased, the process of obtaining land plots cheaply remains through informal arrangements. The informal arrangement depends upon the households' needs, aspirations, resources and, most important of all, the friendly terms of payments between the buyer and the purchasers.

To sum up, many people are considered to be too poor to participate in the conventional public housing market in the absence of massive subsidies and are unable to afford the cheapest housing units in the public sector. They are, at the same time, able to direct their limited resources of all types and invest them into a much more efficient and cost-effective way than the public body had ever been able to accomplish. The relatively small or limited sum of money that was invested in housing production seemed to be much more positively and effectively utilized and oriented. However, the level of consolidation, land plot size, the quality of the housing units, the level of social amenities, cost, type and methods of implementation, are all directly related to the flow and level of income among the squatters

URBAN INFORMALITY

With the increasing demand for housing plots/units by low-income groups, and the difficulty of obtaining a cheap shelter within the big urban centers, informality has become the main feature of urban development in Egypt. The local authority has participated directly and indirectly in increasing the level of informal development. Also, some governmental procedures or regulations have led directly to encourage people to develop their land illegally. The discussions below give some insights on urban informality in the big urban centers in Egypt.

CLAIMING LAND IN DESERT AREAS

Desert land in Egypt is, by default, state land. There is, however, a long and complicated history of legal and extra-legal mechanisms to exploit this land for the benefit of private and institutional interests. The process of residential occupation of such land in Egypt has also had many typical features. The collective invasion of fringe desert areas around big urban centers began in Egypt in the 1920s when settlers moved

onto land along Alexandria's North Coast, in the area between *Abu-Kir* and *Sidi Beshir*, and around *Lake Maryout*. The parcels settled here were mainly controlled by Bedouin. Around Cairo, collective invasion by workers from Upper Egypt began in the 1930s in *Ezbet El Haganah* and expanded to other desert areas in the 1960s, most notably *Manshiet Nasser*. Following these invasions, the claims of settlers living on their plots were rarely disputed. Only in rare situations when a claimant did not show up for a long time might somebody else claim his plot. However, even in such cases, should the first claimant reappear, he was usually offered compensation. Most settlers claimed more land than they needed for themselves, selling adjacent areas to kin or friends in order to create a pattern of familiar neighbors. At a certain stage, criteria among the oldest settlers were developed which regulated access to land for newcomers. The process of settlement and construction was widely done in a spontaneous way. Neighbors used to help each other in construction and site development but did not interfere in subdivision activity and sales decisions. Some arrangements were made collectively for public space.

The real estate value was thus very low. Therefore governmental bodies did not show any interest in desert land before the early 1970s when large parts of the adjacent new formal settlement of both cities had already been erected. In 1984-85, land parcels could be found for no more than 4-6 LE, 10-30 LE per square meter in Cairo and Alexandria respectively. Consequently more land was claimed, subdivided and sold informally. The improved accessibility of desert land and the increased demand for land plots due to the general boom in informal housing development attracted not only more settlers but made the land interesting to the governmental bodies, too.

After decree No. 506/1984 was issued, the municipalities tried to clear some areas and started with vacant land claimed by the oldest settlers. The latter organized themselves in community associations, for example "*Ahna' Izbet El Haganah*," and filed several lawsuits against municipalities that have been dismissed by the courts. For most of the desert areas, land tenure remains somehow confusing, although some municipalities have recently attempted to regularize the situation by sanctioning trilateral negotiations between resident land claimants, municipalities and the military. Nevertheless, there have been numerous conflicts and disputes concerning formal as well as informal property rights and ownership, particularly in *Ezbet El Haganah* area in Cairo and *El Dekhila* area in Alexandria. In some cases, settlers have built on land that has been claimed before by others. One of these disputes was reported to have resulted even in the death of two persons in a fight

when they tried to get hold of a parcel that was already claimed by others. In other cases, land or even buildings have been sold several times by the same owner.

AGRICULTURAL LAND SUBDIVISION

In Egypt, agricultural land subdivision is a product of inheritance. According to Islamic law, all heirs obtain a share of the heritage, but a son inherits a share double that of a daughter. Such a process of subdivision is dynamic and occurs piecemeal over a locality, increasing disparities in parcel size.

However, since each new plot must have access to an irrigation canal and a public road, the result is generally one of linear plots (*Ahwad*) up to 400 meters long and 120 meters wide. Generation after generation, such plots have been further subdivided into narrower strips separated by small irrigation channels (*Misaqa*). Some today are as narrow as 15 meters. As localities become increasingly urbanized, some canals dry up and are added to the width of contiguous roads. Furthermore, as disputes arise among heirs, courts have often transferred judgment to engineers with expertise in subdividing land according to Islamic law. Such subdivisions usually occur according to a measurement of *Faddan*, which constitutes 24 *Qirat* (175 square meters). Since each *Qirat* contains 24 *Sa'ahim* (7.29 square meters), the characteristic width of many plots is 7.29 meters or some multiple thereof. Large agricultural parcels (*Ahwad*) are usually subdivided within the pattern of large irrigation canals and drains, and each *Hoa'ad* (large parcel) must have side reservations for paths and canal cleaning. The pattern of the old irrigation system thus usually defines the main and secondary streets in an informal housing settlement on former agricultural land.

THE IMPORTANCE OF MOSQUE IN LAND SUBDIVISION

Mosques are religious establishments which serve as community centers. They are usually built through mutual-aid on vacant land and members of the community organize various mutual-help projects through them. Occasionally, they are located on the ground floor of multipurpose buildings. A fundamental aspect in facilitating informal development in both Cairo and Alexandria has been the construction of mosques (*Masgahd*) or *Zawaya* (small mosques) either by the community or by private developers. Mosques ensure the installation of basic services within informal sites and facilitate residential development. They also give a sense of security to settlers since municipalities do not have the authority to demolish places for prayers. A small mosque or

Zawaia is thus often constructed illegally by private landowners or developers and donated to the *Waqf*, in full knowledge that the municipalities will not dare demolish it. This enables private developers to subdivide the remaining area and expand a settlement. The practice of accepting a mosque as a gift and taking responsibility for it gives settlers some expectation that a municipality will ultimately accept their site's residential status. All actors benefit from this development: the municipality is released from having to provide social amenities to a growing population, private developers gain a good return for their money and settlers find reasonable sites for housing development. Subsequently, various services are installed to serve the mosque and citizens may resort to the power of religion to achieve their goals (AlSayyad, 1996). In this way, the settlers enhance their social environment, while the government may support this improvement for the benefit of the locality.

INSTALLATION OF UTILITIES

The installation of services within informal or "pre-informal" and organized residential areas varied considerably. Pre-informal areas are considered areas in which the government has intervened, installed infrastructure and recognized as an urbanized area (such as *Nadi El Said* in Alexandria). This variation depends upon the economic situation of the residents, the physical conditions of the site, the location of the informal areas (close to or far away from the main source of services), and the willingness of the settlers to help in installing certain services. On the other hand, basic services are closely linked, and decisions are taken with respect, to appropriate standards of provision, for one might well impact adversely on others. Water supply and sanitation are perhaps the most obvious examples. Services are usually nonexistent, as these can only be provided by the local authority. Commercial facilities, religious buildings and some small-scale private health facilities are provided by means of community efforts. Utilities are provided by private efforts. This is usually done by collecting money among the settlers in a particular area and ordering a local contractor to carry out the work with or without labor input from the beneficiaries. Until recently, the Water and Electricity Company used to send somebody after the settlers had organized house connections. The company employees collect a fine and install meters against payment of the respective fees. The whole procedure is called *Musalha* (literally reconciliation). In the initial stages of areas built on agricultural land, a manual pump is installed on the site to provide water for construction and

eventually for domestic use. Sewage is disposed of in a septic tank, or in a tank dug in front of the building, and removed mechanically by trucks when full. Electricity is either produced by a diesel generator in a workshop and then sold to neighbors or an illegal hook-up is made to the electrical lines. Later on, the local authority provides the basic services within these areas. The preliminary installation of basic services is carried out by the local settlers who save the state's fund so that it can be allocated in other aspects of development.

ILLEGAL MECHANISMS OF HOUSING CONSTRUCTION

Before the 1970s, the Egyptian government had no interest in the conversion of agricultural land into urban settlements where this phenomenon was in a limited scale. Later on, sprawl growth on agricultural land spread on most peripheral areas surrounding big urban centers. In most agricultural areas, no building permits or licenses were required before 1980.

Before 1992, official building licenses were in practice, only required in formal areas. In formal areas, building permits could be obtained from the district office. In most cases some bribes were paid to the supervising district engineers who then turned a blind eye to the construction activities. After the earthquake of 1992, the government became more aware about illegal construction on formal areas and agricultural land. Consequently, several decrees and laws have been introduced to restrict and prohibit construction on agricultural land, and control the construction activities in formal areas. Until 1996, courts played an important role in obtaining a permission to build on agricultural land. In certain areas, courts have been involved as part of the routine in urban development activities on agricultural land. The illegal construction can be summarized as follows:

First, illegal construction on agricultural land involves certain procedures to obtain some sort of de facto recognition. A person who intends to construct a house in an area which is classified as rural has to look for the agricultural inspector of the area to make an arrangement to carry out the construction process. This deal is usually set up for a certain amount of money, to be paid as a bribe, from the owner to the inspector, to ensure that no official body stops the process, building construction takes place at night or on weekends and feasts. With help from the inspector, the owner usually builds a wall surrounding his land parcel, or constructs brick foundations, to have status quo of construction of his plot. In many areas, the responsible district engineers maintain a whole network of informants to know about illegal construction.

According to the area, informants may involve ordinary residents, local contractors and even shop owners who obtain a share of the bribe that has to be paid. Because of the unauthorized use of agricultural land for building purposes, a representative of the office for the protection of agricultural land in the agricultural cooperative inspects new construction sites and files a complaint at the local police station

Second, in areas that have been classified as being located within the city boundaries, the owner who wishes to construct additional floors on his existing building, without a license for one reason or another, has to have an agreement with the inspector of the district to do so. After a few days, the supervising district engineer files complaints, and follows the previous procedures. The owner usually states that his construction was de facto a long time ago and has already been envisioned for residential development. The complaint is then transferred to the prosecutor's office and subsequently to the court where the owner repeats his statement.

Third, in the formal areas within the city, the owner who has building permits and wishes to construct illegal additional floor(s) has to have an agreement with the inspector of the district to do so. The additional floor(s) are always constructed under the eyes of and with the protection of the inspector, and are usually built on Fridays, when most of the official departments are closed. As soon as the concrete slab of the floor has been constructed, it becomes very difficult for the local authority to demolish it. After the completion of the construction process, the inspector reports the illegal construction to the district council, and then the above procedures have to be followed. In all the above-stated cases, the court orders an expert from the Ministry of Justice to decide whether or not the land can still be considered as agricultural land and whether or not the additional floors were constructed long time ago. Important criteria for categorizing land as suitable for urban development are the non-availability of a functioning irrigation system, easy access to utilities and the existence of other buildings around the plot in question.

Other criteria for identifying the new construction as part of the old/new buildings are the installation of electricity supply and the registration of the additional floors in the Land Tax Department. In most cases, the owners usually manage to achieve these requirements. Even if these criteria are not easily met, the expert's report could be influenced by a small bribe. Courts are known to sympathize in most cases with owner-builders so that the lawsuit is never intended to punish the owner and to prevent him from building.

On the contrary, the lawsuit represents a means of obtaining an of-

ficial permission to convert agricultural land into building land through a court. Procedures usually take around 2-4 years, during which the owner continues construction. After the earthquake of 1992, and the collapse of several buildings in Greater Cairo in the beginning of the 1990s, the authorities started to require building licenses for informal areas, too. In most cases, the only consequence was a considerable rise in the fines/bribes that had to be paid to the supervising district engineers. In addition, numerous conflicts have been reported when an engineer in the district hierarchy was overlooked and not get what he considered his legitimate share or when an owner has negotiated and paid a certain amount to an engineer who was then replaced and his successor did not acknowledge the agreement before getting his own share.

The military decrees issued in 1996 stated that the existing buildings in older, consolidated informal areas, which were constructed before 1996, were recognized as residential areas, although they were constructed illegally on agricultural land. These military decrees gave the informal residential areas de facto recognition, and they have been integrated into the city boundaries.

In 1996, the Prime Minister issued a decree stating that the construction of any building without a license would make the owner liable to punishment under Military Law, allegedly to prevent chaos, corruption and hazardous building practices. Courts received orders to handle respective cases very strictly and judges have been placed under tight supervision to make sure that they rule in accordance with the decree and the law and enforce punishment. Construction without a license can be punished with a maximum of 6 months imprisonment and fines of between 5,000–20,000 LE. Since obtaining an official license is very complicated, time-consuming and expensive, the decree brought construction in many informal areas on agricultural land practically to a standstill. Recently, however, illegal construction activities have increased once more, although they take place on a far smaller scale than before 1996. A major obstacle prohibiting the application for a building license is the prerequisite of a certificate stating that the plot is not in the category of agricultural land. In practice, only people with enough capital and the right connections are able to obtain this certificate in order to have official building licenses. In some areas, construction activities continue illegally and/or building licenses are issued within days against high bribes even if the applicant does not have an official ownership title. Reportedly, up to 30,000 LE are required today to obtain an official license instead of the official fee of 4,000 LE. This depends on the size of the land plot, its location and the number of housing units to be constructed.

LAND MECHANISMS

Informal housing development in Egypt appears to increase during the transaction of land and property between various government offices and during changing socioeconomic and political situations within the country (Soliman, 1987). The concern here is to concentrate on ways in which various mechanisms facilitated access to reasonable land for informal housing development. These are determined by several factors. The following subsections give an insight into the process of land invasion, land transaction, and conversion status within informal areas.

THE PROCESSES OF LAND INVASION

The phenomenon of land invasion by the urban poor is varied. Land was often obtained through the medium of land invasion, a process frequently encouraged by the government and opposition parties alike (El Kadi, 1988). Land invasion within informal settlements in Egypt took place as soon as land tenure was in doubt, during the transaction of land property between various governorates, the transformation of the economy or regulation, and during national or local election times within the country. The latter phenomenon is considered to be the most effective in the formulation of informal settlements in Egypt, where the largest established settlements take advantage of political pressure. The process of land invasions within informal residential areas involves three types of invasion as shown in Figure 4.2, namely organized invasion, a collective invasion, and scattered invasion (Soliman, 1995). This process of land invasion has offered accessible land at a reasonable price and equally increased the availability of the rented flats (the percentage varied from 20 to 30 percent of the total housing production in squatter areas) at affordable rates for the urban poor.

The similarities and diversities within informal areas add up to the fact that some areas are in a good physical condition compared to others. This is related to three variables; the different economic situation of one settlement from another, land invasion, and third, the different circumstances under which informal housing was created. The latter could be expressed in two different ways. Some informal settlements such as *El Dekhila* and *Ezbet Abou Soliman* areas in Alexandria have been invaded by illegal subdivision of the land without government intervention while in *El Sideen* and *Ezbet Metras* areas in Alexandria the invasion of the site was organized by the government, or at least the initial development was initiated by official bodies, as in *Hagar El Nawateyah* area in Alexandria and *Manshiet Nasser* in Cairo (Soliman, 1992a). Such invasions are usually introduced by official bodies as

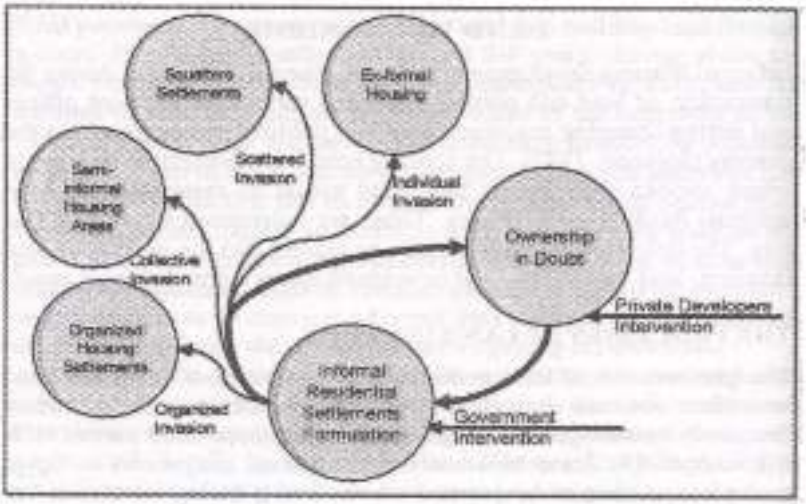


Figure 4.2. Land invasions in urban Egypt

Source: author

temporary residential areas, or for a specific use for a certain function for a certain time, where most of such development did not follow the basis of establishing a residential area. Second, in some areas such as *El Dekhila* (Alexandria), *Manshiet Nasser* (Cairo), and *El Nasserieyh* areas (Aswan), the settlers originally had good background knowledge of construction and consequently they organized and subdivided the land illegally based on their requirements and this has continued to the present day.

LAND TRANSACTION

Whatever the mechanisms that regulated access to land; planners lacked the power, resources and information to control the unplanned growth process. In agricultural land, there are some sort of legal documents. In desert areas, as a settlement matured, considerable efforts were made to acquire quasi-legitimacy for individual plots through various paper-chases involving obtaining electricity connections, or by paying property taxes (*Awayyid*) or land rents.

For a start, most informal residential areas do not possess a complete land registry. In *Ezbet El Haganah, El Dekhila* areas and other areas in Cairo and Alexandria, many transactions are never formally recorded, while in other areas, records are kept by lawyers and by own-

ers who conceal their identity to evade property taxes. In both, land transactions are conducted in privacy with the prices quoted publicly rarely being those actually paid. Egyptian legislation regulates private developments, but cannot force proprietors to act. Land transactions within the study areas are a complicated process. The applicant has to pass through various steps to register his property formally. There are various situations whereby the applicant may obtain officially registered land titles. The first case is through "*Seiaht Twequeh*" by which the applicants would have a covert approval on the preliminary contract for land purchase by somebody else. This case does not constitute a legal transaction, but gives some sort of security of tenure against the preliminary contract, by which the purchaser and/or the seller would not deny his or/her signature on the preliminary contract (*Orfi* sales contract or *Aqad Abiad*). This case does not provide legal evidence of land title, but it could be used in some banks as an asset or collateral to obtain a loan.

The second case is "*Seiaht wa Nafaz*." The applicant has to apply to the "*Shahr Il Aquary*" (the Property Declaration Department), and present official documents stating the size of land plots, their location, the name of the original owner (registered documents) and a declaration from the property tax department showing the details of the plots and the amount of property tax. After several months, the applicants will obtain approval from the Property Declaration Department without investigation of the details of previous land transactions. The final paper presents and describes the details of the land plot and it has to be written on specific paper, which should be signed and approved by the Property Declaration Department. After that the applicant has to present this paper, which shows his land plot, in front of the Egyptian court to obtain a court sentence (*Hokm*). This step might last for three to six months. After that, the applicant has to return to the Property Declaration Department, present the court sentence and pay the required fee, which is 25 percent of the total tax required for official registration. This 25 percent should be accounted according to certain criteria to state the amount of the property tax. 6 percent should be paid as property registration tax, and 3 percent as land transaction tax, the amount obtained from the actual land value represents the total property tax required for registration. In the case of "*Seiaht wa Nafaz*" 25 percent of the total property tax required for registration should be paid to finalize the registration of "*Seiaht wa Nafaz*" contract in the Property Declaration Department.

The full property registration is similar to the previous land transaction without passing through the Egyptian court, and the applicant

has to pay the full property tax required to register his land plot. In this case, the Property Declaration Department has to examine each land transaction which happened in previous years, and survey the hierarchy of land owners before the land subdivision (either formally or informally) to record the shares of each landholder on the original land parcel. This step might take several years to complete.

Three situations might occur. The first is that if the survey of the hierarchy of land transaction were correct, the applicant would have the department's approval. The second situation is that if the survey of hierarchy of land transaction shares were incorrect, the applicant would not have the approval and would not be able to register his land. The third situation is that sometimes a portion of the original land parcel is missing, and all landowners have to declare that the missing piece is subtracted from the original parcel. This would be declared officially in front of the Property Declaration Department. In this case, the applicant might obtain the final approval on his papers to register his land. Several years might be spent in surveying and tracing each piece of land, and during this time some property owners might die and the whole process must be started again from the beginning.

CONVERSION STATUS

The location of informal residential areas within the city is considered an important feature of the urban fabric of the city, which would determine the future expansion of residential areas and the level of housing demand within the informal housing market. The informal housing areas are usually located in the southern part of the urban areas, adjoining the industrial zones and close to their outer ring road. Although there are locational preferences which are linked to the level of income, low-income groups have a limited choice in terms of type of housing. The location of low-income housing areas is influenced by those who produce them (usually the private developers, either formally or informally), the organizer (the government), and the consumers (the residents of informal housing areas). The producers or the organizer determine together, directly or indirectly, where low-income housing areas will be located depending upon the availability of land, and the future prospects for these locations and their expansion within the city. The location (and price of land) is also influenced by the possibility of the future installation of basic services such as drinking water and electricity supplies. The consumers (the residents) choose a location taking into account the following factors. First is access to income-earning opportunities, community networks of security, health and educational

facilities. Second is the cost of transport in relation to the cost of renting accommodation or purchasing a site and developing a shelter on it. Third, the amount of space in the dwelling and on the plot; larger dwellings or plots facilitate the development of home-based enterprises or the letting of a room. Fourth is security of tenure; the greater the security of tenure the higher the investment in the plot and the greater the level of residential consolidation. Fifth is the level of provision of the basic infrastructure and services such as water, electricity, roads, paths, drainage and waste disposal. Sixth, the future prospect of the locality to be a part of, or within, the city boundary. Finally are the options available to obtain land at a low price and construct an affordable shelter. Within the context of these factors, low-income families have at least four choices for housing themselves. The first is a very small room or rooftop in a location with a poor quality environment and a cheap rent, or no rent at all, with good access to job opportunities but with no hope of secure tenure. There are some 200,000 people in Alexandria living on rooftops (in Cairo, there are around 1.5 million).

A large proportion of those with very small rooms and "roof top residents" have acquired their housing units by either taking over from their parents (who had the original contract) or renting illegally from the original tenant. Egyptian housing law gives only the parents' sons the right to remain in their unit as long as they have no other place to live or cannot afford to move to another housing unit. This prevents most of the residents of these forms of dwelling from having legal tenure. Those living in the inner-city tenements are always under threat of eviction, either by the proprietor or by the government authority that wish to "*develop*" the areas. Many conflicts concerning these settlers arise in Egyptian courts. Because of their illegality they are eventually evicted from their units and they usually move either into squatter settlements or to semi-informal housing areas. These movements reflect the internal movement of people who are born within the urban centers towards the nearest location of informal housing areas. The second option for low-income households is relatively expensive shelter at a location adjoining different facilities, where the residents have some sort of security of tenure but have no hope of becoming owner-occupiers. In many such areas, the buildings have been converted into "slum" areas because of the lack of maintenance and a scarcity of funds. This is what happened to many of the government public housing units built two or three decades ago. Lack of maintenance of these areas and the poor condition of extensions informally added to the original buildings has accelerated the deterioration of the housing blocks. Over time, these too are likely to be demolished but the differ-

ence from the previous option is that the residents would have the right to apply for a new public housing unit, although it would generally take between 10-15 years before the tenant could obtain such a unit, hence the appearance of squatters within the urban areas. These two options do not offer much chance of improved living conditions and conditions in these forms of accommodation are likely to deteriorate further.

The third option is squatting on a publicly owned land site in a location at some distance from the city center and thus with costly access to job opportunities. The advantage is cheap land but in a location with limited or no basic services. In addition, most such sites are in the most polluted areas within the urban centers over which the prevailing winds also blow the pollution from industrial areas. The inhabitants are waiting for the government to intervene to improve the health and physical conditions of their sites in the form of upgrading schemes. Around 15 percent of the total population of the city of Alexandria live in such areas (Soliman, 1992a). The residents feel that, over time, physical conditions should improve and land tenure should become more certain and that they will eventually become owners of their plots. In fact, it is very rare for the city authorities in Alexandria to apply any sort of upgrading. Despite the fact that the government might provide some sort of services to such areas, it has never sought to change their legal status. For example, the squatter area in *El Dekhila* district has been a settlement for 40 years but with no public action or intervention from the local authority. This option is considered by the inhabitants as a settlement with scope for improvement. Settlements of this type are always in a dynamic process of construction and, unlike the first two options, at least there is a possibility of tenure being legalized and of a change in the quality of the living environment.

The fourth option is a semi-informal housing development with houses built on land sites for which they have legal tenure. These are in locations at some distance from job opportunities and have high transport costs. The settlers within these areas have the possibility of changing their status from illegal sub-division into a legal situation and have the possibility of becoming an owner-occupier in the near future. Their location is generally determined by the availability of vacant agricultural land adjoining the city's boundary. Private developers often take the first steps in developing these settlements and they can often obtain a good return on their investment in a very short time. The level of development within such areas increases considerably as soon as these are incorporated into the city's boundary or as soon as local authorities or central government changes their status from illegal sub-division into a legal and regulated area. This prospect attracts many low-income peo-

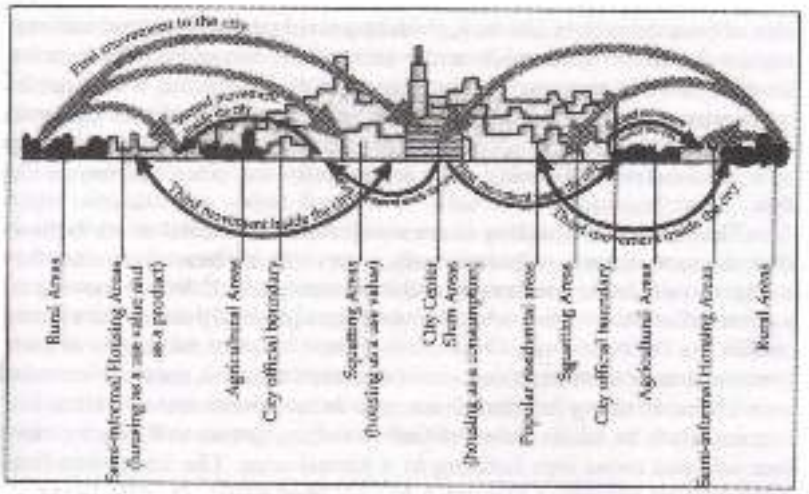


Figure 4.3. The mobility of low-income groups in urban Egypt

Source: A. Soliman, "Legitimizing informal housing in Egypt," *Environment and Urbanization* 8, no.1 (April 1996b): 183-194.

ple to the semi-informal areas because of the likelihood of their tenure status being made legal within a short period.

Thus, the process of formalization within informal housing areas in Egypt is driven by the extent of the effective demand from relatively low-income groups for housing in such areas and by the dynamics in other housing options outlined above, including those dynamics that expel low-income groups or limit the possibilities for further growth. As shown in Figure 4.3 the lowest-income groups tend to move first into a shack or a hut in a no-cost dwelling (either living in a shelter on a roof or living with friends or relatives in the inner-city areas or in squatter areas). For migrants from rural areas, this first movement is a way of changing their status from the rural to the urban milieu, which can be followed subsequently by moves to secure formal housing. Some of the original residents who have lived for many years, or who are born, in such areas might decide to move into squatter areas as a way of improving their tenure status.

As a household's economic situation improves, so does its capacity to afford a better location and dwelling. In addition, it allows the transition from housing as an item of consumption (when they were renting or sharing a dwelling) into a capital asset as they participate in either the formal or the informal housing market. Securing their own dwelling

also allows them to invest in it, both improving conditions and increasing its economic value and, at the same time, increasing the housing stock within the country. Some residents in squatter areas would prefer to improve their dwelling units while others would prefer to move to areas where their tenure is likely to be formalized in the future. Moving to a semi-informal housing area is generally the cheapest way to do this.

The residents who live in semi-informal residential areas believe that the government will eventually intervene in these areas and formally recognize the settlement and its housing stock. When moving to a semi-informal housing area, the occupiers generally construct a basic shelter for their own use. Over time, if the occupiers can improve their houses as their economic and social situation changes, they can rent out part of the dwelling (so the house contributes to income as well as being an asset) or, if the value of their dwelling grows sufficiently, they can sell and move into housing in a formal area. The house can thus change from providing use value to exchange value, or from being an item of consumption to a product which can be sold or rented out in the market (so the house becomes a commodity). However, not everyone who lives in poor quality accommodation in the central areas goes through this process, for instance because of a shortage of savings, an unwillingness or inability to cope with the difficulties of self-help or a preference for life in the center of the city.

Therefore semi-informal housing development increases the housing stock within the country, as well as offering cheap shelter for the urban poor, and a commodity for future investment for the mass of the population in Egypt. This type is also ostensibly conventional in nature but has some degree of illegality. Semi-informal housing is not developed through established, regulated procedures and does not utilize the recognized institutions of housing, but has a legality of tenure with formal occupation permits. It is usually constructed on agricultural areas, which are illegally subdivided into small plots by the private developers.

The semi-informal settlements are composed of areas of essentially urban character located at the urban fringe but which are scattered or strung out, or surrounded by, or adjacent to, undeveloped sites or agricultural uses. Semi-informal areas occur at the periphery of expanding urban areas. Often these areas lie in advance of the principal lines of urban growth and are most noticeable during periods of rapid urban expansion and around the most rapidly growing axial line of urban services. In this sense, a house in a low-income community is started with the smallest outlay that the occupier can afford. Initially, the occupier

constructed his house to be occupied by himself and to be used as use value, or as consumption. Over time, the resident improves his house as his economic and social situation changes. From an economic point of view, the resident changes his category from a proletariat, or a petty capitalist, into semi-capitalist, by putting up a part of his house for rent or sale, and/or moving into a formal area. Therefore, the house at this stage, changes its value from use value into exchange value, and changes its status from consumption into a product, which may be sold or bought in the market. Over time, the housing unit can be transformed from an item of consumption into a product, and then into a commodity, which would be priced in the housing market and subsequently would be inserted within the national formal economy. Thus, informal housing development is considered an economic process that will enhance and improve, on the one hand, the economic condition within a given area, and improve the economic status of the residents on the other.

CONCLUSION

The transformation of socioeconomic and political development at the national level had both an overt and a covert impact upon the urban centers in Egypt as well as on housing production. This impact has led to several pressing urban problems such as inadequate services (water and electricity supply and sewerage system), inappropriate communication and transportation facilities, increasing land values, environmental pollution and the deterioration and shortages of housing. Limited government intervention (or its overt and covert role) within the informal residential areas may be illustrated by the following aspects. Firstly, the government has provided off-site services (either water taps or electricity supply) to informal settlements, while the residents installed basic facilities on plots themselves. Secondly, a lack of social and public facilities within informal residential areas indicated that the government had no influence over these areas; on the other hand, the government has encouraged the establishment of self-sufficient religion centers within informal areas. Thirdly, a lack of site planning for the uncontrolled areas in the government planning offices showed that the state, to a certain extent, has excluded those areas from planning control, which has led to physical autonomy within such areas. Finally, despite the fact that land ownership indicated that the government has no complete official control over the areas, the government allowed the residents to remain on their plots by paying a token fee. In the mid-1970s, the recognition of the role played by the informal sector became

an indispensable part of housing production in Egypt, in which at least 75 percent of housing constructions were built by the uncontrolled sector. This was primarily encouraged by the foreign aid agencies, with the government acknowledging the huge potentialities of the informal sector in helping to solve the scarcity of housing for low-income groups, if it were wisely managed (Toppin and Couch, 1982; Davidson and Payne, 1983; Gilbert and Ward, 1985; Goethert, 1985; Sims, 2002). This resulted in a situation of confrontation rather than collaboration. In addition, the pre-determined standards that assume the existence of a pre-determined structure of socioeconomic groups result in mismatches and conflicts, which have a direct and negative effect on environment quality.

Lately, the government has realized that most of the population is living in illegal residential settlements, and many third world countries have followed the international policy for tackling their housing problems depending upon their economic ability. Therefore housing crises in Egypt can only be tackled by the state, but the private developers are also the main producers of the greater proportion of housing supply. Hence the government policy makers have introduced new trends depending upon the essence of sustainable development as the way to the satisfaction of present needs without compromising the ability of future generations to meet their needs. The enhancement of the economic situation in Egypt continues to play an increasingly important role, addressing "the needs satisfaction" component of sustainable development which depends upon the ability of national economies to accelerate economic growth and, subsequently, enhancing the standard of living of the mass of the Egyptian population.

CHAPTER 5

TYPOLOGY OF INFORMAL HOUSING IN EGYPTIAN CITIES: TAKING ACCOUNT OF DIVERSITY[1]

The complexity and diversity of informal housing development in Alexandria City

INTRODUCTION

It is estimated that more than half of the world's population, a figure of 3.3 billion, will be living in urban areas within the next decade. The World Bank estimated that in 1988 the poor constituted 25 percent of the urban population in the Third World (World Bank, 1990). The World Bank definition of poverty is a household income of less than a dollar a day. This might be considered extreme poverty, with a much larger proportion living on low-incomes. Substantial proportions of this population are living in illegal settlements, where urban poverty continues to expand. International aid agencies and development banks, for

all their power and funds have little capacity by themselves to reduce poverty unless they can find, and work with, local partners. Good local governance is essential to urban poverty reduction; in its absence, the capacity of international agencies for successful local action is much reduced (Satterthwaite, 2001). On the other hand, the Urban Policy Paper recognized that "watering and housing" the poor has not solved the problem of urban poverty (World Bank Policy Paper, 1991). To alleviate urban poverty requires managing both economic and social aspects of poverty through the interrelationship between poverty, productivity and the environment (Moser, 1997).

The City Summit of Istanbul (1996) emphasized the importance of policies to alleviate poverty in Third World countries. The Istanbul–5 Meeting in New York City (June 2001) evaluated the various housing policies which have been applied since the Istanbul City Summit. It has become apparent that in most countries only the national government has the resources and the local authority to create a simple legal, fiscal and regulatory framework to stimulate legalization of informal settlements. Informal settlements are essential to satisfy the basic needs of many people for housing; in this chapter they will be termed "informal," rather than illegal. All illegal housing is deemed informal, and formalization occurs through the process of legalization. The quality of information about informal housing development and its typologies has to be one of the most important factors influencing the success of international development assistance, yet we know little about the perspectives of local intermediaries and the recipients.

This chapter is organized to explore four main issues. The first is to understand the mechanisms of the informality of housing development that accelerate informal housing development by which informal housing typologies are formulated. The second is to recognize the importance of formalizing the informal residential areas in order to use their assets as the main source for generating funds to be used in various aspects of development. The third is to focus on ways in which the costs of gaining access to legal shelter could be reduced. The final issue is to generate funds within informal areas and at the same time use their assets to generate funds for further investment within the context of the national development. This chapter aims to show that informal housing in Egyptian cities is diverse and complex due to several different mechanisms of development. An informal housing typology is developed, and quantities and values of different types of informal property are estimated. The research covers case studies of three cities: Greater Cairo, Tanta, as an intermediate city, and the city of Alexandria, the second largest urban area and the largest port. The chapter is organized

into five parts. First, background and context; second, the methodology adopted in the fieldwork; third, a typology of informal housing development; and fourth, a quantification and valuation of informal units before a concluding section.

BACKGROUND AND CONTEXT

The main criterion for identifying informal housing types is one of historical tenure: that is, what the form of land tenure at the time of settlement development is. These informal housing types are then tested and elaborated through a dual process. A related task is the mapping of the physical extent of informal areas in the three cities by type and subtype. Other sources that have tried to map informal areas are reviewed, as are various topographic maps from different periods. Finally, numerous field checks are carried out through different parts of the three cities. A number of definitions and assumptions are made concerning the extent of informal areas: first, the extents of built-up areas are those shown on the 1:50,000 1996 survey of Egypt map series, up-dated where possible. Thus small agglomerations in the agricultural plain (less than 200 meters in linear extent) are normally not picked up. Second, the urban residential areas built-up or consolidated before 1950 are not considered informal, even if they exhibited considerable informal characteristics. The year 1950 is convenient for a number of reasons; it represents the beginning of the tremendous post-war expansion of the Cairo, Alexandria, and Tanta agglomerations.

A typology of informal housing has been classified into three types, semi-informal, squatting and hybrid housing types. On the other hand, the current classifications may be confused and diverse in some cases. Also, some sub-types may combine other characteristics from other types such as *Nadi El Said* and *El Dekhila* areas. These areas were established on fill in a part of the *Lake Maryout*, with a part of it being established as land reclamation.

The preliminary study carried out by IID (Institute of Liberty and Democracy) team in 1996 had listed nine residential area types to be analyzed for the formalization of Egypt's urban informal sector. Three areas were classically informal, and the other six more or less formal. This classification was under the umbrella of three main types of informal residential area in Greater Cairo which were used as the base for this analysis. A greater detailing of the informal typologies is necessary to ensure that the main location (permanent/temporary) and land tenure characteristics of each informal type can be targeted to gain a fair representation of the aggregate of informal areas in Egypt. Five criteria

have been set up for selecting case study areas that are as follows. First. the number of areas chosen and their sizes should roughly reflect the predominance of the type/sub-type in a particular urban area. Second, a selected area should be defined in terms of boundaries. That is, each area should be easily physically defined. Also, if possible, each area should conform to census enumeration districts or multiples of such. Third, an elected area should exhibit more or less homogeneity in terms of built environment. Any non-residential land uses should be clearly excludable. Fourth, an area should be within the 10,000 to 30,000-population range. Finally, an elected area should represent a clear tenure status that will represent the predominance of the type/sub-type.

The main reasons for typology of informal housing in urban areas of Egypt are as follows. One is that to estimate the valuation of dwellings being as per the replacement values, taking into consideration the current construction costs. Another is that to present the dead capital/hidden capital within informal housing areas by which to formalize it for the welfare of both the local and the national economy. As such to guide the hidden capital within informal housing areas and incorporate it into national economy in order to use it formally as collateral in official land markets. Also, to enhance the current land markets within informal housing areas to be used as valuable assets for the benefit for the local settlers. Finally, to incorporate the value of each apartment into the value of each dwelling to formalize its status and to be introduced as valuable assets in the market.

In Egypt the urban population has grown steadily through the twentieth century, nearly tripling from 1947 to 1976, while the over all has population doubled. Currently, the total population of the country is within the figure of 69.2 million inhabitants.[2] The rapid increases of urban population, in conjunction with the continuously changing socio-economic situations, have intensified the urbanization process in the country. The consequences of the recent changes in socioeconomic situations within the country have resulted in the spread of major urban centers and the development of continuous, informally built-up areas between intermediate and small cities.

However, informal housing developments always occur in the absence of official regulation, or the construction of housing does not obey the law. Informal urban settlement activity in Egypt, in particular in Greater Cairo, started in the 1940s and 1950s. Until the mid-1970s, the rate of informal growth was moderate. Starting from the mid-1970s, construction activity increased considerably, mainly due to the savings accumulated by migrant workers in the Gulf States and savings generated from money investment companies. High population growth rates

and the shortage in formal affordable housing units, as well as the ever-increasing land prices and high costs associated with formal development standards accelerated the growth of informal areas.

METHODOLOGY

The chapter is based on research conducted in three phases. First, a preliminary study was carried out to examine informal housing and the land use pattern within the three cities. Second, the intermediate study was formulated to examine the general causes of informality and housing mechanisms. Third, fieldwork was conducted within the study areas themselves. The preliminary study was carried out by the ILD team and two local consultants in 1996 through the observation of random samples of informal areas.[3] It produced a typology of nine residential areas to be analyzed for the formalization of Egypt's urban informal sector. This observation was under the umbrella of three main types of informal residential area in Greater Cairo and Alexandria which were used as the base for this analysis.

The intermediate study was carried out in 1999 to gather information from various sources; reviewing available data within Egyptian universities, official governmental departments, and the Ministry of Housing and Utilities in Cairo. The main task of this stage was to investigate the history and the main causes of settlement formulation and the associated mechanisms. This stage was carried out through cooperation between the two local consultants and the ILD team. After gathering sufficient information regarding informal housing areas in the two cities, it was decided to form three teams to carry out the fieldwork. These teams consisted of ILD researchers and local consultants and experts, including lawyers. Team 1 was supervised by a lawyer and field research specialist from ILD who had previously supervised and coordinated the field research teams in similar projects in various countries in Latin America. A political scientist and a researcher, who acted as local experts, assisted the ILD specialist with extensive experience in informal areas and developed together with the ILD specialist a particular field research methodology for Egypt. An assistant to the ILD specialist participated in the field research, drafted some of the reports and translated relevant documents which were collected during field visits and interviews. Team 2 consisted of two specialist researchers from Egypt, who acted as local consultants and had a good knowledge of informal housing development. They had been involved in other research projects, identified interview partners and introduced the other members of the team to community leaders and residents of informal

areas. They conducted part of the interviews and drafted some detailed reports in Arabic and in English. Team 3 was in charge of analyzing the legal framework concerning property registration and formalization of informal areas. Several local experts in various areas of socioeconomic and legal aspects assisted the ILD specialist in analyzing the data collected from team 1. Team 1 worked in close cooperation with team 2 and team 3. Team 2 elaborated typologies to classify the informal areas and provided maps as well as basic statistical and background information. Team 1 passed the information about the findings of the field research as well as relevant documents on to team 3. In addition, team 1 facilitated contact and organized interviews with a senior employee in the public registry and two qualified lawyers from informal areas who provided complementary information and expertise to team 3. The ILD supervisor and the local consultants of team 1 participated in several interviews with consultants of team 3.

Team 1 conducted the fieldwork at the third stage of the research, and concentrated on case studies within the three cities. The survey design was decided upon in the light of what was practical as well as what was theoretically desirable. The fieldwork was divided into three stages; a pilot study, feasibility study, and finally the in-depth case study, with various techniques and instruments used in each stage. The two local consultants who collected information about informal housing developments from the first and second phases carried out of the pilot stage. Later, the ILD team joined the local consultants in order to have a background on the informal residential areas. The aim of selecting target areas was to give the ILD team in charge of the analysis of the "Informal Social Contract and Extra Legal Regulations" a representative selection of the main informal typologies and sub-typologies found in the three cities, and thus give a fair idea of the variation of physical and tenure characteristics of residential informality. Methodologically, this meant selecting stratified sample areas that represented the whole range of informality. A greater detailing of the informal typologies was necessary to ensure that the main location, temporal and land tenure characteristics of each informal typology could be targeted to gain a fair representation of the aggregate of informal areas in Egypt. Various criteria were set up for selecting case study areas.

The feasibility stage was shared between team 1, the ILD team, and local surveyors by whom many open forums were set up. The main three types and possible sub-types were discussed with the ILD team and with the local consultants to elaborate these three types and to set a first detailed list of possible typologies. Several meetings were held between the two local consultants, the ILD team and local expertise

This phase took a period of about four months. This typology structure was then tested and elaborated through a dual process: first, the existence of differing tenure histories behind the development of informal areas in the three cities was elaborated with knowledgeable officials and professionals, including those working on other ILD property teams.

To make sure that the typology structure covered all significant land tenure and informality situations, evaluation was carried out. Second, information on settlement peculiarities and historical events being generated by the selection of representative areas was fed back to ensure a rich and representative coverage throughout the three cities. This stage took six months, where during this period, information was analyzed and evaluated by team 3 and the ILD team, and the final report was submitted in July 2000. The aim of this phase was to obtain detailed information and data about the origin, socioeconomic characteristics, political attitudes and housing responses of the residents in each area, the extent to which there were consistent linkages between forms of employment, tenure status, actors involved, and population and residential history. What role did the residents and the government play in the formulation of the informal areas? What principles did the residents adopt in their implementation process? What were their responses towards government bodies' changing attitudes relating to housing regulation, land legislation and planning control? Had these changes affected the mechanisms within the areas?

A related task was the mapping of the physical extent of informal areas in the three cities, by settlement type and sub-type (see FIGURES 5.1, 5.2 and 5.3). Other sources which had tried to map informal areas were reviewed, as were various topographic maps from different periods. Finally, numerous field checks were carried out in different parts of the three cities. Informal housing areas *(Ashwaiyyat)* constitute a considerable proportion of many Egyptian cities.[4] A single informal settlement in Greater Cairo (*Ezbet El Haganah*) accommodates at least one million people (Soliman, 1997).[5] The fieldwork has shown that 52.7 percent, 50 percent, and 25 percent of all Greater Cairo, Alexandria, and Tanta's residential areas respectively are informal. These areas occupied net surface areas of 129.2, 49.38, and 10.5 square kilometers in the Greater Cairo, Alexandria, and Tanta respectively (Soliman, 2000).

Three main informal housing types were found. Twelve informal sub-types and minor sub-types were identified. In order to estimate the quantity of properties associated with each type of informal/ex-formal areas in the Greater Cairo, Alexandria and Tanta study areas, analysis

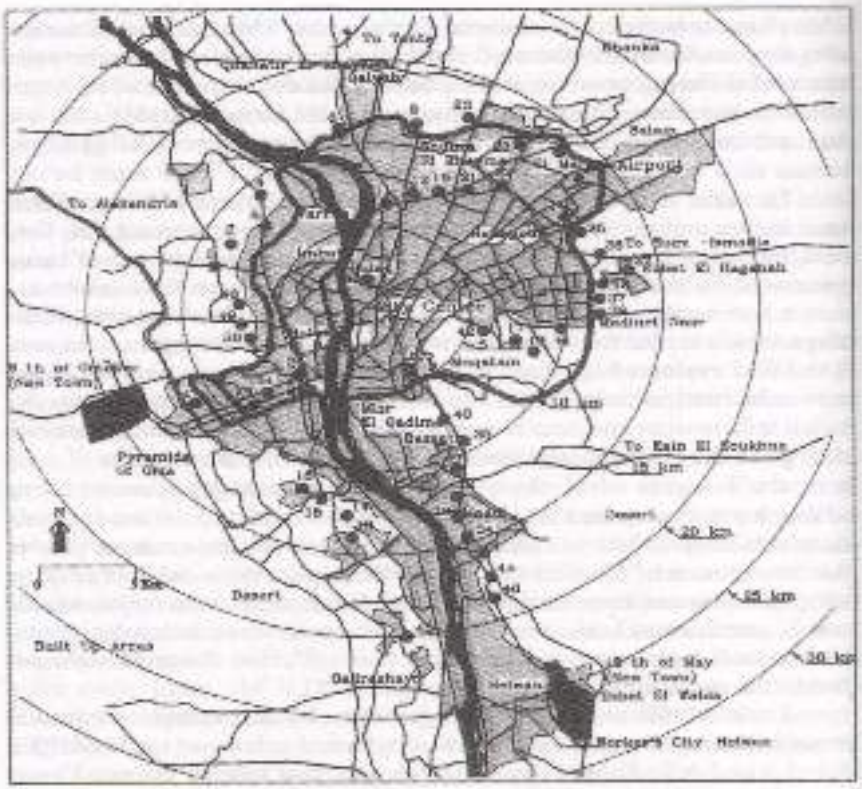


Figure 5.1. Informal housing types in the Greater Cairo Region

Source: Field survey carried out by the author in 1999-2000.

was carried out at the lowest census enumeration level, that of the *Shiakha* (a part of district) and *Qaria* (village).[6]

Using the most detailed local maps, the first step was to calculate the extent of the built-up area of each informal housing type in each *Shiakha* or *Qaria*. This gave the percentage of each enumeration district that could be attributed to each of the twelve main informal subtypes (A1, A2, A3, B1, B2, B3, B4, B5, C1, C2, C3, and C4). In addition to population and building statistics, the CAPMAS census of 1996 enumerated dwelling units in each census *Shiakha*, where the dwelling unit is defined as a space with a separate entrance where one or more households can live.

Figure 5.2. Informal housing types in Alexandria City

Source: Field survey carried out by the author in 1999-2000.

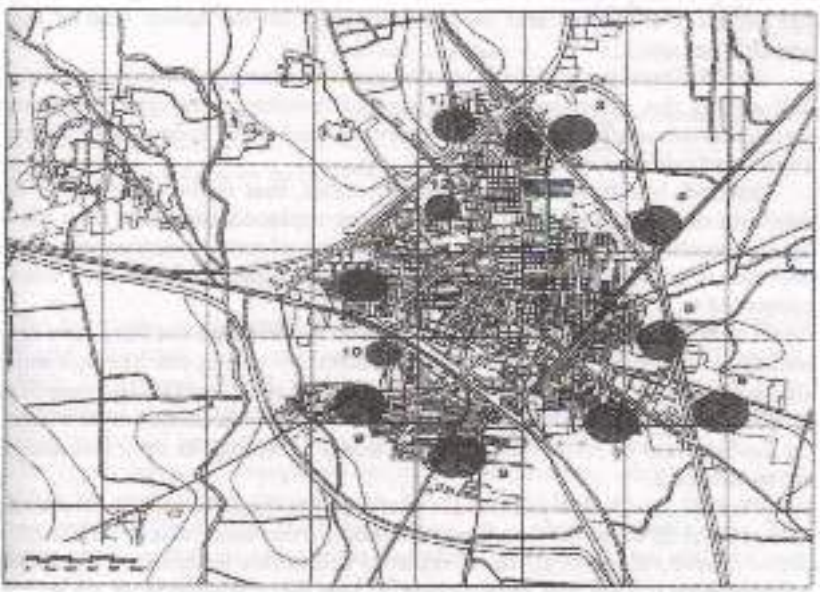


Figure 5.3. Informal housing types in Tanta City

Source: Field survey carried out by the author in 1999-2000.

Dwelling units were broken down by the census into a number of types, and five main types were used in the analysis: Entire Building, Entire Floor(s), Apartment, Room(s), and Precarious (a shop, garage, or other non-conventional space used to house a family). The quantities of each of these dwelling unit types were calculated for each of the 57 informal areas in Greater Cairo, the 51 informal areas in Alexandria, and the 12 informal areas in Tanta. It was possible to aggregate the total number of dwelling unit types by the twelve main informal subtypes. The number of units was assumed to have grown by 60 percent per year for the four years, 1996-2000, based on the annual informal housing production at the national level.

To estimate the asset value of informal dwellings it was necessary to ascribe average physical characteristics and assign monetary values to each of the five dwelling unit types. This was done for each of the informal types A, B and C in order to reflect generalized differences between informal residences on agricultural and desert land. Throughout this process, conservative estimates were used, meaning that average physical attributes and values were kept on the lower side of the possible ranges.

The following are details of the assumptions used. First, dwelling unit size is the estimated average size of dwelling unit types in gross square meters, defined to include stairways and other shared built space associated with the typical unit.

Second, building value per square meter, that is the asset value of dwelling units, was defined as the current replacement value of a particular dwelling unit, calculated as estimates of total construction cost per square meter. Architects, contractors, and informal builders were consulted to make these estimates.

Third, associated land per unit. This is the average net land area associated with each unit. This was calculated by taking the average unit size and dividing by the average plot coverage ratio, and by the number of floors in an average building. The average number of floors was kept on the low side to reflect the fact that many buildings in informal areas are unfinished.

Finally, land value per square meter at the current market prices of vacant land in informal areas was solicited from land brokers and residents. These values in all cases referred to inferior locations, i.e., those on secondary roads and side streets where there was little or no commercial potential contributing to the land value. These values are based on current year 2000 land prices, and thus reflect the general economic depression of land values in the Greater Cairo and Alexandria land markets that began in 1997-1998.

Table 5.1. Matrix of informal areas by types and sub-types

Main Typologies	A Agricultural land (Semi-informal)	B Desert land (squatting)	C Public & private land (hybrid / ex-formal)
Sub-Types	A1 Privately owned land A2 Core village land A3 Governorate agricultural land: A3a Agrarian land reform A3b Awqaf land A3c Desert land A3d Nile/lakeside land	B1 Municipal land B2 Reclaimed land B3 Desert land: B3a Development company concession B3b Public-sector company- assignment B3c Cooperative assignment B3d Antiquities land B4 Armed forces land B5 Public domain land	C1 Pre-public housing: C1a Municipal land C1b Cooperatives C1c Public-sector companies C1d Development companies C1e Armed forces/police C2 Land/dwelling units under rent control C3 Land/dwelling units in ex-permit buildings C4 Land /dwelling units in historic city areas

Source: Author's field survey during 1999/2000

INFORMAL HOUSING TYPES

The typology of informal housing has been studied in several Third World countries, with emphasis on the local circumstances (Burgess, 1992; Al Sayyad, 1993), and based on housing systems that have been formulated (Soliman, 1988; 1996a). The research described above classified informal housing sectors into three main types (see TABLE 5.1). The types have differentiated informal settlements, which were built either on agricultural (private) or desert (state) land or on land whose ownership is in doubt, thus depending on a physical definition. The main types and their sub-types classifications have been reached and tested in three Egyptian cities.[7] The typology divided informal settlements into informal residential development on agricultural privately owned land, informal residential development on state desert land, and informal residential development on land whose ownership is in doubt or where the construction process is illegal. The first type is sometimes

Table 5.2. Informal residential sub-type definitions and examples: Type A-agriculture land (Semi-informal areas)

	Sub-type	Definition	Examples		
			Cairo	Alexandria	Tanta
	A1 Privately owned land	Cadastred agricultural land that was originally registered freehold (up to 1950) and was informally subdivided and sold on to individuals.	Target Areas 1, 2, 3, 6, 9, 10, 23, 28, 30, 48, 49, 50, 52, 53, 54, 56, and 57	Target Areas 1,2,9,10,11,12,13,15,16,17,18,24,33, and 34	Target Areas 1, 2, 3, 4, 5.
	A2 Core village land	Traditional, non-cadastred village land already built on before 1950	Target Areas 4, 31, 47, and 55 Also Mit Oqba	Target Areas 2,3,4,6,21,25, 29 31, and 32	Target Areas 6, 7.
A3 Government agricultural land	**A3a Agrarian reform land**	Agricultural land that was confiscated and redistributed to peasants after 1953 and informally subdivided and sold to individuals.	Various small areas in Maasara and Helwan (Ezbet El Walda, Arab Ghoneim, and Arab Rashad)	Target Areas 7,10,13,15,16, 17,19, 20,23, 30,31 and 37	Target Areas 8, 9.
	A3b Awqaf Land	Agricultural land administered by the awqaf authority and rented to farmers who subdivided and sold it on to individuals	Part of Target Area 36. Also very small parcels near city center and in Ghamra	Target Area 2,3,4,6,11,15, 16,17,21,30,34, and 37	Target Areas 10, 11.
	A3c Decree land	State-owned agricultural land assigned to various State authorities and farmed by tenants who subdivided and sold it on to individuals.	Target Area 7 (El Basatin, on Masr Company concession)	Target Area 2,3,4,5,6,7,14, 18,22,23,24,25,30, and 38	Target Areas 12.
	A3d Nile/lake-side land	Land "thrown up" by changes in the Nile's river bed or lake Maryout and farmed by peasants paying nominal rents or by private developers who subdivided and sold it on to individuals	Target Area 3 (Dar El Salaam)	Target Area 8 and 36 Ezbet El Matar & Mahlouh El Sadeen	None

Source: Author's field survey during 1999/2000.

known in the literature as *semi-informal* settlement or illegal agricultural subdivisions, while the second type is often known as *squatter* settlement (Soliman, 1996b). The third type involves housing built on public or private land, which originated as formal housing, but which is now informal. This type may be known as *ex-formal* housing, and some properties have passed backward and forward between the formal and informal categories. Twelve sub-types emerged out of the three main types. All types are examined below. Tables 5.1, 5.2, 5.3 and 5.4 give definitions and examples of the three types and sub-types. Figures 5.1, 5.2 and 5.3 present examples of the types and sub-types of informal settlements that were found from among the 57 in Greater Cairo, 51 in Alexandria and 12 in Tanta.

Table 5.3. Informal residential sub-type definitions and examples: Type B- desert land (Squatter areas)

Sub-type		Definition	Examples: Cairo	Examples: Alexandria
B1 Municipal land		State-owned desert land, controlled (owned) by governorates and their local units, which was squatted on by individuals.	Target Areas 32, 33, 34, and 35. Also Zabaaleen Settlement east of Maadi and parts of Masaara	Target Areas 26,27,43,45,46 ,47,48,49,50, and 51
B2 Reclaimed land		State-owned desert land which was either sold to investors for reclamation or was reclaimed by farmers under wada' yad, and was subsequently informally subdivided and built upon	Target Areas 13, 14, 15, and 16	Target Areas 29,35,46,49, 50, and 51
B3 Government decree land	**B3a** Development company concession	State-owned desert land, which was given as a concession to the State, squatted upon by individuals who gained de jure recognition, but buildings are illegal	Target Areas 24, 25, 26, and 27 (Ezbet El Haganah)	Target Areas 49, 47
	B3b Public sector company assignment	State-owned desert land that was assigned (Mokhassas), to public-sector companies and which was used by individuals for squats	Parts of 10 Tours	Target Area 44
	B3c Cooperative assignment	State-owned desert land assigned (Mokhassas) to housing cooperatives, which was either squatted upon or developed in contravention of cooperative bylaws	Target Areas 17 &18	Target Area 48
	B3d Antiquities land	Mostly State-owned desert land designated as antiquity zones and subsequently squatted upon by individuals	Target Area 8 & El Fustat	Parts of Turkish City
B4 Armed forces land		State-owned desert land occupied or controlled by the armed forces and squatted upon.	Parts of Target Areas 24&25 (Ezbet El Haganah)	Target Areas 43,45 and 51 El Dekhila & El Ameryiah
B5 Public domain Land		Land considered to be in the public domain (such as right-of-ways for railways, canals, and roads) which was squatted upon by individuals	Along Teraa El Gebel El Gadida (El Tawariq) in El Salaam and along Teraa El Towfiqia (Ezbet El Nakhal)	Along El Hadrian & El Mahmoudya Canal

Source: Author's field survey during 1999/2000. This type of housing does not exist in Tanta city in which it has not desert boundary.

Table 5.4. Informal residential sub-type definitions and examples: Type C- public or private (Hybrid or ex-formal areas)

	Sub-type	Definition	Examples: Cairo	Examples: Alexandria	Examples: Tanta
C1- Pre- Public Housing	C1a By Local Administration	Housing blocks built by governorates and units distributed by them. Usually on Municipal Land.	Target areas 11, 12, 19, 21, 22, and 39.	Example Sidi Bisher and Moharam Bey areas.	Example Massaken Sheraton.
C1- Pre- Public Housing	C1b By Cooperatives	Housing blocks built by cooperatives, usually financed by the Cooperative Housing Federation. Units distributed either by the cooperatives or the governorates, or both.	Target area 42. Also Qattamia housing project Masakin El Zilzal (partly) and Saqr Quraish.	Most of the North coast and New Borg El Arab City.	Example Massaken Osman.
C1- Pre- Public Housing	C1c By Public Sector Companies	Housing blocks built by public-sector companies, with units distributed to company employees. On municipal or development company land.	Target areas 37, 39, 41, and 45.	Example El Hadarha and some parts in Sidi Bisher areas.	Massaken Seiger.
C1- Pre- Public Housing	C1d By Development Companies	Housing blocks built by State housing and land development companies and units distributed by them. On development company land.	Target area 40.	El Ameryiah area.	Kohafa.
C1- Pre- Public Housing	C1e By Armed Forces / Police	Housing blocks built by the armed forces or Ministry of the Interior and distributed by them to officers. Either on State-owned desert land or development company.	Target areas 44 and 46, also Medina Heliopolis and Medinat el Zubaideen.	Mustafa Kamel and Sidi Bisher areas.	Training center And Massaken Sheraton.
	C2 Dwelling units with rent control	Housing blocks built by professional syndicates; units distributed to members. Usually on development company land or private land and rent controlled.	Target area 45.	Parts of North Coast areas.	Massaken El Zeraeea.
	C3 Dwelling units in ex-permit buildings	Floors added to existing buildings without building licenses. These units are difficult to sell since they are illegal.	Target area 20, also scattered blocks in Mohandiseen.	Sidi Bisher and El Mandara areas.	Close to El Mohald El Azhari.
	C4 Confused Status	Housing blocks built by various public authorities, always in ancient areas of the distributed and administered by the Awqaf authority. Always on awqaf land.	Target area 10, also scattered blocks in Old Islamic Cairo.	Example El Mahmudiya and Morsi abou El Abbas area in Old Turkish City.	[illegible] near city areas.

Source: Author's field survey during 1999/2000

SEMI-INFORMAL SETTLEMENTS

Semi-informal housing is not developed through established and state regulated procedures and it does not utilize the recognized institutions of housing and housing finance.

Nevertheless, the semi-informal housing is developed on agricultural land for which the owner has legal tenure with a formal occupation permit. The semi-informal settlements are in areas of essentially rural character located on the urban fringe, interspersed with, surrounded by, or adjacent to, undeveloped sites or ones with agricultural uses. These settlements often develop in advance of the principal lines of urban growth and are most noticeable during periods of rapid urban expansion and around the most rapidly growing axial lines of urban roads. These settlements can be classified into three sub-types (A1, A2, and A3).

Privately owned land (A1). These areas have been constructed on illegal subdivisions of agricultural land. The level of informal housing development increases considerably as soon as they are incorporated into the city's boundary or as soon as municipal authorities install basic services.

Core village land (A2). These areas are constructed on traditional, un-surveyed village land that already had building by 1950. The peasants replaced their old housing with new on larger areas than the original site without obtaining building permission.

Government agricultural land (A3). These areas are subdivided legally by the public sector into large parcels, which are sold to private developers for agricultural purposes. The developers then illegally subdivide it further into small plots for housing. This sub-type can be further subdivided into four sub-types as follows.

Agrarian reform land on agricultural land *(A3a)*, which was confiscated and redistributed to peasants after 1953 and was informally subdivided and sold to individuals.

Awqaf agricultural land *(A3b)* administered by the *Awqaf* authority and rented to farmers who subdivide it and sell to individuals.[4] These areas are usually sold by religious institutions at auction and converted into housing development sites by private developers.

Decree land *(A3c)* on state-owned agricultural areas, assigned to various state authorities and farmed by tenants who subdivide it and sell it on to individuals.

Nile/Lakeside land *(A3d)* that has emerged because of changes in the Nile's riverbed or in *Lake Maryout*. This land is farmed or used for storage by private sectors who subdivide it and sell it on to individuals.

SQUATTER SETTLEMENTS

Squatters are persons who settle on public land without title, or take unauthorized possession of unoccupied premises (Oxford English Dictionary, 1985). Squatting has meant and continues to mean different things in different cultures and, moreover, at different times in each culture's existence. In other words, it is a concept that is neither absolute nor static but evolves over time (Sen, 2001). Squatting is a cultural construct: and more specifically, it is a political fabrication (ALSayyad, 1993).

In Egypt, squatter settlements, known as *Wada'yad*, have generally developed on state desert lands and have often been established outside the formal legal and economic structure of the city.[9] It can be subdivided into five sub-types (B1, B2, B3, B4 and B5).

On municipal land (B1). Housing here occupies state desert land controlled (owned) by governorates and their local units. This land is usually located where the governorate has no interest in it, or where it is too expensive to be publicly developed. Such areas are usually located within municipal boundaries, and land ownership may be in doubt.

On reclaimed land (B2). Housing here occupies state desert land that was either sold to investors for reclamation, or was reclaimed by farmers under *Wada'yad*, and was subsequently informally subdivided and built upon.

On decree land (B3). Housing may appear in such areas when ownership of land is in doubt, or when land changes ownership. This type of housing on public-owned land has four minor variants.

On development-company concessions *(B3a)*. These areas may once have been public-sector concessions, or may have been assigned (*Mukhasas*) to different government bodies. These areas usually have some sort of land-holding rights in the form of the *El Heker* system (*de jure* recognition). Nevertheless, all housing on them has been illegally constructed.

On public sector Company land *(B3b)*. Such settlements are often constructed illegally on desert or vacant public land on the fringe of urban centers. The initial invasion of these areas may have been permitted by a municipality, which later encouraged settlement indirectly

On cooperative land *(B3c)*. Housing here occupies state desert land, which was originally assigned to housing cooperatives, but which was then either squatted on directly by individuals, or was later deemed by the cooperative to have no value.

Antiquities and cemetery land (B3d). Such land was originally

public but was distributed to individuals for burial purposes. In such cases, people may also have built houses on vacant courts or adjacent parcels.

On armed forces land (B4). Housing here may occupy state desert land or land controlled by the armed forces. Most of this land is on the periphery of big urban centers and had been neglected for a long time.

On public domain land (B5). These lands were once considered to be in the public domain for security purposes and were occupied by the military, or else they were considered important as rights-of-way for railways, canals, and roads. These settlements are usually located on Egypt's north coast, where municipalities had no interest in development. The Bedouin who squatted here are now confident that the government will pay them compensation before any formal urban development takes place. Their confidence derives from their attitude toward the state and from their role as guardians of Egypt's borders. Generally, they are the ones who most resist eviction, and who help the authorities confront the leaders of protest groups.

EX-FORMAL (HYBRID) SETTLEMENTS

These settlements are residential units in formal areas, which have temporarily or permanently acquired degrees of informality. Unlike residential units in informal areas, this type of informality relates to individual dwelling units on a case-by-case basis, where some units in a formal neighborhood or even an individual building are "formal" and have remained largely so.

On the other hand, others either have been built illegally or have been transformed over time into illegal tenure arrangements. Such transformations are most common in the major metropolitan areas, and are of four types.

This third type of settlement includes residential units in formal areas, which have temporarily or permanently acquired degrees of informality. Unlike residential units in informal areas, this type of informality relates to individual dwelling units on a case-by-case basis. In many cases some units in a formal neighborhood, or even an individual building, may be "formal" but others have either been added illegally or been modified over time into illegal configurations. Such transformations are most common in the major metropolitan areas, and are of four subtypes (see TABLE 5.4).

Pre-public housing (C1). Public housing in Egypt was initiated around 1950 with the *Madinet El Omaal* (Workers' City) project in the *Imbabah* District of Greater Cairo. Since the early 1960s, the Egyptian

government, through a variety of programs, has produced a further supply of between 40,000 and 80,000 housing units per year. There are a number of different types of public housing. While most date from Egypt's socialist days (1961-1970), others (which sometimes carry equally confusing tenancy) are of more recent origin.

It is possible to identify five minor variants of public housing controlled by a variety of local public agencies. These include *local administrations (C1a), cooperative/professional syndicates (C1b), public-sector companies (C1c), public/private development companies (C1d)*, and the *armed forces and police (C1e)*. Yet whether such housing is built directly by the government or by cooperatives, public-sector companies, or state housing and land companies, it is financed and subsidized in one way or another by the government. The relative weights of these different forms of public housing are hard to estimate, as there are no known overall statistics on the public housing stock in Egypt.

Various systems have been set in place to allocate public housing to beneficiaries. However these have inevitably all been open to abuse, and political patronage has often figured prominently. As a subsidized commodity, there is a nearly inexhaustible demand for public housing, as much from those who have no housing problems as from those who do. Moreover, despite regulations intended to prevent transfer of tenancy, many transfers are made. Public housing units are readily exchanged through a number of informal shadow markets (which discount the risk of discovery and forfeiture). One fact remains consistent for all public housing, however. This is that with few exceptions, title to the land upon which it sits remains in the hands of the original finder/builder, or with the local administration, even when units have been sold outright in private condominium arrangements.

Dwelling units under rent control (C2). Vast numbers of residential units in Cairo and Alexandria (as well as in other urban areas in Egypt) are rented, and remain under rental contracts that give the tenant near perpetual rights of occupation at fixed or nominal rents.

Rent control was first applied during World War II as a measure to combat wartime inflation, and it froze rents at 1941 rates. Such a situation was codified in Law 121 of 1947 (applying to properties built before 1943). Then, after the Revolution in 1952, a series of laws reduced rentals on new construction and also rents on existing units. Finally, Laws 49 and 106 of 1976 and 1977 incorporated previous legislation, codified existing rent levels, and established a system for calculating rent levels in new buildings in ways that greatly favored tenants. In addition, rental contracts were deemed inheritable as long as an original tenant's children lived on the premises. Subsequently several small

amendments were made to restore landlord interests. For example, Law 136 of 1981 allowed one-third, instead of 10 percent, of units in a building to be sold *(Tamlik)* rather than rented. However, it was not until Law 4 of 1996 that provision for an unrestricted, market-oriented kind of contract for rentals was promulgated.

However, even with this attempt to rationalize the system, a very large number of units in formal areas of Egypt are still rented at extremely low rates, with no relation to the market. In effect, tenants are sitting on significant assets, and besides waiting for the death of the lessee and his children, the only way a building owner can reclaim the unit is to offer a sizable cash incentive (sometimes approaching the real market value of the unit) for the tenant to renounce his contract and leave. (A semi-legal system does operate by which a third party may purchase the rental contract from the tenant, endorsed by the owner, but this only perpetuates the condition of informality.)

Dwelling units in ex-permit buildings (C3). Starting in the 1970s, due to the *open door policy*, the practice of adding floors to existing buildings in formal areas became widespread. At the time, real estate investment, building licensing, and control of construction became quite lax. As a result, there are today a number of dwelling units which, although located in formal areas, are irregular in terms of building licenses and may be subject to outstanding fines and/or demolition orders. Most of the dwelling units in these buildings are owned under simple condominium arrangements *(Tamlik)* and in most cases the owners of these units hold assets that are difficult, if not impossible, to transfer/convert except to a gullible buyer, who then is in a similar irregular situation. In the 1990s, control of construction became much stricter in Greater Cairo and Alexandria, partly as a consequence of the widespread damage caused by the 1992 earthquake. In particular, an effort was made to restrict building heights, and some scattered demolition of offending (ex-permit) structures and floors even took place. Thus, it can be said that the phenomenon was mainly a product of the years 1974-1992.

Units in the historic city with confused tenure status (C4). The historic cores of both Cairo and Alexandria were surveyed and cadastred in the 1900-1920 period, and were thus included as part of the two cities' "formal" areas. However, many of the dwelling units in these areas are subject to rent control, and a few are "ex-permit." Also, many huts have been illegally erected on top of these buildings. Such "roof-toppers" are estimated to number 500,000 and 200,000, respectively, in Greater Cairo and Alexandria. In addition, many residential buildings in Cairo and Alexandria have disputed ownership due to inheritance

problems and/or religious trust *(Awqaf)* involvement that sometimes extends back for centuries. Many of these buildings have partially or fully fallen into ruin, and although they represent prime real estate, they cannot be transferred or otherwise exploited. Occupation of these areas mostly takes the form of renting or occupying public land for a certain period of time *(El Heker)* and paying a token rent to government agencies.

QUANTIFICATION AND DIVERSITY OF RESIDENTIAL PROPERTIES IN INFORMAL/EX-FORMAL AREAS

This section presents an estimate of the number and value of informal housing units in Cairo, Alexandria and Tanta in the year 2000. It is based on the author's collaborative research with Hernando de Soto's ILD. Summary versions of this information are included in de Soto's estimates.[1] The accompanying table presents a quantification of informal and ex-formal dwelling units in Cairo, Alexandria and Tanta by subtype of dwelling unit (see TABLE 5.5).

A total of 2.63, 0.486 and 0.025 million dwelling units were estimated in the informal areas of Greater Cairo, Alexandria and Tanta, respectively (a figure combining all type A and type B units described above). An additional 4 million informal units were estimated in other Egyptian urban areas. The estimated number of informal units in all Egypt, therefore, is around 7.116 million (48.6 percent), compared to an estimated total of 7.524 million formal units (51.4 percent). As expected, the greatest number of units in informal areas of Cairo, Alexandria, and Tanta were associated with Type A1, "on private agricultural land" representing 48.6 percent, 22.1 percent and 33 percent of the total of informal units in the three cities respectively.

Second most significant in Alexandria was type B1, "on local administration land" representing 9.83 percent of the total. However, the number of units recorded here was much higher than the type's share of informal surface area, reflecting the two very mature and dense areas made up mostly of this category. Third, Tanta City has no desert land; subsequently type B does not exist. There are many reasons why semi-informal housing on agricultural areas is the most popular and common type of housing in the three cities.

First, the inhabitants of semi-informal housing have the advantage of legal land tenure. Second, such housing is not only relatively cheap, but it generally retains its value. Third, the inhabitants within such areas may acquire their land by means of incremental payments. Fourth,

such housing has been provided by private developers who have flourished using informal processes of subdivision and land commercialization. Fifth, such settlements offer greater security of tenure than other types. Finally, land subdivision in such areas follows the geometry of former agricultural use, resulting in a pattern of mostly straight roads although they may be narrow (4-6 meters) and longer than standard requirements. This pattern has allowed the state to install basic services. Private developers acted as decision-makers for setting up the street network of the areas and relieved the municipality from paying additional costs for such arrangements.

Generally, because of the differences in size of the three cities, the average size of semi-informal housing areas in Greater Cairo is larger than in Alexandria and Tanta. Otherwise the physical characteristics of informal areas in the three cities are the same, except that housing blocks in Cairo are generally one floor taller than in Alexandria and Tanta. Also the housing block size in Tanta City is smaller compared with Cairo and Alexandria.

By contrast to the semi-informal type, the second type of housing studied, squatter settlement, is usually established on desert sites relatively far from the city center. The major disadvantage here is that the cost of access to job opportunities is greater. The major advantage, however, is that land may be obtained cheaply, or at no cost at all. Such settlements are usually located beside a main road that acts as a strong edge limiting future expansion, and their streets are narrow and mainly used by pedestrians. Such settlements generally offer only limited basic services and they may lack all social and public services. They were generally established by collective invasions of people from Upper Egypt or from Bedouin regions.

Hence, popular organizations are very important within them and, indeed, often played a major role in the original land-invasion process. As mentioned previously, land tenure in most such desert areas remains confusing, although the municipalities have recently attempted to regularize the situation by sanctioning trilateral negotiations between residents/land claimants, the municipalities, and the military. Nevertheless, numerous conflicts and disputes have emerged concerning formal as well as informal property rights and ownership, particularly in the *Ezbet El Haganah* area of Greater Cairo and the *El Dekhila* area in Alexandria. In some cases, settlers have built on land that has been claimed before by others. One of these disputes was reported to have resulted in the death of two people in a fight when they tried to get hold of a parcel that was already claimed by others. In other cases, land or even buildings have been sold several times by the same owner.

Table 5.5. Extent of informal housing types in Greater Cairo, Alexandria and Tanta

Type/subtype	Greater Cairo					
	Net surface area in km2.	%	No. of dwelling units	%	Current value in L.E million	Population
A1 On private agricultural land	105.5	43.0	2,207,239	48.6	105,488	5,839,362
A2 On core village land	3.5	1.4	67,584	1.3	2,816	161,856
A3 On gov. agricultural land	4.2	1.7	127,871	2.8	5,212	481,240
B1 On local administered land.	4.3	1.8	79,416	1.7	3,755	216,705
B2 On reclaimed (desert) land	3.9	1.6	74,657	1.7	3,139	213,284
B3 On decree (desert) land	3.2	1.3	34,402	0.8	1,771	81,270
B4 On armed forces land	1.5	0.7	17,201	0.4	0,688	41,435
B5 On public domain. Wadiyed	3.1	1.2	33,327	0.7	1,333	80,667
Total types A and B	129.3	52.7	2,634,697	58.0	126,802	7,078,078
C1 Public housing	31.6	12.8	635,841	14.0	119,485	1,515,059
C2 Under rent control	43.6	18.5	624,049	13.7	50,324	1,366,528
C3 Dwelling units ex-permit	27.8	11.4	327,906	7.3	18,483	796,313
C4 Core historic confined	9.1	3.7	229,582	5.3	10,648	497,035
Total type C	133.2	46.4	1,817,438	40.3	198,903	4,323,814
Non classified	2.0	0.9	77,889	1.7		201,446
Total all Types	245.0	100	4,560,033	100	325,705	11,595,338

Type/subtype	Alexandria					
	Net surface area in km2	%	No. of dwelling units	%	Current value	Population
A1 On Private agricultural land	23.8	24.4	184,500	22.1	62,119	922,500
A2 On core village land	1.5	1.5	61,470	7.4	18,285	307,350
A3 On gov. agricultural land	2.3	2.2	62,350	7.5	2,078	311,750
B1 On local-administered land	9.8	10.0	82,000	9.8	2,448	410,000
B2 On reclaimed (desert) land	4.5	4.6	47,850	5.7	1,428	239,250
B3 On decree (desert) land	3.0	3.1	19,140	2.3	0,571	95,470
B4 On armed forces land	1.2	1.3	8,294	1.0	0,247	41,470
B5 On public domain. wadiyed	3.3	3.5	20,416	2.5	0,609	102,310
Total types A and B	49.3	50.4	486,020	58.3	97,765	2,430,100
C1 Public	14.8	15.1	114,451	13.7	20,601	301,379
C2 Under rent control	15.8	16.1	112,228	13.5	8,986	436,830
C3 Dwelling units ex-permit	12.2	12.4	59,103	7.1	3,305	240,625
C4 Core historic confined &	3.8	3.9	43,124	5.2	1,910	160,500
Total C & No classified	18.6	49.6	347,636	41.7	34,802	1,430,484
Total all types	98.0	100	833,656	100	122,568	3,860,604

Type/subtype	Tanta					
	Net surface area in km2	%	No. of dwelling units	%	Current value in L.E million	Population
A1 On private agricultural land	5.0	26.5	44,550	33.0	1782.0	222,750
A2 On core village land	2.3	12.1	22,950	17.0	918.0	114,750
A3 On gov. agricultural land	3.2	16.9	13,500	10.0	540.0	67,500
C1 Public	4.5	23.7	31,050	23.0	931.5	155,550
C2 Under rent control	2.0	10.5	10,800	8.0	324.0	54,000
C3 Dwelling units ex-permit	1.5	7.9	8,100	6.0	243.0	40,500
C4 Core historic confined	0.5	2.6	4,050	3.0	121.5	20,250
Total all types	19.0	100	135,000	100	4860	675,000

Source: The figures for Alexandria and Tanta cities by the author, while Dawal Sims calculated the Cairo figures.

The total number of dwelling units of the third, hybrid or ex-formal, type was estimated to be around 1.827, 0.329 and 0.054 million in Greater Cairo, Alexandria and Tanta, respectively. In the three cities, public housing type C1 represents the highest percentage with the range of 14-23 percent followed by the suburban/under rent-control type that is slightly below 14 percent in the three cities. It should, however, be pointed out that Greater Cairo contains the oldest and largest, and also most deteriorated, public housing projects in Egypt.

Ex-formal housing areas in the historic core of Cairo also have serious problems of registration, as a high percentage of this type has changed ownership several times or occupy land whose tenure is in doubt. Field investigations and work by ILD teams have shown that in a small number of cases properties in ex-formal areas have become more-or-less formal, in the sense that buildings and land have been registered and titled. This formalization has mainly been due to the Herculean efforts of individual owners and their lawyers. Employing the same analytical framework, informal dwelling units were estimated; it was possible to estimate the population residing in informal areas. Using census figures as a base, the total 1996 population of all informal areas was estimated at 4.5, 1.07 and 0.25 million inhabitants in Greater Cairo, Alexandria and Tanta, respectively.

However, the field survey estimated that the total population in semi-informal and squatter areas of the three cities in 2000 was 7.07, 2.43 and 0.40 million. The field survey estimated an additional population in hybrid/ex-formal housing typologies of 4.12, 1.36 and 0.27 million in Greater Cairo, Alexandria and Tanta. Therefore, the total population in all informal housing types was found to be 11.40, 3.85 and 0.675 million people in the three cities. This represented 85.9 percent, 78.7 percent and 75 percent of the total population of the three cities. It should be noted that these figures are higher than official estimates. The official estimate of the population in informal areas in Alexandria is 72.7 percent of the total 1996 population.

However the informal share of total built-up residential areas was 50 percent, indicating that informal areas are considerably denser than formal areas – even though informal areas are newer and mostly located at the urban fringe. The official estimate of population in informal areas in Greater Cairo represents 62 percent of the total 1996 population (10.256 million inhabitants).

Compared with the informal share of total built-up residential areas, 52.7 percent, this too indicates that informal areas are considerably denser than formal areas. The same fact is true with Tanta City where it is denser than the other two cities that stand at 68 percent. Finally, the

study estimated a total of 2.74 persons per dwelling unit in informal areas, whereas the estimate for the Cairo Governorate as a whole was 2.40 persons per dwelling unit. The figure reflected both slightly greater household size and a greater degree of utilization (fewer vacancies) in informal areas than the average. The proportion was slightly higher in Alexandria, where the number of people per dwelling unit was 2.85.

Table 5.5 presents the results of the estimation of aggregate current values of properties, which can be said to represent the total stock of residential assets in informal areas. A total of 126.8 LE billion, 87.7 LE and 4.86 LE billion were the estimated value of this stock, of which building assets account for 52 percent, 69.1 percent and 54 percent and land assets 48 percent, 30.1 percent and 28 percent in Greater Cairo, Alexandria and Tanta respectively. A full 48 percent, 22 percent and 33 percent of this total value, 109 LE, 62 LE and 1.7 LE billion, was accounted for by one informal type, Al "on private agricultural land." A total of 198.9 LE, 34.8 LE and 1.6 LE billion was the estimated value of the ex-formal type in Greater Cairo, Alexandria and Tanta respectively, and represented 40.25 percent, 39.47 percent and 40 percent of the total informal/ex-formal housing.

CONCLUSION: TAKING ACCOUNT OF DIVERSITY

Acceleration of industrialization and the consequent urbanization process, which began in Egypt during the 1950s, caused the number of informal housing areas to increase. In particular, it shows how liberalization involves some important breaks with earlier forms of urban informality. Cairo and Alexandria are the biggest urban agglomerations and the original plans did not include areas where low-income migrant groups came to build informal areas. Today, more than 50 percent of the population of the three cities lives in housing with the characteristics of rural life. Interventions in the three cities are extremely complex, in part due to the location of the informal housing areas, and the complexity and diversity of this type of housing. The value of informal and ex-formal housing constitutes a considerable investment which should be used to promote economic development and the reduction of poverty. The estimated value of this sector (see TABLE 5.5) of housing in Cairo, Alexandria and Tanta in the year 2000 was 453.13 LE billion (equivalent to 133.24 billion U.S. dollars).

The research also highlighted the mechanisms of informal housing development and its complexity as a main result of the diversity of so-

cioeconomic and political situations in the country. These areas have become a dominant feature of the urban fabric of Egyptian cities, and the built environment continues to deteriorate. There are many questions that arise. Does the government allow the continued growth of this sector? How should the government control further development of this type of housing? If this happens what will be the impact on urban poor, and what are the consequences for socioeconomic development within the country? How should the government house the urban poor? How much should the state do? As has been discussed throughout the chapter, the government alone cannot house the increasing population. The government, which was responsible for the application of the development process, created a situation by which informal urbanization flourished. At the beginning, the application of the development process suffered because urbanization was neither planned nor integrated in the process of land regularization. This practice did not contribute much to the effective improvements to the condition of houses in the informal areas because inadequate situations were being legalized. With this, public investment was wasted and the population of the informal areas became accustomed to technically inadequate patterns of improvement. In this period, the government also built many housing estates, but always in large numbers on the periphery of the city and beyond the means of the urban poor. These establishments were in fact illegal because the projects were not in agreement with the requirements and needs of the urban poor. To date, the families still do not have any documentation that regularizes their ownership of the land, which remains either local government property or is difficult to legalize.

The previous discussion has defined the mechanisms by which informal settlements arise and grow, has established a typology of informal housing and estimated the total value of informal housing that constituted around 50 percent of total housing production in Egypt. Particular emphasis is placed on the fact that informal and formal housing are both fluid categories. Informal housing can be formalized, but formal housing can also be informalized, creating a sub-group of ex-formal housing. The transformation of housing from formal into informal and vice-versa is a process of continuous adjustment to changing economic and social conditions.

NOTES

1. A preliminary version of this chapter presented at the Symposium "Urban Informality in an Era of Liberalization: A Transnational Perspective," University of California at Berkeley, January 26-27, 2001. In addition, another version of this chapter published in *IJUPR* 24, no.2 (2002), 177-201.

2. CAPMAS, General Statistics for Population and Housing. Population Census (Cairo: 2003)

3. In 1996, the author and David Sims observed a quick classification of informal housing areas in Alexandria and Cairo respectively.

4. Informal areas called *El Manatiqua El Ashwaiyya* in the Arabic language, some times called *Ashwaiyya* (The plural for *Ashwaiyya*), literally meaning haphazard, is the term used in public to refer to the informal housing areas in Egypt.

5. *Ezbet El Haganah* is located at the far eastern fringe of Cairo. It was set up in the second half of the 1930s by members of the Frontier Guards/Camel Corps (*El-Haganah* in Arabic, thus the name *Ezbet El Haganah*). The officers of the Camel Corps allowed their soldiers to build houses for their families beside the camp. Plot sizes were rather large, ranging between 1000 and 2000 square meters.

6. District consists of 6-8 *Shiakha*, which is between 1500-2500 people, while *Qaria* (village) is between 5000-15000 people.

7. This housing typology has been carried out by a team of consultants; the author was responsible for Alexandria and Tanta cities, while David Sims was responsible for Greater Cairo. The final reports from both consultants were submitted to the ILO in July 2000. The study of typology of informal housing has been set up by the author, and does not reflect either the ILO opinion or the other consultant.

8. *Awqaf* is the traditional form of tenure in Islamic countries. *Waqf* land has two classifications; *Waqf Khayri* (charity) and *Waqf Ahli* (private). Religious land tenure system especially on *Waqf* system is divided into two main types of land: *Waqf Khayri* (Charity) and *Waqf Ahli* (private), the former is found through three ways: 1-the beneficiaries died, at which point the property was absorbed into the *Waqf Khayri*. 2- the property deteriorated to the point where the original value was totally dissipated, at which time it was returned to the open market as freehold, or 3- long term leases on the property could be granted to investors with capital. *Waqf Ahli* (private family) is transferred from the owner of a property to a religious foundation but the owner continues to receive its revenues personally during his lifetime. After his death, the revenues from the property are transferred to his descendants, merely arranging for their eventual disbursement to a charitable purpose, if the owner dies. Often the owner himself was appointed to administer his property, although after several generations this administration generally passed into the hands of the professional. After so many generations (under the condition of the *Waqf*), the *Waqf Ahli* could be transferred into freehold land, and this may often require a court order.

9. *Wada'yad* is an Arabic word for illegal occupation of land plot (hand claimants); it is always used for any illegal occupation for land plot.

10. H. de Soto, *Dead Capital and the Poor in Egypt* (Cairo: The Egyptian Center for Economic Studies, 1997); and de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Basic Books, 2000).

11. LE Livre Egyptian The US dollar was equal to 3.4 LE at the time this survey was carried out (October 1999 – June 2000).

CHAPTER 6

PUBLIC/PRIVATE PARTNERSHIPS IN LAND PROVISION FOR HOUSING THE URBAN POOR IN URBAN EGYPT

Be aware of yourself to allow others to take care of you

BACKGROUND AND CONTEXT

The enabling approach to shelter exemplified by the Global Shelter Strategy (GSS) implies a radically different role for government, withdrawing from mere "procurement and supply" to one of "enabling." The success of the entire process, therefore, depends upon the ability of public sector authorities to formulate and implement a radical new role for them. Among other things, it requires that they simplify and modernize bureaucratic procedures, facilitate legal and fiscal arrangements, and provide basic facilities and services which local communities cannot provide for themselves. All this needs to be conducted largely through community participation, in conjunction with specialists in various aspects and modes of housing activities.

Land is the most important housing issue for low-income groups. To be effective, policies must shift towards the development of land in a manner that can make sufficient land available. Commercial private developers, the urban poor, and the government are the key participants whose contribution is essential in delivering land at a reasonable price to accommodate the growing urban population in countries like Egypt. The three groups, therefore, need to co-operate actively to facilitate the supply of affordable land. While the basic framework of land policies and strategic planning is conducted at a national level, a major responsibility will have to be allocated to local and municipal administrations. To implement reforms like these requires that a new mode of land management be established. A study for the procurement of necessary land for the establishment of new settlements is a primary constituent for integrated development. The state is the only body that possesses the authority to create a legal, fiscal and regulatory framework to stimulate the land delivery system. However the power of the state in most countries is circumscribed and action in this area can be undertaken only in partnership with other key stakeholders, land-owners, private developers and local communities. The nature of partnerships in Egypt takes what can be termed three forms; formal, informal and hybrid. However there are few examples of formal partnerships and the majority of land for housing the urban poor is being urbanized outside the official procedures. Under informal arrangements between public and private sectors and third parties, all of which operate without contracts, a system of collective management has evolved which effectively provides land for housing the urban poor.

This chapter assesses public-private partnerships in land provision for housing the urban poor in three Egyptian cities – Greater Cairo, Alexandria and Tanta. The implications of this process for improving access to land for housing different income groups are highlighted, and the role of each group reviewed. In addition, the mechanisms of informal arrangements for access to land are examined to assess the role of the state, the private sector and beneficiaries in this process. The chapter suggests that once informal residential areas are established, it is difficult or even impossible to dispossess settlers. The formulation of informal residential areas is attributed to the informal cooperation among the three groups, and the nature of this partnership has facilitated, directly or indirectly, access to reasonable housing sites for the benefit of the urban poor. This chapter will therefore seek to address the following questions: What is the nature of partnerships for land in Egypt? Who are the actors involved in facilitating land for housing the urban poor? What are the differences between the private and public

sectors, and who are they? To what extent do partnerships in land provision facilitate access to housing?

PUBLIC PARTICIPATION IN LAND PROVISION: AN HISTORICAL VIEW

It could be said that the first attempt by government to participate in improving access to land began in 1869, when the cotton export merchants of Alexandria agreed to contribute taxes or, more accurately, to pay assessments to improve the road between *Minat El Basal* and the port (in Alexandria), a venture the government helped to support by an annual subvention. This nucleus of organization grew into a town council by 1885 and was finally succeeded in 1890 by a municipality (*Baladiyah*), the first to be established in Egypt (Abu-Lughod, 1971).

The Ministry of *Awqaf*, later joined by other governmental agencies, has been responsible for whatever large-scale moderate-priced developments that have taken place in modern Cairo and other Egyptian cities. However, this is debatable, where this positive effect of *Waqf* outweighed its negative influence.[1] Certainly the existence of *Waqf* property severely limited the extent to which the institution of mortgages would develop and modernize Cairo and other urban centers in Egypt during the nineteenth and twentieth centuries. Over the centuries, extensive portions of the city were placed in mortmain - either in the form of charitable *(Khayri)* or private family *(Ahli)* endowments. By legal definition, property in *Waqf* cannot be mortgaged, since its unalienable title cannot be pledged against a loan (see chapter five).

The difference between freehold (*Mulik*) property and mortmain (*Waqf*) property has been summarized in modern legal terms as follows: lands held in *Waqf* constituted a separate form of land tenure, distinct from private property. On a basic theoretical level, the *Raqabah*, or title, was immobilized in perpetuity.

As a result, the only property interests existing in *Waqf* land were limited to, and based on, the usufruct (Debs, 1963). Only the usufruct belongs to the beneficiary and can be negotiated, pledged, rented, or otherwise transferred. In short, an unknown but probably substantial proportion of the urban real estate in Cairo was ineligible for mortgage financing. Under Islamic property law and convention, ownership titles to land and buildings do not necessarily go together. Separate forms of tenure, and indeed separate parties with property rights, were common on the same parcel. The land itself might be owned by, or be in *Waqf* to one party, while the building and even separate floors of the structure

might be held by others.

As beneficiaries multiplied and interests became more fragmented, responsibility for administering the property fell inevitably to salaried functionaries whose short-term goals dominated development decisions. The sole criterion of successful administration was a regular payment to the beneficiaries rather than the long-term preservation of the property value. Three ways out of this impasse were possible. Either the beneficiaries died, at which point the property was absorbed into the *Waqf Khayri*, or the property deteriorated to the point where the original value was totally dissipated at freehold, or Long- term leases on the property could be granted to investors with capital. Since the seventeenth century, leasing has become more and more prevalent in Egypt and, by the nineteenth century, three basic forms *El Heker*, *El Khulu*, and *El Ijaratayn* were in use. The law of property in Egypt defines each as follows. *Heker:* in return for the possession of *Waqf* property, the recipient of a right to *Heker* undertook to make improvements on that property and to pay an annual rent that varied in accordance with current property values. Once he had made such improvements, his rights in the land continued as long as he paid the rent. All improvements made on the property, including, for example, buildings or plantations, became the property of the lessee. *El Khulu:* under this arrangement, the lessee undertaking the rehabilitation of a parcel of *Waqf* land took the property for an indefinite period in return for the payment of annual rent. *Ijaratayn:* this was another arrangement also employed to habitable buildings on *Waqf* land, in which the lessee paid a lump sum based on the value of the buildings and then an annual fixed rent based on the value of the land.

Each was an ingenious device designed to circumvent the restrictive terms of the *Waqf* by attracting outside growth capital. Not only private *Waqf* could be rented on these terms, but even parts of the *Waqf Khayri* as well. Naturally, these devices were most effective during periods of economic expansion and healthy demand; in some ways, dependence upon them created a much more volatile real estate market than would have resulted from simple private ownership.

ROLE OF THE STATE IN THE HOUSING PROCESS

A major component of social consumption provided by the state includes public transport, schools, parks, health facilities, public housing, land provision etc., which are increasingly important for securing the supply of labor power and social relations in capitalist cities. The inability of private capital to provide certain collective means of con-

sumption necessary for its own survival and expansion in the urban environment, calls for greater and greater state intervention to the extent that the institution of the state has become increasingly responsible for the management of everyday urban life. Informal residential areas are crucial as a means of consumption that provide cheap labor, itself making possible the lowering of the social wage assumed by capital or the state in the economies of developing countries (Portes and Walton, 1976). The informal areas have become a major component of the urban social structure. Their permanent connection to the political system has to be set up, both for them to survive and for the political system to be able to maintain social control over the popular sector. As experience and insight grew, it became evident that local people, who had previously been viewed as passive "subjects," "clients" or "beneficiaries," had much to contribute to the research and development process. As these approaches were adapted and further modified, the depth and validity of local people's experiences and knowledge became clear (Miltin and Thompson, 1995).

Thus, by the early 1980s, much of the attention of the Egyptian government's attitude had shifted from "rapid" to "participatory" research and development in which local people maintain significant control over the development process. Thus the involvement of local people in the housing process became a major theme for providing a reasonable shelter for low-income groups. These local people have intervened positively in facilitating the land delivery system for housing development and they became major contributors in this process. The Egyptian government has responded to community participation in social development through a certain typology. This suggests that the state may act in several ways when responding to community initiatives. It may: suppress all attempts at community participation; or actively promote community participation, seeking to mobilize the whole community for social development and to encourage maximum involvement in decision making; or attempt to use community participation programs for its own ends; or finally have a vaguely formulated or poorly implemented policy on community participation. While it does not seek to suppress community participatory activities, it fails to provide adequate support. These four responses can be denoted as the anti-participatory mode, the participatory mode, the manipulative mode and the incremental mode. Of course, these are idealized typical responses, which may not fit every situation. In addition, combinations or variations of these responses may occur. Two main issues that face the Egyptian government in providing affordable land in suitable locations are as follows. One is that in acquiring land for low-income hous-

ing, public authorities must pay special attention to the need of the poor to have access to employment possibilities or other income resources. Another is that in most Egyptian cities most or all of the land is already in municipal ownership, or nationalized so the problem of acquiring ownership does not arise, while the installation of basic services is still the main barrier to developing this land. The challenge facing Egyptian governments is to close the gap between what the low-income groups can afford to pay for a plot on which to construct their houses, the minimum cost of a legal plot with basic services, and easy access to employment sources and community facilities. In addition, with the rapid growth of population, governments have to face the increasing demand for housing through facilitating the land delivery systems.

There are two main preconditions for an effective public/private sector partnership in land delivery to provide low-income groups with serviced land plots in Egyptian cities. The first is the commitment of the government to such goal, and the second is a good understanding by the public agencies involved of the needs of low-income groups.

The economic system in Egypt has changed several times in the last five decades due to the war situation with Israel, change in the presidency, the political system and the transformation of the economic situation. The informal residential development is indirectly or directly encouraged by the state. The Egyptian government involvement in the housing field played a pivotal role in securing cheap labor for the continuing existence of private capital and, at the same time, has to have its workers housed to provide collective consumption and to sustain its legitimization activities. In short, the reaction of the state within the housing process, specifically within informal residential areas, is critical. How far does the government intervene within informal areas? How have the affluent groups responded and what has been the state's response to informal residential areas? Has the state helped low-income groups to invade public land and, if so, how has the state been prepared to help?

PUBLIC/PRIVATE PARTNERSHIPS

Thus there is a much greater need for a partnership to link public, commercial/private and third sectors in new ways - so that full advantage can be achieved through the strengths and capabilities of each. There is a growing literature implicating economic globalization in the demise of social democracy and the modern welfare state, arguing that global competitive pressure has forced governments to reduce state spending and interventions (Beall, 2002). It is in this context that the

roles of the private sector are increasingly seen as important to strengthen market forces. On the other hand, many of the poor only have a role as consumers, or as a low-paid workforce in employment that is often insecure, hence increasing the level of social exclusion. The goal of partnership in shelter is to make the different but equally valuable roles of the three or more sectors complementary and mutually supportive. As the United Nations has made clear, effective partnership is the key to the enabling approach to shelter (UNCHS, 1993).

On the other hand, partnership is seen as an association of persons for business (The New Collins Dictionary, 1984). It may be special efforts made by the public agency to direct the private sector in facilitating land delivery system, or a way of doing business between various parties. Public/private partnership may be therefore defined as relationships that address the respective interests of all sectors or parties, through mutually agreed working procedures, or a continuous process that meets the needs of all stakeholders (formal and/or informal sectors) which can improve the quality of urban living conditions. It is important to identify the precise meaning of the terms public and private sector. The public sector refers to the institutions and responsibilities of government at local (municipal), regional and national (central) levels. The commercial private sector refers to institutions, firms and individuals active in different aspects of the shelter process, but always organized to generate a profit on the investment of their resources. The third sector refers to organizations of people who have as their objective the promotion of the good of their members (Community-Based Organizations or CBOs), and the institutions which support and mediate on behalf of these non-governmental organizations, or NGOs (UNCHS, 1993).

THE NEED FOR PUBLIC/PRIVATE PARTNERSHIPS

Partnership is an essential key to improving the operation of urban land markets because the efficient and equitable use of land depends on maintaining a balance between different (and often conflicting) interests in the land market. If left solely to the commercial private sector, land is likely to be held for speculative purposes, or turned over to more profitable uses such as commercial or high-income residential purposes, at least under the conditions held true in most cities in developing countries. On the other hand, if left solely to the public sector, the allocation of land to alternative uses and groups may be no more efficient, probably slower and more bureaucratic, and equally open to corruption and politicization. The role of the third sector in land devel-

opment is crucial, but acting alone and in isolation, people and their organizations cannot ensure that land and infrastructure across the city as a whole is developed in the most rational way. Also, partnership development and the emergence of new business elites will reflect the intersection of general processes with local conditions, such as the state of the local economy, the structure and organization of local capital, the political complexion of the council and wider community, and more elusive factors such as local ideological traditions and historical experiences (Basset, 1996).

The key issue for most local governments is thus not so much the development of partnerships but, rather, the provision of a framework within which a multiplicity of partnerships can develop and be effective, and where low-income and other disadvantaged groups can have influence (Satterthwaite, 2000). In other words, the flourishing of partnerships is achieved if the objectives and frameworks are clear and identified. Therefore the performance of partnerships is challenged by lack of adequate legislation, willingness of institutions involved, and the attitude of all groups involved, hence partnerships will require trust, transparency and willingness to be effective. However, partnerships in land provision are a critical and an important issue for urban development, for many reasons. First, they increase land delivery systems, which facilitate accessibility to housing plots for the increasing population. Second, they sustain land prices in the markets that would give various options for all sections of society to obtain plots for housing construction at reasonable prices. Third, they improve the urban management in the municipalities, which controls urban sprawl on the periphery of the major urban centers. Fourth, they enhance the official attitude of the municipality and improve transparency and trust between the various groups involved. Fifth, they are an efficient way of identifying different and changing needs and provide adequate access by all actors to essential information. Finally, partnerships create an environment of trust, which facilitates access to financial resources.

The case for public intervention rests on the argument that there are situations where the market will fail to perform efficiently. This is mainly a matter of characteristics of particular goods and services, but these characteristics are not fixed; they will vary to some extent, depending on local market conditions, institutional arrangements and technologies (Batley, 1996). This altered the definition of housing as a fixed commodity in the sense that land can be vertically extended (Soliman, 1991). Most residential buildings in developing countries can be extended by adding more floors and/or rooms to the existing buildings to reach the maximum height allowed (Tipple, 2000). Addition-

ally, the building regulation and construction processes of the local environment are, to a certain extent, flexible and changeable, where most housing sites depend upon the maximum volume of the plot area, and the width of the street. Third, the lack of planning control is a familiar phenomenon, through which the settlers in informal housing areas invest their land plots to the maximum use regardless of the official regulations applicable in a given area. Finally, the recent phenomenon of replacing old buildings in Egypt effectively increases the value of developed land. There are different reasons for government involvement in providing and delivering goods and services, and these imply diverse levels and forms of involvement. In the field of services, it is argued that governmental responsibility can be restricted in two ways (Batley, 1996). One way is by separating responsibility for arranging for a service to be delivered from the actual production of services. The other way is by separating the elements of direct provision, particularly in the case of a monopoly. The idea is to create a service that can be broken up geographically or by category of service, allowing performance comparison and promoting competition to increase choice and reduce the costs of entry to the market. Recently, the government has involved the private sectors and other parties in providing and delivering goods and services, as in the development of residential areas surrounding Cairo, and the development of the *"Toshka Valley"* in Upper Egypt.

In the field of delivering goods, several writers distinguish between the responsibility for "provision," which might be government's concern, and "production" which might be done by private sector or community actors.[2] The concern here is to distinguish between three different provisions. First, formal/direct provision, which is the act of creating, constructing, maintaining, and delivering goods at prices that the wider society can afford. Second, informal/indirect provision, which is the business of ensuring that goods are available to the wider society. This might involve decisions to be made at the national level on financing, regulations, procedures, etc.; and finally, semi-formal/hybrid provision, which facilitates access to land as a kind of production of goods. These goods are produced through the conversion of agricultural land into residential areas, or improving accessibility to desert land.

REASONS FOR CURRENT INTEREST IN THE CASE STUDIES

This chapter reviews public/private sector partnerships in three Egyptian cities to test four major criteria. These involve assessing the extent to which each example has increased the supply of urban land for hous-

ing, has improved the efficiency of urban land markets, improved access to land for low income groups, and the fourth is to provide the basis for a more productive relationship between public, private and third sectors. A very large proportion of new housing for the urban poor in Egypt is built on illegally occupied or subdivided agricultural land. The main issues that face most Egyptian cities in providing affordable land on suitable locations are; first that the urban poor need to have access to employment possibilities or other income generating resources. Second, a large amount of the land in most Egyptian cities is already in municipal ownership, nationalized, or within the category of the *Waqf* system, so the problem of acquiring it does not arise. However, the installation of basic services is a major barrier to developing this land.

There are various actors involved in facilitating the accessibility of land for the urban poor in Egypt. The principle ones operate both locally and nationally, even if they are subsidiaries of multinational companies or organizations, or private commercial sectors. These are financial institutions (merchants, banks, personal savings institutions. etc.); operators of the land delivery systems (land speculators, land transaction, land brokers etc.), the prospective customers of land supplied by the operators, the suppliers or technology providers of major information or expertise for the operators (land brokers, or specialist consultants, land registration etc.); owners of land (providers - either private or public bodies or both) on which housing will be built; government regulatory and other approval agencies and political entities that must give approval or provide support in some way; and public interest groups (facilitators).

The roles of both public and private commercial developers vary according to the level of interest, risk and benefit. Each seeks to maximize the rate of return on their investment at the lowest level of risk, but acts jointly to reach the same goal without harming the others. The private sector land delivery system operates in two basic ways. The first involves the finance of land acquisition and provides plots through informal contracting arrangements. This often entails illegal land subdivision, or the acquisition of large parcels on the periphery of urban areas to supply plots on a commercial basis for people most in need. The second involves formal contracting arrangements through financing and the operation of the land delivery system is enhanced. This often involves the redevelopment of plots because of the scarcity of land within urban areas, either inside the central business district or within informal areas.

The public sector land delivery system operates in four ways; first,

by providing land which has a reasonably low value, usually located on the periphery of the city; by generating land developments in virgin areas, such as new towns, to attract low-income groups; third, by providing land at market prices through auction, in order to subsidize housing for low income groups or/and to recover the cost of infrastructure installation (for example *El Waqf* area in *El Mohendeseen* district); and finally, by generating land delivery in scattered locations within the urban areas to construct public housing projects, or sites and services projects, or both (for example, *Nasr City* and ten settlements around the GCR). The case studies covered various types of partnerships and roles of the actors involved and measured their contribution in land delivery for the urban poor. The methodology involved three tasks. First, to identify land acquisition costs for the principal actors in the land market (and sub-market for example, the informal land market in a set of interrelated markets for both housing the urban poor, and other activities within the city). Second, to identify the process of public-private partnerships to reduce the cost of land acquisition, and minimize risk by ensuring appropriate land transactions at reasonable cost. Finally, to understand the mechanisms of the economic return at the national and local levels by which a commercial return would be provided to investors, and by which private-sector involvement would be attracted.

TYPES OF PARTNERSHIP

In Egypt, many arrangements are found which enable the urban poor to gain access to land. These are formal/direct, informal/indirect, and semi-formal/hybrid arrangements, which depend upon the degree of involvement of the government and the response of the third sector (Soliman, 1999).

Most of the successes of the urban poor in gaining access to land in the recent past have been through illegal means (Soliman, 1996a). Harvey indicated that the organization of working-class struggle concentrates and diffuses across space in a way that mirrors the actions of capital (Harvey, 2000). Therefore the urban poor considered access to land title, regardless to the type of title, to be essential to secure their future through accumulation of the fixed capital in the form of their housing. The entrepreneurs involved in these processes have had to adopt innovative strategies to overcome the specific legal and economic constraints in any given context. In addition, the poor might occupy land illegally, sharing the luxuries of the upper-class residential suburbs, such as *Sidi Bishr* area in Alexandria, or *Ezbet El Haganah* in Cairo. Variations have been observed in the big cities, and religious

urban centers (such as Tanta City) or surrounding the old core of the larger cities. In the present study, three different partnership typologies emerged. First, formal/direct partnerships: these are defined as a group of parties, working together on the ground, a coordinated approach and of integration across the range of policies. Thus, it is intended to make the most effective use of resources or the best use of assets available for a given area. Second, informal/indirect partnerships: these can be defined as relationships between various parties to seek mutual gain. In this case, government is not concerned ultimately with the nature of the organizational arrangements but with the interaction or dynamics between partners, which takes place within these arrangements to meet the needs of the population. Finally, semi-informal/hybrid partnerships: these can be defined as partnerships in which one group consults with the others about the difficulties they face, particularly the constraints on state spending and the different demands on their limited resources in meeting collective goals. The operators, facilitators, regulators and providers active in each partnership work together directly or indirectly to achieve their objectives by maximizing profits and minimizing risks. At the same time, customers benefit from the facilities given by the actors in obtaining housing plots, and at the same time gain a good return on their investment.

FORMAL/DIRECT/OVERT ARRANGEMENTS

Formal/direct public/private partnerships in land provision for housing the urban poor in Egypt occur mainly in new towns. Since the initiation of the new towns policy, the government has encouraged people to move out of the crowded Nile valley into the adjoining desert areas. In addition, the government seeks to attract private sector investment by offering a range of incentives and inducements (such as tax breaks or tax relief, free or subsidized transport, buildings and services, etc.). The main benefit for the government is to encourage the private sector to invest in the desert areas to meet the national development strategy objectives and help improve the welfare of society in general.

This policy recommendation is the central theme underlying the objectives and proposals for housing sites in the new towns. It may be summarized as follows. First, housing sites in a new city are intended as an instrument for partially solving the national housing problem. Accordingly, it is necessary to reduce the average cost per site, which is achieved by lowering infrastructure costs, to provide more housing sites for a given level of investment. Second, the location and dimension of plots must cover the whole range of household needs. They

should create opportunities for residents to enlarge their housing units according to their social status, as well as to have gardens and space for keeping small animals and poultry. Third, the effective demand for housing sites of all income groups must be based on their ability to pay. This involves providing a wide range of housing plots, locations and costs, to give residents the opportunity to match their housing with their personal needs and life styles. Fourth, the immediate environment must ensure both individual and family privacy as well as good relationships with neighbors. This would provide opportunities for social integration among varying income groups within neighborhood areas and a stimulus for upwardly mobile income groups, while it would minimize government housing subsidy costs. Fifth, covers different types of demand that reflect different income categories. This would help in providing housing plots that are adaptable to changing family needs, such as stages of family life cycle, increasing income, changes in household size. Finally, allowing different types of investment, public, cooperative and private, that would help to accelerate the development process through providing land tenure opportunities for all levels of employed residents and the private developers.

The Ministry of Housing, Utilities, and Urban New Communities (HUUNC) initially allocated housing plots on a mix of 60 percent public housing projects (either in the form of owner occupiers or tenants), and 40 percent as private land plots (New Towns, 1989). The allocation of land plots and housing units was established under three arrangements. First, with the higher prosperity of the society within new towns, people generally look for better housing standards, and prefer to own. To meet such growing aspirations, a Home Ownership Scheme was devised (*Eskan El Shabab*) for flats built by the Ministry of HUUNC, and financed through its various organizations (Housing and Building Co-operative, Bank of Development and Housing, and New Urban Communities' organization). These flats were to be sold to eligible applicants, mainly from three groups; newly married couples who wished to settle in new towns, tenants of public housing flats displaced by clearances, and junior civil servants. Most of those applicants lay within the category of low and middle-income groups. Second, the idea of land allocation for the private developers sector is that they would provide flats and housing plots to the low and middle-income groups at a reasonable price. Under this scheme, the government offers sites between 400 and 600 square meters to individual private developers who will increase the housing stock within the new towns. The cost of land is paid on an incremental basis, 25 percent as a down payment and the remainder over two years, or over ten years at subsidized interest rates.

On the other hand, the government provides a large land parcel to private companies within the range of 4-10 hectares without basic services at a notional price. The installation of basic infrastructure is provided by the private companies and inspected by staff of the new town organization. The subdivided land is then sold to small private developers at reasonable prices. Third, priority is given to the townships' own industry, which can lead to better industrial relations and, hopefully, better control of the workforce. Companies that prefer to purchase their own housing units can do so on the basis explained above. Alternatively, land may be allocated to the companies in order to construct housing at their own expense. In effect, however, complete provision of housing by the companies has not materialized, due to the increasing costs of housing components and the rising share of housing in proportion to the total expenditure of the investments.

In 1991, the Egyptian government established a wide-ranging Economic Reform Structure Program, on which a market-based economy was established with a leading role for the private sector (El Sayed, 1996). In the field of land for housing, the private sector was involved in the provision of residential plots in new towns. The contribution of the private sector has been much greater than the public sector. Most of this contribution has been made by the middle and low-income groups in the form of small houses constructed on allocated land plots. On another level, the Egyptian government made special efforts to foster public participation in development projects. The government has also welcomed the participation of the private developers in the accomplishment of its projects, be it in the form of housing construction or BOT for large-scale infrastructure projects. This has also encouraged the participation of NGOs in service delivery, and new regulations facilitating their work have been put in places. Furthermore, a new renowned case of the Household Solid Waste Management project in Egypt, also known as *Zabbaleen Garbage Collectors*, provides a good example of state-community-NGOs sustainable development project. The project, undertaken by the Cairo-based consulting group, Environmental Quality International (EPQ), consisted of mediating between government officials and a group of informal garbage collectors (*Zabbaleen*) in order to reverse the state's decision to prevent them from undertaking solid waste collection, disposal and recovery. It also included a neighborhood-upgrading plan involving the planning of streets, construction of a school, outpatient clinic, park, and children's club and credit program.

A new form of partnership in the supply of land for housing the urban poor emerges in two ways. First, when the public sector hands

over part of its own land holdings, usually desert areas, free of charge or at a token price (around two U.S. dollars per square meter) to third-sector organizations, on condition that the land is developed according to the national development plan schemes. The installation of basic services is usually carried out by the third sector. The main benefit for the government is developing nearby sites for low-income housing projects, or at least installing the basic infrastructure, at the expense of the third-sector organizations. Then the government is able to allocate the serviced sites for low-income housing schemes at a very low cost. On the other hand, the provision of secure tenure at the initial stage of development would greatly encourage the development and improvement of unused areas. These schemes have been applied in some Egyptian new towns such as *6th of October* and *15th of May*. Such schemes can reduce unit costs or serviced plots' costs, and get closer to prices low-income groups can afford on the one hand, and relieve the financial burden on government on the other. Second, public partnerships in land provision sometimes take the form of a public organization (for example, the Development and New Communities Organization) providing semi-serviced land to middle and low-income groups at prices they can afford and with the lowest possible initial payment, (around 25 percent of the total cost), with the balance paid on an incremental basis. The remaining services are also provided incrementally to keep pace with family incomes and needs, and speculation is discouraged by holding back official registration until the house has been built and is inhabited by its owner or tenants. This approach raises two main questions. Have the new towns contributed positively to offer suitable land plots for low-income groups? Have these direct partnerships succeeded in meeting the needs of low-income groups for housing plots?

INFORMAL/INDIRECT/COVERT ARRANGEMENTS

The government of Egypt has adopted a laissez-faire policy on housing for the urban poor. To the extent that there is an articulated policy, it calls for the provision of conventional housing structures for the entire population, regardless of financial means. Programs of conventional housing construction have been consistently ineffective because of their financial incoherence. Informal urban land markets in Egypt have offered various advantages for the majority of the urban poor and may be summarized as follows. They facilitate access to a house plot with reasonable basic services and suitable access to income earning possibilities. They offer freedom to the urban poor to initiate a process of incremental housing, albeit by operating outside the official building and

planning regulations. They offer flexibility for families who are denied adequate credit and mortgage facilities within the formal market. Finally, they develop cheaper land on the urban periphery, where developers can make cheap housing sites available. Five various bodies participate or cooperate in formulating, accelerating and encouraging informal methods of land development. The first is the public bodies (facilitators, regulators), who are responsible in land development, whatever their forms and institutions. Small landlords (providers) who own small parcels on the periphery of the city boundaries are also involved. The third body is the private enterprises (operators) who bought large plots in key locations of the agricultural areas. The fourth is the prospective customers of land supplied by the operators. The fifth is the financial institutions (merchants) whether in the private or the public sector, which participated in providing the necessary cash for purchasing land within the cities. Because of increased building, land prices have increased, and the poor can no longer afford the new high prices, forcing them to look elsewhere for cheaper lots in more distant locations.

With the introduction of recent Military Orders (Order No. 7, issued in November, 1996), it is possible that the informal system will soon be reaching its limits. However, a new innovation in land supply within informal areas has occurred in the form of demolishing the old buildings and replacing them with new ones. According to a planner in public service, private developers have left the urban periphery areas and started to purchase the old buildings to be demolished, subsequently increasing land supply within the boundary of cities. A high proportion of informal land supply has been shifted to legal areas, and the informal land markets have shrunk. Thus, the government has contributed indirectly to decreasing the land delivery systems within the informal land markets, and associated to a certain extent in making land accessibility more difficult for the urban population. The commercial developers have taken the opportunity of this transformation to acquire land within the urban areas, and constructed huge projects oriented to the needs of affluent households. Thus, developers prefer to concentrate on the small-scale high-cost legal sub-divisions, which pose lower risks and provide higher profits. The state has played an indirect role in the initial development in most of informal residential areas in Egyptian cities. This role has changed over time according to the various situations that the country has passed through, and according to the transformation of economic development over various national development plans. This type of involvement is crystallized through various aspects. First, the construction of major public housing projects on, or close to,

agricultural fields changed the land use, and at the same time encouraged the private sector to convert agricultural land into residential use. As such, the changing of city boundaries by the local authority over many years indirectly facilitated land development by the private sectors, as well as encouraging small landlords to sell their agricultural parcels to people looking for cheap housing plots. Also, the construction of new access roads close to desert or agricultural fields encouraged the private sector to develop land adjacent to these projects. Second, the acceptance of a mosque as a gift from the private sector accelerated the conversion of agricultural land into residential uses. It has led to the installation of certain services (such as sewer systems, electricity and water supplies) on the cities' peripheries, which attracted the private developers for land development. Third, the transference of land tenure from public holdings to private ownership, or from public bodies to governmental departments has left land tenure in doubt. This has encouraged the private developers either to change the land use, or to invade the land illegally. This has helped in transferring the land use from a certain function into residential use. Fourth, the weakness of planning control by the local authority has indirectly encouraged private developers to undertake illegal land conversion and subdivision. Finally, the procurement of educational and communal facilities (such as construction of a university campus, hunting clubs etc.) has attracted private developers to virgin sites for residential development.

SEMI-INFORMAL/HYBRID ARRANGEMENTS

Semi-informal/hybrid arrangements also occur in the form of renting or occupying public land for a certain period of time (*Heker*) and paying a token rent to government agencies. Such land, which often lacks planning permission from the local authorities, is outside the city boundary, or is sited on agricultural land. In some places the poor rent from private proprietors or from public departments (Davidson and Payne, 1983; Payne, 1982). This type of land invasion is linked to the attitude of the government towards low-income groups. In most cases, the government indirectly helps people to occupy certain locations and discourages them from occupying others. Thus a hidden partnership exists between the government and local people. The success or failure of land invasion depends upon the number of people who invade, the tenure status of the land invaded, the presence or absence of pressure from the landlord and the strengths of groups backing such actions. It must be emphasized that socioeconomic, political and urban growth reasons all play a salient part in such invasions. Some land invasions occur dur-

ing election times and others during a political crisis and in some cases during the introduction of new economic regulations (Soliman, 1987; 1988). Semi-informal/hybrid partnerships were established through the following three methods. One is the interaction between the private developers, the state and the beneficiaries, each of which was looking for maximum profit and reduced risk in gaining access to housing plots and maximizing a good return on their investment. Another is the involvement of a legal component of the sites' land tenure status in the form of *El Heker* tenure system. Finally, there have been numerous detailed studies of this process observed in different Egyptian cities, prompting a number of questions. For example, why are invasions of land permitted in some locations and not in others? How has the distribution of land use and its value within a city affected such invasions? Do the mechanisms of land delivery systems differ within a given area? If so, what are the reasons for these variations?

CONCLUSION

Land mechanisms in Egypt are considered a main factor in increasing or decreasing the level of cooperation between public and private sectors. However, in examining the nature of public/private partnerships within the three Egyptian cities, land mechanisms are a key factor for understanding the informal and formal land markets within the urban areas. Also, land mechanisms are related to the continuous economic and political development that faced the Egyptian environment.

Briefly speaking, public/private partnerships within the three cities have been characterized by the changing attitudes of the local authority within the study areas. These changes were the result of the three considerations; first, state provision of basic infrastructure enhanced the domestic environment and sustained the development of land within informal areas. Second, the need for local authorities was essential to make the best use of available resources, including manpower and finance, from low-income groups. Finally, the changing attitude of state agents towards the private sector recognized it as a main actor in the development process. Since the beginning of the 1990s, the state has introduced several decrees related to privatization to encourage the private sector to contribute positively in the development process. The scarcity of land for housing low-income groups has led to new boundaries for urban development by which the state covertly helped the private sector to develop land on the city periphery. Profit and utility are still the basic driving forces linking the relationship between parties, though property transactions are made in an environment created by

interactions between groups involved. Within demand supply orientation, the nature of partnership highlights two markets in real estate, the investors' demand and the final users. In the former, the private developers benefit in the short term and in land scarce localities. The final users consider property as capital appreciation in the long term and obtain property at the lowest cost. Both parties are solving a part of the housing problem and alleviating the heavy financial burden to be paid from government's budget to meet the increasing demand for housing the urban poor. So, all parties involved in the land supply delivery system are achieving profit and utility from each other.

The emphasis of current housing polices is directed towards the gradual withdrawal of the public sector participation and the encouragement of private sector initiatives and partnership for shelter provision. On the macro level, efforts should be directed towards encouraging investment in housing by increasing economic activities. On the micro level, the government seeks to achieve efficiency and equity in the current housing delivery system. Some of the incentives to encourage private sector participation include the reduction in expenses for various housing schemes. The scale, intensity, high-rise approach, and cost of public housing development are quite beyond the reach of most of the middle-income groups. A new partnership of public and private sectors is needed, in order to afford reasonable housing for the various income groups. This partnership should be within the context of sustainable development through a two way process; firstly, partnership in facilitating the supply of inputs into the shelter process, or shelter delivery systems under which come market efficiency, access to land, methods of finance, access to building materials and appropriate skills. Secondly, partnership in the production of shelter outputs needs to be integrated with macro-economic, social and environmental policies to ensure coherent co-ordination of the shelter sector.

NOTES

1. A system of land tenure found in Islamic Countries. The term means "held for God."

2. T. Kolderie, "Two Different Concepts of Privatization," *Public Administration Review* 46, no 1 (January 1986): 285-291; J. Wunsch, "Institutional Analysis and Decentralization: Developing an Analysis Framework for Effective Third World Administrative Reform," *Public Administration and Development* 11, no. 1 (January 1991): 431-451; and E. Ostrom, L. Schroeder, and S. Wynne, *Institutional Incentives and Sustainable Development: Infrastructure Policies in Perspective* (Boulder, Colorado: West View Press, 1993).

CHAPTER 7

PUBLIC/PRIVATE PARTNERSHIPS IN CAIRO

Ezbet El Haganah as a squatter settlement on public desert land in Cairo

"I have been living here for fifty years. The whole site was an empty desert area and you could hardly find anybody close to the area. Since the government started constructing Nasr City, however, newcomers began to invade the site. They squatted large areas and claimed property rights from the responsible authority. Lately these areas have been illegally subdivided by private developers and sold to other people. My own piece of land now costs a fortune, some private developers are asking me to sell it, but I would not do it until the government installs basic services and gives me the full land title. It is an asset for future security," says a settler in Ezbet El Haganah settlement.

BACKGROUND AND CONTEXT

With the beginning of the 1960s, many land development programs took place in Cairo, though the various war crises that faced the country

prevented their proper implementation. With the introduction of the open door policy in the mid-1970s, the physical conditions of the city became much worse Subsequently, informal residential areas spread in various locations as a response to the increasing demand for housing plots within the city.

In the early 1960s, the construction of *Nasr City* as a dormitory settlement offered large areas of vacant land for residential development. The government's new towns strategy is intended to absorb the increasing urban population and to facilitate resources in the form of serviced desert land for private developers in order to contribute to national development programs. One of the best proposals that has been seriously entertained and which figures prominently in the early 1990s, is that a series of satellite towns would be constructed around the GCR. This solution would both relieve the state of its present responsibility for providing housing plots and, in addition, help relieve Cairo of some of the population increases that otherwise threaten to strain its already overcrowded residential and transportation facilities. Although the municipality was seeking to improve the living conditions in the GCR, it also increased land supply at different locations and prices to meet the needs of all sections of demand. It could be said that the local authority facilitated the land delivery system through various ways at different locations in the GCR for the benefit of economic development, as well as for increasing housing development to meet the increasing demand for housing plots. Developers have also contributed to this development by orienting their investment towards the new towns. Since the beginning of the 1990s, the state has adopted a privatization policy in which private developers were a cornerstone. The aim was to improve accessibility to resources by the government while the private developers make the best use of them. Therefore, formal/direct public/private partnerships were introduced into the development of new towns, whilst indirect and hybrid partnerships existed in scattered informal residential districts. The *6th of October* and *15th of May* new towns represent good examples of direct partnership in land provision, whilst an informal residential settlement at *Izbet El Haganah* is examined in order to investigate indirect and hybrid public/private partnerships. The main objective is to illustrate the effectiveness of public/private partnerships in facilitating land delivery for the urban poor. The questions raised are as follows. Have these partnerships increased land supply within the case study areas? What are the influences of the commercial private sectors in housing development within new towns? What are the contributions of state and private sectors towards these new towns and the informal residential areas?

NATURE OF PUBLIC/PRIVATE PARTNERSHIP

The nature of public/private partnership in land provision in the GCR is presented through two case studies. The first is an informal residential settlement, which reflects a hybrid and indirect partnership, and the other is two new towns that are presenting a direct public/private partnership. The nature of partnership has taken various forms.

Firstly, formal/direct/overt public/private partnerships have been introduced by the method of offering officially vacant public desert and agricultural land in the periphery of the region as a new dormitory and/or industrial settlements. This type of partnership involved various public and financial institutions and private developers, as well as individual customers. This operation of the land delivery system was controlled through the municipality according to the city master plan. This type of partnership aimed at giving more autonomy to the private sector, and provision of incentives to stimulate and encourage the private sector for land development. The state was involved directly in facilitating the land delivery system for the purpose of economic development through the Ministry of *Awqaf* which developed state desert land, and various historical partnerships in land provision for housing, either for the urban poor (*Helwan* and *Shubra El Khaima*) or for the middle and upper classes (*Nasr City, Heliopolis*, and *El Mohendeseen*). These were aimed at increasing land supply to meet the growing demand. This type of partnership has been introduced at three levels. First, the local authority had expanded the boundary of the GCR to include the desert areas that had potential for housing development such as *Nasr City* and *El Mokatam* area. Second, the local authority had involved the private sector in either such developments in order to facilitate land delivery system for middle (*Nasr City* and *6th of October*) or low-income groups (*Shubra El Khaima* and *15th of May*). Finally, the involvement of public/private partnership was noticeable in the development of *Heliopolis, Helwan, 6th of October*, and *15th of May*, in which the municipality provided the necessary services for residential development and the private sector had the initiative for the development of these areas. On the other hand, the private developers were involved in taking the risks by directing their investment towards new areas.

Secondly, informal/indirect/covert public partnerships through the construction of major public projects or new access roads close to desert or agricultural fields stimulated the private sector to invest in land development. This indirect partnership was introduced at regional level for the benefit of national economic development. It has indirectly helped in offering vacant desert land for the private developers on the

main access roads. The contribution of land development was mainly attributed to the private developers who took the responsibility of the installation of infrastructure. The state conducted a dialogue with the customary controllers of the land, as well as integrating and adapting the land transformation system to install the basic services within the site.

Thirdly, semi-informal hybrid public partnerships were introduced through official permission in the form of *El Heker* system and given to certain people to remain on their land plots. The basis of the semi-informal hybrid public/private partnerships is introduced in many ways. The state has guided a certain section of society to develop land that had no value, and at the same time has been released from the heavy financial burden involved in accommodating the growing population. The private developers subdivided land parcels into small plots so that the poor could afford their prices. It was considered that the area was not suitable for state projects, and this allowed other people to take the opportunity to develop it. This was evident in letting military personnel settle there. On the other hand, the private developers have provided adequate access to the urban poor for them to obtain land plots at reasonable prices. This type of partnership has led to three aspects. One is that the state attracted more people for the region in which they were seeking cheap housing plots. Those people acquired the desert land at no cost, by the time they changed their occupation for the land tenure into *El Heker* system. Second, *El Heker* system could be considered a semi-formal way of the public sector facilitating the development of raw land, but this only applies to desert land, which puts it in a special category not applicable to many countries. It is therefore a special approach for a special situation, rather than a conscious partnership approach. Third, the state facilitated the transaction of land to individuals through either *El Heker* system or changing public land tenure into private title.

ACTORS INVOLVED

Direct public private partnerships are represented in the selected two new towns. The type of partnership that exists in *Ezbet El Haganah* area is a hybrid public-private partnership in that combinations of both formal and informal arrangements between the various actors were involved. A planner in the Department of Planning in Cairo City has expressed the view that "public private partnership is about pulling together private developers, the responsible public agencies, people with a responsibility for the state." Thus the potential of partnership

arrangements is to generate new policies or special arrangements tailored to the particular needs of the actors involved. In the Cairo case, the following actors were involved in the development of the new towns and the formation of the *Ezbet El Haganah* settlement. These are. first, the regulators: these were local politicians who gave permission for the original settlers to remain on the site as a permanent settlement. They deserve credit for the settlement's initial formation, by visualizing the potential of the location for urban development. In addition, the decision makers in the government offices were the key actors in the development of the new towns. The controllers: the Egyptian Military controlled the vast majority of desert land surrounding Cairo and had the power to protect the settlers from removal by the municipality. In addition, the Egyptian Military have to approve the locations acceptable for the construction of new towns. The facilitators: state agencies were involved in securing land title through *El Heker* system. They also installed basic services within the sites and transferred the title of public lands to the settlers. The customers: these primarily middle and low-income groups were looking for housing plots at reasonable prices. Some newcomers recognized the market potential of the land and became contractors involved in land markets within the sites. The operators: private developers were the greatest beneficiaries of this development by acquiring land from the original settlers and/or from the government at prices considerably lower than the prevailing market rates. The organizers: both formal and informal subcontractors helped directly in planning and constructing most of the two case studies. They also contributed in land transaction and land acquisition for more land plots and played a double role: as contractors and land brokers. The providers: the property departments are the main public bodies responsible in land transaction. These departments played a crucial role in transferring land title to the original settlers. and they have the power to sustain land title.

Each actor had a role in the fornation and development of the two case studies. The politicians have introduced an official decree for the settlement formation, or at least permitted military personnel to settle in *Ezbet El Haganah* area. The Egyptian Military also helped by defending their right to stay in this location. Private developers have engaged in structuring a set of arrangements by which the land supply could be stimulated. They also squatted on large areas. and claimed their property rights and formally claimed large parcels of land within the two new towns. The property department has facilitated the transfer of land title to local people. Finally, the customers have obtained land plots at reasonable prices. and some at no cost at all. On the other hand, both

public and private sectors together, with a third party (either private individuals, or NGOs or beneficiaries) have accelerated the accessibility to the land delivery system in new towns. The state provided vacant desert land, while the private developers installed the necessary services for developing this land. The third party was involved in transforming the land into habitable settlements. Therefore, each actor has a certain role to play in accelerating the development of new towns and in the formulation of the *Ezbet El Haganah* settlement. This contribution has also benefited the wider society in that it increased the national output in various commodities and, at the same time, alleviated the annual deterioration of agricultural land.

NEW TOWNS

The Greater Cairo Master scheme for the region stems from three key principles. First, comprehensive development of the whole region as an integrated unit, i.e. balanced development of urban and rural areas as well as the integration of socioeconomic and physical aspects of development. Second is the creation of new towns around Cairo to absorb the increasing population, such as *6th of October*, and *15th of May*. Each of these towns will house between 500,000 and one and a half million inhabitants. Third, ten new satellites in the desert have been developed outside the outer ring road of the GCR. The target population of each of these new satellites ranges between 200 and 250 thousand. They are to be developed outside the urban mass on desert land, far enough away not to be physically connected to the main mass yet at a reasonable distance for daily traveling and functional links with existing parts of Cairo. These new settlements are proposed to achieve the following objectives: effective protection of arable land, slowing down and impeding urban sprawl (including suburban growth, informal development and haphazard expansion of the urban mass), provision of urban land to meet the soaring demand for housing and development, and finally, encouraging and exploiting the potential of the private sector in urban development. Two new towns, *6th of October* and *15th of May*, are chosen as case studies. They are appropriate cases, as they reflect public-private partnership in land provision in the other new towns in Egypt. The city of *6th of October* is located in a leveled area, 35 kilometers south-west from Cairo's center (government of Egypt, 1996). The city overlooks the pyramids and is about 17 kilometers away from them, and 38 kilometers from Cairo's center (see FIGURE 7.1).

The city has two entrances, the first from 25 kilometers along the Cairo/Alexandria desert road and the second from 19 kilometers along

Figure 7.1. Location of the two new towns within the Greater Cairo Region

Source: *New Towns in Egypt*, The Ministry of Housing, Utilities, and Urban Communities, Government of Egypt (Cairo 1989).

the Cairo/Fayoum road, to link the city with the Cairo ring road. *6th of October* is considered as a development and economic pole and is located on the Cairo/Fayoum/Upper Egypt/Cairo ring road axes. It provides new job opportunities and contributes to relieving excess population in Cairo and *Giza*, and stopping the urban encroachment on agricultural lands near *Giza*. The residential area has a total area of 1,720 hectares, divided into 12 districts; each is divided into 4 to 14 neighborhoods. It is divided by the central axis, 6 kilometers long and 350 meters wide, going from east to west.

The residential areas are perpendicular to it, and include the services of the city center. Housing categories differ from economic to

Table 7.1. Land uses in *15th of May* and *6th of October City*

Land use	15th of May		6th of October	
	Area (km2)	% of total built- up area	Area (km2)	% of total built-up area
Residential	2.85	10.5	17.4	29
Services	1.60	5.9	17.4	29
Green areas	2.25	8.3	10.8	18
Roads	2.42	8.9		
Green belt	0.89	3.3		
Open spaces	17.13	63.1	14.4	24
Total	27.14	100%	60	100%

Source: We Build for People, New Communities in Egypt, Ministry of Housing, Utilities and Urban Communities, *Government of Egypt* (Cairo 1996).

Table 7.2. Total housing production in the first generation of new towns between 1989-1993

Year Of Construction	1/7/1989•					31/3/1993•					1996▲
New Town	Construction	%	Under construction	%	Total	Construction	%	Under construction	%	Total	Construction
10th of Ramadan	12320	61	7969	39	20289	18827	78	5120	22	23947	6507
6th October	9967	41	14206	59	24171	16308	67	6847	33	24155	6341
El Sadat	3084	19	12933	81	15537	8616	55	6916	45	15532	5612
New Borg El Arab	1952	22	6725	78	8677	4786	55	3863	45	8649	2834
15th of May	17208	65	9235	35	26443	20135	78	5689	22	25824	2927
El Salhya	3394	85	582	15	3976	-	-	502	-	502	-
New Domietta	3096	36	5452	64	8548	6446	96	240	4	6686	3350
Total	50941	47	56700	53	107641	75100	71	30105	29	105295	27571

Source: • *New Towns in Egypt*, The Ministry of New Communities, Housing and Utilities (Cairo 1989). • "New Communities and Housing in Egypt," The Ministry of New Communities, Housing and Utilities, GOPP (Cairo 1993). ▲ Data gathered from the various Housing Departments of the selected new towns, during the field survey by the author, which took place between 20- 28 December 1998.

low-cost housing and residential plots allocated near the industrial area to serve the factory workers. Some districts are planned for co-operative housing units. Due to the increasing demand on land, the plan was modified to absorb the extension of the city in both northern and eastern directions.

The newly-added areas have 72 square kilometers for tourism (12.6 %), residential (17.4 %) and industrial projects (10.5 %) besides 31.5 square kilometers in the eastern direction, thus reaching a total

area of twice the allocated area for the city. According to these extensions, the target population will reach about 1.5 million inhabitants. Land uses and the built-up area are distributed as shown in Table 7.1. The city of *15th of May* is located to the south east of *Helwan*, 35 kilometers from Cairo (see FIGURE 7.1), and it is bordered from the west by *Heliopolis/Helwan Autostrade*. The location of the city was selected away from sources of pollution, but at the same time well-linked to Cairo by two main arteries; the *Cornuche Road* and the *Helwan/Heliopolis Highway*. *15th of May City* is a self-sufficient community providing suitable housing for workers employed in the *Helwan* industrial area (Soliman, 1996b). About 120 thousand people now live in the city.

The total area of the city is 27.14 square kilometers, and will be expanded to 33.89 square kilometers after the city extension, which is planned to fulfill the increase in housing demands. The city will be established in three stages, besides the extension area that will accommodate 250 thousands inhabitants when completely established. Land uses and the built up area are shown in Table 7.2. The total number of housing units after the completion of the three stages is estimated to be in the range of 36,000. Of these, 21,762 housing units of different categories and areas have been completed, while 8,790 units are under construction. 2,068 land parcels, with a total area of nearly 59 hectares, have been equipped with infrastructure in the extension area and have been sold to individuals to build 12,000 housing units of different categories. Table 7.2 shows the total housing production in the first generation of the Egyptian new towns *(10th of Ramadan, 15th of May, 6th of October, El Sadat, Bourg El Arab, El Salyhia* and *New Damietta)*. The total housing production in 1989-1993 is around 27,500 dwelling units, giving an annual production of 9,190 dwelling units, which represents 4.5 percent of the total housing production in Egypt. On the other hand, it appears that the three towns, *10th of Ramadan, 6th of October* and *15th of May*, have total housing completions of 23,943, 24,155 and 25,824 respectively. These three settlements absorb the majority of people who are already settled in new towns.

Table 7.3 illustrates a comparison between the actual population living within these towns and the number of housing units. *6th of October* and *15th of May*, especially the latter, are making good progress in accommodating new people. There are many reasons for this. First, they have the privilege of providing dwellings and residential plots at reasonable prices. Second, *15th of May*, as a worker residential town, contains 90 percent of the total dwelling units as low-cost housing units and these units are affordable to most of people who are working there.

Table 7.3. Comparison between actual population and housing units in new towns

New town	Housing completion in 1993	Actual population, 1988*	Projection of population (after 15 years) 1993◇	Year of const. and planned population**	
				Population	year
10th of Ramadan	23947	20500	50000	280000	1977
6th of October	24155	13000	75000	120000	1979
15th of May	25824	65000	100000	70000	1979
El Sadat	15532	11000	16000	251000	1977
Borg El Arab	8649	3000	10000	280000	1979
El Salhya	502	3500	6000	50000	1978
New Damietta	6685	2000	11000	54000	1980
Total	105293	118000	268000	1111000	

Source: * *New Towns in Egypt*, The Ministry of Development, New Communities, Housing and Utilities (Cairo 1989). ◇ "New Communities, and Housing in Egypt," The Ministry of New Communities, Housing and Utilities Development, GOPP(Cairo 1993). **H. El Kafrawy, "Arab Republic of Egypt: New Towns in Perspective," in *From Garden City to Urban Reconstruction: New Towns in Perspective*, ed. P. Merlin and M. Sudarskis (INTA Press: 1991), 189-216.

Third, *6th of October* is considered as a suburb of *El Giza* governorate, and it offers reasonable accommodation compared to the housing prices in *El Giza*. (eg. housing in *El Malek Faisal Street*). In addition, its close proximity to the city (16 kilometers from the Pyramids Road) has encouraged many people to settle there.

The policy recommendation of the new towns is the central theme underlying the objectives and proposals for housing development in them. It may be summarized as follows. First, housing in a new city intended to be used as an instrument for partially solving the national housing problem implies parameters. Accordingly, it has to reduce the average cost per unit, by lowering Egypt's current new housing construction costs; the strategy would provide more housing per level of overall investment. The contribution of the public sector is around 40 percent of the target housing production, while the remainder will be the responsibility of the private sector. Second, the location and dimension of plots must cover the whole spectrum created by the needs of different household income groups. It should create opportunities for residents to enlarge their housing units according to their social status, as well as, to have gardens and space for keeping small animals and poultry. Third, the effective demand for housing plots of all income groups must be based on their ability to pay. This would be applied through providing a wide range of choice of housing plots and type, location and cost, to give residents the opportunity to match their housing with their personal needs and life styles. Fourth, the immediate en-

vironment must ensure both individual and family privacy as well as stable and close relationships with neighbors. This would provide opportunities for social integration among varying income groups within neighborhood areas and stimulus for upward-mobility income groups, while minimizing government housing subsidy costs. Fifth, covering different types of demand, this results from different income categories. This would help in providing housing and residential sites that are adaptable to changing family needs; e.g. stages of family life cycle, increasing income, changes in household size.

Finally, allowing different types of investment, public, cooperative and private, to accelerate the development process through providing land tenure opportunities for all levels of employed residents and the private developers. This policy has encouraged the private developers to contribute positively in the land delivery system in four different ways. One is that the state provided the vacant land in both *6th of October* and *15th of May* cities, which private developers then developed for residential purposes. Second, the state provided the various services and simplified the official procedures in order to encourage the private developers for residential development. Furthermore, the state sold land parcels at incremental prices that helped the private sector to construct houses with special financial arrangements at low rates of interest. Finally, real estate financial institutions, supported by the government, had given loans, to be repaid within a period between 10-20 years, to the private sector for purchasing residential plots

EZBET EL HAGANAH SETTLEMENT

Ezbet (feudal settlement) *El Haganah*, a community with a population of 400,000, was chosen from around 80 informal residential areas in Cairo City. It represents around 16 percent of the total population of informal areas in Cairo (Government of Egypt, 1996). The area was considered appropriate for the examination of the nature of public/private partnerships in land provision for housing low-income groups for the following reasons. The settlement is typical of many residential developments built on desert land on the outskirts of Cairo and represents a good example of a hybrid and indirect public/private partnership in facilitating the supply of inputs into the shelter process, in the production of shelter outputs, and finally in accelerating the process of housing production. *Ezbet El Haganah* is a huge squatter settlement and is the largest informal residential area in the Greater Cairo Region. The site is located 20 kilometers east of the city center, and five kilometers west of *Nasr City*. The triangular shaped site is

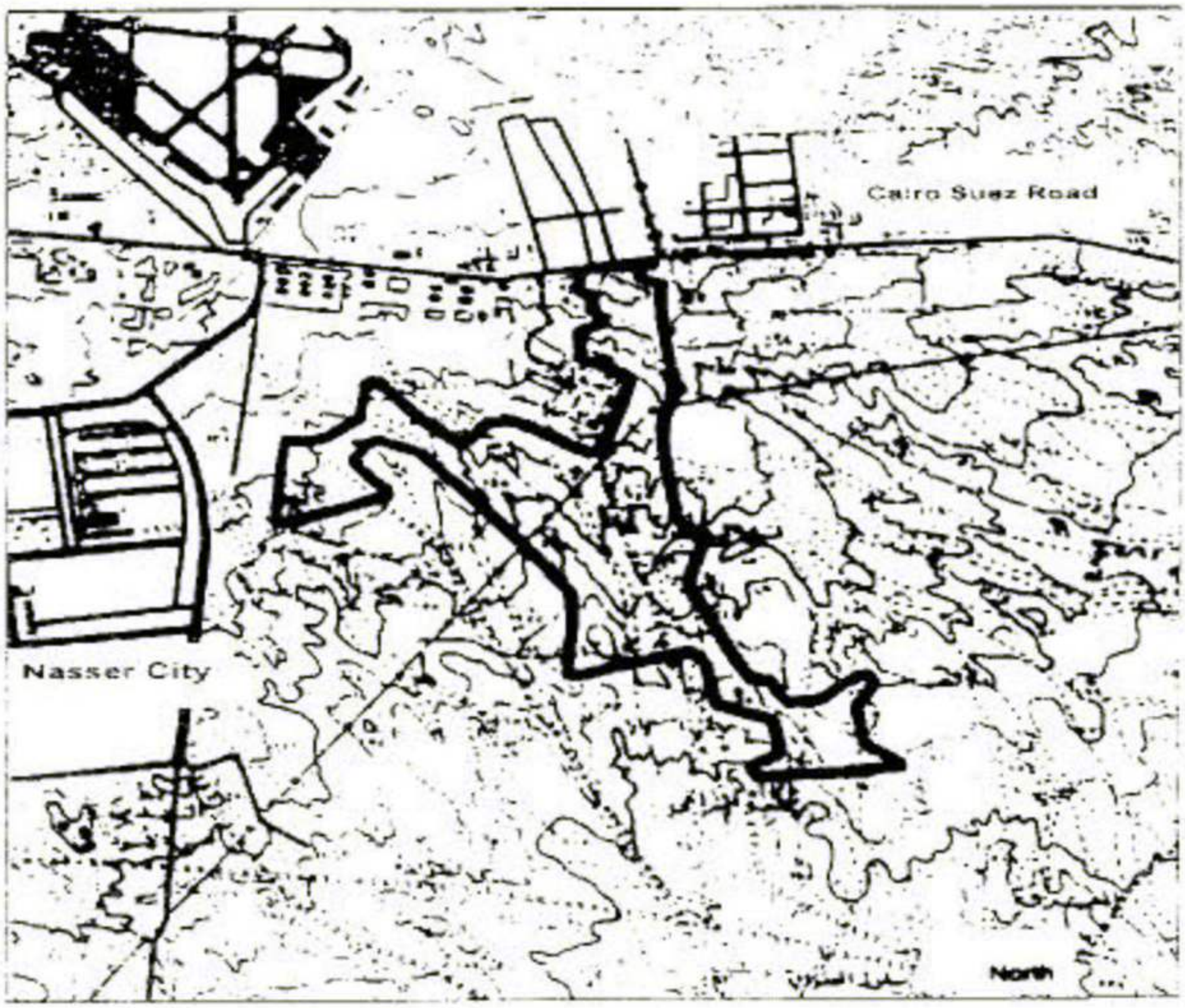


Figure 7.2. Location of *Ezbet El Haganah* and its relationship with the Greater Cairo Region

Source: Author's field survey carried out in 1999-2000

bound by the Cairo-Suez road on its north and western sides, and by a military camp on its southwestern side. On the west side of the site, the twelfth residential district of *Nasr City* is located. The northern road, parallel to the Cairo-Suez road is paved and has electricity lines along it, and there is a water main line supply to the north of the site (see FIGURE 7.2). An assessment of the physical characteristics of the settlement was undertaken to identify the various key issues, which influenced the nature of public private partnerships in land provision for housing low-income groups within informal residential areas. These key issues can be expressed by the following questions: What are the physical potentialities and constraints? How was the physical form of the case study area developed, and by whom?

An attempt is made below to answer these questions through an analysis of the following aspects. Firstly, to understand the existing physical characteristics and, secondly, to identify the physical problems

within the site which might affect the success or the failure of public private partnership within the area. Two main types of information were gathered, outline of the physical characteristics of the site and its location. Each of these is examined below. The site is publicly owned desert land, and the area around the site is still mainly military desert land (much of it unused) but includes a few scattered military camps. It has a population estimated to be about 400,000, with an average density of 1,000 people per hectare. Access to, and movement within, the site are generally poor in the lower areas due mainly to deep ruts in the rather soft, salty ground that overlays the limestone rock below, and in the upper areas because of rutting exposed to scattered rock. Movement within the site is dependent upon local transport by minibus or minitrucks driven by local people. There are no pavements.

Water supply is very poor, depending on individual supply carried from the main water pipe in the north side of the site. Sewage disposal consists of septic tanks that are emptied by buckets into special donkey carts, or mostly left to dry up and be replaced by new ones. Electricity is obtained through a poor local supply, which is out of use most of the time, so that the residents depend upon generators. There are no public buildings and only one primary, one secondary and one higher-level school to serve the entire community. A local developer provided a mosque. The settlement is a good example of the heterogeneity of the public sector, in which there are many agencies with independent agendas or programs. A Coptic "*Kerdesssah*" organization from outside the area operates a clinic in the area, plus a sewing workshop and nursery school. About 10 percent of the population is Christian. All the available land, about 315 hectares, is now fully occupied.

To sum up, the location of the site has, to a certain extent, good accessibility to job opportunities. In addition, the availability of job opportunities near to the study area led to the rapid growth of the settlement in the last two decades. Furthermore, the availability of housing plots and vacant rented housing units attracted many low-income groups from inside and outside the city. In addition, because of the close proximity of the site to the city center, many speculators have been involved in informal land markets.

METHODS OF LAND CONVERSION

The following section identifies two aspects, the development process and formal and informal land markets within the study areas. The aim is to identify the role of each actor in the methods of land conversion, which made the desert land habitable for low-income groups.

THE DEVELOPMENT PROCESS

New town development was a task monopolized by the Ministry of Development, New Communities, Housing and Utilities (MDNCHU). All development proposals including new towns development projects, required approval from the New Communities Organization (NCO), which was established in the mid-1970s, before actual construction could take place. This was to ensure that all the proposals fulfilled the regulations stated in the National Urban Policy. It also guaranteed the support of the various ministries responsible for the provision of the necessary public utilities and social and community facilities. Administratively, some co-ordination was needed among the various statutory agencies to facilitate the installation of different services. The NCO, as an economic organization, was responsible for the actual physical construction of new towns and the facilities needed in them. The NCO carried out the establishment of related facilities and infrastructure.

A city organization was established and a manager was appointed in each new town to ensure that land formation, infrastructure development, and the sale of land plots could be kept on schedule. Under the manager of the city organization, there was a multi-disciplinary professional team of engineers. Its members were responsible for overall planning, programming, supervision, and implementation of the new town program. The implementation progress was reported to the NCO, which evaluated the projects and subsequently reviewed it for the Ministries Board. After the new town had been established, it was handed over to the specified government authorities.

The development process within the two towns was started by the state, through the installation of infrastructure, and was followed by the construction of various buildings. This initial development was carried out by the New Community Organization and supervised by the Ministry of Housing, Utilities and New Communities. Therefore the initial stage of development excluded the private sector from participation in the development process. During the intermediate stage of development the private developers participated in the development process mainly in industrial activities and less positive participation in the housing sector, which was carried out by the state. During this stage, the responsible authorities introduced some housing schemes in the form of sites and services and core housing programs to the lower income groups. Recently, after the development of huge industrial locations within the two cities, the government encouraged the private sector, both individuals and commercial groups, to participate in land delivery as well as housing development.

The aim was to accelerate the process of mobility of people from the crowded areas in the Nile Valley to the new towns. This attitude of the government has accelerated the development process and encouraged the private developers in the land delivery system. Because the potential of the commercial private sector to generate funds far exceeded that of the public sector, it led to improved efficiency of urban land development markets. It also helped increase the supply of urban land for housing within the two cities. The government has introduced two main components of the program to implement the financing of housing units and plots in the two towns, which are as follows: a credit program, including credit institutions and credit instruments; and a subsidy program.

The former program was organized to provide various financial facilities. First, there are savings and loan institutions for long-term permanent housing finance; credit unions for short term financing for house development; national housing fund to provide financing for low-income housing plots; and finally, a mortgage guarantee or insurance agency to reduce the financial risk of any one lender and thereby reduce the cost and increase the availability of mortgage funds. Second, equity mortgages would provide housing plots to the people at less than cost; the subsidy would be paid out of the appreciation of the property value. The third option involves the exclusion of real estate improvements from the property tax base. Property tax relief of land designed for low-income housing would be equivalent to subsidies from government budgets, since government services would have to be financed by some other means. The fourth option concerns financial inducements to concessionaires and to industrial ventures to provide housing plots as part of their total investment program. The last option pertains to housing cooperatives, which can generate subsidy funds from the sale or lease of land and from the development of commercial properties.

In conclusion, land conversion within the two cities was organized by the government, and the private developers under the control of the NCO carried out development in some scattered locations. On the other hand, the cooperation between public and private sectors within the two cities was not as much as was expected. This was because the state wanted to develop land at reasonable prices which the urban poor could afford, while the private developers were not prepared to take the risk in investing in this direction. Subsequently, the state changed its policy and permitted the private developers to acquire large parcels of land to be developed at their own expense. In addition, the government permitted them to subdivide this land and sell it to people at the prevailing

land market prices. Therefore the urban poor had no place in such arrangement and were excluded from this type of cooperation.

Ezbet El Haganah area was initially settled in 1938 by 14 households at the invitation of the military base at which they worked. The workers were from Upper Egypt and Sudan, and spent so long traveling to and from, visiting their families that the military wanted to save time and thus gave each of them a plot to live on of about 1,600-2,000 square meters of desert land adjacent to the base. Later, King Farooq granted them permission to stay in the area and President Nasser confirmed this. Many of the residents worked on the construction of *Nasr City*. Thus, the state's role at this stage was to allow some people to settle in the site, facilitating the formation of the settlement. It facilitated the land delivery system for people who were most in need of housing plots. Also, it required households to pay only a token charge as *Heker* for their plots. Finally, it granted the settlers official permission to settle within the site, so changing the pattern of the area from desert into an inhabitable area. Therefore the families relied upon their own efforts to survive in the desert area, and each family's dwelling was self-sufficient in planting vegetable and fruits and keeping poultry

After the 1973 war, other settlers from Upper Egypt and evacuees of Suez Canal Cities came and claimed plots of up to 4,200 square meters on the desert land near the original settlers. Land started to become commercialized at this time, presumably because many of the new settlers were not related to the existing residents. At this time, prices were about 1.0 LE (one $US equivalent to 3.3 LE) per square meter. Now, they are between 150-300 LE per square meter, according to location, access to services and job opportunities in *Nasr City* (see TABLE 7.4). The total population of *Nasr City* is presently estimated at about 1.0 million. In 1978, the authorities tried to demolish some buildings in the settlement (after riots which precipitated President Sadat's assassination), but the authorities left after heated protests. In 1982, *Nasr City* Council claimed ownership of the "public" land and demolished a few structures, but only the walls of plot claimants, not the occupied houses.

In 1991, the Military came to the industrial zone and demolished some houses, having claimed that the area was military land. Some soldiers were killed in clashes and since then the residents have been left alone. People, now feel secure and, have been investing savings in house extensions and improvements. USAID is financing major infrastructure improvements, especially sewerage. However, there is no electricity supply to individual plots and many people have illegal connections to the military system or streetlights. This does not, however,

Table 7.4 land prices within *Ezbet El Haganah*

Plot size (square meters)	Price (in L.E) (1 SUS equivalent to 3.3 LE)
Less 100	350
150-200	300
250-300	280
300-350	250
<350	200

Source: Author's field survey carried out between 1996-1997.

Table7.5 Land status and the original ownership in *Ezbet El Haganah*

Zone	Current land status	Original owners	Comments
A	Registered squatters officially recognized	El Amlak El Amerya (Public Property Department)	A high proportion of residents have Usher system and they pay an annual charge
B	Unregistered squatters not officially recognized	Nasr City authority	A few house plots located there without paying a charge
C	Unregistered officially recognized	The Ministry of Awqaf	There is no charge with this area. It contains residents who came 15-20 years ago.
D	Unregistered not recognized	The Ministry of Defense	The oldest generation of the site without charge
E	No recognition	Public land with no recognition	The recently developed areas within the site. Some residents pay an annual charge

Source: Author's field survey carried out between 1996–1997 and 1999-2000.

give sufficient power for anything other than lighting.

The main reason for the upgrading is strategic, following the national security movement in areas like this. Thus the state role at this stage was as follows. First, under certain circumstances at a certain time, the state changed its attitude and tried to evacuate some residents from the site. Second, because of the community pressure on the government, the local authorities changed their attitude again in favor of the residents and paid no attention to their location. Third, as long as housing consolidation increased, the state realized that it would be difficult to evacuate the settlers; rather the state has contributed positively in enhancing the living environment through its participation with USAID to install a sewerage system within the site.

Throughout the development process, *Ezbet El Haganah* witnessed three stages of land development; scattered, collective and consolidated developments. In the early stages of the settlement's formulation, scattered land development spread on the northern part of the site. This

development followed the same pattern as the housing locations given by the government to the original settlers. In the collective stage of land development, the site attracted newcomers as a result of which collective land development occurred in the southern part of the site, and the housing plots were smaller than in the previous stage. In recent years, as the site became more attractive for low-income groups, the scattered vacant land plots were developed and the site became more consolidated. Housing plots became smaller compared to the previous two stages, and the layout pattern had an irregular form.

This process of development occurred within the site due to the increasing demand for housing plots at prices that low-income groups could afford, and to the availability of job opportunities in the vicinity. In addition, the variations of land tenure status within the site were essential in accelerating the development process (see TABLE 7.5). It could be said that the state gradually changed its attitude towards low-income groups, sometimes acting in their support and at others acting against them. Even when the state acted against the settlers, however, this action lasted only for a short period and soon changed to a supportive approach.

Therefore the state has indirectly helped in developing the site. An old settler within the site summed up the process by saying "Because of the state invasion of the site in 1982, and the troubles that happened during this invasion, the settlers complained to the Prime Minister who gave an order to install electricity within the site." Therefore, the state has helped indirectly in increasing the land supply within the site through the following aspects. The state has given *de jure* tenure recognition to the new settlers in the form of *El Heker* system, so that the settlers had the feeling of greater security. This has led to more residential development and has improved the efficiency and equity of land development. The relaxed attitude of the state towards the settlers has given them moral support for further land development and increased accessibility within the site. The transparency of the state's action towards the installation of the sewerage system within the site has provided the basis for a more productive relationship between public and private sectors. This has occurred through cooperation between the settlers and the agency responsible for this task.

To sum up, the area is a good example of a hybrid and indirect partnership, although it also reflects the changing relationship between public agencies and local communities, with the former accepting realities when unable to implement conservative policies. The site is incorporated as an urban zone in co-ordination with a municipality, which provided the basis for a more productive relationship between public

and private sector. This partnership was demonstrated in three aspects. First, it permits the settlers to convert use rights (*El Heker* system) into individual rights as private land holding which improved the efficiency and equity of the urban land market. Second, it permits the settlers to sell or rent land for other people, which increased access of low-income groups to affordable land and housing. Third, it creates some sort of transparency between state and municipal planning agencies, and the private developers, which increased the supply of land for housing.

FORMAL AND INFORMAL ARRANGEMENTS OF LAND MARKETS

In spite of all efforts made by the government, the formal arrangements of land markets in the two new towns, as well as in others in Egypt are still characterized by a poorly-developed land allocation system. The government imposed certain procedures for people who would like to acquire land within the two cities. These procedures include the following. First, purchasing a piece of land within the two cities requires a down payment of not less than 25 percent of its price. The scarcity of small land plots within the two cities prevented many low-income households from gaining access to the formal land market. Most plot sizes available within the two cities are between 200-300 square meters, which make their price more than most of the urban poor are able to afford. Second, requiring an official financial source to cover the remainder of the land price within a period of two years, otherwise the NCO would take over the land plot. Third, requesting the land purchaser to construct his or her building within a maximum of two years, otherwise the NCO would take over the land plot. Finally, the purchaser has to obey building regulations within the two new towns that requires a lump sum of money to be paid to obtain a building license. This represented a further obstacle for the urban poor.

Subsequently, formal land arrangements within the two cities did not match the financial resources of the urban poor. The few public mortgage institutions that exist have generally suffered from inadequate capitalization and lack of funds. This was largely due to their over-dependence on government subventions, an inability to mobilize and generate internal funds, as well as loan recovery problems. These problems limit the scope of operation of the few mortgage institutions existing (such as a housing and development bank, a co-operative housing association, etc.). At the same time, their lending policies in terms of down payments, rates of interest, lending to building ration, the amounts of loans, and bureaucratic procedures made them inappropri-

ate to the needs of the majority of the population in the low-income groups. On the other hand, the government has succeeded in stimulating various private sectors in land development within the two cities, most of whom are individual private sectors who are capable of purchasing large land parcels (over 300-500 square meters) and have financial resources for huge building projects. Another is real estate companies who are permitted to acquire huge desert land parcels without services (around 50,000-100,000 square meters). These companies were taking the responsibility of installing the various services needed for their projects. In return the government would obtain land prices according to the above-mentioned conditions and at the same time would take over the ownership of the street network after the completion of the project. In addition, Co-operative Housing Organizations were eligible to acquire large parcels of land to be developed within a certain period. Either these organizations could sell finished apartments to their members or small parcels on condition that they would be developed within two years.

Therefore, a direct public/private partnership in land provision within the two towns appeared to be workable for the affluent groups, while it seemed that there was a clear-cut policy for facilitating a land delivery system for the urban poor. However, the process of commercialization by which desert land became a trade-able commodity and entered the formal market, was a common phenomenon in both towns and the resulting price increases in situations of high competitions usually excluded the poorest from the land.

To sum up, it could be said that the formal arrangement of a land markets within the new towns has benefited the affluent groups, and the urban poor were excluded from participating or even benefiting from this market. On the other hand, the government permitted, to a certain extent, real estate companies to invest in the new towns to accelerate their development rather than improve the efficiency of urban land markets and improve access to land for low-income groups.

It seems that this type of partnership was to encourage a certain sector of private developers in playing a positive role in two ways. First, the crucial task of government was to promote incentives to commercial investment in shelter, via either tax credit or exempting them from paying tax, or relaxing building and planning standards. This has opened various options for the commercial sectors to acquire land at reasonable prices. Second, the municipalities have facilitated land supply through joint/venture partnerships in which the private developers and the municipality have worked together to transfer land title to the newcomers, and improve the economic conditions of small

industries.

Due to the special relationships between various actors involved in the two case studies, formal and informal land markets emerged. This reveals that in *Ezbet El Haganah*, as in many other informal housing areas in Egypt, land development through informal channels was the predominant method of urban land development and was thus fundamental to understanding the nature of public private partnerships in land provision within the site. There were various ways for the urban poor to enter the informal land markets within the site. First, formal rental agreements are established (*El Heker* system) either with the responsible authority or informally with caretakers. Second, the purchase of land use rights from the landholder or user of the land. Third, through squatting on marginal areas that the municipality has no interest in or access to trace it, and finally, through help from a friend, relative or subcontractor who has the power of occupying a piece of land and cannot be evicted. Whatever the ways that low-income households entered the informal land markets, the role of the actors in this process was crucial. Through the investigation of the study area, various players accelerated the formulation of informal land markets. These were first, the government, which, through various public agencies, had facilitated accessibility for the urban poor to enter the informal land market. The state had given the early settlers land tenure as *El Heker* system for an area ranging between 4,000-8,000 square meters for each household. In addition, the state continued to give the same land title to relatives of the old settlers. Furthermore, the local authorities allowed the newcomers to settle temporarily within the site and hired them in the construction process of *Nasr City and Heliopolis* district close to the site. Second, private developers who took over the site introduced an informal land trading system. The act of buying and selling of land has contributed to increasing land supply within the site and the private developers became aware of the informal land markets. Third, beneficiaries, who had official land title, have participated in informal land markets through the illegal subdivision of their large plots and sold parts to newcomers or to private developers at prices lower than the official market rates. These people used to work in the Egyptian army as soldiers and had maintained their relationships within the army, so they gained power in defending their rights to occupy further vacant areas.

However, these three groups have contributed to strengthen the informal land market within the site. The state's involvement in informal land markets was through allowing some settlers to transfer land title to others and charging them a certain amount of money. This has led to

the flexibility of land transaction and has encouraged private developers to enter this market. The private developers tend to purchase large plots to be subdivided into small ones. The benefits of buying large plots lie not only in the potential of economic gain but also in the fact that, as the plot size increases, the price of land per square meter diminishes. Therefore smaller plots are proportionally much more expensive to buy than large ones. Despite the fact that the inability of the urban poor to mobilize such amounts of cash severely limits their potential to buy further plots, it gives them the opportunity to obtain the best price for their land, which may enhance their economic condition.

On the other hand, the greater liquidity of the private sector enables them to raise such funds, allowing them to act quickly on purchasing plots for personal occupation or profit. The private developers within their economic facilities have stimulated the land delivery system through introducing small land plots into the market, and they were capable of generating adequate financial credit systems that suit the requirements of most buyers from low-income groups. At the same time, more affluent buyers keep the plot vacant for one or more of the following reasons; first for speculation purposes, second to wait until the settlement is more established and thus more secure and third, to save money for materials in order to build a consolidated house.

To sum up, there is no doubt that large numbers of the urban poor who participated now find themselves in charge of a valuable commodity, simply by occupying public land. Nevertheless, their performance in selling their land plots varied dramatically and depended on each landholder's socioeconomic situation. Of course, there are losers and winners in purchasing and buying land, not only in the informal land market, but also in the formal one. The partnership of the government in informal land markets was to encourage private developers in playing a positive role in two ways. First, it relaxed the legal and regulatory framework within which private developers had to operate, and ensured that taxation was not prejudicial to the developers' interests. It therefore provided a reasonable framework for land transaction, which enhanced access to urban land for wide sectors of the society. Second, the state has contributed in installing basic services within the area in cooperation with the community and the private sectors, which created a situation of trust between the various actors.

Therefore, the three actors have benefited from each other. The state gained further revenue from the settlers, as well as increased housing supply, the settlers sold part of their land and enhanced their economic condition, the private developers gained a good return for their investment, and lastly the mechanism has increased land supply for the

newcomers at prices less than those of the official market. What can we learn from these mechanisms? The state with its new attitude towards legalization of land tenure or at least in accepting the transfer of land title to the newcomers at certain charges has accelerated land delivery within the site. Thus, a transparency of the state towards land tenure is essential in these processes. At the same time, the state has improved the efficiency of the vacant land within the site by putting it formally in the land market.

LAND DELIVERY SYSTEM

The mechanisms of land delivery systems in the two new towns and *Ezbet El Haganah* area helped in understanding the methods of land allocation and their consequences at different stages of the settlement development. The following part examines the land delivery system within the two case studies. The two new towns had the advantage of publicly owned land. Yet policies with regard to land ownership and utilization of land for shelter have not been clear. The local organization of both towns was the authority responsible for decisions on housing and land allocation. Initially, management had the desire to provide housing and land plots for most of their employees and people who worked locally.

Five options were introduced, first, the towns' civil servant had two options, either to be a tenant or owner-occupier, or to apply for land ownership. Both owner-occupiers and land ownership applicants was expected to pay 25 percent of the price of the housing unit and/or land plot. The remainder could be paid over ten years, at subsidized interest rates, with monthly payments amounting to 25 percent of the employee's salary. Second, the next priority was given to the industry township, which would lead to better industrial relations and, hopefully, better control of the workforce. Alternatively, land may be allocated to the companies in order to construct housing at their own expense. Third, housing units and land plots can be allocated to people who live, or were born, within the town's jurisdiction on the basis explained above. Most of these people had no official work. Subsequently, they lost the privilege of credit facilities, which prevented many of them from obtaining a flat and/or housing plot. Fourth, land could be allocated to private individual developers who wished to erect a residential building for their own use, in accordance with the regulations. Residential land could be allocated to people upon receipt of 25 percent of the land price as a down payment. The remainder could be paid within two years, unless the purchaser found a financial institution

to cover the rest of the price. The land prices were determined and evaluated annually by the New Communities Organizations. Finally, a huge land parcel, without services, was allocated to the private developers. These lands were allocated on the basis that the private developers would take the responsibility for the installation of infrastructure at their own expense. In return, they would sell land plots at the prevailing land market prices. The private sector warmly requested the sharing of investments with public authorities in new towns. Building site speculators have begun to invest heavily in housing and leisure lands.

Over the past few years, the contribution of private sector developers in housing development took two forms. First, the institutional private sector (banks, insurance companies, private development agencies) has invested in the luxury residential housing sites. This type of housing is far beyond the reach of the low-income groups and even middle-income groups, and can only be afforded by the highest income groups. It assumed that a house's price couid reach up to one million Egyptian pounds. for example the *Hassan Dora* project in *El Sheikh Zaid* settlement, the extension of *6th of October City*. Second, the non-institutional sector (private individuals) was allocated land plots between 400-1,000 square meters. The construction process within this sector is similar to the housing development on the periphery of old urban areas; it is in continuous process. This may be because of a scarcity of funds, and a lack of people who wish to rent or to buy a flat within "insecure" private sector areas.

Public/private partnerships in the land delivery system during the various stages of the two towns' formation were not effective for three main reasons. Firstly, the government facilitated land delivery for the affluent groups, which guided people to develop land in which nobody has an interest. Most of this is industrial land. Secondly, the state has helped in accelerating land acquisition in the industrial zones within the two towns and made infrastructure available at market rate prices for investors. The main aim was to develop industrial towns rather than self-sufficient communities. So the contribution of the private sector in housing development was very limited. Finally, at a later stage, when the government intervened positively to accelerate the development of the two towns, many conflicts appeared and land prices were inflated. Landholders within *Ezbet El Haganah* area were officially classed as squatters. The landholders, however, had inherited or purchased their parcels and plots, claimed full ownership rights by customary (local) title and had transferee papers, tax, receipts, etc. to support their claims. The original landholders were issued with title certificates for full ownership tenure (*Hak milik* property in the form of *El Heker* system) from

the local authority. According to Egyptian property law, the people who enhance or develop a parcel of unused desert land, have the right of claiming *El Heker* permission for that parcel, subsequently the original landholders claimed *El Heker* right from the authority.

CONCLUSION

Throughout this chapter, the cooperation between the various actors (the settlers, the government, the Ministry of Defense, the monetary fund, private developers and other parties) has been emphasized in facilitating the land delivery system, enhancing access to land, and providing the basis for a more productive partnership between each party. It has described how low-income groups and other parties co-operated with the government in developing land and stimulating the land delivery system in informal residential areas in Cairo City. The land delivery system for the urban poor within the two new towns has not, however, produced much progress through this kind of cooperation. Conversely, analysis has shown that partnerships during the formation of *Ezbet El Haganah* had a positive trend during the different stages of development. In the early stages, the government directly permitted and facilitated land provision for a few families. This direct involvement created an attraction pole for land development for the private developers and low-income groups in locations on the periphery of Cairo City. The partnership for land development was noticeable during the initial and intermediate development stages of *Ezbet El Haganah*. During the consolidation stage, the partnership improved the supply of urban land for housing within the site.

During the various stages of land development, land prices were affordable for low-income groups, and the level of speculation was kept at a minimum level for many reasons. First, the site originally was virgin desert land for which there were no original landholders who might control land prices. Second, because of spatial physical characteristics of the site (being surrounded by military camps, located far away from the city center, and lacking basic services), land prices were kept at a reasonable level for low-income groups. Third, the government allowed a certain strata of society to be settled within the areas under *El Heker* jurisdiction, while the private sector took responsibility for improving the efficiency of land markets. On the other hand, during the consolidation stage of the site's development, the government introduced a new form of participation within the site, where it acted as an intermediate body, through the installation of the main sewerage system in the site. This intervention did not destroy the homogeneity of the social forma-

tion of the residents, but improved the quality of their environment. It also kept, to a certain extent, the speculators out of the area through two procedures; first, to install the sewerage system the whole site was mapped and recorded by its current settlers, which prevented intruders from invading the area. Second, the installation of sewerage systems was implemented in the main streets, while the residents improved the inner areas by themselves. This sustained the relatively low prices of inner land plots, which were less attractive for speculators. People who had large plots located in the main streets subdivided their land illegally into smaller plots. Then they sold them to people within the settlement (people who are living inside the area, mainly newly married couples, or a new relative). However, land commercialization within the site was kept to the minimum level so that land prices were still affordable for low-income groups. So the informal land market is in itself a significant source of employment for large numbers of people. It was considered one of the main means of livelihood for the poor inside the settlement and is sometimes an avenue by which the entrepreneurial poor can escape poverty. Throughout the various stages of the settlement formulation, the state had played a crucial part in facilitating land delivery in vacant desert areas for housing plots to accommodate the urban poor. The methods by which the state intervened kept the land prices at a low level. The Ministry of Housing, Utilities, and Urban Development currently apply this partnership in land development as a special arrangement for large areas (20-40 hectares) of desert land to be developed by the private sector as new communities. It was given without services on a commercial basis within five years with a deposit of 25 percent of its price, while the private developers would install services.

The public/private partnership in land provision within the two towns was crystallized through access to resources, cost recovery and political commitment. This kind of partnership has helped a certain strata of society and neglected the others for many reasons. One is that the state has guaranteed access to basic resources to facilitate the distribution of collective commodities (including land) to the affluent groups, so they can participate in the development process according to their needs and requirements. Another is that the formal partnership has contributed to the cost recovery of land delivery though the allocation of large areas of desert land at various locations, leaving the installation of basic services to be covered by the beneficiaries. Such decisions by politicians improved land availability for affluent groups but not for the urban poor. Political commitment gave confidence and security to industrialists and encouraged investors to obtain land for their invest-

ments. Finally, formal partnership increased efficiency and performance of the land market within the two new towns accelerated land supply for industrial activities, regardless of the level of demand by the urban poor.

Public/private partnerships within the two towns were a positive cooperation in the field of industrial activity. However, this cooperation has not succeeded in improving either access to land for the urban poor, or the efficiency of urban land markets. On the other hand, this cooperation has succeeded in increasing the supply of urban land for housing, even if not for the urban poor. The main beneficiaries of this kind of cooperation were the commercial sectors, affluent groups and the state. The former two parties have benefited from investing their capital, and gained a good profit, while the state gained the acceleration of the development process within the two cities without losing funds. Also, this cooperation has provided the basis for a more productive relationship between public, private and a third sector (private individuals or NGOs, or beneficiaries), but excluded the poor from this relationship. It could be said that effective market demand within the two new towns has intersected the housing supply curve at a point below the threshold of a socially acceptable standard of housing. This has widened the need/demand gap in housing provision between what the markets can provide and what people can afford. This kind of cooperation did not provide a mechanism through which the gap can be filled. The conversion method of desert land, and the nature of partnerships that occurred in *Izbet El Haganah* should be encouraged to stimulate land delivery for housing plots to accommodate the urban poor. To improve access to urban land for the urban poor a proper partnership between various actors in the two new towns should be encouraged. Hence, there is an urgent need to establish formal channels of communication between these three actors to develop future policy in order to sustain the mechanisms of the land delivery system for the urban poor. Planning is essentially a function of government and can only operate effectively as part of the machinery of government, where the professionals play a part in formulating this machinery.

CHAPTER 8

PUBLIC/PRIVATE PARTNERSHIPS IN ALEXANDRIA

Semi-informal housing development on *Lake Maryout* (Lakeside land) in Alexandria City

> *"Buying a piece of land, whatever its legal title on the periphery of the city is, is a matter of economic saving and security for the future. Now, I live in my own house and thus have secured my family future ... Thanks to the private developers who gave us the opportunity to own a piece of land and to the municipality for providing the basic services." (A settler in the Nadi El Said area).*

OVERVIEW

Various types of public/private partnership operate in Alexandria city. The relationship between the actors involved in the land delivery system is characterized with clarity and confusion at the same time; clarity

in that the state has, under certain circumstances, increased its influence on the land market; confusion in that, at other times, it prohibited or ceased the operation of the land market within the urban areas. All actors involved in the land delivery system have, to a certain extent, a role in facilitating or inhibiting accessibility to housing plots for the urban poor. The public/private partnerships in Alexandria have taken three forms; formal, informal, and hybrid partnerships. Formal/direct/overt partnerships have facilitated the flow of goods and services to certain locations and neglected others. The public sector has identified certain locations for installing services, while the private developers with their political influence have accelerated this kind of improvement. The installation of such services has benefited both parties, the public sector alleviated health hazards in informal areas, while the private developers gained a good return for their investment in land development. In addition, the announcement of new city boundaries has increased the land delivery system on the periphery for both private developers and people who are able to pay the cost of goods and services.

Informal/indirect/covert partnerships existed within the study areas through the construction of public facilities (police station, clinic, etc.), infrastructure or buildings in areas where construction is not officially sanctioned, in the expectation that the conversion of land for housing would follow. The construction of public housing projects and/or public buildings in the peripheral areas of the city has encouraged the private sectors to invade the nearby sites for housing developments. Although there are some examples of such partnerships at low levels of income, this form of partnership has guided both the private commercial sector and private individuals in gaining access to cheap land, which they subdivided illegally for newcomers. Semi-informal/semi-direct/hybrid partnerships were established within the sites through the interaction between the private developers, the state and the beneficiaries. This interaction was consolidated through the direct and indirect cooperation between the three sectors in improving the efficiency of the land delivery system for the benefit of all parties, each of which was seeking to maximize its profit and reduce risk.

The operators, facilitators, regulators, and providers active in each partnership, worked together directly or indirectly to achieve their objectives by maximizing profits and minimizing risks. At the same time, customers benefited from the facilities given by the above actors in obtaining housing plots and at the same time gaining a good return for their investment. Throughout the various stages of the formation of the two study areas in Alexandria City, the state played a crucial role in facilitating land delivery for housing plots to accommodate the low-

income groups. However, this chapter examines two types of partnership: informal/indirect/covert and semi-informal/semi-direct/hybrid. Firstly, informal/indirect/covert partnerships existed within the study areas through the indirect involvement of the state in installing various services. This improved the efficiency and equity of the urban land market. In addition, informal partnerships existed through the provision of services to public housing projects and mosques, which were donated to the *Waqf*. These enabled private developers to subdivide the remaining area and expand the areas (see FIGURES 8.1- 8.5).

Secondly, semi-informal/semi-direct/hybrid partnerships were established within the sites through the following methods: the interaction between the private developers, the state and the beneficiaries, each of whom was looking for maximum profit and reduced risk in gaining access to housing plots and maximizing a good return for their investment. Second, the sites' land tenure status in the form of *El Heker* system was a legal component. Both these types of partnership can be found in the two typical areas of low-income development in Alexandria: one in *Ezbet Nadi El Said* with a population of 70,000 and the other in *Hagar El Nawateyah* area with a population of 100,000. These settlements were selected because they represented a specific type of partnership approach. The former settlement was the result of indirect partnerships, and the latter was formulated as the output of hybrid partnership. Most of these partnerships are also found in other areas within Alexandria and other Egyptian cities. The study areas were selected from a pool of 40 informal residential areas for the following reasons. First, both had been initiated as the result of an indirect and hybrid public/private partnership, which reflected various types of housing. Second, both benefited from a positive contribution from the municipality in improving the local environment, and at the same time represented good examples for types A and B. Third, both areas were established through a long-term arrangement between the various actors that provided the basis for a productive relationship in land supply. Finally, both constituted a variation of land tenure, which changed over time from private to public and vice versa.

CASE STUDIES

Ezbet Nadi El Said and *Hagar El Nawateyah* areas are located some seven kilometers and ten kilometers respectively to the south of the city center, both adjacent to a main road, a drinking water canal and an industrial zone. Growth took place towards the vacant reclaimed land in the former site, while in the latter it took place on agricultural land.

Figure 8.1. *Ezbet Nadi El Said* **and** *Hagar El Nawateyah* **as informal settlements on public and private owned land in Alexandria City**

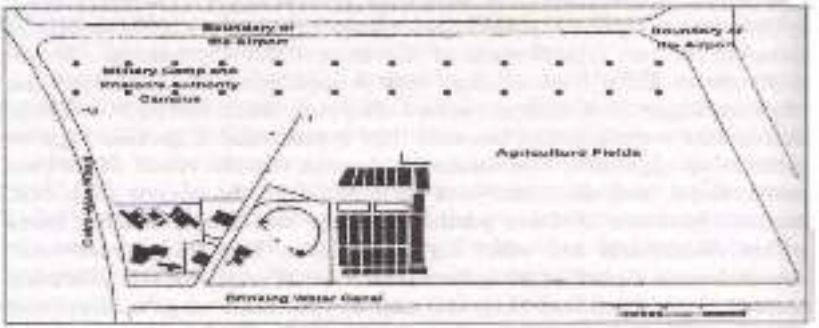


Figure 8.2. Original site of *Nadi El Said* **area as seen in the early 1960s**

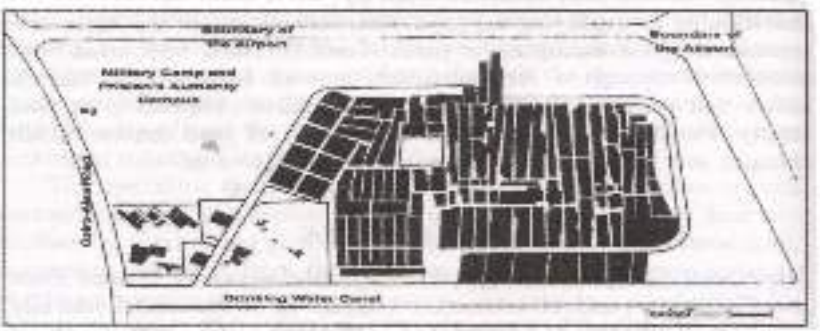


Figure 8.3. Built-up area of *Nadi El Said* **area as seen in 1999**

Source: Figures 8.1, 8.2 and 8.3 are author's survey carried out in 1999-2000.

Figure 8.4. Original site of *Hagar El Nawateyah* area as seen in the late 1950s, subdivision of agricultural fields was noticeable

Source: Author's field survey carried out between 1996-1997 and 1999-2000

Figure 8.5. Built-up area in *Hagar El Nawateyah* area

Source: Author's field survey carried out between 1996-1997 and 1999-2000

The sites are connected to the city center by poor public transport services, though both have access to the social and educational facilities. They were assessed for three main reasons: firstly, to identify the process of development over time, which reflected the nature of public/private partnerships in land provision, secondly, to assess the quality of the urban environment which the partnership approach had generated, and thirdly, to reflect quantification and diversity of residential properties. It was anticipated that they were good examples of public/private partnerships in both facilitating the supply of inputs into the shelter process and the production of shelter outputs, and in accelerating the process of housing production (see FIGURE 8.1).

Ezbet Nadi El Said is located in the central sector of Alexandria and has two access routes to the city center. One is through *Moharam Bey Bridge* passing through Suez Canal Avenue and the other is through Alexandria's ring road. The location is unique in terms of nearby job opportunities, and its close proximity to the city center. It covers an area of about 300 hectares and accommodates a population of about 75,000 (see FIGURES 8.2 and 8.3). The development process has occurred through the provision of land by both the private and public sectors. Originally, *Ezbet Nadi El Said* was part of *Lake Maryout* and had been filled in over the years by local people and converted into urban land. Construction on the site began in the early 1950s, when some fishermen built shacks. With the introduction of the city master plan of 1958, the Alexandria governorate converted the site on plan from derelict land into an inhabited area. The site occupies an area of 2 kilometers by 1.5 kilometers and is characterized by four major physical features: its location on a flat plateau, poor soil, a high water table and, finally, a huge agricultural field for the Prisons' Authority Camps and a military camp (see FIGURE 8.3). It has three physical boundaries: the drinking water canal to the west adjacent to Alexandria's International Park; a main road on the northern edge and the boundary of the international airport, which surrounds the eastern and southern parts. A technical school is located at the northern edge of the site. The settlement is connected to the city center by public transport and private minibuses and is surrounded by a variety of industrial activities. To the north, adjacent to the ring road, lies an old industrial zone, which used to be the most important industrial area in Alexandria. This area is still active and employs more than 35,000 workers. In the middle of this industrial complex, *Ezbet El Gomhoria* was considered an informal residential area, which in the late 1950s was an agglomeration of shacks accommodating about 40,000 people.

The second site is *Hagar El Nawatyah*. It was also originally part

of *Lake Maryout*, but was filled in over a period of years and converted into agricultural land (see FIGURE 8.4). This conversion was initiated by the municipality through the allocation of land parcels to government employees. It had been neglected for more than fifty years. Recently, some scattered houses and warehouses were built by public agencies to accommodate a few people who were working for these agencies and had a connection with the Egyptian railways. These buildings were located on the main road adjacent to the *El Mahmoudiya Canal*, and took a linear form. Later on, the site was used for land reclamation and was legally subdivided by the government and sold as an agricultural area. The area is characterized by four major features (see FIGURE 8.4): a flat salt plateau area, poor soil, high water table, and finally scattered agricultural fields covering an area of around 500 hectares and accommodating a population of 100,000. The site is connected by a variety of industrial activities, including a textile factory, which employs more than 25,000 workers and a copper-manufacturing complex, which employs over 15,000 workers. It represents a good example of an informal public/private partnership in land provision.

There are three types of streets within the two settlements: first, the major inter-settlement arteries; second, narrow streets which form the boundaries of residential blocks and third, passages within the blocks, which are semi-public (known as *Haru-Darb-Atfah*) and are short and irregular. These are the interior paths within the blocks which allow access to private spaces.

The settlements' layout patterns and their location indirectly helped private developers and the urban poor in increasing their control over the development process by various means. First, the low price of land, compared to the city land prices, enabled private developers to purchase large agricultural areas, and illegally subdivide them for sale as small plots to the urban poor. Second, the flat character of the sites helped to decrease the construction cost of housing development. Third, both sites were established by the local authority through the conversion of the site and through their inclusion as urbanized land in the city. These procedures stimulated low-income groups to generate residential development. Fourth, the location of both sites attracted private developers to invest in land development. In this way, the private developers improved the efficiency of the urban land market. Fifth, the close proximity of both sites to job opportunities and other services made them attractive to low-income groups. Finally, the local authority permitted low-income groups to construct their housing units on an incremental basis. This released the municipality from the heavy burden of having to pay for housing projects.

METHODS OF LAND CONVERSION

The methods of land conversion in the study areas were examined to highlight the nature of the partnership approaches by which the study areas evolved, as well as to investigate the reasons and circumstances that led to the current situation of the settlements. In addition, the role of the government in facilitating or inhibiting land provision and housing production within the study areas was identified. The following section identifies two aspects: the process of development and the informal operation of urban land markets.

DEVELOPMENT PROCESS

The development process within *Nadi El Said* started in the early 1950s. The area was mainly derelict public land owned by the *Amlak El Ameryia* department, which was part of the Ministry of *Awqaf* (see TABLE 8.1). The site was reserved as a safety buffer zone for the runways of Alexandria airport one and a half kilometers to the east and was occupied illegally by around fifteen fishermen, their families and relatives. In addition, the key determinant of the site's development did not refer primarily to its housing, but to the urbanization process: that was the change and adaptation of land from non-urban or from agricultural function to residential use. The original sites were for agricultural purposes, due to the availability of small water canals, and *El Mahmoudiya Canal* as a means of water navigation for Alexandria. Accessibility to cheap transport methods also made the sites more attractive for the settlers. In addition, their original function and path systems also influenced the process by which informal urbanization took place. These paths had serviced the division of residential areas by following the original division of agricultural fields, and encouraged the settlers to construct a clear layout within their areas without intruders. The partnership in land development within the two sites occurred in the following ways. First, acting on the city master plan of 1958, the governorate allocated a piece of land to *El Nadi El Said El Misry* (the Egyptian Hunting Club) which occupied 35 hectares of the site. At the same time, the local authority gave support to fishermen to remain in their location. Also, another piece of land was allocated to the Military to be used as a prison camp, in addition to a large piece of land given as an experimental field for agricultural purposes. This land division left large areas as vacant spaces, which encouraged private developers to occupy the site. Therefore both the state and the private developers played a major role in enhancing the accessibility to land for housing plots.

Table 8.1. Original land ownership within the study areas

Original land ownership	Nadi El Said (%)	Hagar El Nawateyah (%)
Private (agricultural areas)	45	60
Public (Heker)	30	10
Waqaf	5	20
Municipal	20	10
Total areas in hectares	300	500

Source: author's field survey carried out between 1996-1997 and 1999-2000

Second, the development of the settlement started in the early 1950s with a few scattered houses. The development of the site occurred in the late 1950s, when the local authority constructed the technical school in the north-west edge of the site with an area of 25 hectares. Half of the main access road was paved to serve both the technical school and *Nadi El Said El Misry*. Also, the basic services (such as water and electricity supplies) were installed as a part of these projects. The installation of services attracted private developers to the site, as well as improving the efficiency of urban land markets within the settlement. On the other hand, the original settlers initiated the process by which it became habitable.

Third, with the initiation of public intervention within the site in the late 1950s, the local authority launched a residential plan to construct 320 one-room house units for low-income families on plots of 48 square meters. The built up area was 24 square meters, with one room and a toilet, and with the remainder intended as a backyard. Most houses were made of brick, with a roof of reinforced concrete. The blocks consisted of about 16 units, back-to-back (8 each way); with another six blocks of 32 plots back-to-back (16 each way). The private individuals occupied the space in front of their housing plots and enlarged their housing units, so the settlers have enhanced their units through indirect agreements between them and the local authority. Doubtlessly because of tenure status within the site, the private developers squatted on the scattered vacant spaces and claimed their property rights. Currently, the developers have accelerated the development process that is now completed. It has been developed with medium to high-rise housing at an average of about 3-4 stories. The main problem was the unstable land on which the area was developed. Some houses have serious subsidence problems and one or two appear to be in imminent danger of collapse. The local authority, with the help of private developers, has installed sewerage and individual water supply, together with electricity.

Fourth, the establishment of a public housing project in *Nadi El Sayd* area was completed in 1961 as temporary units for people who were forced to leave *Ezbet El Gomheria* in the *Moharam Bay* district in the old quarter of the city. The construction of this project stimulated the private developers to carry out further illegal land subdivision within the site. Fifth, the whole site was originally publicly owned and only a small parcel of around 10 hectares was occupied by the fishermen. With the defeat of Egypt in the 1967 War, the site witnessed a massive invasion of Suez Canal evacuees. The areas were subdivided by the local people parallel to the public residential blocks on a gridiron pattern. By the 1980s, the site was nearly fully developed and it encompassed a variety of land uses in addition to housing. Finally, about 18 percent of the total population, representing the people living in public housing, were still paying an annual property tax (*Heker*) and did not possess titles. The remainder of the residents was illegally occupying public land. Property prices in the public units were about 30,000-35,000 LE (one $US equivalent to 3.3 LE) and many of these were being acquired by newcomers for redevelopment. New units were being provided for sale by private developers at a price of 20,000-30,000 LE. Some were available for rent with a down payment of about 10,000 LE and monthly rents of 40-50 LE. There was a vast amount of economic activity in the area, with some people making fireplaces and others fittings in marble (some for export), glassware, building plasterwork, expensive furniture and carpentry works and the usual car panel repairers, shops, etc. Problems included demands for the payment of taxes on the commercial use of plots.

Public and private sectors facilitated the development process within *Hagar El Nawateyah* in various ways. First, in the late 1950s, *Ezbet Banayouti*, as a part of *Hagar El Nawateyah*, was taken over by the government, changing its land tenure status from private to public (see FIGURES 8.4 and 8.5). This conversion was the result of the Agrarian Land Reform Act issued in 1961. Soon after this, Egypt embarked on a program of land nationalization, under which the government took over control of land from the original owners. Second, after the Yemen crisis in 1963, the local authority allowed people returning from *El Yemen* to be housed in *Ezbet Banayouti*, until they could be allocated an appropriate residential area. In 1965, some small private industries were established, such as glass, tiles, etc. Since then the site has been opened to newcomers for them to provide shelters for themselves, so that between 1965 and 1975, housing production accelerated rapidly. This acceleration of housing construction was the outcome of investment by the private sector, which led to a better relationship be-

tween various actors involved in the development process. Third, in 1997, the ownership of three quarters of the site was controlled by one landlord, who soon subdivided it (illegally) and sold land plots to the newcomers. The changing of ownership from private to public, and then from public back to private, had left land tenure in doubt and attracted invaders to the site. This process of changing land title indirectly helped low-income groups to acquire land at prices lower than in other areas of the city. In addition, this process improved the efficiency of urban land markets within the site, as well as stimulating further land development. Fourth, in the early stages, land invasion was organized by the government but in the second stage the private landlord took over. Thus, the government, at a certain time and under certain circumstances, had acquired the whole site, which initiated development and at the same time encouraged landlords to subdivide their large plots illegally into small ones. At a later stage, the government helped the settlers in the installation of different services, such as water and electricity supplies. In addition, the contribution between public and private sectors in the site development facilitated access to the urban land market through regularizing the tenure status of land and installing essential infrastructure. This relationship between the government, the private sector and the sellers has created an environment of trust, which increased land supply within the site. Fifth, in recent years, the local authority gave the settlers moral support through providing some education facilities that would effectively give the residents legal recognition *(de facto)* of their settlement. In addition, the government played a covert role in changing the land use of the site by erecting some scattered buildings. This attitude has enhanced the environment of the municipality and improved transparency and trust between the various actors involved.

A fundamental aspect in facilitating the development process within the two study areas was the construction of a mosque or *Zouwia* (small mosque), either by the community or by the private developers. The importance of erecting a mosque within informal residential areas was to ensure the installation of basic services into the sites and facilitate the residential development of the areas. The construction of the mosques also gave a sense of security to the settlers, as the local authority did not have the authority to demolish a place of prayer. Therefore, the settlers enhanced the social environment, and the government supported this improvement for the benefit of the locality.

To sum up, the local authority facilitated the development processes within the two areas by stimulating land delivery to private developers and the urban poor. This stimulation was quite clear in setting

up the master plan of the city and the approval of the local authority for the regularization of both sites. Thus there was a transparency at the municipality level in changing the land use of both sites into residential development. This transparency encouraged the land developers to make land available to the urban poor. In addition, the transparency of accepting a mosque as a gift and by taking over responsibility for it gave settlers some expectation that the local authority had accepted the sites as residential areas. So all actors benefited from this development. the municipality was released from the need to provide housing plots for the growing population. the private developers gained a good return for their money and the poor found reasonable sites for housing development. In both sites, public/private partnerships were noticeable during the various stages of development. In the early stage, the local authority took the initiative of development where both sites were included in the city master plan as urbanized areas. Thus, land allocations for specific projects including a public housing project, were semi-formalized. Therefore transparency in decision-making of including both sites within the city boundary was achieved. Additionally, during the incremental development process the municipality paid no attention to land invasion, which gave indirect local permission for private developers to take over vacant land within both sites. In the final stage of development, many studies were made by the local authority in both sites for infrastructure installation. During the various stages of development, the private developers' action was related to the responses of the local authority towards the development of both sites. The private developers gained the fruits of their labors during the intermediate stage of development when the local authority had some economic difficulties after defeat in the 1967 war. On the other hand, the low-income groups benefited from these circumstances and they procured affordable plots matching their economic status. Therefore, the three actors benefited from each other's circumstances.

INFORMAL ARRANGEMENTS OF LAND MARKETS

In *El Nadi El Sard* area, informal arrangements increased rapidly in 1967, after the distribution and completion of the public housing project in 1961. The government concession at this time for Suez Canal evacuees stimulated other intruders from the city itself to move to the site. This arrangement had started in three ways. Firstly, it was the gradual occupation of scattered plots on vacant land where the ownership was in doubt but uncontested. This ambiguity of land ownership was created within both sites because the land had no value to the pub-

lic sector. The relative importance of the original settlers was a product of *"having"* (or at least believing in) some security in the site because of their connection with the most powerful person, the leader of the fishermen's community, who had a personal connection with the local authority. This encouraged them to occupy better vacant land (behind *Nadi El Said El Misry*) and sell small plots to the newcomers. The other was by rapid occupation characterized by a group of 10-15 families, where the aim was to present the impression that the moral claims of the homeless are the result of the economic and housing crisis, in order to receive a sympathetic ear to obtain public housing. This informal arrangement of land occurred with the permission of the municipality and was made up of people who lost their units within slum areas because of building collapse, or of people who were forced to move from their old buildings because of the implementation of new projects. In both cases, people set up squats in the worst parts of the site under arrangements whereby those who build on a piece of land either do not pay for its ownership or use rights due to their social status. In other words, the local authority permitted them to squat on the land as an emergency measure until they could find proper housing. Therefore, the state indirectly provided a basis for access to land and at the same time accelerated the process of housing production. Lastly, a massive occupation occurred after the 1967 defeat, where the Suez Canal evacuees were officially permitted to invade the site. This stimulated further intruders from the city itself. This attitude of the government created a situation of trust between the settlers and a third party, which created access to reasonable resources in the form of cheap land.

In the *Hagar El Nawateyah* area, the original function of the site was for agriculture, but it has been converted into residential use. The process of conversion took several stages. Originally, the inherited agricultural land was owned by few persons, and after the nationalization and land reform law at the beginning of the 1960s, a large parcel of the land had been transferred and distributed by the government into small land-holdings with a maximum area of 2.1 hectares for each household. Therefore the initial land conversion was permitted by the governorate. Secondly, landlords, either those who inherited the land, or who acquired a piece of land from the government, rented their plots to peasants for farming purposes. Because of changing economic conditions and the increasing rate of inflation in the mid-1970s, landlords were increasingly reluctant to rent out their plots, and preferred to sell them. The agricultural land became adjacent to residential areas, making it unprofitable for farming. Thirdly, the spread of urbanization within the country, and the shortage of housing within the city of Alexandria, en-

couraged speculators to buy large areas of agricultural land on the periphery. Later on, they illegally subdivided the land and sold it in small plots to newcomers. The first lower-income group settlers found security in possessing their own plot on which they could build their dwellings. Fourthly, land prices rose with the increased demand for agricultural plots, tempting landowners to sell at profitable prices and intensifying speculative pressure, especially in more attractive locations. Housing consolidation also increased.

Informal arrangements within the urban land market have stimulated private developers to participate in land delivery. The municipality increased the supply of new land on the periphery to stabilize the shortage of land and give private developers room for maneuver. Therefore the government indirectly increased access to affordable land for housing the urban poor. In addition, the poor have benefited from this situation by converting the agricultural land into residential use, subsequently increasing the value of their properties. Both public and private sectors participated to stimulate land development outside the city boundary, and encouraged people to acquire areas on the periphery as a means of protecting valuable agricultural land. However, both parties have agreed indirectly to develop land that central government would like to see developed. The private sector, with limited financial resources, found that land on the periphery suits its interests, and has good potential for future investment. The local authority has benefited from developing areas outside the city to alleviate further burdens on the city infrastructure and at the same time to tackle the housing shortage inside the city. So they are working together to achieve a national policy goal for developing the derelict areas.

LAND DELIVERY SYSTEMS

The mechanisms of land delivery in the study areas help in understanding the nature of public/private partnership in land allocation and its consequences at different stages of settlement formation. These mechanisms are examined from two aspects: land acquisition and land subdivision.

LAND ACQUISITION

With the increasing demand for land within the city boundary, the urban poor were pushed out of the city to these cheaper, usually agricultural areas, where they built their own houses and neighborhoods outside the official norms and regulations. Land for informal housing

areas, which came to form such a large part of Alexandria, was acquired in many different ways. These included; cooperation between a group of landlords and the municipality in selling a parcel of agricultural land to a group of private developers and households, who subdivided it illegally and held onto it building their own houses on smaller plots. Second, people receiving permission, or obtaining a court order to build a house from the landowners, either private or public, or the person or family who traditionally held the right to give such permission, as in the early development of *Hagar El Nawateyah* area. Finally, slow encroachment by one or two households moving into a piece of wasteland or riverbank or other vacant site. It was demonstrated that land delivery in the *Hagar El Nawateyah* area occurred through the mechanisms of converting agricultural land (Soliman, 1992a). In the early stages of settlement formation, development was organized by the government and was later taken over by private landlords. The government at one time and under certain circumstances acquired the whole site, which encouraged its development and at the same time encouraged property owners to illegally subdivide their large plots into smaller ones. Land delivery for the urban poor is quite specific in both study areas. The consolidation of the commodity increasing land development and the nature of urban land markets have stimulated the attention of the municipality in the upgrading process. Three forms of land delivery system existed within the study areas: commercial, non-commercial and administrative.

First, commercial land delivery refers to the land market, now almost taken for granted in the analysis of land supply both in formal and informal land markets, where land has a monetary transfer price. In *Hagar El Nawateyah* area, was commercial land established by suppliers who their financial capacity regulated demand equilibrium and access to building plots. In the initial development of the site, speculators acquired a large parcel of land, illegally subdivided it into smaller plots and sold it to the newcomers. In *El Nadi El Said* area, commercial land was very vulnerable because there is not enough land to be annexed, or the whole site is publicly owned, or both. Therefore, land prices within *Nadi El Said* were stable for a long time, which sustained the homogeneity of the settlers.

The second form, non-commercial land delivery system refers to situations where those who build on it either do not pay for its ownership or use right, or if they do, the payment is a "symbolic price" (as in the *Heker* system), according to social customs. This form existed in *Nadi El Said* at the early stage of its development, where some people squatted on public land and paid an annual *Heker* ground rent. In other

words, land in a non-commercial delivery system does not have a monetary transfer price, and even if people are expected to pay something, it is in accordance with the worth of the person and not the worth of land.

The third form of land delivery system is administrative. This refers to the capacity of the state to acquire and dispose of land, change its form of tenure or regulate its use and development. This form is applicable in *Hagar El Nawateyah*, where the land tenure changed from private into public and back again. The limited intervention by the state at the early stages of development of the site has kept the land prices below the level of the land market. Hence, administrative power plays a dominant role in government partnership in the management of urban land. In addition, this form has helped in enhancing the efficiency of the financial resources of the residents, where they directed their investment into housing improvements. The majorities of the landholders were not happy to sell their land to private developers and were not aware of the real value of their land, especially after it was converted into residential use. On the other hand, property owners had no financial resources to pay for either land conversion, or access to the key people who could facilitate the illegal land subdivision. They therefore preferred to settle for lower profit and quicker money, instead of going through complicated procedures for formal land development for themselves. Some of the property owners prefer to hold a piece of their land with the developers as part of the agreement. Their objective is to have returnable lands in areas where the land prices are very high and recognized as residential development. Many property owners are also holding onto their land and waiting for its value to increase. Approval of sub-division plans through formal channels can take years and prove costly, as it involves the payment of fees. The affluent groups or private developers have their ways and connections to finalize land subdivision (formally or informally) and have the necessary resources to cover such conversion. Therefore, small landholders avoid a high risk and obtain a piece of land developed at no cost, as well as a good return for the rest of their land. The mechanisms of selling land within the study areas varies according to the income levels of purchasers, the location of each settlement, the availability of job opportunities, level of services and nature of the land title. However, the attitude of low-income buyers is quite different, in that such low land prices make purchase a worthwhile economic gamble.

Oum Shair, who used to squat close to the railway track and work as a house-keeper in a hotel within the city summarized her view: "buying a piece of land in *Nadi El Said* is a matter of economic saving and

security for the future. In 1986, I sold my shack for 400 LE (1 $US is equivalent to 3.3 LE), and paid the caretaker of the land 600 LE for an 80 square meter plot, on which I built a new shack to secure it. Three years later, I agreed with a builder to construct a two bedroomed house at a cost of 5,000 LE to be paid on an incremental basis. I had to go to Saudi Arabia to work as a housemaid for four years to generate the necessary funds, leaving my family behind. Now I am living in my own house and have secured my family future and at the same time I have a good asset to be invested in the future."

To sum up, a range of public/private partnerships played an important role in stimulating land acquisition for the urban poor, at a lower cost, in the form of indirect intervention in the early stages of development of the study areas. In addition, through non-commercial acquisition of land, the sites were excluded from rapid speculation. On the other hand, the state directly facilitated the provision of land for the low-income groups through dividing a large parcel into smaller ones. The state has contributed directly and indirectly by allowing various people to convert the agricultural land into residential use. In addition, the state and the affluent groups have initiated the conversion process within the study areas, which the people followed. The marginal role played by the local authorities in land allocation and administration is demonstrated further by the finding that 42 percent and 15 percent of the total inhabitants in *El Nadi El Said* and *Hagar El Nawateyah* areas respectively had no evidence whatsoever to authenticate their ownership, and 33 percent and 30 percent respectively had informal sale agreements. In only 5 percent and 45 percent respectively of the cases in both sites did landowners hold the official certificate of title or a letter of offer (see TABLES 8.2 and 8.3).

The majority of respondents (40 and 25 percent in *Nadi El Said* and *Hagar El Nawateyah*) had never sold their land, although this could be because they had never owned land in the first place. Others acquired land through the municipality (10 and 18 percent) and a high proportion of landholders acquired their land through purchasing it with a house and/or with a foundation (sees TABLE 8.4). Among the few who had sold land, the main reason was to deal with an emergency, such as diseases or debt, (25 percent and 20 percent in *Nadi El Said and Hagar El Nawateyah* respectively) or to get money for day-to-day requirements. Only in 18 percent and 15 percent of the cases in both areas was land sold to obtain capital. These observations suggest that the process of becoming impoverished can afflict even those originally owning land. On the contrary, the mobility within the study areas is great, and this has helped in offering land plots accessible for new

Table 8.2. Land prices per square meter within the two study areas

Plot size (square me-	Nadi El Said (in	Hagar El Nawatayah (in
Less 45	250	500
75-100	220	400
100-125	200	350
150-175	180	300
<175	150	280

Table 8.3. Land titles within the two study areas

Land title	Nadi El Said (%)	Hagar El Nawatayah (%)
No evidence of land title	42	15
Informal sale agreements	15	10
Official land title	5	45
Public rented (Heker)	38	10
Total	100	100

Table 8.4. Methods of acquiring land within the two study areas

Mode of acquiring land	Nadi El Said (%)	Hagar El Nawatayah (%)
Just occupied (no permission)	40	25
Allocated by friends	5	4
Allocated by municipality	10	18
Bought vacant land	20	25
Bought land with a house	25	15
Bought land with a foundation	10	13
Total	100	100

Source: Author's field survey carried out between 1996-1997 and 1999-2000.

corners; and finally, the majority of the residents believed that their housing units/plots are considered to be a valuable asset which could be converted into liquid capital in the future.

More recently, the public and private sectors and a third party have collaborated in installing various services such as water and sewer systems. This type of cooperation was financed mainly by international monetary funds as well as being backed by the settlers in the form of cash in kind by handing out the ownership of their street network to the local authority. The program is based on the idea that sustainable local development can be achieved by linking the public sector and the community with international funds (such as USAID). Important elements in this relationship are regular consultation between the local authority and the funding agency to reflect a shared contribution to the development of the living environment. The program aimed to help local people establish their priorities and preferences through consulta-

tions with their community leaders and elders. Those leaders were elected through the community, played a major role in community participation, and had a key role in mobilizing the community's potential development (see chapter four).

Both the public sector and the community contributed to the success of installing the basic infrastructure within the site as follows. First, after studying the existing condition of the site, the community's priority was the installation of an electricity supply within the site. Because of the limited funds available to the local authority, the decision was made to install the basic main lines for electricity, and at the first stage, street lighting will be realized. The second step was the installation of the main lines of the sewerage system in the main streets crossing the whole site, which would remove the area from the risk of infectious diseases. The sewerage system is currently being installed. The third step involves the planning and implementation stages, which are closely monitored by community leaders and the local authority, and supervised by the Ministry of Local Government, which is responsible for the National Upgrading Program within the country.

The community contribution within the improvement program went hand in hand with a positive partnership with the state. This type of intervention was demonstrated through the following; the relaxation of building regulations within the site (regardless of the Military Orders issued in the year 1996); the contribution of the residents represented in providing a cheap method of local transport within the site; improvements to the footpaths to make them accessible for pedestrian movement. These have stimulated private investments in house and plot improvements. Limited access by car has sustained the area from further speculation. The role of women was considerable and their contributions to the improvements were essential. They were actively involved in building construction of scattered housing units, cleaning the footpaths, planting trees and other vegetation in front of their houses, and even more in making *Jameyhia* (collecting money for future savings) to increase the income level of their families. They also participated in economic activities within the site, mainly in daily activities and selling vegetables and fruit.

LAND SUBDIVISION

The process of land subdivision followed three principles. One was indirect public subdivision, which was applied by the government bodies in the early stages of the development process. The second was positive local administration conducted by the oldest settlers or a group

Table 8.5. Plot size range within the two study areas

Average size of plot (m^2)	Nadi El Said (%)	Hagar El Nawateyah (%)
46	30	5
85	15	25
100	20	10
125	15	13
150	5	12
175	10	20
225	5	15
Total	100	100

Source: Author's field survey carried out between 1996-1997 and 1999-2000

of residents of each area. The final factor was the adoption of informal planning conventions in the form of socioeconomic and physical rights. In *Nadi El Said*, the subdivision of land took place with the introduction of a public housing project in 1961, and was characterized by the following aspects. First, the local authority imposed the gridiron pattern within the area to implement the temporary public housing project. Later on, the oldest residents (fishermen) were engaged in illegal subdivision and drew up the main outline of plots with an average area of 40-50 square meters, similar to plot sizes in the temporary public housing area (see TABLE 8.5). Second, the sub-dividers designed the plots in an attached form in order to maximize the use of available space and decreased the length of service runs, leaving space for pedestrian movement and cars. At the beginning, the subdivision took the same pattern as the public housing project, but changed into irregular patterns later, similar to those of the residents' area of origin.

In *Hagar El Nawateyah*, the subdivision of land was more organized for several reasons. First, the pattern of cultivation within the site, the nature of field boundaries, and the network of irrigation canals, had shaped the form of the settlement. Second, because a high proportion of the residents were aware of how to organize their subdivision in a pattern to suit their needs. Third, the high proportion of available vacant land helped the private sub-dividers to enlarge the plot sizes in order to meet the newcomers' requirements. Fourth, the installation of a main sewerage line crossing the site initiated the land subdivision. It could be said that the government participated in the early stage of the development in land subdivision and determined the width of the internal streets. Finally, the regularized tenure status gave the purchasers some security of tenure. Therefore the private developers subdivided their parcels illegally (under the above principles) into smaller ones with an average size of 85-175 square meters (a half *Qirat* and/or one *Qirat* is

equivalent to 175 square meters) to sell them to newcomers at an average price of 180-300 LE (US$ equivalent to 3.3 LE) per square meter.

In both settlements, there was willingness amongst private developers to increase, organize and improve conditions in the settlements in order to increase profits and the level of consolidation, to a degree that would force the local authority to install basic services. This led to, increased demand for housing plots within the study areas; improved efficiency of urban land markets by offering small land plots at reasonable prices for the urban poor; and finally, the preparation of plans by the governorate, together with the local settlers, outlining land subdivision, either through the public housing projects (in the case of *Nadi El Sand*), or by crossing the site with a main sewerage line (in the case of *Hagar El Nawateyah*) (see FIGURE 8.3 and 8.5).

Thus, the land subdivision in both study areas has encouraged land use changes. In addition, the positive cooperation between the governorate and the local settlers has directed or guided private developers into land subdivision within the study areas. This type of cooperation created an environment of trust, which increased land supply and provided benefits to all actors. It also indirectly improved the land delivery system for low-income groups, through encouraging the development and subdivision of land within the two study areas. Rarely did the authority to take legal action against the entrepreneurs or the settlers, and most have succeeded in avoiding the payment of penalties.

Two types of developers sponsored the legal and illegal sale of land in both settlements to the newcomers. The first group, in *Hagar El Nawateyah*, comprised of the families who originally had legal land tenure either through inheritance or by purchasing it from the government, as agricultural land, and/or having a license or government contract (*Heker*). The other is the developer who had no legal title to the land, but did have the authority or power of land holding. In the former case, the sponsorship was organized by proxy, which gave the right to a person to let some one else act for him. By this proxy, the newcomers had the legality of land cession instead of the original owner. In this case, illegal subdivision of land by the original owners was characterized by commercial transaction. This meant that the settlers had an official tenure status that subsequently gave them the legal right for transaction. In addition, the government has smoothed the way for this sort of land transaction by facilitating the regularization to fixed commodity, which increased financial resources within the two case studies. In the other form of sponsorship, the private developers adopted different tactics in selling their plots. These tactics took the form of erecting a building with second hand materials or constructing a basic shelter at

minimum cost in order to sell a complete house to the newcomers on long credit terms with unofficial documentation. These tactics helped the purchasers in three ways. Firstly, it gave the buyer the possibility of affording to buy through easy credit terms. Secondly, it provided some security for the purchaser's money, because he held the greater part in the form of the building. In both cases, the agreement between the seller and the purchaser was settled in a satisfactory manner for both parties, and did not take more time than drinking two cups of coffee.

Both parties exchanged a document indicating the different clauses of the sale which, though not official, at least provided the purchaser with minimal security and provided the moral claim that he had bought in good faith. This unofficial document could also be legalized, or at least, had legal status in the Egyptian court (see Chapter four). Therefore the government indirectly supported this transaction, which led to increasing access to urban land and, at the same time, increased the availability of financial resources within the sites.

With the recent introduction of the national upgrading plan for informal housing areas in Egypt, local authorities in different cities started to implement the main strategy of the plan, which involved the regularization of land tenure. It aimed to adjust the regulations for public landholders, which set out to legalize illegal settlements. Subsequently, the local authorities asked the settlers to pay a certain charge as a down payment for legalizing their tenure status. Because of the high level of consolidation among the residents, a large number of them did not pay the required charge before the announced deadline. The residents who did pay have still not received legal recognition. However the government initiative to legalize the informal housing areas in Egypt participated indirectly in increasing the supply of land in the peripheral areas of the urban centers for a certain period. Since the Military Orders were issued, the processing of land supply delivery has slackened. Therefore the negative attitude towards legalized land tenure in both sites did not provide a good relationship between all actors. Consequently, the planning department in Alexandria has no clear-cut policy on how to legalize the land for people who have already made the down payment. This attitude has benefited low-income groups by sustaining land prices at low level

NATURE OF PARTNERSHIP

Public/private partnership within the study areas has existed through four aspects: partnerships in improving the urban management in the municipality, enhancing the environment of the municipality, identify-

ing different needs and changes and: finally, facilitating access to financial resources

PARTNERSHIP IN URBAN MANAGEMENT

The public/private partnership in improving urban management in the municipalities within the study areas has been stimulated by the way public sector agencies and the private sectors have intervened in the upgrading programs. In the early 1990s, central government launched a national plan to improve the informal housing areas in Egypt. Three decrees were issued. The first decree declared "remodeling, improvement and legalization of marginal residential areas" was "of necessity, a public utility and in the national interest." The second decree prohibited the formation of new "marginal residential areas." The third decree gave the Ministry of Housing, Utilities and Development the authority to form new low-income settlements in crowded urban centers. On the other hand, the previously informal and unofficial settlements were incorporated into the legal planning system. This enhanced urban land markets, which made lands in both sites valuable commodities for both the private developers and the settlers. In a sense, government and the private developers indirectly encouraged further land invasion on the periphery of both sites.

The recent Military Orders numbers 1 and 7 of the year 1996 are one important example of controlled urban sprawl on the periphery of the major urban centers. Furthermore, in many cases the targets which various local authorities assigned themselves in the housing sector could not be attained, e.g. the relocation of people living in temporary public shelter and the enhancement of the quality of the environment of informal residential areas within the city. On the other hand, these regulations have indirectly helped in sustaining the prices of land plots within both sites. In addition, the laissez-faire policy has indirectly helped in sustaining the continuity of land delivery and kept land prices at an affordable level. Even when the public authorities did intervene, they did so at the wrong time, when the situation which was created, was already irreversible, e.g. by the introduction of Planning Law number 2 of the year 1982. Moreover, the legal measures taken proved difficult to implement, whether for technical or political reasons or, as is often the case, because of a combination of these reasons. Despite the negative effect of the upgrading program, it has helped in controlling the arbitrary development of both sites, as well as regularizing the building process. This has helped in increasing the value of housing units, which provided low-income groups with valuable assets. In gen-

eral, the laissez-faire policy within the study areas has benefited the settlers in the early stages of the development, and accelerated the process of housing production. When the government issued the new building regulations, production slowed down. In addition, the mechanisms of land conversion within the study areas have subsequently eliminated the re-development of old buildings and replaced the informal land market. This phenomenon is encouraged by speculators and by the administrative bodies, because buildings are already recorded in Taxation Departments (*Maselahit El Awaid*) as residential blocks. This gives the owner the right to demolish a building and replace it with a new residential building provided he conforms to building regulations. As far as public intervention is concerned, the most neglected area is the land issue. The conditions of acquisition have been challenged (but only in the new towns); taxation on urban and suburban land has done nothing to dissuade speculation but has actually encouraged it. The laissez-faire policy is the result of the long standing tie within the administrative and political structure of Egypt caused by the large number of centers of decision making, including private developers and local settlers.

PARTNERSHIP AS AN IDENTIFICATION OF DIFFERENT NEEDS AND CHANGES

Public/private partnerships as an effective way of identifying different and changing needs in the study areas could be said to consist of four main aspects. Firstly, the government participated in the construction of complete and incomplete housing units in both areas. In *Nadi El Said*, the government initiated residential development through the erection of the public housing project, while in *Hagar El Nawateyah* the government's initiative was through the construction of scattered residential units for the railway employees. On the other hand, the private developers have followed the government attitude by providing small land plots to be affordable for low-income groups. Secondly, according to the main framework of the municipality policy, those residential units were erected by the Ministry of Transportation and Communication to provide acceptable accommodation as a way of enhancing the built environment of the low-income groups. In both cases, the government and the private developers have provided incomplete housing units, or at least small housing plots to meet the basic requirements of the settlers. Thirdly, in the implementation of upgrading programs, an open space and street network were taken care of by the municipality while the private developers provided the land as a contribution in

the enhancement of the built environment of both sites. Therefore public private partnerships in both areas allowed both reasonable land plots and communal spaces to be used in the future requirements, and gave the residents freedom to make the best option according to their needs and requirements. Fourthly, the private developers have constructed mosques that stimulated the local authority to install the necessary services. This cooperation has effectively condoned and encouraged the development of raw land. Most of the electricity and water supplies within the settlements were installed for political and socioeconomic reasons, linked directly with the degree of urban growth. With the completion of the public housing projects in *Nadi El Said*, and the donation of a mosque in *Hagar El Nawateyah* area as a gift to the local authority, the government installed water supplies in both areas. This has improved the land supply system and led additional people to settle within both areas. In addition, as a reflection of this positive attitude, the state gained the residents' political support. Lately, the government has installed water and electricity supplies and a sewerage system in the two study areas as a part of a national upgrading program for informal residential areas. The main reason for installing such services is to alleviate health hazards, although another major objective was to invade the informal residential areas as a part of a national security program. The three actors represented various forms of what might be called covert partnerships. Private developers did the initial development and site selection, the municipality turned a blind eye to the construction of more dwelling units, the citizens organized the settlement and did the building, and essentially, via more political work by the settlers and private developers, the areas became more consolidated, and the public agencies provided some services. Therefore, all participated in informal residential development within the two study areas, and all cooperated together to formalize the status.

ENHANCING THE STATUS OF THE MUNICIPALITY

Different social strategies have emerged during the later stage of the settlements' formation. The upper and middle-income groups have promoted a kind of privatization in the production of the built environment, in not only housing but also parts of the wider urban environment. With this, private developers took the chance to take over informal land markets, filling the vacuum left by the municipality. Those private developers financed the provision of land and services by establishing connections with local government through their own individual influence and organizing low-income pressure groups or lobbying poli-

ticians and government employees. In contrast to that, low-income groups affect this substitution of public provision of land at various levels through their own collective cooperation or community based organizations (CBOs). In a few extreme instances, they have achieved almost complete autonomy from municipal government, as in the case of *Gamheyat El Khyrihia* (community charities). These organizations contribute labor and materials, and help solve disputes over land tenure between various tenants and owners, and between owners and the municipality (see chapter four). This connection between the urban popular sector and local government varies between autonomous mobilization with urban popular sectors making demands and requiring solutions, and their integration into clientele's relationships, or the exchange of urban favors for political support. When the municipality is not at the center of urban politics, there is a proliferation of local initiatives. These are partly encouraged by provincial or state government bodies according to the circumstances. It is often the municipality which receives demands which should be directed at one of the higher levels of government. The municipal government has to tackle land delivery for the urban poor to pass on these demands with a greater or lesser degree of success for them to be fulfilled. Thus the relationship with the municipal government is changing. From being a relationship where the urban poor made demands for land provision, generally by formal means or through personal relations, they have begun to initiate collective actions within their own neighborhoods or districts to obtain reasonable land plots.

CONCLUSION

The formation of the two study areas in Alexandria City can be attributed to many reasons. First, the rapid increase of population and the absence of affordable housing for low-income groups demanded a housing form in which low-income groups could be accommodated at low cost. Second, the absence of proper planning or restricted land-use controls over urban areas within the city has been associated with the formation of informal residential areas on the periphery of the city of Alexandria. Third, the existence of a large area of land unsuited to any other use, or at least the arbitrary urban growth towards agricultural areas, made large scale low-income subdivision an attractive proposition. Both sites were originally a part of *Lake Maryout*, or recently were reclaimed to be used as agricultural redevelopment areas. Finally, the rapid expansion of industrial areas on the periphery of the city stimulated housing development nearby in order to provide the neces-

sary workforce at low salaries.

Throughout the various stages of the formation of the two study areas, public/private partnerships have played a crucial role in facilitating land delivery for housing plots to accommodate the low-income group. This role could be summarized through covert/informal partnerships, which existed within the study areas through the construction of public facilities (police station, clinic, etc.) infrastructure or buildings in areas where construction is not officially sanctioned, in the expectation that the conversion of land for housing would follow.

This partnership was crystallized through various ways. First, the provision of services and the construction of the technical schools to public housing projects have benefited and stimulated land development in *Nadi El Said*. In addition, in *Hagar El Nawateyah*, the provision of services to mosques that were donated to the *Waqf* enabled private developers to subdivide the remaining area and expand the settlement. Second, the legal provision of facilities, such as primary schools, acceptance of the mosque and a *Medressa* (school) as a gift, with full responsibility, by the Ministry of *Awqaf* and the Ministry of Education, in *Nadi El Said* and *Hagar El Nawateyah* areas respectively, have supported both the private developers and the settlers. This has increased the level of consolidation within the two areas. The distribution of public land not for ostensibly agricultural purposes, but for eventual conversion into residential use e.g. *Hagar El Nawateyah*, was another example. The provision of mosques to raise private land values for conversion to urban housing also gave a sense of security to the settlers and private developers in changing the land into residential use further stimulated land development close to the mosque. Changing patterns of land titles, from public to private and from private back to public, or the other way round, have facilitated land delivery within the study areas.

Clarity in the relationship between municipal government, private developers, and the urban poor is needed to facilitate urban land delivery systems. Municipal government has the power to make a positive decision for increasing land supply for the urban poor, depending on the general thrust of central government policy. On the one hand, the current policy of central government is to alleviate obstacles that prevent the urban poor from finding suitable accommodation to match their socioeconomic status. Because of the current privatization policy, private developers gained a good opportunity to contribute to such a policy, especially in land development for housing projects. Therefore, the contribution of provincial or central government in land provision is generally positive, and the other actors should make the best use of this policy to increase land supply for the urban poor.

Therefore now the local environment is suitable to enhance the relationship between the three actors to reach shared benefits. The form of covert partnerships is a practical relationship between the actors within informal residential areas and it has helped in increasing land delivery. The contribution of the urban poor is a cornerstone to ensure success. However, the success of a partnership needs a balanced contribution from the involved actors and/or players and adequate information, so that they can maximize benefits and minimize risks.

CHAPTER 9

PUBLIC/PRIVATE PARTNERSHIPS IN TANTA

Semi-informal housing development on private agricultural land in the city of Tanta

"I am an Egyptian citizen and I bought a piece of land from a private developer. I was going to build a house on it. My rights on land property include ownership and occupation. The introduction of a new Military Orders prevented me from building my house on my own land. My neighbors' lands are zoned residential and their development potential increases. Following the Military Orders, I will lose my right to build my house and my development rights too. My piece of land is in the middle of a residential area, and I have no access to water supply. I put all my savings in purchasing this piece of land. What shall I do?" (a settler living in Seigar Village).

OVERVIEW

For many years, Tanta City has possessed adequate areas of land and amounts of housing to meet the needs of its population. However, since the introduction of the open door policy in 1974, population growth has accelerated and the housing issue has become crucial, forcing new urban growth into adjacent agricultural areas.

The two case studies in Tanta City were thought to represent examples of partnership which have increased the accessibility by lower-income groups to housing plots on the periphery of the city. In addition, they are considered to have encouraged both the private developers and the public agencies in enhancing the environment of the municipality and to have improved transparency and trust between the various actors involved. The study examined the nature of the land market within the two case studies and the constraints facing the partnership approach during its infancy, and under the recent military orders in general and in Tanta City in particular. In addition, the evolution of partnerships within the study areas was examined in order to assist its performance in meeting the four basic criteria discussed in the introductory chapter.

The study examined and analyzed the nature of informal/indirect/covert public/private partnerships in facilitating land delivery for low-income groups. Their impact on other partnership approaches was also indicated. Public/private partnerships in land provision have been introduced in various ways. First, the local authority has indirectly introduced new locations for development. These locations were the outcome of constructing new roads, which encouraged the private developers to undertake illegal land conversion. These locations are connected with the main access roads of the city, and the highway connected the city with surrounding urban centers (mainly Alexandria, Cairo, *Shebeen El Kom, and El Mahalla El Koubra*). Second, because of the rapid urbanization within the city, the local authority has permitted low-income groups and private developers to develop sites for residential purposes on the periphery of the city. This attitude of the local authority was due to limited resources and an attempt to tackle the housing shortage within the city at no cost. Third, the local authority has indirectly guided private developers to locations that provide accessibility for future services. A third party, perhaps communities charities or Community Based Organizations (CBOs), or private individuals or/and NGOs, as different institutions, has permitted low-income groups to convert agricultural areas into residential uses. It could be said that the municipality has stimulated land development for housing and at the same time, other institutions (especially banks) have directly

helped people to change the pattern of land uses on the periphery of the city.

The two case study settlements offer an option to facilitate the land delivery system for low-income groups at no cost; second, the two areas offered an incentive to make urban growth more viable within intermediate cities by setting up a new plan taking future needs into consideration and, finally, they increased land supply for middle and low-income groups at prices that the urban poor can afford, through regenerating the city's periphery areas for housing development. In all cases, Tanta's case studies relied heavily on the principal of informal/indirect/covert public/private partnerships. The municipal role in both areas introduced informal approaches through various aspects. One is that the construction of public buildings (for example Tanta University Camp) and religious centers on agricultural land that were forbidden, but obtained permission from the central government. As such is to accept mosques as gifts from private developers, and take responsibility for them. This introduced a more secure situation for carrying out residential development. Another is that the construction of new roads crossing agricultural fields had created a new area closes to various services for residential development (such as the ring road passing by the *Seigar Village* settlement). Thus, the municipality operated covertly in ways that helped to stimulate land delivery within the two areas. On the other hand, private developers recognized the development being carried out by the municipality, and contributed to an increase in residential development within the framework of municipal policy.

The first case study was of *Seigar Village* (SV). It illustrated stability over time and represented the nature of a long established area that gained the covert intervention of the government and the private sectors. The other site was *Manshiet Guesiha* (MG) and represented a recent public/private partnership. The level of private sector involvement in the land delivery system might vary from one area to another. This depended upon the location of land and the benefits that would accumulate to the private sectors. Six primary groups were involved in various informal public/private partnerships within Tanta. (See chapter four). These were: government at the national, regional and local level (regulatory and facilitator), the formal and informal private sectors (speculators), the prospective customers (consumers) of land supplied by the operators, operators of the land delivery systems (land registration, land transaction, land brokers, etc.), informal and formal subcontractors (organizers) who planned and constructed residential areas, and finally, providers who increased land provision for housing to be built.

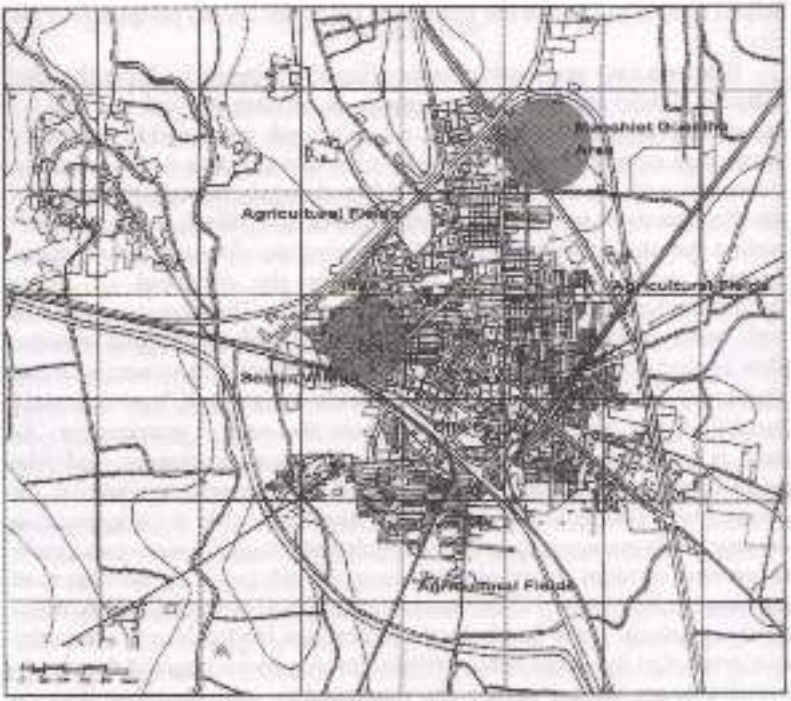


Figure 9.1. Two study areas on agricultural fields in Tantu City

Source: Author's field survey carried out between 1996-1997 and 1999-2000.

Table 9.1. Original land ownership within the two study areas

Original land owner	MG (%)	SV (%)
Private (agriculture areas)	70	70
Public (*HEKUR*)	5	10
Waqf	10	20
Municipal	15	-

Source: Author's field survey carried out between 1996-1997 and 1999-2000.

CHARACTERISTICS OF THE TWO AREAS

Serigar Village is an informal residential area located in the south of the city. It has a population of 90,000 people, at an average density of 1,250 persons per hectare. A drinking water canal bounds the site to the south and a public housing development in the north, with agricultural

fields to the west and a main road to *Shebeen El Kom* to the east (see FIGURE 9.1).

Originally, it was a small village but it had been transformed during the last thirty years into an urban area, though still with extensive agricultural activity (see TABLE 9.1). Many residents still keep cows, water buffaloes and sheep on the ground floor of what have become apartment blocks. The process of change began after the government illegally developed land in the area for two factories (one for rubber production and the other as a tile production unit) plus a military training center. This was seen by property owners as a green light to convert their own land holdings into urban use, both for their own use and for rental income. The government subsequently indicated that in any future subdivision by landowners, adequate space should be left for roads, a tacit admission that the process was inevitable, if not desirable. This only served to accelerate conversions, though very much on a sporadic, incremental basis. This led to pockets of urban development surrounded by fields in some areas and fields completely enclosed by buildings in others, a situation increasingly inefficient from both the agricultural and urban viewpoints (see FIGURE 9.2). The settlement was therefore a good example of informal/indirect/covert partnerships between public and private sectors in that the public sector developed some agricultural land (in defiance of its own policy) and then provided services to areas later developed by private proprietors. This has happened over an extensive period.

Manshiet Guesiha (MG) is an informal settlement, located to the north of the city. On the western edge of the site, a major canal (*El Kased*) is located, and it is adjacent to the main agricultural road from Alexandria to Cairo. Agricultural fields are located in the western part of the site (see FIGURES 9.1 and 9.3). The site was considered to be the new extension of *Kohafa Village* facing it on the other side of the canal. The site has a population of 30,000 at an average density of 900 people per hectare.

It is an example of an informal/indirect/covert public/private partnership in which the public sector intervention took several forms. First, the *Waqf* sold some land it owned next to the main agricultural road for urban development in the 1920s. Then the old cemetery for the settlement on the other side of the canal (*Kohafa Village*) was moved into the area in the 1950s. Third, in the early 1970s, the government allowed local proprietors to establish a PVC factory and contributed financially to the construction of a mosque (to which was later added a school on the upper floors) and then replaced a small pedestrian bridge across the canal with a bigger one to take vehicles. The combined effect

of these interventions stimulated local landowners to convert their agricultural holdings into urban use at considerable profit. In addition, private developers in the agricultural areas contributed to changing land use patterns through their strong connection with responsible people in the municipality. "Since the construction of the new bridge, newcomers from *Kohafa Village* and other parts of the city moved to our settlement because of the reasonable prices of housing plots" said a settler who lives close to the new bridge.

EVOLUTION OF THE PARTNERSHIPS

The cooperation between public and private sectors has modified the land and housing delivery systems and encouraged, or at least became associated with, urban development on the periphery of the urban centers. The public authorities and private developers played a crucial role in the development of the case study settlements throughout the various phases of their growth. Some sort of cooperation between public and private sectors went hand in hand through three stages of developments: scattered, collective and consolidated (see FIGURE 9.4). This cooperation had an influence on the way the cooperation has developed. Scattered development was the early stage of the settlements' formation when housing plots were allocated in various directions or locations. Collective development was an intermediate stage in which a house was built by individuals who acted in cooperation with private developers. Consolidated development was the final stage of land development which combined everything into a connected whole. The evolution of public/private partnership in land provision for the urban poor was introduced during the various phases of the sites' development. The following sections examine the way in which the cooperation has evolved.

SCATTERED EXPANSION

The partnerships started during the scattered expansion of the two areas. During this stage, the government intervened by erecting scattered buildings for its employees on the periphery. These residential buildings were constructed in the late 1950s on a main road in order to gain access to the different services (see FIGURES 9.2 and 9.3). Private developers with covert support from the state established the initial development. This initial public development took various forms. First, the cemetery location was moved by the municipality from *Kohafa Village* to a new location in the MG area. Second, the establishment of

a public housing project on the main road in the SV settlement and on the highway of the MG area, and the giving of permission to some people to construct warehouses in the MG area that indirectly gave a new access for further development, or changing land use pattern. All this was carried out in accordance with the requirements of the original settlers and commercial developers. Third, giving permission to establish a private factory on agricultural land in the MG area (as in Tanta, and *Hagar El Nawateyah* in Alexandria), and then providing the necessary services for manufacturing (electricity, water, and telephone). Fourth, the informal relationship between public and private sectors was introduced by accepting mosques as a gift from private developers, and transferring their management to the Ministry of *Awqaf* in the two sites. At a later stage, various services were installed to the mosques and these subsequently benefited the adjacent private agricultural land. The private developer gave a mosque as a gift to the government for three main reasons. One is that they gain moral support from the government in order to carry out illegal land subdivision. In this way they are guaranteed the installation of services to the mosque. Since the installation of basic services would pass through his land, it could increase its value and attract newcomers seeking to purchase plots. It would also give concrete evidence to the newcomers that the government had recognized the areas as residential areas. Fifth, the construction of various government institutions such as a rubber factory, educational institution *(El Azhar Institution)* and a Military Training Center had encouraged the private developers to develop the periphery of the urban areas. On the other hand, the development initiation had attracted intruders to the adjacent plots and they followed the government steps.

All informal residential areas in Tanta City became attractive to private developers and low-income groups for two main reasons. First, they had good access to job opportunities, which suited the requirements of different groups. Second, government had not acknowledged a multiplicity of land delivery mechanisms in urban areas. This had led to the emergence of large irregular settlements, which were not supplied by basic municipal services. The land allocated by the private developers on the periphery of the sites was attractive for people who wished to be involved in land investment, especially after the decline of the profits from rental housing in the early seventies. This land became valuable because of its accessibility to various services, its low price, and the easy access to job opportunities. There were other opportunities for investors opening up in Tanta. Rapid commercial and business expansion in the city was leading to large rises in the value of centrally located land, making alternative uses of that land more attractive.

Figure 9.2. Pockets of urban development surround by agricultural fields in the *Seigar Village*

Source: Author's field survey carried out between 1996-1997 and 1999-2000.

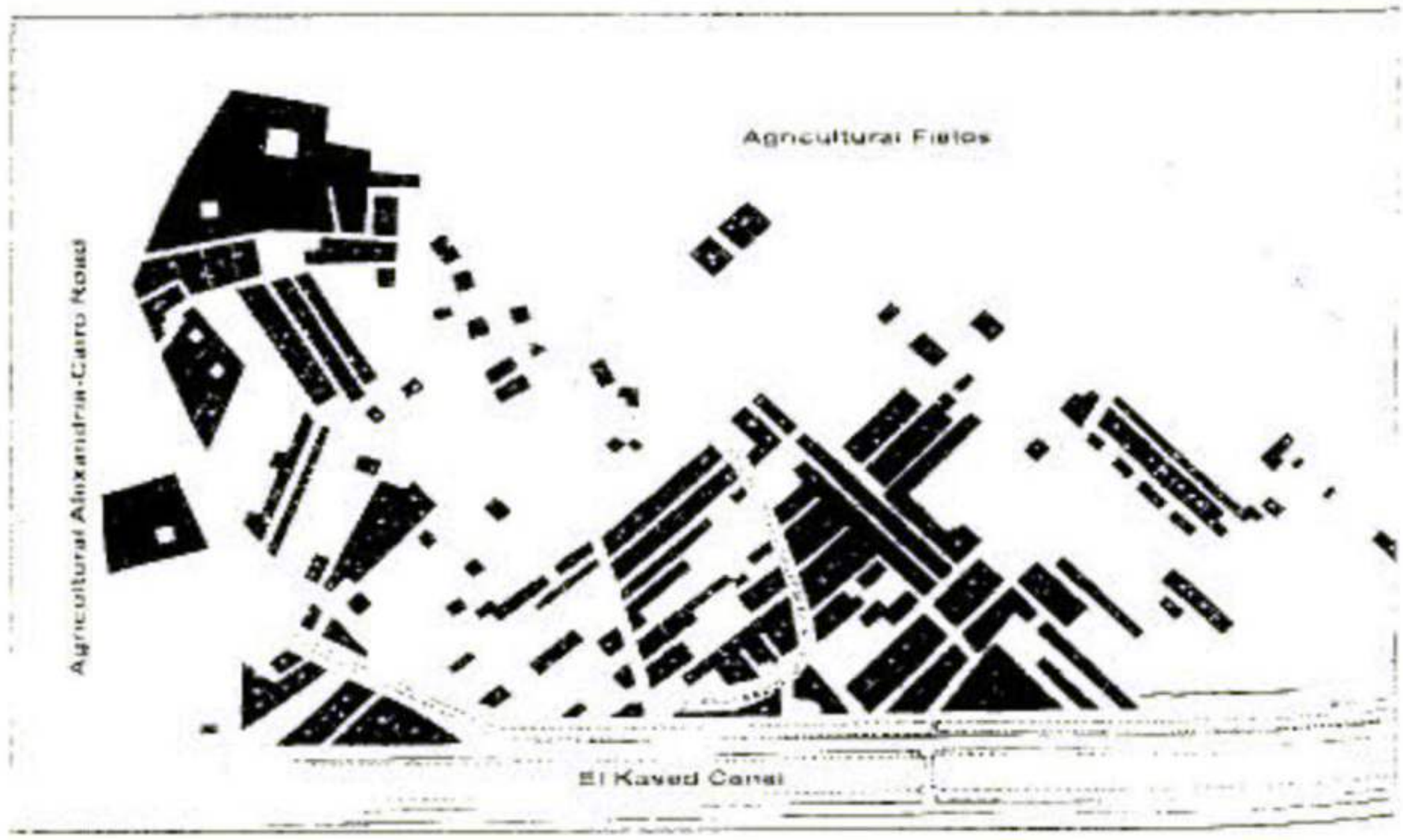


Figure 9.3. Built-up area and agricultural fields in the *Manshiet Guesiha*

Source: Author's field survey carried out between 1996-1997 and 1999-2000

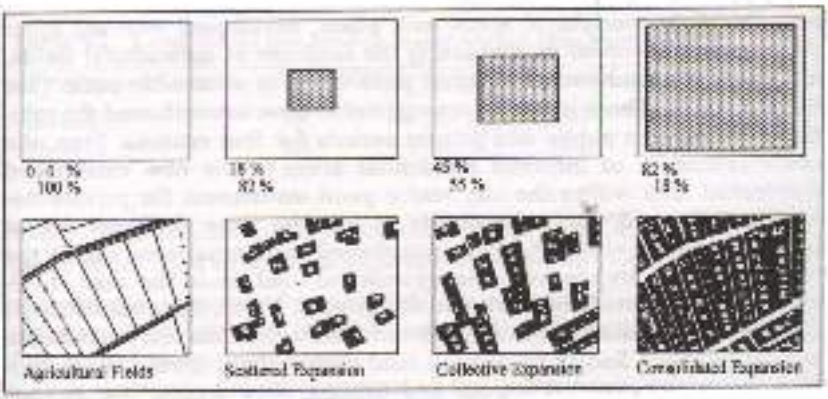


Figure 9.4. Various stages of developments; scattered, collective and consolidated within the two study areas

Source: Author's field survey carried out between 1996-1997 and 1999-2000

To sum up, informal/indirect/covert public/private relationships in developing the peripheral areas within the city facilitated the initial development of the two informal areas. Subsequently, this relationship increased land supply in sites that the municipality wanted to see developed. In addition, this type of relationship offered housing plots for people most in need, without putting further burdens on the government budget. It could be said that indirect central government involvement with some sort of cooperation with the private sectors, and even with the local settlers, has generally been found to be effective, while the positive potential for municipality intervention had been utilized.

COLLECTIVE EXPANSION

The partnerships were strengthened during the collective expansion stage. This stage started with the erection of main services within, or close to, the informal residential areas, improving sanitary conditions, or constructing a main road on the periphery of the two sites.

Changing housing systems and a stronger demand for services increased the desirability of suburban living. As a result, the attitude of the state has changed and its response became positive towards the organizers and providers of informal housing plots. Subsequently, the poor moved increasingly from crowded central locations towards less desirable parts of the city. The installation of various services within the areas gave the impression that these areas would soon be developed as residential areas. As a result, while some government collective ex-

pansion of the peripheral areas took place, developers who are more private were involved in converting the land use of agricultural fields, and they provided vacant housing plots close to accessible paths (see FIGURE 9.4). These informal arrangements have strengthened the relationship between public and private sectors for four reasons. First, the close proximity of informal residential areas to the new established residential area within the city was a good investment for private developers. Second, the accessibility to the site from different access points, crossing either the new established residential area (as in the case of Tanta City) or from the agricultural road (as in the case of Alexandria) facilitated the land delivery system. Third, the establishment of the public housing project in front of, and within, the site encouraged people to move and/or to acquire land within these areas. These projects have improved the trust and transparency among the various actors involved. Finally, the low price of land (250-300 LE per square meter-US$ equivalent to 3.3 LE) offered a good chance for the newcomers to own a piece of land, encouraging rapid residential development within the site as well as new locations for housing development. As demand for housing plots grew, the peripheral urban areas or agricultural land came to constitute a major opportunity for low-income housing developments as its price was much lower and it was less attractive to upper middle-income groups (see TABLE 9.2). This collective expansion varied dramatically in the two sites. It was linked to the urban transport situation, job opportunities and the level of investment in housing development; the higher the level of these variables is in linking the settlement, the greater the level of cooperation between various actors will be.

Three main reasons for improving the relationship between public and private sectors are; shifts in the housing systems of Egyptian cities (changing government policy from a bias in favor of tenants into one in favor of owner-occupation) were only conceivable in the light of changing economic patterns. The conversion of the economic situation through the privatization policy, and the rapid urbanization process, together with the changes of government attitude towards informal housing areas, allowed basic services to be provided over increasing areas and opened up the possibilities of urban development for every social group. Another is that the sale of peripheral land by landowners, scared by the prospect of agrarian reform and the general tolerance of the local authority, stimulated the process of self-building in Egypt. Finally, the existing housing mechanisms suffered from major problems including a lack of planning control, especially in the early seventies. This attracted private developers to intervene. The housing short-

Table 9.2. Land prices per square meter within the two study areas

Plot size (square meters)	MG (in LE)	SV (in LE)	Average land price in the city
less than 45	350	450	1000
75-100	320	400	1200
100-125	300	380	1500
150-175	280	350	1800
< 175	250	300	2000-3000

Source: Author's field survey carried out between 1996-1997 and 1999-2000.

age and the scarcity of rented flats encouraged private developers to purchase the peripheral land and subdivide it illegally into small plots for sale to low-income groups.

In summary, the improvement of the indirect relationship between the private developers and the public sectors has created an environment of trust and improved transparency between various actors involved. The attitude of the municipality towards peripheral locations encouraged private developers to invade peripheral locations and follow the same attitude. It would appear that there were differences in attitude at the central and local levels towards the provision of land. At the same time, private developers were acting in a positive way at the municipal level. On the other hand, the relationship of various actors (land brokers, specialists, monetary institutions, and municipal officers, consumers, etc.) in land development at this stage was crucial. In one way or another, they facilitated directing private developers and consumers to locations that made a good profit for them and, at the same time, they offered suitable locations close to job opportunities for consumers, whatever their income levels. In addition, generating the funds from government institutions indirectly has helped low-income groups to change their tenure status from tenants to owner-occupiers.

CONSOLIDATED EXPANSION

As long as informal residential areas became more consolidated, the relationship between the public and private sectors improved. During this stage of cooperation, the development of the two sites took two forms. One was, as long as the various actors recognized both settlements, more land subdivision took place by which more buildings either public or private or both were established. The demand for apartments rose, and small developers/contractors started to build more houses and cater to the newcomers. The informal areas became valuable as a new residential area for low-income groups, which encouraged people to move from crowded inner city rented flats to a newly

established residential area. The privilege of the informal areas, either the low land price (compared to prices in the urban centers), or the availability of vacant land accessible to various facilities and job opportunities, encouraged more people and speculators to invest in housing construction. This helped low-income groups to change their status from tenants to owner-occupiers. The second form was the vertical expansion stage. With the increase in land prices and building materials, more stories were added to existing buildings due to the degree of the availability of household resources, and the needs of the owners. During the consolidation expansion, the indirect public/private partnerships crystallized in various ways. One is that it improved the built environment of both sites which facilitated the installation of basic services. Another is that it increased access to vertical expansion of existing buildings and improved the efficiency of land plots within both sites. A third is that it improved the settlers' economic situation and offered them additional revenue from placing their new units on the market for rent or for sale. As such, it increased the rapidity and efficiency of the land delivery system in peripheral areas and offered land plots at reasonable prices. Finally, it facilitated the appropriation of development gains, by which the private sector facilitated unearned increments, while the municipality benefited from enhancing the built environment of both sites, as well as tackling a part of the problem of housing low-income groups.

Recently, the Egyptian government's attitude towards low-income settlements has been diverted into a positive direction for national security reasons. The terrorism movement in Egypt (during 1991 and 1992, the case of *Imbabah* in Cairo) had drawn the attention of politicians to the problem of informal housing areas, where most of the troubles exist. Therefore, in order to control terrorism in the country, the government set up a national plan for upgrading such areas as a way of indirectly controlling them. Covert partnerships were introduced for three main reasons. The first was to control terrorism at the national level to catch or follow the terrorists who mostly hide in, or come from, the informal residential settlements, or to record the people who have connections with those who use violence and intimidation. In such situations, the state was playing a double role, to sustain its power over society, and to inject some improvements into the spontaneous settlements to gain political support for the regime from the mass of people most in need of such improvements. The second was that the intervention in informal residential settlements also sought to secure or create a stable climate for economic development. In this situation, the government at least tried to fulfill its responsibilities regarding the weaker

section of society. The third was that the last change in the way the government intervened within informal areas led to an improved understanding of land markets and the dynamics of changing land use and prices across different market segments. Land delivery systems in informal housing areas became a desirable method for the government to apply in virgin areas for low-income groups.

Local government officers became more practical and very positive in believing that the best way to control the spread of informal areas was to guide the people to occupy the land that the government wished to see developed, rather than to leave the people to squat on land the government did not want to be developed because of the high cost of infrastructure installation. This change of strategy has enhanced land delivery systems and it became embedded in the political, institutional and socio-cultural practice of managing Egyptian cities. At this stage, the indirect public/private partnership improved urban management in the municipality to control urban sprawl in the periphery of the city. In addition, a matter of trust between various actors has evolved; the local settlers gained the installation of services in their location and improved their economic status, while the private developers increased their revenue because of improving the urban land markets within both sites. In addition, installing basic services possibly offered government its most powerful means of bargaining. For example, government could negotiate with private developers about sharing the cost of basic services. Cost sharing sometimes took the form of the private developers allocating a piece of land to be used as a road crossing the sites to reach the mosque and, at the same time, they could use this road to construct various services. So both parties benefited; the private developer stimulated overt public intervention on the site and gained covert public support for his land development which secured the rest of his land for future development. The government benefits came from laying its hand on the management of the mosque and, at the same time, offering a religious center to the community at no cost, as well as enhancing the built environment of the areas. Also, it meant persuading landowners in areas already largely built up to part voluntarily with portions of their plots, in order that existing paths and narrow lanes could be given reasonable widths for the traffic they would have to accommodate, or in order that completely new roads could reach plots without any existing public access. This procedure was considered openly by both parties, both the government decision to take over responsibility for the mosque and the willingness of the private developer to give the mosque as a gift for the benefit of the community.

To sum up, through the implementation of such procedures within

the study areas, the indirect public/private partnerships improved the quality of the existing environment and increased the supply of suitable building land that would ultimately serve new urban poor households.

MODE OF ACQUIRING LAND

Land acquisition in the two study areas was similar to that in most informal residential areas established on agricultural land in Egypt. The process depended upon the availability of financial resources from developers, the willingness of proprietors to sell their land, and increased land market prices within the city. The mode of acquiring land is examined below through two aspects: land conversion and transaction.

LAND CONVERSION

The key to curbing the informal sector's further growth and channeling it into a proper legal framework lies in analyzing and understanding its mechanism. This could be summarized as follows. Building plots are made available by agricultural landowners who are tempted to sell their land in areas close to job opportunities, and after illegal subdivision, as plots at much higher prices than if sold as agricultural land. Although such land subdivisions cost nearly as much per square meter as legally subdivided serviced plots, there is more demand for the informal ones because small areas can be purchased and the over all cost is much lower than the subdivisions provided formally. Urban dwellers who have migrated to Tanta, and live in overcrowded slums, constitute the major clients for those plots (see TABLE 9.3). Land subdivision and road patterns follow the geometric pattern of agricultural land. This results in mostly straight roads, although they might be narrow (4-6 meters) and longer than standard requirements. This land subdivision met requirements for the installation of basic services carried out by the state. Hence, private developers acted as decision makers for setting up the street network of both areas and relieved the municipality from paying additional costs for such arrangements. The Ministry of Agriculture permitted scattered private agricultural areas to be outside its control, which indirectly encouraged housing development on them. Thus, some government institutions participated indirectly in increasing land delivery for housing and the private sector took advantage of this for further speculation in land development. Dwelling construction is usually sturdy, such as reinforced concrete skeleton construction and brick walls, with only a very small percentage built as shacks. The methods of construction follow, to a certain extent, the minimum standard re-

Table 9.3. Methods of acquiring land within the two study areas

Mode of acquiring land	MG (%)	SV (%)
Just occupied (no permission)	5	5
Allocated by friends	0	3
Allocated by municipality	10	20
Bought vacant land	45	45
Bought land with a house	25	14
Bought land with a foundation	15	13
Total	100	100

Source: Author's field survey carried out between 1996-1997 and 1999-2000.

quired by the municipality. Therefore, the municipality recognized the local settlers as facilitators for improving the built environment of the informal residential areas. Services are usually non-existent, as only the local authority can provide these. Commercial facilities, religious buildings and some small-scale private health facilities are provided by means of community efforts. Utilities are provided by private initiatives. In the initial stages of areas built on agricultural land, a manual pump is installed on the site to provide water for construction and eventually for domestic use. Sewage is disposed of in a tank dug in front of the building and removed mechanically by trucks when full. Electricity is either generated by a diesel generator in a workshop or then sold to neighbors or an illegal hook-up is made to the electrical lines. Later on, the local authority provides the basic services within these areas. The preliminary installation of basic services is carried out by the local settlers who save the states' fund which can be allocated to other aspects of development.

To sum up, two aspects of public/private partnership in land conversion were noticeable during the incremental development of both sites during the last forty years. First, at the beginning of the sites' formation, the government permitted some scattered public and private buildings to be constructed in certain locations on the sites, and moreover, the Ministry of Defense allocated specified land plots on which to build a Military Training Center. Therefore, a combined commitment between the local authority and the Ministry of Defense had been given to the settlers. This kind of commitment had more power than legal land title, so the settlers felt secure because of the power of this kind of commitment which supported the settlers. Under these circumstances private developers had acquired large agricultural parcels which they illegally subdivided into small plots to make them affordable to low-income groups. The local authority authorized the second phenomenon of land conversion for Suez Canal evacuees. However, the evacuees

had *de jure* tenure recognition to remain on their agricultural plots until the government housed them in public housing schemes. This phenomenon of land conversion accelerated housing development within both sites and attracted newcomers from outside the city. In addition, the close proximity of the Military Training Center to SV encouraged young people doing their military service, (especially people who came from Upper Egypt), to settle in SV. At this stage, the state and private developers worked together to enhance access and equity in the urban land market. In addition, the private developers introduced a financial credit system that encouraged the newcomers to acquire land plots to be paid for on an incremental basis.

LAND TRANSACTION

Whatever mechanisms regulated access to land, in both sites planners lacked the power, resources and information to control the unplanned growth process. For a start, neither site possessed a complete land registry. In the MG area, many transactions were never formally recorded, while in the SV settlement, records were kept by lawyers and by landowners who concealed their identity to evade property taxes. In both, land transactions were conducted in privacy with the prices quoted publicly rarely being those actually paid. Egyptian legislation regulated private developments, but could not force proprietors to act.

Market conditions required an increase in aspirants' real income before they constituted an effective demand. In neither case were planning mechanisms able to consolidate an area before building was initiated elsewhere. Although planners were charged primarily with drawing up an acceptable pattern of land use, they were seldom granted the power to ensure how they appeared. Only rarely did other agencies or the public respect decisions. Land transactions within the study areas were a complicated process. The applicant had to pass through several steps to formally register his property. There were various situations for the applicant to obtain officially registered land titles (see chapters four and five). The role of government in setting up a variety of land registration methods has facilitated informal land transactions. On the other hand, the government has reduced the final fee needed for land registration in order to encourage people to secure their properties and at the same time to generate revenue from these processes. In addition, the variety of land registration methods has encouraged different income groups to register their properties according to their income levels. This land registration could be postponed for many years until the applicants had the necessary resources to complete the registration. In addition,

some banks were prepared to accept the minimum level of land registration to give loans to people in need. Therefore facilitating the procedures of land registration profited all parties, the beneficiaries and the government officers. The beneficiaries secured their property, while the government generated revenue. Government efforts in land registration were supported by simple, unified systems of land information assembly, management and documentation to the public to encourage the registration of land at affordable rates.

NATURE OF PARTNERSHIP

Throughout the investigation of both sites, public/private partnerships have been crystallized through various methods: improving the urban management in the municipality, identifying different needs and changes and finally facilitating access to financial resources.

IMPROVING URBAN MANAGEMENT

The informal cooperation between public and private sectors in converting agricultural land has facilitated the methods of urban management by the responsible authority in both sites. The intention of the municipality towards the two areas was to guide low-income groups indirectly towards certain peripheral areas, which they wished to be developed. In the Tanta City Planning Department, there were differences between the official boundary of the city and the official boundary of urban development. The latter was controlled by the local planning development, while the former had to be approved in the central government by the Ministry of Housing, Utilities and Urban Development. This approval was supported to be accompanied by a master plan for the city. Since Tanta has had no official master plan since 1958, the local planning department intervened and drew up several boundaries for urban development. The idea was to offer a new urban development area according to the needs of urban growth for the city and, at the same time, encourage the Informal Incremental Development (IID). The basic idea of the IID was that plots were allotted to the neediest at prices they could afford. The main idea was to develop land plots incrementally through private developers. The internal services were limited to the essentials; at the start, only a communal water supply might be provided by the local authority or by the settlers themselves constructing wells. Transport to the city was provided through various private mini-buses. Further services, such as house-to-house water supply, sewerage, roads and electricity were to be provided incrementally and

according to the degree of consolidation of the settlement. In this way, this type of cooperation would be fully self-financing, without any element of subsidy on the government's part. This has been formed in various ways. First, the private sector illegally subdivided the agricultural fields, leaving enough space for street networks, while the municipality followed this by installing services. Second, in this way, the financial risk to the public agency was minimized as further work was carried out when sufficient funds (either through the residents or through the local authority) had been accumulated. In principle, the inhabitants themselves could decide which facility they needed first. Standards were set regarding the minimum width of streets, and the rights of way inside the settlement. The private developers were aware of the minimum standards of land subdivision and, in many cases, the local authority officers carried out land sub-division illegally for the private developers. The MG settlement was a good example of this process, especially during the latter part of its development. Third, the installation of services within informal or "ex-formal" and organized residential areas varied considerably. Ex-formal areas were considered to be some areas in which the government had intervened, installed infrastructure and recognized as an urbanized area (such as *Nadi El Said* in Alexandria). This variation depended upon the economic situation of the residents, the physical conditions of the site, the location of the informal areas (close to or far away from the main source of services), and the willingness of the settlers to help install certain services. On the other hand, basic services were closely linked and decisions taken in respect to appropriate standards of provision for one might adversely have a great impact on others. Water supply and sanitation were perhaps the most obvious examples.

However, the introduction of the military orders as a tool of urban management at the beginning of 1996 caused a great reduction in land prices from about 350 LE per square meter to 250 LE (see TABLE 9.2). In addition, the demand for land plots within the study areas slowed down. Many property owners therefore refused to sell their land at low prices, as they believed that prices would increase in the near future, especially if the settlements were legalized. Despite the fact that the military orders had kept prices down, it prevented housing development. Therefore the military orders did not help either low-income groups or affluent people in gaining access to land plots, shrinking the land delivery systems, but it sustained for a period the rising land prices in peripheral areas. The question was, "if the government excluded the people from the construction process, what alternatives were available to develop such locations?" These locations had no access to a water

supply for irrigation, nor were the soils good enough for agriculture, so they were often kept unused for many years. The local authority believed that illegal land subdivision, and its conversion into residential use, was initiated to overcome the housing shortage for low-income groups. Being located near the city where land was a prime commodity, land prices and sizes were acceptable to low-income groups who were seeking affordable land plots for their shelter. In cases where the local authority intended to install basic services in these areas, land prices would increase. In these cases, what the private developers got back was value added land. It was declared that the local authority was trying to delay the installation of basic services until the sites were completely developed. This would help to sustain land values and, on the other hand, give the opportunity for the majority of people to acquire plots at affordable prices. This process of informal urban management benefited low-income groups in a variety of ways. One is that it provided land plots in various sizes in the vicinity of the existing residential areas. Another is that it improved the socioeconomic condition of the settlers because of the amount of subsidy involved. Third, due to the lack of financial resources available, either from the private developers or from the allottees, the installation of basic services within the two areas would not have been feasible. To sum up, this process of informal urban management within the study areas benefited all the actors involved, the private developers, the property owners, the beneficiaries and the local authority. Each benefited in his own way from this process. The private developers gained a good return for their money at a low level of risk, the landlords sold their land at good prices and were paid quickly, the low income groups obtained land plots compatible with their ability to afford them and their immediate needs; and last but not least, the local authority evolved a way of resolving the housing shortage within urban areas and within its limited resources.

ENHANCING THE ENVIRONMENT OF THE MUNICIPALITY

Most informal residential settlements spread on the periphery of the major urban areas, which became surrounded by a poverty belt threatening the homogeneity of the urban areas. Hence, the state in Egypt has played a dual role: either covertly, or overtly, or both, within informal areas to improve the quality of environment. This was facilitated by the rapid growth in self-help housing and the increasing involvement of the state in upgrading, or in sites and services schemes. The informal cooperation between different sectors has had a major impact on enhancing the environment of the municipality. The willingness of public and

private sectors was aimed at improving these areas, as they constituted more than 75 per cent of the city's population. This willingness was achieved through an indirect mutual agreement between various actors and evolved for the benefit of the wider strata of the city.

Informal housing developments had also been encouraged by the private developers through the improvement of transport and basic services. They were also associated with the state's involvement in urban land markets, such as the change of ownership of land from private to public and back to private. This had left the question of land tenure in doubt and encouraged illegal subdivisions. Illustrative of this shift had been the change that occurred in Alexandria in the light of the increasingly overt support being given to low-income owner-occupation in the form of informal residential areas. The enhancement of scattered areas of the municipality was through an informal cooperation between public and private sectors. This was illustrated within both settlements through several key factors. First, the local authority, indirectly, gave building permission for scattered buildings, as the residents claimed that they had lived in their location for more than twenty years. Second, the local authority installed water and electricity supplies to the old residential buildings (*Dwaer El Omdah* the house of the oldest person in the village), which subsequently benefited other houses indirectly. Third, the establishment of a huge public housing project and an education institution within the site encouraged private developers to develop further residential units on agricultural land. The construction of these social buildings has enhanced social status of the residents and subsequently improved the built environment. Finally, the recognition of the mosque as a cultural center put the whole site within the official administration boundary that led directly to changing the land use pattern and the official boundary of the area.

IDENTIFICATION OF DIFFERENT NEEDS AND CHANGES

Informal public/private partnerships within the two areas have been characterized by the changed attitudes of the local authority within the two areas. Private developers have rights to the land from the villagers and/or small property owners based on the current prices of agricultural land. In most cases, land was sold in parcels of between 4,000-20,000 square meters and was not in the possession of the property owners. The developers made only part of the payment. Other factors curtailed the use of land. Inheritance laws in the country dictated that children should inherit equal shares in property, which often resulted in it being disused or abandoned when multiple progeny could not agree over its

Table 9.4. Land titles within the two study areas

Land title	MG (%)	SV (%)
No evidence of land title	27	25
Informal sale agreements	58	20
Official land title	15	55
Public rented (Heker)	0	10
Total	100	100

Source: Author's field survey carried out between 1996-1997 and 1999-2000

subdivision or sale. Thus, these two settlements tended to become bounded by often-idle properties whose owners were neither releasing nor developing land for residential use, let alone for low-income use. Where wasteland was available, housing development was deterred by its physical properties (see FIGURE 9.4). Since possession was not immediately available, the value of the land offered to the developers was less than the market values (even within agricultural land market value). The developers paid 50 per cent of the agreed land price, with another 25 per cent paid after the registration forms were signed by the property owners. The final registration of the land could take between 6 months and two years. Until this stage, the developers considered that the location and the value of the land were not known, but were confident of using their personal connections to get the land amalgamated at a later stage. The final payment was made at the time of taking possession of the lands. This helped in reducing the financial burden on the developers. After they had full possession of the land, illegal land subdivision took place, the forms of which varied from one area to another according to the following factors: the scarcity of land in the market, the degree of demand for land plots, the willingness of the local authority in developing selected areas and to meet the increasing demand for land and housing. The majority of the landholders were not happy to sell their land to private developers, and they were not aware of the real value of their land, especially after it had converted into residential use.

On the other hand, the property owners had no financial resources either to pay for the land conversion, or access to the key people who could facilitate the illegal land subdivision. The property owners preferred to settle for lower profit and quicker money, instead of going through complicated procedures for formal land development for themselves. Some of the property owners preferred to hold a piece of their land with the developers as part of the agreement. Their objective was to have returnable lands in areas where the land prices were very high and recognized as residential development. Many property owners were also holding their land waiting for its value to increase. Approval of sub-division plans through formal channels could take years and prove

costly as it involves the payment of fees. The affluent groups or private developers have their ways and connections to finalize land subdivisions (formally or informally) and they have the necessary resources to cover such conversion, so settlers avoid a high risk, get a piece of land developed at no cost, and obtain a good return for the rest of their land. The mechanisms of selling land within the study areas varied due to the income levels of purchasers, the location of each area, the availability of job opportunities, level of services and the nature of the land title.

However, the attitude of low-income buyers was quite different in that such low land prices made purchase a worthwhile economic gamble. These changes were the result of the following considerations; first, the state became aware that the limited available resources were inadequate to meet the increasing demand for housing low-income groups through conventional methods of direct provision. Therefore its efforts shifted towards generating the limited resources of low-income groups. Second, taking the experience of the informal housing sector in securing their housing plots, the state changed its attitude from being a provider to a facilitator in order to enhance the capacity of housing production. Third, state provision of basic infrastructure enhanced the domestic environment and sustained the development of informal areas. In addition, it has helped in enhancing the urban land markets within both sites. Fourth, low-income groups have made the best use of available resources, in terms of work force, finance and domestic saving, and they tried to change their fixed assets into liquid capital, through increasing the stock of rental apartments. Fifth, the changing attitude of state agencies towards the private sector was recognized as a main factor in the development process. Since the beginning of the 1990s, the state has introduced several decrees relating to privatization to encourage the private sector to contribute positively in the development. Finally, the scarcity of land for housing low-income groups led to a new boundary for urban development in which the state covertly helped the private sector to develop land on the city periphery. On the other hand, the willingness of the private developers has led to enhancing the land delivery system at costs that the urban poor can afford.

FACILITATING ACCESS TO FINANCIAL RESOURCES

The socioeconomic profiles of lower-income households were often in direct conflict with cost recovery objectives and the aspirations of politicians and local authorities, as evidenced by current planning standards for utility provision. In such instances, establishing a set of acceptable, appropriate, and affordable design standards for shelter projects would

not be easy. Informal housing areas in Egypt vary according to the economic situation of their residents. Some groups are able to install basic services, while others cannot afford to pay. Even in organized settlements (such as the *El Hekr* area of Ismailia), many plots had no access to basic services because of the inability of residents to afford their installation. Only when the professionals are able to match the needs of beneficiaries to the provision of cultural acceptance and affordable levels of infrastructure services, which are in turn compatible with the technical, financial, administrative and maintenance capabilities of the responsible agencies, will much-needed shelter projects become widely replicable. Informal public/private partnerships, in creating an environment of trust, which facilitates access to financial resources, were introduced through various techniques. First, plots were available at a low initial price. Houses and infrastructure developed incrementally at a speed and at standards determined by the inhabitants. Second, both sites were self-financing and entailed neither risks nor subsidies on any of the parties (the private developers, the beneficiaries, and the state). Third, administration of the development of both sites was characterized by simplicity and transparency. Neither site needed expensive procedures, because they operated between two parties, the private developers and the beneficiaries, while the public agency was a facilitator. On the other hand, because of the limited government involvement in the development of both sites, three major problems occurred. One is that the beneficiaries could not obtain a bulk sewage disposal system, as this required a huge financial outlay and caused complicated problems. Nevertheless, eventually the government would provide the required services (such as in *Nadi El Said* and *Hagar El Nawateyah* areas in Alexandria, *Seigar Village* in Tanta, and *Ezbet El Haganah* in Cairo). Second, although there was no imminent threat of eviction, titles to land remained a major issue, as the two sites had legality of tenure and the private developers had official land transaction, but had neither legal land subdivision, nor building license. The purchaser could formally register his land, but only as agricultural and not residential land. Another is that external roads were not developed, as a huge investment was required for this purpose and government agencies refused to take up this work because they considered these areas illegal and unauthorized.

CONCLUSION

Throughout the investigations of the two study areas, the informal cooperation between public and private sectors has played a crucial role

in facilitating the land delivery system for housing plots to accommodate low-income groups. This partnership has benefited a certain strata of society at a certain time in a certain location. As long as the informal areas are consolidated, the main beneficiaries remain the commercial private sector, the state and the local settlers, while the newcomers of the urban poor would not have the chance to acquire housing plots at reasonable prices. It could be said that at the early stage of the settlement formation, there was positive cooperation among the various actors involved, while at a latter stage, the beneficiaries were eliminated. The operations of the commercial private sector were based on an adequate return on their investment. Therefore, as long as the sites were established, land prices increased and land plots became expensive for low-income groups so that, without a great benefit for the commercial private sector, their contribution would be minimized.

The movement of private developers to a certain site was directly linked with the strategy of national development and combined with interest among the mass of people. It was apparent that the government allowed certain areas to be developed by low-income people, while forbidding the development of other areas. On the other hand, housing consolidation was a process by which families were allocated plots in a project and developed their houses over a period. This was quite clear in SV, while the level of housing consolidation in MG was far beyond the previous area. This was because action and reaction between the government, the private developers and the mass of population affected the mechanisms of housing production in this area, from which two aspects emerged. First, a changing investment, a modified response by the state to the housing system (Military Orders), changing response on urban growth, and changing tasks in accommodation and urban living produced a situation that influenced decisions by private developers to intervene in housing low-income groups. Second, the growing commercialization within informal areas meant that most property owners became well aware of market values in the peripheral areas, which they realized as a highly profitable business. With the elimination of the public rental housing policy in Egypt, and its replacement by an owner-occupier - based policy, commercialization encouraged the process of land and housing consolidation within the peripheral areas.

CHAPTER 10

THE WAY FORWARD

Formalizing housing informality in Egyptian cities. IS IT A DREAM?

RETROSPECT

Throughout the preceding chapters, analyses were made in recognition of the complexity of housing types and real property regimes in the three Egyptian cities. Problems, such as the sheer size of the property that needs to be formalized, the bureaucratic constraints and the land transaction constraints, were among the most commonly cited reasons for seeking alternatives to full property titles, and to simplify building regulations. In many cases, circumstances warrant serious consideration of such analysis, at least in the short term. However, the fact remains that short of full titles, a population granted tenure security or some other form of property right, or a proper building legislation is therefore disadvantaged vis-à-vis others living in the same city. It is argued that transitions in property rights from the "illegal" to the "regu-

larized," customary law, tenure and the impact of law have a major impact on the quality of life of the mass of the poor (De Azevedo, 1998).

In addition, housing is considered a valuable asset, which could be used to overcome any future threats. The question remains why a segment of the population can enjoy full titles, the benefits of the rule of law, and having access to the protection of their property rights in courts, while the other segment –the largest, the informal – is not awarded equal empowerment. Urban management would be more popular and engaging of the citizens if it objectively observed the expressed needs of city populations for economic democracy. This book has sketched out the process of housing informality in three Egyptian cities. It has emphasized four main issues; the mechanisms of informal housing production, the diversity and complexity of types of informal housing, the relative role of actors involved within this process, and finally, the recognition of the value of informal housing areas as a valuable asset within the market. The preceding chapters look at the three Egyptian cities in terms of the concept of informal housing developments so that a number of intellectual developments would became possible. It looks at informal housing development as part of larger complex systems, from either the complexity or diversity of housing being produced, or from the various circumstances linked with the transformation of socioeconomic and political situation within the Egyptian environment. It looks at how such complex systems evolve over time, and the ways in which the evolution of informal housing development shapes the evolving informal economic sector in which the urban poor are involved.

Throughout the previous discussion and the experiences gathered from the case studies, the focus has been on the key issues of informal residential developments, the most important of which are summarized as follows. First, attempts to house the urban poor have shifted from public housing construction or government responsibilities, to subsidize housing completely, to housing assistance in the form of site and services and upgrading programs, to enabling strategy for facilitating goods and services needed for housing construction, to sustainable development. All of these policies are still far short of meeting the needs of the urban poor, and most of these policies are "Mapping Out" the urban poor from the market for formal housing. Second, informal housing developments have provided, and will continue to provide for a long time to come, a substantial amount of the Egyptian housing production at a reasonable price for the urban poor. Largely, the urban poor see their housing as a part of social and economic accumulation in

the form of an immediate consumable and an asset as an invested commodity. The urban poor have relied on their own substantial amount of savings and their efforts as a main method of accessing resources to produce their housing and to accumulate the capital needed for future security. Third, houses and the pattern of informal residential areas have gradually improved over time, in a large part through the residents themselves, and through indirect government involvement. It occurred without resorting to formal housing finance or relying on government subsidies. It depends upon what the residents can afford in different circumstances and at a given time. Moreover, the informal mechanisms of housing production within informal residential areas depend upon informal local planning conventions, piecemeal growth and time span, all imposed by the residents themselves through community-based organizations. Fourth, standards are correlated to the residents' resources, either monetary or efforts, or a combination of the two. Standards are defined in informal residential areas to ensure safety, economy, efficiency, and the social aspirations of the residents. Evidence from study areas indicated that no building collapse occurred in the past decade but the contrary is true in the formal sectors within the three cities and elsewhere. Despite the diversity and complexity of informal housing developments, the residents satisfied their requirements within their housing according to their minimum and basic needs at a given time and environment. Fifth, land is considered as a key housing resource. It has been demonstrated that land, especially agricultural land, accessible to a variety of economic opportunities, in close proximity to the various social and services facilities, connected to reasonable transport provision and combined with some sort of property title, speeds up the housing process within informal residential areas. It was demonstrated that semi-informal housing constitutes as high a percentage as informal housing developments in the three Egyptian cities. Sixth, the government cannot cope with the increasing demand for housing by the urban poor through its own action, because of limited resources either in the range of its capacity or funds, or in meeting the rapid increase of population. It is estimated that the expected population in the year 2010 will be around of 80 million. Seventh, official procedures and regulations imposed by the government and professionals have a great influence on the housing process. The more official legislation introduced, the less housing stock was produced, increasing the cost of the final result. The professionals in positions of responsibility are more concerned with their own established interests and personal benefits than to advise on and attempt to influence the machinery of government. Finally, community-based organizations and popular

organizations have a great role in enhancing and solving problems that occurred, immediately creating an internal learning group on participation, for which a concept note was developed and approved by the local municipalities in tackling any problems/dispute that might happen within the locality.

In search for a suitable action to formalize the informal residential development, built upon wider scope of socioeconomic conditions of a given area, the following objectives must be taken into account. First, understanding and response to the objectives of low-income groups in achieving financial and physical integration within urban areas, in order that people can formally determine, participate and act upon their needs and priorities. Second, a reasonable attempt through a proper intervention from the government and other actors in informal housing developments should be made to increase building capacity, personal and local access to resources in a sustainable manner at national and local levels to speed up housing production, and enhancement of the development process. Third, changes in attitude and values of all actors involved should take place leading to proper involvement so that modification of the current housing system and realistic reforms, legalizations and implementation can be achieved. Fourth, various market forces are seen as essential for stimulating growth and competition and for increasing the access for informality either in the field of economy or in the housing process. Fifth, land tenure exists in a range of forms, some recognized (semi-informal areas) and other unrecognized (squatters and ex-formal areas). Hence, there is an emergence of a dual system in urban areas where the indigenous people still strongly uphold their customary system and the informal system, as planners would put it: the formal versus the informal rights on land. Finally, there are diversity and complexity in the level of informality, some areas have legality of tenure and building activities and land subdivision is illegal. Others are quasi-legal such as ex-formal housing areas. Therefore policies of regularization should be adopted taking account the diversity and the complexity of land tenure and building activities.

STEPPING UP

Given the significance of the nature of public/private partnerships in land provision and the housing process, and the mechanisms of housing informality, making common ground is proposed to meet the increasing demand for housing plots for the urban poor and to formalize the existing informal areas.

On the other hand, the living environment of low-income groups

reflects the failure of government in a number of ways. The failure to invest in basic services and infrastructure that would be cost-effective, either by the state or by the community involved, that allows the increase of housing production. The failure to ensure low-income groups can have access to reasonable shelter resources that allow them to house themselves. The failure to provide access to job opportunities allowing low-income groups to enhance their living conditions. The failure to ensure low-income groups has access to participate in taking a decision for their built environment. The failure to introduce a policy of transparency and trust that allows the low-income groups to legalize their land tenure and contribute efficiently in the development process. The failure to ensure that low-income groups can play a great role in enhancing the formal economic system within the country.

The outcome of the above failures is an increase in the level of poverty and acceleration of the spread of informal residential developments by which the urban fabric of most Egyptian cities has distorted and slowed down the development process within the country.

Therefore, the concept of informal housing should not simply be looked on as shelter, but also as a capital asset that shapes people's life chances, and differentiates these chances accordingly. To understand this complexity and diversity, a broad view of how cities, institutions, and social systems work should be investigated. A close look at how people actually are housed should take place, rather than defining the problem around official housing programs and the housing that governments recognize. Housing programs as part of larger complex systems should be closely investigated at top and bottom levels including urban planning, fiscal policy, and socioeconomic structures. A close look is needed at the diversity and complexity of informality either in land tenure and acquisition or in building construction in which the informality concept has flourished. A close look should be taken at how such systems evolve over time, and the ways in which the evolution of housing markets shapes the evolving social opportunities for people.

On the other hand, not only the government is responsible for continuing distortions and deterioration of the urban fabric within cities, but a certain stratum of the society has a share in such distortions. Within this broad context, the prescriptive issues of what "*we*" ought to do are clearly embedded in the context of "*what others want to do*." In this statement, there is a two-way process of actions in different directions that were never intended to be met. This is the cornerstone of the problem. Throughout the previous discussions, the arguments are a combination of public and private efforts within a framework of legality that is a possible way out of the problem of informal housing devel-

opments within a given environment. The study assessed the following major criteria. First, various urban land markets should be established based on various types and diversity of land rights found in informal areas that enable the terms of economic power, efficiency and equity of social nature of a disadvantaged stratum of the society. Another is that there should be a positive response to access for various housing components and associated mechanisms, and to preserve the local housing production that comprises the urban fabric of the informality process. This forms the concrete basis for a more productive relationship between formal and informal sectors by which the various different actors/groups and mechanisms more or less have the opportunity to assert their right and increase their benefit. Finally, there should be a new emphasis on simplifying the current legalization process that enables the integration of the diversities of informal housing areas within the national development process.

Figure (10.1) illustrates three important actors whose contributions were essential for the success or failure of a partnership or in making common ground. This informal cooperation between public, private, and a third sector dramatically varied within the Egyptian context. These variations were the result of the attitude of the various actors involved. Firstly, the state, as an instrumental agent, with its various roles as regulator and facilitator, wanted formally to increase the supply of housing plots to sustain its influence in society, and to ensure the supply of investment to be used for development. Therefore the state was indirectly and directly, through a laissez-faire policy, shaping the illegal markets mechanisms, and helping low-income groups to acquire housing plots legally or illegally in the urban areas. Secondly, the private sectors and professionals were responding to the state action towards the formulation of informal land markets and accelerating indirectly the land delivery systems. They cooperated according to the prevailing environment and market forces. Thirdly, the urban poor as a third party and a main customer for this cooperation were the main beneficiaries from this special relationship, and they played an important role in the success or failure of this relationship. Other parties such as operators, providers, and suppliers were also benefiting and facilitating the land delivery system for the urban poor. This type of relationship should be formalized and enhanced in order to benefit all parties in formalizing, accelerating, enhancing, and improving land delivery and housing systems for the urban poor.

Given the significance of public/private partnership, and its variation with regard to willingness, transparency, efficiency, performance, accountability, and effectiveness, it could be a way for tackling

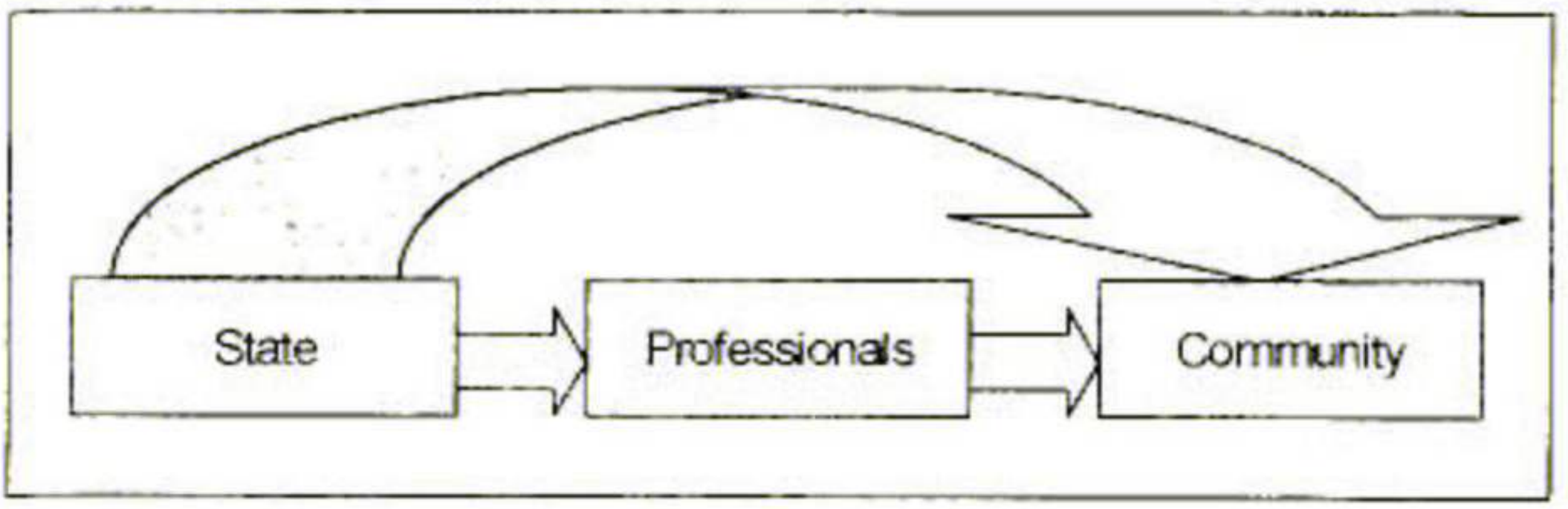


Figure 10.1. Three important actors whose contributions are essential for success or failure of partnership

Source: Author

the problem. Three types of partnership have emerged; direct (overt) partnership which was the act of involvement creating, producing and delivering goods. Second was an indirect (covert) partnership that was the business of ensuring that goods and services were available; this might involve decisions about policy and standards of goods and services, those organizational arrangements, coordinating, financing, enabling and regulating producers and consumers. Third, was a hybrid partnership that was one group with the opportunity to consult the others for their common benefit.

Formal/direct public/private partnership was introduced in the new Egyptian towns. This type of partnership has succeeded in increasing the supply of urban land for housing away from the crowded areas of the Nile Valley. It also provided the basis for a more productive relationship between public, private and third sectors, where transparency and clarity existed. Transparency in the sense that the state was quite clear about the purpose of providing land to accelerate the development process within the new towns, and clarity in that the state had offered land at symbolic prices or at no cost at all, to encourage and stimulate private developers for investments in the new towns. On the other hand, this type of partnership failed to improve the efficiency of urban land markets where it operated in virgin areas where land mechanisms controlled by the central government and the competition with the private developers did not exist. On the other hand, this type of partnership did not improve access to land for low-income groups; rather it improved access to land for the affluent groups. This has created the phenomenon of a needs/demand gap in land provision between what the state can provide and what the market can afford. Therefore this type of partnership did not provide mechanisms through which this gap might be filled. It could be said that formal/direct pub-

lic/private partnership has met some criteria but did not fulfill the others. An appropriate planning strategy in urban management could guide the state's resources for the benefit of all sectors of society. Informal/indirect and hybrid/semi-formal public/private partnership achieved a great success in informal housing areas. This type of cooperation has succeeded in increasing the supply of urban land for housing in the major urban areas, as well as improved access to land for low-income groups and has improved the efficiency of urban land markets within these areas. On the other hand, this kind of cooperation made good progress in providing the basis for a more productive relationship between public, private and third sectors. This basis was crystallized through positive cooperation, which was formulated during the implementation of the upgrading programs in various informal residential settlements.

Throughout the investigation of the three cities, it appeared that public/private partnership had a major effect upon the improvement of the environment of the municipality, in improving understanding of urban management, and finally it facilitated access to financial resources. The effectiveness of the public/private partnerships on the above measures was linked with the land markets and the level of economic development within the country. The more improvement of the land markets, economic development, and urban management, the greater the effectiveness of the nature of public/private partnership (either formally or informally). It has been demonstrated that the formulation of most informal residential settlements were the outcome of improving both the land markets and the enhancement of the economic development. Therefore, facilitating access to financial resources was a key factor in enhancing the relationship between the various actors involved, while the other factors were the result of the former one.

According to the above analysis, some public/private partnerships served successfully (as in the case of *Izbet Il Haganah* and *Hagar Il Nawateyah*) as catalysts and levers in the course of stimulating the stagnant property investment market, while in others circumstances did not help. Careful timing and locations were essential components of success. Stimulating land investment in the context of a depressed market could be useful and effective only when final users' demand was in a bottleneck, because the property market was ultimately a users' market, whatever their class and economic status.

The failure of partnerships between public and private sectors in urban management might be attributed to a wide variety of circumstances; even where private developers could operate, they might fail to do so efficiently, or at all, if first there is a tendency towards monopoly

that is, the land delivery system leads to economies of scale that make it difficult for new entrants to the markets to offer reasonable prices. The second failure is that the necessary investments are so large, or the returns are so uncertain that private sectors are not prepared to undertake them, nor prepared to take a risk. A third failure concerns consumers or operators who have too little knowledge to make informed choices. This sort of situation might arise in the case of special arrangements on land where clients might not be able to reasonably assess the value of options. The fourth failure concerns the lack of knowledge and information about the nature of the target population, market forces, the substantiation sources in the terms cost, value, and price of plots and buildings.

MOVING FORWARD

Socialist policies of the recent era, picked up by so many countries around the world, were the backdrop against which programs of urban management and development were undertaken for the past 50 years or more. International institutions and development agencies tried many development recipes in an attempt to solve the deterioration in urban life throughout the cities of the South. Housing techniques (self-help and self-build), infrastructure extension (sites and services), institutional capacity building, integrating formal and informal housing finance, institutional reform, sustainable development and participatory planning are among the recipes that have been tested with very modest success, if any. One of the most common features to all of these recipes is that we have looked at our urban sector in physical terms, in isolation from other functions that cities perform for their population. Although there were periods of exploration beyond urban planning, social studies being an example, urban planning disciplines remain largely isolated from other key sciences such as economics, law, geography, political science, information technology, and so on.

Today, free market economies are a reality for most people. Like globalization, they create a frightening gap that is dividing the globally enabled from the increasingly marginalized people of the same city. Reform of the real property regime (land included) is a window through which we could look at urban management, at least for some time to come. From the perspective of real property, new insights are gained into the city's functions, relating to the wealth creation dynamics of cities. This window would help us see the role that our cities (in which most housing and economic activity is informal) can play in closing the gap and making the race easier. A functioning real property regime

represents a possible way out for the urban poor. To close the gap between various strata of a society, and improve the economic performance, a new partnership among all sectors in the society is needed. The view of partnership as a cooperation or an arrangement or relationship (whatever the level and the type of partnership), was the result of developments and the functions of capital - whatever the amount and sort- state involvement and the nature of community concerned. Therefore, public/private partnership in urban management is considered as the outcome of capital which is generated by a number of different interest groups and different sources (public and private, whatever their legal form and economic status) utilizing the main collectives commodities within the market (land, labor, material etc., as well as, the legislative process which controls the operation of these commodities) in facilitating and controlling land provision for housing, interacting within the development strategy of the government.

Throughout this study, it has become apparent that without government commitment and goodwill in the form of providing access to basic resources (especially land) and allowing more involvement by the low-income groups in decision making, any action taken would be ineffective in improving land delivery and housing systems for the urban poor. Therefore the improvement of understanding of the current situation of the informal housing development and the associated mechanisms, relating this to the role of government, beneficiaries, and professionals, is a crucial task in the study. In addition, housing delivery systems and their typologies that led to the creation of the informal housing development in Egyptian cities have emerged. Public/private partnerships in land provision for housing the urban poor are questioned to conceive the various mechanisms that facilitated or prevented the development of these areas. In addition, types of partnerships in land provision for housing the urban poor are investigated. The implication of this process is to highlight the various mechanisms of arrangements for urban management.

As illustrated in Figure 10.2, support is required in four key issues. First, the willingness of the state intervention in generating market constraints, a restructuring of the relationship between central and local government and the market is needed. The state's role in production, ownership, finance, marketing and regulation should be "rolled back" and its activities restricted to those of "market enablement." Government is to be a coordinating and facilitating, rather than an interventionist, force. Second, the contributions of the professionals (planners, architects etc.) was seen as being essential in developing a technique by which the land delivery system could be accelerated in reasonable time

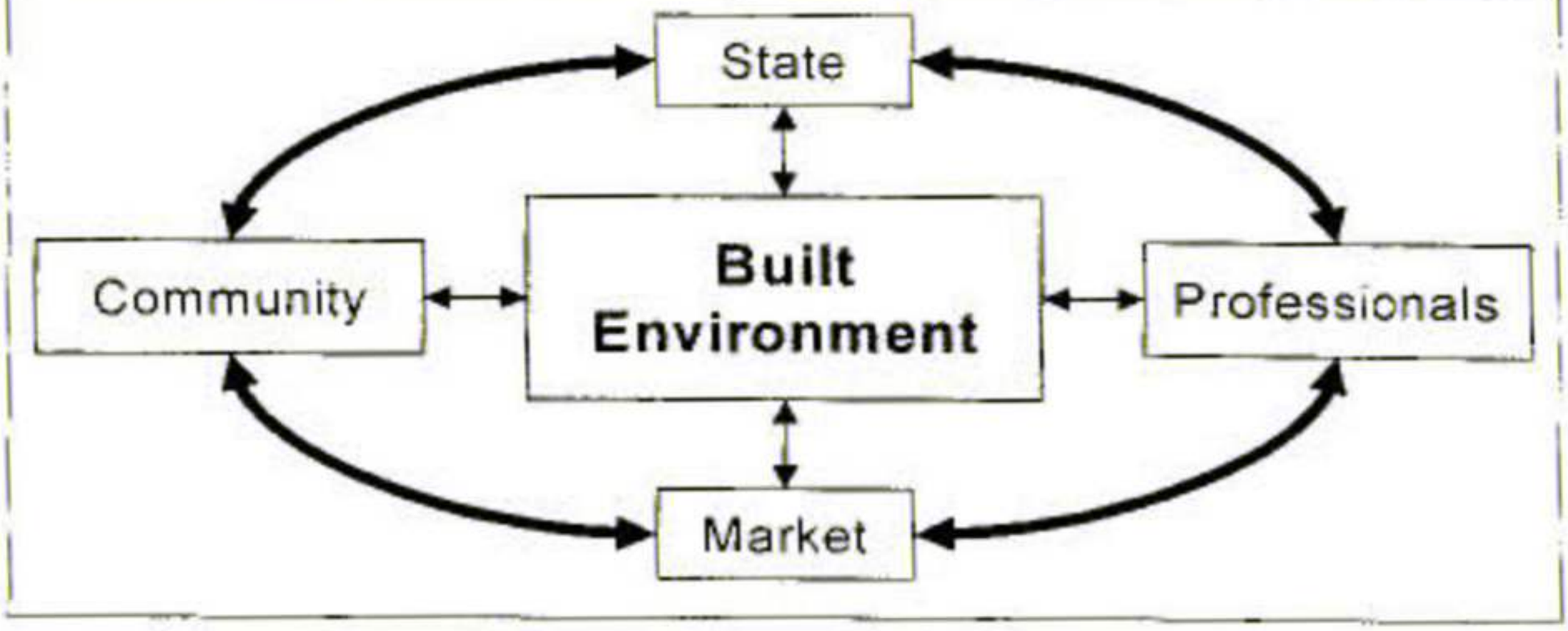


Figure 10.2. Four magnets that are considered essential keys in strengthen the partnership

Source: Author

This contribution could be summarized as follows; reasonable legislative procedures and development control, a realistic cost recovery program of a project in a given area, a better understanding of clients' need, and their culture, wishes, requirements and aspirations, and finally a realistic program for land provision. Third, the need for market mechanisms, which would not waste resources or upset the status quo of informal residential areas should be created and supported by the government and people concerned. Macroeconomic and sectoral policy reforms are seen as vital for facilitating market forces and for creating the legal, institutional and financial framework for enablement. These market mechanisms should measure the various housing types and diversity of land titles. First, semi-informal housing which relates to residential areas developed without sanction. The land tenure is quasi-legal, land subdivision is illegal, land transfer is illegal and building activity is illegal. Second, squatter settlements, which are encroachments on public land, in which the land ownership and tenure is illegal, but the extent or perceived security varies. Third, ex-formal housing, which are areas planned by public agencies/private sectors, but illegally, occurred through new additions to existing buildings or through illegal transfer of tenure/contract. This could be broadly self-financing, installed on an incremental basis, at a price the poor could afford, or which would fit with the residents' other resources. Finally, enhancement of the role of the beneficiaries, community based organizations and NGOs who are the recipients of urban management policy, and they could cooperate with or refuse any policy.

The government has the capacity and capability of creating coop-

eration, which would allow the urban poor and the private developers to contribute in urban management. This cooperation could be achieved through the guarantee of the necessary housing commodities being received by people who are most in need, encouraging small private developers in land commercialization, and finally modifying existing building regulations, enhancing land regularization and reforms to match the plight of the urban poor. The key relationships in partnerships affecting low-income housing are those that develop between people, third sector organizations and the public sector. NGOs and community-based organizations play a key role in mediating between people and the state, while government is the only institution capable of increasing access to reasonable land plots on the scale required. In terms of returns to investment, public/third sector partnerships were likely to yield many more benefits than other sectors. A number of recommendations have emerged from these conclusions about how to strengthen public/private partnerships in urban management. Four magnets; the state, the market (the level of contribution of private developers and public sector in providing affordable, reformable and accessible land plots), professionals, and the beneficiaries were essential keys in strengthening the cooperation.

The four magnets aimed to make the best use of their resources and, at the same time, achieve maximum benefits of their aimed development (whatever this involvement) without destroying the built environment, and are as follows. First, government responsibility for assuring the delivery and providing goods, in the form of land, building materials, and the other associated components of housing production, could take two forms. One way is by separating responsibility for arranging the delivery of goods and services from their actual provision, mainly through the private and informal sectors by removing the obstacles presented by building and planning regulations. The other way is through improved collaboration between official bodies and the private sector as a direct provider for delivering goods that are needed for housing production. Second, attention must be given to strengthen the cooperation between the state, market and people, which enables the three sectors to relate to each other in a mutually supportive ways. This was the aim of partnership. However, the nature of partnership and the balance among the three sectors had to sustain the local environment in ways which would enhance the living environment, not just for the urban poor, but also for the rest of the community. Third, it was not sufficient, however, to strengthen one of the parties in a relationship without also supporting the others. Poor people themselves were best equipped to produce and improve their shelter to a standard they could afford, at

a pace they could sustain, and to a higher level of quality than could be attained by either public provision or commercial development operating alone. In order to encourage low-income groups to obtain land plots as a main component to shelter provision, development assistance was required in three key areas; public/private cooperation, accessibility of various resources either in cash or in kind or both, and the degree of the provision of basic services. The poor could not address these aspects through their own efforts because they lacked the economic and/or political support to develop every aspect of their shelter. Fourth, the professionals' intervention within informal areas could be through legislative procedures, quality and standards of housing and technology, as well as setting up a proper link between the state, private developers and the residents.

An urgent readjustment program should be developed to evaluate and upgrade informal housing areas. An indispensable step is land regularization. To be certain of this, all projects and works must obey existing legislation so that relevant government bodies may approve them. Nevertheless, the sale of property to beneficiary families should also proceed according to principles of social justice. Thus monthly payments should be established with respect to the capacity of each family to pay.

The correct way to tackle informal housing areas is to urbanize them and regularize ownership of the land they occupy, thus formally integrating them into cities. Such actions should take place according to a specific national plan for each type of informal housing area. This plan should have three main goals: physical and environmental recovery, land regularization, and community participation. Such a program should further be implemented by stages, in an organized and progressive way, as resources become available. Such an approach would be national because it would include the whole establishment; and it would be integrated because it would involve physical, judicial, and social aspects. Such an approach to the problem of informal housing areas would optimize the use of public resources and avoid waste. To facilitate community participation, reference group should be formed at the beginning of the program. Participation would then occur at all stages of the process, mainly through periodic meetings with the group and irregular meetings with the whole community.

To implement such an approach, several changes would be required in the orientation of current urban management and development assistance in support of such a system. First, it should establish appropriate financial channels between consumers, private developers, the state, and operators to minimize risk and maximize profit for all parties

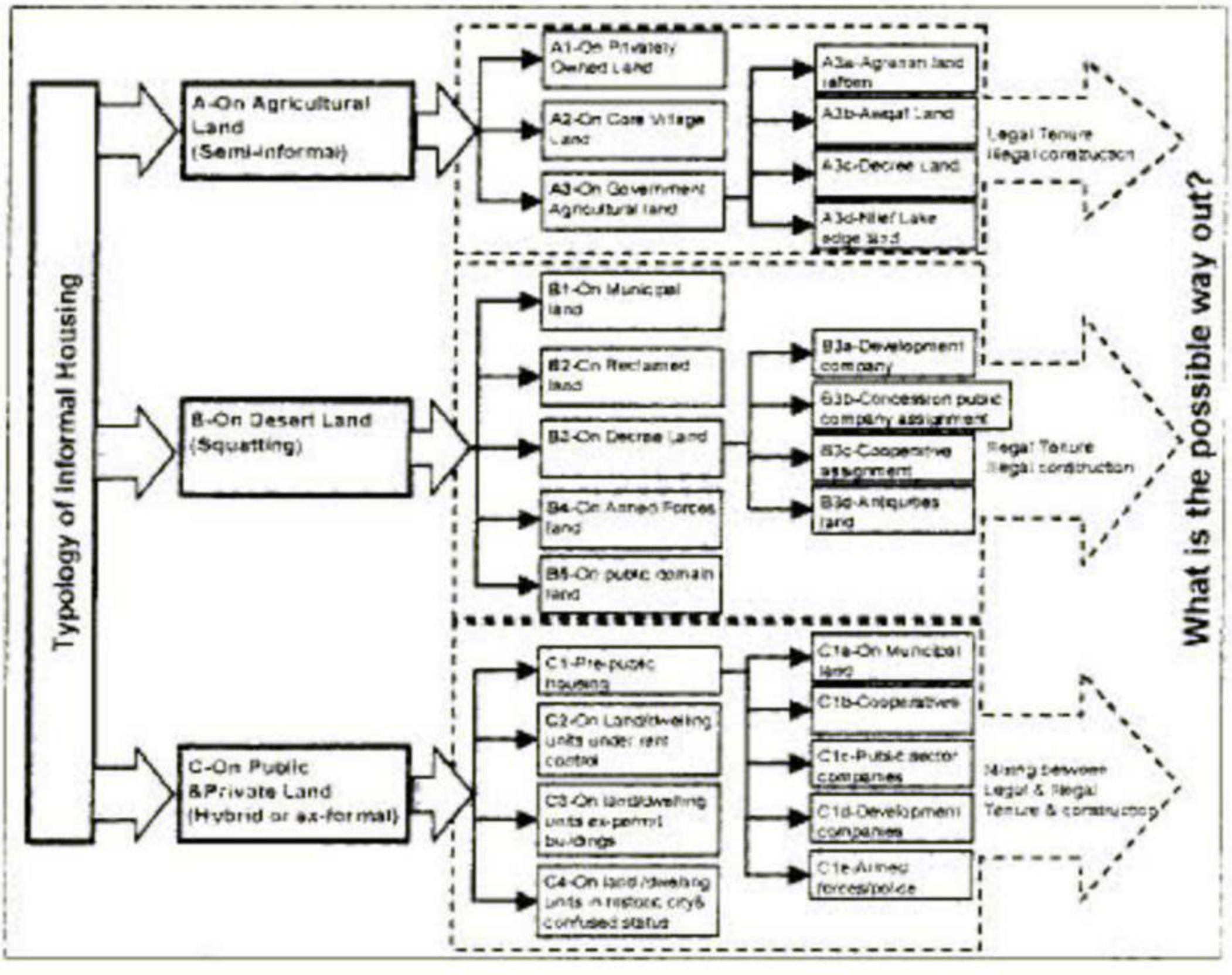


Figure 10.3. Complexity of informal housing typology in urban Egypt

Source: Author

involved. Second, it should consider several diverse housing markets. This requires more comprehensive strategic planning systems which would assess economic development, land market conditions, and the flow of information about land and housing opportunities. Third, it should generate a realistic institutional scenario, redefining the roles and responsibilities of national, sub-national and local government agencies. Finally, it should increase the effectiveness of development assistance to strengthen institutions and forge links between the various parties involved in the land delivery system. The success or failure of efforts to formalize informal properties depends upon the tenure status of the land invaded, the presence or absence of pressure from the landlord, and the strengths of groups backing such actions. Public authorities must pay special attention to the formalization process by facilitating access to official channels for property registration and the installation of services. This process requires recognition of the diversity of tenure types within the "informal" category.

Figure 10.3 shows the complexity of the typology of informal housing in Egypt, where it was grouped into three main types. The first type has legal tenure but illegal construction, the second has illegal tenure and construction, while the third is mixed between illegal tenure and construction. Each type needs special action for formalization. In hindsight, it is possible to see how the government created the situation by which informal urbanization has flourished. Urbanization in Egypt was neither planned, nor integrated with established processes of land regularization. Neither have government practices contributed much to the effective improvement of dwellings in informal areas. Public investment has been largely wasted and the population of informal areas has become accustomed to inadequate patterns of improvement. Even today, many families have no documentation of the land they occupy. Either such land may be listed as local government property, or its private ownership may simply be too difficult to trace. This practice did not contribute to the effective improvement of the condition of houses in the informal areas because inadequate situations were being legalized. Given the significance of the mechanisms of informal settlement formulation and the establishment of a typology of informal housing, and the estimation of the total value of informal housing that constituted around 50 percent of total housing production in Egypt, formalizing housing informality is a possible way of reducing poverty.

CONCLUSION: GUIDELINES FOR FORMALIZATION AND ELIMINATING EX-FORMALIZATION

Several major conclusions can be drawn from the previous discussion. The first of these is local people have intervened positively in facilitating housing development, and their involvement in the housing process has become a major political issue. Since the late 1980s, much of the attention of the Egyptian government had shifted from "*rapid*" to "*participatory*" research and development in which local people maintain significant control over the housing development process. The second conclusion is that government should provide the essentials that the urban poor require but cannot afford, and it should enable them to have access to the major components of housing and simplify the registration of land property. Private developers and NGOs should provide technical assistance by acting as a communication channel between the government bodies and the community. This would increase the decision-making powers of the urban poor they serve, and not their own powers. The role of the community would be through the investment of money and effort by individuals or groups in erecting their own settlements.

There is a growing recognition that participation and development are inseparable, since popular priorities and demands greatly influence the development of effective and flexible enablement. The third is that the value of informal and ex-formal housing constitutes a considerable investment which should be used to promote economic development and the reduction of poverty. The estimated value of this sector of housing in the three cities in the year 2000 was 453.13 LE billion (equivalent to 133.24 billion U.S. dollars). Hence, the urban poor have been able to accumulate fixed informal assets worth the equivalent of the government's budget for five years to come (it is estimated that the government's budget around 90 billion LE in the year 2001, and Suez Canal revenue around 1.8 billion US dollars) (Central Bank of Egypt, 2001). Another is that the research also explored a clear understanding of the mechanisms of informal housing development as a main outcome of a sustainable development through integration with economic, social, and ecological dimensions to which the enablement of various actors is added. Enablement also has a strong social aspect. Building local capacity among poor and socially disadvantaged groups is a key to reaching sustainable urban settlements. The final conclusion concerns the property rights, legal documents and reform and reconciliation that are today's realities to ensure better practices and responsible performance by the government. In terms of access to land, property rights are evolving into the rights of being secure in the place. This means redefining the structure of the state and its responsibilities.

Formalizing informal housing areas is an essential key to improving the operation of urban land markets because the efficient and equitable use of land depends on maintaining a balance between different (and often conflicting) interests in the land market. If left solely to the commercial private sector, land is likely to be held for speculative purposes, or turned over to more profitable commercial projects, such as commerce or high-income residences, at least under the conditions held to be true in most cities in developing countries. On the other hand, if left solely to the public sector, the allocation of land to alternative uses and groups may be no more efficient, probably slower and more bureaucratic, and equally open to corruption and politicization. The role of the third sector in land development is crucial, but acting alone and in isolation, people and their organizations cannot ensure that land and infrastructure across the city as a whole develop in the most rational way. The majority of informal assets are "hidden capital" because they lack value as collateral for securing loans; they are like corporations that cannot issue stocks or bonds to obtain new investment and finance. To become "live capital" these assets must first be formalized so that

ownership can be traced and validated and exchanges can be governed by a legally recognizable set of rules. Formalized titles are crucial to opening the doors to credit in countries such as Egypt (De Soto, 1997, 2000). Government institutions have, for the most part, failed to address the needs of the poor for housing, just as they have failed to meet their other basic needs. Furthermore, whereas original settlers in informal housing areas used their limited financial resources and collective efforts to address their needs, today the situation is different. Despite the current diversity and complexity of informal housing types and subtypes, today's newcomers encounter great difficulties in obtaining housing units or land plots at reasonable cost.

On the other hand, if the government were today to begin to regulate informal housing areas, the urban poor might be able to participate in the development process. This would help reduce poverty for three main reasons. First, in the case of legalization of informal housing areas, it would allow the private developers to construct or speculate on vacant available land, which would increase the housing stock within these areas. Second, if settlers could feel secure in land tenure, additional housing units might be constructed/added, which would offer additional rental housing units for the newcomers. Third, increased investment in housing would enhance the economic situation, which would offer job opportunities for people who are most in need. Government involvement would also provide reliable information about the needs and capacities of such communities, and it might lead to the development of a social delivery vehicle that would value the health of the communities themselves. Sound information and efficient delivery might also save money, both by preventing waste and by ensuring that the outcome would be appropriate to people's needs. This would also conform to the government's requirements and policies.

What can we learn from this study? Local politics and private developers' participation at the community level are linked to national politics, not simply as a reflection of, but also as an agency in, those politics. Every community, planner or project organizer is strongly aware of the political system and of government as a source of resources for people at the grassroots and vice versa. However, people are a resource for politicians and governments. Their potential for the future is huge, and the challenge for the Egyptian community is to ensure the right environment within which a proper partnership can flourish and to recognize the diversity of informal housing types that need to be considered. It is not "*a mere process of working out the possible, but a process of achieving hope.*"

Glossary

BOT	Build. Operate and Transfer
CAPMAS	Central Agency for Public Mobilization and Statistics, Cairo
CBOs	Community Based Organizations
GCR	Greater Cairo Region
GDP	Growth Domestic Production
GNP	Growth National Production
GOPP	General Organization for Physical Planning, Cairo
GSS	Global Strategy for Shelter
EPQ	Environmental Quality International
HUUNC	The Ministry of Housing, Utilities and Urban New Communities, Cairo
ILD	Institute of Liberty and Democracy, Peru
ILO	International Labor Office, Geneva
IMF	International Monetary Fund
MG	Manshiet Guesiha
MDNCHU	The Ministry of Development, New Communities, Housing and Utilities
NCO	New Community Organization
NGOs	Non-Government Organizations
SV	Seigar Village
UNCHS	United Nations Center for Human Settlements
UNDP	United Nations Development Program
USAID	United States Agency for International Development
DFID	Department for International Development

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At least one billion people throughout the world still lack appropriate housing, and billions more live in informal housing settlements. Moreover, the property systems of developing nations exclude the assets and transactions of nearly 80 percent of their population, cutting off the poor from the global capitalist economy. Formal property rights and institutions would provide them with the tools to release and harness the potential locked up in the assets they have accumulated.

Professor Soliman sheds light on the process of housing informality in three Egyptian cities. He also treats the housing issue from the perspective of integrated urban programs as opposed to narrowly defined housing projects and, highlights the task of formalization and integration of informal housing.

The study shows that the three Egyptian cities have been able to accumulate fixed informal housing assets worth the equivalent of the government's budget for five years to come. Unleashing the potential of these informal assets, through formalization, could help the inhabitants of Egypt to show the way to prosperity in the global market economy. The diversity of case material and the specific policy focus make this book an important contribution to the formulation of future urban strategies in the South.

Hernando De Soto is currently President of the ILD in Lima, Peru. He was chosen as one of the five leading Latin American innovators of the century by Tim magazine in its special May 1999 issue.

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