

A shelter of their own: informal settlement expansion in Greater Cairo and government responses

Manal El-Batran and Christian Arandel

SUMMARY: *This paper describes why there has been a rapid growth of informal settlements in Cairo when there was an over-supply of formal housing, and why most new informal settlements develop on scarce agricultural land while large stretches of desert nearby remain mostly undeveloped. The paper also reviews the changes in the Egyptian government's housing and land policies over the last 40 years, including attempts to upgrade informal settlement and to combine upgrading with the development of settlements for middle-income households.*

Manal El-Batran works at the Housing and Building Research Centre (HBRC) in Cairo. Her main interests are in urban land policy and gender issues, and she is developing a course on practicing the incorporation of gender concerns in human settlements development programmes. Christian Arandel works at the Urban Management Programme's regional office for Arab Countries in Cairo.

Addresses: Manal El-Batran, 7 Abbas Hamza Street, Nazlet el Batran, El-Haram 12111, Giza, Egypt, e-mail: mbatran@rcu.eun.eg; Christian Arandel, 3B BahgAt Ali Street, Zemalek, Cairo, Egypt, e-mail: eqi@powermail.intouch.com.

I. INTRODUCTION

CAIRO, THE CAPITAL of Egypt, is situated in a place from where it controls the apex of the Nile Delta at the junction of Upper and Lower Egypt. This helps explain why this site was also chosen by ancient Egyptians, the Byzantine Empire and early Arab conquerors to establish important urban centres. In its present configuration, Cairo comprises the city of Fustat, established in 640 AD, and the city of Al Qahira, established in 969, which gave its name to the present day metropolis.⁽¹⁾

Throughout its history, Cairo has exerted an unrivalled economic, political and demographic supremacy over the rest of the country.⁽²⁾ Today, with approximately 12 million inhabitants, it is one of the world's "mega-cities" and is beset by problems that are similar to most other large cities in the South. Cairo suffers from the burden of supporting a population growing faster than its ability to expand infrastructure and provide basic services. As it expands into agricultural areas to the north and west, consuming 500 hectares of prime agricultural soil every year, Greater Cairo progressively absorbs adjacent villages. It is a very dense city with problems of transportation, inadequate drainage and sewerage, and lack of usable spaces.

Among the most visible manifestations of the challenges posed by rapid urbanization are the informal settlements on the pe-

1. General Organization for Physical Planning (GOPP) and IAURIF (1983), *Greater Cairo Region: Long Range Urban Development Scheme*, Master Scheme, General Organization of Physical Planning, Cairo.

2. UNCHS-Habitat (1993), *Metropolitan Planning and Management in the Developing World: Spatial Decentralization in Bombay and Cairo*, Nairobi.

3. In 1976, Osman Ahmed Osman, then Minister of Construction and owner of Egypt's largest construction company (Arab Constructions) declared, in a self-serving speech, that Egypt needed to build at least 100,000 new housing units to meet the current and future demand. It was later demonstrated that this was not the case and that, in fact, the supply of housing units exceeded the demand. For more details see Milad, Hanna (1992), *Le Logement en Egypte, Essai Critique*, CEDEJ, Cairo.

4. GOPP & IAURIF (1991), *Greater Cairo Region Master Scheme: Implementation Assessment Updating Proposal*, Cairo.

5. Saker, H. (1996), "New urban communities: have they improved the situation of central areas? Greater Cairo region case studies", paper published in the Proceedings of the 20th INTA Annual World Conference: *New Urban Communities: Past Experience and the Future of Cities*, Cairo.

riphery of Cairo. These have developed mostly on private agricultural land and, less frequently, on publicly owned desert land. They show the inability of the state and the private formal sector to meet the demand for land and housing. Even the most efficient housing policies could not have averted the phenomenon but this paper suggests that the government of Egypt's housing policy contributed to making the informal sector the predominant channel for providing shelter to the urban poor.

This is best illustrated by two paradoxes. The first is the spectacular growth of informal settlements which took place in a situation of oversupply of formal housing units. The 1986 census revealed that there were 1.8 million vacant housing units in Egypt and 523,000 in Cairo alone. The second paradox is that spontaneous urbanization occurs mostly on scarce and precious agricultural land while large stretches of desert land located in the immediate vicinity of urban centres remain mostly undeveloped.

However, the first of these paradoxes is explained by the fact that vacant formal housing units are not affordable to most urban dwellers.⁽³⁾ The second is explained by the efficiency of the informal housing sector: those owning or developing private agricultural land have been better able to respond to market demand than the government authorities which controlled the desert land. To better understand how this happened, the paper first reviews how and why the informal settlements developed, with a special emphasis on the government's housing and land policies. Then it assesses the efforts that have been conducted over the past two decades to address the problems posed by informal settlements.

II. ROOT CAUSES OF INFORMAL SETTLEMENT EXPANSION

a. Population Growth

THE GREATER CAIRO region encompasses the city of Cairo, the city of Giza, three secondary cities and a few villages in the governorates of Qaliobia and Giza. Current estimates suggest a population of around 12 million inhabitants - compared to 1 million in 1930, 6 million in 1965, 8 million in 1976 and 10.66 million in 1986.⁽⁴⁾ The total built area of Greater Cairo is 220 square kilometres within a total area of 330 square kilometres.⁽⁵⁾ This makes it one of the densest cities in the world. For instance, its built up area encompasses little over twice the area of the city of Paris proper (which covers 105 square kilometres) but it has a population more than five times as large.

For the country as a whole, the population has grown ten-fold during the last century and a half while the population of Cairo has grown more than thirty-fold. Most of Cairo's physical expansion has occurred on agricultural land located at the periphery of the city. The Greater Cairo region now represents about 22 per cent of the total population of Egypt and 43 per cent of its urban population.

Greater Cairo's rapid population growth rate can be explained both by a rapid natural increase and by rural-urban migration. Between 1935 and 1965, net in-migration accounted for approximately 35 per cent of this growth. Recent census data show a decline in the importance of migration as 80 per cent of Cairo's population growth today arises from natural increase. As a result, Cairo's population now grows at approximately the same rate as the rest of the country.

b. Housing Policy

The systematic involvement of the Egypt's government in the provision of public housing started with the 1952 revolution and the rise to power of Gamal Abdel Nasser. The new government's interest in housing manifested itself in two main ways. The first was a series of laws passed at five-year intervals to reduce and control the rents of housing units constructed after 1944. The second was the state's involvement in the construction of low-cost public housing built on the outskirts of Cairo and in cleared "slum" areas in the centre of the city. From 1965 to 1975, there was a sharp drop in the production of public housing due in part to the priority given to military expenses as a result of a quasi-permanent state of war. As the population continued to increase and urbanization followed, the gap between demand and supply, both private and public, greatly widened.

After 1975, President Sadat engaged the country in a new direction, namely the Open Door Economic Policy (*Infitah*), marked by a greater political and economic opening to the west and a move away from a state controlled economy towards a market economy.⁽⁶⁾ With regard to housing, the government announced that it would only be responsible for the construction of low-income housing, and the private sector would have the primary responsibility for providing housing units to the middle and upper-classes. In addition, the state disengaged from the production of rental housing and maintained the policy of rent control with only minor modifications.

As both the private and public sectors disengaged from the rental housing market, those seeking rental accommodation were denied access to the formal sector. The impact was all the more severe as the private sector catered almost exclusively to the needs of the upper-class. In addition, the rents charged for the public housing built in Cairo during the 1960s and 1970s, and in Cairo and the new towns in the 1980s, were not affordable by the poor. The informal housing market became the only market that was affordable to urban dwellers with low or middle incomes.

Economic changes also had a major role in the growth of informal settlements. Egyptians who worked in the Gulf invested heavily in land and housing, pushing land prices up in the peripheries and making the sub-division of agricultural land for housing increasingly profitable. In addition, informal housing developments were rendered more attractive by strict planning and building regulations which greatly increased the cost of for-

6. Waterbury, J. (1983), *The Egypt of Nasser and Sadat: The Political Economy of Two Regimes*, Princeton University Press, Princeton.

7. Serageldin, M. (1976), *Immediate Action Proposal for Housing in Egypt*, also Cairo University and Massachusetts Institute of Technology (1977), *Low-income Housing in Egypt*, the Joint Housing and Community Team, Ministry of Housing and Construction and Office of Housing; United State Agency for International Development, Cairo.

8. El-Kholei, A. (1991), "The politics of development: the case of the Middle East" presented at the Annual Meeting of the Consortium on Development Studies, Seoul. Korea.

9. See, for instance, Malpezzi, S. (1986), *Rent Control and Housing Market Equilibrium: Theory and Evidence From Cairo, Egypt*, PhD dissertation, George Washington University, Washington DC.

10. These were when the landlord asked the renter to pay for part of the construction costs.

11. See reference 9; also Wheaton, W. (1980), "Housing policies and urban markets in developing countries: the Egyptian experience", *Journal of Urban Economics* Vol.9, pages 242-256; also Barrada, A., W. Wheaton and P. Annez (1980), "Public policy and the economics of housing" in *Housing and Construction Industry in Egypt*, Interim Report Working Papers, the Joint Research Team on Housing in Egypt, Cairo University and Massachusetts Institute of Technology; and Hardoy, Jorge E. and David Satterthwaite (1981), *Shelter Needs and Response. Housing, Land and Settlements Policies in Seventeen Third World Nations*, John Wiley and Sons, Chichester.

12. Allam, Ahmed (1992), "The problems of urban land in Greater Cairo" in *Housing International Conference: Policies and Housing Systems for Low Income Communities*, GOHBPR, Cairo.

mal sector housing. Under law Number 107 of 1976 and law Number 25 of 1992, the formal approval of land sub-division is time-consuming and costly. Abiding by official regulations such as building standards and plot coverage reduced the profit made from housing investments.

A major incentive to evade the law is that it is nearly risk-free. No informal settlement located on private land has ever been forcibly removed. In addition, residents of many informal settlements on private land were able to obtain government infrastructure and services, especially in the period prior to a parliamentary election. Both these factors contributed to an already high level of security of tenure. This does not apply to squatter settlements located on public land where tenure is much less secure.

The United States Agency for International Development financed two studies in 1976 and 1977 which showed that the housing policies at that time, such as rent control and price ceiling, inhibited the production of housing.⁽⁷⁾ And, as El-Kholei showed, it was often high-income government officials and professionals who benefited from rent control because they occupied the accommodation where it applied.⁽⁸⁾ Malpezzi tested the impact of rent control on housing supply and demand.⁽⁹⁾ He designed a simulation model that presented the effect of rent control on housing investments and consumption. This showed that the illegal practice of landlords demanding side payments (or key money)⁽¹⁰⁾ meant that rent control no longer kept prices down. But rent control also discouraged investors from building housing for rent, and constrained tenants' mobility, as those living in properties with controlled rents did not want to leave them. This means that decontrol is desirable but, to avoid chaos in the housing market, Malpezzi recommended decontrolling rent for vacant units and suggested that rents for rent controlled properties be allowed to rise, linked to price indexes. These and other studies recommended reconsidering current housing policies, including rent control.⁽¹¹⁾

A recent attempt was made to remedy the shortcomings of past legislation. Law Number 106 of 1996 was issued to modify areas of the previous laws. It aimed to make it easier and quicker to get a building license; it also reduced fees and gave applicants more rights such as being able to lodge an official complaint if their request was not processed within a two-month period. However, the most significant provision of the new law is the suppression of rent control for all new buildings. Under the law, rent rates and yearly increases have to be set within the framework of a five-year contract between the owner and the renter.

c. Access to Urban Land

A major constraint on housing was the continuous escalation of land prices and, with this, the continuous increase in the relative importance of land costs within the costs of house or apartment-building. The price of land for low-income housing has increased 23-fold between 1960 and 1993.⁽¹²⁾ In the spirit

13. El-Batran, Manal and Ahmed El-Kholei (1996), "Gender and rehousing in Egypt", Netherlands Embassy in Cairo, Gender and Development Unit, Cairo.

of *Infitah*, the government passed Law 43/1974 which dealt with attracting Arab and foreign finance. Private sector companies were the main beneficiaries of such legislation which approved⁽¹³⁾ various tax exemptions on construction for periods varying from five to eight years, tax exemptions of 10 to 15 years for construction and land reclamation projects, and new communities outside the city limits.

Within the context of this law, several land development companies began to operate in the field of housing. Large private companies began to appear again, specializing in constructing housing for upper-income groups, as this was considered the most profitable. To avoid the government requirement that all new housing developments should include units for rent, these were generally developed as condominiums. These companies invested in the construction of middle-income housing and one invested in low-income housing.

The *Infitah* has thus led to sharply rising prices for inner-city land, shortages in skilled labour and an increase in the cost of their wages because many have been attracted by the oil-producing countries.

The increases in construction and land prices, and in wages after the 1973 War, caused a large increase in the prices of dwelling units. A class with a high purchasing power evolved following the return of many workers from the Gulf States and the market responded to their demand for luxurious housing. Most Egyptians could not afford the prices of these units. Urban growth expanded over agricultural land around the cities as the price of land on the periphery was affordable compared to other land in the city. Informal settlements evolved there although with a lack of services and utilities. Desert sites around the cities were illegally occupied and then developed into informal settlements.

Land speculation has an influential role in increases in land prices both in the private markets and in state controlled markets - for instance the sale of publicly owned plots of land which have been connected to basic infrastructure networks (site and services schemes).

III. THE SCOPE AND CHARACTERISTICS OF INFORMAL HOUSING

a. Informal Settlements in Numbers

ESTIMATES OF THE scale and scope of informal settlements vary greatly depending on the definitions and techniques used. A joint construction industry study between the World Bank and GOHBPR in 1981 estimated that approximately 77 per cent of all housing units built within Egypt between 1966-1976 were informal.⁽¹⁴⁾ A study on informal housing in 1982 estimated that informal units represented 84 per cent of all units built between 1970-1981 in Cairo.⁽¹⁵⁾

A 1993 GOPP report⁽¹⁶⁾ estimated that there were 23 informal settlements in the Greater Cairo region with a total population

14. World Bank and GOHBPR (1981), *Construction Industry Study*, Cairo.

15. ABT Associates, Dames & Moor and GOHBPR (1982), *Informal Housing in Egypt*, Cairo.

16. GOPP (1993), *Upgrading of Informal Settlements in Greater Cairo Region*, Preliminary Report, Cairo.

17. Ministry of Local Administration (1994), *The State Policy concerning Informal Settlements Issues*, Internal Report, Cairo.

18. This literally means "random"; *ashwayats* are therefore random or unplanned settlements. This term refers to all types of informal settlement.

19. The term "informal settlement" will be used as a generic term to define all informal settlements. When needed, it will be qualified as occurring on private or public land. It should also be noted that there exists a variety of situations of tenure even in settlements developed on private land where squatter housing can be found.

20. Kadi, G. (1987), *L'Urbanisation Spontanée au Caire*, URBAMA, Tours, France.

21. It must be noted that informal land sub-division also benefits the high-income class. In an attempt to escape the noise and pollution of Cairo, high-income groups may buy luxurious mansions on agricultural land on the periphery of the city.

of about 5.88 million people and an average density of around 685 persons per hectare. The Ministry of Local Administration estimated that, in Greater Cairo, 4.52 million people lived in 171 areas with an average density of 780 persons per hectare⁽¹⁷⁾ (see Map 1). Whereas the development of most of these settlements dates back to the 1960s, most growth has occurred since 1986.

b. Typology and Main Characteristics of Informal Settlements

Several criteria can be used to differentiate between the different types of informal settlements (*ashwayats* in Arabic).⁽¹⁸⁾ Land tenure is the most useful and we can distinguish between squatter settlements on public land and informal settlements on private, legally owned (usually agricultural) land. Illegal occupation of government land is now on the rise because of the rising costs of agricultural land.

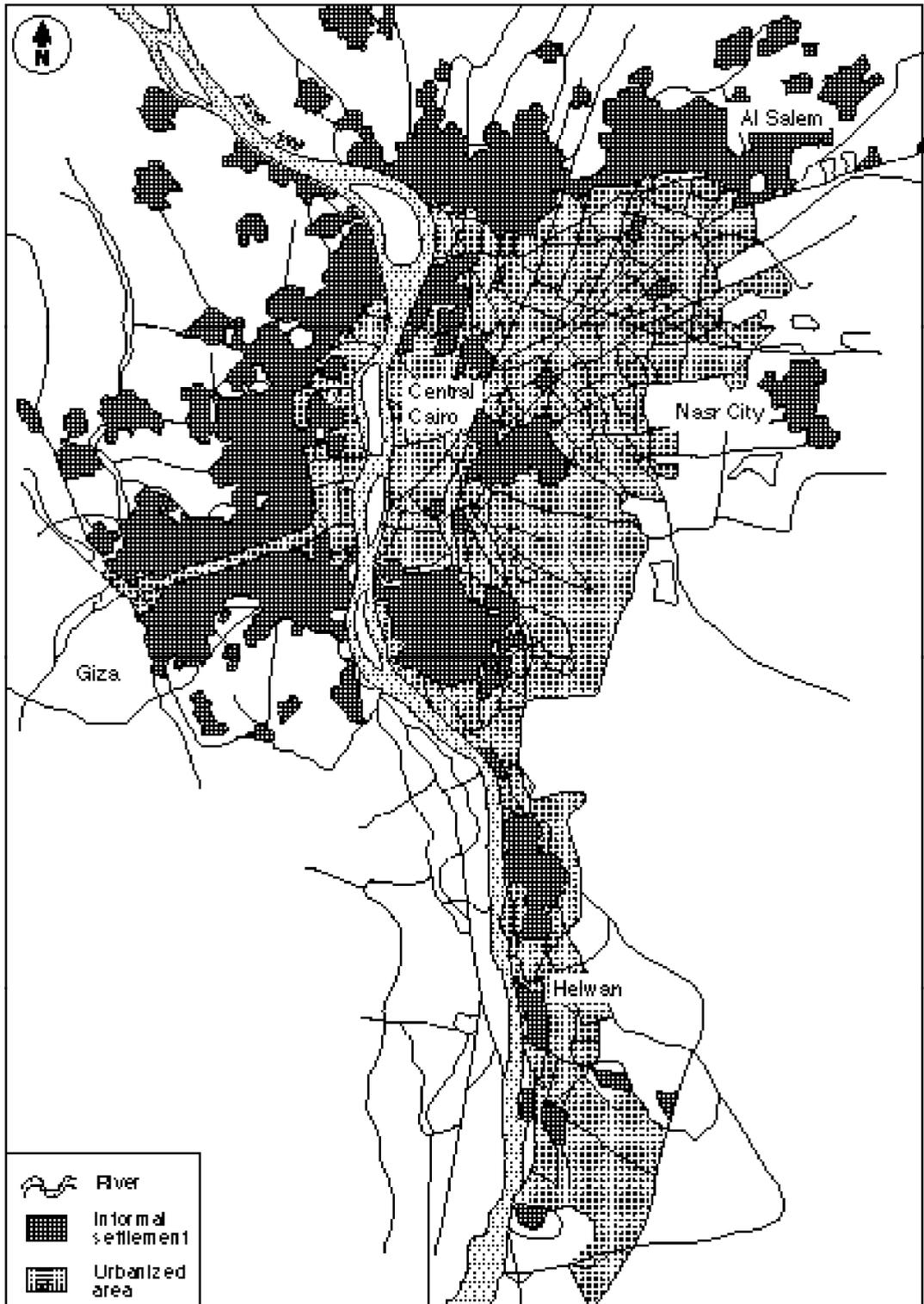
Most informal settlements⁽¹⁹⁾ in the Greater Cairo region have a number of characteristics in common including the progressive and incremental construction of housing by small contractors and owners; the non-compliance with building and planning regulations and the absence of architects; and a lack of facilities, amenities and infrastructure. In addition, residents of these areas tend to belong to lower-income segments of the population and are more affected by unemployment, low levels of professional skills and low levels of education. However, as noted above, the population of informal settlements is socially and economically heterogeneous and living in such settlements should not be equated with living in poverty.

There are also significant differences between settlements built on private land and those built on public desert land. Dwellings built on desert land tend to be of lower quality and rarely rise above two storeys compared to three to five for dwellings on private land. Residents of informal settlements built on agricultural land are from a wider socio-economic spectrum than those living on desert land who tend to be among the lowest-income groups. The latter cannot afford to purchase sites from their legal owners and are "willing" to take the risk of being evicted from their homes. In contrast, informal housing occurring on private land meets the needs of a larger clientele including the lower and upper-middle class which does not have access to an apartment with rent control and cannot afford to rent or purchase a unit produced by private sector production.⁽²⁰⁾ In addition, a trend towards the gentrification of these areas can be observed; it is more marked in settlements that are closest to the city centre and have been provided with infrastructure.⁽²¹⁾

c. The Informal Housing Delivery System

The predominance of informal settlements located on privately owned agricultural land in the Greater Cairo region can be explained by the relatively high level of security of tenure which the squatter settlements do not enjoy. Three actors play a major

Map 1: Informal Settlements in Greater Cairo



Source: El-Batran, Manal and E. El-Kholei (1996), "Gender and Rehousing in Egypt", Netherlands Embassy in Cairo, Gender and Development Unit, Cairo.

role in the process of urbanization of agricultural lands: the owner/sub-divider, the sub-divider and the companies specializing in land division.

The owner/sub-divider is typically a small farmer, most often a man who owns a small parcel of land, sub-divides it and sells it while keeping a portion for himself. The sub-divider is formerly a small landowner who sub-divides part of his land and with the added income buys new parcels for further sub-division. Sub-dividers keep their overall costs low by selling the parcels, without site preparation, and relying on word of mouth to find their customers. The companies buy large areas of agricultural land located on the outskirts of the city, that are subsequently sub-divided into smaller plots without providing infrastructure or services. The companies sell to middle-income urban dwellers - especially migrant workers - by advertising in newspapers and offering advantageous credit conditions. Even though the process is increasingly commercialized, the owner/sub-dividers, who offer the smallest and cheapest parcels as well as the best credit conditions, remain the main actors in this process.⁽²²⁾

22. See reference 20.

Informal developments on public desert land tend to follow the same pattern after the land has been occupied. There are two markedly different ways of seizing government land. The first is collective invasion by tribes, the second is a more commercialized system in which the sub-divider plays an important role. This second way is now much the most common.⁽²³⁾

23. Deboulet, A. (1994), *Vers un Urbanisme d'Emanation Populaire, Compétences et Réalisations des Citadins, L'Exemple du Caire*, Institut d'Urbanisme de Paris, Université de Paris XII-Creteil.

The informal housing development process offers many benefits to the individuals who participate in it. From the perspective of owner/builders, it provides an incentive for saving and investment, allows gradual expansion when the household can afford it, is adapted to family needs and resources, and provides an opportunity to "invest" income into an asset whose value grows. The relatively small scale of the building operations also allows the entry of small and medium size investors and contractors into the housing market.⁽²⁴⁾

24. See reference 20.

From a planning perspective, it could be argued that informal settlements constitute a rational use of limited space as high-density developments guarantee that land is used to its full potential. Informal housing contributes to maintaining a balanced supply:demand equilibrium in the land and housing market. The range of plots, house and apartment sizes offered by the informal system, as well as location and service characteristics of the settlements, represent a much greater variety of options and prices than the formal sector.

25. Durand-Lasserve, A. (1996), *Regularization and Integration of Irregular Settlements: Lessons from Experience*, UMP Working Paper No.6, Urban Management Programme, UNCHS-World Bank-UNDP.

Many informal settlements are the poor's solution to their housing problems. However, at best, they are only an incomplete answer as they greatly limit the poor's access to the city, and with it their potential for social and economic integration.⁽²⁵⁾ The lack of basic infrastructure has a negative impact both on health and on the development of productive activities. Furthermore, informal settlements constitute obstacles to the harmonious growth of cities and are major contributors to the gradual erosion of agricultural production.

IV. GOVERNMENT RESPONSES TO INFORMAL SETTLEMENTS

a. Addressing Informal Settlement Expansion Through Urban and Regional Planning

THE FIRST MASTERPLAN for the Greater Cairo region was completed in 1965. It created industrial poles at Helwan (south of Cairo), Shubra Al-Kheima (north of Cairo) and Imbaba-Giza (west of Cairo), and these received 50 per cent of investment allocated for industry under the first Five-Year Plan (1960-1965). However, these industrial poles further increased the attractiveness of Greater Cairo and helped contribute to a demographic growth that surpassed estimates. To address this problem and the growing seriousness of transport and water drainage problems, a second masterplan was proposed in 1970. It was based on two fundamental objectives: to limit the physical growth of Cairo by giving the city an optimal size and a ring road to contain the city; and to absorb population growth in satellite new towns.⁽²⁶⁾

26. See reference 1.

By 1980, the formulation of a new masterplan became imperative because demographic growth had again been underestimated and the satellite cities were not ready to absorb the excess population. The objectives of the new masterplan were to redefine the urban strategy, to make essential choices regarding investment in urban projects and to progressively establish a permanent regional planning agency.

An updated version of the 1980 masterplan integrates and modifies past policies and projects under implementation. It integrates national policies by recognizing Cairo and Alexandria as the two main urban regions of Egypt, and seeks to control and organize their development while relying on them to promote national economic growth.⁽²⁷⁾ To redirect the rapid urban growth of the Greater Cairo region, the planners set 12 objectives to achieve the overall goals of economic growth and improvement of the living environment. These include:

27. See reference 5.

- protecting agricultural areas;
- improving transport efficiency;
- maximizing the use of existing infrastructure;
- encouraging the deconcentration of population out of the Greater Cairo region;
- providing alternatives to informal settlements; and
- organizing the urban fabric to improve access to public services.

One key element of the two last masterplans was the effort to redirect urban growth away from agricultural land through the creation of new towns and new settlements in the desert. This policy aimed both at creating poles of economic development and providing alternatives to informal settlements.⁽²⁸⁾

28. See reference 1.

b. New Towns and New Settlements

The main difference between new towns and new settlements is that the former aim at spatial redistribution at the regional or national levels and the latter aim at redirecting urban growth within Greater Cairo. New towns can be divided into two categories: independent new towns and satellite new towns. The former are meant to be self-sufficient communities whereas the latter are located in the proximity of large urban centres (mainly Cairo). Satellite towns are only partially autonomous and must rely on the main city for many services. Both types of new towns are part of a strategy for economic and industrial development and many industries have located their operations there. New settlements, on the other hand, serve only to provide housing for Cairo residents and are fully integrated into the Greater Cairo region.⁽²⁹⁾

The new settlements' objective is to learn from informal settlements and emulate them on desert (and therefore public) land. They rely more heavily on the concept of sites and services than the new towns and incorporate core housing schemes. The target population is the people currently occupying spontaneous settlements, namely low and middle-income dwellers who are excluded from the formal housing market. New settlements are located in close proximity to Cairo and allow easy access to the city (see Map 2).

The original concept of creating sites and services was ultimately abandoned and the Ministry of Housing, Utilities and Urban Communities reverted to a more conventional approach consisting of contracting private construction companies to build four to six-storey "low income" units for sale.⁽³⁰⁾ To date, the implementation of the new settlements policy has been very slow as it faced a number of obstacles linked to the choice of sites, the status of the land, and water supply. The government relocated the victims of the October 1992 earthquake in one of these new settlements called El-Katamia on the periphery of Cairo.⁽³¹⁾

New settlements and new towns address the right issues: the problem of urbanization in Egypt is not one of scarcity of housing but one of the control of housing location and land development processes. However, the bias of the new settlements and new towns toward owner-occupied, fully built housing, means that they are beyond the reach of the urban poor.

c. When Planning Falls Short: Upgrading and Regularization of Informal Settlements

Several factors led to the changes in the Egyptian government's attitude toward settlements. The main factor was pressure from international donors which led to the first attempts at upgrading informal settlements. Another form of external pressure came from the implementation of structural adjustment policies which encouraged a redirection of infrastructure investment towards direct support for economic growth.

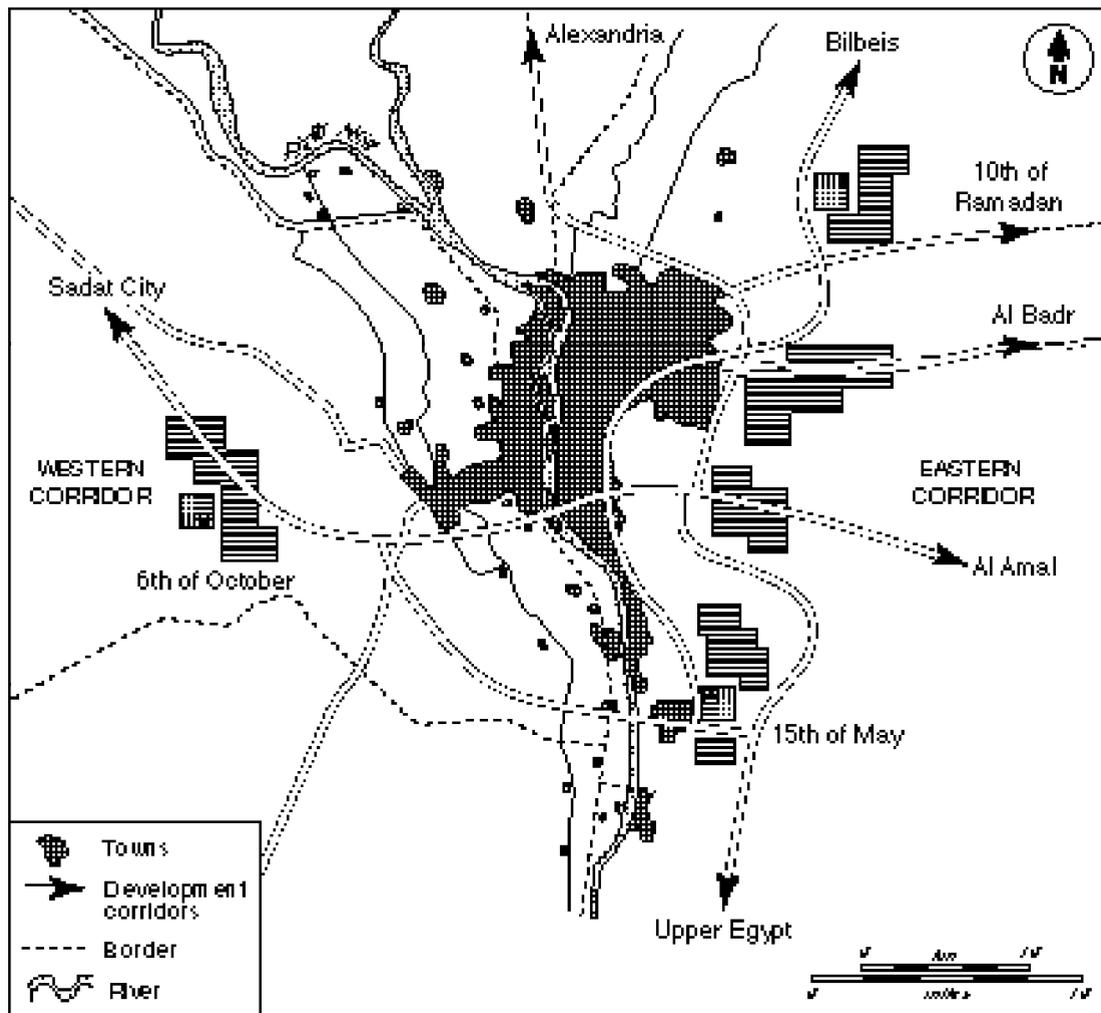
The increased sensitization of government authorities to the needs of residents of informal settlements can also be traced to

29. GOPP, Giza Planner and Danish Group (1982), *Giza Master Plan Study: Urban Growth Considerations*, Cairo.

30. Observatoire Urbain du Caire Contemporain (1993), "Les 'new settlements' du Caire, *Lettre D'Informal*/Vol.33, No.77, CEDEJ.

31. Jossifort, S. (1995), *Villes Nouvelles et "New Settlements": l'Aménagement du Désert Egyptien en Question*, Les cahiers d'URBAMA, pages 29-43.

Map 2: Development Corridors, Satellite Towns and New Settlements in and around Cairo



Source: GOPP, Giza Planner, and Danish Group (1982), *Giza Master Plan Study: Urban Growth Considerations*, Cairo

their willingness to regain control over large areas of the country's cities, especially in Cairo. In the absence of any government intervention, informal communities have organized themselves to provide most basic services such as health care, water and mosques. This effort has been led by organizations with a strong religious affiliation which are a fertile ground for the dissemination of ideology and the recruitment of new converts for fundamentalist movements. In addition, the 1994 catastrophe in Durunka, Upper Egypt, which resulted in 500 deaths and hundreds of displaced persons, served to dramatize the challenges posed by uncontrolled urbanization. The victims of this catastrophe were the inhabitants of an informal settlement which had developed close to an oil depot, on land prone to flash flooding. During the night of November 2, 1994, heavy rains caused

32. Ayeb, H. (1995), "Les inondations de Novembre 1994 en Egypte: catastrophe naturelle ou politique?", *Egypt-Monde Arabe* No.22, 2e trimestre 1995, pages 159-185.

33. Serageldin, M. (1991), *Regularizing the Informal Land Development Process* Vol.1, Office of Housing and Urban Programmes, US AID, Washington DC.

a series of accidents which led to an explosion at the oil depot. The burning oil was carried by floodwater and reached the settlement while residents were sleeping. This tragedy was a direct result of the government's inability to control urbanization even when the most basic safety rules are at stake. The case of Durunka helped to revive the debate on the role and responsibility of the government toward these areas.⁽³²⁾

d. Evolution of the Legal Framework for Upgrading and Regularization

While recognition of the significance of the urban challenge posed by informal areas is recent, attempts at regulating and regularizing them date back to the 1960s. Since 1960, an impressive body of laws, decrees and regulations has been enacted covering every aspect of urban development from master planning and land sub-division to building codes and standards of infrastructure.

However, it was not until 1980 that the regularization of informal land development was identified in Egypt as an official policy which should go beyond the periodic general regularization of past violations. Regularizations have greatly contributed towards increasing the feelings of security felt by informal settlers residing on private land but they did not address the more serious tenure issues faced by squatters.

In the late 1970s and early 1980s, partly as a result of World Bank and US Agency for International Development (US AID) projects, a series of laws and decrees were passed aiming at creating a framework for the regularization and upgrading of squatter settlements. In 1976, a law authorized governorates to sell public land to public companies and private developers and, in 1981, a law gave them the main responsibility for the upgrading of informal settlements. Finally, in 1984, a law provided a framework for allowing the settlers to regularize their situation by buying their plots.⁽³³⁾

There were great discrepancies in the law's implementation between governorates. It was successfully implemented in Alexandria, Ismailia and Aswan but faced greater difficulties in Cairo. By the end of 1987, fewer than 30,000 requests for regularization had been filed, representing about 5 per cent of the estimated number of eligible illegal occupants in the governorate. The law's failure was mainly due to the high prices set for buying the land from the government.

e. Attempts at Regularizing and Upgrading Informal Settlements

By the late 1970s, the government of Egypt, the World Bank and international donors supported various pilot projects in "sites and services" and settlement upgrading - for instance, in Cairo, projects were initiated in Helwan (1978) and Manshiet Nasser (1979), and also in Ismailia (1977) and Nasseriya in Aswan (1986).

These projects represented a drastic shift in government hous-

34. El Messiri, S. (1990), *Proposed Framework for an Integrated Approach to Institutionalization of Community Upgrading and Sites and Services Project* in the Shelter and Urbanization Conference, GOHBPR, Cairo.

35. Arandal, Christian and Manal El-Batran (1997), *The Informal Housing Development Process in Egypt*, DPU Working Paper No.82, University College, London.

36. See reference 23.

ing policy away from supplying complete, high-standard housing units mostly to middle-income groups.⁽³⁴⁾ They encountered resistance from government officials who resented the reduction in the government's role as well as the length of the self-help process and the "unattractive" (i.e. unfinished) aspect of sites and services settlements. A major concern of government authorities was that upgrading informal settlements would be condoning an illegal act and would encourage the development of more informal areas.

These projects met with various levels of success. Where participation by the local population and government was actively sought, they greatly contributed to the integration of residents into the urban network by providing basic infrastructure and social services, and regularizing land tenure. Where a reluctant central government was the main project overseer (as in Manshiet Nasser), they achieved at best the provision of infrastructure. In desert areas, the main source of conflict between government and local populations was over the question of land tenure, with the inhabitants considering the acquisition of land title as a prerequisite to upgrading. Overall, upgrading and sites and services projects conducted in the 1980s failed in their main objective of fundamentally altering Egypt's housing policy. The Egyptian government did not replicate the approach at the national level and resumed its policy of building finished housing units, particularly in the new towns.

It is only in 1993 that a systematic approach to the upgrading of informal settlements was initiated. It was formally launched by President Mubarak in May 1993 when he announced the beginning of the intensification of a national effort to upgrade informal settlements all over Egypt. This shift in attitude towards informal settlements is largely the result of a shift in the overall approach of the government towards the provision of housing. As it is retreating from its role as a housing provider it learned that it would be hazardous to ignore informal areas.⁽³⁵⁾

f. Upgrading through the Provision of Infrastructure

The first large-scale effort to improve infrastructure in Egypt, and particularly in urban centres, started in 1981 when the International Decade of Drinking Water Supply and Sanitation was declared by the United Nations. This effort at improving the country's infrastructure was spearheaded by US AID which, until now, had set aside nearly 25 per cent of its development aid to Egypt for this particular sector. The overriding guiding principle of these projects is that whoever can pay should have access to water. Projects are based on the principle of full cost-recovery and costs can vary greatly according to location and dwelling size.⁽³⁶⁾

A direct consequence of this market based approach to infrastructure provision is that the legality of settlements and overall planning objectives and regulations are put aside. However, squatter settlements do not always benefit from this reform. For example, in early 1981, Cairo governorate issued a decree allowing access to water and sanitation for informal settlements

37. See reference 23.

38. The exchange rate today is around 3.4 Egyptian pounds to \$US 1; during the 1980s, the exchange rate was around £ 1.82:US\$ 1.

39. Gardner, J. and A. van Hyyck (1990), *The Lesson Learned: The Helwan Housing and Community Upgrading Project for Low Income in Egypt*, US AID, Cairo.

40. Shoura Council Report (1994), *Unplanned Housing of Informal Areas*, Arab Republic of Egypt.

41. See reference 31.

42. See reference 40.

but settlements located on public land were not included in the infrastructure layout.⁽³⁷⁾

In the field of local administration, an important development took place as a result of funds from US AID going to the Egyptian government as part of the US agency's decentralization support programme. Sums of US\$ 455.2 million and approximately 125,000 Egyptian pounds⁽³⁸⁾ were allocated to local infrastructure projects and were to be spent mainly by the local governments. The main aim of the US AID grants therefore was to decentralize policies and the provision of infrastructure to the local level.⁽³⁹⁾

The massive programme for upgrading informal settlements initiated in 1993 was seen as a social response to the spread of fundamentalist religious ideology in informal settlements and accompanied the intensification in the repression of terrorism.⁽⁴⁰⁾ A national plan was established for upgrading these informal settlements which included the provision of infrastructure and urban services for all informal settlements.

During the period May-June 1993, 106 million Egyptian pounds was allocated for upgrading programmes, mainly for the provision of infrastructure such as electricity, water supply, sewerage, paving the streets and the banks of rivers and canals, tree-planting and landscaping. The most significant amounts were allocated for electricity and special consideration was given to street-widening, lighting and paving in informal settlements, mainly as a security measure meant to ensure easier control over the concerned areas. However, policy implementation left no scope for community participation in decision-making nor did it include tenure security except when required to justify public investment.⁽⁴¹⁾

Because of political priorities, the programme was only implemented in the ten governorates where the government considered it most urgent to regain political control. Of a total of 904 informal settlements, 343 were selected for the implementation of the first stage of this national programme. The government budget for the upgrading programme for the year 1993-1994 was increased to 401 million Egyptian pounds and it is expected to reach more than 600 million. Clearance was recommended for 25 deteriorating inner-city areas located in Greater Cairo and Alexandria. This programme is financed in its entirety by the Egyptian government without provision for cost recovery, and implementation is carried out by local authorities.

It is clear that the Greater Cairo region is benefiting from the bulk of this effort as Cairo, Giza and Qalyubiah received 43 per cent of the total investment. This is justified by the fact that Greater Cairo contains over 63 per cent of the informal settlement population of the 10 governorates and Giza has the highest proportion of informal population in the country. Accordingly, the first national plan for 1993-2000 recommended the upgrading of 171 areas in the Greater Cairo region. Included in this figure are 16 squatter areas located on valuable land which will be cleared.⁽⁴²⁾

Whereas most of the recent effort at upgrading informal settlements focuses heavily on the provision of infrastructure,

43. Denis, E. (1995), "Le GOPP et l'IAURIF dans grand chantier de la régularisation des quartiers informels du Caire" in *Lettre d'Information de L'OUCC* No.41-42, September 1995.

projects developed recently in El-Munira, Giza, Shuba El Kheima and Qalyubiah offer alternatives to current practices. The proposals jointly developed by the General Organization of Physical Planning and IAURIF represent a significant evolution in terms of how they relate to informal settlements and, more generally, in their planning approaches to the Greater Cairo region. This approach combines the upgrading of informal settlements with the planned developments in desert areas, which are "reserved" for middle-income populations.⁽⁴³⁾

The projects propose to remedy the most undesirable consequences of informal development, mainly the physical segregation of these areas and the lack of infrastructure, but also to take advantage of present opportunities. These projects represent a difficult balancing act between accepting popular city buildings and the reassertion of planning principles and land use regulations. Their success will be contingent on two factors: first, the ability of the government to enforce land use regulations and, second, its capacity to act swiftly in the already entirely built-up areas.

V. CONCLUSIONS

INFORMAL SETTLEMENTS HAVE become the dominant factor in the urbanization process and in the provision of housing for the urban poor. These settlements should not be viewed as part of the country's housing crisis but rather as the urban poor's contribution to its solution. It is a particularly remarkable contribution as, under the prevailing conditions of scarce economic resources and bureaucratic control, neither the government nor the private sector could provide the urban poor with basic shelter.

This paper has sought to show that the magnitude of informal housing development is in part the direct result of failed government approaches to housing and spatial planning policies. The three main reasons for this failure are strict rent control legislation which discouraged formal private investment from this sector, the inability of the public sector to fill the gap by ensuring sufficient housing was available and affordable to the poor, and, lastly, the withdrawal of the government from the rental housing market. The combination of these three factors led to the disappearance of any shelter alternatives for the urban poor other than in the informal sector. Law 101/96 Number 101 of 1996 which suppresses rent control and simplifies the regulatory process is a move in the right direction but it is too early to assess its likely impact.

The disengagement of the state from low-income housing is nowhere more evident than in the new settlements around Cairo where developers are now proposing housing which is geared to the upper-middle income groups.⁽⁴⁴⁾ It is becoming increasingly accepted that new towns and new settlements, which were originally designed to meet the housing needs of the poor, will address the needs of segments of the population which are relatively well-off and can afford to buy a finished housing unit.

44. See reference 36.

The Egyptian government's *de facto* withdrawal from the provision of housing for the poor implies that the poor have to use their own resources to provide a shelter for themselves and their families. As informal settlements play a central role in pursuing national housing objectives, government policy options become limited to after-the-fact actions focusing on the supply of basic services and infrastructure.

The Egyptian policy towards informal settlements is still marked by a number of incoherences. Infrastructure is provided on a market basis in some places and freely in others. Settlements located in areas posing a threat to their residents are connected to water and sewers. *De facto* recognition of an illegal settlement is rarely followed by *de jure* recognition through granting land titles. Meanwhile, official attitudes are more complaisant with settlements located on agricultural land, where they pose a real threat to food security, than on desert land when urbanization of the desert is considered a national priority.

Furthermore, infrastructure provision is only a small part of the answer to the challenges posed by informal settlements in Egypt. In the current socio-economic and policy context there is no doubt that the *ashawayats* will continue to proliferate throughout the country in the foreseeable future. There is nothing that the government can do to stop this phenomenon but there is much it can do to limit its magnitude and its most negative consequences. An important tool at the disposal of the government lies in the vast areas of desert land located on Cairo's periphery. Putting this land at the disposal of the urban poor would go a long way towards limiting the growth of informal settlements in the Greater Cairo region.