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.
FOREWORD

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.

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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, Aya, Yahya, and my mother always help define special perspectives on life and loving that make the usual difficulties of authorship seem much more bearable.