Legitimizing informal housing: accommodating low-income groups in Alexandria, Egypt

Ahmed M Soliman

SUMMARY: *This paper describes the different residential areas within the city of Alexandria and how those with low incomes have to compromise on the size and quality of housing and on the possibility of secure tenure and of improved basic services if they need to be in a relatively central location. It also shows how "semi-formal" housing developments account for much of the increase in the housing stock and the explicit and implicit role of the state in their development and commercialization.*

I. INTRODUCTION

FOR SOME DECADES now, 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 socio-economic characteristics of renters with those of owners.[1] Others examined the process of self-help techniques and the relative autonomy of the self-help construction process[2] and the role of land as an important component of housing construction within squatter areas.[3] The role of the state within this has also been studied[4] 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 informal land markets has also been considered since, in many cities, they provided housing plots more cheaply and in much greater quantities than the public sector and the legal private sector thus providing accessible and reasonably priced land for the urban poor.

Perhaps insufficient attention has been given to what might be termed the semi-informal housing areas.[5] Semi-formal housing is not developed through established and state regulated procedures and does not utilize the recognized institutions of housing and housing finance - but the housing is developed on land for which the owner has legal tenure with a formal occupation permit. This paper is principally concerned with the establishment of such areas, with the transformation and change in their legal status that has taken place and the role of the state

Ahmed M. Soliman is Associate Professor of Architecture at the Architecture Department of the Faculty of Engineering, Alexandria University, Egypt and is a Fellow of the University of Liverpool (Civic Design Department) in the UK. He has worked on informal housing and new towns in Egypt and has published widely on the problems of housing low-income groups in Third World countries.

Address: Architecture Department, Faculty of Engineering, Alexandria University, Alexandria, Egypt. Fax (20) 40 330320.

1. See for instance Gilbert, A. and P. Ward (1985), *Housing, the State and the Poor,* Cambridge University Press, Cambridge; also Gilbert, A. (1992), "Third world cities: housing, infrastructure and servicing" in *Urban Studies* Vol.29, No.3/4, pages 435-460.

2. See for instance Ward, P. (1982), "The practice and potential of self-help housing in Mexico City" in P. Ward (editor), *Self-Help Housing: A Critique*, Mansell Publishing, London, pages 175-208.

3. Angel, S. (1983), "Land tenure for the urban poor" in S. Angel et al (editors), *Land for Housing the Poor*, Select Books, Singapore, pages 110-43.

4. See for instance Gilbert, A. (1984), "Planning invasions and land speculation: the role of the state in Venezuela" in *Third World Planning Review* Vol.9, No.3, pages 225-238; also Castells, M. (1982), "Squatters and politics in Latin America" in H. Safa (editor), *A Political Economy of Urbanisation in Third World Countries,* Oxford University Press, Oxford.

5. See for instance Drakakis-Smith, D. and W. Fisher (1975), *Housing in Ankara*, Occasional Paper No.7 (new series), Department of Geography, University of Durham; also Soliman, A. (1989), "Housing mechanisms in Egypt: a critique" in *Netherlands Journal of Housing and Environmental Research* Vol.4, No.1, pages 31-50.

6. CAPMAS (1986), *Statistical Indicators*, Cairo, Egypt.

in this. What are the main factors influencing this transformation? And what are the methods employed by the urban poor for formalizing their status?

Taking Alexandria metropolitan area as a case study, this paper begins by describing the different urban residential areas within the city and the choices for shelter open to low-income groups. It then describes the different forms of semi-formal housing and the role and reaction of the state. The paper identifies the causes of semi-formal housing and highlights the role of the informal economy in accelerating the process of housing production. It also makes clear the involvement of the state even if, at first glance, the involvement of the state in this kind of housing may appear minimal. Given the major role that semi-formal housing currently has in providing large quantities of relatively low-cost housing in urban areas of Egypt (and many other countries), the state should seek more explicit ways to support it.

II. THE CITY OF ALEXANDRIA

THE PHYSICAL LIMITS to the growth of Alexandria city are confined by the Mediterranean at the front and Lake Maryout at the back. The city extends eastwards but is constrained by agricultural lands which should be safeguarded. The western end is occupied by the harbour and the industrial development at El Dekhila and El Amriyha. The city stretches along the coast for 60 kilometres from its centre and Alexandria accounts for 40 per cent of Egypt's industry as well as being a main summer resort with more than 1.5 million visitors each year.

Alexandria's total population is approaching 4 million (see Table 1) with a population growth rate estimated at 2.8 per cent a year and an urbanized area of 314.4 square kilometres giving an average density of around 11,132 persons per square kilometre. This is very high and there is overcrowding in some areas of the city and an imbalance in the spatial distribution of the population within the city. The central part of Alexandria (the old town and inner-city areas) accommodates 29 per cent of the total population and densities reach 133,464 persons per square kilometre in El Gomrock and 87,559 persons per square kilometre in Moharem Bey.[6] The eastern sector constitutes more than 30 per cent 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 per cent of the city population, in 60 per cent of the City's built-up area.

The highest class residential areas are in the eastern sector, close to and parallel to the coast. South of this area are the middle-class houses and behind the railway track are the informal and popular housing areas (El Dahria, Bacoos, and El Mandra and El Montaza El Queblia) characterized by mixed land uses with poor quality housing especially in the old city (El Gomrock, El Attereen, El Manshia, Moharem Bey and El Mohmoudia Canal). In the southern part of mid-town is a large

Table 1: 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	0.8
1986 (census)	2,917,000	2.8
1989 (estimate)	3,168,000	2.8
1993 (estimate)	3,537,000	2.8
1995 (estimate)	4,000,000	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.

area (El Hadria and Smouhia) which was long neglected. Industry spread into this area resulting in the pollution of the southern residential areas and various land uses not conforming to basic planning principles.

The western sector, the narrowest part of the city which includes the old railway station, contains the main industrial zone and also poor-quality houses for low and lower-income people varying in height from one to five storeys beside a large area of emergency houses. Within the El Amriyha sector, the northern El Agamy area is a tourist and luxury housing area occupied by affluent groups and, in the south, is old Amriyha with industry and informal housing for lower-income groups.

Basic services in the city are relatively inadequate especially the sewerage system. The most recent statistics available (for 1984) showed that 58 per cent of the buildings in the city were connected to the sewage system, 80 per cent had electricity and 76 per cent had piped water supplies.[7] 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 which 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 and is occupied by middle and higher middle-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 Faranhia areas).

A recent survey in two long-established squatter areas (El Dekhila and El Siadeen) and three semi-formal residential areas (Hagar El Nawateyah, Ezbet Abou Soliman and Ezbet Nadi El Sid) provided information on the quality of urban dwellings. In these settlements, housing is constructed primarily to meet their owners' aspirations and within their limited resources

7. Alexandria Comprehensive Master Plan: 2005 (1984), Alexandria Governorate, Alexandria, Egypt.

rather than to comply with building regulations. Table 2 provides information on average family size, persons per room and average number of rooms per flat in the city of Alexandria and in the selected areas.

Table 2: A Comparison between Alexandria City, Squatter Areas and Semi-formal Areas in Family Size, Number of Rooms per Unit and Number of Persons per Room

Area	Date	Average family size (number of persons)	Average number of rooms per unit	Average number of persons per room
Alexandria city	1986	4.9	2.5	1.9
Squatter areas	1988	6.2	1.8	3.1
Semi-formal areas	1991	5.6	2.1	2.5

SOURCE: Data for 1986 from CAPMAS (1986), *Statistical Indicators*, Cairo. Data for squatter areas from Soliman, A. (1985), *The Poor in Search of Shelter,* unpublished Ph. D thesis, Liverpool University. Data on semi-formal areas from Soliman, A. (1992), "Housing consolidation and the urban poor" in *Environment and Urbanization* Vol.4, No. 2, pages 184-195.

8. Rakodi, C. (1992), "Housing markets in Third World cities: research and policy into the 1990s" in *World Development* Vol.20, No.1, pages 39-55; also reference 5, Soliman, A. (1989); and Payne, G. (1984), "Postscript" in G. Payne (editor) *Low-income Housing in the Developing World,* John Wily & Sons, pages 265-266.

9. Drakakis-Smith, D. (1979) "Low-cost housing provision in the Third World: some theoretical and practical alternatives" in M.S. Murison and J.P. Lea (editors), *Housing in Third World Countries,* Macmillan, London, pages 22-30.

10. Angel, S. et al. (1977), "The low-income housing delivery system in Asia" in R.P. Pama and J.H. Degoede (editors) *Low-income Housing - Technology and Policy* Vol.III, Pergamon, Oxford, pages 1177-1218; also Sheng, Y.K. (1989), "Some low-income urban delivery system in Bangkok, Thailand" in *Environment and Urbanization* Vol.1, No.2, pages 27-37.

11. See reference 5, Soliman, A. (1989); also Aina, T. A. (1989), "Many routes enter the market place: housing sub-markets for the urban poor in Metropolitan

III. THE SHELTER CHOICES OF THE POOR

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 has been examined and criticized.[8] In recent research, more complex categorizations of housing production and supply,[9] housing systems,[10] lower-income settlement types or housing sub-markets[11] have been developed. 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.[12]

There are interesting parallels in the evolution of the literature on informal housing and on the informal economy - and, over time, their scale, importance and complex linkages with the "formal" economy and housing production were recognized. For example, in Egypt, informal enterprises may account for 30 per cent of the national output. It is estimated that around 68 spontaneous settlements are located in Cairo with around 66 in Alexandria. In Cairo, there are more than 2 million people employed in these areas - with some 250,000 in Alexandria.

The location of informal residential areas within the city is considered an important feature for the urban fabric and their location and development exerts a powerful influence on the expansion of the city. Most of the informal housing areas are located in the southern part of the Alexandria city, adjoining the industrial zones of the city and close to both the city's ring road and the agricultural areas.

Although there are locational preferences that are linked to 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 or regula-

Lagos, Nigeria" in *Environment and Urbanization* Vol.1, No.2, pages 38-49.

12. See reference 8, Rakodi (1992).

tor (the government) and the consumers (the residents of informal housing areas). The producers or 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 future installation of basic services such as drinking water and electricity supplies.

The residents choose a location taking into account the following factors:

- Access to income-earning opportunities, community networks of security, health and educational facilities.
- The cost of transport in relation to the cost of renting accommodation or purchasing a site and developing a shelter on it.
- 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.
- Security of tenure. The greater the security of tenure the higher the investment in the plot and the greater the level of consolidation within the residential areas.
- Level of provision of basic infrastructure and services such as water, electricity, roads, paths, drainage and waste disposal.
- The future prospect of the locality to be a part of, or within, the city boundary.
- 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 roof top 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 roof tops (in Cairo, there are around 1.5 million). These shelters are usually in areas considered "slum areas" which are located in the city centre or popular districts. There is little possibility of their development in the future and they are expected to disappear over time.

A large proportion of those with very small rooms or "roof top residents" have acquired their housing units either by taking over from their parents (who had the original contract) or renting illegally from the original tenant. Egyptian housing law gives only the parents' son 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 landlord or by the government authority that wished to "develop" the areas. Many conflicts concerning these settlers arise in Egyptian courts. Because of their illegality, sooner or later they will be evicted from their units and they usually move either into squatter settlements or to semi-formal housing areas. This movement is reflecting the internal movement for peo-

ple who are born in Alexandria 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. A lack of maintenance of these areas and the poor condition of extensions informally added to the original buildings[13] have accelerated the deterioration of the housing blocks. Over time, these too are likely to be demolished but the difference with 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 would obtain such a unit.

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 centre 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 in the southern part of the city 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 per cent of the total population of the city of Alexandria live in such areas. 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 some sort of upgrading. Despite the fact that the government might provide some services to such areas, it has never sought to change their legal status. For example, the squatter area in Sidi Beshir district has been a settlement for 30 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-formal 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 mean 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

13. Tipple, G., N. Wilkinson and Nour (1985), "The transformation of worker's city, Helwan" in *Open House International* Vol.10, No.3, pages 25-38.

obtain a good return for 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 change their status from illegal sub-division into a legal and regulated area. This prospect attracts many low-income people to the semi-formal areas because of the likelihood of their tenure status being made legal within a short period of time.

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 the other housing options outlined above including those dynamics that expel low-income groups or limit the possibilities for further growth. As shown in Figure 1, 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 either 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 more secure, more formal housing. Some of the original residents who spend 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 their capacity to afford a better location and dwelling. In addition, it allows the transition from housing as an item of consumption

Figure 1: The mobility of the urban poor to and within the city of Alexandria
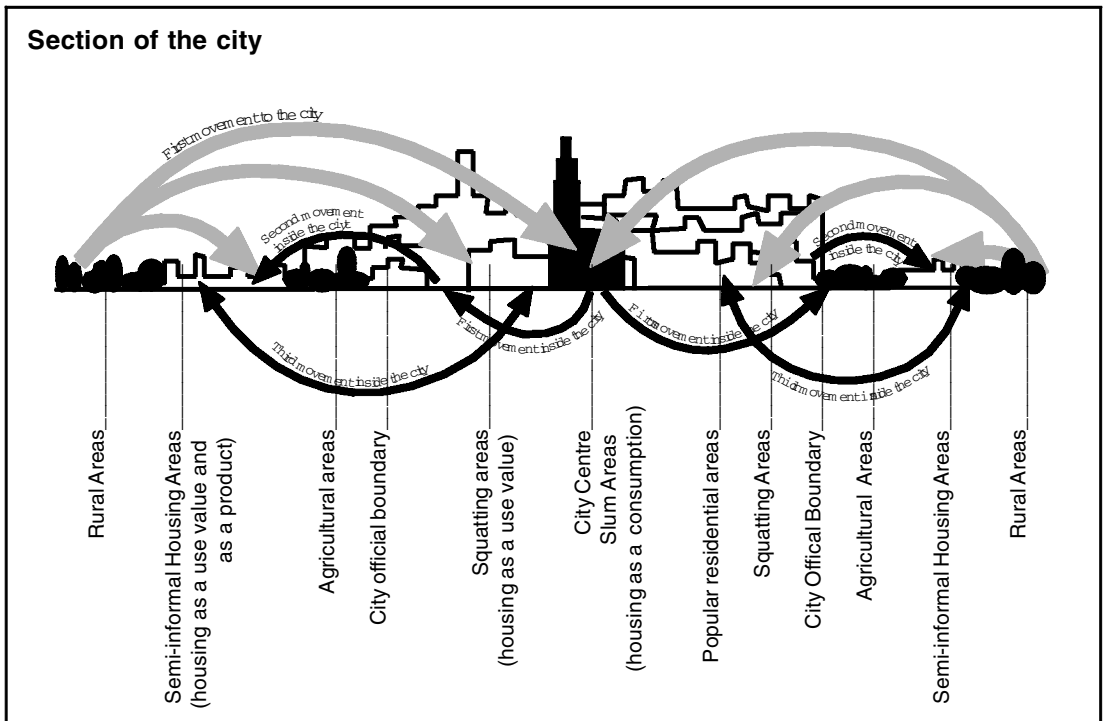
(when they were renting or sharing a dwelling) into a capital asset as they participate in either the formal or the informal housing market. Securing their own dwelling also allows them to invest in it, both improving conditions and increasing its economic value.

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-formal housing area is generally the cheapest way to do this. The residents who are living in semi-formal residential areas believe that the government sooner or later will intervene in these areas and formally recognize the settlement and its housing stock. When moving to a semi-formal housing area, the occupier generally constructs a basic shelter for their own use. Over time, if the occupier can improve their house 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. 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 and a preference for life in the centre of the city.

IV. THE FORM OF SEMI-FORMAL AREAS

THE SEMI-FORMAL settlements are in areas of essentially urban character located on the urban fringe, interspersed with, surrounded by, or adjacent to undeveloped sites or ones with agricultural uses. Semi-formal areas occur at the periphery of expanding urban areas. 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 roads and urban services.

For their inhabitants, semi-formal housing has the advantage of legal tenure with regard to land occupation with formal occupation permits. In many countries, it provides acceptable quality and reasonably priced shelter for a considerable proportion of the urban population. Around half of all housing production in Egypt is in this semi-formal category. Such housing not only increases the housing stock within the country and provides relatively cheap housing but also provides a large proportion of the urban population with an asset in which they can invest. This kind of housing does have some degree of illegality. The housing structures are not developed through established, regulated procedures and those who construct them do not use the recognized institutions of housing. They are usually constructed on agricultural areas which were illegally sub-divided into small plots by the private developers.

Semi-formal areas occur in three major forms. The first is characterized by a scatter of dwellings with a low overall density. This is the least objectionable form of informal housing to many of those in power - although it represents an inefficient use of land and, with regard to an urban layout, a higher density would have been more appropriate (and cheaper to service when services are provided). The second is a hybrid form, composed of segments that are dense and compact within themselves and which extend axially but have undeveloped land within and between them. At the time of development, the hybrid form may be more expensive than the scattered form. A third type is compact development which is the settlement of discontinuous, although usually high density, patches of urban land. The compact form is the type most often studied. This form is the one with the best chance of changing its status and, over time, of becoming incorporated within the formal housing sector.

The government is usually involved in the process of land acquisition within semi-informal housing. In the semi-formal housing areas where the research was undertaken, it was government bodies that initiated their development and this encouraged private developers to sub-divide the land illegally into small plots at a later stage. Land use was changed from agricultural to residential use through a covert role from the government. The inhabitants within such areas usually acquire their land through an informal process of sub-division and informal land commercialization. Hager El Nawatayah, Ezbet Abou Soliman and Ezbet Nadi El Sid are the best examples of such areas in the city of Alexandria.

Land markets within semi-formal housing areas are becoming increasingly commercialized with the financial and ideological backing of the state. This has been seen in many countries through upgrading programmes and the explicit objectives behind the official encouragement of what were previously informal or semi-formal areas have been noted by many scholars. Informal land commercialization within semi-formal housing has the following advantages for the capitalist system. First, land commercialization within semi-formal housing fits with and reinforces the predominance of private property. Owning a land site and a shelter on it gives the household the feeling of a stake in society and encourages social stability. Second, the development of informal or semi-formal settlements also means the expansion of single-family housing and the individual consumption of a variety of household consumer goods. Thus, it has desirable multiplier effects for enterprises that provide mass consumer goods. Third, a part of the commercialization process within semi-formal housing is a form of saving for the households living there. The house construction process often takes so long that when the house is completed, the original inhabitants are often nearing retirement or having to accommodate new arrivals as the children who live with them marry and also start their own families. This keeps down housing costs and the cost of maintaining the retired and unproductive population. Fourth, the development and expansion of semi-formal housing

does not lead easily to the politicization of housing issues. Housing costs are experienced through anonymous market mechanisms and undesirable effects are not obviously seen as the responsibility of particular capital fractions. Finally, the effects of rent controls, the legal difficulties complicating the removal of tenants and the difficulty of dealing with property with frozen rents have made renting an attractive business option. The rising cost of land and the limited supply of reasonably priced land is also encouraging many landlords within semi-formal housing areas to develop condominiums.

V. THE REACTION OF THE STATE

IT IS ARGUED that the state in most Third World countries has both an overt and a covert role within informal or semi-formal housing.[14] This has been facilitated by the rapid growth in self-help housing and the increasing involvement of the state in upgrading or sites and services schemes. Informal or semi-formal housing developments have also been encouraged by improved transport, services and infrastructure provided by the state. They have also been encouraged or at least associated with the state's involvement in urban land markets - for instance with significant amounts of land changing from private to public ownership and back to private. This left the question of land tenure in doubt and encouraged illegal occupation or sub-division. Illustrative of this shift has been the change that occurred in Bombay[15] and Alexandria in the light of the increasingly overt support being given to low-income owner-occupation in the form of semi-formal residential areas.

The state became involved in modifying the housing system and encouraged, or at least were associated with, urban development on the periphery of the urban centres. Public authorities had a central role in the development of semi-formal settlements throughout the various phases of residential growth. Most semi-formal and informal residential areas went through three stages of expansions - scattered, collective and consolidated - and the government had an influence at each of these stages.

Scattered expansion took place when the government erected some buildings for its own employees on the periphery and this was recognized by outsiders as the initial development of residential areas. These residential buildings were constructed on a main road to gain access to infrastructure and services such as electricity, water and sewerage. These attracted other people to develop housing on adjacent plots and they followed the government steps.

Collective expansion began when the main services were developed within or close to informal residential areas thus improving sanitary conditions or when a main road was constructed on the urban periphery. Changing housing systems and a stronger demand for services were increasing the desirability of suburban living. As a result, lower-income groups moved increasingly away from crowded central locations towards less desirable parts of the city and used a different building style.

14. Gilbert, A. (1984), "Planning invasions and land speculation: the role of the state in Venezuela" in *Third World Planning Review* Vol.6, No.3, pages 225-238.

15. See reference 1, Gilbert (1992).

The fact that the public authorities installed various services within a certain peripheral area gave the impression that these areas would be developed as residential areas in the not too distant future. As a result, while some government sponsored expansion of the peripheral areas took place, more private buildings were built on vacant plots close by. As demand for housing grew, the peripheral areas became the main means by which low-income groups could acquire land for housing. The scale of such expansion in different settlements has varied greatly in Alexandria - much influenced by the level of public transport linking the settlement to zones of employment.

Consolidated expansion generally has two stages. The first is when the settlement becomes recognized by speculators and more illegal land sub-division takes place and more buildings become established. Demand for apartments grows and small developers/contractors start to build more houses to cater for the newcomers. The informal areas become affordable to low-income groups which encourages people to move out of crowded, inner-city rented flats into a new established residential area. The advantages of the informal areas are relatively low land prices (compared to prices within the urban centre) and the availability of vacant land accessible to various facilities and job opportunities. Both these factors encourage more people and investors to invest in housing construction. This has helped low-income groups change their status from tenant to owner-occupier. The second stage is characterized by vertical expansion. With the increasing price of land, new storeys are added to the existing buildings.

Recently, in Egypt, the government's attitude towards low-income settlement has been diverted in a positive way for national security reasons. The recent terrorist movement in Egypt has encouraged politicians to address the problem of informal housing areas, especially semi-formal 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. 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.

The last change in the way the government intervened within the semi-formal areas has led to a greater understanding within official circles of the land market, the dynamics of change of land use and land prices across different income segments of the market. Land delivery systems found in semi-formal housing areas are seen by government as appropriate to new areas for low-income groups. Government officers became more practical and positive in their belief that the best way to control the spread of semi-formal areas is to guide the process by ensuring that people occupy land that the government wish to see developed rather than by leaving people to squat on land the government does not wish to be developed - for instance, because of the high cost of installing infrastructure. This change of strat-

egy should enhance land delivery systems and become embedded in the specific political, institutional and socio-cultural practices of Egyptian cities.

VI. CONCLUSIONS

THIS PAPER HAS outlined the process of transformation of low-income groups within urban areas in Egypt. It highlights the mobility of the urban poor from the lowest cost shelter to much better quality housing in the form of semi-formal housing units with a good chance of being incorporated as officially recognized residential areas. This housing transformation, however, is becoming more commercialized. It also benefits a number of different interest groups.

The state has played an important role in establishing the semi-formal residential areas on the periphery of the urban centres:

- it has increased the stock of housing, including housing that can be afforded by sections of the urban poor;
- it has encouraged, indirectly, private developers to invest in such housing;
- it has encouraged low-income groups to invest in developing their own housing;
- it has contributed to a more stable social environment; and
- it has not involved the state in substantial expenditure.

It appears that the main task of the government is to provide an environment that promotes competition, efficiency and participation. This allows flexibility and more carefully targeted projects. It also narrows the gap between the supply of services and demand for them.

The state has helped also, directly or indirectly, to increase the number of squatter settlements and semi-formal housing areas on the periphery of cities. These areas became a major component of socio-economic change, providing accommodation for a large proportion of the country's productive workforce and gaining the support of a large proportion of the population. This change in the role of the state is also linked to the economic and debt crisis from which most Third World countries are suffering. The commercialization or commodification of low-income housing processes has become the main means by which housing gets built, enlarged or improved in most cities in the Third World.[16]

Therefore, the planners should facilitate this process and encourage the people to invest their savings in this sector. The enhancement of semi-formal housing areas could encourage spontaneous growth on the periphery of the urban areas and guide private resources so that they are allocated in the right way, in the right place.

16. Amis, P. and P.J. Lloyd (editors) (1991), *Housing Africa's Urban Poor*, Manchester University Press, Manchester.