

# THE RIGHT TO HOUSING, URBAN GOVERNANCE AND ORGANIZATION

*In its last Universal Periodic Review in 2010, Egypt accepted one recommendation on the right to housing and one on the right to participate in public life and politics, but did not receive a specific recommendation on local governance. Egypt has fallen short of achieving the two aforementioned accepted recommendations.*

**THERE IS A LACK OF SECURE TENURE FOR ALMOST HALF OF THE POPULATION.** Statistics show that around 44% of Egypt's population does not have clear legal tenure (Shawkat, 2013), which has rendered many vulnerable to development-based forced evictions. Over the period of 2011 to 2013 over 21 forced eviction operations were recorded without reparations or fair compensation to thousands of evictees (HIC, ND). In one example, the Cairo Governorate, supported by riot police, demolished the homes of almost 1,000 families in Izbat al-Nakhl on 18 February 2014, without prior notice or consultation. A portion of the residents were re-housed, while others were made homeless (EIPR, 2014a).

In September 2014, the Minister of Urban Renewal and Informal Settlements announced that there will be no forced evictions of residents in areas identified for urban renewal. This is a positive development. However, this promise has yet to be enacted in a legal document outlining safeguards against forced evictions.

**Suggested Question: What safeguards has Egypt put in place to protect against forced evictions, and to protect security of tenure?**

**MOST PUBLIC INVESTMENTS AND SUBSIDIES FOR GOVERNMENT BUILT HOUSING DO NOT BENEFIT THE MARGINALISED.** The 2005-2011 National Housing Project (NHP), which was supposed to provide 500,000 subsidized housing units to the poor, has instead benefited lower middle-income to high-income families from specific professional backgrounds (Shawkat, 2014).

The current housing policies have continued the same trend. Of 62,000 subsidized units offered to so-called low-income families during 2014, all were mortgage units which have stipulated rules that have blocked out large portions of the poor and informal workers. For the 52,000 units offered through the 2012-2017 Social Housing Project (SHP), a new amendment to the mortgage law ratified by President Abdel-fattah al-Sisi raised the loan-to-income ratio for low-income beneficiaries from 25% to 35% (EFSA, 2014). This will put tremendous strain on the 40% of the population that lives below the country's upper poverty line. Less than 15% of their already stretched incomes goes to house payments or rent (CAPMAS, 2013). This means that they will be jeopardizing other key aspects of their spending (food, health and education) to be able to keep up with the loan payments.

Egypt also uses an inaccurate legal definition of "low-income" households. According to Article 1 of Prime Ministerial Decree 1864/2008, amending Article 35 of the Mortgage Law 148/2001, low income is a household that has yearly earnings of up to EGP

30,000 (USD 4200), which official statistics show to be households in the highest income quintile (CAPMAS, 2013). This allows higher earners to compete with lower earners for already limited housing support.

Affordability in and of itself is not the only hurdle to acquiring a subsidized housing unit, as qualification for a mortgage is only possible if a beneficiary can prove their income, something two thirds of the workforce cannot do as they work in the informal sector (see Factsheet 5).

**Suggested Question: What are plans for current social housing projects, and how will they guarantee that subsidies are targeted to benefit the poorest brackets of society in a transparent, effective and equitable manner?**

**THE GAP BETWEEN INCOME AND HOUSE PRICES CONTINUES TO WIDEN.** While house prices and rents continue to rise (some real estate developers predict between 25% and 50% this year alone), incomes for poor and extremely poor households have decreased or remained stagnant (CAPMAS, 2013). State-driven commodification of land and real estate is the prime factor for this, as the Ministry of Housing (MoH) owns the largest land bank for urban development and thus controls real estate prices to its benefit. The MoH claims that a portion of these returns goes towards funding low-income housing; however, as discussed earlier, its housing programmes have not benefited the poor for years. Other government agencies own large land banks and benefit from policies that inflate land prices.

Demand for affordable adequate housing thus continues to outstrip supply as Egypt fails to promote a pro poor housing policy and regulate the real estate market. In the absence of such a policy directing both private and public investment towards affordable housing, most investments cater to the top income segments.

**Suggested Question: What measures have been taken to put into effect a pro poor housing policy and to regulate the real estate market?**

**THE GAP BETWEEN INCOME AND HOUSE PRICE INCREASES HAS LED MILLIONS OF FAMILIES LIVING IN INADEQUATE HOUSING.** Over 1.3 million families live in extremely crowded conditions (units of one or two rooms) (Shawkat, 2013), while over 4300 families were made homeless in March 2014 after flash floods ruined their homes (EIPR, 2014b). Building collapses are a regular phenomenon, with at least one building collapse a day (EIPR 2014c).



Government efforts to address inadequate housing, namely the National Plan to Upgrade Unsafe Areas (2009-2017), have fallen short of effecting change as they have relied on a methodology that does not include housing prone to collapse and areas at imminent risk of flash floods, as reported incidents attest to.

**Suggested Question: What are Egypt's plans to upgrade inadequate housing and to address the risks of unsafe houses?**

**THE DISTRIBUTION OF PUBLIC RESOURCES AND SERVICES ARE OVERLY BIASED TOWARDS GREATER CAIRO.** The greater share of formal serviced land intended for housing goes to Greater Cairo, which benefits from around 74% of such land, equivalent to about 28 meters squared per person (m<sup>2</sup>/person). By contrast, the share of formal serviced land for residents in rural governorates in Upper Egypt drops by 2 m<sup>2</sup>/person (Shawkat, 2013). The same phenomenon is seen in the distribution of energy resources. While statistics show that almost 99.5% of Egyptian households are connected to the electricity grid, per capita shares vary inequitably. The per capita share of electricity intended for household consumption in Cairo is 1708 kilowatts per year, around three times the national average (IDSC, 2010).

**THE LOCAL GOVERNANCE STRUCTURE LACKS CAPACITY.** Local governments rely on the Central Government for 80% of their financial resources, yet receive only 11% of the national budget (Shawkat, 2013). This has contributed to the unjust distribution of public resources and services. Local executive bodies lack transparency and legislation does not empower citizens to hold local executive bodies and councils accountable—hindering the realization of the rights of citizens on the local level. This is manifested in many key legislative clauses that give the executive authority the power to make exceptions. For example, Law 10/1990 on “Expropriation for Public Good” allows the Cabinet of Ministers to expropriate private property for projects declared of a “public good” nature without granting property owners the right to appeal.

**Suggested Question: What measures are taken to guarantee the independence and effectiveness of local governance?**

**COOPERATIVE ASSOCIATIONS ARE IMPEDED.** The development and reassessment of the 18,000 cooperative associations, and their 18 million members, is primarily impeded by constitutional and legislative texts (Al-Taawon). Legislation such as Law 28/1984 transformed cooperatives into bodies of central authority, stripping them of their autonomy and role as a decentralized participatory mechanism that promotes the improvement of living standards and economic and social rights. Recent constitutional amendments recognize, protect and support cooperative ownership and guarantee their independence; however implementation mechanisms are yet to be reflected in Egypt's six cooperatives laws. These current laws impede, if not incapacitate the cooperative sector from carrying on its expected role to resolve several livelihood issues, which the state is unable to fulfill and tends primarily to neglect.

**RECOMMENDATIONS**

Recognize and uphold tenure rights of semiformal and informal tenure holders.

Introduce safeguards against forced eviction and mainstream participatory framework for urban renewal and development schemes.

Put into effect a pro poor housing policy based on real estate market regulation in addition to a housing programme with a mix of housing support schemes that address the various needs of the poor and marginalized.

Increase funds allocated to local government and grant them authority to raise and collect local revenues.

Create avenues for free public participation in the decision making mechanisms and institutionalize means of direct participation.

Review constitutional provisions and relevant legislations to support cooperatives and ensure their autonomy from central authority in order to protect the right to freedom of association.

**ABOUT THIS FACTSHEET SERIES**

This Factsheet was prepared by the Urban Reform Coalition (URC) with the support of the Egyptian Center for Economic and Social Rights (ECESR) and the Center for Economic and Social Rights (CESR) in light of Egypt's appearance before the Human Rights Council's Universal Periodic Review in 2014. The 11 factsheets in this series accompany the joint submission on economic, social, and cultural rights in Egypt endorsed by 130 non-governmental organizations and labor unions, and the joint submission on Article 11 of the International Covenant on Economic, Social and Cultural Rights by the UCR.

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