

## Urban Renewal, Social Cohesion and Urban Housing Policies, Incentives and Challenges in North African Cities

Waleed Al Sayyed \*<sup>1</sup>

<sup>1</sup> Al Hussein Technical University (HTU) , Sayedw03@yahoo.co.uk

Received : 14/02/2021

Accepted: 04/04/2021

**Abstract:** Current available research and NGOs' studies reveal that countries in the Maghreb have made progress in developing initiatives to increase the supply of affordable housing. Morocco, Tunisia and Egypt have made commitments to the upgrading of derived and slum areas, providing alternative affordable housing, each using a different model. They have developed dedicated housing agencies that conduct planning, fund projects with participation from the private sector. Tunisia was the first Arab country to eliminate slums, restore historic areas, regularise land tenure and ensure basic services to the urban poor. Morocco, which has the most developed affordable housing among Maghreb, and Arab, countries, reduced slums by 65 percent over two decades until 2010. Its national public holding company producing social housing, resettles slum dwellers and develops new towns.

However, despite these initiatives by governments in these countries, this paper seeks answers to questions relating to the inter-relationships between urban renewal, social and economic development programmes and the impact on affordable housing versus the social cohesion/seclusion in urban areas. It poses major questions to examine the impact of urban regeneration and renewal to maintain the urban growth and development under control as opposed to sprawl and the spread of slums and poverty housing in Maghreb countries. It first reviews theories of urbanism in difference to affordable housing and development with association to social and economic parameters. Second, it narrows down the research to a comparative statistic in major Maghreb cities to account for housing for lower and middle income households.

The paper addresses issues of social cohesion and seclusion, land value, economic crisis and urban regeneration and their cross impact on social affordable housing in Maghreb cities by tabulating the results, available from current available research, to arrive at conclusions to answer key questions of this research and far as government and private sectors policies and incentives are concerned.

**Keywords (5 words) :** Urbanism; Urban renewal; affordable housing; social cohesion.

### Introduction: Cities, Urbanism versus affordable housing

The study of cities, urbanism and housing with all it entails is a multidisciplinary subject. It is vast and a never-ending enterprise. Scholars (LeGates, 2011) have suggested that cities can be studied with both quantitative and qualitative research methods, where the former involve analysing data using statistical methods assisted by computer. However, the best results are obtained by combining both methods and triangulate on problems using multiple methods. To better understand a problem relating to urbanism or housing a comparative methodology is often invoked and applied. Moreover, time is an important dimension in an urban study, where in a dynamic city matters change over the years, hence looking at a certain problem within the urban context implies the need to read data in difference to time to be able to put the results into context.

---

\* Corresponding author

Cities also can be distinguished from one another physically and, in essence, as a result of the interaction of multiple intertwined factors, that contribute to their outcome. Therefore, to study cities, the need arises to look carefully in reverse and attempt to disentangle and analyse the effect of each factor separately and as a whole. However, due to the extent to which some factors can affect one city, such a process casts a certain identity upon cities, leaving some cities with a social-laden character, whilst others seem more economical, industrial or political and so on. One of the great contributors to the social dimension in cities is the effect of housing policies, which are often intertwined with political and economical policies. As a result, urbanism, urban sprawl, ghettos, affordable housing, and many other similar terms are often the outcome of studies that focus on the city within its social context.

Segregation in cities is a phenomenon associated with groups (Warner, 2011), often immigrants or less fortunate poor people. It is also a result of poor governmental policies when social housing schemes fail to integrate or merge a social strata within the overall community, hence social housing can become a powerful tool to ‘segregate’ socially and physically. It has also to be noted that seclusion, alienation and economic deprivation can come hand in hand to create social and physical ‘ghetto-cities’ where the majority feel social injustice, inequality, or ongoing struggle for rights. Warner has accounted on the long struggle of the African Americans in New York City and Chicago that has led to the seclusion, urban sprawl and concentrated ghettos in Harlem and the South Side (Warner, 2011: 62). Such historic events, social mechanism and physical outcomes are intertwined and cannot be looked at in isolation from government policies or the overall movement of history in an era.

One major issue in cities is ‘growth’, which planners and urban planners deal with as an agent associated with time that oscillates between the physical limitations of its layout and the expanding demands of its population. However, transportation system in modern cities has become almost the guarantor for future expansion, depending on the ability of road networks to expand and open up for future extension. In this regard, (Burgess, 2011) argued that transport system is more related to the distribution of the population. This in turn leads to the urban sprawl on the one hand, and affects social cohesion, and at times revival of historic quarters can affect to a great extent upgrading projects and sustainable tourism. This in turn has a knock of effect upon heritage related economy and its association with certain groups and jobs.

Social cohesion seems to be tied up with citizen participation, the latter being the key player in every successful housing scheme. However, Sherry Arnstein argues that citizen participation is like eating spinach – everyone is in favour of it in principle, yet there are hidden limits. Armestien quotes Bernard Frieden who provides good case study evidence that citizens often stall needed projects claiming concern for the environment, when they really want to protect their own property and privileged values. (Arnstein, 2011: 239)

The subfield of urban economics is relatively new. Finance and economics are vital to the progression of affordable housing in the city. Yet, despite the novelty of the field of study, it has been playing key part in creating the gap between the governance and policies in the city, its social system, and the urban form. Therefore, (Thompson, 2011: 274) argues that scholars from a specific discipline often feel people trained in the discipline will be the best decision makers. Architect Frank Lloyd Wright had the fanciful vision that a country architect should be the key policy maker at the local level.

### **Urbanism, Urban Renewal and affordable housing**

Housing policies often pursue a variety of goals that reach well beyond the boundaries of shelter. Efforts to regulate housing focuses often on housing conditions, relying on the rationale that the poor constitute threats to public health and to economic development. Therefore, the tension

between the social and economic functions of housing and the constituencies behind each are presented in stark relief in the Urban Renewal policies. The term 'Urban Renewal' came under light by planners and urbanists in the United States during the 20<sup>th</sup> century, who cared about the health and form of cities and sought the solution by means of 'urban renewal. Such term, according to scholars (Hoffman, 2013: 14) meant the government program for acquiring, demolishing and replacing buildings deemed slums.

The importance of housing goes on different levels, emotional, symbolic, and physical. It is argued that the location of where the low income people live, where they are educated, is greatly reflected upon their status in society and upon health as well. (Bratt et al, 2013: 55) argues the connection between poor housing and health, where a study in England shows that residents living in high quality public housing in West London were far less likely to become sick than those living in low quality public housing in East London.

Housing affordability has become recently a common way of pointing to many intertwined difficulties. Housing affordability is seen in contrast with many other problems such as, slum problem, housing shortage, or the housing needs of previous decades (Hulchanski, 2013: 79). Therefore, a household is said to have a housing affordability problem when it pays more than a certain percentage of its income to obtain adequate and appropriate housing. (Stone, 2013: 95) refers to housing affordability as an expression of the social and material experiences of people constituted as household, in relation to their individual housing situations. Affordability is said to express the challenge each household faces in balancing the cost of its actual or potential housing on the one hand and its non housing expenditures on the other, within the constraints of its income.

#### **The Maghreb Cities: Population growth and urbanisation:**

Maghreb countries are highly urbanized with all countries in the region, but Mauritania more than 50 percent urbanized by 2010. Recent urban growth rates have been relatively low (1-3 per cent) and will continue to decline, although the need to accommodate urban expansion remains. Most countries in the region are placing an emphasis on secondary cities and areas outside of the main agglomerations to alleviate the pressure on primary coastal locations. In Morocco, the publicly owned holding company Al Omrane has created four new towns within 5 to 15 km of existing agglomerations to provide affordable, adequate housing to accommodate the growing population. (UN-Habitat, 2012: 3)

#### **Economic role of cities:**

While Libya and Algeria are dependent on oil, Tunisia and Morocco are more focussed on industry and services. Many of the countries have been diversifying their economies with Algeria, for instance, having placed a greater emphasis on fishing, tourism and renewable energy. The government launched a 15 year tourism development plan to attract investments and visitors in desert and coastal cities as well as cultural sites in Algiers, Annaba, Constantine and Oran. In Morocco, the government has undertaken a regional tourism development plan that includes investments in infrastructure and the rehabilitation of the historic medians and other cultural sites. (UN-Habitat, 2012: 3). In spite of the historical concentration of economic activities in coastal cities, there has been a recent trend to develop secondary cities. Tunisia is attempting to draw activities inward by creating competitive techno poles in secondary cities away from the coastal areas and Algeria's regional economic development plans will shift some economic activities from Algiers to secondary cities. (UN-Habitat, 2012: 3). Unemployment tends to be greater in urban areas, while poverty rates tend to be lower than rural areas. Despite relatively high rates of educational attainment, unemployment in the Maghreb region is still high for youth, women and for those with higher degrees, particularly in urban areas. Whereas inequality is relatively low in the region it is often higher in urban areas, especially in large cities.

**Urban Development and Housing:**

The supply of affordable housing has been a serious challenge in the region. Lower income residents are often priced out of the market by rapid increases in land prices and limited access to credit. The situation is complicated further by cumbersome and costly property registration processes that hamper acquiring the legal titles necessary to obtain a loan. As a result, lower income residents are pushed to informal settlement on the urban periphery or in illegal and undesirable locations. In spite of the fact that Maghreb countries have made great strides to eliminate slums through upgrading and resettlement programs, often through partnerships between public agencies and the private sector, there has been a steady growth in informal settlements. (UN-Habitat, 2012: 4).

**Environment and transportation:**

Although most urban residents in the Maghreb has access to water and sanitation, especially in urban areas, water security is an important issue as all countries in the region are water stressed and have withdrawn a significant portion of their aquifer resources. To increase access to water and reduce pollution, countries have implemented such programs as wastewater reuse in Morocco and Tunisia and aquifer abstraction and desalination in Algiers. (UN-Habitat, 2012: 4). The region is a net importer of food and food security is a major challenge as prices have been increasing due to such impacts of climate change as greater evaporation and severe flooding. With reduced levels of precipitation and higher temperatures, it is estimated that agricultural and pastoral productivity will decline by as much as 10 per cent in due course. In an effort to ensure food security, Maghreb countries are trying to increase agricultural productivity with better irrigation, wastewater reuse and desalination. They are also stockpiling food, reducing taxes on grains and providing food subsidies to ensure affordability. (UN-Habitat, 2012: 4).

Energy consumption is relatively low in Morocco and Tunisia, which are net importers, while Algeria is on par with the world average and Libya consumes more than twice the per capita world average. With the increasing demand for energy and associated higher carbon emissions, countries are looking for alternative sources such as solar and wind in Morocco and Tunisia. (UN-Habitat, 2012: 4). The amount of urban solid waste produced has risen and is often deposited in open dumps rather than sanitary landfills. Algeria, Morocco and Tunisia all have national strategies for improving waste management and these include improved waste collection, constructing additional sanitary landfills and rehabilitating open dumps. (UN-Habitat, 2012: 4).

Many urban dwellers depend on public transit systems that are obsolete and overcrowded. In recent years, Tunisia, Algeria, and Morocco have been investing in light rail and subway systems in urban areas. Even through the rate of private car ownership is still relatively low, it is on the rise due to subsidized low fuel costs, especially in Libya and Algeria, and the region's extensive road networks. (UN-Habitat, 2012: 4).

**Urban Governance Systems:**

Maghreb countries have a two tier local governance structure with provinces or governorates at the regional level and municipalities and communes at the local level. De-concentrated offices of central ministries at the governorate level provide the important public services including health, education, and housing. (UN-Habitat, 2012: 4). Governors are appointed and, in some cases, provinces are further divided into districts where chiefs are appointed, local councils are elected and municipal activities focus mainly on the management of services such as streets, paving, lighting, open space and solid waste collection. Reform of intergovernmental fiscal relation to increase local revenue and enhancement of municipal financial capacity are vital to meaningful participation, the improvement of residents living conditions and effective accountability in local government. (UN-Habitat, 2012: 4).

Within the region, women received the right to vote in the 1950s and 1960s, but their participation in politics has been fairly limited. In Algeria, Libya and Morocco, women comprise only 8 to 11 per cent of the lower parliamentary houses, as compared to a world average of 15 per cent. Some governments have been increasing opportunities and requirements for women's participation; in Morocco, for example, there are established parliamentary and local council quota systems. (UN-Habitat, 2012: 4).

### **Migration and remittance:**

With high unemployment rates, with the exception of Libya and Mauritania, the Maghreb countries have been net exporters of workers whose major destinations are Belgium, France, Germany, Italy, the Netherlands, Spain and the USA. (UN-Habitat, 2012: 4). The Maghreb has also been a transit area for sub-Saharan migrants. Recently, Europe has restricted the number of migrant workers quotas and, as a result, migrants from sub-Saharan countries have settled in Oran, Algiers, Tripoli and Benghazi. (UN-Habitat, 2012: 4). The Maghreb region also receives labourers from Bangladesh, China, India and Pakistan as well as refugees from Western Sahara. Remittance inflows to Algeria, Morocco and Tunisia contribute significantly to family incomes. In Morocco, it is estimated that 600 000 households would fall below the poverty line without support from family members abroad. (UN-Habitat, 2012: 4).

### **Informal Urbanization and responses**

Both Morocco and Tunisia have successfully addressed the challenge of informal urbanization through interventions including housing upgrading and the construction of affordable housing. Since the 1980s, Morocco reduced the number of shantytowns and upgraded slum areas by constructing new housing units and providing serviced land. (UN-Habitat, 2012: 97).

In 2003, the government gave the private sector more responsibility for the provision of affordable housing and provided credit to lower income families who have not previously had access to credit. In 2005, the government launched the Cities without Slums programme that upgraded 250 neighbourhoods in 25 cities through a participatory process. It focused on areas with high unemployment, limited access to services and poor housing conditions. (UN-Habitat, 2012: 97).

**Tunisia** has also eliminated urban slums through its programmes (SNIT) and (ARRU) established in the 1980s. SNIT is a government owned company whose production of affordable housing peaked at 15000 units a year during the sixth plan (1982/86). Production has decreased to 1000 from 1500 units per year by 2002. (UN-Habitat, 2012: 100). As of 2004, less than 1 per cent of the population was classified as living in substandard housing and the government's focus shifted to infrastructure improvements and upgrading. In spite of the elimination of slums, informal settlements, particularly in Tunis, remain a challenge and it is estimated that around 30 per cent of housing production is informal. (World Bank, 2003, UN-Habitat, 2012: 100)

**Morocco** view new towns as a key component of its urban strategy to relieve congestion in existing cities and shape urban growth in areas that are experiencing strong urbanisation pressures. Four new towns in Casablanca, Tangiers, Rabat-Sale, and Marrakech, their purpose is to; reinforce the economic attractiveness of growth poles; provide social housing to improve the living conditions of lower income families; develop new urban settlements in coordination with large infrastructure projects and develop touristic areas, recreational areas and green spaces. (UN-Habitat, 2012: 100).

Despite a growing housing shortage in **Libya**, the government has not generated a substantial amount of affordable housing units since the 1980s. Most of the new housing construction has been for high income households including for expatriates from Egypt and Sudan. (UN-Habitat, 2012: 100).

In **Algeria**, the Ministry of Housing and Urbanism launched a slum reduction strategy in 1999 that focused on slum reduction through the rehabilitation of lower income housing the provision of land to house marginalized groups. The government has upgraded infrastructure and regularized land registration in informal settlements. (UN-Habitat, 2012: 100). A parallel urban improvement plan demolished over 12000 precarious housing units from 2006 to 2008. The government also has plans to build 1.2 million housing units, including 340 000 public rental units, to help eradicate the remaining 561 000 precarious housing units.

### **Housing supply and affordability**

The supply of affordable housing the Maghreb is insufficient to meet the demand of lower income households. Supply is primarily constrained by government ownership of land, complicated property registration systems and development regulations that discourage the construction of rental units. (UN-Habitat, 2012: 100).

In **Algeria**, formal private investment in housing has been impeded by the government's inability to release land to meet the growing demand of its cities and provide adequate financing. (World Bank, 2005, UN-Habitat, 2012: 100). A middle income family in Algeria would have to save its household income for about 12 years to afford an average dwelling (Bellal, 2009) and meeting the demand for housing by low and even middle income families has been left to the informal sector. (UN-Habitat, 2012: 100). The current government provides an 80 per cent tax rebate on land sold for housing and a tax rebate that benefit higher and middle income residents. Only 14 per cent of the funding allocated to housing supports activities target the lowest quintile of the population. (World Bank, 2005-A)

In **Morocco**, in spite of the achievement of Al Omrane programmes, the urban housing deficit is still estimated at over a million units (1/3 of the stock). In 2007, 610000 households lived in shantytowns and 450000 households in dilapidated dwellings or un-serviced settlements. The shortage of affordable housing has pushed lower income households to the urban periphery. Over 30 per cent of urban housing construction are located on agricultural land in the urban fringe. In Greater Casablanca, for example, the average density was 71 households per hectare in the city and 21 in the urbanized periphery. (UN-Habitat, 2012: 100).

In **Tunisia**, affordable land development has been inadequate and although the total housing supply has been sufficient, there is an endemic shortage for low income families (World Bank, 2003). Growth of informal settlements is continuing despite the near eradication of slums in Tunisia. The following table shows that formal housing is unaffordable for lower income residents.

**Table 1: Average rent and sale prices compared in 3 cities**

	<b>Tunis</b>	<b>Marrakech</b>	<b>Casablanca</b>
Average rent / m2	USD 11 - 13	USD 10,49 – 12,89	USD 9,37 -12,70
Average sales price / m2	USD 2,100 -4,100	USD 1,994 – 2,489	USD 1,710 – 3,072
National GDP per capita	USD 3,907	USD 2,748	USD 2,748

Source: Global Property Guide

Regionally, access to housing and affordability varies significantly by income category. The top 20 percent of income earners secure housing the private market. The second quintile require access to below market interest rates housing finance that is usually provided by governments to cooperatives and other groups willing to develop their own housing. The third and fourth quintiles access land either through government subsidized programs offering housing units and serviced sites or on the

informal land market. (UN-Habitat, 2012: 102). Young families have been particularly affected by high urban land prices, forcing them to live with their parents or in older more crowded sections of the city. In **Libya**, men are delaying marriage until they can find an adequate apartment. (Slackman, 2007)

## Conclusion

It is notable that research points out that the Maghreb countries are more than 50% urbanised, and have slowed in their urban growth rates. Current urban policy focuses on diversifying their economies, linking major urban areas and planning to redirect growth to secondary cities, with agriculture as the main base for Morocco and Algeria. The Maghreb countries have made significant gains in reducing the number of urban households living with shelter deprivations. The high demand for housing infrastructure and urban management systems in key cities has stressed the ability of governments to provide serviced land. In spite of significant progress in regularising the informal settlements that has proliferated in the closing decades of the twentieth century, there is still a significant shortage of affordable housing in most countries. While the private sector has taken an increasingly active role in providing housing for households in the upper-income tiers, there is still a shortage of affordable units for lower income households due to the high rate of family formation. A lack of housing finance mechanisms, except at the highest income levels, has hindered the production of formal housing for lower and middle income households. The global economic crisis of 2008 and the ensuing collapse of the luxury housing market is leading housing developers in the Maghreb to re-examine opportunities for the middle income housing markets. In the Maghreb, middle-to-low income groups tend to live in informal housing.

The study of six cities in Morocco (Rabat-Sale, Casablanca, Marrakech, Fez, Benguerir, and Arrou), relying mainly on available data from the record, particularly the study by UN- Habitat, which surveys major countries and cities in the Maghreb, showed that the lowest income quartile spent 24 percent spent by the upper quartile. (CHF, 2005) 43 percent of household had access to housing credit, both formal and informal. The largest source of funding for home improvements came from savings (approx. 60 percent) followed by family help and a formal loan. Most residents wanted to invest in furniture and household appliances, followed by painting and fixing walls on the floor. (CHF, 2005) Mortgages have been available in **Tunisia** since the early 1980s and in Morocco since the mid 1980s and are becoming more readily available in Algeria. Families who have not participated in the formal finance system and who lack guarantees do not have access to housing finance. (UN-Habitat, 2012: 102). In **Morocco**, since 2002 there has been an effort to increase access to microfinance for housing improvements. As of 2004, 12 microfinance agencies served 403,950 clients, most of whom are women (49 – 68 depending on the organization). It is estimated that there are significant opportunities for growth, as about 50 percent of the urban population are potential users of microfinance. (CHF, 2005) In **Algeria**, where the value of the housing deficit is equivalent to 25 percent of the GDP and loans account for only 1.5 of the GDP the government is targeting low income families and providing them with better access to credit. However, housing finance remains limited. (World Bank, IMF, 2004: 3)

As a result of public policies aimed at affordable rental housing through public ownership and rent controls, private owners of older buildings have delayed maintenance or kept their properties vacant. They have diverted their investments to more profitable sub-markets, such as expatriates. In **Libya**, for example, there was 36 percent decrease in the number of available rentals in 2010, (Colliers, 2010) while rising prices have made the rental market less accessible to lower income residents.

The study shows clearly the effect of government policies upon the quality and in some cases the quantity, hence the availability of housing for low and middle-income families in the studied cities

of the Maghreb. It also shows clearly the effects upon the urban sprawl, which needs to be studied further based on this paper and in light of the data presented and tabulated.

### **Bibliography List :**

1. Arnestein, S. (2011), '**A Ladder of Citizen Participation**' in 'The City Reader', 5<sup>th</sup> Edition, Urban Reader Series, Routledge, London and New York
2. Bellal, T. (2009), 'Housing Supply in Algeria: affordability matters than availability', theoretical and empirical research in Urban Management. Retrieved March 2016.
3. Bratt, et al, (2013), '**Why a Right to Housing is Needed and Makes Sense**' in ' Affordable Housing reader, Edited by J. Rosie Tighe and Elizabeth Mueller, Routledge, London and New York
4. Burgess, E. (2011), '**The Growth of the City: An Introduction to a Research Project**' in 'The City Reader', 5<sup>th</sup> Edition, Urban Reader Series, Routledge, London and New York
5. CHF, International, (2005), Practical Guide for Housing Microfinance in Morocco, Silver Spring, CHF International
6. Colliers International, (2010), MENA Real Estate Overview, Boston, Colliers
7. Hoffman, A., (2013), '**The Lost History of Urban Renewal**' in ' Affordable Housing reader, Edited by J. Rosie Tighe and Elizabeth Mueller, Routledge, London and New York
8. Hulchanski, J., (2013), '**The Concept of Housing Affordability: Six Contemporary Uses of the Housing Expenditure-to-income Ratio**' in ' Affordable Housing reader, Edited by J. Rosie Tighe and Elizabeth Mueller, Routledge, London and New York
9. LeGates, R. (2011), '**How to Study Cities**' in 'The City Reader', 5<sup>th</sup> Edition, Urban Reader Series, Routledge, London and New York
10. Slackman, M, Social Issues Clown their way to centre stage, New York Times, March 12, 2007
11. Stone, M., (2013), '**What is Housing Affordability? The Case of the Residual Income Approach**' in ' Affordable Housing reader, Edited by J. Rosie Tighe and Elizabeth Mueller, Routledge, London and New York
12. Thompson, W. (2011), '**The City as a Distorted Price System**' in 'The City Reader', 5<sup>th</sup> Edition, Urban Reader Series, Routledge, London and New York
13. UN-Habitat, (2005), '**Financing Urban Shelter: Global Report on Human Settlements**, P55, retrieved March 2016.
14. UN-Habitat, (2012), '**The State of Arab Cities 2012: Challenges of Urban Transition**', United Nations Human Settlements Programme, Nairobi, Kenya
15. Warner, S. (2011), '**The American Industrial Metropolis**' in 'The City Reader', 5<sup>th</sup> Edition, Urban Reader Series, Routledge, London and New York



16. World Bank, Cities Alliance (2003), *Tunisie: Evaluation des Programmes de Rehabilitation Urbaines*, Washington D.C., The World Bank
17. World Bank, IMF, (2004), *Algeria Financial Sector Assessment*, Washington D.C.
18. World Bank, (2005). *Country Assistance Strategy Progress Report*, Washington D.C., the World Bank
19. World Bank, (2005-A), '**The Macroeconomic and Sectorial Performance of Housing Supply Policies in Selected MENA Countries: A Comparative Analysis**'. Washington D.C., The World Bank