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THE POLITICS OF LAND-USE CONVERSION IN THE PERI-URBAN AREAS OF THE EGYPTIAN CITIES

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Linkages of rural-urban structures, in both degrees of intensity and typology, are ever changing and consequently changing the interface of the Egyptian urban setting. The dynamics of the rural-urban interrelationships constantly generate different types of powers that have been manipulating the pattern of urban growth as much as articulating distortion and imbalances of the entire urban system. The attributes of the system inputs, for example the nature of land-use policy and tools, determine to a far extent the quality of the outputs that could be epitomized in the accomplishment of the developmental national objectives. On the other hand, expanding the comprehension of the socially and economically-influencing attributes operating in the urban-rural setting, is pivotal in reformulating system inputs that may guarantee a better chance of quality outputs. The objective of this paper is to contribute to the understanding of those influencing attributes and powers operating on the Egyptian rural-urban setting. This attributes underpin the conversion of scarce agricultural-land into urban uses in the peri-urban areas of the Egyptian Metropolitans and large-and-intermediate-size cities. Towards achieving this objective, the research investigates the mechanism of conversion and the nature of the process' stimulators. The employed methodology depended on triple-tire paths: a) repetitive site visits to the peri-urban areas of South-East Alexandria, namely Almadara-Alqebliya and Abeis spanned from January to August 2009. b) Interviews with stakeholders: local residents, local officials, and urban scholars took place in the same time period, and c) desktop review of multiple literatures addressing the subject under investigation. The paper poses and attempts to answer the question of whether there is a potential change in the pattern, pace, and intensity of the agro-land conversion to other uses with the current social, economic, and urban policy context. Answer to this question is meant to constitute a ground for research in the future.

Keywords

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Linkages of rural-urban structures, in both degrees of intensity and typology, are ever changing and consequently changing the interface of the Egyptian urban setting. The dynamics of the rural-urban interrelationships constantly generate different types of powers that have been manipulating the pattern of urban growth as much as articulating distortion and imbalances of the entire urban system. The attributes of the system inputs, for example the nature of land-use policy and tools, determine to a far extent the quality of the outputs that could be epitomized in the accomplishment of the developmental national objectives. On the other hand, expanding the comprehension of the socially and economically-influencing attributes operating in the urban-rural setting, is pivotal in reformulating system inputs that may guarantee a better chance of quality outputs. The objective of this paper is to contribute to the understanding of those influencing attributes and powers operating on the Egyptian rural-urban setting. This attributes underpin the conversion of scarce agricultural-land into urban uses in the peri-urban areas of the Egyptian Metropolitans and large-and-intermediate-size cities. Towards achieving this objective, the research investigates the mechanism of conversion and the nature of the process' stimulators. The employed methodology depended on triple-tire paths: a) repetitive site visits to the peri-urban areas of South-East Alexandria, namely Almadara-Alqebliya and Abeis spanned from January to August 2009. b) Interviews with stakeholders: local residents, local officials, and urban scholars took place in the same time period, and c) desktop review of multiple literatures addressing the subject under investigation. The paper poses and attempts to answer the question of whether there is a potential change in the pattern, pace, and intensity of the agro-land conversion to other uses with the current social, economic, and urban policy context. Answer to this question is meant to constitute a ground for research in the future.

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INTRODUCTION

Although Egypt is historically known as an agricultural country, there has been a huge gap between agriculture food production and consumption since 1974 (ECES 2007). Egypt, currently the world's biggest wheat importer with 36 % of its population below the poverty line (CAMPAS 2007, 2006), witnessed a severe shortage in 2007 and 2008 of subsidized bread - the basic item of the poor Egyptian's daily meals.' Failing to alleviate the intensity of this shortage, the country has become subject to civic turbulences that threaten the stability of the society and the continuity of the ruling regime. What makes the issue dilemmatic is the scarcity of the cultivatable land whereas the hot arid climate has confined agriculture to the banks of the Nile and limiting the chances of expansion for better spatially resource-management. This situation constantly burdens the economy, and challenges the state's capacity for development.

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The nature of the national land-management system is critically linked to the chances of closing the food production-consumption gap which it is severely disturbing the developmental goals of vulnerable Less Developed Countries (Bayat & Denis 2000). Additionally, this system is responsible for adequate provision of urban land for guided growth, and it also observes and controls land use and land use conversion to other uses that concludes in preserving and promoting farmland stock. Hence, examining the attributes of that system is fundamental to assessing its quality and contribution to the development process in terms of consistency with the national policy themes, economic suitability, and feasibility. This research attempts to assess the capacity of the land-management system and correlate its pattern to the distorted form of the urban setting. The research consists of two parts; the first presents the problem of land-use conversion and links it to its contextual factors where the second investigates the process and mechanism by which farmland use is converted to urban uses. The employed methodology depended on triple-tire paths: a) repetitive site visits - spanned from January to August 2009- to the peri-urban areas of South-East Alexandria, namely Almadara-Alqebliya and Abeis. b) Interviews with stakeholders such as local residents, local officials, and urban scholars took place in the same time period, and c) desktop review of multiple literatures addressing the subject under investigation. The paper poses and attempts to answer the question of whether there is a potential change in the pattern, pace, and intensity of the agro-land conversion to other uses with the current social, economic, and urban policy context. Answer to this question is meant to construct a ground for discussion in the future research.

Land management policy in Egypt has been characterized as being an immediate evocation of solutions to the continuously new evolving problems rather than a measure for implementing long-term strategic objectives (CAIEMR 2004). This may explain the changing nature of land-management policy over relative short time periods. These changes are epitomized in three integrated phases which distinctly differentiate the Egyptian land-management policy. The first started in the early 1950s with large-scale land-reclamation projects in areas adjacent to the Delta, which successfully achieved its target by increasing the agro-land area from 5 million feddans in 1952 to 8 million feddans in 1998 (El-Hefnawi, 2005). By the second half of the 1970s, a new strategy based on establishing new industrial cities in hinterlands began to relocate heavy industries supported by infrastructure designated specially for that purpose. Finally, since the early 1990's and based on the relatively disproportionate population-relocation effects, the government has been initiating integrated community-centers in the desert equipped with an elaborate infrastructure and utilities network aimed at sustaining massive relocation. Categorization of land management policy based on the nature of land-use and geographic location distinguishes two major policy approaches: provision of planned, infrastructure-serviced land for public urban uses (site and services), and the establishment of mega agro-urban agglomerations. The first approach manifests itself in two forms: the first is the suburban desert-land agglomerations-and Satellite-towns and the second is the New-cities approach. These policy approaches and forms are further discussed in the following sections of the research.

THE POLITICS OF FARM LAND-USE CONVERSION

The magnitude and the contextual factors

In 2007, the government declared that 1.2 million feddan of precious agro-land were lost to urban use between July 1983 and September 2004. From 1952 until 2007, 3.1 million feddan have been lost to urban encroachment, legal-tenure fragmentation, and geotropism, with an average rate of almost 50000 feddan per year (Alleithy, 2007). Table 1 indicates such pattern of farm land consumption by urban development in Greater Cairo Region" (OCR) from 1968 to 2006 (CAPMAS, 2006).



Picture 1: The infiltration of agricultural lots within illegal new urban settlement North of Cairo. Source: Madbouly (2005).

Period	1968-1977					
	Urban		Rural		Total	
	Hectares percentage		Hectares percentage		Hectares percentage	
Cairo	850	50	-	-	850	29
Giza	640	38	560	44	1200	41
Qalyubia	200	12	700	56	900	30
Total	1690	100	1260	100	2950	100

Period	1977-1982					
	Urban		Rural		Total	
	Hectares percentage		Hectares percentage		Hectares percentage	
Cairo	500	30	-	-	500	17
Giza	775	46	640	50	1415	48
Qalyubia	410	24	640	50	1050	35
Total	1685	100	1280	100	2965	100

Period	1982-2002					
	Urban		Rural		Total	
	Hectares percentage		Hectares percentage		Hectares percentage	
Cairo	580	30	-	-	580	17
Giza	820	42	690	51	1510	46
Qalyubia	530	27	650	49	1180	36
Total	1930	100	1340	100	3270	100

Table 1: Agricultural land consumed by urban growth in GRC region from 1968 to 2002. Source: GOPP, 1983, 2006. Note: 1 Feddan= 1.06 acres or 0.38 hectares.

On the other hand, the incremental rate of the peasants' migration perusing opportunities of better-paid job in urban centers induces the informal expansion of those centers. A comparison of the last three consecutive censuses shows a steady excessive rate of migration from rural settlements to OCR and Alexandria, the two major metropolitans, forming informal settlements on adjacent deserts and on peri-urban agro land (Table 2).

	1996			2006		
	In	Out	Net	In	Out	Net
Cairo	805,196	859,652	54,456	811,329	733,123	78,206
Giza	621,505	196,939	424,566	725,221	266,828	458,393
Qalyubia	291,682	128,094	163,588	301,225	101,432	199,783
Alexandria	276,499	100,964	175,535	220,538	139,237	81,310

Table 2: Rural - Urban Migration between 1996 - 2006. Indices (per 1000 population) Source: Calculated from the 1996, 2006 censuses data. CAPMAS 1996, 2006.

By 1998, informal housing reached 8.5 million housing units with a total investment of \$ 73 billion (ECES, 2000). Housing through the informal subdivision of agricultural land produced 4.7 million units valued at \$ 4.3 billion. At the same time, housing through encroachment on state-owned desert land equaled 0.6 million units and was valued at USD 4.8 billion. Village-housing reached 3.2 million units and were valued at \$ 11.1 billion. These figures indicate the enormity of land-use conversion and the huge capitals invested in this informal market. (ECES, ILD, 2000, 2003, 2004). These figures show also that informal housing on agriculture land outnumber informal housing on desert land. It is also worth noting that the built-up pattern of informal settlements established on agricultural-land can be easily distinguished from those on desert land (Graph 1). The agricultural land tenure pattern imprints the newly formed urban growth pattern (Kassab 2005). Longitudinal agricultural lot borders constitute the interval of new longitudinal streets. The perpendicular borders of the agricultural basins have formed the new perpendicular streets leading to a semi-pattern of perpendicular grid (Image 1).

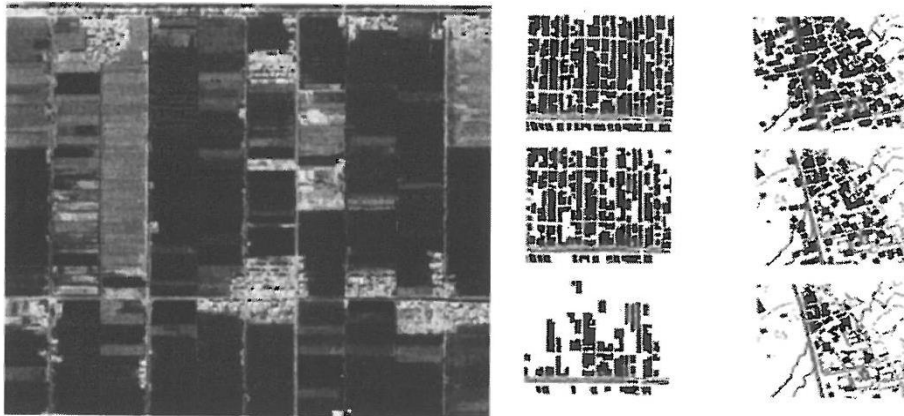


Image 1: Illegal Land-use transformation. Pattern of land tenure - subdivisions influence expansion pattern of urban encroachment. Source: Google Earth 2009.

Graph1: Pattern difference between illegal settlements on agricultural land and desert land. Source: Madbouly 2006.

The most influential contextual factor underpinning the conversion process is of economic nature. The High price of legal urban land coincides with the poor economic capacity of the Egyptian majority implies the key reason for farm land-use conversion. Land price increase is attributed to multiple reasons. First there is the constant land demand for housing which vigorously increases the price of building land within the city limits and on adjacent agro-land as well (Sheng, 2007). The escalated high price of agro-land soon surpassed the revenue gained from agriculture, and consequently, lured farmland owners to desert farming and sell their land aiming at quick gain. Second, in the mid 1970's, the income boom that ensued the Six of October War in the Gulf States and oil-exporter countries attracted many Egyptian laborers to migrate to these countries, who later returned home and invested their savings in purchasing urban land and in constructing private homes. And third is the failure of the state apparatus and land management policy to provide sufficient urban land for housing. As a direct result of the previous factors, land prices exceeded the purchasing capacity of the Egyptian majority. For poorer shelter-seekers, their economic incapacity hinders their upward filtration in the formal housing market and therefore they resort to informal housing on pre-urban agriculture-land that suites their meager disposable income and savings dedicated to be spent on housing commodity."¹

The agriculture sector has always been representing the major source for employment in relation to other sectors and this was true even in the intervals of industrial expansion at the expense of agriculture development. In 2000, 29% of the total work force was occupied in this sector, industry and services employed 22% and employed 49% respectively. GDP - composition by sector agriculture was 17%. (The World Bank 2009.) However, many reasons contribute to urge agricultural labors to abandon cultivation and resort to other economic activities. In the pre-urban areas, and for both the genuinely-settled and the new-comer peasants, the change in the employment nature from agriculture to urban-related activities is usually smooth. With the intensified capital investments in those cities, they are still capable of absorbing more poor and unskilled laborers who keep continue to migrate from countryside and settle on the adjacent peri-urban regions. The emergent need of those laborers to commute to the nearby city -where they occupy low caliber jobs - is met by the development of road networks and the increase in the number of low-cost, privately-

owned, group transportation measures like mini buses and the like.^{lv} However, some exceptions to this pattern exist. On some occasions, decisions are taken to establish industrial establishments, warehouses, junkyards, and wholesale structures on agro-land. Reasons for these decisions were the proximity to large and cheap lots and the adjacency of these lots to the inexpensive labors. In such cases, those projects usually attract, in additions to peasants living around, some of the urban poor population who pursue close-to-the-city shelters but could not afford expensive formal housing. These rural-urban linkages that work as interactions of two-way flows contribute to diminish variances between the rural and per-urban urban interfaces and create "urban villages" or "rural cities" where boundaries between both settings are blurred and hard to define.



Picture 2: Few agricultural lands infiltrated in the illegal urban expansion in the peri-urban areas. Source: Researcher, 2008.

THE PROCESSES OF PERI-URBAN DEVELOPMENT

Managerial

Farm land use change and development is predominantly managed by two conflicting groups, both of whom have contradictory interests and objectives. The first represents landholders, land buyers, land developers, and intermediaries who pursue illegal land use change and establish their strategy on evading counter actions. The second represents state government, including all managerial bodies and law enforcement wings which have an objective of depressing the process of illegal land development through counter strategies and measures. Each group's role shall be discussed further in the second part of this paper. Since the processes interplay and interchange.

Picture 3: Illegal Buildings on previously agricultural land prepared for demolition by authorities Northern East of Alexandria among the two groups, they will be collectively discussed hereinafter.

Farm land use conversion actually commences long before the "physical" development of the land. As soon as a landholder perceives that the expansion of the nearby urban mass is approaching his land, he sets a timeframe for the conversion process with a strategy of maximizing revenue and minimizing the chances of the government's counter actions. Four factors determine and control the conversion timeframe:

- a) The pace and time with which land will be fully incorporated in the urban wave. Landlord does not usually prefer to pioneer the conversion but to wait to observe the government's reaction towards primary attempts of land use change.
- b) The sociopolitical atmosphere that forges the approach by which the administration addresses land abuse violations. The inconsistent enforcement pattern of laws, due to institutional inefficiency and the low profile of urban governance, turns the official response towards land use violations to be unpredictably changeable and, consequently, changes the timetable of the process of land use change set before by land holder.
- c) The current urban legal and illegal land prices determined by market forces of supply and demand. High land prices induce decisions and pace of land use change and land development by the landholder.
- d) The potential increase - or decrease - in land prices due to added or subtractive values by externalities.

The conversion procedures are described in the following consecutive steps:

- Land Desolation: To publically market the land for urban use, the landholder discontinues farming to desertify the land. Farming decline is tracked and counter attacked by the local farming authority. Actions include issuance of land-use violation reports by which landholder is ordered

to resume farming, charged with monetary fines, and threatened with processing in case of incompliance. However, counter actions impact insignificantly on the process and rarely influence the landholder's decision of stop farming. Violation reports often end up in having to pay small fines- in installments - and reconciliation with the authorities without compliance to the land use law.

- Land Purchase: In the case of landholder occupier, where the landholder doesn't have the resources to individually develop his land, or is in no need for housing, the land developer proposes the purchase of the desolate land. In some advantageous locations where profit potential is higher, proposals may be delivered prior to farming decline and are likely to influence development decisions. Once the price is discussed and agreed, the landholder endorses a primary sale contract as a seller. An intermediary, usually called El-khahool ('the fool' in Arabic), is temporarily recruited by the land developer only to sign the contract as a buyer. Simultaneously, another contract of sale is signed by "El-khahool" as a seller and the land developer as a buyer, who remains anonymous in the first contract. Through such a measure, the fool's name only appears as a buyer in the formal transactions and, accordingly, solely undertakes legal responsibility for incompliance of the law. This deceptive measure helps land developer avoid paying income tax or commercial tax in addition to helping him evade potential prosecution. To make this fraud work, the chosen "fool" should be a first time buyer, who has neither registered land tenure nor land lease privileges; preferably, an anonymous person who gains a few pounds for his risky "job". As for landholder -occupier, no role exists for intermediary but landowner is the one who plays the role of land developer. In some cases, in order to elude the legal consequences of his delinquency, the landowner resorts to the "fool" to forge contract of sale just as the one forged by the land developer. Landfill: Landfill is a message - sending action which implies the irreversibility of farm land use change. The land developer, whether landholder-occupier or investor, fills up the land with sand and fine rubble brought from desert locations to raise the land surface level and cover dark muddy soil. In many cases, the upper layer of mud soil is sold as a raw material to nearby red-brick factories which maximizes the process's outcome. Consecutively, the land monitoring authority reissues a land use violation report as a result of which the developer ends up also in paying small fines and reconciliation in the courts of law.

Subdivision: This step is about parceling the land into smaller lots (each ranging from 40 square meters to 100 square meters), and surrounding narrow streets (widths ranging from 3 to 6 meters); demarcation of lots and street uses stone- built, short- wall corners or metal stakes placed on lots boundaries. Upon this step or concurrently, the new lots are placed for sale to land shoppers.

Lot sale: The ensuing sale of land lots to land shoppers is a complex process which requires skills of price bargaining and negotiation of sale terms on both sides. An exhausting process of bargaining, agreement on installments, and the payments timetable may consume considerable time and effort. However, local customs and laws contribute effectively to enforce the sale-terms agreement. Verbal agreements have enough power for processing transactions without the need for immediate documentation or in-advance payments.

Construction: As soon as the new owner takes delivery of his lot, he initiates construction through two different scenarios:

- A simple and cheap one story construction using light roofing materials, cheap stone walls, no finishing materials or fixtures, and minimum footprint that the owner can afford to have it bulldozed, according to the law, by the authority of urban management and law enforcement agencies. Once the construction is bulldozed, the owner reconstructs a single family house but with an improved design and standards of materials, considering how legal his land tenure is and the chances of potential conciliation with the state's legal system are. Bulldozing illegal constructions, ironically, brings some legality to land development since issuance of demolition reports, according to urban planning law, can only be carried out once for each property. Such a condition enables violators to partially legitimize their illegal constructions with lesser threats of demolition or eviction after rebuilding their demolished constructions.
- A relatively suitable design, reasonable building materials, larger footprint, permanent roofing and walling materials and low cost finishing and fixtures. In this scenario, the house is meant to be occupied with residents immediately - sometimes prior to the completion of construction - to

prevent its demolition by the authority according to the law which prohibits demolition or eviction of illegal buildings if they are permanently inhabited.

- Connection to utilities: Paying for unlawful land use change and the illegal building's due fines is not a prerequisite to get illegal houses connected to electric power lines, tap water, and sewage networks (in the case of their nearby existence) all of which are installed and operated by governmental authorities. Applications for connecting to utilities are rarely declined based on the concurrent sociopolitical atmosphere.

The illegality of land development which generates threats of governmental legal counteractions imposes accurate time management and induces the swift synchronization of land desolation, landfill, subdivision, and construction. This characterizes the process as being excessively rapid with complex logistics.

Financial

The most important factor underpinning farm land development is of an economic nature (Elshorbagi & Moritz, 2004). The strategy of development is a normal response of the landholder to market processes which interrelate to supply and demand patterns. Due to the massiveness of land demand, finance, regulation, and logistics constitute the most significant obstacles for developers, as market risk is virtually slashed. This explains the influx of investors into the informal land market despite the risks of illegality and implied deformation of the legal-land market. In contrast to its illegality, the process by which land is allocated - as in many other informal settlements typology - is entirely market-based with prices responding to the condition of land tenure legality, location advantages, such as levels of proximity and accessibility to transportation networks and employment resources, soil quality for construction, the width of the surrounded streets, and the size and quality of the plot itself. Whilst changing land use illegally increases the land's value despite the inexistence of infrastructure or secured tenure, nevertheless, prices remains within the economic capacity of the poor land shoppers.

The failure of the poor majority to incorporate into the formal land market is the result of two major factors: a) their limited economic capacity and, b) the excessively high price of legal urban land. These factors are interrelated within the macroeconomic context and are further discussed hereafter with reference to the farm land development process.

While urban land prices have been always beyond the reach of the poor, they have also soared in the last four decades for various reasons.

- The high and incremental level of land demand induced by the massive demand of housing production and intense urban land acquisition as a medium of investment and saving.
- Poor urban land supply due to a deficient mechanism of urban land provision and the speculative nature of urban land management by the state government.

Land demand for housing production vigorously increases the prices of legal land within the cities' limits and on the peripheral farm land with potential to transform to urban uses. Also, land demand was initially induced by the income boom (started in the mid 1970s upon the October war) of the Gulf States that had attracted many migrant laborers who later returned back home and invested their savings in urban land and in building private homes. Recently, because real estate is valued as a relatively safer investment compared to the stock market or cash savings, land purchase has become more attractive to investors as a medium of saving due to the uncertainty and apprehension of the poor Egyptian macroeconomic performance. The high price of legal urban land coupled with the economic failure of the poor to operate in the legal market creates an intense demand power for cheaper and illegally converted farm land. The escalating price of farm land - while still cheaper than legal urban land- soon exceeds revenue generated from farming activities which consequently encourages farming abandonment.

For poor land shoppers as well as land developers, securing inexpensive finance for land purchase is equally important. As this portion of the economy lies outside the formal market processes, actor players have no access to formal lending institutions or regular finance networks. Hence both groups resort to informal cooperative lending measures to finance their purchasing needs but are driven for different reasons. Low and middle- income land buyers, with their lack of disposable income and savings, resort to family members and friends to join the traditional cooperative lending system (gammeid) to secure cash with an extended paying facility. In addition, the local tradition has established a norm to pay land value in instalments through a traditional credit system (Ala-weada: a promise of paying) of which payments are due before and after taking possession of the lot. These two lending systems rely deeply on mutual trust and previous knowledge of both the local buyer and the seller. While land developers may possess enough

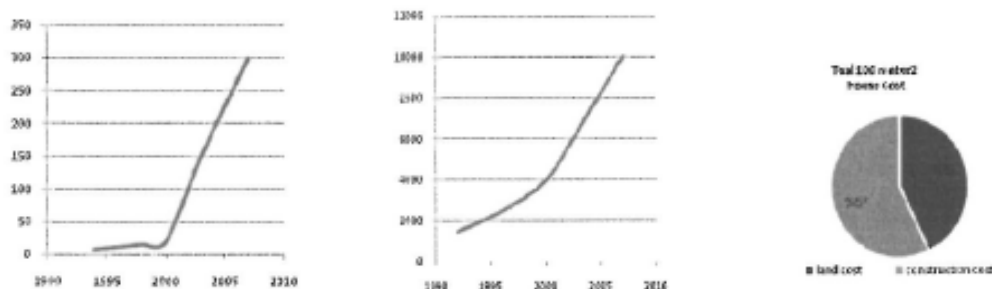
resources to finance their purchase, they also resorts to local lending system to maximize their profit by lowering or eliminating the lending charges/ The followings are strategies employed to overcome a lack of transaction finance:

- Lotpre-sale. The developer's ability to pre-sell lots prior to the land's physical conversion might be a crucial factor contributing to the success of the development venture. Therefore, early marketing is a key aspect of the development process which is initiated with land decline. Marketing of the property, particularly to out-of-area buyers, must conform to developer's timeframe and procedural plot which stipulates mutual confidence and trust. According to land developers, convenient access to land sale frequently enhances the developer's potential for success on a venture.
- Syndication. One commonplace measure of development arrangements. It involves a group of individual investors- usually siblings or close friends - who pool their money for investment. An individual investor who has an experience and connections to the locals, called a syndicator, sponsors or manages the syndicate's financial matters and maintains an active role in overseeing the development of peri-urban land. The function of syndication commonly overlaps with the role of the developer.
- In-kind sale. Occasionally, a landholder contributes to a development venture in exchange for partial ownership of the developed property. In this way, the land developer minimizes the cash he has to pay at the start and guarantees some sales before the actual initiation of land development.

Financing construction on developed land that ensues also represents a financial dilemma for land buyers considering the consecutive nature of the development process. To overcome this obstacle, buyers tend to either self-build/ self produce their houses, resort to the Gammia lending system for cash, or both the two measures. The tendency is to self-build houses and rarely buy investor-built housesvl is mainly motivated by economic reasons. This approach, moreover, enables the land buyer to freely define and build only the spaces and house elements which actually fulfill his housing needs. It also allows for future additions to the structure which may better suit the buyer's economic capacity at the time of construction.

IMPLICATION ON LAND PRICES AND SYSTEM OF FINANCE

Land developers, who acquire fortunes through buying cheap agriculture land and reselling it as fallow parceled land at higher prices, contribute to the price increase pattern as they induce land demand. At the beginning of 2000, the price of agriculture land averaged L.E. 20- 30 per square meter. By 2003, prices for the same location ranged between L.E. 150 to 180 per square meter and subsequently reached L.E. 300 by the beginning of 2007. The price of some lots reached L.E. 1500 per square meter for parcels adjacent to the old building fabric of the villages near the city. ". Prices of urban land within the city borders are more problematic where they display the same surge increase pattern. In Somuha, a residential district, not so popular to live in fifteen years ago, land prices rose from LE 1500 per square meter at the beginning of 1992 to L.E. 2500 near the end of 1996, L.E. 4000 in 2000, L.E. 6500 at 2003 and reached L.E. 10000 by 2007 as shown in Graphs 1 & 2.



Graph 1: Agriculture Land Prices in relation to time. Researcher.

Graph 2: Urban Land Price in relation to time from 1990-2010. Source: Researcher, 2008.

Graph 4: Distribution of informal house cost between land cost and construction cost: source: researcher.

Comparing prices of land within city boundaries and on the peri-urban areas of the city, taking into account how far land - tenure and ownership rights differ in the two cases, reveals that some urban poor are forced out to the

peri-urban areas where they can afford to pay for their housing needs regardless the increase in agro-land prices whereas this measure probably is the only viable solution that matches their incremental housing needs and limited economic capacity at the same time. In spite of the relatively lower price of illegal converted land, securing inexpensive finance for land purchase is equally important for poor owners as well as for land developers. As this portion of housing supply exists outside the formal housing market, stakeholders have no access to formal lending institutions. Both groups resort to informal cooperative lending mechanisms to finance their purchasing activities.¹ As for the parceled lot buyer, the norm is to pay for land in instalments using a credit system (Ala Weada: on a promise base) before and after taking possession of the lot (Ragab, 2009). However, the informality of the process, collective purchase of agro-land, division, and resale increase the price, despite the fact that no infrastructure or secured ownership is provided. For example, as many as five feddans cost almost 1000000 pounds. After division, and excluding streets that represent around 20 percent of the area, parcels are afterward sold for around 150 pounds per square meter. This represents more than 315 % net profit. This high profit encourages many outsider speculators and small entrepreneurs to engage in the agro-land conversion business. A parcel of an area average 75 square meters costs around 20000 Egyptian Pounds.^{1x} Usually, construction costs almost 200 pounds per square meters with a total cost of 35000 pounds for the 75 square meters parcel of land (Graph 4). With \$3236 GDP at 2007, housing became unaffordable for a large portion of housing consumers.

THE FRAMEWORK OF LAND-USE CONTROLS

Loss of farmland is mainly counterattacked through tough legislations prohibiting urban encroachment and farming decline. However, enforcement of legislations on the ground is another matter. In 1983, the government initiated two consecutive laws: urban planning law 1982/3- 11-26 and agriculture law 116 71983 (El-Hefnawi, 2005). Both laws banned building on both farmland and geotropic-deserted land. Urban land within the legal urban demarcated range was excluded from this prohibition. Nevertheless, there was no accurate legal demarcation of cities and villages to differentiate the permitted land for urban use and help spotting land use violations. Legal boundaries of the villages and urban agglomerations were demarcated according to the building mass revealed in the aerial photography carried out from 1985 until 2001. By the end of the process, only the major villages were legally demarcated (Elshorbagy & Moritz 2004). Small villages and minor urban agglomerations did not enjoy this privilege. By 1996, the Prime Minister issued Decree 2603 that also banned construction on the "green land" held by the State. Marshal Law 1/1996 that toughened the punishment on violators followed this law. Sentences varied from financial penalties to imprisonment periods averaging from 2 to 5 years. However, custodial sentences were never applied to violators as most cases ended up in conciliation in the courts (IMF 2002). Nevertheless, the formal monthly reports issued by the government revealed high numbers of demolition orders for illegal constructions. Building prohibition extended to land lots infiltrated in the villages' building mass, as well as to lots originally used to be productive arable lands. According to these laws, natural urban growth in villages and cities surrounded with farm land was legally constrained. Finding no land for natural growth has been generating civic tension, and opening wide doors for governmental corruption.

However, the pace of farm land use conversion has not slowed down for further reasons. Realizing the impracticability of the restrictions imposed by land use control laws, the government turns a blind eye to farmland violations allowing building on infiltrated agricultural lots without legal prosecution to violators. The exclusion of urban mass growth from the time of the aerial photography until the actual demarcation on the ground by the end of 2001, weakens the stringency of actions and reveals a contradiction of policy pattern that is sensitively perceived by the poor housing-land seekers; consequently, encouraging them to further land-use violation. Additionally, a lack of sufficient governmental finance which is needed to effectively apply conversion- control laws, harms the efforts meant to slow down the pace of land-use conversion. By the beginning of 2003, the government started to update the legal boundaries of the Egyptian cities and main villages but could not carry on due to the high cost of the process. Determining the legal boundaries for one village cost 50 000 LE (almost \$10 000) back then, but little capital is devoted for this issue in the fiscal budget which usually focuses more on the economically infeasible of land management tools and measures.

As the successive governments have long been struggling with the informal urbanization, they rarely introduce basic infrastructure and social services without an intruding political pressure or the emergence of major civic security threats linked to those settlements, like the incubation of radical terrorism or the protection of outlaw fugitives.² In the cases when governments decide to provide utilities to these illegal settlements, paying condemnations fines of land use or building code violation is not necessarily a prerequisite to get buildings connected to electric power, tap water, and the sewage system- all distributed and

operated by government apparatuses. Connecting utilities to new illegal homes implies a kind of property legalization and the state's obscure approval of such illegal housing practicing. Violators interpret this contradictory attitude as veiled permission to continue the illegal farm land encroachment, resulting consequently in illegal housing proliferation. Scrutinizing contradictory responses towards violators could be attributed to two reasons. First, the government sense of responsibility towards the evident failure of its land management policy and second, the fear that stringent response towards land use violations could threaten the fragile civic instability and , concurrently, the continuity and prevalence of the ruling regime. For that reason, leniency is seen as a viable measure for defusing social tension which is escalating worryingly among vulnerable poor population.

CLOSING REMARKS

Peasants and land developers are frequently asking the question "Who is playing "the fool" today?" when they search for a middle man to share in conversing farm land to urban uses on the per-urban areas of cities. However, the middleman who involves in this illegal business seems to be not the only one who plays such a role. Successive governments play the role of "fool" as they publicize the adoption of a self-sufficient food production policy but consciously adopt land management strategies contradict this objective while, concurrently, claim their feasibility, consistency, and suitability.

While equally integral, and in contrary to the governments' claims, rapid urbanization is not the only key factor in the loss of significant areas of prime agricultural land but it is rather the poverty of the major population which is coincided with a deficient mechanism of inexpensive urban land provision that is intensified for many reasons:

First: The adopted land-management policy has been characterized as infeasible and intersects with the macroeconomic context. Although the Egyptian economy has achieved some progress between 1986 and 2000, it has not fully recovered from the implications of the Arab-Israeli conflict that extended from 1967 to 1973. The huge capital investments in mega land-reclamation projects and their associated urban agglomerations, and satellite-city theme depleted a big portion of the national capital reserve and expanded the consecutive fourth and fifth "economic year-plan" budget deficits. Consequently, many health, education, and social services projects had to be rescheduled due to lack of funds. Slow, protracted cost-recovery worsened the economic condition and led to a deep economic depression that further hampered the state's capacity for better land-management.

Second: Urban land provision policy never coincided with the limited economic capacity of the majority of the poor population. Land in new satellite cities and new suburban centers remain unaffordable for the poor majority, while mega-reclamation projects are far from attracting poor migrants. This poor level of attraction is related to the low-labor nature characterizing these projects, the severe climatic conditions of their locations, and the poor standards and insufficient infrastructure and services conceded to these projects.

Third: Failures to solve root causes of extensive urban polarization to primacies have been consistent with a biased urban pattern of investment at the regional level. The constant lack of basic services in deprived rural areas to the south, their higher rates of unemployment, illiteracy, and the spread of poverty among their population, have steered and influenced polarization to Egyptian primacies. The immense pace of population increase in these primacies represents overwhelming pressure and challenges the limited managerial and economic capacities of the local and state governments. Therefore, they are unable to outstrip the speed with which land is illegally converted to urban use in terms of providing new urban land for development.

Fourth: Investment in updating and establishing infrastructure, while costly, is an evident responsibility of the state. Although the drastic shift of the ideology adopted by the ruling system from socialism in the 50's and 60 's to unleashed capitalism in the 80's, the governments still prefer to claim the role "pro-poor". Nevertheless, the ensuing speculative approach in regard to urban land pricing and provision ignores the State's social responsibility to the poor and makes it act as a private investor who is merely concerned with how much profit he can gain. Social segregation, disparity, and social alienation of the poor are direct consequences of such an attitude.

Fifth: Given the depreciated cash value, the poor performance of the micro and macro Egyptian economy has caused land holding to be found - by many Egyptians - a safer way of saving in addition to other forms

of investment in an unstable economy context. This has generated an enormous demand for urban land commodity that consequently hampering the efforts to provide low cost legal urban land.

CONCLUSION

In all situations, the long-term outcomes of the Egyptian land management policies are at best unclear or problematic, and at worst very probably poor. This paper highlights a range of issues that seem to be compromising the effectiveness of the land management policies and processes.

- There is a limited capacity of the state planning apparatus to identify and manage tensions and conflicts of land-use in rural, peri-urban, and urban areas as well.
- Poor farm land owners and illegal farm land buyers in peri-urban areas feel there have been inadequate and contradictory policies and actions in regard land use violations practiced by state agencies.
- Policy vision and approaches of national land-use management have at most times been inconsistent and lacking-in long term consensus.
- Institutional capacity to promote quality land management and land use planning, both intellectual and financial, is variable.
- There is a tendency to rely on legislation as a primary tool for managing urban encroachments on peri-urban areas.
- Accountability of agencies for carrying out statutory responsibilities adequately is weak.
- Ability to define and manage cumulative agricultural land loss effects is variable and the tools to do so are weak.
- Monitoring of land use violations outcomes lacks efficiency and accountability.

It is clear that planning for managing illegal urban growth on peri-urban areas is complex and approaches adopted by authorities vary considerably. It is less clear which of these various approaches, if any, will lead to more sustainable development and retain balance with the economic characteristics deeply associated with the majority population while allowing some development to occur.

Evidence from this investigation suggests there is reason to be concerned that the current system of land use planning and management may not be capable of promoting the sustainable developmental objectives for the unforeseeable future. The structure of illegal urban growth on agricultural land is likely to remain an indispensable reality depicting land development in resource starved situations, such as Egypt, because of the severe economic constraints at both micro and macro level. However, given the number of questions thrown up by the investigation, it is seen as inappropriate to be offering solutions at this stage. Instead, it would be more useful to identify key questions, and thereby stimulate debate around a range of possible solutions and set an agenda for on- going dialogue.

Finally, this paper makes a recommendation to the concerned to undertake a substantive review of experience to date in the preparation and adoption of land-management policies. The purpose of this review would be to ensure that lessons learned are available for the introduction of the national policies and plans. As a result, this policy adaptation could be expected to improve, leading to improved urban management outcomes. A review should also identify the full range of factors affecting the implementation of those policies and identify solutions. It should address the issues raised by this investigation because they are relevant to the whole spectrum of the urban system, not just peri-urban areas.

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- i At 2008, lines to buy subsidized bread extended for tens of meters in front of bread outlets and buyers spent an average 4-6 hours to get their predefined limited number of bread loaves. Long waiting lines generated fights that resulted in 16 homicide incidents.
- ii GRC comprised three governorates until 2008: Cairo, Giza and Qalyubia. By the mid of 2008, two more governorate were added to GRC: Helwan and the Six of October.
- iii Interview with A. Faraht at 12/6/2008.
- iv Interview with S.Mabrouk at 17/3/2008. Even if land developers possess sufficient funds to finance the purchase of farmland, they tend to incorporate other partners in their activities especially local peasants and residents. This form of cooperation gives their business creditability that helps it to flourish.
- To be more accurate, a self-produced house is not exactly a self-constructed house. While both terms imply a contractor is not employed, the first term points to the owner's total management and supervision on all construction phases, in addition to design of the house layout and spaces. The second term implies the owner's actual participation in the construction procedures-and the fact that he may get help from his friends, relatives, and neighbors through a well-established social cooperative system.
- vii More than ten villages were established around the city by the 1952 revolution when Governments carried out the quo plan of distributing land on poor peasants. Thousands hectares of wetlands and deserts were reclaimed to achieve these objectives. Peasants were gathered from all over the country and given the right of use for 5 Feddans/each. These lands form the major source now for urban growth of Alexandria. Many original peasants, or their successors, became major speculators of this agricultural land.
- viii Even if speculators possess sufficient funds to finance the purchase of agricultural land, they tend to incorporate other partners in their activities, especially local peasants and residents. This simple form of cooperation gives a business creditability that helps the business to flourish, ix Prices at May 2008.

- x This number should be addressed with caution when taking into consideration disparity of income among the population. The number of population below the poverty line can help to understand the economic carrying capacity of the Egyptian majority who are clients in the illegal housing market. xi See Subjective Poverty and Social Capital: Towards Comprehensive Strategy to Reduce Poverty by UNDP Egypt 2002. P. 26-27. All these aspects of housing were combined into one composite index that measures housing conditions altogether. The index includes seven items: water systems, floor materials or floor covers, existence of kitchen, connection to sewage system, type of toilet, type of solid waste disposal, and type of land around residence, which were combined using factor analysis approach. Data shows a positive relationship between the housing conditions index and poverty status. Differences can be observed between urban and peri-urban housing (urban housing index is 1.6 times that of peri-urban housing). This number is close to the difference between urban and rural housing (1.7 times) which suggests the same wide gap.