Land Titling: A Tool, not a Panacea

Insights from Egypt

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Series: *Le droit au sol dans les villes du Sud* **(Land Rights in the Urban Global South)**

The Government of Egypt has long relied on land titling to limit the growth of informal urban residential settlements. Kareem Ibrahim and Deena Khalil argue that while titling addresses problems stemming from informality in some cases, the benefits of this strategy are exaggerated, particularly given that low-income households are excluded from formal credit markets regardless. In Egypt as elsewhere, titling initiatives fail to address more fundamental issues of poverty and marginalization.

According to a report by Egypt's Informal Settlement Development Facility (ISDF) in 2010, around 50% of urban Egyptians live in what are legally classified as "unplanned areas" (ISDF 2010). The figures of the Central Agency for Public Mobilization and Statistics in Egypt (CAPMAS) show that between the years 1996 and 2006, the informal sector produced 65% of all urban housing (in addition to 11% by the public sector and 24% by the private sector).

How did the informal sector obtain the land necessary to produce almost two thirds of urban housing during that decade? This occurred in one of two ways: either through changing the use of existing privately owned agricultural land or through claiming and squatting on state-owned desert land. Since the land on which Egypt's informal areas lie is either illegally developed private agricultural land or squatted state-owned land, it is therefore no surprise to find that most residents of such areas lack formal legal tenure.

Though the Government of Egypt (GoE) has adopted a range of policies and legislation to slow or halt the growth of informal settlements, its successes in improving or removing informal areas have been limited to specific communities and have done nothing to reduce the overall growth of informal areas (Tadamun 2014). This issue is not unique to Egypt and constitutes one of the core issues faced by informal areas globally, and as such has received significant attention from governments, donors, and civil society. In this article, we explore the issue of land titling in informal areas within the context of Egypt, and suggest that its limited success is due both to resistance from residents to titling schemes that require them to purchase the land and from governmental agencies that disagree over whether these residents deserve formal titling.

A brief history of land titling in Egypt

The GoE has employed land titling as a strategy to address the growth of informal housing since roughly the 1970s, largely in cooperation with international donors. Over the past several decades,

there have been four major cases where the GoE has experimented with land titling in informal areas: the Helwan neighbourhood in Cairo governorate with USAID (1976), the Hai Al-Salam neighbourhood in Al-Ismailia governorate with UNDP (1978), the Nasriyya neighbourhood in Aswan governorate with GIZ (1987), and the Manshiyyat Nāṣir neighbourhood in Cairo governorate with GIZ (1998).
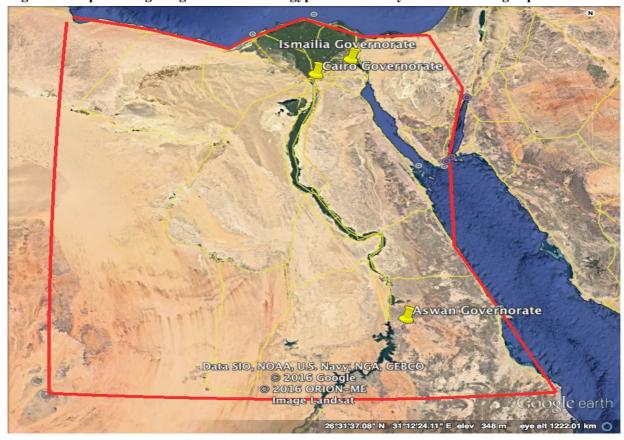
Figure 1. Map showing the governorates in Egypt concerned by GoE land titling experiments

Source: Google Earth, 2016.

The Helwan upgrading project lasted until 1988 and made use of Egyptian Law No. 31/1984, which authorized governorates to sell state-owned land to squatters, as long as the squatters in question had been settled on the property since before 1984. Field offices were set up to sell the occupied land plots to these residents at a price close to the market rate. Yet, by the end of the upgrading project in 1988, not a single person had received a land title (USAID 1988). Researchers Nadia Taher (1997) and W. Judson Dorman (2007), as well as the project audit report itself, blame the difficulties in implementing the land-titling components on a lack of cooperation from government agencies who were resistant to the idea of providing legal backing to people who had settled illegally on public domain, and "questionable management decisions" (USAID 1988).

A contrast can be seen in the Hai Al-Salam upgrading project, which initially implemented its land-titling component relatively successfully, based on documentation rather than price, albeit according to regulations that excluded a large number of residents (Deboulet 2007). But the land titling eventually stopped due to disagreement between the project's management and government agencies, who, as with the Helwan project, were resistant to the idea of titling (Runkel 2009). The land-titling attempt in the Nasriyya neighbourhood was more successful, and managed to sell land plots at a subsidized price to around 45% of residents (Runkel 2009), suggesting that titling is more effective where residents can secure tenure at a more affordable rate.

The Manshiyyat Nāṣir project suffered from initial inter-governmental disputes about how best to manage the neighbourhood's physical upgrading, as well as governmental resistance to the idea of

land titling (Tadamun 2015). Things improved with the arrival of a new housing minister: by the end of 2000, the neighbourhood's municipal office had set up a database to register (informal) property-owners, and a preliminary plan had been prepared to pilot the land-titling approach (Piffero 2009). It took until 2005 for a registration office to be finally established in Manshiyyat Nāṣir, but it seemed that people were uninterested in applying, as the project manager had to collaborate with local community leaders to encourage people to apply (Khalil Shaath, personal communication, 2015). This resistance on the part of residents was due in part to lack of trust in the government, but was also because not all residents could see the value of paying money for plots of land they felt they already owned (Khalil Shaath, personal interview, 2015). Many residents already benefited from services and were connected to public utility networks, and thus felt they had *de facto* tenure security (Khalil Shaath, personal interview, 2015). Many were also unsatisfied with the pricing system and felt that different groups of residents should be charged different prices based on when they settled (Sims 2016).

Figure 2. Manshiyyat Nāṣir, 2016

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Economic empowerment or security of tenure?

The main benefits claimed by proponents of land titling are that, as a result of land titling, residents of informal areas will no longer have to suffer from tenure insecurity and the threat of eviction, and will also be economically empowered because their proof of ownership will enable them to mortgage, rent, or sell their property. Within the context of Egypt, this argument has many loopholes. Regarding tenure, although informal dwellers lack formal land titles, most residents have informal land-title documentation that they feel grants them *de facto* security of tenure (Shawkat 2013). Furthermore, a significant proportion of informal areas (and the majority within the city of Cairo) are connected to public utility networks and residents pay their monthly bills – another thing they feel grants them *de facto* tenure security. Finally, the official state policy for informal areas is

in situ upgrading as long as the areas pose no threat to the physical safety of their residents (ISDF 2010).

Indeed, the vast majority of evictions that have taken place in recent years have been under the pretext of areas being unsafe (e.g. on a cliff, under electrical cables, prone to collapse), not due to lack of tenure. According to a workshop conducted by TADAMUN: The Cairo Urban Solidarity Initiative"[1] with residents of an informal area in Cairo named `Izbit Khairallah,[2] formal tenure is not an end in itself, but is rather a means towards protecting them from forced evictions and enabling them to gain access to services more easily (Tadamun 2013).

Figure 3. `Izbit Khairallah, 2013

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For areas that are physically safe, not targeted by government eviction plans and already have such access to services, purchasing a land title can seem futile. As for the ability to participate in the real-estate market, informal dwellers already have this, as Egypt's informal housing market is just as dynamic and active as the formal one. Residents need only their informal documentation to rent, buy, or sell. Naturally, they cannot mortgage their homes and take out bank loans using an informal title, but the Egyptian banking system excludes the poor in general based on their income. The legality of their tenure would not make any difference if their income is below a certain level or if they do not have a formal work contract. Thus, the purported benefits of land titling for informal dwellers are, in the Egyptian context, quite exaggerated. This is not unique to Egypt but is rather the case in many countries (see Mitchell 2008 for examples from Peru; see Payne *et al.* 2009 for examples from South Africa).

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[1]   TADAMUN: The Cairo Urban Solidarity Initiative is a Cairo-based urban research initiative, jointly managed by local company Takween Integrated Community Development and the American University (Washington, DC). Website: www.tadamun.info/?lang=en.

[2]   See: www.tadamun.info/?post_type=city&p=2741&lang=en&lang=en.

Critiques and challenges

There have been many attempts by researchers and practitioners around the world to show the limits of land titling. Some have argued that titling projects are more beneficial to the state than they are to the poor (*cf.* Gilbert 2002), while others point to the importance of adequately considering the impact land titling could potentially have on housing prices, which could lead to gentrification (*cf.* Durand-Lasserve and Payne 2005). The benefits of land titling to comparatively wealthy informal dwellers at the expense of the poorest residents, and particularly renters, has been highlighted not only by Payne *et al.* (2009) but also in workshops conducted by TADAMUN in interviews with renters in informal settlements.

Despite the claimed benefits of land titling, whether for the state or for informal dwellers, land titling projects require the investment of substantial public resources, and rely largely on the state having the technical capacity necessary to manage the concomitant complexities of such projects. Not only does the number of informal areas across Egypt make such a process difficult, but the lack of accurate government cadastral lists means that each land-titling attempt must necessarily be preceded by a comprehensive community enumeration and land survey. Furthermore, the official ownership of many informal areas on state-owned land is often disputed among different state entities. Similarly, for a large number of informal areas on privately owned land, property rights are often disputed among the inheritors of the original landowners. If government entities do not have the technical and financial capacity necessary to deal with these complicated issues, land-titling projects will simply not be successful.

Land titling: just one tool among many others for enhancing living conditions

This article is not a call to abolish land titling, nor is it a claim that informality has no impact on the lives of residents in such areas. Most areas that emerged during the 1970s only got connected to public utility networks within the past decade, and many continue to suffer from lower-standard public services and societal stigmas that impact their ability to apply for schools, jobs, and legal documents. The threat of eviction, though not entirely related to legality of tenure, does exist, and has particularly come to the fore in areas such as the Maspero Triangle in Downtown Cairo, where international investors have been acquiring and consolidating plots of land for decades from their owners, despite the fact that residents had *de facto* secure tenure of these plots for close to a century. One must, however, first understand the requirements necessary for a land-titling project to be successful, and what being "successful" uniquely entails in each informal area. Executive agencies must also recognize internal divisions among residents, and devise a strategy to ensure that the poorest are not marginalized and excluded yet again.

Residents of informal areas in Egypt and many other countries suffer from a wide array of issues, but these issues are largely the result of living in a poor neighbourhood that is marginalized in terms of public resources – issues that will not magically disappear upon receiving legal tenure. The crucial factor, therefore, lies in understanding land titling for what it is: not a panacea, but rather a tool to be utilized to achieve specific aims in certain contexts.

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To cite this article:

Kareem Ibrahim and Deena Khalil, "Land Titling: A Tool, not a Panacea. Insights from Egypt", *Metropolitics*, 20 December 2016. URL: http://www.metropolitiques.eu/Land-Titling-A-Tool-not-a-Panacea.html.