

HOUSING CONCEPT, PROBLEM, AND POLICIES

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ABSTRACT: The subject of housing is one that causes disputes between politicians, economists, and social experts, because it is important for society at large. And as a result of many studies and debates, a number of housing concepts have appeared. The social thinking and economic policies have affected these housing concepts in every country, and accordingly, differences appear between the ideologies underpinning the various definitions of what constitutes a housing problem. So, every country adopts its own method to solve its housing difficulties depending on its social and economic situation. This paper is an attempt to explore the concept of housing, housing problems, and housing policies.

Keywords – housing, housing concepts, housing problem, housing policies

1. INTRODUCTION

Housing plays an important role in countries' economies, and the housing sector represents a notable ratio in total economic activity of most countries. However, in spite of the importance of housing, the commercial banks in Libya have only allocated a small ratio of credit facilities for investment in this area, constitutes 5.5% from total credit facilities (Central Bank of Libya, 2004). Also the housing sector has become important due to the income expended on house rent, for instance, on average, poverty households in the US often spend more than 50% of their income on rent (Quigley, 1999).

Because of the importance of the housing, governments priorities this as an issue, but each time government changes, new housing policies are developed, for instance in US "each presidential administration since the new deal has promoted its own programmatic cure for the "housing crisis". Kennedy and Johnson favored mortgage subsidies. The Nixon and Ford administrations heavily promoted granting fifteen-year rental income guarantee to new or renovated housing development tide to eligible tenants. The most recent Reagan and Bush administration policies represent a shift to consumer subsidies, including household rent supplements and the sale of the housing authority apartments to their tenants" (Salins 2005).

As a result of population increases, and the inability of many families to provide their own dwellings, there is a need on the part of governments to play a significant role in solving their housing problems. However, the responses are different according to political ideology, and in those countries which believe in socialism, the government takes upon itself all responsibilities including housing, whereas liberal governments require the participation of their private sectors to solve their housing problems. In this respect, it can be said that government involvement becomes a significant matter, either directly or indirectly interference. Whichever their political leaning, however, all governments should develop appropriate policies to solve their housing problems according to country situation.

2. CONCEPTS

The housing concept has seen much development over the last two decades, which has passed through various phases (Durah, 1988). It has changed from being a fairly simple concept to one that is more complex, moving initially from the need to the development of housing. In brief, the development appears as follows:

- A) The Narrow Concept: this refers to the dwelling where people live, or the materialistic building established from the walls and roof.
- B) The Broad Concept: this incorporates the narrow concept but also includes assistance services, which motivate people to live in the house with stability.

There are various schools of thought, which differ in their definitions of the housing concept. Each one has adopted a housing concept according to theoretical ideas, regardless of ruling political ideologies. Undoubtedly housing springs from basic materialistic needs, which man continually endeavors to satisfy, and consequently the political systems attempt to respond to people's demand in line with what is compatible with its ideology.

Many studies have been made over the last few years dealing with the definition of housing as it changes through circumstances that happen in the world generally, and in particular in the developing countries. These studies have concentrated on three different trends used to consider the concept of housing, these being: the Marxist trend, the liberal trend, and the temperate trend (Soliman, 1996):

2.1 Marxist Trends

Burgess and Castells adopted a definition of housing and its application according to Marxian approach which can be seen in three different forms:

- House as essential commodity: the house has been regarded as including essential commodities, necessary to industrial and economic development for different community classes, because there is no labour force creation to realise development without housing. Also, housing correlates with various industries, and consequently houses become one of effective factors which affect the growth and boom of functioning capital in developmental industrial processes.
- House as fixed commodity: this means it is impossible to change or remove it through the time, because it must be built on a fixed location, so it is impossible to change location, since land dedicated for housing is not allowed for real estate speculation in most socialist countries, and the land price is controlled by government because the government is the rightful owner of all the land in the region.
- Capitalist countries regard housing not only as commodity that has value but also one that has exchange investment value in the housing market. It may be regarded as a fixed commodity when residents build the dwelling, and they are unable to pay the costs.

It may be noticed that this approach produces public housing policies that match the trends, and that governments play a greater role in building housing units.

2.2 Liberal Trends

Turner has confirmed four principal approaches in his analysis of the liberal trend as follows:

- According to this approach, the differentiation between housing as a noun, and as a verb, is considered. If we use the first definition it will lead to a static condition, because it does not imply any increase and it will not affect the housing market, but defining housing from the point of view of a verb will introduce a dynamic situation, that will encourage development to extend to the residents' needs, and consequently this approach becomes very effective in the housing market.
- It is impossible to segregate housing from the other social and economic variables which also change as time passes. In addition it can be considered that houses are

fundamental developments, comprised of elements, materials and services connected with various activities - industrial, service or productive - where capital is invested, and thus they represent progress in economic developmental in society.

- The important function of housing is affect residents and influence by them, John Turner clarified not necessary, the analysis of housing unites through its forming or finishing. But the important matter is the house affect residents themselves, in other meaning, the suitable measurements of house is not necessary to create appropriate environment for inhabitants, where the basic target in housing market mechanism is development of invested capital to gain potential great profit.
- Independent housing forming: every family is different from others, due to the fact that the family has own organisation and the type of housing chosen results from several factors such as family income, educational level and the area where they wish to live. Consequently, families are free to create their own appropriate housing.

It can be noticed that this trend adopts a housing policy that depends upon the private sector and personal building

2.3 Temperate Trend

This trend is analysed and definition according to three aspects (Nientied and Van der Linden, 1987):

- This trend views the family's economic situation as the main pivot for expenditure. Betterment or development of the housing unit is connected strongly with the economic position of the family, which plays a great role in the housing market mechanism for variant social classes.
- Housing must be suitable for residence, and demonstrate a sanitary and environmental situation, which is appropriate not only for the family but also for society in general, and proper facilities such as water, sewage treatment, power, etc, must be provided.
- Housing is a consumption commodity for all classes in the society, and political systems must provide it to people as a part of its functions to realise the equal distribution of justice.

Each trend adopts particular policies to achieve its objectives, and countries may select one or more policy to enable them to reach their planned housing targets.

From the trends identified, housing can be defined as "the final outcome from variant capitals entering in the housing market mechanism, by construction, distribution, or managing the market".

3 HOUSING PROBLEMS

The housing problem has become a feature of most countries, in particular developing countries that are facing ways to house huge numbers of people. The demand is different from one country to other according to country characteristics, which affect all economic sectors particularly the housing sector, but the most important factors leading to housing problems are:

3.1 Industrial and Economic Development in Cities

To achieve economic growth within cities, there must enough human and fiscal resources to engage in the developmental process. Consequently, cities have grown through drawing huge numbers of migrants from rural areas. With the swarming of rural peoples into newly-

developing industrial areas, slum districts have emerged, and the demand for housing units has increased, but the resources in developing countries are poor, and it has not been possible to satisfy the demand from increased urbanisation. The result is that the private sector has become the main provider of housing units using land allocated for low-income people.

3.2 Increasing Urbanisation

The Housing problem in developing countries, basically civilizational problem, even there is regardless rural housing problems. In many developing countries, cities have been growing rapidly since the early 1960s, and civilization planning has been incapable of providing infrastructure and basic services to those cities (Najwa, 1993). According to United Nations expectations (1990) about 90% of the world's future population increase will settle in urbanised areas, whilst 60-80% of the future population in developed countries will settle in urbanised areas, and the rest will settle in developed rural areas (UNCHS, "Habitat", 1990). This present and expected increase in cities' populations as a result of a declining rural population has influenced the housing problem in the cities as follows:

- As a result of the steady rise in urban population, over-crowding occurs in the cities, where many people live in just one room.
- The population increase in most urban areas leads to excess demand on infrastructure, which governments can not afford to improve.
- Roads become more crowded, and there is a high density on public transportation, both of which lead to increased safety hazards on the highways and poor public health with the overcrowding on buses and trains.
- As a result of overcrowding and the high density of housing units in urban areas, irregular and illegal residences appear such as cottages residences and surfaces of buildings .
- As a result of rural-urban immigration, agricultural lands decrease, and so does the national agricultural product.
- There is no capability to supply educational and health services to non-planned immigration.
- The prevalence of irregular residences around cities leads to an absence of civilization tissue balance in cities.

3.3 Neglect of Rural Areas

As a result of devoting a large part of investment and services to urban cities, in particular in developing countries, and neglecting the rural areas, several social and economic effects occur, such as the negative effect on the agricultural foods system, sorts of consumption demand, structure of property of agriculture lands, income distribution and structure of job opportunities. Therefore most rural areas in developing countries face a number of developmental problems as follows

- A large number of small proprietors have their opportunities for survival reduced as their lands become unproductive. Consequently they sell their lands and

migrate to the cities, and farmers who have no land to sell have no job opportunities in the villages where they live so they are forced to resort to rural-urban immigration.

- The principal motive for rural-urban emigration is economic benefit, since the most of those who migrate are young and their educational level is low, hence they move to secure job opportunities which are greater in big cities.
- Absence of feudalities due to improvements in political systems aiming at social justice, means that small properties had appeared, but the profits from such lands were low thus, the owners sold them to the private sector, in particular where there were adjacent to the cities. The result is that the land usage has changed from being agricultural to residential, and investment uses.

3.4 Shrinking of Financial Resources (Finance)

In spite of their attempts to solve their housing problems, developing countries are hampered by a lack of finance, which remains as a barrier to the implementation of their housing plans. The countries concerned are poor, and even those with the benefit of oil still face determinative budgets and have other aspirations in their industrial and service sectors. Therefore there are two options: the first is to build public housing for low-income people and ignore the motive of economic profit, and the second is to build social houses for low-income people who they can not gain it because of its price is high and its rents. In addition, most developing countries lose control of the commodity of housing. [On despite of country can abolish the procedures on commodities that related to housing or make it easier. so the government is in control of the housing market mechanism without any financial encumbrances. (Aldrich and Sandhu Reference).

3.5 Structure Statutes

The majority of developing countries can not provide huge number of housing units and consequently attempt to involve the private sector in the efforts to solve the problem, but the private sector' motivation is different to the government's because their objective is to make profit. Therefore, governments have legislated to control the housing market, and that has led to the private sector putting aside any investment in the housing market for several reasons as follows:

- According to the statutes and laws, in particular letting laws, the revenue of rent value is less than any potential revenue from investment in industrial and commercial sectors. So investment in the housing sector, in accordance with letting laws, is not beneficial.
- Control of government institutions to limit rent value leads to, many investors abandoning their interest in housing.
- The difficulty of obtaining building licenses, as a result of changes in building laws, encourages many investors to leave.
- As a result of the increased costs of housing units, the private sector has stopped building simple houses and returned to build high class houses which provide a much bigger and faster profit.

3.6 Land Property

Land dedicated to housing is the most important medium commodity in housing units. Its effect on future development is influenced by social and economic changes in the society. Every social class attempts to affect land use by the way in which it procures its land interests and better living situations. Consequently land prices increase more rapidly than other types of consumption. Land prices vary according to the location in relation to the surrounding civilization, in particular, proximity to city centres and other important areas, and generally land located in commercial centres is more expensive. Most importantly, the land price in the city centres becomes the principal determinant of prices for other areas. Land property is different according to political systems, because while liberal ideologies believe in private property, factional property is the norm in countries with certain religious beliefs. And those countries that follow socialism believe in the idea of general property. There are a number of influences on land prices, but the important ones are:

- Government interfered in land sales and this led to increase the price of land which was available for building.
- Structural planning raised land prices because by providing infrastructure land became worth more.
- In spite of the high demand for land much land remains unused because of the absence of laws which punish people whom let land unused
- Most agricultural land around the cities has been turned into housing land, so the prices have increased in those areas.

4 PUBLIC POLICIES ON HOUSING:

Public policies on housing are different according to the nature of government, and countries chose one or more policy to try to solve their housing problems, particularly those faced by low-income people. Some countries prefer the government to be involved in the housing market via public housing policies; in these situations the government will provide different levels of housing and realise civilisation development easily. Others see building by personal capability as the best path to avoid housing problems, either by giving people loans, or giving loans to communities for housing. Regardless of government role, there are a number of policies that can be followed:

4.1 Public Housing Policies

Supporters of public housing policies believe the government alone can meet the housing demand via public housing programmes. The majority of developing countries followed this policy as short-term solution and one at less cost, whereas in most advanced countries, the public sector only offers 60%-90% of total of housing projects (Lea, 1979).

That does not mean that public housing policy is can satisfy all the demand because some people do not want to be a leaseholder with the, and others are not able to obtain public houses on account of family size or distance from their places of work. Also, public housing policy formulated and implemented in developed countries might not be appropriate for developing countries, for instance the British and American government build houses via public housing and rent to anyone, but this policy need some modifications in order for it to

be suitable in developing countries, where several families often wish to live together and share in house costs (Bayuomy, 1999).

4.2 Personal Capabilities

Personal capability for housing appeared in the early 1960s, when house users became more active and efficient in forming groups like housing circles. Participation in this type of arrangement can take several forms, likewise personal building or building in co-operation with someone else, or participation in the decisions related to housing (Abrams, 1966). In such situations, the government role is one of supervision and decision-making.

In addition to participation in building housing unit, a number of characteristics are manifest in moving local economies in cities and surrounding districts, such as the demand for labour, construction materials, and other housing-related service sectors (Ahmed, 1996). Personal capability through the distribution of responsibility between government and housing users can be divided into two kinds. The first is non-pilot personal capability in which people have full responsibility, and the second is controlled personal capability in which responsibility is distributed between government and people. For such a policy to be successful, the following features must be present:

- Elimination of legal parties which complicate land gains.
- Simplification of procedures pertaining to the possession of locations, building licenses and loans.
- Augmentation free infrastructure, or as official aids.
- Work to actuate people to use local materials as doing guidance projects, and build first samples that are suitable for the local situations.

4.3 Improvement and Upgrading Policy

This policy depends on personal capability and human participation while deriving advantage from the possibilities to develop civic environments in all aspects such as betterment of the infrastructure, roads, water net, electricity, and cleaning and tidying of developmental spaces (Soliman, 1996). And this simply means the betterment of standing housing units in areas which have suffered from deterioration, such as random areas and unofficial sectors (Najwa E. M, 1993). The improvement target can be summarised as follows (Soliman, 1996):

- To observe public health.
- To promote the economic level to develop human residences.
- To provide services and social security for residents.
- To convert random housing residences to legal housing residences via title deeds given to landlords in these areas.

Although this policy offered a solution for housing problem, even now it meets a lot of objections on account of its high cost.

4.4 Sites and Services Policies

Sites and services policy is considered as an efficient policy that has attracted wide consent from housing experts. Pieces of land are provided with desired services, for instance public utilities, water, electricity, roads nets, moreover social services, and can be allotted free of charge for people who can not pay, according to a means test based on family income, in order to prevent abuse of the system (Soliman, 1996). Both sites and services policy and improvement and upgrading policy are regarded as integral to personal capability policy, and all of them lean on a number of elements:

- Using the capabilities of the poor classes, and saving and investment (time, money and proficiency) in random housing residences.
- Stimulating the unplanned part of the private sector to avoid marketing problems in small industries and driving revenue to aimed and legal investment.
- Creating an environment of trust between various sides (government bodies, experts and residents) to apply public contribution method as one of the best techniques to gain the best revenue from people living in residences, because government can do nothing alone.
- Stimulating good relationships between partners in mutual assistance programmes, because personal capability building will be successful, if the will to share in the work is evident.
- For personal housing to be successful it must be proficiently managed. The project must be connected between beneficiaries and the principal authorities that advise the beneficiaries during all the building process.

4.5 Wet Core Policy

As a result of studies and research that have been conducted where land has been taken over illegally, wet core policy has appeared as a method to reduce costs, which public bodies expend to people, particularly low-income people, for building less costs human residences instead of building whole public houses. Basically, this idea involves establishing the wet part (kitchen and bathroom) and connecting basic utilities via specialist contractors, then defining the land area to complete the wet core unit. The wet core area fluctuates between 80–150 square meters according to societal circumstances. To reduce the cost of supplier utilities, wet core units are built adjoining each other.

4.6 Core Housing Policy

Perhaps it is impossible for government to provide houses for everyone who wants one because this would be an enormous financial cost, and most governments can not fund such a proposal. So governments might resort to building low quality housing in order to reduce costs, or choose a second alternative that is core housing, which essentially involved building the first cell establishing one room, a kitchen and bathroom, and leaving enough space for vertical and horizontal extension in the future.

5 CONCLUSION

Considering the housing policies followed, it can be seen that every political system realise the dangers of not addressing their housing problems. And every country, according its resources, attempts to provide housing for people, in the best ways it can. It is possible to divide housing policies into two main approaches:

- Housing that governments have built, in an arrangement whereby administration or supported companies assume the planning, design, and building, and then the government loans or sells allowing payment by instalment.
- Housing that people themselves have built, or that has been built by groups using loans from government banks or supported banks.

Finally, housing policies are not irrevokable and they can be bettered from time to time as previous experiences provide lessons for the future. Modifications and developments to these policies affirm the continuing problem, which international forces must co-operate to participate to solve. For that, they must promote a suitable environment to encourage international investors to become involved in the housing sector and to contribute their technical experience and huge financial capabilities.

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