

**UNDERLYING COLLEGIAL RELATIONSHIPS CONTROLLING PROJECT
IMPLEMENTATION: CASE STUDY IN EGYPT**

by

Hoda A.F. Tolba Sakr

B.Sc. Architecture, Faculty of Engineering, Cairo University

(1968)

Submitted to the Department of
Urban Studies and Planning in Partial Fulfillment of
the Requirements for the
Degree of

DOCTOR OF PHILOSOPHY
in Urban and Regional Planning

at the

Massachusetts Institute of Technology

June 1990

© Hoda A.F. Tolba Sakr
and

The author hereby grants to MIT permission to reproduce and to
distribute copies of this dissertation document in whole or in part.

Signature of Author _____
Department of Urban Studies and Planning
June, 1990

Certified by _____
Professor Ralph Gakenheimer
Professor of Urban Planning and Civil Engineering
Dissertation Supervisor

Accepted by _____
Professor Langley Keyes
Chairperson, Ph.D. Committee

Rotch

MASSACHUSETTS INSTITUTE
OF TECHNOLOGY

i

JUN 22 1990

LIBRARIES

UNDERLYING COLLEGIAL RELATIONSHIPS CONTROLLING PROJECT IMPLEMENTATION: CASE STUDY IN EGYPT

by

Hoda A.F. Tolba Sakr

Submitted to the Department of Urban Studies and Planning
in June 1990 in partial fulfillment of the requirements for the
degree of Doctor of Philosophy in
Urban and Regional Planning

Abstract

This dissertation discusses the relationship between international agencies, national governments, and local governments in the implementation of housing projects. It is argued that the local and national governments must be viewed separately in the framework of actors, and that this separation offers new insights for problems of implementation. This dissertation explores this relationship through a detailed case study in Egypt.

The Egypt Urban Development Project was the first urban sector program in Egypt financed by the World Bank and with their technical assistance. An examination of the project indicates that it was ill-fated, fraught with political and institutional problems. Some problems related to the lack of support for the project, reinforced by the nature and content of the policy. Other problems were organizational: building a new institution, too many agencies involved, lack of control, and noncompliance of local government, and the problem of a distant lender. The political and institutional problems encountered in Egypt were very similar to constraints facing other developing countries implementing upgrading and sites-and-services projects.

Why are the problems the same irrespective of country, culture and political ideology? To discover underlying factors the Egyptian case was examined in depth to determine what lies behind these political and institutional problems, and to look in depth at the methodologies of those who deal with monitoring and planning and those who deal with implementation.

The author realized that these are all symptoms of the nature of the underlying relationship between the three entities involved in the project: the international agency, the national government, and the local government. Each of these entities differs in goals, priorities, and concerns, and we also expect differences and similarities in their professional and business association, political ideologies, and professional perspective.

These differences and similarities when taken together create a relationship between the three entities which are described by a *model of collegiality*. The model shows a strong collegial relation—an associate relationship—between the international agency and the national government, while a weaker collegial relationship exists between the national government and the local government and a still weaker relationship between the international agency and the local government.

The inherent characteristics of officials and professionals in each entity have shaped their actions and their drawing together or not into collegial relationships strongly affected a project to the extent of controlling the outcome. The model suggests that during the project's life there are five distinct phases: the Harmony or Honeymoon Phase; the Realization Phase; the Accommodation Phase; the Frustration Phase; and finally the Resentment Phase. Each phase is characterized by the dominance of one or two of the actors.

A final chapter briefly explores the implication on policy of this pivotal relationship and whether such underlying relationships are apt to persist in future projects involving international agencies.

Dissertation Supervisor: Professor Ralph Gakenheimer

Title: Professor of Urban Planning and Civil Engineering

Dedication

To My Husband Galal

Table Of Contents

Acronyms.....	vi
Acknowledgements.....	vii
Preface.....	xi
1.INTRODUCTION.....	1
2.THE UNDERLYING COLLEGIAL RELATIONSHIPS.....	10
The Model.....	10
Characteristics of the Actors.....	13
The Matrix.....	22
The Scenario.....	32
3.NATIONAL HOUSING POLICIES AND CONSEQUENCES.....	41
State Intervention in the Formal Housing Market.....	41
Appearance of the Informal Housing Market.....	43
Introduction of New Approaches by the International Agencies.....	51
4.THE PROJECT AS INTRODUCED BY THE WORLD BANK.....	54
Summary of Project Components.....	55
Organization, Management and Finance of Overall Project.....	55
Project Agreements.....	58
The Upgrading Component.....	58
5.PERFORMANCE OF THE PROJECT.....	62
Organization of Project.....	62
Status of the Project at the Closing Date.....	70
6.PROBLEMS ENCOUNTERED IN IMPLEMENTATION.....	76
Absence of Political support.....	78
Ineffectiveness of Building a New Institution.....	80
Non-compliance of Local Government.....	86
Distant Lender.....	90
7.CONCLUSION: POLICY IMPLICATIONS.....	96
Bibliography.....	109
I. Housing.....	109
II.Implementation and Public Policy.....	122

Acronyms

EAJHP	Executive Agency For Joint Housing Projects
GOE	Government Of Egypt
GOPP	General Organization For Physical Planning
HIPCO	Handicraft Industrial Production Cooperative
IDA	International Development Association
LIH DU	Low Income Housing Developing Unit
LIHF	Low Income Housing Fund
MOH	Ministry Of Housing
MOHR	Ministry Of Housing and Reconstruction
MORNC	Ministry Of Reconstruction and New Communities
PIU	Project Implementation Unit
USAID	United States Agency For International Development
WB	World Bank—Official name: International Bank For Reconstruction and Development--IBRD

Acknowledgements

I thank God for the completion of this work and for creating the opportunities for me to meet and get to know wonderful and generous people during all the phases of my Ph.D. program. I thank God for answering the prayers of my mother-in-law who, when I left for the U.S.A. for the first time in 1981, prayed for me: "May you encounter the good people of this earth." With that I start by acknowledging my mother-in-law to whose care I left my husband and my children for two years. May God rest her soul in peace.

My list of acknowledgements may seem long but I do not think it is long enough to express my real appreciation and feelings for every professor, friend, colleague and family member. This list includes those who have assisted me in producing this work, those who have assisted me during the earlier years in the Ph.D. program, and those who were behind the scenes throughout.

My Dissertation Committee was composed of three professors that combined various areas of specialization and complementary perspectives on the issues addressed in this dissertation. I would like to start by thanking Professor Ralph Gakenheimer, Chairman of the Committee and my advisor since my first day in the Graduate Program at M.I.T. He was also the Chairman of my General Examination Committee. His lengthy assistance can be described as varied and profuse. His contribution to this work was innovative and invaluable and his comments were always intended to be constructive. Having the patience to go over my earlier drafts, and constantly suggesting more improvements, I strongly believe that he has made it possible for me, while in Egypt, to be continuously affiliated with M.I.T., and subsequently to return and to continue in the doctoral program. I also worked as a research assistant on one of his projects in Egypt (M.I.T./Cairo University Joint Team 1982-1983, "The Development of Guidelines for Urban Area Planning in Egypt").

Professor Lloyd Rodwin, member of my Dissertation Committee, was also a member of my General Examination Committee. His suggestions for this work have been of great value. I have enjoyed his courses at M.I.T, they have contributed greatly to my knowledge in evaluating urban and regional policies.

The contribution to this work by Professor Reinhard Goethert, member of my Dissertation Committee, was immeasurable. He can be described, not only by me but by other students in the department, as dedicated, honest, hardworking, meticulous, and giving. His assistance, guidance and support have continued over the years and have culminated in this work. I first met Dr. Goethert at the GOPP in 1978 during his work on

the Joint M.I.T./Cairo University Housing Project. He then invited me to present the World Bank funded project in the "Layout Workshop in the Urban Settlement Design Program of the Technology Planning Program" (M.I.T./Cairo University) and this was my first introduction to the Institute. I was also a teaching assistant in his M.I.T. course, "Structuring Low Income Housing Projects: Theory and Practice."

Professor Karen Polenske, member of my General Examination Committee has continuously guided me over the years. Her advice and support goes back to my early days at M.I.T. Her constant support has made her one of the main actors in my life at M.I.T. Her authenticity and articulation to her students, with honesty, care and dedication is something that I shall always truly admire and remember. She is a very special person and a very special professor.

I also thank Dr. Barbara Ibrahim, Ford Foundation Cairo Office, for her support and belief in me and in my dissertation topic. Her patience and encouragement has made it possible for me to return to M.I.T. to complete the program. I also must mention her true concern for my children while I have been away.

I regret that I cannot list the names of officials in the national and local government of Egypt who have either been interviewed or who have assisted me in some other way, for I have not acquired their approval. However, I do acknowledge their assistance. I can, however, mention Mr. Ihsan Chiri, Undersecretary for Management Development, of the Ministry of Housing, Egypt and director of the World Bank funded project, whose assistance, cooperation and knowledge guided this work and was of immense value to its realization. My deepest regret is that he shall not be able to read this work. May his soul rest in peace. In that respect I would also like to mention Engineer El Ghayaty and Engineer Ahmed Abdel Halim, senior planners in EAJHP and Engineer Dr. Engineer Maher Ahmed consultant to EAJHP. Also Engineer Mahmoud El Shater planner in GOPP. I would like to thank Dr. Engineer Ali Maarof, Vice-Chairman of GOPP, for although he has been at the GOPP for only the last two years, he has constantly supported and encouraged me to complete my dissertation. I would like to thank several other persons who have contributed greatly to my early and recent experience in GOPP: Engineer Hafez Ali, former Chairman; Engineer Kamal Shuhayeb, former Vice-Chairman; Engineer Abubakr Mitkees, former General Manager; Engineer Noshy Ghareeb, former General Manager; Dr. Engineer Janos Zimmerman, GTZ consultant and project manager on the GOPP/GTZ new town project; I would also like to mention the support of Dr. Mustafa El Said, former Chairman of the General Organization for Building Housing Planning and Research (GOBHPR) and that of Dr. Engineer Abuzeid Rageh, former Chairman of GOBHPR.

To those who were always there, I would like to pay a very special tribute to my husband Galal I. Hosny, who has been the real force behind my starting and eventually

completing my Ph.D. program. Knowing my desire to join the program he supported my coming to the United States to pursue it and in spite of his work he took full responsibility for our three children. He believed in me and his constant support and encouragement always motivated me to continue. I find it difficult to express my gratitude and appreciation in a few sentences which, no matter how well articulated, will always be short of expressing how I really feel. I can only very briefly say that for his love, patience, and unselfishness all these years, thank you.

My three children, Maha, Nada, and Mohammad were very understanding, patient and supportive even though they have not been able to conceptualize yet why I should go through the trouble of pursuing an advanced degree. They often asked me: "Why are you doing this? Will you be promoted in the GOPP? Are you going to get more money when you finish?" When I answered in the negative and that it was for more learning and hence self satisfaction, they would look at one another and raise their eyebrows. Perhaps in the future they will understand and follow in my footsteps as I followed in my parents and grandparents.

My parents were responsible for making me the person that I am. My father, Engineer Aboul Fetouh Tolba Sakr, hardworking, innovative, ambitious, dynamic, has always been my role model. His teaching and principles have guided me through my life. More importantly, I owe him many of the qualities we share, although he always compares me with his mother.

The guidance and advice of my mother, Wajiha Saleh, has always guided my path. Her pursuit of learning has been my example. Married at sixteen, she had only completed high school. At thirty, with four children, she was admitted to the university. We went to Cairo University together, she to Political Science, and I to Engineering. She laid the foundation for my constant search for learning as her father, Dr. Mohammad Saleh, former Dean of the School of Law, Cairo University, eloquent hardworking and constantly searching for more learning, was one of the earlier scholars in our family and the example of his children and grandchildren.

The assistance and generosity of Aunt Adla and Uncle Jake Saliba, of Katie Industries, my Bostonian parents during my stay in Boston, has been abundant and is not to be forgotten. I would like to thank: Souad Hosny, my sister-in-law, for taking care of my family while I was completing my dissertation at M.I.T. in 1989–1990; my sister-in-law Farida Hosny and her husband, Saad Eldine El Sayed Ibrahim, UN. New York, for their care, hospitality and generosity to me while in the U.S., my dear friend Fatma El Hadi and her husband, Dr. Sherif El Wakil, Professor of Mechanical Engineering, Southeastern Massachusetts University, for their constant support, valuable advice and generosity to me during my residence in Massachusetts; my friends Maria and Roger Due for taking care of me in Quincy where I resided;

Mervat El Kadi, my colleague in GOPP and my best friend, was in the Special

Program for Urban and Regional Studies (SPURS) at MIT.,while I was in the Ph.D.program, Samia Sakr my sister was also in the Master Program in the Architectural Department at MIT, at the time, we shared the same apartment in Boston and they were always there when I needed support. Mervat was also an active participant in the World Bank funded project, from the Harmony Phase until the early Frustration Phase our close friendship made it possible for us to share views and experiences. I thank Ola Omar and Amina El Halwagy, my friends and colleagues in GOPP, for their continuous overseas assistance, while I was in the USA

My friends at M.I.T. have always encouraged me to keep it up. Dr. Sam Mintz, Transportation Planner, as a Ph.D. student, advised me at each step in the program. His advice was of great value. Tanya Cveck, former MCP student and close friend, supported me in my struggle to complete my course requirements—180 units in four semesters. She would always tell me: “You can do it, you’re a survivor!”

Jackie LeBlanc, former Ph.D. coordinator; Sandy Welford, present Ph.D. coordinator; Rolf Engler, Head Administrator, Department of Urban Studies and Planning headquarters, for their constant and valuable assistance; Bertha Badr, Ford Foundation Cairo office, for her valuable assistance over the years of the grant;

Nashwa A. Abu El Azm and Manal Saad Eldine my husband’s secretaries, whom I have tortured with wordprocessing of the earlier dissertation drafts, in Cairo; Betty Lou McClanahan, Paula Maute, and Arthur Gaer for the fine job they have done wordprocessing the final text.

Mr. Marawaan, Mona, Mr. Gabriel, and Mr. Galal, for taking care of my household during the times I was there and away, thus making it possible for me to concentrate on my work.

This dissertation is the product of an individual grant from the Ford Foundation. I would like to thank the Ford Foundation for making this study possible.

Preface

The "Egypt Urban Development Project," introduced to the Egyptian Government represented by the Ministry of Housing and Reconstruction (MOHR), in early 1977, was the World Bank's first urban project in Egypt, but not the only project in Egypt involving international agencies. Following Sadat's Open Door Policy in 1974, the MOHR had become a center of activity: projects, studies, international consultants, Egyptian firms, lenders, donors, the World Bank, the United Nations, and USAID were everywhere.

The General Organization for Physical Planning (GOPP), affiliated to the MOHR, was thriving too. In 1973 it was transformed by presidential decree from the Greater Cairo Planning Agency (created in 1965 as the first physical planning agency in Egypt whose responsibility was consulting but with no legal power to enforce its recommendations) to the General Organization for Physical Planning. By this decree the organization became an autonomous national organization with its own budget and board of directors. The GOPP was accorded overall responsibility for physical planning of the entire country. This included establishing the general policies of town planning and drawing up plans and programs for urban development. It also assumed legal responsibility for enforcing these plans. Its projects ranged from regional development policies, to selection of locations and general plans for new towns, to detailed planning for new towns and new extension areas in existing towns, to urban renewal planning to action area programming.

The GOPP, having a dynamic and politically supported chairman, Eng. M. Hafez Ali, and a strong technical staff, at the time was selected to prepare the studies for the World Bank funded project. As a senior planner in GOPP, myself and others were selected to participate in the project. We were enthusiastic about working with World Bank officials who were renowned for their professional expertise. Enthusiasm and excitement were the general feelings in the GOPP at that time and many projects were getting underway. We were happy to resume work following the depressing period of 1970 to 1973.

My interest in this project was both personal and professional. Personally, this was my second project with expatriates and I was looking forward to adding to my international exposure and professional experience. Professionally, I had been working at the GOPP for five years as a planner collecting and analyzing data on the physical conditions of different neighborhoods in Cairo. In the evenings, I worked as an architect in my husband's private architectural consulting firm. I was thus presented with the dilemma of whether to continue as an architect or to be a planner.

As a child I had dreams of becoming an engineer like my father. I had especially hoped to become an architect building houses for the poor. In practice, however, I realized

that I was building for the rich. It was only on rare occasions that public housing was built for the low income groups, and was certainly not being built for the people I interviewed in my survey work. Collecting data among the poor only served to convince me more of the necessity of helping them.

The turning point in my career was my first real project for the GOPP, the comprehensive plan of a new sub-center east of the Delta. I was to be in charge of the land use group and final structural plan. I decided to stay in planning. I believed at that time that I could serve my country through the GOPP, a nonprofit organization, and relieve some of the problems I had seen during my surveys in the lower income neighborhoods of the country.

At that moment, however, I wanted more experience. The World Bank funded project appeared at that time to offer the necessary ingredients for successful implementation: technical expertise and money. In addition, I believed in upgrading and sites-and-services approaches. As a young national government professional, with a limited knowledge of informal housing, I thought these policies were simple and logical responses to the problem of informal settlements.

I had only recently returned from a three-month study tour sponsored by the United Nations Development Program which included visits to Pakistan, Iran, and Turkey to see low-cost housing projects, including some involving squatter settlements. Pakistan at that time, together with the World Bank, had initiated upgrading and sites-and services approaches. Upgrading had been implemented by the Karachi Planning Authority in Koringy Karachi, a squatter settlement numbering 700,000 inhabitants. We were invited to see the improvements to the project settlement. The improvements to the settlement were imperceptible. Remembering this at a later time of my life I could understand the reluctance of political officials to support such projects.

The sites-and-services portion of the Karachi project, more exactly, core units, were implemented in the Metroville, a new settlement several miles from Karachi. Most of the settlement had been built, but no one had moved in. At the time the reason mentioned was that the Metroville was too far from Karachi. Other reasons were political and institutional, but, as a young professional at the time, I was more interested in the design and technical aspects of the project. I could not comprehend the scope of these political problems and was under the impression that they were purely local. Therefore, when the World Bank approached the GOPP, I had already been exposed to the concepts of upgrading and sites-and-services and, in spite of what I had seen, I believed that we, in this project, could avoid similar technical problems. I was perhaps also overly impressed by the World Bank officials—they couldn't possibly be wrong!

An international consulting firm, Doxiadis Associates International, was selected by the World Bank to work with the GOPP professionals on the initial study. Most of the

GOPP team were land use planners, and at a later stage a sociologist was included.

Mansheyet Nasser, the informal settlement to be upgraded, required many socio-economic studies and physical surveys but did not offer too many alternatives for land use development. On the other hand, the sites-and-services layout plans in Alexandria and Assiut required much work. Our objective there was to produce plots of land for the target groups requiring no subsidies. These plans were further developed in a workshop on sites-and-services programs in the MIT Urban Settlement Design Program under the auspices of the Technology Planning Program. A colleague and myself were invited for two weeks following the completion of the study, and reviewed the layouts. In brief, most of our work together, with World Bank officials and Doxiadis consultants, was targeted to produce the study and the optimal plans. I do not recall that higher politicians or local government were involved as work progressed.

The stage that followed the completion of the study was very frustrating to me. A World Bank mission visited Cairo, but all its members were new. The project plans were discussed again. Suddenly there was talk that the project would leave the GOPP. My colleague, the senior sociologist in the project team at the GOPP, was borrowed by the new institution, the Executive Agency for Joint Housing Projects (EAJHP). The rest of the team were not allowed by the Chairman to leave the GOPP. At this time it became apparent that considerable political opposition to the project existed. Through my colleague and a few of the World Bank members I learned of the concern and anguish of those involved. As a young professional detached from politics I was frustrated. The project we had worked so hard on and believed in was faltering, and we could not do anything about it. However several issues were evident at the time, the dominant being the lack of support for the policy, which eventually led to the building of a new institution to be accountable for the project. Meanwhile World Bank officials were experiencing bureaucratic problems in Washington and new members were sent to Egypt with almost every mission.

By 1980 I was Deputy Project Manager on the Master Plan Study of El Obour, a new town in the desert northeast of Cairo, in collaboration with the German Agency for Technical Cooperation (GTZ). It was here that I got my first experience as a manager responsible for integrating both socio-economic and political issues into planning decisions. I was not only responsible for the built environment but also for the external political forces affecting the planning decisions. By the time this study was completed most of the officials who were to be involved in future decision making had been contacted. Small meetings and seminars had been set up to explain our approach to the study. Their views and comments were recorded and included in our work. A final presentation was held, ending in alternative recommendations presented in the form of a scenario, explaining the measures and the consequences. At the end of the presentation they each believed and rightly so, that they had been part of the study and the recommendations. They knew beforehand what finally was to be recommended and its

consequences.

This is when I realized that our isolation from the higher political context in the World Bank funded project was a major contribution to the lack of support for that project. I realized, moreover, that when I met with the World Bank's Head of Mission while I was working on El Obour and we discussed the problems he faced with the governorates, that we had not involved the local government in the study phase of the World Bank funded project either. I could at that time understand the involvement of higher national government officials, but to include local government professionals was not yet on my agenda.

As I moved up to management responsibilities I realized that there was more to our plans than the physical and socio-economic aspects and higher politics, and this was the implementer. I observed how planning had changed within the GOPP as it was transformed from a consulting agency concerned with land use plans to a national planning organization concerned with integrated socio-economic studies and physical planning of the entire country. The GOPP used to function in isolation from the local government, now the local government was actively involved. The GOPP used to be an organization that appointed only engineers and a few sociologists, now it had a large organizational structure divided into three land use planning departments, a civil engineering department, and a socio/economic department. The GOPP also has a local office in Ismailia governorate, in charge of the development of the Suez Canal Zone.

The GOPP's concern with local government became even more serious when the national government realized the extent to which informal housing was springing up everywhere. Towns on agricultural land presented a dilemma for us. How could we allow the expansion of these towns to accommodate the natural growth of their inhabitants without losing valuable agricultural land? Lacking master plans, towns in the Delta were expanding on valuable agricultural land. Land was subdivided and sold for informal housing at a rate that increased tremendously as the Egyptian workers in the Arab Gulf states invested their savings in land and housing. The task ahead for GOPP was enormous: 172 towns and cities. Drawing on the assistance of private and public firms was necessary. Criteria were set to select towns and cities in the most critical condition. Some plans were prepared within the GOPP and by others through outside consultants with GOPP supervision. At the GOPP we had finally learned that it was necessary to work with the local government.

At M.I.T., in the Ph.D. program, I saw that what I encountered in the World Bank funded project and other projects in the GOPP were problems encountered in implementation of similar projects world-wide. Upon my return to Egypt I looked at the World Bank funded project from a new perspective. It was obvious that it would be an excellent subject for my dissertation research. The time I had spent with the project,

painful as it was to me, had not been wasted. With my background as an M.I.T. student and my experience in the GOPP, I knew that there are lessons applicable to other projects that could be learned from this project. As a practitioner I was searching for ways to deal with this project and others.

The program of study I pursued at M.I.T. in the Department of Urban Studies and Planning was closely related to my professional career and the needs of Egypt and other developing countries. The program enhanced my capabilities in formulating urban and regional development policies and helped me understand the factors inherent in the implementation process and in the evaluation of programs. It helped me to think critically about political factors and their effect on the formulation of policy and the decision-making process.

In the early stages of my dissertation research, I was pessimistic. The “pitfalls of bureaucracy,” as I called it, seemed deeper than I had expected. Then it appeared that the policy itself was at fault: the nature of the policy conflicted with the nature of the formal government. I saw no hope for implementation of the policy by the government. My thoughts moved from pessimism, to frustration, to accepting the given context, and hence to the search for ways to deal with the policy and to implement it.

However, with my experience in the government reinforced by literature and case study research, I knew there must be another, more profound explanation to what is happening. Why was it that in this project, and in many others, policy is detached from implementation, and why are the implementers always left out? It seemed to be a structural problem. The Government of Egypt, as I was initially using the term, was actually two entities: the national and the local governments, each with its own priorities, goals, vested interests, professionalism, and hence views on informal housing, upgrading and sites-and-services. The local government had its own views on the problem, they had an experience with informal housing that surpassed that of the national government. However the World Bank and the national government in most cases work closely together, and are more distant from the local government.

Last semester at M.I.T. my advisor, Professor Ralph Gakenheimer, helped me define the problem: “You have identified the Government of Egypt as two separate entities each having its own views and priorities, etc., versus the World Bank as an entity. Look at the nature of the relationship between these three entities in more detail.” The pieces fell into place. What has happened in this project and other similar projects funded by international lenders/donors, can be explained by the model developed in this thesis. I can thus conclude that I have finally found peace with the World Bank/National Government/Local Government of Egypt project, and others of a similar nature.

The Case Study Selected

This research, carried out in 1985, investigated the first “Egypt Urban Development Project” financed by the World Bank/International Development Agency and the Government of Egypt. The investigation has concentrated on the upgrading component in one informal area, Mansheyet Nasser in Cairo, during the implementation period between 1979 and 1982. These were the first four years of the project’s life, which was ultimately extended to 1984 and finally closed in 1985. Progress on the site-and-services components of the project was minimal and details of their development has not been included.

This upgrading project was the Government of Egypt’s first experience with informal areas. The case study showed poor performance and the author was present during the early stages of the project to witness the process. The timing is also convenient because the project had gone on long enough to have an observable record, but is still recent enough that the actors can still respond to an interviewer.

The agencies involved in the implementation were contacted and past and present officials familiar with the project, or those who had played a role in it, were interviewed. There are other groups of actors involved in the project: the inhabitants, local and national politicians. However, interviews were restricted to the bodies officially responsible for planning and implementation. Interviews with officials included questions which would clarify their attitudes toward the nature of the project and the procedures for implementation. Questions were designed to identify consensus, responsiveness, social bias, or conflicts of interest. In addition to interviews, the author relied on information extracted from the project appraisal report of 1978, the project files at EAJHP and the World Bank aide memoires, which were prepared during the IDA missions to Cairo with the purpose of setting down the findings and progress of work, correspondence between EAJHP and the Cairo Governorate, correspondence between EAJHP and IDA and internal EAJHP memorandums.

The Author

Most research is undertaken by academic or individual researchers. Most evaluations of government projects are done by consultants and outsiders. This is one of the very few research works where a new perspective on problems will be introduced through a researcher who has been a practitioner and planner in the national government for the last twenty years and who has also been involved in other work related to the informal sector. Thus the realities of the institutional and political setting will be conveyed with a new perspective, by one who has actually worked within it.

Chapter 1

INTRODUCTION

Background

This dissertation discusses the relationship between international agencies, national governments and local governments in the implementation of housing projects. It is argued that the local and national governments must be viewed separately in the framework of actors, and that this separation offers new insights on problems of implementation. This dissertation explores this relationship through a detailed case study in Egypt.

The Egypt Urban Development Project was the first urban sector program in Egypt financed by the World Bank and with their technical assistance. The project involved the World Bank—the international lender—and the host government—the Government of Egypt, which is represented by both national and local governments.

The project's demonstration areas were to be located in Cairo, Alexandria and Assiut. Cairo, the capitol, and Alexandria, a major port on the Mediterranean, are the two largest urban areas in Egypt and are the two cities in which Egypt's urban problems are concentrated. Assiut in southern Egypt (termed *Upper Egypt*) is representative of a wide range of small-to-medium size cities with high population growth rates. The upgrading component was to be implemented in Cairo, while the sites-and-services component was to be implemented in Alexandria and Assiut.

The arrangement specified in the project agreement involved three main organizational entities: the international funding organization (the World Bank); the Egyptian national government (represented by the Ministry of Housing and Reconstruction), responsible for the preparation of studies and project monitoring during implementation; and the local governments of Cairo, Alexandria and Assiut, responsible for the implementation of their respective project component.

An examination of progress during implementation indicated that the project was ill-fated. Project implementation did not proceed as expected and the completion date of the project was extended twice, increasing the implementation period from four to some seven years. Substantial reductions were made to the scope of the work, but several project activities still remained unfinished when the project ended.

The project introduced by the international lender to the Government of Egypt was fraught with political and institutional problems. Some problems related to a lack of support for the project, reinforced by the nature and content of the policy. Other problems were organizational: The ineffectiveness of building a new institution, involvement of too many agencies, noncompliance of local government, and the problems of a distant lender.

The political and institutional problems encountered in Egypt were very similar to constraints facing other developing countries implementing upgrading and sites-and-services projects. This similarity has intrigued the author for some time. Why are the problems the same irrespective of country, culture and political ideology? To discover these underlying factors the Egyptian case was examined in depth to determine what lies behind these political and institutional problems, and to look in depth at the methodologies of those who deal with monitoring and planning and those who deal with implementation.

The Model of Collegiality

It is argued that these political and institutional problems encountered in Egypt and in other developing countries are all symptoms of the nature of the underlying relationship between the three entities involved in a project: the international agency, the national government and the local government. Each of these entities differs in goals, priorities and concerns, and we also expect differences and similarities in their professional and business association, political ideologies, and professional perspective. These differences and similarities when taken together create a relationship between the three entities which can be described by a *model of collegiality*. The model shows a strong collegial relationship—an *associate* relationship—between the international agency and the national government, while a weaker collegial relationship exists between the national government and the local government and a still weaker relationship between the international agency and the local government.

The inherent characteristics of officials and professionals in each entity have shaped their actions. Their drawing together or not into collegial relationships strongly affects the outcome of the project. The model suggests that during a project's life there is a change in attitudes, which follows five distinct phases: The Harmony or Honeymoon Phase, the Realization Phase; the Accommodation Phase; the Frustration Phase and finally the Resentment Phase. Each phase is characterized by the dominance of one or two of the actors.

Harmony or Honeymoon phase: The international lender and the national government begin to work, and the officials in the international agency are optimistic

about the projects to be undertaken. The national government officials are eager to cooperate with and benefit from the respected international lender. National government professionals are immediately appointed to the project and the international agency sends missions on a regular basis. The Honeymoon phase starts with the project identification and ends with the completion of a study phase, almost a two year period in the case study. This phase is characterized by an active international agency and an active national government.

Realization phase: Politicians at the national level realize that the international lender's policy is not what they had expected. The international agency realizes that a controversy exists about both the problem and their suggested solution. In a general model the dominant actors could either be the national or international agency. In the Egyption case, it was the national government which was the dominant actor. This phase starts with the end of the study phase and extends to the actual approval of credit. The Accommodation Phase overlaps with this phase .

Accommodation phase: The entities are forced to continue with the project regardless of ideologies. Local government officials are now brought into the project. In the case study the national government agrees with the international agency on the establishment of a new agency to monitor the implementation of the project, while the local government is to be in charge of implementation. Accommodation is considered to start with the establishment of the new agency and ends with its consolidation. Ignoring the overlapping period, in the case study this phase lasted for one year and nine months. In a general model the dominant actor is either the national or international agency. In the case study, it was the World Bank. The World Bank postponed credit until all the subsidiary agreements had been made and institutional arrangements completed.

Frustration phase: This phase starts with problems encountered in consolidating the new agency, parallel to the accommodation phase. Meetings with local government officials take place and progress is painfully slow. Local government officials find themselves monitored by the national government. Already overloaded with daily tasks, the project, with its interference by national government officials, is one more burden. The international agency monitoring the project expects tangible results, but the first physical action is slow to be realized. All three actors are dominant: the lender, the national government, and the local government.

Resentment phase: Frustration turns to resentment. From a distance, the international agency pressures the national government for results. Experiencing problems with its newly established agency, the national government finds itself caught between the demands of a distant lender and the noncompliance of the local government. The local government, with its own agenda, is torn between the demands of the national government and its own local duties. Generally the national government would be the dominant actor. Conceivable the international agency could become the dominant actor, particularly when the national government is dominant in the Accommodation phase. In

other words the national government is doing everything to get the funds.

The Housing Context In Egypt

The model will be elaborated using Egypt as a case study. The housing program in Egypt is based on substantial public involvement through actual financing of construction and the supply of building materials at subsidized prices. Both public and private formal housing programs are heavily subsidized in an effort to meet the financial capabilities of middle- and low-income groups. Critics of these policies have concluded that because of current standards and the subsidies involved in the construction of housing, it is not possible for the government to provide housing for a significant part of the population, and, under the best of circumstances, a large percentage of the lower-income urban population has no chance to participate in any of the formal public housing programs. It is thus not surprising that another form of private market has developed to cater to this unmet demand. This new form of private market has introduced what has been called the “informal” or “unauthorized” settlements. Informal settlements are characterized by either illegal acquisition of land, illegal subdivision, or nonconformance with zoning laws and building regulations. Because of its illegal nature the informal housing stock is not counted in the official statistics on housing production. As a result of studies by international aid agencies which revealed the significant scope and role of the informal sector, the Government of Egypt (GOE), represented by the Ministry of Housing and Reconstruction, came to a realization of the important of this sector and the need to seek solutions.

The Abt Associates study in 1981, *Informal Housing in Egypt*, indicates that while squatting in other countries makes up the bulk of what is perceived to be informal housing, in Egypt field observations and interviews suggest that *true* squatting comprises a comparatively modest share of informal housing. Most dwellings in the informal sector in Egypt appear to be illegal by virtue of the owners having failed to adhere to subdivision or building regulations. The informal areas in Egypt have been described as being areas where disregard for the law appears to be the rule. The people live as free from government intervention as possible.

Various studies (USAID, 1976, 1977a, 1977b) have examined how the informal sector functions in contravention to existing Egyptian laws and regulations in securing land, construction, finance and the acquisition of building materials and labor. Other studies have estimated that, nationwide, about 77% of all housing units built between 1966 and 1976 in Egypt were informal (World Bank, GOHBPR¹, 1978, p. 70). This estimate was based on observations of intercensal housing changes between 1966 and

¹ General Organization for Housing, Building, Planning and Research.

1976, by comparing permit and registration data throughout Egypt. In 1981 it was estimated that 84% of all housing units built in Cairo between 1970 and 1981 were informal (Abt Associates, 1981, p. 20).

The Involvement Of International Agencies

The solutions presented for informal areas were introduced to the national government by the international agencies, primarily the World Bank and the United States Agency for International Development (USAID), the same agencies responsible for the studies of the informal housing sector. In 1977 the World Bank initiated the *Egypt Urban Development Project* and in 1978 the United States Agency for International Development authorized the *Housing and Community Upgrading for Low-Income Egyptians Project*. The World Bank funded project—the focus of this research—consisted of two primary phases: a study phase, commencing in 1977 for a one-year period, and an implementation phase, a four-year period beginning January 1, 1978, and running through December 31, 1981.

These projects represented the first attempt in Egypt to explicitly acknowledge the unauthorized self-help activities taking place in informal areas. The term *self-help* refers to planned, so-called sites-and-services schemes, but it also refers to the unauthorized settlements and to upgrading as official support to self-built settlements. The projects recommended that priorities be shifted from the construction of housing with relatively high standards serving only a few, to programs encouraging and promoting the private construction efforts of families living in informal areas.

The purpose of both projects was to demonstrate the feasibility of providing and improving basic housing and community facilities for low-income families in a socially acceptable fashion and at an affordable price, while providing the Government of Egypt with substantial recovery of its investment without the need for public subsidies. The projects included upgrading a number of informal areas and the development of new sites-and-services areas. The international agencies involved were to provide technical assistance, and aid in funding and monitoring the projects.

The solutions presented were in accord with the Bank's view of the problems, which was largely based on their experience in Latin America. Because the informal construction process is already making an important contribution to housing thousands of low- and middle-income, the government should look at the positive aspects of informal construction and develop programs to capitalize on the initiative of these families in solving their own problems. This new approach would seek to control and improve this process, which already involves a maximum self-help effort by the residents and requires a minimum input of government financial and technical services. Governmental efforts

should concentrate on what cannot be done by private individuals and groups, such as land acquisition, overall planning and control, provision of technical and social infrastructure, and assistance in providing credit for housing.

However, to the government of Egypt, the projects initiated a new concept in addressing the growing housing problems. Whereas in Latin America governments were long accustomed to this type of project, in Egypt this was a new, diametrically opposite concept. The Government of Egypt would be deviating from its customary role of providing subsidized public housing units of acceptable standards to the servicing of sites while providing only minimum core units. In addition, the formal bureaucracy of the Government is asked to intervene to promote and develop areas which have been declared illegal according to zoning and building laws, an approach the reverse of their policies. To the national government the impact of these uncontrolled neighborhoods is nationwide and they present a menace to zoning laws, building regulations, general physical appearances, health considerations, and the security of the cities. More seriously it has been argued that they represent a threat to scarce agricultural land.

Following the completion of the study phase not many officials in the national government were enthusiastic about the new concept. Opponents claimed that by upgrading informal areas, the government would be explicitly formalizing illegality and that the upgrading of one informal area would encourage the creation of new informal areas. In addition, there were fears that the government would be creating slums with sites-and-services projects, instead of demonstrating and offering good housing standards to the people. Another aspect, which was not explicitly apparent, was the incremental growth of sites-and-services projects as a time-consuming process which does not achieve immediate results, while upgrading projects lack visibility, particularly when compared to building several hundred public housing units in a year or two. What increased resistance to the projects was that the concept had been developed during its study phase at the General Organization for Physical Planning (GOPP), a national government planning bureau, in isolation from both the higher political context and the local governmental context, who were later given full responsibility for implementation.

To higher officials in the national government implementation meant public responsibility for the new policy when the concept was new and success doubtful. The attitude was reluctance to be directly accountable. In practical terms, this meant turning the project over to another ministry, or building another agency.

In the case of the World Bank and USAID funded projects, they were turned over to another ministry and a new agency was established in 1979, the Executive Agency for Joint Housing Projects (EAJHP). Its purpose was to undertake housing and shelter related programs jointly funded by the Government of Egypt and other international funding organizations such as the World Bank, USAID, or the United Nations. To the World Bank officials the new institution was a convenient arrangement, for it ensured having a staff whose sole responsibility was this project. Given that the project was

comprehensive and dispersed, it was simpler to deal with only one agency at the center. The Bank relied upon this central agency for day-to-day monitoring, yet they continued to monitor progress from Washington. It took time to establish the EAJHP and time for the agency to define its management role. The new agency was unable to concentrate on technical activities, as its first concern was the hiring and orientation of staff, finding a location, etc.

The local government was not involved in the initial preparation of the studies but was eventually invited to participate, and brought their own priorities and objectives. The characteristics of informal housing, their activities and the size of this sector, as described by the above-mentioned studies, were not new to the local government. The local government is responsible for the existence of informal housing through enforcing (or not enforcing) compliance with the law. As in many other developing countries experiencing the same rapid growth in informal housing, the local government responded by demolition or, in most cases, by threats of demolition.

The national government blames the local government for the spread of these neighborhoods, while the local government believes that these neighborhoods are illegal because, according to national planning and building laws, they are. At the same time, the local government believes that this is a natural response of the people to address their housing needs, because the national government is slow to respond, whether in building or by deciding where to build. Meanwhile, where shall these people go?

The local government was not interested in objectives and priorities set by the national government and they certainly did not want monitoring from the center. It was their domain and they felt it should have been their project from the start. It was their task and thus should not require any special treatment beyond the need for an expanded budget. Other participants only made their work more difficult. As a result the local government refused the sites-and-services projects and demanded better design standards for the upgrading projects. Overriding the national government, the Governorate of Cairo chose to extend the sewage system to serve the whole targeted settlement at their own expense, independent of the project and EAJHP. The Central Project unit in EAJHP had very limited control over the agencies involved and noncompliance by the local government was a major problem.

The World Bank was monitoring the project from its headquarters in Washington, D.C., in addition to short-term visits by World Bank officials every three to four months. However, the members of the mission changed with almost each visit. Within two years, after the first change in the mission membership involved in the study phase, four heads of mission and most of their accompanying staff were changed in subsequent missions. Each new staff member would refer to the former reports for guidance and, with an unknown past and new context, hope to continue. Each mission brought new ideas and hopes, at the same time denigrating efforts of former colleagues.

In spite of these intermittent visits by the World Bank and the frequent change in mission membership, some limited progress was made in the project during these visits. With the project leaving the General Organization For Physical Planning (GOPP) and the former project team who had prepared the study, the only entity which could claim continuity with the project was the World Bank. The local government, given full responsibility for implementation, looked to the World Bank as the one agency responsible for the project. "These people should be working with us, not with the national government."

In the following chapter a scenario from the Egyptian case will be used to demonstrate how the collegial model applies. The example will be broken down into the five phases mentioned above, and each phase, with the actors' attitudes and roles, will be described in detail.

Structure Of Thesis

Chapter 2 explains the underlying relationships between the actors involved in the project. It is argued that this is the underlying cause of the political and institutional problems encountered in implementation. The chapter is divided into four sections: the model of collegiality, the characteristics of the actors, a matrix outlining the contrasts and similarities, and the scenario of the five phases. The model was in fact an invention based on the conclusion of case evaluation, it is presented here at the beginning to enable the reader to absorb the evidence of the case evaluation in such a manner as to test for himself the applicability of the model to the case.

Chapter 3 briefly introduces the reader to the context of the project. It is divided into three related parts. The first deals with the National Housing Policies that prevailed in Egypt since the 1960's. This section outlines the methods and policies which were traditionally adopted by the Egyptian government prior to the introduction of the new programs. It highlights the policies and procedures with which the government is accustomed and eventually how this differed from the new programs. It points out how these policies have—to a great extent—promoted the creation of the informal housing market. The second part introduces the informal housing settlements and the areas planned for upgrading. It outlines the different types of informal settlements prevailing in Egypt and in other countries. It continues by describing how the informal sector functions in acquiring land, construction material, labor and finance, all in evasion of, and manipulation of, the existing Egyptian laws and legislation. The third part introduces the new programs—what the policy is about and what it entails.

Chapter 4 describes the case study—the World Bank funded project—in detail: the components, agreements, proposed organizational structure, and financial aspects. The focus is on the upgrading project at Mansheyet Nasser in Cairo: the settlement, the

amenities lacking, and what was proposed.

Chapter 5 has been divided into two parts, explaining what happened to the project. The first part describes the actual organizational structure of the project as opposed to its proposed; the second describes how the project progressed. It focuses on the first four years in the project 1979–1982.

Chapter 6 deals with the problems encountered in implementation, focusing on the political and institutional issues. Each is discussed separately and the effect of each is explored.

Chapter 7 briefly explores the implications on policy of the pivotal collegial relationships and whether such underlying relationships are apt to persist in future projects involving international agencies.

Chapter 2

THE UNDERLYING COLLEGIAL RELATIONSHIPS

The Model

The formulation of policies either at an international or national level does not guarantee the realization of these policies, and as a consequence development is not achieved until the implementation process is completed. By implementation is meant the process that starts with negotiation to exact policies and follows in the form of activities undertaken to produce the outcome mandated by the policy. Most of the literature developed on implementation, with a few exceptions, constitutes explanations that benefit from hindsight of specific implementation cases, and most are devoted to the analysis of the factors and actors intervening in the process as well as to the way they interact, or fail to do so. Most authors have used these factors and interactions to explain why a policy was modified or not achieved at all in implementation, very much in the way that Pressman and Wildavsky (1979), did in *Implementation*. This literature led the author to recognize the many factors to be taken into consideration in the analysis of the implementation cases and confirmed the author's initial observations on the problems encountered in the project: the ineffectiveness of building of new agencies, the multiplicity of actors, and the two widespread remedies called by Pressman: "sidestepping bureaucracy" and "coordination."

Other authors have gone beyond the stage of a specific case and have derived a theoretical framework like Bardach, Grindle, Rein and Rabinovitz (1978). Bardach's (1979) and Grindle's (1980) analysis was used to gain a different insight into the case study. Bardach uses a games metaphor to depict behavioral patterns and to analyze the strategies used by implementers and all other actors involved in the implementation process. He associates the implementation process with the assembling and running of a machine, emphasizing the underlying idea of retaining control by means of persuasion, bargaining and maneuvering under conditions of uncertainty. His message is that unless the implementation games are predicted, understood, and incorporated into the implementation strategy, the chances of success are significantly reduced. However, he indicates the difficulty of predicting what will happen in the implementation stage, the general absence of such effort and the need for it. With reference to the extent to which problems could be foreseen and avoided, Bardach suggests that an "implementation

scenario” be prepared beforehand in an attempt to try to predict problem areas.

“It is no easy task for the designer to predict the outcome of such dynamic and complex processes. The system is so complicated that it thoroughly defies analysis by means of even the most complex models. It must be approached through what has come to be known as “scenario-writing,” [which] is an art. It requires imagination and intuition...” Scenario-writing is in fact not very common among the most experienced policy analysts and designers...” (Bardach, 1977, pp. 254–263)

In answer to “seemingly unrelated events in implementation” mentioned by Pressman and Wildavsky, the notion of a “fixer” is introduced by Bardach, a person or entity with a strong interest—be it sincere, vested, or political—who would follow the project during implementation, removing obstacles as they appear. The consequences of playing these games shed light on some of the behavior of bureaucracies. The notion of a fixer seemed to be the answer to the World Bank funded project as there were so many agencies involved. To replicate this procedure and to choose a fixer for every project seems to be impractical, the choice of the right person to be a fixer poses another problem. However the author is not refusing the approach, which has been informally used in Egypt under the name of “El Machallassaty,” specifically in the customs clearing government bureaus where people do not know much of the paperwork required, so they hire this person, who moves from one bureau to another clearing papers. For our purposes, however, an initial clear framework to work with and that can be replicated is required.

Bardach also focuses on the interaction of actors and less on the context, which is one of the strong points of Grindle, who concentrates on two key concepts: the content and context of policies. Her approach, emerging from the review of a series of projects implemented in developing countries, describes the implementation process as flowing from policy making to the design of programs, in the core of which the content of policy and the context of implementation of implementation have their key roles. Under policy content one should consider the interests affected, the types of benefits, the extent of change envisioned. Under context the relevant factors are the actors, their power, interests, and strategies, the characteristic of institutions and regimes, and the indicators of compliance and response. In the context of critical choices Grindle emphasizes the decision that to her has an influence in explaining the implementation process: “who benefits?”.

This overall depiction of the process by Grindle would not be substantially different from that proposed by others like Warwick, if it were not for the roles of content and context in the implementation phase. Also Lipsky’s (1978) contention, that it is very difficult to introduce new policies or procedural changes when the final implementer has no substantial discretion, may be linked to Grindle’s argument that the shortcomings of

country-wide national plans should increase the discretion given to local officials in order to adapt policies to local conditions.

Grindle's analysis made the author realize that the content and nature of the policy of upgrading conflicts with the nature of those who are in charge of planning and those in charge of implementation, and for some time the policy, and the possibility of implementing it through the formal bureaucracy, was condemned. To that effect Rein and Rabinovitz (1978) posit that the process of implementation is dominated by three potentially conflicting imperatives: the legal, the rational-bureaucratic, and the consensual imperative. These imperatives refer respectively to the need to do what is legally required, to perform according to guidelines that are both rational and bureaucratically acceptable, and finally to do what is necessary to achieve consensus among the influential parties who have interest in the process. A "principle of circularity" derives from the need to reconcile the conflicting imperatives and thus supports their argument that the implementer be included in the policy making process.

In describing bureaucracies, Grindle indicates that bureaucracies may be unfamiliar with, or resistant to, programs requiring new forms of behavior, flexible and responsive styles of management. They could be powerful and self-perpetuating, wanting predictability and security (Grindle, 1976, p. 102). She describes the bureaucratic organizations and delivery systems in India as being without initiative, ubiquity of rigid hierarchies, which is a result of colonial civil service practices (Grindle, 1976, p. 102). Nazih Ayoubi describes the Egyptian bureaucracy to be characterized by compartmentation among organizational units, each jealous of its own prerogative and seeking to aggrandize itself wherever possible (Ayoubi, 1973, p. 187). Grindle also indicates that: "While cultural, traditional and institutional patterns may be difficult to alter, it is nevertheless possible to become aware of these variables and to try to establish practices and methods for avoiding or minimizing them." (Grindle, 1976, p. 102)

Most of the literature, using various approaches, speaks of characteristics of bureaucracies and attitudes which are very much influenced by administrative culture and tradition. and the importance of linking policy and implementation. It always concludes that many of the failures are attributed to not including the implementor in the policy making process or that policies should be modified to suit the context of implementation.]

"Most discussions have emphasized the typically large gaps between policy and programs as executed. The lack of appropriate methods for anticipating these gaps and taking them into account; and consequently the failure of virtually all policy analysis to address implementation systematically." (Wolf, 1985, p. 132)

In brief, the literature explains what happens in implementation on the grounds of conflicting values, stakes and views, but it does not sketch the basic structure of those values and interests which underlie conflict. The *model of collegiality* offered in this

research, tries to understand this background more systematically, especially when the case involves international agencies, and national and local governments. To address this need, a simple framework is offered that does not require complex analysis of bureaucracies and cultures. This framework—or model—which outlines the prospects of projects initiated in developing countries, is offered to planners, especially in international agencies,.

In this respect, in the model it is considered that the nature of bureaucracies and cultures are a given context which the planner should be aware of, but which is not open to much tinkering. In the model bureaucrats are divided into national and local, and more importantly to the individual professional, however this process is a means, not an end. It is a means for understanding that allows professionals to take effective action.

The *model of collegiality* will be illustrated through the Egypt First Urban Development project, the first urban sector program undertaken by the World Bank in Egypt. The project involved the World Bank, the national government and the local governments of Egypt. Each of the three entities exhibited differed in goals, priorities, and concerns. One also expects differences and similarities among the professionals within the three entities, in political ideology, management and professional perspectives. These differences and similarities have created a relationship between them which can be described by the following model.

The model shows a collegial relationship between the international agency and the national government, while a weaker collegial relationship exists between the national government and the local government. Between the international agency and the local government the relationship is weak and lacks collegiality.

To explain this model the characteristics of the actors in each entity are highlighted on seven issues: vested interests, professional association, business association, professionalism, nationalism, incomes and political ideology. A matrix is set up contrasting these characteristics. Applying this model to the case in Egypt, a scenario then follows incorporating the main actors in the project and indicates through a story how their characteristics shaped their actions and their drawing together, or not drawing together, into collegial relationships, and hence affected the outcome of project.

The Characteristics Of The Actors

The characteristics portrayed reflect the author's evaluation of a stereotypical professional working in the three entities: the World Bank, the National Government, and the Local Government¹. The case study is a project in Egypt and the context is the

¹ Law 124/1960 created the governorates by dividing the country into 26 administrative units, each having a *governor* who by Law 50/1981 was given the authority equivalent to that of the president of the republic over the governorate. According to Law 43/1979, four tiers of local units were established in the

urban planning sector. Cairo and Alexandria governorates are special cases and are compatible in many ways with the national government, to that effect they are more competitive than the other governorates and hence tend to be less compliant to the national government.

Vested Interests

Why do large international agencies and, specifically, the World Bank, offer loans to governments of developing countries? Why are projects designed for the poor? What are the many vested interests that underlie this intervention? The literature has shown us that countries and international agencies have political agendas which they attempt to implement through their aid programs. These perceptions have been explicitly expressed in much of the literature about the World Bank as an entity and different, and sometimes overlapping, hypotheses have been developed.

Having studied the policy of the World Bank since its founding in 1946, Nissen (1975) concluded that its primary goal is the maintenance of the economic stability of pro-western governments and of the present international trade and investment relationships (Schlyter, 1984, p. 79). However, some observers are angered by the humanistic image the Bank gives to shelter projects in light of perceived international inequities. Elzinga (1982) has noted that the World Bank and other similar agencies now can admit that early infrastructure projects, specifically those promoting the development of roads and railroads, were primarily intended to ensure the supply of raw materials to industrialized countries. He assumes that the current projects are likely to be part of a changing strategy of exploitation (Schlyter, 1984, p. 80).

Other observers have interpreted the Bank's upgrading projects to be "show pieces" the Bank has used to create an image of concern for the "progressive development of the poor" in order to disguise a basically exploitative relation (Schlyter, 1984, p. 80). Others have put forward the hypothesis of "political stabilization," Isaac (1981), for example, noted this regarding McNamara's advocacy of the Bank's urban policy: "Frustrations that fester among the urban poor are readily exploited by political extremists. If cities do not begin to deal with poverty, poverty may well begin to deal more destructively with cities" (p. 171). Other observers have analyzed political and social aspects of the intervention in terms of integration, emphasizing not only stabilization, but the extension of governmental political power, for example, through the channeling of political demands into legal institutional forms (Burgess, 1982).

As loan recipients, governments are responsible for repayment to the World Bank. But most governments simply cannot pay. Presumably, the World Bank must take this

provincial governorates and two tiers in Cairo and Alexandria. The Cairo governorate was divided into seven administrative districts. In 1975 these districts were given juristic powers and became autonomous.

into account. Southhall (1980) has commented:

“the country’s deeply indebted status is not necessarily a source of concern to its creditors. It actually has some very important consequences for them. In particular, it enables control to be placed on both domestic and foreign policies that are in the interest of international capital.” (p. 98)

Southhall also gives evidence of pressures on Zambia in relation to the struggle in Zimbabwe. This evidence indicates that the World Bank may have many objectives which might be encompassed by the theory of “political domination.” [Schlyter, 1984, p.81] Domination requires information. Urban projects, given the widening methodological scope of appraisal monitoring and evaluation which include social factors, can be interpreted as a form of social intelligence research, “a social intelligence hypothesis” (Elzinga, 1981). Schlyter (1984) sums up the World Bank’s engagement in upgrading projects as

“The Bank’s efforts to maintain the existing global order by making small improvements, large enough only to remove the worst causes of discontent. It can also be seen as a means of exploiting the market economy and the global base for exploitation by imposing charges on poor people. The World Bank can only work through governments. So the Bank’s roles on a global level have to be adopted by governments on a national level. The bank can use various means to put pressure on governments. The more indebted the government becomes, the weaker is its position.” (p. 82)

The vested interests of the international lender as an entity is what has been discussed in most of the literature. However the concern in this research is with the individuals. True, one can argue that the entity can be a framework to one’s thoughts and actions, but aid agencies are staffed by professionals who have their own agenda and own personal ambitions. Many are idealistic and are driven by their responsibilities to do a good job. Even when governments of receiver countries are suspicious, they still believe they can do something within their limitations.

Given what is commonly written about the Bank’s political agenda, why then are national governments interested in such projects? The many hypotheses in the literature are summarized by Schlyter, who has concentrated on those condemning upgrading. According to Schlyter, upgrading is said by its critics to be an intervention by the state in order to:

- lower wages because of a lower cost of reproduction of housing
- increase the supply of unpaid labor, and thereby increase exploitation
- increase control and achieve social integration over informal settlements
- strengthen the ideology of private property

– support the commoditization processes and speculation (Schlyter 1984, p. 83)

The issues raised by critics have assumed that the national government has been part of the meditation and setting of these policies. However, it is argued that in most cases the international aid agencies are initiators of the projects and at the outset governments are not fully aware of the implications of these policies. That a policy is introduced by the World Bank officials renowned for their intellectual capabilities has affected to a certain degree the attitudes of governmental officials and has given that policy credibility.

Another very important issue is that the national governments of developing countries are continually short of funds, especially hard currency. Loans from the World Bank appear an answer to their problems, especially if they are soft loans such as those given by the IDA. A national government in need of funds does not think too much of World Bank vested interests and many seem to have in part been misled by its humanistic image. At higher political levels there are pressures to do something for the poor, and World Bank loans are an immediate solution.

Sustaining good relations with the World Bank for future loans, perhaps for other sectors of the economy, can also be an objective. Concern with the political image is another goal for national government higher officials. Affiliation with the World Bank and its projects targeted to low-income groups enhances the political image and increases leverage and authority over other agencies. Another concern is the stabilization of the status quo.

Professionals in the national government are also concerned with the technical aspects of the project. They are interested in acquiring experience and affiliation with a World Bank funded project that seems to have all the ingredients necessary for success: financial and technical support. Bank projects seem to offer a logical and simple solution to informal sector problems, assuming that one recognizes the existence of the informal sector. The main goal of national government organizations is to promote development plans for the entire nation to achieve national goals, and professionals in the national government are trained to that effect. Personal ambitions are in most cases sought in more experience, authority and leverage.

At the local level, officials have no say at the outset of projects but are asked to participate because the projects are located within their jurisdictions. However, they still have their own vested interests: they can acquire funds for local improvements. They would like to be able to announce to the residents that they are actively making improvements in their districts and are affiliated with a prestigious World Bank funded project. By agreeing to upgrade informal settlements they acquire the national government's explicit recognition of these areas, which in other cases is very difficult, especially if the settlement is on agricultural land.

Business Association

The World Bank as an international lending organization has no business association and the main goal is to finish the work in a given time. International tenders are usually arranged to select the consulting firms or building contractors required. However the World Bank mainly creates jobs for western consultants and firms. In that respect the situation for the national government is similar. It is associated locally with large public architectural and engineering firms and building contractors. Work is be created for these firms. Private engineering firms are also associated with the national government and firms are run by politically influential people with hundreds of employees. Work should also be provided for these firms.

The Egyptian national government is also politically answerable to the People's Assembly, which exercises legislative power and approves national policy and the budget. It also exercises formal control over the work of the executive body, the ministers. In addition, the national government's relationship with journalists is sensitive and discrete. Criticism in the newspapers can build the political image substantially, or destroy it. At the local level, higher officials are appointed by the national government, and thus are explicitly linked to it. Local government professionals are affiliated with small local businesses, small building contractors, landowners, and local lenders.

Professional Association

The World Bank employs large numbers of engineers; however, economists are predominant. They focus on the use of scarce resources to yield the highest possible return from investments and the justification of Bank spending. There are a small number of women professionals in the urban sector and most appear to be sociologists and anthropologists. Their opportunities for promotion within the World Bank appear not to equal those of their male colleagues.

Professionals in the national government operate within a very competitive national market. When the economy is robust, the private sector pays the highest salaries. However, this sector employs only a small percentage of all professionals in the market. A large number of these are male professionals who are, in most cases, field engineers oriented towards execution. The national government then draws upon the best of those professionals seeking government jobs. Job applicants are screened by examinations. Priority is given to Cairo University graduates, but grades, appearance and social background are also important.

Higher education in Egypt is free. As a result, most students are admitted to institutions of higher education based upon their high school grades, thus creating a highly competitive system. The engineering and medical schools of Cairo University

command the highest grades, followed by economics and political science, law, commerce, and the humanities. The universities in secondary cities are next, again with the same sequence of faculties. Recent changes to admissions policies now stipulate that students, even with high grades, are now obliged to attend the nearest college. This policy further isolates the inhabitants of secondary cities from opportunities in Cairo.

Cairo University was traditionally tailored to the affluent and the elite of the country before it became a public university. Even now, however, it is still an institution geared to the needs of an affluent, high-technology society. Other institutions follow Cairo University's curricula and its professors are influential in other schools. Within the national government, one finds that most professionals are engineers who graduated from Cairo University. Most graduates seem to be bilingual (education in universities is in English) and many of its engineers are oriented to the needs of the affluent. Cairo University engineering graduates are trained to prepare technically sound plans for which resources are presumed available.

There are a large number of women professionals in the national government and their opportunities for promotion are equal to that of their male counterparts. The idea of women working in Egypt was for a long time considered shameful, it meant that her spouse or family could not support her. More recently it has been considered a career, especially for those women who went to technical universities. In that respect national government jobs are more appealing to career women, they offer more design and planning work, as opposed to execution, at the same time the variety of projects and the involvement of local and expatriate consultants offer an excellent opportunity for enhancing ones experience. Being relatively invulnerable to political and financial pressures they tend to be impartial in their judgement, their main objective is good work and they are very competitive.

Residents of Greater Cairo² have greater opportunities for education, jobs, professional status, abilities, interactions with national and international events, and a more liveable environment. Cairo is synonymous with Egypt. This has long been the case, although decentralization laws were issued in 1960 regarding educational, private language schools, universities, training centers, health services, entertainment, international firms, conventions, and government offices, to create opportunities for greater mobility and understanding within the country. Travel abroad and international conferences are usually offered to national government officials, while these benefits do not exist for local government officials.

The nature of the national government professional jobs as policymakers requires that they continue to enhance their capabilities in planning, policy making and research. The fact that they are shielded from day-to-day problems gives them time to meditate and do research and quite a number continue their education to the Master's and Ph.D. level.

² Greater Cairo includes the Governates of Cairo, city of Giza and Embaba in Giza Governate, and city of Shoukbra El Kheima in Kalyoubeya Governorate.

The local government officials, on the other hand, subjected to daily demands and pressures, have little chance for improving their planning or policymaking skills.

At the provincial level, except for Cairo and Alexandria governorates, the market for professionals is limited to residents within or near a province. Local government higher officials are usually appointed by the national government and are usually either retired army generals or engineers formerly within the national government. Professionals in the local government are engineers equipped to subdivide land, revise drawings, issue building permits, maintain the physical resources of the city and monitor housing developments. There are a small number of women professionals in most provinces, and their opportunities for promotion seems to be equal with men.

Professionalism

The World Bank is by no means a monolithic organization with only one perspective. However, the opinions of its professionals are related to those of its higher management. Most are conservatives and display concern for helping the poor. They are highly qualified, with a perspective that is in most cases limited to the macro level, and very much affected by international politics. Bank professionals are competent in setting objectives, policies, policy descriptions and terms of reference. Their effectiveness in implementation and detailed programs is, however, limited. Many believe that these are outside their scope of work and should be left to the host government. In most cases World Bank policies are imposed upon the host government. The jobs of Bank professionals are clear and well-defined and generally not accountable for project implementation. In many cases the Bank decides that local governmental authorities are incapable of effectively implementing projects, and special agencies within the host government are often brought into being. This arrangement is convenient for World Bank officials because the Bank's projects are often dispersed among a number of provincial towns. It is preferable for the Bank to communicate with only one entity located in the capitol, where amenities and services are readily available.

The national government often functions like the World Bank, but on the national level. Like the Bank, it has a macro-level perspective. It sets objectives and policies and is stronger on policies than on implementation. It imposes its policies on the local government, which in most cases is not invited to participate. The national government has explicitly shown interest in working with the local government, but implicitly finds no need for such a partnership. The local government is contacted only for data and as a means for national government officials to avoid spending time in provincial towns. The most urgent projects are those built in the capitol city, and those arranged by the more important politicians. They believe they set out the ideals for the people and that they

have a responsibility to offer new and innovative solutions to the people, who in their turn expect that from the government. Thus their projects should be visible, grandiose projects such as large housing projects and new towns. Because of the resistance of higher officials to delegate decisionmaking down the hierarchy, they are always overburdened and they have no time for experiments. The instability of their positions and the many changes that occur is also of deep concern to higher officials and an underlying cause for requesting well-defined projects which have proven to be successful elsewhere. Failure would be a liability politically. Their objectives are mainly on the national level, which do not necessarily coincide with individual local goals. For example, the prohibition of development on agricultural land is a national goal consistently pursued by the national government. However, because of the pressing demand for land, this objective is rarely respected at the local level. Their job, in most cases, ends with a good plan. The shortcomings of their plans are explained by the inadequencies of the local government to implement them. In reality they are at an impasse, there is very little they can do at the local level without the compliance of the local government. They can set policy but there is very little they can do to enforce these policies, this is why they must go out of the jurisdiction of cities and construct new housing or new communities.

The nature of problems and needs at the local level has shaped the outlook of the local government professional. His job requires an immediate response to day-to-day problems like water, sewerage, garbage collection, street repair, land needs, building permits, monitoring of compliance with building permits, and penalties for offenders, among others. Local government officials are closer to the needs of the residents. Their objectives are local, and do not necessarily coincide with national objectives. They must, of course, have explicitly good relations with national government officials in order to be able to augment their budgets and expand their territories. Implicitly, however, they would defy the national government, believing that they know their problems more than the national government, whose plans and recommendations tend to be ambitious, theoretical, and conflicting with reality.

Nationalism

The World Bank is an international institution which hires people of all nationalities. Its employees naturally feel an affiliation to their original culture, but a loyalty to the western culture is common among them.

National government officials are also imbued with western ideas. To them, the West represents a symbol of modernization, progress and affluence. However, their pride is in their nation. Its culture and religion are not to be taken lightly. They believe they

can solve their own problems more effectively than outsiders could, if given the resources.

The local government officials also admire the West and its civilization but are more reserved towards it. They feel a greater affiliation with traditional culture. They believe they know their own problems better than outsiders could and resent interference.

Incomes

World Bank officials, according to international standards, are a very high income group. Most live in Washington, D.C., and its vicinity. The Bank's short-term consultants are hired on a temporary basis from all over the world. The Bank draws on the best professionals from both developed and developing countries. World Bank jobs are highly competitive.

National government officials are usually residents of Greater Cairo and most come from educated, high and middle-high income families. They can be described as second or third generation city dwellers whose forebears originally migrated from rural areas to the capitol city. Sometimes migration to the regional capitol preceded migration to Cairo. In contrast, local government officials are mainly first or second generation city dwellers.

While government salaries are fixed at all levels nationwide, national government officials also are compensated with overtime pay, achievement pay, bonuses, committee attendance fees, etc. In spite of these compensations within the urban planning sector, government employee salaries can be considered middle income. However, it is important to note that salaries are not to be taken as indicators of income groups. Professionals in the national government tend to belong to a higher income group than their salaries indicate. Within the same salary group the range of incomes differs according to the availability of other sources of income, whether it is family wealth, a second job, or having other private business: architectural or engineering, contracting firm, small trade, etc., or several of these sources. Cairo offers a wide range of opportunities for other businesses and activities. Egyptians tend to be classified according to social class. One's social class is a distinct and important factor in Egyptian society, and is very much related to family background. A few indicators of social class would be wealth in the family, higher education, (in particular engineering, medicine, law), family place of residence, number of years the family has lived in the city, etc. Government jobs appeal to many because they are a secure, permanent employment that is not subjected to economic crisis. In many cases for young male professionals it is a transient job, where you gain experience until another more rewarding job appears. In other cases it's a secure job, to come back to with accumulated savings after working in the rich Arab Gulf. Women professionals in the national government tend to relate more

to their families or to spouse's incomes. Most women are dependent on either their spouse or on their father for financial support.

Local government professionals cannot find part-time evening jobs in private firms because there are few firms that practice in provincial towns. However there are other activities in which they can be involved, mostly small enterprises, but their opportunities are substantially less than those in Cairo. They are, however, able to increase their incomes through the nature of their jobs. For example, because they control the issuance of building permits, many landowners request that the local government professionals be responsible for drawings and the preparation of paperwork required for the permit. In that respect local government officials can make more money than their counterparts in the national government.

Ideologies

Most World Bank officials are conservatives, their political ideologies are mostly related to higher management. They show an explicit tendency to assist the poor but this seems to be a means, not an end. Most national government officials are conservative, and a very few are radical. The expression of an ideology is not a necessity, particularly if one is a high government official, whether in the national or local government. Explicit expressions of ideology of officials conform to the governing one. However, religion is their main ideology, the Marxist ideology was refused from the outset without any debate because it denounced religion. Explicitly they are related to the poor, however the difficulty in reaching the poor makes it a burden and implicitly they would like to have them go back to their villages. Like the national government, the local officials find their ideology in religion and the Marxist ideology has been rejected. Basically they are conservatives but the urge for radical change is common.

The Matrix

The following tables briefly describe the characteristics of the three actors in the collegial model. Characteristics considered are vested interests, professionalism, political ideology, business association, income, nationalism, view of informal housing, view of upgrading, and view of sites-and-services.

	World Bank(WB)	National Government(NG)	Local Government(LG)
VESTED INTERESTS	<p>1- Keep up flow of loan money and grant funds.</p> <p>2- Competition with other international funding agencies.</p> <p>3- Maintenance of economic stability of pro-western governments.</p> <p>4- Provide a picture of an international concern for progressive development.</p> <p>5- Encourage political stabilization in pro-western countries.</p> <p>6- Personal ambition: to do a good job and to add to ones experience</p> <p>7- Seek possibilities for travel.</p> <p>8- Political domination: to control domestic and foreign policies in the interest of international capital.</p> <p>9- Social intelligence: to keep regular knowledge of what is happening in the pro-western countries, social and political change.</p>	<p>1- Acquire loans.</p> <p>2- Retain authority and leverage over other agencies.</p> <p>3- Create good relations with the World Bank for future loans.</p> <p>4- Provide an image of concern for the poor.</p> <p>5- Handling of crises and maintaining the status quo.</p> <p>6- Personal ambitions: to do a good job, to enhance ones political image.</p> <p>7- Seek collegiality and experience in working with WB officials.</p> <p>8- Seek possibilities for training programs or travel abroad.</p> <p>9- Augment budget and expand territory.</p>	<p>1- Acquire money.</p> <p>2- Get opportunity to exercise power within the community.</p> <p>3- Acquire legalization of informal neighborhoods from national government.</p> <p>4- Demonstrate willingness for improvements within the community.</p> <p>5- Improve environment in own jurisdictions.</p> <p>6- Seek possibilities for on the job training .</p> <p>7- Seek possibilities for training programs or travel abroad.</p>

	World Bank(WB)	National Government(NG)	Local Government(LG)
POLITICAL IDEOLOGY	<p>1- Most professionals are conservative on economic issues.</p> <p>2- Explicitly their policy is to help the poor but implicitly helping the poor is the means not the end.</p>	<p>1- Religion is their main ideology.</p> <p>2- The Marxist ideology was refused from the outset, because it denounced religion.</p> <p>3- Most are conservatives and a few are radicals on economic issues.</p> <p>4- Explicitly most concur with national politics. Implicitly a few seem to concur.</p> <p>5- Explicitly related to the poor. Implicitly most find it difficult to reach the poor and hence find that helping the poor is a burden. They should go back to their villages.</p>	<p>1- Religion is their main ideology.</p> <p>2- The Marxist ideology was refused from the outset because it denounced religion.</p> <p>3- Basically most are conservatives, however a large number are radicals.</p> <p>4- Explicitly concur with higher politics, implicitly in opposition.</p> <p>5- Explicitly related to the poor and implicitly seem to be related.</p>
BUSINESS ASSOCIATION	<p>1- No business outside association, the bottom line is to finish the work in the given time, however they create jobs mostly for the western consultants.</p>	<p>1- The large public construction companies are under the jurisdiction of the NG.</p> <p>2- The large public planning and engineering firms are under the jurisdiction of the NG.</p> <p>3- The private planning and engineering firms are affiliated to the NG in an effort to undertake large jobs.</p> <p>4- Responsibility for developing land outside city boundaries lies with NG. They either develop it themselves or they offer it for development.</p> <p>5- Most journalists, People's Assembly members, political elites are affiliated with the NG.</p>	<p>1- Small contractors in the infrastructure field are hired by the LG</p> <p>2- Small entrepreneurs in the informal neighborhoods are related to the LG.</p> <p>3- Construction materials permits and building permits are their leverage on development.</p> <p>4- Responsibility for developing land inside city boundaries lies with the LG. They either develop the land owned by them or they monitor the development of private sector land. Most professionals are conservative on economic issues.</p>

	World Bank(WB)	National Government(NG)	Local Government(LG)
PROFESSIONAL ASSOCIATION	<p>1- Many engineers but economists take the lead.</p> <p>2- Economists oriented to prepare plans which economize on the use of scarce resources in a way which would yield the highest possible returns from investment.</p> <p>3- Competitive international labor market. Only the best professionals are selected from countries all over the world.</p> <p>4- All are exposed to the international realm of events.</p> <p>5- Small number of women professionals. Their opportunities for promotions seem not to equal that of men.</p>	<p>1- Majority are engineers. Engineers take the lead. Every other discipline comes in a lower position.</p> <p>2- Engineers equipped to prepare plans which are technically sound. Resources are assumed available.</p> <p>3- Competitive national market. Professionals go through exams before being appointed.</p> <p>4- Many have been exposed to the international realm of events.</p> <p>5- Most are graduates of Greater Cairo universities and institutes.</p> <p>6- Educational institutions suited to the needs of an affluent, high technology society, which presents expectations for high technology and modernism.</p> <p>7- Many have had training programs abroad.</p> <p>8- A number of them have higher degrees, MSc and PhD, acquired from Egyptian universities or from foreign institutions.</p> <p>9- Large number speak foreign languages.</p> <p>10- Large number of women professionals. Opportunities for promotions are equal to men.</p>	<p>1- Engineers lead.</p> <p>2- Engineers equipped to subdivide land and to issue building permits and maintain the water and sewerage networks.</p> <p>3- Market for professionals is limited to residents within the region.</p> <p>4- Few have been exposed to the international realm.</p> <p>5- Many are graduates of regional universities and institutions.</p> <p>6- Universities suited to the affluent, high technology society - most of the professors are from Greater Cairo universities.</p> <p>7- Few have had training programs abroad.</p> <p>8- In the long term and by years of experience the gap between professionals of NG and LG increases. The former are more involved in planning and design while the latter become more distant from it.</p> <p>9- Few speak foreign languages.</p> <p>10- Few women professionals, opportunities for promotions seem to equal men.</p>

	World Bank(WB)	National Government(NG)	Local Government(LG)
PROFESSIONALISM	<p>1- Macro level in planning - global perspective.</p> <p>2- Stronger on formulation than on implementation.</p> <p>3- Comprehensive plans and objectives.</p> <p>4- Distant donor - enters into working relationship with officials of recipient country but must maintain enough distance to avoid being captured.</p> <p>5- Shortcomings of planning reflect the inadequacies of the administrative environment within which plans are carried out, usually the NG is blamed.</p> <p>6- Believe that authorities are incapable of effectively operating the program so special agencies are in many cases brought into being, usually at the national government.</p> <p>7- Sense of urgency for most projects, they should complete projects in the given time.</p> <p>8- Objectives are generated to the western and managerial goals.</p> <p>9- Can articulate themselves in written and oral forms and are comfortable with development jargon.</p>	<p>1- Macro level in planning - national perspective.</p> <p>2- Stronger on formulation than on implementation .</p> <p>3- Comprehensive large scale projects and idealistic objectives.</p> <p>4- Drafting of plans is an end in itself the job is completed after plan preparation. Up to others to work out the detailed programs.</p> <p>5- Shortcomings of planning reflect the inadequacies of the administrative environment within which plans are carried out, LG is usually blamed.</p> <p>6- Make a show of working with LC officials. Implicitly they believe they can do their job without having to resort to the LG. They believe that LG officials have their local objectives which in most cases are in conflict with national objectives.</p> <p>7- Sense of urgency is usually for projects which are requested by higher politicians.</p> <p>8- Objectives are generated by national goals.</p> <p>9- In some cases projects are selected to fulfill political ambition and image of ruling persons.</p>	<p>1- Local level perspective and to a lesser degree the regional level.</p> <p>2- Stronger on implementation than on formulation of plans</p> <p>3- Small scale plans and modest objectives.</p> <p>4- Busy with day to day problems.</p> <p>5- Shortcomings in implementation reflect the unrealistic approaches of NG professionals.</p> <p>6- Explicit display of working with NG officials. Implicitly they believe they can do their work without the interference of NG.</p> <p>7- Main tasks are building permits and maintenance of existing water and sewerage networks in addition to subdivision of new land, extending infrastructure.</p> <p>8- Have their own local objectives irrespective of national ones and little interest in objectives set by the NG.</p> <p>9- Subject to pressures from local residents. Projects show deference to their demands.</p>

	World Bank(WB)	National Government(NG)	Local Government(LG)
PROFESSIONALISM	<p>10- Being detached from local politics and administration they are freer than local officials to stand publicly for progress and high principle, for the administrative burdens of these tasks shall be borne locally. Financial criteria are a constraint.</p> <p>11- Seek to augment budgets and increase administrative units.</p> <p>12- Decision making is delegated down the hierarchy as far as possible.</p> <p>13- Achievement is measured by amount of loans approved.</p> <p>14- Competitive with other international agencies.</p> <p>15- Rely on university research and undertake own research.</p> <p>16- From research believe that what people do for themselves is likely to be best.</p>	<p>10- Being detached from local politics and administration they are freer than local officials to stand publicly for progress and high principle for the administrative burdens of these tasks shall be borne locally.</p> <p>11- Seek to augment budgets and increase administrative units.</p> <p>12- Most resist delegating decision making down the hierarchy.</p> <p>13- Achievement is measured by spending.</p> <p>14- Resent competitive power outside the national government.</p> <p>15- Occassionally rely on research.</p> <p>16- Defensive. Much effort is spent to avoid blame.</p> <p>17- Do not believe that what people do for themselves can be right.</p> <p>18- Reluctance to take direct responsibility which might bring less political s</p> <p>19- Concentrate in the capitol, and are reluctant to live in small towns. They perceive an assignment to these towns as requiring a sacrifice of amenities .</p> <p>20- Most plans are prepared by a few people who have only occasional recourse to other government organizations to collect information.</p>	<p>10- Forced to bear the administrative burden of projects.</p> <p>11- Seek to augment budgets and increase administrative bounderies.</p> <p>12- Decision making is not delegated down the hierarchy.</p> <p>13- Achievement is measured by the actual implementation of projects.</p> <p>14- Competitive power outside their units is the usual.</p> <p>15- Rarely do they resort to research.</p> <p>16- Must take responsibility for their actions.</p> <p>17- Believe from practice that what people do for themselves is likely to be best.</p> <p>18- Are used to live in a small towns and are used to lack of amenities.</p>

	World Bank(WB)	National Government(NG)	Local Government(LG)
INCOMES	<p>1- WB officials are in high income groups.</p> <p>2- Most live in Washington D.C. and vicinity.</p>	<p>1- Most come from high and middle income families.</p> <p>2- Most live in Greater Cairo and vicinity.</p> <p>3- Second or third generation of city dwellers.</p> <p>4- Many have second jobs or other sources of income outside regular government jobs.</p> <p>5- Opportunities to make money from government jobs are limited.</p> <p>6- Most come from educated families.</p>	<p>1- Most come from middle and low middle income families.</p> <p>2- Most live in the vicinity of their jobs.</p> <p>3- Most are first or second generation of city dwellers.</p> <p>4- Opportunities for second jobs are limited except for the Cairo and Alexandria governorates.</p> <p>5- Opportunities to make money through government jobs are readily available.</p>
NATIONALISM	<p>1-Variety of cultures but all relate to the western culture.</p>	<p>1- Most relate to the western culture, and believe its a basis for progress.</p> <p>2- They have very strong national and cultural pride. It might not be clear to outsider but would appear instantly if provoked.</p> <p>3- They believe they are the largest and most progressive country among most of the developing countries and within Africa and the Middle East</p> <p>4- Development is measured in regards to the Western countries, even the USSR and the countries in the Eastern Bloc are not regarded.</p> <p>5- They believe they know their problems more than outsiders and are skilled to solve these problems if given the resources.</p>	<p>1- Believe that the western culture is the basis of progress.</p> <p>2- National and cultural issues are very important, however they also seek both regional and local image.</p> <p>3- Have the same pride in their country as the NG.</p> <p>4- Resent interference by NG in own problems. They believe they know their problems better than the NG and that they are able to solve these problems in a simple and unsophisticated manner</p>

	World Bank(WB)	National Government(NG)	Local Government(LG)
VIEW ON INFORMAL HOUSING	<p>Their views are influenced by their economic background:</p> <ol style="list-style-type: none"> 1- Although squatter areas are unplanned they nevertheless represent assets both in social and financial terms 2- These neighborhoods are the solutions sought by the people, based on the nature of their needs. 3- They represent the standards affordable by the people. 4- Aesthetics is not a goal when basic needs are to be fulfilled. 	<p>Their views are influenced by their engineering background and their sense of having to represent to the people the symbol of legitimacy and power.</p> <ol style="list-style-type: none"> 1- Informal areas, according to the laws are illegal neighborhoods. 2- Ugly neighborhoods which are an eye sore to the city dweller. 3- Inhabitants are marginal to society. Should go back to where they came from. 4- Neighborhoods that offer hiding places for criminals and outlaws. 5- Settlements springing up in areas not designated for development. 6- Settlements springing up in many cases on valuable agricultural land. 8- Initiated by the people outside public authority and hence cannot be right. 9- Settlements that present a health menace. 	<p>Their views are influenced by their engineering background and by their realism and struggle to survive.</p> <ol style="list-style-type: none"> 1- Informal housing are illegal according to NG laws and standards. 2- The NG is slow to respond to the shortage of housing so the people have resorted to build their own dwellings. 3- These areas are a normal development of the town and represent the needs of the people. Where shall people go ? 4- Most of the inhabitants have some form of security of tenure: they have managed to manipulate the laws to their interest. 6- The planning and building laws prohibit informal housing but the civil law gives them the right to develop land they own. 1- Against government image-not law abiding-government should not be explicitly formalizing what it legally refuses.

	World Bank(WB)	National Government(NG)	Local Government(LG)
VIEW ON UPGRADING	<p>1- The planning and provision of services to such areas is better than demolition.</p>	<p>1- Against government image-not law abiding-government should not be explicitly formalizing what it legally refuses.</p> <p>2- Encourages creation of other squatter neighborhoods in areas not designated for housing and more importantly on valuable agricultural land.</p> <p>3- It represents loss of control--the people have proven they can cope.</p> <p>4- Loss of technocratic dominant ideas.</p> <p>5- Upgrading projects are within the jurisdictions of local government, it creates difficulty for the national government to intervene.</p> <p>6- Upgrading is not attractive for political display. Too low a standard to be a good show piece and it has no visibility.</p>	<p>1- Positive solution for improving the environment.</p> <p>2- Implementation in many cases involves technical problems----because neighborhoods are unplanned they can be improved only to a certain extent.</p> <p>3- Legalizing these neighborhoods would appease local residents.</p> <p>4- Increases administrative boundaries of towns.</p> <p>5- If the national government would legalize these neighborhoods, it would become easier for the municipal engineers to do their work.</p> <p>6- Selling the land legally to the people would bring revenues to the towns.</p> <p>7- World Bank standards are too low.</p> <p>8- Within their realm of work, national government should not be involved. 1- The planning and provision of services to such areas is better than demolition.</p>

	World Bank(WB)	National Government(NG)	Local Government(LG)
VIEW ON SITES & SERVICES	<p>1- People would build and the government should offer the land and should do what these people cannot do--provide the social and physical infrastructure.</p> <p>2- Offers a means to abolish subsidies.</p> <p>3- Offers a means for cost recovery.</p> <p>4- Represents the standards affordable by the people.</p> <p>5- A solution which addresses the very low income population.</p>	<p>1- Sites and services programs have unpredictable results.</p> <p>2- It is the creation of slums, but this time by the government</p> <p>3- Very low standard and lacks aesthetics.</p> <p>4- The positive aspect in comparison to upgrading is the possibility to choose neighborhoods in locations designated for development.</p> <p>5- In comparison to upgrading these neighborhoods will be initiated by the government and under their control.</p>	<p>1- Sites and services have unpredictable results.</p> <p>2- It is the creation of slums.</p> <p>3- Very low standards and lacks aesthetics.</p> <p>4- Possibility to develop new land and increase city's boundaries.</p> <p>5- Neighborhoods initiated by the government and under their control.</p> <p>6- Neighborhoods are planned which would facilitate installment of physical and social infrastructure.</p> <p>7- Sites and services offers a source of revenue for the town, by selling serviced land.</p>

The Scenario

Introduction

The following scenario incorporates the characteristics of the main actors in the project and indicates how these characteristics shaped their actions. In looking over the text of the scenario, the reader will note five phases which reflect the evolving attitudes of the actors to the project.

Harmony or Honeymoon Phase: The World Bank and the national government begin to work together after a long period of separation. The Bank's officials are optimistic about the possibility of projects to be undertaken with the leading Arab nation and the newest member in the pro-western bloc. The national government officials are eager to cooperate with and benefit from the West. Egyptian professionals are immediately appointed to the project and the World Bank sends missions to Egypt on a regular basis. The honeymoon phase starts with the Project Identification in October 1976 and ends with the completion of the Study Phase in July 1978, a two year period. This phase is characterized by both an active lender and an active national government.

Realization Phase: Starts with the end of the Study Phase in July 1978 and when negotiations were to start for credit approval proposed in August 1978. It shall be considered to extend until actual approval of credit in June 1979, which is a nine month period. Higher politicians in the national government realize that the Bank's policy is not what they had expected. The Bank's officials realize that a controversy exists about both the problem and their suggested solution. However, the accommodation phase is parallel and overlapping with this phase. The national government is dominant in this phase, realizing that they have been pushed into a project they don't agree to.

Accommodation Phase: In this phase, the entities are forced to continue with the project regardless of ideologies. The national government agrees with the World Bank on the establishment of a new agency to monitor the project. The local government to be in charge of implementation is now brought into the project. Accommodation can be considered to have started with the establishment of EAJHP and the Steering Committee in March 1979. The end of this phase is identified by the relocation of EAJHP in March 1981. However, the strengthening of the staff continued until much later in 1982. Ignoring the period overlapping with the realization phase, we can say this phase lasted for one year and nine months. The World Bank is the dominant actor in this phase: it had postponed credit until all subsidiary agreements have been made and institutional arrangements completed.

Frustration Phase: Had already started in July 1979, parallel to the accommodation phase, when the Low Income Fund was discontinued. It took four months for the authorization of EAJHP to take its responsibilities. It continued with

problems encountered in consolidating the new agency. Meetings with local government officials take place. Progress is painfully slow. Local government officials find themselves monitored by the center. Already overloaded with daily tasks, the project, with its interference by national government officials, is one more burden. The World Bank, monitoring the project from Washington, expects tangible results, but the first physical action is in October 1980. All three actors are dominant in this phase.

Resentment Phase: Frustration turns to resentment. From a distance, World Bank officials pressure the national government for results. Experiencing problems with its newly established agency, the national government finds itself caught between the demands of a distant donor and the noncompliance of the local government. The local government with its own agenda is torn between the demands of the national government and its own local duties. The national government is the dominant actor in this phase.

The Scenario

Following the establishment of President Sadat's Open Door Policy, Egypt became a country of political interest to the West. Funds and technical assistance were channeled into the country in a way unprecedented since 1959, when the World Bank refused to fund the building of the Aswan High Dam, resulting in President Nasser's turning to the Soviet Union for assistance. Sadat had announced Egypt's new orientation toward the West and showed his good intentions by terminating the contracts of the Russian experts, who had penetrated into most sectors of the Egyptian economy.

The World Bank, as an organization for granting funds, is highly motivated by investment opportunities which assist development and international politics. Apparently Egypt in the seventies represented both good financial and political opportunities. It had unexplored potential in all sectors of the economy. The time was right for investment in Egypt. The World Bank as an entity also saw the chance to stabilize the political status of the country and to maintain its pro-Western regime. Finally, it recognized that this was the time to study the leading nation in the Arab World, one that had been isolated from the West through its Soviet alliance for several years. The timing was right, both politically and economically, to give loans to Egypt.

World Bank officials negotiated loans with the government of Egypt in several sectors of the economy. The Egypt First Urban Development Project was the first urban sector operation. The project comprised both upgrading and sites-and-services components. Upgrading and sites-and-services projects had been undertaken by the World Bank and other international donors since the early 1970's in other developing countries. For the World Bank, housing built by the poor is an investment to be maintained and promoted. The World Bank had widely promoted its housing policy

through *policy papers* in the seventies (WB, 1971, 1975), demonstrating a deep concern for the poor's basic needs for shelter. The papers argued for self-help methods and home ownership. More than \$350 million was invested during the seventies in urban projects along these policy lines.

Egypt in 1978 seemed an excellent setting for programs of this nature. The government of Egypt appeared to be dissatisfied with its current public housing, rent control and subsidy policies. It was also concerned about the spread of informal housing, which was perceived to be an eyesore to city residents, a health menace, a hideout for criminals and more seriously, in many cases built on valuable agricultural land.

The Honeymoon Phase

The World Bank officials, aware of Egypt's past affiliation with the Soviet Union, cautiously approached the national government, not quite knowing what to expect. Most national government officials, on the other hand, had never really supported their past alliance with the Soviet Union and looked to the West with admiration, it was viewed as a symbol of progress and modernism.

The World Bank was renowned for its intellectual capabilities, experience and credibility. When it turned to Egypt, the national government officials were very receptive. It was an opportunity to see how the West operated. New approaches were expected. It was also a chance to be affiliated with the World Bank, to have leverage over other agencies and even to augment budgets and expand territories. The World Bank's offer was an opportunity to do something for the poor, perhaps there was a way to reach these people, which was always a problem in former projects. Success with this project would certainly give credibility to the political image of the national government officials. Little was known about the project in its early stages, but one objective was to get it approved in order to maintain good relations with Bank officials in hopes of further loans. In addition, the experience and credibility of the World Bank overshadowed any doubts that might have risen concerning the project's feasibility.

When the project was first introduced to the GOPP, the agency to be responsible for the study phase, it generated excitement and enthusiasm. GOPP had a dynamic, politically supported chairman and a good technical staff. Since impressing the World Bank officials was an objective, the higher management of the GOPP drew on well-qualified, hardworking professionals who spoke English and who had previous experience with similar projects in other developing countries. The project team were all physical planners with engineering and architectural backgrounds and graduates of Cairo University (a sociologist, also a graduate of Cairo University, was later added). Working on this project gave them a professional advantage, for they gained additional experience and were affiliated with a World Bank funded project and their consultants. It was an

opportunity, they then believed, to see projects eventually implemented, given that money and technical expertise was readily available.

Upgrading and sites-and-services, as introduced to the national government professionals, seemed uncomplicated and logical. In simple terms, these policies appealed to the professionals who worked on the project. Government had for many years been building and spending money on public housing. Housing was always in short supply and in most cases, when the units were completed, there were no funds left for other services and amenities. Here was an approach that allowed housing to be provided in a way that suited people's needs. The government would install technical and social services. Why not build a partnership between the government and the people in these neighborhoods, allowing each to do what he could do best, to everyone's interest?

The GOPP team and its higher management were enthusiastic about the concept, having, like the World Bank officials, a professional and management perspective that dealt with macro policies and general plans, as separated from local politics and administration. They were stronger in formulation than in implementation and hardly considered the administrative burdens which would be borne locally. Their problems were limited to the plans they produced. They did not concern themselves with the implementation of those plans and their job ended with the design of a good plan. They were quite detached from everyday realities and concerns confronting the local governments.

Project identification started in October 1976, followed by project preparation, approval of the project, and then the study phase which was completed as scheduled in July 1978. For almost two years both the World Bank and the national government officials and professionals were eager to cooperate and work proceeded in complete harmony, with both playing a major role. However during the study phase no contact was made by the team with higher officials in the national government or with the local government which was later given full responsibility for implementation.

At that time, no one was concerned with involving the local government or higher politicians. To the international firm, Doxiadis Associates International, who were contracted to work on the study with the GOPP team, they had a specific job to complete and their terms of reference did not include the local government. In the World Bank Appraisal Report of 1978, the different agencies to be involved in the implementation were identified, but that was merely in the context of a required organizational chart. The World Bank officials' short intermittent visits made it difficult for them to consider anything beyond the study. For the GOPP officials, involving the local government was never on their agenda. This is how they had always operated and no one thought to do otherwise.

The Realization Phase

The consequences of the isolation from higher politics appeared at the completion of the study phase, and when the credit was to be approved by the World Bank, in August 1978. Higher politicians in the Ministry of Housing and Reconstruction and its affiliated firms were ready to start work on the projects but were disappointed. The large private and public engineering firms were ready to bid for the design of houses and services for low income residents and the large public contractors were ready to bid for the construction contracts. The Ministry's executive agencies were waiting to be involved. The Minister wanted to announce that he would be building a couple of thousand units in a year or two for the low income sector in Alexandria, Assiut and Cairo with loans from the World Bank. All these entities, associated with the national government, waiting to work on the World Bank funded project, were told that they would not be involved. The national government would monitor the project while the local government implemented the infrastructure and services. The residents themselves were to do the actual construction.

The higher officials in national government were to learn that not only would it not be involved, but that the residents would be responsible for construction.

“The World Bank wants these people to continue building their ugly houses everywhere! They want whole cities to become slums! Now we are asked to authorize and encourage this low quality housing! How can we agree? These people do not know what is right for them. How can we the government, the symbol of legitimacy and power consent and legalize their informal activities?”

They felt they had a responsibility to the people, who had always expected the government to offer good standard housing of a better quality than what they themselves build. The national government officials were truly concerned about the outcome of such projects, the negative effects on cities, and hence their political reputation at the national level.

The national government is the dominant actor in this phase, realizing that it has been pushed into a project that does not meet its criteria. The lender also realizes that there is a controversy on the problem and hence the solution, and postpones the credit approval until both the national and local government complies with the prerequisites.

Accommodation Phase

It was too late to change policies. According to previous agreements, an agency in the national government must monitor the implementation of the program and the local

government was to be totally responsible for implementation. World Bank officials spent long hours with higher political officials in the national government explaining their policies and specifying what would be required by the loan. After long negotiations, the parties agreed to create a new agency within the national government to be responsible for monitoring the implementation of the project while implementation was to be the responsibility of the local governorates.

Meanwhile, USAID proposed a similar project to the government of Egypt, but one with a substantially larger budget. The project was a grant, and was still at the beginning of the study phase. As a result, the idea of a new agency was even more favorably received. To the national government, creating a new agency would shift accountability, until it would be known whether the projects would be successful or not. To the lender and donor officials, the new agency was a convenient arrangement. It was expected to have a staff whose sole responsibility was the project. This was particularly attractive to World Bank officials because of the decentralized nature of the project and its many components. It would only be necessary to deal with one agency, preferably in Cairo. The central agency would be responsible for the day-to-day monitoring and performance of the local government, while the World Bank officials could monitor from Washington, D.C. and via short visits. It was also convenient to have the agency in Cairo because World Bank officials could drop by en route to other projects. The World Bank officials also preferred to deal mainly with national government officials who spoke English and who were closer to the World Bank officials in professionalism than the local government officials, a strong collegial relationship.

At this point the local governments were invited to be in charge of implementation. Subsidiary agreements were signed in August 1978 by the World Bank with the Governorates of Cairo, Alexandria, and Assuit, each to be responsible for their respective project component. An Egyptian ministerial decree followed in February 1979, creating the new institution. The World Bank being the dominant actor in this phase signed the credit, following all the necessary subsidiary agreements and institutional arrangements, in May 1979. For almost two years, accommodation continues: recruitment of staff, equipment, and finally relocation of the new agency in a separate building and in a different neighborhood, in March 1981.

The Frustration Phase

The study phase was over and the main organizational structure of the project had been established by the national government and the lender. The local government officials initially supported the project. They had hoped to be involved in the early stages of the project, they saw it as an opportunity to work with World Bank officials.

However, the local government officials were to be disappointed. They learned that the national government was fully in control and only they would deal directly with World Bank officials. Although informal housing was within the local government's realm of knowledge, and they knew more about it than national government professionals, it was not to be the local government's project. To the local government, informal housing was a daily responsibility. By law they were responsible for maintaining and improving neighborhoods within their jurisdictions. They were responsible for all functions which by their nature were predominantly local. Why was the national government involved? To the local government, the national government professionals were theoretical and unrealistic. They did not know the problems of informal housing. They had beautifully-drawn plans that were wholly unrealizable. They wanted to tell the local government where and where not to build. What should the local government do about the pressures of local residents for land for housing? A ready supply of land is needed and the national government is always prohibiting development on agricultural land. The project funds should come to them directly and they would spend it accordingly. However, in their view, the funds allocated to each governorate were too small in comparison to their normal budgets and sites and services projects lacked aesthetics and would turn into slums, while upgrading required lowering standards, which was against their norms. They had hoped to announce to the local residents that they would be in charge of the project.

The attitude of the local government to the project had been set. National government officials in charge were unaware of what lay ahead. They started with enthusiasm and the best of intentions. Steering Committees at the central level were set up to coordinate the different agencies involved. At the local level a request was made for steering committees to be set up to coordinate different departments. Meeting after meeting was held. Letter after letter was sent. The local government officials, in order to comply with the written agreements, attended meetings, nodded their heads in approval, made promises and left, not thinking about the project until the following meeting. An unexpected event takes place, the Low Income Fund was discontinued by a presidential decree in July 1979, only two months of the credit effective date, it takes another four months for the new agency to be authorized to undertake the former fund responsibilities. Meanwhile, the new agency responsible for the two projects has yet to be set up. There was still no staff, no offices, no equipment, no cars. It was taking far more time than originally expected. The World Bank mission was to arrive soon to look over what progress has been made. Their arrival was postponed and then postponed again. When the World Bank officials arrived, both national and local government officials were present. They showed interest and all pointed out the administrative and technical problems they encountered regarding project locations, the inadequate previous studies, the unrealistic work schedule which did not include activities that must be undertaken

prior to implementation, etc. The national government prepared a report of progress and problems, expecting the World Bank to understand that they were establishing a new agency, there were two projects on hand, and that the USAID consultants are continually present and demanding priority. USAID was determined to be the first international donor to implement upgrading and sites-and-services projects in Egypt. Finally, the World Bank officials were told not to worry and that everything would be all right in the near future. All three actors are dominant in this phase—each experiencing frustration.

Resentment Phase

But everything was not all right. More administrative problems arose at the national government level regarding the consolidation of the new agency. More seriously, at the local level, there was strong resistance. The local government officials were insisting on changing the plans. They had not appointed personnel to be in charge of the project and were skeptical of the young national government officials who, in most cases, were to deal with higher officials in the local government. In brief, the local government officials were not interested in the project.

The World Bank's officials began to get letters, and telexes were sent to the national government inquiring about progress. Over time, the tone of the telexes changed. The national government officials found themselves at an impasse. They were caught between the demands of the World Bank and the noncompliance of the local government. In addition, they faced the administrative problems of setting up a new institution which, to make things worse, had no legal or autonomous credibility. The national government officials began to resent the World Bank's attitude toward them. They felt that the World Bank, far away in Washington, D.C., was not aware of the problems they, the national government, had to face every day. Several of the World Bank missions included new members who did not know the history of the project and expected to be brought up to date in a few meetings. The national government had imagined that the World Bank officials would be more involved in the work and more understanding. The World Bank was responsible for selecting and initiating the project and financing it through the government of Egypt. They helped choose technical consultants and approved them, so why were they not more involved in the problems arising in the project. They must be told that the local government was not interested in the project, only in its own priorities and larger budgets. This project was only a blip on their agenda and required much more effort from the local government than they could ever hope to gain. In addition, Mansheyet Nasser was a rocky site with many technical problems.

The national government officials believed they should inform the World Bank officials of the reality of the situation, and they did. Each new mission was informed.

The national government began to wonder what was happening in Washington, D.C. “It couldn't be a bureaucracy like ours! But it's very clear that this is what it is!” In no way did they consider the World Bank a monolithic organization. It was as fragmented as the national government, different parts having different perspectives. The structure of the international agency paralleled that of the government ministries, both organized along functional lines—industry, water, transportation, etc.—with very little attention paid to linkages between one sector and the other. The project continued at the same slow rate, with the same administrative and political problems. As time elapsed, those hired for the project lost their enthusiasm. Every day the national government fought battles unnoticed by the World Bank or local government officials. Finally, many components of the project were dropped and what few remained showed little relation to what was originally envisioned. More telling, the Governorate of Cairo had extended the infrastructure in Mansheyet Nasser—the settlement designated for upgrading—irrespective of the project and the monitoring central agency, EAJHP. The national government was the dominant actor in this phase.

Chapter 3

NATIONAL HOUSING POLICIES AND CONSEQUENCES IN EGYPT

State Intervention: Rent Control and Government Subsidies

This chapter will review briefly the housing policies and regulations in Egypt for the past twenty years and focus on two issues: rent control and government subsidies. On these two issues revolve the entire political and social rationale for government involvement in housing. The purpose of this section is to provide the setting of the governments attitudes on housing, particularly towards sites-and-services and upgrading approaches.

The Egyptian housing program is based on substantial public involvement in actual construction as well as in financing house building and in building materials supply. Both the public and the private housing programs are heavily subsidized. The form of subsidy presented by the government is to provide construction materials at subsidized prices and to provide housing for rent or sale below market prices in an attempt to meet the financial ability of the lower income population. The government started sponsoring public housing projects in the late 1950s. Public sector housing provides housing primarily for the middle and lower income groups. They are built by the public authorities, either centrally through the Ministry of Housing or locally, through housing authorities of the governorates. In the Cairo Governorate alone, public housing construction between 1955 and 1975 totalled 38,757 units (Joint Land Policy Team, 1977, Appendix, p. 60).

Public housing buildings are typically five story walk-up structures, built of poured-in-place reinforced concrete frames and slabs with brick or block infill. The units range in size from 28 to 80 meter² and from one to four habitable rooms, plus kitchen and bedroom. All are provided with utilities. Prices of these units averaged around 4000 LE (\$5700 US) in 1978 but rents were fixed at only 72 LE per year (\$100 US). Revenues therefore covered only about 20% of costs when reasonable interest rates are used, e.g. 10% (TAP 1979-5, p. 16). However, much of this housing is deteriorating due to the inability of local authorities to maintain the units because of the low rents collected. The private sector includes cooperative housing and housing built by individuals. The formal private market deals exclusively with higher, middle and upper income groups who

comprise less than 15% of the urban households.

In an attempt to reduce the cost of housing for middle and lower income people, the GOE passed in 1969 a series of laws which placed a fixed rent on housing units. Rents in new buildings were based on 8% of the construction cost and 5% of the land value at the time of construction (Law No. 52 of 1969). At the same time, Law No. 52 of 1960 and prior legislation concerning rent control did not include apartments sold as condominiums. Assessing committees generally estimated building costs in accordance with the official standards defined in the building permit, rather than actual cost incurred. Under this law, allowing for maintenance and repair, the rate of return to capital was below rates of return to capital in other sectors of economy. The housing law passed in August 1977 tried to modify the situation and increase the rate of return upon which rental prices for such buildings are based on 10% of the construction cost and 7% of the land value at the time of construction. More importantly, the law increased the official prices on building costs upon which such rents are based from 1970 costs to market value costs in 1977 (Joint Land Policy Team, August 1977). With respect to already existing and older buildings, a series of laws were passed at intervals to reduce their rents gradually. Rents for apartments in many good localities built before 1960 were assessed as low as 6–10 LE per month for a five room apartment, 120 square meters (\$1 US = LE 45, 1960 prices). The maintenance costs exceeded the rents collected, and owners let the units deteriorate especially those built before 1960.

As a means of securing an economic return on building through evasion of rent control, the payment of key money appeared which is equivalent to the difference between regulated rents and actual costs. Key money enabled the private sector to earn enough return on housing to continue supply. This form of return on investment has been declared illegal by law, but is still commonly practiced, and seems to be accepted by both tenants and owners as a normal condition of the housing market. Similarly, tenants will ask for key money in order to surrender a rented flat to the owner or to another tenant so as to be able to pay for a new apartment (Joint Land Policy Team, 1977, Appendix, p.58). Key money became an important feature of the housing market in Egypt. It emphasized the scarcity of housing and favors people who are well capitalized, contrary to former intentions. Key money is financed out of wealth rather than income. Young couples and new migrants to the city cannot afford to pay these prices. In some cases they can afford to pay higher rents out of their income but have no accumulated savings to pay for key money or for condominiums (TAP report 1979, p. 15).

Rent control and key money isolates both vertical and horizontal notions of social equity. In vertical terms, wealthy people benefit from rent control perhaps as much as the poor (TAP report 1979 -5, p. 15). Horizontally, two identical families will experience widely different welfare levels, depending on whether they have lived in a controlled unit for many years, or whether they have recently arrived and must pay the cost of key

money (TAP report 1979-5, p. 15). The disincentive to move is enormous; if a tenant must vacate a unit, he can count on receiving only a portion of the "new key money" that the apartment will now command. In seeking a different unit he will be forced to pay the full amount (TAP report 1979-5, p. 15). People who can afford new key money move to the new apartments but keep the former, especially if it was built before 1960. These tenants either keep the former apartment vacant for future use by children or if it is in an area designated by the governorate as a tourist area, they have the right to rent it furnished to foreigners giving the owner a raise of 70% of the former controlled rent as set by Law 52 of 1969.

However, because of the illegal nature of key money, owners were forced to sell units rather than rent, since sold units are exempted from Law 52, 1969. Gradually apartments for rent were disappearing from the market and condominiums were offered instead. Condominiums that sold for LE 5,000 to 8,000 (\$1 US = LE 45, 1960 prices) in the late 1960s reached LE 10,000 to 15,000, (\$1 US = 0.60 LE, 1970 prices) in the early 1970s. In choice locations on the Nile, prices in 1978 reached LE 120,000, (personal survey, \$1 US = 0.70 LE, 1978 prices) for an apartment 180 meter² in area. Privately built condominiums require a very high down payment and the total price of the unit must be paid upon receiving the apartment.

As a consequence of government subsidy and rent control, the formal private market deals almost exclusively with high middle- and upper-income groups that represent less than 15% of the urban households. This leaves more than 85% of the population housed by the public sector. Rent control was conceived as a measure to reduce the cost of housing for lower income people, but has had a major effect in reducing the amount of low and middle income housing built. The government is subsidizing high standards of housing consumption. This level without subsidies can be affordable only by the wealthiest 10% or so of the population (TAP 1979-5, p. 7). Providing this level of housing for all individuals would absorb an enormous share of the GNP even with an annual real rate of economic growth around 5-6% (TAP 1979 - 5, p.7). Because of the present subsidy involved per unit, it is not possible for the government to provide housing for a significant portion of the population. In summary, under the best circumstances, a large percentage of the lower income urban population have no chance in participating in any of the formal housing programs.

The Appearance Of The Informal Housing Market

It is clear that the existing market is not providing housing services as adequately as it should. There is virtually no turnover in the stock, leading to a considerable inefficiency in the way housing is allocated. Rent control is especially discriminatory to low-income migrants as opposed to long-term residents, who are more likely to be

middle-income persons. Enormous horizontal inequality is introduced which adversely affects the young. The dependency on wealth inherent in the system has created intergenerational inequity, since the young are penalized relative to the old (TAP Report 1979-5, p. 15). As a result these disenfranchised groups found no chance to participate in any of the formal housing programs and have searched for other housing markets for which they can afford to pay rents. The market that catered to this demand was another form of the private market. In this market, rents are set at a rate that seems reasonable to both landlord and tenant. The people live as free from government intervention as possible and they simply disregard the law. This form of private market has been the focus of studies by the international donors and has been called the informal housing market.

Definition of Informal Housing

The unauthorized or informal settlements are an illegal housing market functioning in contradiction to all laws and legislation either in securing the land, constructing the dwellings, or in financing and acquiring buildings materials and labor. Because of its illegality, this informal housing stock lies outside the official statistics on housing production. The study which has produced the report "Informal Housing in Egypt" (Abt Associates, 1981) identifies in general several degrees of informality in housing among which the following cases are presented.

1. Dwellings constructed on illegally-occupied land not included in a legal subdivision. Examples of this are temporary or permanent structures situated on public land abutting a canal or right-of-way or private land (vacant land comprising part of a building site slated for non-residential construction).
2. Dwellings constructed on illegally-occupied land included in a legal subdivision. Examples of this are temporary or permanent structures situated on private residential building lots where the land owner is absent, or on rights-of-way, or in public open spaces.
3. Dwellings constructed on legally-owned land not included in a legal subdivision. Examples of this are temporary and permanent structures situated on private land included in a parcel which has been subdivided and sold by a subdivider without obtaining a permit to subdivide and re-sell land and in which no zoning regulations are complied.
4. Dwellings constructed on legally owned land included in a legal subdivision. Examples of this are permanent dwellings situated on private land zoned for residential use and included in a subdivision which has been legally subdivided, and where the subdivision has been in compliance with most or all zoning

regulations, but has been built without a building permit or without adhering to the building codes, despite having received a permit.

The report further identifies the degree of informality prevailing in Egypt as opposed to other countries: levels 1 and 2 are representative of the highest degree of informality and are by definition situations of squatting. In other countries these housing types make up the bulk of what is perceived to be informal housing. In Egypt, however, field observation and direct questioning has suggested that these two types comprise a comparatively modest share of the housing stock. Most dwellings in the informal sector in Egypt appear to be illegal by virtue of the owners having failed to adhere to subdivision or building permit regulations levels 3 and 4 (Abt Associates, 1981, p. 25-26).

Following this definition and the type of informality prevailing in Egypt; the World Bank/GOHBPR¹ "Construction Industry Study," 1978, estimated that nationwide about 77% of the housing units built between 1966-1976 in Egypt were informal. This estimation was based on observing intercensal changes in 1966 and 1976 housing stocks and were compared to permit and registration data throughout Egypt. Estimates of informal housing in Greater Cairo range as high as 84% (Abt. Associates, 1981).

The informal sector in Egypt which is in contravention to both zoning regulations and building codes has catered to the demand of the low income population by building both on privately owned agricultural land and government-owned desert land. Conversion of agricultural land to residential uses is in contradiction to the laws but the demand for urban land and the high prices it commands compared to the return of agriculture has spurred this conversion. Small contractors find it profitable to subdivide agricultural land into urban uses. In addition, agricultural land is attractive because of the availability of water for construction and subsistence.

By not adhering to subdivision laws regarding land and buildings, small contractors are able to maximize profits through maximum utilization of the land. These entrepreneurs have made use of the very weak enforcement of laws by the government. They cater to the needs of rural migrants for dwellings and enforced their own laws and regulations. The Abt Associates, 1980 study, using in-depth interviews, indicate that informal settlements or parts of these settlements are dominated by people from a particular tribe, region or group of villages, with many of the old networks and informal political and business systems intact. Many of the activities in these areas are in evasion of all government laws. The spectrum of violation includes those in the physical realm, which as a consequence of not being acknowledged by the government leads to evasion of other laws regarding wage limits, non-payment of social tax for laborers and non-registration by contractors of their activities and profits in order to avoid taxes. Through

¹ General Organization for Housing, Building, Planning and Research.

these violations, contractors maximize their profits.

The following summary of the salient characteristics of the informal housing sector emphatically point to the diverse functions that unauthorized settlements play for a wide range of interests. Unauthorized settlements are usually premeditated and planned by agents with clear interests in sponsoring such developments, e.g., real estate “sharks”, politicians, local leaders, racketeers, even directors of housing agencies (Burgess, 1982, Connolly 1982, Ward 1984, p. 150). Also “We know perfectly well that some informal investors are in fact attracted to this sector, but they are in all cases we have met, to be classified as users.” (Schlyter 1981, p .5). “Moreover, unauthorized settlements have also benefitted interest groups in addition to the developers and residents. The building materials industry has discovered an expanding market from self-builders, transporters and local retailers of these materials who also benefit. The growth of unauthorized settlements is therefore a complex business and each case is likely to be the outcome of a carefully orchestrated attempt to further the interests of the agents involved, be they land developers, vote catchers, radicals, do-gooders, ministries, unions, etc.” (Ward 1984, p.150–151).

Once we are confident we understand the process of illegal development we begin to understand the context in which the GOE is asked to intervene. We must investigate the mechanism whereby land is illegally subdivided and sold, the legal framework (laws, regulations, etc.) related to human settlement issues, and the procedures of land ownership, registration of titles and the interests that underpin such settlements and how they are articulated.

Characteristics of Informal Housing Activities

The informal areas since their inception have been self-generated and self-improving settlements. Their activities were more concerned in meeting the individual needs rather than the community’s. How does this sector survive? How it caters to the demand of the low-income population and how it functions in contradiction to all laws and regulations in securing land, building materials, labor and finance is described in this section.

Securing the Land

The informal sector is most active along the urban periphery where either desert government land is available or agricultural land is subdivided. These locations are in the vicinity of employment, especially industries and in areas where it is accessible to main streets or means of transportation. Most informal development has occurred on land adjacent to main arterial or secondary feeder roads and in some cases also railway lines.

On-site availability of water in agricultural areas and immediate access to it by pumps has made settlements highly desirable. Desirable desert areas are usually those in the vicinity of other areas serviced by water (industrial estates or formal residential areas). Sewerage is of less concern because it can be resolved by the installation of septic tanks, cesspools or holding tanks. Also since residential land prices exceeded the return that a land owner would receive from keeping land in agricultural use, the agricultural land was subdivided and sold for the higher prices. Further encouragement was provided by the fact that once neighborhoods are established in illegal subdivisions, the law is very difficult to enforce. Even when a citation is made soon after the subdivision has been established, it is difficult to remove people who have bought parcels and constructed houses on them. The city can sue the subcontractors for violations as well as the individual parcel owner, but the sanction on the individual's right to develop private property protects the subdivider and property owner in most cases.

Private owners find it quite profitable to subdivide their land in contravention with existing regulations. On the average lot sizes are about 80 meters². Rarely do they exceed 120 meters² (Joint Housing & Community Upgrading Team, August, 1977, p. 35). The minimum lot size by law is 150 meter² (Ministry of Housing Regulation, August, 28, 1971). Small plot sizes are more affordable to a greater population and at the same time more profitable to the subdivider. Prices vary between LE 5 and LE 15 per meter² (\$7-21, 1977 prices), in areas where access to water and electricity is possible or visibly forthcoming in the near future. In the fringe areas where there are no utilities and little hope of being serviced over the next eight to ten years, land sells for LE 4-5 per meter² (\$6-7, 1977 prices) (Joint Housing and Community Upgrading Team, 1977, Appendix, p.35).

The other alternative to buying land is found through squatting on government land with the hope of ultimately obtaining title, if not evicted within 15 years. Ownership laws help the squatters to gain hold of land. Furthermore, once they start building it is virtually impossible to remove them. The possessor or user of a plot of land can gain ownership of that land, if he occupies it continuously for 15 years and if the owner does not assert his rights. Thus, it would be possible for a squatter to gain legal rights after that period, de jure as well as de facto, "Right of Prescription." Furthermore, once they start building, it is virtually impossible to remove them, e.g., the law "Separation of Land Ownership from Ownership of a Building." Under the Civil Law, there is no difficulty in distinguishing between ownership of land, ownership of the building on that land, or ownership of different stories of the same building. The right to build an upper story on an existing building adheres not to the owner of the land but to the owner of the existing upper story although the building may not be heightened so as to injure a lower story (Civil Code, Articles 856-861). Thus, low-income persons can expand their houses, even if they do not own the underlying land upon which the house is situated (Joint Land

Policy Team, 1977, Appendix). Also, land can change hands any number of times with only a civil contract, whereby the buyer pays the seller an amount equivalent to his equity and assumes the responsibility for the payment of due installments.

The legal way to confirm land ownership is through registration at the local office of land registration. The land registration system in Egypt was adopted from the French. All major rights to land must be registered with the local district office of the Land Registration Division of the Ministry of Justice (Law No. 18 of 1923, Article 1). These rights include mortgages and tax liens as well as transfer of property by sale or inheritance. The fee for registration is a major cost to buyer on the sale of property. It ranges from 2.0 to 7.0% of sales price, depending on that value, 2% for value of 1,000 LE or less, 4% for 300 LE and 7% for 4,000 LE or more, in addition to the application fee. Existence of an informal way for registration encourages evasion of the high cost of registration, and evasion of having to deal with the authorities. Some land owners in the informal sector have an informal way of registering which confirms that a transfer has been made. The seller goes to court with the buyer and the former alleges partial non-payment for land on the part of the latter. The court then charges in writing that the buyer must pay the unpaid amounts and a court order is issued. The buyer then pays and receives a receipt from the seller. Persons buying land by the kirat or square meter would go to their local district office after they have finished building their houses and register their lot numbers and addresses, so that they may be eligible for postal service (Abt Associates, 1976, p. 41).

Constructing the Dwellings

There are two types of construction activities going on in the informal settlement areas:

1. Three to five story walk-ups, built by local entrepreneurs, for the most part contractors. They buy or otherwise gain control of the larger lots fronting the main streets early in the development process, when land is still quite inexpensive.
2. Small structures, two to three stories at various stages of completion, built by individuals for their own shelter. Subsequently rental income often is generated at later stages through vertical and/or horizontal expansion.

Construction in the first type is usually a completed five story concrete structure with brick infill. The owner lives in one unit and rents the others. Most of the dwellings in the second type are gradually constructed from red bricks or stone starting with a basic one story structure, usually not more than one or two rooms. The foundations for the load bearing walls are ordinary concrete made from cement and old brick pieces. For the walls, new bricks are brought or sometimes old bricks salvaged from demolitions.

While putting up walls is relatively simple in terms of skill and expenses, roofing is another matter. Because of the magnitude of the investment involved, reinforced

concrete roofs are often delayed for one or two years and alternative roofing systems adopted in the interim. The temporary systems rely on wood joists covered with a variety of materials: palm, straw mats, canvas, and asbestos panels. Reinforced concrete roofs are hardly ever poured before the homeowner is ready to add a second floor to his structure. Similarly, the new story will have a temporary roof until such time as a third floor is added. Most dwellings built in this manner can hardly go above three stories. The outside of the structure is left unplastered. Stairs are made from stone and concrete slabs, and flooring is in lower grade cement tiles. Basic utilities are lacking in most informal settlements. In most areas there are no public sewers close by and the drainage relies on pits built of limestone and red bricks.

Obtaining a building permit requires that an owner present architectural drawings of the proposed structure from an architect or engineer, to local officials for approval. These drawings should adhere to the existing building codes and regulations (Law No. 169 of 1969 and No. 106 of 1976). Obtaining a building permit entitles recipients to obtain subsidized building materials (Joint Land Housing Team, 1977, p. 98). However, the law is handicapped in tearing down dwellings built without building permits except if built on public land. Most commonly, when violators are caught, a comparatively modest fine is the punishment (Abt Associates, 1976, p. 46).

Financing The Dwelling

Many obtain seed capital by selling inherited land or by spending a period of time earning money in other Arab countries. Almost half the contractors and subcontractors began in the same way with less spectacular savings (Abt Associates, 1981, p. 104). Sometimes the landowner supplies credit to purchasers. Landowners normally require a 20–25% down payment on the lot and extend monthly installments as necessary over five to six years (Joint Housing Team 1977, p. 40).

Owners tend to give contractors a 20% to 30% advance, with additional payments as floors are completed. Contractors similarly give advances to subcontractors. Contractors offer financing under the following terms: 20-25% down payment and monthly installments over a maximum of 4-5 years. Since 50% of the cost to the contractor, including labor, is actually covered by the down payment, the installments have to cover the remainder of the overhead cost, profit, interest and risk. If an allowance of 20% is made for overhead and profit, then the effective interest rate charged is in the order of 20-25% per year. The larger the amount to be financed, the lower the rate. Tenants in informal settlements expect to pay both key money and unregulated rents.

Acquiring Building Material

The government regulates the supply of basic materials. These materials are supplied in accordance with the designs and specifications stated in the building permit issued and the monitoring of construction progress at fixed prices which are below actual costs. Illegal building activities have resulted in a thriving black market for building materials, with prices of individual items fluctuating in accordance with the severity of the shortage. Thus while formal sector contractors are able to use subsidized, government-controlled supplies, the informal sector contractors use materials from private distributors, which are more expensive in terms of out-of-pocket costs, but much more quickly acquired. Since many build units without building permits they are also building without the benefit of cheap supplies.

Private distributors include both the legal and black market operations. The former include both public and private sector distributors selling materials obtained legally at regulated but non-subsidized prices. The latter include distributors of materials obtained at subsidized prices who sell them at a profit in the open market. These materials may be obtained initially from contractors who inflate their estimates of material needs when applying for building permits. Alternatively, contractors with permits will use non-subsidized materials, when they finally arrive, at market prices to recoup their original expenditure. The prevailing attitude seems to be that it is more economical to build at today's prices and wage rates than to delay and possibly forego the opportunity of providing one's self with a home before inflation (Abt Associates, 1976, p. 89). The stockpiling of materials is not common. Most builders of low cost, informal dwellings obtain their materials from small scale distributors. Many rely as much as possible on used or recycled materials which are cheaper and easier to obtain.

Recruiting Labor

Labor for informal housing is readily available. It is recruited from cafes and other gathering places, sometimes directly by the contractor, sometimes by his foreman. Few contractors have large permanent labor forces, the smaller ones have none at all. A typical small contractor employs various laborers on a part time basis whenever there is work. The quality of labor is generally adequate for lower quality housing. Despite the fact that private informal builders often buy materials in the black market, hence at higher prices than the public sector, they are able to offer low costs and still make a profit. This is achieved through higher labor productivity at lower wages and through the evasion of social security taxes, and by a lower waste factor in the consumption of building materials.

Introduction of New Approaches by the International Agency

The National Housing Policies together with the short supply of housing provided by the government have forced the lower-middle and low-income people to search for shelter alternatives in the informal sector. The government simply does not have the resources to build new standard housing units for all those in need. If they do build, the physical standards are so high that they necessitate high subsidies to be affordable by the low income population. In response to the significant scale and role of the informal sector described in the studies sponsored by the international agencies, the government of Egypt (GOE) represented by the Ministry of Housing and Reconstruction, realized the importance of the sector and the necessity to find solutions to these settlements.

The solutions presented for informal areas were introduced to the national government by the international bodies, the World Bank and USAID. In 1977, the World Bank initiated the *Egypt Urban Development Project* and in 1978, USAID authorized the *Housing and Community Upgrading for Low Income Egyptians* project. Both projects were the first attempt in Egypt to acknowledge explicitly the unauthorized self-help activities taking place in informal areas. Self-help can refer to planned, so-called site and service schemes but it can also refer to the unauthorized settlements and to upgrading as official support to self-built settlements. Both projects included upgrading of a number of informal areas and development of new site and service areas. Projects would provide in addition to shelter facilities other numerous components which were not included in former public housing offered by the GOE: employment opportunities, health, nutrition programs and community services.

The solutions presented were in accord with the international agencies view of the problem, and based on their former experience in Latin America. In essence, the solutions sought to promote informal settlements. Since the informal construction process is already making an important contribution to housing thousands of low middle income Egyptians, the government should take a closer look at the positive aspects of the informal construction and programs should be developed to capitalize on the initiative of these families in trying to solve their own problems. The new approach would seek to control and improve this process which already involves a maximum self-help effort by the residents and requires a minimum input of government financial and technical services. Governmental efforts would concentrate on things that cannot be done by private individuals and groups, such as land acquisition, over all planning and control, provision of technical and social infrastructure and assistance in providing credit for housing. Both projects recommended that priorities should shift from the construction of traditional standard housing with relatively high standards serving only a few, to programs of encouraging and promoting the private construction efforts of families living

in the informal areas.

Sites and Services Versus Upgrading

The World Bank indicates in its Appraisal Report 1978, p. 10, that "the project would demonstrate the feasibility of providing low cost housing affordable to the lowest income groups," referring to sites and services "the minimum plot costing...etc." It continues, "the project would also initiate slum upgrading with provision of security of tenure as a low cost approach to improving the living conditions of the urban poor." Site and services and upgrading projects are always referred to in one package or as the former complementing the latter.

In this research, the author would like to handle each separately and emphasize the difference between the two approaches and the difference between slum upgrading and informal housing upgrading. The aim is to clarify the nature and content of these projects from the very beginning with regards to concept, target groups, agencies responsible and nature of obstacles to be addressed during implementation. Realizing these differences when addressing these two approaches during planning, would minimize problems during implementation. The difference between these approaches are important during the implementation phase for it is these characteristics that make it possible for government to intervene enthusiastically or to intervene reluctantly or not to intervene at all in an effort to avoid legal and technical difficulties.

These two approaches aim at improving the living conditions of the urban poor by improving shelter conditions and installing social and physical infrastructure and generating employment. However, during implementation the site and service concept deals with a new site, and marketing efforts to attract people to this site. From the technical side, in site and services we are dealing with a planned, new area which would facilitate installment of physical infrastructure. Provision of social and community facilities is also possible from the very beginning. However all plans are built on demographic estimations and projections for the future. Security of tenure would be granted from the start. Provision of social and community facilities is also possible from the very beginning. Most important in site and service projects, is the possibility to choose, at the outset the location of the sites and to avoid construction in areas not designated for housing. In brief, site and services is a form of land development for the poor.

In the already existing low income informal areas this is not the situation. The site, the people and the problems are all given at the outset of the project. There is also a difference between upgrading slums as mentioned in World Bank report and upgrading of informal areas. Slums by definition are older areas that have dilapidated gradually due to age and neglect. These areas are in most cases formal and legal housing areas and are planned according to zoning and building codes. Inhabitants of these areas have not

resorted to self help but have moved to these homes when former owners moved out. The responsibility of maintaining these areas lies with the local authority, exactly as does the responsibility of maintaining and improving any other legal high income area in the city.

On the other hand informal areas have been identified as illegal unplanned areas in continuous development in contradiction to all zoning and building codes, people living as free from government intervention as possible. In upgrading projects there is no security of tenure at the outset. Improvements of already existing unplanned settlements pose technical problems (sewerage, water) particularly because of the need for low-cost design solutions. Because it is unplanned, the plan can be improved only to a certain extent. Improvements are very restricted to open spaces and vacant land which has not been occupied. Scarcity of vacant land limits establishment of community and social buildings. Because of these restrictions, residents of these areas may have to settle for a lower level of services.

In upgrading projects, the issues of illegality features prominently. Conferring legality on these areas is a necessary requirement for implementors more than it is a requirement of the inhabitants themselves. The mere announcement that these areas are designed for upgrading is an explicit recognition by government that these areas are not threatened by demolition. Together with the status formerly acquired by the residents themselves in acquiring the land and building on it (see section on informal activities). However, to install sewage, water and electricity, the legality of the neighborhood is a prerequisites for the bureaucrat. There are a number of documents that must be fulfilled to be able to approve physical intervention in the area (water, sewage, etc.) Legal ownership is one of them. Without the formal registration papers he cannot be responsible to issue an approval for works, even if he wants to. So the major problem is a legal one. Upgrading is a solution not for housing but for a different kind of problem. It is often considered a comprehensive solution dealing with elevating the standards of the urban poor (Schlyter, 1984).

Government authorities responsible for betterment and upgrading are from the local government while new development outside the jurisdictions of cities is the responsibility of the national government. More importantly, sites and services are neighborhoods initiated by the government while informal neighborhoods are illegal and have been initiated by the people. Already existing housing areas are the responsibility of the local government, however recognition of these areas are the responsibility of the national government according to which land titles can be issued by the local government.

Chapter 4

THE PROJECT AS INTRODUCED BY THE WORLD BANK

This chapter describes in detail the site-and-services and upgrading project suggested by the World Bank. The Egypt First Urban Development Project was the first urban sector operation assisted by the World Bank in Egypt (World Bank, PPAM, 1986). Project Appraisal (1977) occurred only three years after the Egyptian Economy became more open (Sadat's policy of "El Infitah," the opening). Costs of financing the project was shared between the Government of Egypt (GOE) and the World Bank. The World Bank contribution was a loan which is to be paid back with interest. In the end the costs would be recovered by charging the inhabitants. The proposed project embodied an approach, which departed from traditional government practices in Egypt and the World Bank recommended that it should be developed on a small-scale demonstration basis, to be replicated on a larger scale in the future. Implementation was planned over a four year period, January 1, 1978–December 31, 1981.

The demonstration areas were to be located in Cairo, Alexandria and Assiut. Cairo (the capital) and Alexandria are the two largest urban areas in Egypt, together accounting for two thirds of the country's population, and are the two cities where Egypt's urban problems are concentrated. Assiut (in Upper Egypt) is representative of a wide range of small to medium sized cities with high population growth rates. It was selected in support of the governments policy of spatial decentralization (World Bank, PPAM, 1986, p. ii).

The major aim of the project was to demonstrate the feasibility of providing and improving shelter, providing employment and urban services for the lowest income groups, at costs which they can afford and at costs which provides to the GOE a substantial recovery of its investments without need for subsidies. To achieve the objectives the project comprised an upgrading component in Cairo and the development of sites and services scheme in Alexandria and Assiut. Both programmes were to include social services in the fields of education, health and nutrition, community and religious facilities and training and job creation through employment in small scale enterprises. In addition the project envisioned the strengthening of a shelter financing agency, to provide mortgage financing to the low income groups under conditions of full cost recovery and reduced levels of interest rate subsidies. General institution building in the sector was to be provided through technical assistance.

Summary Of Project Components

Upgrading: Improvements of four low-income settlements were to be upgraded in Cairo and Alexandria. Upgrading would be achieved through provision of secure tenure and improved or new on-site and off-site infrastructure.

Sites and Services: Provision of about 4600 serviced plots, with on-plot water supply and sewerage facilities, ablation units, plot perimeter walls, home construction loans and community facilities, as well as areas for work-shops and commercial activities.

Small Business Assistance And Manpower Training: Provision of loans, technical assistance and vocational training for small businesses.

Improvement in Solid Waste Collection and Disposal: Introduction of low-cost intermediate technology waste disposal systems, and improving waste collection particularly in low-income areas by expanding the role of small private contractors (the Zabbaleen). Cairo: Provision of a 10 tons a day pilot composting plant. After one year of testing and monitoring performance, a 200 ton per day plant would be built. Provision of a 35 tons/day plant at Mansheyet Nasser with technical assistance and training to the Zabbaleen and introduction of a daily collection service in the main Manshyet Nasser settlement. Alexandria: Provision of street cleaning equipment, depots, maintenance equipment and vehicles to help strengthen the Governorate's street cleaning and waste management service. Provision of a pilot composting plant with a 10 ton per day capacity .

Urgent Repairs of Assuit Water Supply and Sewerage Systems: Provision of consultant services to design and assist in urgent repairs of treatment plants, pumping station.

Organization, Management and Finance of Overall Project

According to the World Bank Staff Appraisal Report (1978) the organization of the overall proposed project is broadly as follows:

The main channel for project financing would be the Low Income Housing Fund(LIHF)¹ which was established as a legal entity in 1976. It's objective is to finance low income housing projects. The fund is governed by a board of five directors. The chairman and four members representing the Ministries of Finance and Local

¹ The LIHF was discontinued in July 1979 by a Presidential Decree. One month following the approval of credit by the World Bank in June 1979.

Government and Authorities for Government Services and Wakf (religious institutions). The Minister of Housing has overall responsibility for the funds performance. The fund is expected to recover all loans made to entities or persons developing low income housing and will thus have a substantial inflow of funds from borrowers much of which will be available for relending. The fund shall be a form of real estate banking operation.

Interagency coordination shall be undertaken, by the Low Income Housing Development Unit (LIHDU) within the Ministry of Housing. It would have overall responsibility for project coordination and for the initiation of future upgrading and sites & services schemes, it would be responsible to advise agencies responsible for low income housing projects on all aspects of design, construction, beneficiary selection, training of staff and performance monitoring. All project components will be implemented largely by existing institutions without major organizational changes. Only the LIHDU would be established. The shelter and related services components are to be implemented primarily by the governorates of Cairo, Alexandria, and Assiut through their various directorates coordinated by the Directorate of Planning and Monitoring within each governorate.

In addition, the state utility companies shall be responsible for water supply, sewerage and electricity, with the assistance of the central unit (LIHDU) and the financial intermediation of the LIHF. Exceptions to these arrangements would be the implementation of the employment component which would mainly be the responsibility of the National Bank of Egypt (NBE) through the provision of loans, and HIPCO through technical assistance and training. The consultant studies and repairs of the water supply and sewerage systems in Assiut would be the responsibility of General Organization for Potable Water and General Organization for Sanitary and Sewerage Drainage (GOSSD), respectively.

The World Bank would monitor the project out of its Washington Headquarters through periodic visits to Cairo. Regarding local agency monitoring the LIHDU within MOH would approve and sign all contracts for consulting and construction services with the concurrence of the appropriate governorate where the project site was located. The governorates are to be responsible for day-to-day supervision of the contracted work. (See following table). The responsibilities for implementing individual projects components would fall ordinarily on the Governorates of Cairo, Alexandria and Assiut through their various directorates (World Bank Appraisal Report, 1978, p. 26). These responsibilities are as follows:

COMPONENTS

AGENCY

<p>1. Upgrading and site and services in Cairo, Alexandria and Assuit. Full responsibility to respective governors for the subsequent operation of facilities and services and meeting financial commitments to the fund.</p> <p>–Key project coordination</p> <p>–Land acquisition, site development, design and construction of core units, on- and off-site infrastructure and construction of community facilities: schools, health centers.</p> <p>–Selection of beneficiaries, allocation and pricing of plots. Allocating credits for home improvements.</p> <p>–Advice on school building design and for furniture and equipment provision</p> <p>–Advice on provision and equipping health centers and community centers</p>	<p>General secretaries of Cairo and Assiut governorate and assistant secretary of Alexandria, Cairo, and Assiut through their Directorates of Planning and Monitoring as general coordinators and their respective directorates as listed below:</p> <p>Directorates of Planning and Monitoring</p> <p>Directorates of Housing and Social Affairs (under Secretary of Housing)</p> <p>Directorates of Housing, Finance, Social Affairs and local council</p> <p>Directorates of Education and Social Affairs</p> <p>Directorates of Health and Social Affairs</p>
<p>2. Small business assistance and manpower training program.</p> <p>(a) Loans to entrepreneurs</p> <p>(b) Extension services</p> <p>(c) Vocational training</p>	<p>National Bank of Egypt</p> <p>HIPCO/Engineering and Industrial Design and Development Center</p> <p>HIPCO/Ministry of Industry (Productivity and Vocational Training Department)</p>
<p>3. Improvement in solid waste collection and disposal</p>	<p>Governorate of Cairo Governorate of Alexandria</p>
<p>4. Urgent repairs to water supply and sewerage in Assiut</p>	<p>General Organization for Potable Water (GOPW) and General Organization for Sewerage and Sanitary Drainage (GOSSD), governorate of Assiut.</p>
<p>5. Consultant and advisory services and training</p>	<p>Governorates/GOPW/GOSSD/HIPCO/ Low income Housing Development Unit Fund/GOPP</p>
<p>6. Project administration</p>	<p>All Agencies listed above with coordination by LIHDU.</p>

Project Agreements

In October 1976, an IDA reconnaissance mission, reviewed the governments proposal and found it to be congruent with Bank group policies for the urban sector at the time (World Bank, PPAM, 1986, p. 13). Project preparation proceeded rapidly, starting in early 1977 for a one year period. The General Organization For Physical Planning, in the Ministry of Housing and Reconstruction, undertook the task, with assistance from the expatriate consultants firm Doxiadis Associates International.

Appraisal of the project took place in November 1977, within one year of the reconnaissance mission. The transcript of the World Bank Executive Directors meeting indicated that the credit was approved without discussion. The credit was processed rapidly from project identification in October 1976 to appraisal in November 1977 and approval in June 1979. (World Bank, PPAM, 1986)

Subsidiary Agreements were signed on August 30, 1978 between IDA and each of the governorates—Cairo, Alexandria and Assiut, for the responsibility of implementing the project in the respective governorates. On February 24, 1979, another subsidiary agreement was signed between the government of Egypt, represented by the “Ministry of Economy” and the Low Income Housing Fund to deposit proceeds of the loan and other funds, made available by the government to the project under the state budgets. On May 27, 1979, an agreement was signed between the “LIHF” and the “Credit Foncier Egyptien,” whereby the Fund delegated and entrusted the "Credit Foncier" to undertake its obligations set forth in the agreement signed on February 24,1979, between the Egyptian Government and the Fund.

Credit 831-EGT was signed in August 1978, but became effective only in May 1979, eight months later, due to delays in the signing of the two subsidiary loan agreements by Borrower (World Bank, PCR, 1986, p. 17). The project was to start on January 1978 and end December 1981 (four years period), with all works completed on all components. Because of the delay in the subsidiary agreements which resulted in the postponement of effective date of credit to May 1979, the completion date was postponed to December 1982.

The Upgrading Component

In 1978, the project comprised the upgrading of four low income areas, with a total population of about 97000 people and covering 160 hectares. These neighborhoods were selected as representative of urban problems that exist in rapidly expanding settlements that grow illegally on the fringes of existing legal urban areas. All sites had very limited infrastructure and services. Three of the upgrading sites were to be located

in Cairo: Mansheyet Nasser main settlement, Mansheyet Nasser Zabbaleen settlement, and North Bassateen, Kulaha settlement. The fourth site was to be located in Alexandria—New Nagaa El Arab. Upgrading of these areas would be achieved through: Improvement, extension and provision of shelter and associated infrastructure services (Streets improvement, water, sewerage, electricity and solid waste collection). Community, religious and social services facilities (education, health and nutrition). Maintenance and development of the economic and social fabric of the communities concerned. Community participation; small business and vocational training; home improvement loans; credit for small scale enterprises. Rationalization of land tenure in these areas belonged to the government. When implementation was started, upgrading in Cairo were restricted to the two contiguous settlements in Mansheyet Nasser, while the Bassateen and Alexandria areas were cancelled.

Description of Mansheyet Nasser Main Settlement

The settlement is situated on the eastern edge of Cairo built up area, between the city of the dead (main cemetery grounds in Cairo) and the Mokattam Hills. Its distance from Central Cairo (Tahreer square) is about 5 km and from the handicraft, business area Khan El Khalili, about 1.5 km. The main settlement extends over approximately 96 ha and has a population estimated during reconnaissance surveys at about 55,000 persons (World Bank, Appraisal Report, 1978, p. 10). Occupying areas with quarrying activities, in the steep Mokattam hills, had rendered the area suitable for building. As the quarrying activities were producing land, illegal houses were constructed for immigrants from rural Egypt. All of the land belonged to the government.

It is possible to define four district housing areas within the settlement which have been created during its evolution: Northwest and central areas which are the older parts, are considerably dilapidated, and have very poor housing conditions. Overcrowding prevails and, public open spaces are neither maintained nor cleaned. Plots are smaller and irregular in comparison to other parts of the settlement. The northern and southern edges are the new areas in the settlement. Housing, two to three stories high, is relatively better but still considerably poor. Plots are quite small. The southeast area is new and is developing towards the hills. Conditions in this part are comparatively better and plots are larger.

Only eight percent of the inhabitants have water inside their dwellings compared to 70% in Cairo and 61% in urban Egypt. Most of the settlers rely on water vendors and on a few public standpipes, of which several are not functioning. No dwelling unit has any sewerage connection. Seventy percent have no private W.C.s and use a public W.C. Individual investments have been made in cesspits which have been constructed for about 80% of the plots. They are emptied irregularly with donkey carts. Most houses have no

kitchens and food is prepared in rooms or in yards if they exist. Access to the site is difficult with no surfaced roads and all roads are in very bad condition. There is no solid waste collection.

Electricity service to plots is fairly good, a system of on-ground cables prevails. Over 58% of plots are connected to the electricity network, but there is no street lighting. Community facilities are poor. There is only one primary school of 16 classrooms meeting only about 18% of the need (World Bank, Appraisal Report, 1978, p. 11). A health center occupies 10 rooms in a public housing apartment building.

The study area lies within the Cairo Governorate which has its own budget, two-thirds of which is provided by the national government, the rest coming from land and building taxes, revenues from projects and properties. Due to the two tier administrative system of Cairo, the largest northern part of Mansheyet Nasser lies within the jurisdiction of Gamalia Kism (district), and the rest within the Darb El Ahmar Kism (district). In 1960, the Governorate Council was given responsibility of establishing and managing the local services while the district council solve local problems aiming at the welfare of their citizens. District Councils are comprised of eleven members elected by the people.

Proposed Improvement In The Mansheyet Nasser Community

The area was illegally built, and its plan has many deficiencies which could be improved only to a certain extent. To combine improvements with demolishing existing houses was not to be considered, therefore the recommended actions have been limited to the improvement of open spaces and vacant land which could be planned before it is occupied. Difficulties were compounded by the rough configuration of the ground and extreme level changes. These constraints restricted major improvements to the the central area of the site.

For improvement purposes the area was divided into two zones, the central with 20,000 inhabitants and the peripheral with 35,000. The central zone was to be served by a water network which can provide connection opportunity for every house. Other areas are to be served by new standpipes with one standpipe (2-4 taps) serving 400 persons, with an average distance of less than 100 meter. A piped sewerage system would be provided only to those areas where on-plot water supply shall be available. In other areas the existing septic tanks shall be improved or replaced if necessary. New septic tanks shall be constructed in front of each house. Where space is limited aqua privies would be provided. No leaching cesspools or soak ways could be used because of the rocky non-absorbent ground.

In regard to community buildings, due to the limited availability of land in the central location only basic functions will be provided for. Four schools, with fourteen

classrooms each, and a capacity of 45 students per class would be built, and operate on double shifts. Improvements have been planned for the three main access routes and for selective improvement of additional roads to provide vehicular access within 100 meters of every plot. The proposed improvements in 1978 under the upgrading component (World Bank, Appraisal Report, 1978, p. 11) of the project are summarized as follows:

Roads:

Surfacing of access and circulation roads	6,400 m
Grading of secondary access routes	3,000 m

Water:

Provision of booster pump	
Provision of water supply main	650 m of 300 mm diameter
Provision of new pipeline	7200 m
Allowing 60% of plots to have house connection	
Repair or replacement of the existing standpipes	8 units
Provision of new standpipes. 1 standpipe/400 person	23 units

Sanitation:

Repair of existing cesspits	450 units
Provision of new cesspits	400 units
800 plots to be connected to new piped sewerage line	9000 m pipe

Electricity:

Offsite: Provision of power lines	400 m long
New transformers of 500 kva	8 units
Onsite: Burying of existing cable	8000 m long
Laying of new cables	7800 m
Providing direct access to electricity	1300 plots
Street lights in main streets and access roads	500 units

Solid waste collection

Home improvement

Provision of materials
Provision of loans for households

Primary schools: Three primary schools of 14 classrooms, each with a capacity of 45 students per class and operating on double shifts.

Secondary schools: One secondary school for girls with 14 classrooms.

A Health clinic and a dispensary with integrated health and family planning services to be provided under an IDA assisted population project.

A community center.

Development of about 385 new or infill plots with water supply, sewerage and ablution units.

Chapter 5

PERFORMANCE OF THE PROJECT

Organization of Project

The project was initially developed during the study phase of one year in a national government planning bureau the GOPP, Ministry of Housing and Reconstruction (MOHR), together with the international consultants, Doxiadis Associates International. The GOPP is responsible nationally to lay down principles of general policy for physical planning and to prepare plans and programs for urban development in coordination with other sectors. GOPP would also monitor the implementation of plans. The Low Income Housing Development Unit, to be responsible for monitoring the implementation phase of World Bank funded project, was planned to be formed from the team of the professionals at GOPP who had originally worked on the study. Monitoring of the project by the World Bank staff was done from Washington, in addition to intermittent short-term visits to Egypt.

In 1979 a presidential decree was issued dividing the Ministry of Housing and Reconstruction into two entities. The Ministry of Housing (MOH) was to be responsible for proposing, studying and executing plans for housing, public sector construction and infrastructure and to have nominal authority on water and sewerage authorities: the General Organization for Sewerage and Sanitary Drainage and the Public Authority for Water. The Ministry of Reconstruction and New Communities (MORNC) was to be responsible for the development and construction of new towns. It is now considered the key development agency in Egypt. Together with its affiliated agencies, its responsibility is to study, propose, formulate and implement the plans and policies of physical planning. GOPP and the project team who had worked on the study phase was under the jurisdiction of the latter.

With the division of the Ministry into two entities, there arose a problem for the World Bank funded project. To which Ministry should it be affiliated? The project is a housing project and should be part of the MOH. But the project team and the people who have worked on the study for a year are in GOPP, which is now under the jurisdiction of MORNC. After extensive negotiations, during which the project was stranded between the two ministries, the final decision was to transfer the project to the newly established

agency, the Executive Agency For Joint Housing Projects (EAJHP) within the MOH and to appoint a new LIH DU team.

In Egypt, new institutions or agencies are established by either a presidential decree or a ministerial decree. The difference between the two decrees lies in the legal and financial credibility given to the new agency. The presidential decree gives the new institution full autonomy and independence in decision making and in allocating its own budget, while by the ministerial decree, the new institution functions merely as a new department within the ministry, with no autonomy and no independent budget and consequently no controlling powers.

EAJHP was created by a Ministerial Decree No. 48 for 1979 shortly after the division of ministries, to be part of the Ministry of Housing. Its purpose was project preparation and implementation of USAID funded projects. The first of such projects to be the upgrading and development of new communities for low-income Egyptians in two areas of Cairo. As a result of the above administrative changes, EAJHP's purpose was then modified to undertake housing and shelter related programs which were jointly funded by the GOE and other international funding organizations including the World Bank, and USAID. Its role is the execution of the agreements signed with foreign governments or international organizations concerned with financing low-income housing.

During the same year in which EAJHP was established, a new local government law was issued which dispersed power from the national government to the local government (Law 42, 1979)¹. The new legislation which transferred more power and responsibilities from the national government to the local government, the governorates, encouraged the World Bank to sign subsidiary agreements with the governorates involved in the project. These agreements gave full responsibility to the governors for the implementation of the respective project components. The most critical section in this agreement is that it indicates that LIH DU within EAJHP would assist the governorates only if they ask for this assistance.

Another issue which was mentioned in interviews is that the project was not hospitably received at EAJHP. The explicit cause was that the agency was recently established and in the process of recruiting personnel and, hence, was not ready for additional responsibilities. The implicit causes were the competition between two international agencies—USAID and the World Bank—the former hoping to be the first

¹ Law 50/1981 gave the governor the power and authority similar to the President of the Republic each in his Governorate. Law 124/1960, created the governorates and delegated to the local authorities all functions which by their nature were predominantly local. According to this law Egypt was divided into 26 Governorates and with four tiers of local units in the provincial governorates and two tiers in Cairo and Alexandria. The local government machinery and organization in Cairo functions similar to all other governorates in Egypt. Cairo Governorate is divided into seven districts, which are administrative branches of the governorate. In 1975 these districts were given legal entity (Law 52/1975). Thus they became local government units having independent autonomy, within the domain of the capitol city.

agency to develop site and services and upgrading projects in Egypt. There were occasional conflicts among managers, as each tried to acquire the best professionals or facilities for respective project. Within this environment the World Bank funded project was at a disadvantage for two main reasons: first, the USAID project leads in the size of investment \$160 million versus \$14 million for the World Bank, and secondly, the USAID project appointed a permanent expatriate consultant firm to assist EAJHP in monitoring of implementation, while the World Bank did not, and relied on short visits from its Washington staff.

In brief, from the very beginning the World Bank funded project for \$14 million and USAID project for \$160 million were to be simultaneously monitored by a new institution, still to be consolidated. It had no credibility or authority over the participating agencies, the local government. The new local government law 42,1979, and subsidiary agreements with the World Bank, gave these local governorates within the national administrative structure more credibility and higher rank, and hence more authority over the project than EAJHP, the selected lead agency.

Establishing a new institution by a Ministerial Decree means that this institution cannot have a management board but relies on a steering committee for decision making which would be established by another ministerial decree. These committees are also created to maintain coordination when the project involves many agencies. Through these committees, agencies discuss and hope to resolve issues pertinent to the project. Accordingly, a steering committee was established by Ministerial Decree on March 2, 1979.

The Steering Committee

The responsibilities of the Committee were to supervise, coordinate, monitor and to offer technical assistance to the Housing and Upgrading projects for low income people in the Governorates of Cairo, Alexandria and Assiut under the Urban Development Project, undertaken by the MOH and World Bank. The committee was also responsible for evaluating the implementation process and for allocating funds within the project budget. It has the authority to form subsidiary committees from its own members or others if the preparation of certain studies is required. The Committee included ten participants representing: EAJHP; HIPCO; Cairo, Alexandria and Assiut Governorates; the LIHF and the Ministry of Economics. The Committee was as follows:

1. President of EAJHP
2. Vice president of EAJHP
3. General Manager for Financial and Administrative Affairs, EAJHP
4. Undersecretary for Local Government and General Manager, HIPCO
5. Undersecretary for the Housing Department, Cairo Governorate

6. Undersecretary for the Housing Department, Alexandria Governorate.
7. Head of City Council, Assiut Governorate
8. General Manager, LIHF.
9. General Manager, LIHF. (Two general managers represented the LIH DU)
10. Representative of Ministry of Economics & Economic Cooperation.

The Central Project Unit (CPU)

A Central Project Unit was also formed by Ministerial Decree on April 25, 1979, within EAJHP the new institution. To be responsible to assist the steering committee to supervise and execute the World Bank funded project. This unit represents the LIH DU previously mentioned. The role designated to the CPU and mentioned in decree was very much in accordance with what was proposed by World Bank Appraisal Report 1978. It stated:

1. Study work programs and propose implementation steps to be undertaken by Governorates in accordance with project goal.
2. Provide technical assistance and advice in design, erection, contracts, maintenance and training of local staff in the three governorates, if they ask for it.
3. Study of expenditures according to technical review and execution programs .
4. Participate in choosing technical consultants for the various projects and preparation of TOR.
5. Monitoring & evaluation of work progress and preparation of program.
6. Preparation of studies for new projects that have been implemented with the World Bank.

The EAJHP staff in February 1979, included 20 members—technical and support staff. They were to be responsible for both the USAID and the World Bank funded projects. In April 1979, the Central Unit for the World Bank funded project included 14 members. The actual technical staff involved did not exceed six full time, senior and junior professionals. The others were higher administrative posts and support staff, who it appears have been shared by both projects. Only one professional, Ms. El Kadi, senior sociologist, had experience with the World Bank funded project during the study phase. She was seconded to EAJHP. According to Ms. El Kadi, because of shortage of staff she had to work with both the World Bank and USAID projects. For April 1979 the CPU staff included:

1. Vice President of EAJHP.
2. General Manager LIHF.
3. General Manager for Financial and Administrative Affairs.
4. General Manager for Legal Affairs.
5. Project Manager responsible for Technical Studies and Research.

6. Engineer for Contracts and Execution Affairs.
7. Engineer for Design and Urban Planning.
8. Engineer for Monitoring and Evaluation.
9. Engineer for Handicraft and Small Business Affairs.
10. Sociologist for Social Studies and Research.
11. Budget and Accounting.
12. Secretarial Affairs.
13. Typing.
14. Archives

By January 1980, the CPU had six full time professionals and shared the services of technical and social research units of the EAJHP. An internal consultant was hired soon thereafter to assist with project implementation and training of the rest of the staff. The staff was subsequently augmented by the addition of four other full time professionals plus part time consultants (World Bank, PCR 1985, p. 18).

The Governorate Steering Unit

Three months after the creation of the central steering committee locally based steering units were formed. In May 1979, during a steering committee meeting, the Committee decided to form Steering Units within each governorate of Cairo, Alexandria and Assiut. These units were to be presided by the Governorate Secretary General and would include all heads of the service departments in the Governorate.

The Governorate Project Unit

The Project Units (PU) in governorates are to include representatives of the governorate in the Steering Units as chairman and membership of two representatives from heads of service departments in addition to any consultant to be hired. Contrary to the above agreements the governorates never appointed the PU, nor did they appoint the additional staff for their Social Affairs and Cooperative Directorates. In Assiut the Head of the City Council was initially enthusiastic and the project was accorded high priority at the City Council level. However, only one staff member, the engineer, was assigned to the project full time. In Alexandria, there was a complete staff turn over between appraisal and mid-1980, and no staff member was ever given full time responsibility for the project.

The Steering Committee Meetings

For the first two years of the project (1979–1980), Steering Committee meetings were held regularly at two-week intervals and later, every month. The first meeting started on February 1979, and the last meeting recorded was in November 1980. This date coincides with the date in which the Head of EAJHP was replaced. Minutes from meetings were recorded carefully, indicating place, participants, absentees, issues discussed and recommendations reached (Project Files). These meetings were always presided by the president of EAJHP. In November 1980, a new president was appointed to EAJHP, and since the last meeting recorded on July 7, 1980, there are no documents in project files to indicate that meetings were held after this date.

Participants in Steering Committee meetings included the original members (by decree), and the representatives from the many governorates departments, agencies and ministries involved in the project. The number of participants increased as the project progressed. The number started with 10 to 14 participants in 1979, and increased to 25 to 30 participants in 1980. However, this increase is mostly attributed to the increase in EAJHP members who were about three at the beginning but reached twelve members at subsequent meetings. The officials from the governorates of Assuit and Alexandria attended about half of the meetings. Attendance increased during World Bank visits. With regard to Alexandria, from 13 meetings recorded, governorate officials attended seven meetings, at five, World Bank officials were present. Assiut officials attended eight meetings out of 13. In four of these meetings, World Bank officials were present.

It is of interest to compare the number of people who were finally involved in the overall project components and the scope of work required and what was actually achieved. It is also worth noting that the participants in steering committee meetings which reached 25 to 30, were not the only participants in project, as there were other professionals from their respective departments. Those present in meetings were usually the higher management officials.

We shall consider only the participants related to the upgrading project in Cairo. There are five departments in the Governorate involved: Planning and Monitoring; Housing; Mechanical and Electrical; Education and Health. In addition to two agencies for Water: General Organization for Potable Water and Greater Cairo Water Supply Authority of which one of them is represented by two departments. Others were two agencies for Electricity; and The General Organization for Sewerage and Sanitary Drainage. The General Organization for Sewerage and Sanitary Drainage and the General Organization For Potable Water are both created by a presidential decree and had full autonomy and budgets. The former has the responsibility to expand sewage and drainage projects to all parts of the Country, supervise the execution of all sewage operations as well as operating Cairo and Alexandria Sewage Authorities and give

technical aid to other regional sewage authorities, undertake technical research and studies, and develop plans, standard measures and criteria for sanitation projects. The responsibilities of the latter is to plan, supervise technically and control water for household and public consumption throughout the country in a way which does not conflict with the Greater Cairo Water Supply Authority and Alexandria Water Supply Authority (NUPS, 1980, p. 444). Employment generation in Cairo involved two departments in HIPCO, one department in the Ministry of Industry and one department in the General Organization for Industry.

Agencies and Participants in Project.²

EAJHP: (number varying between 2–6)

- President
- Vice President
- General Manager for Financial and Administrative Affairs
- General Manager for Financial Affairs (CPU)
- General Manager for Technical Affairs and Project Manager (CPU).
- Technical staff and Consultant to CPU

Ministry of Economics: One member (very rarely 2)

- Head of Department and Senior researcher—Department of Services and Infrastructure Projects.

HIPCO: Two members

- Undersecretary for Ministry of Local Government and General Manager
- General Manager -Statistics Department of Census and Statistics

Cairo Governorate: 5 -6 members

- General Manager—Planning Department
- General Manager—Mechanical and Technical Department (This department sometimes sent 3 people: 16/4, 14/5, 26/5/79).
- General Manager—Project Department
- General Manager—Planning and Monitoring Department.
- General Manager—Street Lights Installation Department
- Consultant (solid waste project).

² Reference to Minutes Steering Committee Meetings in project files EAJHP. Dates 12/4/80, 17/5/80, 10/7/80, indicate participants have reached (24-29) representing different departments in 9 agencies. In 5/2/80 (3) more participants related to industries were invited from the General Organization For Industry, General Manager for Small Industries, and Training From the Ministry of Industry, the General Supervisor in the Industry Supervision Department, and the General Manager in the Handicrafts Department

Alexandria Governorate: 1–3 members (the maximum)

- Undersecretary for Housing and Reconstruction
- General Manager, Projects Department
- Consultant (solid waste project)

• **Assiut Governorate:** 2 members ³

- Head of City Council.
- Private Consultant to Governorate

Egypt Real Estate Bank: One member

General Organization For Potable Water: One to two members

- General Manager—Research and Training Department.
- General Manager—Design Department

Cairo Water Supply Agency: One to two members.

- Undersecretary Network Department.
- General Manager Technical Studies Department

General Organization for Sewerage: One member

- General Manager—Design Department.

General Organization for Electricity.

Cairo Electricity Distribution Co.

North Cairo Electricity Distribution Network

³ These participants were present in meetings held in 1980. However, in 1979 Alexandria, and Assiut, representatives were most of the time recorded as absent; 16/4/79, 26/5/79, 30/5/79, 7/6/79, 21/7/79, 1/12/79. Meeting held on 12/1/80 included General Secretary and Assistance to the Governor of Alexandria.

Status of Project at Closing Date⁴

This section begins with a description of the status of the project at the closing date with special emphasis on the upgrading project in Cairo Mansheyet Nasser Main settlement (M.N.). It continues by describing how work progressed on the M.N. physical components, for the first four years (79, 80, 81, 82), of project life, which was extended from 1981 to 82 to 83 to 84 and finally closed up in 1985. Relatively speaking, the project in Cairo, Mansheyet Nasser Main Settlement saw some progress in extending infrastructure services, but less so in Assuit, while in Alexandria the shelter component was deleted from the project. The actual implementation of the project was different from the proposed implementation schedule, however the implementation schedule in 1978 underestimated the activities requested in the government, at implementation and prior to implementation: preparation of tender documents, the bidding process, selection of contractors, etc.

The World Bank funded project was planned to be implemented in four years, but became a seven year project. Although a substantial reduction was made in its scope, several components remained incomplete at the closing date. The project followed two paths, one administrative and the other technical. Progress via the former path surpassed the latter. Most of the effort, time and energy was focused on the administrative project set-up, starting from establishing the new agency to establishing committees for coordination purposes at both the national and local levels. The tendering process started almost one and half years later than originally planned. While the first physical action initiated in the project was October 1980, in the Mansheyet Nasser main settlement with sewerage construction. This is one year and four months after the announced effective date of the project (June 1979), which in itself was delayed from August 1978, that is, ten months. What followed was slow and many technical problems were mentioned.

The September 1981 Quarterly Report mentions that the problems met during execution of sewerage lines in M.N.were technical: the rocky nature of site; narrow streets; and lack of water available for construction on-site.

In the Aide Memoire October 27, 1982, the rocky nature of the site is again mentioned as the problem and it was decided to replace the asbestos pipes with galvanized steel pipes. The Memoire states :

⁴ Information available on the progress of project was vague. Progress in some cases was reported in percentage terms without adequate criteria for determining whether the progress made is better worse or equal to what had been expected. Great effort was made in this investigation to collect the information presented. The sources were various: letters; reports; telexes and interviews. To follow up on the actual progress of work and status of project, the author has relied on information extracted from the project files found at EAJHP which included: Quarterly Reports prepared by EAJHP every four months; WB Aide memoires following the WB missions to Cairo, with the purpose to set down the findings and progress of work; correspondance between EAJHP and the implementing agencies; correspondance between EAJHP and the WB and memorandums written within EAJHP.

“The trenches for the water supply networks pass through solid rock and the work has been suspended. In a meeting with the Director of GOPW at LIH DU, it was agreed to replace the asbestos cement water pipes with galvanized steel pipes laid at a depth of 30cms only. A limited tender, including the present contractor, will be carried out by November 30, 1982 and the revised work assigned to the most acceptable bidder

“Construction of the sewerage network was facing similar problems. The GOSSD undertook a detailed study of the area to propose alternative solution by November 15, 1982. These involved rerouting the sewer lines, where possible, or using pits where no alternative route could be found.”

The same Aide Memoire (October 27,1982) included status of work in the other cities Alexandria and Assiut. Again work is minimum on components of the site and services at Alexandria and it was proposed to discontinue this component.

“A review of project commitments and proposed discontinuation of certain components indicated that a sum approximately equal to LE 1,000,000 would be available for the construction of roads and some additional utility networks in both the Main Settlement and the Zabbaleen Settlement.”

Two months later a letter written on December 19, 1982 by the Head of EAJHP to the governorate (8597), on the infrastructure problem stated:

“Second phase in sewerage construction, M.N. rocky nature of the site and narrowness of subsidiary streets poses problems to contractor. This is a request for a quick solution since this problem has been mentioned six months ago and no steps have been taken to overcome it.

“Water pipes installation have been stopped for a long period because of the rocky nature of the site. It has already been decided with IDA mission and representative from Water Company to replace asbestos pipes by galvanized steel pipes, to date, nothing has been done in that respect.

“It was agreed during World Bank mission that the main commercial road at M.N. 1.5 km in length shall be paved. Work was to start December 1982. To date, the governorate has not informed us of who the contractor is and what is the cost estimate of works.”

In November, 1983 a memorandum written within EAJHP again mentions the status of the water pipes mentioned earlier:

“The works have been awarded to contractor by the Water Utility Company. A contractor has been ordered to replace asbestos pipes with galvanized steel pipes to avoid deep digging. Contractor has stored the pipes on site but work has not started. With respect to time schedule there

is a 15 month delay in works. Sewerage network is proceeding although it is also behind schedule.”

On November 4, 1983, a telex to the Head of EAJHP from Mr Peltekian, Project Officer, Urban and Regional Division, reveals the schools, community center and clinic had not been constructed at M.N.:

“Your assistance may also be necessary to arrange for the expeditions award of contracts for the construction of schools, community center and clinic.”

In June 1982, the overall status of project is described in a letter from Mr. Serageldine, Chief Urban Projects Division, Europe Middle East and North Africa, to the Head of EAJHP:

“As of June, 1982 and about four years after the signing of the Development Credit Agreement and the Project Agreements in 1978, an amount equivalent to US \$5 million or about 36% of the total credit amount has been committed, of which only US 1.9 million has been disbursed the absorption of the remaining about \$3.1 million will take about 2 years.”

Continuing in a telex sent to the new Governor on September 14, 1983, copy to the Head of EAJHP from Peltekian, Project Officer, Urban and Regional Division:

“We are worried about the implementation of project components within the Cairo Governorate. During the June mission, terms of reference were drawn up for the appointment of consultants for project follow up. So far we have no indication that any steps to that effect have been taken, nor of any action towards the appointment of supervisory staff. Kindly let us know what measures have been adopted in this regard.

“Consideration in an eventual postponement of the closing date beyond Dec. 31, 1983 contracts for civil works must be awarded before Oct. 31, 1983. This would require urgent action on the part of the Governorate. We would appreciate your personal intervention in making the necessary arrangements for using all pending works to tender.”

In March 1984, the overall status of project, has been described in Aide Memoire item 2, 2.11, 2.1.3, signed Albert Peltekian, Project Officer, Urban and Regional Division. Projects Division Europe, Middle East and North Africa:

- “2. Physical implementation of project components,
 - 2.1. Cairo Governorate
 - 2.1.1. All outstanding contracts have been awarded, the sites have been delivered to contractors and construction has started
 - 2.1.3. The type and volume of work in the Manshiet Nasser Main and Zabbaleen Area requires a great deal of coordination among the

various implementing agencies. It is appreciated that a Steering Committee has been appointed, representing the various agencies of the governorate. However, for details of the project it is very strongly recommended that a full time coordinator be assigned to the project.”

In 1985, Aide Memoires May 30, 1985, says in Assuit “293 core units were completed. Contracts for 700 are standstill while there are 1673 units remaining,” while in M.N. Main Settlement the same Aide Memoire states:

“It was agreed to finish as much of the work as possible under the credit by June 15, 1985 and complete the rest through government financing [no details of what the rest is].

“It is expected that IDA will close the project accounts on June 30, 1985 and will process disbursements on existing commitments, provided the relevant withdrawal applications are received in Washington by June 15, 1985. Disbursements now stand at about \$11,500,000 with works to be completed by June 15, 1985 estimated at another \$1,000,000. Thus total disbursements are expected to attain \$12,500,000 and about \$1,500,000 of the credit will have to be cancelled.”

At the final closing date 1985, the overall status of Project is described in World Bank Project Performance Audit Memorandum:

“Credit 831-EGT was signed in August 1978, but became effective only in May 1979 due to delays in the signing of the two subsidiary loan agreements by the Borrower. Following Credit effectiveness, project implementation did not proceed as expected and very little was achieved during the first three years 1979-1980.” (World Bank, PPAM, 1986, p.20).

“The closing date for the project was extended twice which resulted in an expansion in the implementation period from four to about seven years.” (World Bank, PPAM 1986, p. vii)

“Project performance was disappointing in most respects. The project was relatively successful in extending infrastructure services to slum dwellers in Cairo, but less so in providing shelter in Assiut. In Alexandria, the shelter components failed entirely and were deleted from the project due to difficulties of implementation. The project succeeded in improving solid waste management in Cairo and Alexandria through the construction of composting plants and improved collection arrangements.” (World Bank, PPAM 1986, p. 30).

“The project was unable to support employment generation activities in the various project areas as planned. The overall impact on institution building was less than satisfactory” (World Bank, PCR, 1986 p.vi).

“The likelihood that the project will ultimately meet its pricing and cost recovery objectives is small, since the charges to be levied for infrastructure services as well as for sites and services plots were not implemented at the time of project completion.

“Although the implementation of the project took six and a half

years instead of the four and a half years envisaged at appraisal, and notwithstanding the substantial reduction made to its scope, several project activities remained incomplete at the closing date, and US \$0.6 million of credit funds which had not been disbursed, were cancelled.” (World Bank, PPAM, 1986, p. 20)

Changes Made In Overall Project During Implementation (World Bank, PCR, 1986 pp. 18, 19)

<i>Proposed</i>	<i>Actual</i>
Small business assistance	CANCELLED: for lack of demand for loans and lack of implementation capacity on part of HIPCO.
Shelter components in Alexandria: Sites and Services. Upgrading	CANCELLED. CANCELLED: because of unwillingness on the part of the Governorate to proceed with the project.
Shelter components in Cairo: Upgrading of North Bassateen Settlement	CANCELLED: The selection of this site for upgrading by the government spurred the private sector to accelerate the development
Infrastructure for upgrading sites in Cairo	RATIFICATION of higher infrastructure construction standards.
Building materials loans subcomponent in all upgrading site & services area .	CANCELLED: Due to the inability of the government to make necessary arrangements to process such loans.
Off-site sewerage infrastructure for the sites & services scheme in Assiut:	PROVISION
Composting plant in Alexandria	Construction of a 160 ton/day plant.

Implementation of pricing and cost recovery arrangement for shelter components.	INCOMPLETE
Provision of property titles to lot owners in upgrading sites in Cairo	INCOMPLETE
Civil works of infrastructure and community facilities in upgrading sites in Cairo and in the sites-and-services schemes in Assiut	INCOMPLETE
Selection of beneficiaries	INCOMPLETE.

Chapter 6

THE PROBLEMS ENCOUNTERED IN IMPLEMENTATION

The implementation process involves the intervention of a variety of factors and actors, from the availability of sufficient resources to the structure of intergovernmental relation, from the commitment of lower level officials to reporting mechanism within the bureaucracy, from the political leverage of opponents of the policy, to accidents of timing, luck and seemingly unrelated events, which can and do frequently intervene between the statement of policy goals and their achievements in the society.

Many policies when not realized are explained by faulty implementation. The activities that were intended to be carried out were not executed or were subject to inordinate delays. Another appropriate explanation may be that aspirations were set too high (Pressman and Wildavsky, 1979, p. xvi). Another issue is the content of policy. Because of their content some policies can be more or less difficult to implement. Implementation is also affected by the number of actors involved. When the number of actors increases, the incidence of trade-offs generally increases as does the cost of competence. Numerous approvals and clearances have to be obtained from a variety of participants (Pressman and Wildavsky, 1979, p. xii). The longer the chain of causality, the more numerous the reciprocal relationships among the links and the more complex implementation becomes. Who had to act to begin implementation? Whose consent was required to continue it? How many participants were involved? How long did they take to act? Each time an act of agreement has to be registered for the program to continue, it is called a decision point. Each instance in which a separate participant is required to give his consent, is called a clearance. Adding the number of necessary clearances involved in decision points will give the reader an idea of the task involved in securing implementation (Pressman and Wildavsky, 1979, p. xvi). The greater the duration of sequential steps involved in the implementation stage, the greater the possibilities for existing actors to alter their goals, for leadership to turn over, for new actors to enter the scene or for ever unintentional consequences to take their toll! (Grindle, 1980, p. 289)

Implementation problems might also be traced to the failure of bureaucratic and political officials to agree on the basic parameters and intent of the policy itself. Many governments reject the idea of increasing access to resources by the people instead of building houses directly. When the poor make their needs known government officials see little personnel or political benefit to be gained from responding to them. There may

be a political wish to improve the situation, but there is also an understandable reluctance to embark upon specific courses of action which have within them the ingredients of substantial political difficulties. Giandomenico, Majone, and Wildavsky, (1979, p. 177) sum up the study of implementation:

“The study of implementation is becoming a growth industry; tens perhaps hundreds of studies are underway now. Yet researchers are visibly uneasy. It is not so much that they expect to discover all the right answers; they are not even sure they are asking the right questions. Amidst the flurry of activity is an underlying suspicion that the phenomenon to be studied—implementation—eludes understanding. But this uneasiness is not surprising, for the attempts to study implementation raise the most basic question about the relation between thought and action. (How can ideas manifest themselves in a world of behavior?)”

Considering the World Bank funded project, at the beginning during the study phase the project appeared uncomplicated and was planned to be implemented in four years. The study phase was completed as scheduled but as the project was implemented, the progress was slow which resulted in the extension of the project period from four to seven years, notwithstanding the substantial reduction made in its scope, and several components remained incomplete at closing date of project. Funding and technical assistance were made available by both GOE and the international funding agency. The project areas—the informal settlements—are areas where since their inception have been self-initiated and had been improved by individuals living in these areas. Land, construction material and labor have been acquired by individuals living in these areas. (See the section “Informal Activities”). After roughly seven years the solutions which have been introduced, funded, and monitored by the international agency, the World Bank and has been explicitly encouraged by GOE, as an attempt to find solutions for the informal areas, has not proceeded in implementation as expected. Why did this happen and what are the underlying causes?

Relatively speaking in comparison to other projects, we can assume that the costs of the project and other resources (land, labor, and material) were made available at the outset of project and that the constraints to implementation did not rest on questions of the availability or allocation of resources. On the other hand, personnel experience and observations of the World Bank funded project during the planning phase, together with literature reviews, have indicated that the constraints to implementation were a myriad of factors that are political and institutional in nature. Specifically, these issues are related to: lack of political support to the project reinforced by the nature and content of policy. Problems related to the actual organizational structure of project: establishing a new institution, multiplicity of agencies involved, lack of control and non-compliance, and a distant lender.

Absence of Political Support

In his famous work *Development Planning*, Waterston (1965) indicates that in the absence of government support, development plans, no matter how well devised, have little chance of being carried out successfully. The project as funded through its different components initiated a new concept—the low cost site-and-service and informal areas upgrading schemes—in addressing the growing housing problem for low income people in Egypt. In that respect the GOE deviated from its customary role of providing subsidized, public housing units at a standard level. (See the section “National Housing Policies in Egypt”). In upgrading, the formal bureaucracy of government is asked to intervene to promote and develop areas which have been declared illegal by law either because of illegal subdivisions, illegal acquisition, or illegal because of non-compliance with building codes, etc.

With this concept and the understanding to promote the informal areas, the World Bank signed an agreement with GOE, which implied that the government officially agreed on the goals and objectives of the project. However, the reluctance to support the project by the GOE represented by the MOHR appeared in 1979, when a few institutional changes took place within the Ministry. These changes brought in the open the implicit desire of officials to deviate from this policy.

In 1979 the Ministry of Housing and Reconstruction under which the GOPP was functioning and from which the participants of the project unit were composed, was to be divided into two entities: the Ministry of Housing (MOH) and the Ministry of Reconstruction and New Communities (MORNC), with the GOPP being under the latter. With this division, the former was to be solely responsible for housing projects, and the latter for development and construction of new communities.

People have suggested that the overriding concern of each entity was to avoid the project. Both claimed that the responsibility of the project lay with the other: MORNC claiming that housing is the responsibility of MOH, while MOH claiming that the project unit already formed in GOPP is under the jurisdiction of MORNC. Understandably, the lack of strong support for the project occurred because the concept had been developed during the study phase at GOPP, a national government bureau, in isolation from both the higher political context and the local government context who were later given full responsibility for implementation. At the time these institutional changes occurred, the study phase of the project had been completed and implementation was to start. To higher officials implementation meant to be publicly responsible for the new policy of which the outcome was doubtful. When a concept is new and success is doubtful there is an attitude of reluctance to be directly accountable for a project.

Interviews with officials during the implementation of project confirmed the previous observations and led to the realization that there was initially a big controversy

between the GOE and World Bank on the problem to be addressed—the informal housing—and hence on the solution adopted. This misunderstanding was the major reason behind this lack of support to the policy. More seriously this controversy and lack of support to a project of this nature remained long after the project ended. Ten years later in 1985, the General Organization for Building and Research in Cairo set up a one week seminar to deal with the “Problem of Informal Housing.” The Governor of Cairo was present. During this seminar there was no mention whatsoever of the solutions—upgrading and site service—presented by the international agencies in 1976, whether positively or negatively. In fact the unimpressive outcome of project had strengthened these anticoncept attitudes. The author attended the seminar and was not surprised that the solutions were never mentioned. This confirmed the initial observations that there has been, and still is, a big controversy on the problem and consequently on the solutions to be adopted.

From the very beginning there was a big controversy about the definition of the problem, and hence the suitability of the solution. While the World Bank was promoting a solution to do something *for* the urban poor, and has chosen the informal areas for demonstration, the GOE represented by the national government wanted to do something *about* the informal areas, which is functioning in contradiction to all laws and legislation, was encroaching on agricultural land everywhere and encroaching on city life in general.

To the national government, represented by MOHR, which was responsible for planning of the World Bank funded project, the characteristics of informal housing, their activities, and the extent to which they had grown as described by USAID studies, were not fully realized by the national government prior to the publication of these studies. To the local government, however, who was later given the responsibility for implementation of project, the informal housing activities represented a daily confrontations. Local officials know more about this sector than the national government officials. They are responsible for the existence of the informal housing, whether out of sympathy, compliance, or weak enforcement of laws. If local governments decide against any of these informal areas, they would “bulldoze it” immediately. Hence, in 1977, while the informal sector was new to the national government officials, it was a daily confrontation to the local government.

Finally, realizing the extent and size of the informal housing areas, the national government viewed these areas with great alarm. To the local government, the level of concern was more local. Informal housing added to the problems already existing in the governorate. By accommodating more low income people and rural migrants, more services, water, electricity, roads, etc. are required. But to them it is a natural response by the people in solving their problems—where shall people go?

The attitude of the World Bank on informal housing is internationally known. Housing that has been built by the poor themselves to accommodate their needs is an investment that should be maintained and promoted. The solution presented by the

World Bank was in accordance with the Bank view of the problem: to let the people continue with their activities which they are capable of doing (house building) and to let the government intervene to do what people cannot do: build schools; install water pipes, electricity etc. Hence, the World Bank offers the sites and service projects for future extension of low income areas. Areas are to be legally designated and planned by the government, and the people shall do the house building while the government shall provide all physical and social infrastructure. The other upgrading approach requests that the government maintain and improve what the urban poor have already built.

These solutions imply that the government shall attempt to understand and sympathize with the operation of the informal system in order to build on its strengths, and at the same time overcome the drawbacks of informal activities. The policy expects that government efforts, which have always been limited to the formal sector, would now be directed to the informal. It expects that government would explicitly formalize what it legally refused. Contrary to the above expectations there was no sympathy in Egypt for informal activities and for the solutions presented. To the national government, sites and services is, a slow response to the immense housing shortage. In addition the gradual development of these areas by the inhabitants themselves does not guarantee the quality of the final output. Who could guarantee the final output of this housing? The government assumed that the final output would be more slums, but this time slums officially supported by the government. At the same time upgrading meant the encouragement of more informal areas to spring up everywhere. More importantly, to the local government, upgrading meant that the national government would monitor the installment of infrastructure in areas, which is primarily the job of the local government. Thus when the national government requested a solution for informal areas they meant a solution to prevent the springing up of more informal areas and if possible to get rid of what already existed. The recent offer of land for ten new satellite towns around the Greater Cairo ring road is an example of this. The idea, as former chairman of GOPP Mr. M. Fouad explained in an interview with the author, is to compete against the informal developers.

The Ineffectiveness of Building a New Institution

Institutions are often created to side-step bureaucracy or to resolve contention between agencies. In this case it seemed to be created for the project no one wanted accountability for. This trend to create new institutions was not limited to the MOHR but was a national trend that seemed to accelerate following Sadat's Open Door Policy and the flow of loans and grants from international bodies. Unfortunately this trend was encouraged by the international agencies.

To the international agencies, the new institution is a convenient arrangement, it makes monitoring from the center easier. It ensures having a staff whose sole responsibility is the project. Also the project being comprehensive and dispersed, it is necessary for the international agency to deal with one agency at the central level, in the capital, where amenities are available and en route to other countries. They can rely on this agency for the day-to-day problems.

Higher officials instinctively create new institutions when a new project is introduced to them, especially if the project deviates from customary government procedure. The reason can be briefly summarized into the announced cause which is the request to sidestep the existing bureaucracy. The second, and in many cases, the actual cause underlying this tendency is the doubt as to whether the new concept will succeed or not. There is a reluctance to take direct accountability for a project which might bring more problems and little political successes. Meanwhile the more agencies established, the more people hired, the bigger the budget and the larger the domain. The decision to create new institutions results—in most cases—in personal, temporary gains. So among those who have the power to build institutions, the tendency continues whenever possibilities proliferate. But more detrimentally, this tendency results in serious, adverse effects on the size and performance of the national bureaucracy.

The indirect effects on the national bureaucracy is not the concern of this research. It is, nevertheless, important to draw attention to this issue for further research and as a long term problem in developing countries in general and in Egypt in specific. The adverse direct effects on new projects is the concern of this research and has been demonstrated, by the experience in creating the new EAJHP in MOH to be responsible for both the World Bank and USAID projects.

Considering the issue of sidestepping bureaucracy: "The first temptation is to establish a new organization, this way you can hire new people, establish your own rules and work out patterns of operation you believe will facilitate the new activities." (Pressman, 1979, p. 128). The new institution is born to be different. It is born to sidestep bureaucracy. In reality this sidestepping is only a mirage and the new institution shall be born within the same existing bureaucratic environment, and under the same laws and legislations that tie down any existing institution. A new institution may have initially more freedom in selecting the new personnel and in establishing new procedures, but it is still subject to departmental regulations on all these matters. It is very misleading to believe that it could be different for a long time.

"The advantages of being new are exactly that: being new! They dissipate quickly over time. The organization ages rapidly little by little. The regulations that apply to everyone else also apply to it. Youth has gone and middle age has come hopefully more powerful, certainly more experienced, inevitably less innovative." (Pressman, 1979, p. 130).

Consider for instance, Seymour Sarason¹ poignant natural history of the premature aging of a new public school program (Bardach, 1977, p. 140,-141):

“Practically everyone automatically assumes that becoming principal of a new school is much to be preferred over assuming leadership of an older school. The reasons seem obvious enough: a new school is expected to have better physical facilities; school personnel; children; and parents will take great pride in the new school; the principal will have greater freedom to organize things his way, that is it will be easier for him to innovate and to depart from past practices; the principal has more of an opportunity to choose teachers who fit in with his plans; he will not have to deal with entrenched faculty who, because of their loyalty to a previous principal (or other reasons), are not likely to change their accustomed way of doing things. But from the time of appointment until the formal opening of the school, the new principal spends almost all of his time in what can only be called housekeeping matter. I can summarize our observations and experiences by saying that by the end of the first year, life in the new school is remarkably similar to that in old ones.”

Similarly the new institution had to recruit new people. “EAJHP was unable to concentrate on start-up activities assigned to it, since its first concern had to be hiring and orientation of staff.” (World Bank, PCR, 1986, p. 17) The new agency to be responsible for two projects had severe shortage in staff, particularly the mid-level professionals whose experience was necessary for coordination purposes. The staff available were young, new graduates, whose age and experience posed difficulty, for on many occasions they had to interact with higher officials or older professionals in the governorates. This shortage in staff caused conflict between the managers of the World Bank and the USAID. Each trying to acquire the best professionals for own project. Some professionals had to work on both projects. James and Wilson wrote in “The Bureaucracy Problem,” (The Public Interest, Winter 1976, p. 3-9.):

“The supply of able, experienced executives is not increasing nearly as fast as the number of problems being addressed by public policy This constraint deserves emphasis, for it is rarely recognized as a constraint at all. Everywhere, except in government, it seems, the scarcity of talent is accepted as a fact of life. The government at least publicly seems to act as if the supply of able political executives were infinitely elastic, though people setting up new agencies will often admit privately that they are so frustrated and appalled by the shortage of talent that the only wonder is why disaster is so long in coming. “Talent is Scarcer than Money” should be the motto of the Budget Bureau”.

¹Seymour B. Sarason, *The Culture of the School and the Problem of Change*, Boston: Allyn & Bacon, 1971, p. 115-118

World Bank Aide Memoire, Cairo 9, 1980, item 2.3:

“Accommodation remains a major obstacle to the official organization and operation of LIH DU. The mission therefore welcomed the assurance that EAHP will, by December 1980, assign to LIH DU the additional offices now occupied by staff on the USAID project (those staff members will be moved to Maadi, nearer their project site)”

It is optimistic to assume that the new institution can be fortunate to complete successfully the legal and operational procedures required for its creation and consolidation. These procedures in the best of cases do not take less than two years. The quotation from USAID, Helwan Project Cairo, describes the situation: “Introducing innovative programs and creating a new unit to implement them, requires more time than was originally foreseen.” (USAID document 263, 1983, p. 18) It took time to establish EAJHP and time for the agency to define its management role. During the two-year period, the new people who were enthusiastic to start work immediately have directed their effort and time to the problems facing the creation of the institution while the project for which the institution had been created became second priority. “Until recently EAJHP was totally involved in day-to-day operational issues and establishing an effective management structure” (USAID 263, 1983, p. 18)

A draft work program was prepared by World Bank on their visit in November 15, 1978, (first draft). Seven months later a second draft was prepared in June 1979, of the same program, (project files) the final copy was not found in the files. However a program in Arabic was included in the files and was prepared three times by the project team, under three dates 15/11/78, 20/2/79 and 30/6/79. The Arabic program deals more with “housekeeping issues,” as it was called by Seymour. The World Bank program deals more with the technical aspects, and assumes that eventually housekeeping is to be settled by the EAJHP.

During the period (two years or more) in which the institution was being consolidated, the enthusiasm of the new personal started to waver, “The problems that confront a multi-year project seems to increase directly with its time frame, it is difficult to maintain the interest, coordination, and cooperation of all participants over an extended period.” (Grindle, 1977, p. 132) What is even more serious when project time extends is the many unexpected events that could appear. To mention a few: the change in legislation, as in the World Bank funded project, (the New Local Government Law and the abolishment of certain institutions, the LIHF); the segregation and integration of institutions, in seven years the MOH and MOR have been segregated and integrated four times. A final source of concern was the many changes in personnel that takes place among young professionals, who are continuously searching for better financial opportunities outside the government. More importantly during the period in which the

institution is being consolidated there could be a change in the key officials who supported the idea, then the future of the project hangs on mere luck. If the new chairman supports the idea, the project continues, if not, then the project collapses. GOPP had four new chairmen in two years between 1976–1978. EAJHP had six chairmen in the ten year period, 1979–1989. The Minister of Housing changed between 1979–1986 at the rate of once every year. As the individuals in charge of the program change, the outlines of the original agreement become increasingly vague.

Another issue is that the new institution is still building its credibility and reputation. It is still learning to cope and deal with other agencies. If it is not strongly supported politically, it faces one bureaucratic obstacle after the other. On the other hand, a well established existing institution has over the years built its credibility, political status and bureaucratic experience. This enables it to perform immediately, to cope with other bureaucracies. “Accommodations are made with the other organizations in its environment. Territory is divided, divisions of labor are established, favors are traded, agreements are reached.” (Pressman, 1979, p. 130)

What can add to the difficulties facing the new institution is that it has been announced that it's different. Some might believe that it is actually different, for example, employees receive better wages or they are privileged for being chosen to work on this special project. This feeling of discrimination is destructive. There is always the question: why them? We are also capable of performing, just give us a chance!

“The establishment of special arrangements, special preferences, special personnel frees an operation from the usual internal bureaucratic constraints. Immediately problems arise. If the special arrangements are so good, the other members of the organization say, they would like to share in them. They could do a few things too, they observe, if released from the ordinary constraints. They resent special treatment for others” (Pressman, 1979, p. 131).

“In assessing the impact of administrative and institutional aspects on low income housing supply, a similar number of considerations commonly apply. Interagency rivalry is one of these and applies particularly when a new agency is introduced onto the scene. Existing agencies naturally resist any reduction in their budgets or technical capability and often impose vetoes or delays which impair the new agencies effectiveness.” (Payne, 1984, p. 6)

To make things worse, in many cases the new institution has been created to do the work already the responsibility of another organization.

“In many instances special agencies have been brought into being, either because national government, or international organizations such as the World Bank, believe that the local authorities are not able to effectively operate the programs in question. Yet the creation of alternative agencies has the effect of further emasculating local authorities, thereby making

them less able to perform.” (Amos, 1984, p. 167)

The idea of creating a non-bureaucracy within a bureaucracy was strictly a one-time short-run theory. No one expected it to last (Pressman, 1979, p. 131).

The language in the following Work Programs is symptomatic because the Programs are for communication among people who know the content involved. As such they may be difficult for the reader to understand. They are placed here only to suggest the generically different roles assumed by the World Bank and the National Government.

Work Program prepared by World Bank team

First Draft November. 15, 1978 and repeated in June 79

Consolidation of LIH DU

- a) LIH DU should acquaint themselves with all aspects of the project.
- b) Establish “modus operand” with the Governorates and all implementing agencies, agree on procedures from, reporting progress, schedules for regular meetings.
- c) Obtain from all agencies a Revised Implementation Schedule discuss and submit to IDA.
- d) Obtain from all agencies detailed requirements for equipment and facilities for the project
- e) Assess situation of funding and need for technical assistance by Governorates.
- f) Initiate meeting with GOPP for possible temporary participation in LIH DU of staff previously involved in project preparation as and when required.
- g) Prepare progress report with revised schedule for maintaining 6/30/79 previously agreed completion dates. Send copy of progress report to IDA .
- h) Establish consolidated project accounts.
- i) Advance budgetary funds to all Executing Agencies LIH DU; HIPCO; GOPW; GOSSD; MOLG. Governorate. of Cairo, Alexandria Assiut.
- j) Send copy of Agreement between LIHF/CF to IDA.
- k) Prepare and set out a framework for the accounting systems to be adopted at the central and Governorate level.
- p) Prepare revised budget estimates for 5-year plan 1979/82.

Work Program prepared by PU within EAJHP

(Original in Arabic) Dates 15/11/78, 20/2/79, 30/6/79.

1. Issue the Decree forming the LIH DU.
2. Selecting a suitable place for the LIH DU to work in .
3. Acquiring equipment necessary to facilitate work (typing machines, copying

machines, calculators, cars, etc.) a few of these items have been acquired by 30/6/79.

4. Completing the work team by an architect, physical planner, financial supervisor, sociologist and necessary consultants (team was completed in 30/6).
5. Send C.V.s of nominated candidates to IDA for approval.
6. Prepare the outline necessary for writing the reports, method of monitoring periodical meetings. (Monitoring method was mentioned in Decree establishing LIHDU).

Request for Governorates

1. Finding a consultant to design works.

Non-Compliance of Local Government

In spite of its relatively small scale, the project was geographically dispersed and had a large number of separate components. Each component required the participation of one or two independent agencies, sometimes three and more. (See section on the Organization of Project). Coordination arrangements relied on two institutions, the Central Project Unit in EAJHP and LIHF. The LIHF was discontinued by the GOE in June 1979, one month after credit effectiveness. Since the CPU was part of the newly established institution it was ineffective the day it was created. In addition, the new local government law (Law 43/1979) which dispersed powers and responsibilities from the national government to the governorates, and encouraged the World Bank to sign contracts with the local governors for the implementation of the respective project components made the CPU more ineffective. The role of the CPU became limited to consulting with no power to guarantee that the other authorities would accept advice and assistance. To that effect the CPU, had very limited controlling power over the agencies involved, and among the large number of those involved it was clear that no single organization or individual exercised controlling influence over the project.

“The upgrading component as a demonstration project failed to bring about results in the construction of the various infrastructure elements, primarily because the coordination was assigned to a national government agency which was incapable of bringing local authorities to work together. In this case three parastatal utility companies and three separate departments in the governorate: GOGCW, GOGCSSD, CEDC, and the Departments of Roads and Bridges, Mechanical and Electrical Works and Planning and Monitoring.” (World Bank, PCR, 1986, p. 20)

The formation of steering committees followed by steering units in the local governorate were all efforts by the EAJHP to coordinate agencies and attempts to attract

the attention of those involved. Needless to say all these efforts were wasted. The more people they got involved the less the results. In an interview with Mr. I. Shiri, Undersecretary of Management Development and director of the World Bank funded project, he said:

“This is a Christmas tree project, there are too many agencies involved and there are too many components to the project. EAJHP has no controlling power over the agencies involved. In an effort to have some sort of controlling power, when the Low Income Fund was dissolved, he suggested that EAJHP would take over its responsibilities and we did. In this way the money for the project will be under our control and we might get some response from the governorates. If we can't have legal power then we might at least have some sort of financial power. He also added that unimpressive as the results might be, we have very good people on this job; they are working very hard and they are doing their best but somehow there is a problem in this comprehensive project.”

World Bank Aide Memoire, Cairo 9, 1980, Item 2.2:

“The relationship between LIH DU and the Governorates remain a major problem area, as the assistance which LIH DU can render depends upon the degree to which the Governorate will accept the coordinating role of LIH DU. The crux of the problem is the LIH DU has no positive authority over the Governorates, but rather possesses the “negative” authority occasioned by its junction of forwarding (and presumably commenting in advance upon) plans and documents for IDA review, and by its control over disbursements. In order to facilitate the work of coordination with the Governorates, the Director of LIH DU now intends to appoint a specific LIH DU officer who will be primarily responsible for cooperation with each local Governorate. By strengthening working level relationships, and giving more responsibility to particular offices, this action should increase the flow of information vital to the successful implementation of the project. It may also form a basis for a more fruitful interaction at a technical level.”

What exasperated matters more was that the governorates who were given full responsibility for the execution of project, were not involved in the initial preparation of the studies of the components. According to the (World Bank, PCR, 1986, para. 5.10) the large bureaucracy (about 160,000 employees in 1985) was only recently acquainted with the project and treated it as a minor investment, out-of-scale with the city's sizeable capital expenditure budget (LE 90.8 million in 1980). The upgrading component as appraised (IBRD 1983 Table 2.4) represented about LE 4.7 million in 4.5 years or an annual expenditure averaging about 1% of the city's total annual investment budget. (World Bank, PCR, 1986, p. 22)

Difficulties encountered by EAJHP to work with the governorates is evident in a memorandum found in Project files written in Arabic by the project manager indicating

the obstacles to implementation facing the project. The first obstacle mentioned related to the attitudes of officials to project:

“noncompliance by officials in governorates, who still insist on the conventional methods to solve the housing problem. They have refused the site and service approach and demand better design standards, and the execution of complete dwellings. There is also lack of understanding that the new approach abolishes subsidies and is targeted at the ability of the people to pay for their dwellings.”

The other obstacles mentioned in the same Memorandum is:

“the frequent changes in the State structure and the dissolution of several institutions, LIHF being one. The increase in the responsibilities of local government while they lack the staff to undertake the tasks expected of them; thus we find a shortage in full time personnel for supervision of construction and for monitoring.”

Local governments have their own objectives, and are overwhelmed with daily urgent problems. They are not interested in objectives set by the national government and they want no interference from the center (own observations). Its noteworthy to mention that in a table indicated in the World Bank, Project Completion Report, 1986: “Components appraised and components implemented,” it indicated that:

“Some other main roads were surfaced by the Governorate of Cairo, without the prior knowledge of EAJHP. Also the Governorate of Cairo chose to extend the piped sewerage system to serve the whole settlement at their own expense independent of the project and EAJHP. The as-built sewerage system served an area approximately 65% larger than planned at appraisal. The need to repair existing cesspits, construct new ones, was therefore obviated.”

Shlomo Angel (1983), has studied several, mainly Asian, upgrading projects and discusses the objectives of various actors involved in the Lusaka project. Referring to the municipal engineers in Lusaka he says:

“They felt responsible for infrastructure and public health. If the network of the infrastructure of the city was to be extended, it was their task, and should not require any special treatment beyond the need for an expanded budget. They were reluctant to accept lower standards and did not like the project approach. Infrastructure was their domain, and their work was only made more difficult by other participants. The Lusaka project was not only financed by special money, it had its own staff physically separated from the staff of the city council by having a building of its own. The separate organization created conditions for more efficient project completion, simply by not including municipal engineers and other people

within the city council who held pessimistic views of the project.”

As examples of the difficulty met by CPU during implementation the following are noted from project files: letter from Head of EAJHP to Undersecretary Of Technical Affairs, MOH, dated 13/5/82, indicates difficulty met by EAJHP to work with Governorates. On a very simple matter as the cost of housing; the request was forwarded from the EAJHP to Department of Technical Affairs in the MOH. From MOH to Greater Cairo Reconstruction Projects in MORNC and back to EAJHP. The translation of the letter is as follows: “Please be informed that EAJHP is responsible for monitoring the implementation of the foreign loans and grants agreements. But EAJHP is having great difficulty in relating to other agencies participating in this agreement...” Another letter written on January 1981, reveals more drastically the lack of credibility and control of EAJHP: From Mr. El Wakil Head of EAJHP (2nd chairman) to the Undersecretary for International Finance, Ministry of Economics and Economic Cooperation:

“...referring to the World Bank telex dated 19/1/81 concerning their request to meet the governors of Cairo, Alexandria and Assiut on their next visit to Egypt. Please be informed that EAJHP is facing difficulties to arrange for such a meeting with the respective governors. Perhaps you Sir, given the status of your Ministry, can intervene to arrange this meeting.”
(Translation by author).

Also in a telex dated 28 September 1983 from Peltekian Project officer URD Projects Dursion World Bank to El Rafie, Head of EAJHP (3rd chairman)

“Eye was disappointed, however, that tenders for the civil works of the Zabbaleen Settlement are not yet out. It had been agreed during my mission of February, 1983, to issue the work in one contract. At the time no one raised the difficulties mentioned by Mr. Chiri. It is hard to believe that a governorate cannot issue an integrated civil works contracts for urban upgrading and instruct its various departments to cooperate...”

After four years of the project agreement, there is a request from World Bank to the Governor of Cairo to intervene to expedite recruitment of full time personal for project monitoring and supervision and for award of contracts for construction. From I. Serageldine, Chief Urban Projects Division, Europe, Middle East, and North Africa to Y. Abou Taleb, Governor of Cairo (3 November 1983).

“We would like to thank you for the personal interest shown in the above project. We trust that arrangements are under way for the recruitment of Full-Time personnel or consultants for project monitoring and supervision. Such full time staff will have a major effect on expediting arrangement between the WB and the Cairo Governorate, such recruitment should be carried out directly by the governorate or alternatively by the EAJHP upon receipt of the specific, written request

from the governorate.

“Your personal assistance may be necessary to make sure that the two contracts are awarded in due time for construction to commence by beginning of Jan. 1984. Your assistance may also be necessary to arrange for the expedition award of the contracts for the construction of school, community center and clinic.”

Following this above letter, the Chairman of EAJHP writes to the Governor on 27/12/1983 (Translation):

“In reference to your letter No 512 dated 13/12/83 concerning the responsibility of EAJHP to monitor and supervise the implementation of projects in Mansheyet Nasser and Zabbaleen Area, within the Loan agreement EGT 831, together with the assistance from the various departments in Governorate and other agencies related to Governorate. This is to inform you, that this project has actually started during the year 1979. Since that date the project has been stumbling through because of non-compliance by officials in the governorate who are burdened by their daily exigency of tasks. As a consequence IDA has requested the appointment of full time personnel or consultants for project monitoring and supervision. The Governor of Cairo has agreed to this appointment, in a meeting, held in his office, several months ago. He has also forwarded to you the terms of reference proposed by IDA in that respect. From the above it is necessary to consider the following procedures:

1—Either the governorate shall select, from the various units in the governorate, full time personnel for monitoring and supervision, to work within and under the supervision of EAJHP.

2—Or to appoint a consulting firm to undertake monitoring and supervision under the supervision of EAJHP.”

Explicitly this means appointing someone to do the work of the CPU. On the issue of coordination, Aide Memoire, March 6, 1984, Albert Peltekian, Project Officer URD Projects Division:

“2.1.3. The type and volume of work in the Manshiet Nasser Main and Zabbaline Area requires a great deal of coordination among the various implementing agencies. It is appreciated that a steering committee has been appointed, representing the various agencies of the governorate, and staff have been assigned to supervise project implementation. However for details of the project it is very strongly recommended that a full-time coordinator be assigned to the project.”

Distant Lender

The principle purposes of the World Bank as set forth in its Articles of Agreement Charter may be summarized as follows:

“To assist in the reconstruction and development of its member countries by facilitating the investment of capital for productive purposes, thereby promoting the long range growth of international trade and improvement of standards of living.

“To promote private foreign investment by guarantees of and participation in loans and other investment made by private investors. When private capital is not available on reasonable terms, to make loans for productive purposes out of its own resources or funds borrowed by it.”
(Encyclopedia Britannica, p. 901)

The Bank came into being in 1945 to promote international investments that would aid in the postwar reconstruction and economic development of member nations. The Bank encourages private foreign investments. However when a member is unable to secure a loan from private interests, the Bank lends money from its resources or from funds borrowed by it. The Bank also has an advisory function, and sends missions of experts to member nations. The missions study the economics of the country and then plan investment and development programs. IDA is a part of the World Bank group and also makes loans to member nations for their economic development. The terms of these loans however, are more lenient than those of the bank. The World Bank monitors the progress of projects from its headquarters in Washington, D.C., through telex, reports and letters and by sending intermittent missions to the receiver country. The attitude is of a bank lending money and to do so it must make sure its money will not be wasted away and to make sure the creditor is proceeding on the agreed project according to program, schedule and rules of the Bank. This lending is done under the umbrella of aid and technical assistance to developing countries. Hence the banking role is slightly modified to be targeted at projects which assist in the development of these countries. As a result the Bank is involved in deciding the type of projects to be financed and often initiates projects, and recommends what is best for the receiver. During the Study and Implementation phases of projects, World Bank missions assist in choice of technical consultants, in approving these consultants, choice of contractors etc. Accordingly the role of Bank expands to benevolent initiator of project in addition to a traditional banking role.

The receiver of credit perceives World Bank as initiator of projects, consultant to the project and even owner of the project and misunderstood to be present on site at all times. This observation is based on interviews with professionals and officials working on the project case and based on the attitudes of participants from the governorates during World Bank visits to Egypt. These attitudes are conveyed in the number of participants attending the steering committee meetings. During World Bank visits most of those involved in project were present, while a high absentee of participants was recorded on other meetings, not including World Bank members. In spite of the frequent changes in members of World Bank missions, these visits were like the arrival of owner and consultant to the project. Progress was achieved during these visits. Perhaps one should

progress" but "the awakening of the project." Meetings were held to include all those involved. All the agencies appeared to be cooperating, involved and committed.

However, as the project period prolonged, this enthusiasm by participants (whether set up or authentic), started to fade away and the enchantment of World Bank visits started to lose its effect. This is evident in the attitudes of representatives to the Governorates of Alexandria and Assiut who were absent in the later meetings of (Steering Committee and World Bank groups). This loss of interest was also confirmed by EAJHP officials working on the project. The diminishing effect of World Bank visits was very much related to the prolongation of project life and to the slow positive visible results. As the project stumbled, those who at the beginning were under the impression that the World Bank as a renown institution was here to assist in development and was coming in with new approaches were gradually disappointed until they lost all interest, and finally the component of the project in Alexandria was cancelled. This perception of World Bank as owner of the project and not only financier, has been magnified by the actual reality that there was no other owner. The EAJHP was a weak institution and the involvement of a multiple of agencies in the project made "ownership" unclear.

The acceptance of the role of the World Bank--as a lending agency, controlling its expenditure by monitoring the progress of work from Washington, D.C. and by intermittent visits to the receiving country--then to evaluate or assess the efficiency of this monitoring method would be the business of the World Bank only. However from the perception of the receiving country, the World Bank method of monitoring would be appraised on a different set of criteria and failing to meet this criteria would cause disappointment to the receiver and finally loss of interest in the project. It is this controversy of the role of World Bank, that makes the author believe that professionals expected the World Bank to be present more frequently, or at least expected consistency and continuity in members of the missions. They also expected a different attitude from the World Bank officials when a new institution was to be created.

The World Bank Appraisal Report (1978) clearly states that no new institutions are to be created except for the LIH DU. However, during the implementation phase of the project, unexpected organizational changes brought about a change in policy. These changes created problems to the project from the very beginning. Interviews with former GOPP, project unit staff and personal experience, indicated that there was a general feeling that the World Bank was very passive regarding the initial organizational changes made in the Ministry concerning the Project. To a few, this passive attitude was attributed to political reasons, the project being the first between GOE and World Bank since the High Dam incident in 1959, and the intent was to improve relations with the GOE. To others this attitude was attributed to the monitoring World Bank officials desire to work with one agency at the national level, while a new agency would involve a staff whose main concern would be the project.

Whether the World Bank was actually passive or local professionals expected too much from expatriates is difficult to determine. However what concerns us is that this was the impression the local professionals had. The incident at the time was unexpected and naturally it presented a local problem. Can the World Bank officials interfere and to what extent? Considering that implementation represents a new phase, is it really necessary to make use of the GOPP and the former team? At the same time the USAID was initiating a project of similar nature and thus it seemed reasonable to create a new agency, to be responsible for these projects. This agency might even ensure replicability of these projects as a long term housing strategy in Egypt. . Perhaps with a new institution there loomed the possibility of side-stepping the existing bureaucracy and profiting from the enthusiasm of the new staff. On the other hand, there is also the possibility that even if the World Bank had resisted the changes, GOE would still have insisted on the new institution. Whatever the motives were for the World Bank to accept the change, the effect on the future progress of project was underestimated and certainly the long term effect on the growth of the national bureaucracy was no one's concern.

In brief the receiver country expected the World Bank to be both a lending agency and a full time technical advisor, someone to share the job especially when a new approach was proposed. Whether this perception might have changed if EAJHP had been a strong monitoring agency well staffed, having credibility and ability to coordinate the many agencies involved instead of only a new institution is doubtful. This doubt is attributed to the fact that the project is a deviation from customary government practices and most of all it involves a large number of agencies.

Monitoring Of The Project By The World Bank

Monitoring of the project by the World Bank was done from Washington D.C., through letters, telexes, quarterly reports, in addition to short intermittent visits to Egypt by World Bank consultants every 3 to 4 months. Most of the information received by the World Bank was second hand, indirect information. Only during the missions visits was information acquired directly. Even if we are to assume that this information was well represented, one should consider the time spent to prepare this information, to send it and to wait for a reaction or answer to the information. This procedure prolongs projects to a large extent and would be in most cases too late to prevent disaster. It is also the best way to prolong any project endlessly, especially if many agencies are involved.

An additional problem is when the participants are also not in the same place where the project is implemented. The daily changes, whether in positions of officials, changes in laws and legislation, and changes in political trends, demands direct and immediate actions, not only by the local participants but also by the expatriate advisors. Absence of the participants delays reactions to problems and in all cases delays solutions

of minor problems before they become major.

Another issue is the time committed to the project by the participants and the negative effects on the project when those involved are not present all the time, whether they are the local participants or the expatriates. When a new team is formed for a particular project, the objective is that this team would forget the daily existence of other tasks and concentrate on this particular one in order to achieve full-time effort and commitment. The same applies to the World Bank staff. The negative effect on the project when the participants are not fully involved, is loss of commitment, delays in reacting to problems and hence a less satisfactory outcome. Equally important is the effect on the feelings of the full time participants (GOE team). The local professionals starts to resent interference of part-time participants. "What does he know of the problems I meet every day?" Especially if, after a long absence the expatriate comes with the attitude: "I know what's best for you."

The above issues have been discussed with the assumption that the part-time team is the same all through the job. Part-time is one thing but being the same team all along is another thing. How can one imagine the effect on work when this part-time team is changing all along the project? People who are having difficulty committing themselves as part-timers, eventually after understanding the project and its procedure, etc. are to be replaced by others completely new to the project. What does this mean when these new people through hearsay try to understand the history of project, how it proceeded, get acquainted with local participants, let alone the effect on the local team trying to get acquainted with a new team, and also wasting time and effort repeating history. To make things worse, this change and turnover in World Bank staff was repetitive. The result was less commitment to the project, loss of institutional memory, and less satisfactory decisions and more delay.

The World Bank visits to Egypt were usually short (2 weeks at the most) and in many cases these visits were by members on their way to other countries. These two weeks for the mission were usually full of travelling to governorates, and attempting to solve whatever problems existed at the time. Sometimes they also included monitoring of other projects or planning for new projects.

In 1980, three years after the completion of the studies and while the author was working as Deputy Project Manager for the El Obour Master Plan, a new town in the desert, the author was informed by Ms. El Kadi that the new head of the World Bank mission requested to meet her as former member of the GOPP project unit, to understand the history of the project and, in particular, the layouts which were prepared for the sites-and-service component. At this time problems were at their peak in the governorate of Alexandria. During this meeting, the history of the project was explained briefly to the head of mission, including how work on the layouts plans proceeded with former World Bank staff. That the objectives of these plans were to reach a size of plot that is

affordable by the targeted groups, and at costs that required no subsidies from the GOE. How these plans were further developed in 1978, at an MIT workshop, was also explained. It was also noted that they could continue forever to develop these plans. The head of the mission discussed the plans on the basis of the governorate's objections, which were related to the basic planning concept. The plans were described as monotonous, lacking aesthetics, and that the plots were too small, etc. It was also mentioned that the professionals in the Governorate of Alexandria believed they could produce without the assistance of the national government professionals, better plans. At the time it was apparent to the author that the underlying cause for the refusal of these plans by the governorates was the desire to produce the plans themselves! The author also realized that the team in Alexandria had not internalized the concept of sites-and-services before evaluating these plans. The new head of mission was spending a lot of time and effort understanding what had happened previously, and trying to convince people to accept work with which he was not previously involved. From interviews it became obvious that local participants preferred continuity in members of the World Bank missions for the sake of commitment to the project and for strengthening the working relationships

Chapter 7

CONCLUSIONS: POLICY IMPLICATIONS

This study is an appraisal of planning practice by means of an analysis of a selected case study in the shelter sector. The project involved an international agency, the World Bank, and the host government, the Government of Egypt, represented in this research by both the national and the local governments. The case study identified some of the reasons why projects of this nature rarely progress beyond the initial demonstration phase and only then with great difficulty. Generalizing from this case into a broader model it was possible to suggest several factors that should be taken into consideration, in order to improve the chances for similar projects in other developing countries. The concern of this research with the upgrading policy is pertinent to the viability of its implementation. Throughout the case study, there has been emphasis on the institutions which were responsible for the planning and implementation of the project. An understanding of how these institutions interrelate is the key to the understanding of the model.

It should be noted that the objective at this point is not to pose as a reformer of existing institutions nor to recommend specific changes in existing institutions. The objective is to build into upgrading plans the effect of institutional limitations that are almost certain to be encountered during implementation and to outline a framework into which upgrading programs could fit. It is also not an objective to condemn upgrading projects but to understand as fully as possible the organizational set-up necessary for their implementation. Specifically this appraisal had two aims:

The first more general aim was to identify major problems and issues facing implementers. These problems have been discussed in Chapter 6, in relation to the case study. These issues included:

- Lack of political support for projects.
- Ineffectiveness of establishing a new institution for project implementation.
- Noncompliance in the implementation process by the local government.
- Problems of communication with a distant lender.

The second aim dealt with underlying issues. A *model of collegiality* is presented which argues that the above problems are symptoms of the underlying relationships between organizations. Its insights on agencies views of the policy of upgrading and the viability of implementation via the government bureaucracy are outlined.

Recommendations on the upgrading policy are suggested which could improve the prospects for meeting project objectives.

This dissertation has particular strengths because it is the evaluation of a case in which the author was a responsible participant professional. But this also imposed limitations.

As a participant, the author was concerned with the impending failure and was constantly looking for solutions to the problems while the implementation process was under way. At the same time the author was participating in other projects of the same organizations. She was able to consider why some projects were much more successful than others. As a result, her observations of the characteristics cited in the *model of collegiality* are much broader than just in the case that is the subject of this dissertation. This means that events, actions and opinions that illustrate this model were observed many times in the course of professional work that included plan and project development all over the country. Her views and perceptions were broadened and matured by these other experiences and by the level of responsibilities. Though this is the only case in which the World Bank became fully involved, she was involved in initial discussions on another project. Personal association with the case means that the author knew the other participants in person, is able to sort out personal issues, and was aware of details and nuances that were not recorded in the documentation, things that were shared candidly only in informal conversation.

The author was associated intermittently with this project for seven years, from 1979 to 1986--the complete life of the project. In the Honeymoon and Realization Phases the author was an active participant. In the Accommodation Phase, her association was indirect and informal, and based on personal concern for the project and for her involved colleagues. In the later phases of Frustration and Resentment her association was as a researcher. Such a comprehensive, lengthy association is rarely possible in housing research.

Limitations are inherent by the personal participation of the author in the case. In fact some of the issues mentioned above as attributes could also be considered limitations. At the time of the case study, the author was a senior professional in the GOPP, concerned about Egyptian professionalism in this field and headed toward a management position in the GOPP which she now holds. She was one of a number of staff members who spoke adequate English, and therefore had considerable contact with the World Bank missions. Her identification with the national professional cadre no doubt resulted in a bias toward them and against the local point of view. There was always a tendency to present the national government in a favorable image and to hide issues that might jeopardize that image. This bias against the local officials reflected the assumptions that the author made about the beliefs of the local government professionals. The nature and requirements of her

tasks and the organizational hierarchy as opposed to the local government have systematically put her in a position of dominance. In this position the local government are in a position where they are struggling to extend the administrative boundaries of their jurisdiction and have adopted a subservient stance. However both of these roles fit in the *model of collegiality*.

At the same time the author has limited direct experience with the local pressures believed to condition the local government orientation. The experience was gained indirectly through formal interaction through various projects. Equally the author has no experience with the detailed execution and their problems that the local government confront on a daily basis.

Her relationship to World Bank staff was ambivalent, including respect for their perceived superior experience and world-wide view, but at the same time at least mildly resentful of their inclination to impose ideas and practices. The sense of wariness toward the World Bank professionals was because they were cosmopolitan and western oriented. It was felt that there was lack of true appreciation--however limited--of the culture and the way of doing things in Egypt. There is also a sense of awe of World Bank professionals because of their presumed breadth and depth of their knowledge and the belief that they bring with them the state-of-the-art policies. As with the dominant national and subservient local government relationship, equally the author has a tendency towards this same relationship with the World Bank professionals. There is an inherent bias when perceiving the World Bank professionals as bankers, in contrast to the author's professional background. There is a sense that the basic motivation of World Bank is driven by financial concerns and not the project issues that are the concern of the author. On the other hand the author realizes that there are possible benefits in working with the World Bank and hence she becomes more tolerant with believed shortcomings.

In spite of all this, the author argues that she had tried to be objective to the best of her capabilities but nonetheless there is still apt to exist a bias. However the author would like to point out that for the purposes of this research, this bias fits in the model for it has been argued that there is a bias that exists among the professionals in the national government against the local government, and is apt to exist for some time. It also might be argued that the model is biased in favor of the local government for it gives a convenient excuse to their noncompliance. (In brief, it says the national government and international agency worked together and excluded the local government).

Sources of information were varied and were acquired through the life span of the project. The agencies involved in the implementation were contacted and past and present officials familiar with the project, or those who had played a role in it were interviewed. There are other groups of actors involved in the project: the inhabitants, national and local politicians, other ministries and agencies at the national and local levels, already listed in the section on 'Organization of the Project', Chapter 5. Interviews were restricted to the three

main entities officially responsible for planning and implementation. Interviews with officials and professionals included questions which would clarify their attitudes toward the nature of project, the procedures, and problems in implementation. Questions were designed to identify consensus, support, responsiveness, bias or conflict of interest. To augment these interviews the author relied on information extracted from the project files in EAJHP which included in-house memorandums; quarterly reports prepared by the project unit every four months; correspondence between the EAJHP and the governorates of Cairo, Alexandria, and Assuit; correspondence between the EAJHP and the World Bank; World Bank aide memoirs, which were prepared following the IDA missions to Egypt. Other documents were the World Bank Appraisal Report (1979), the World Bank Project Completion Report and Project Performance Audit Memorandum, acquired in EAJHP. Fuller coverage would have necessitated seeing the project files in the other governorates and even more the project files in Washington DC. However for the purposes of this research the information acquired from the project files in EAJHP was considered sufficient. In addition, the authors experience in the writing mannerisms adopted in the bureaucracy has made it possible for her to detect the underlying meaning. Accessibility to the local governorate files and equally to the EAJHP files would present a difficulty for any outsider, including the author. Accessibility to these files was made possible by former colleagues and by the Egyptian director of the World Bank funded project.

During the Harmony and Realization Phases the author was an active participant as a professional and part of the national/international strong collegiality relationship with lesser collegiality to the local government. Information in this phase was direct and out of first-hand experience. During the latter phase and out of concern for the project the author, in addition to other officials in the Ministry, resorted informally to the Prime Minister¹ at the time, who was doubtful of the outcome of such projects, in particular sites and services programs, but at the same time was also concerned about sustaining good relations with the Bank. In the early stages of the Accommodation Phase the author was indirectly involved through other professionals and colleagues in the new institution, and with a few of the World Bank officials who were members in the missions. In the later stages of Frustration and Resentment Phases, the author was involved as a researcher. Interviews were conducted with officials in EAJHP and external consultants hired for the World Bank project. Interviews were also conducted with consultants to the USAID project as a comparison to the former.

However there were some limitations to these interviews, particularly in the role of researcher, and accessibility to the local government officials was limited and information was indirect. Their reactions in the life span of the project was portrayed through the national government professionals and World Bank officials and also through the aide-

¹Informal discussions, at the end of 1979, with Dr. Moustafa. Khalil, Prime Minister of Egypt.

memoirs and memorandums in EAJHP. Another limitation is that views were shared by the author with the World Bank officials in the three first phases, some of these views were with the head of the missions, while in the later two phases the information was extracted from project files. To overcome the above mentioned limitations, the author has tried to observe attitudes and to share views with other local government officials and professionals involved in other projects undertaken within the GOPP. These included the heads of city councils, the heads of the various departments in the city councils, other professionals, and local politicians. The bias that could exist in such views have been discussed with regards to the dominant/subservient roles. The involvement with projects that involved other international agencies offered opportunities to observe the attitudes and the procedures of more international professionals and in effect to generalise the model.

Reviewing the methodology from the international lender and local government perspectives--as opposed to the author's national government background--it may be argued that from the WB bias the same model would evolve but they might attach different names to the phases. In a way this also applies to the local government officials. The WB would clearly be favorably inclined toward the national government and to a lesser extent to the local government. In effect they would tend to blame the local government to some degree for the consequences of the project. Their accusations to the local government would be lack of professional skills, fragmentation, obstruction, etc.

It is also argued that a local government respondent would lump the two first phases--Honeymoon and Realization--into a phase where people are working together and they are left out and then they are called in when it is convenient for the national government. They would actually blame the national government for this situation. To them, as usual, the national government is pushing them away and wants the project for themselves, a project in which the local government has more experience. The Accommodation Phase again may be termed differently by them, a phase where the international and national entities realized that they cannot do this job without them. Frustration and Resentment appear to be terms appropriate in these phases to all the three actors.

The national government professionals might argue that there is no national /international collegiality, it is a matter of international vested interests. The World Bank is interested in Egypt because of political and financial interests. They encouraged the building of a new institution at the center because they do not want to be involved at the local level. They believe that nationals and locals lack professional skills but relatively speaking they would rather deal with the national professionals. They came in with a new idea that was not workable, they got the national government involved, and were not even around when there were problems. They initiated the project, in spite of being told from the beginning that the policy is not appropriate to Egypt. They monitored it from Washington at their convenience, earning as individuals a lot of money, while the Egyptian

counterparts were left with the problems with none of the advantages. This was a project "forced" on the Egyptians, a project that could readily fail, and with the result that Egypt has more debts. The Bank officials were not able to perceive the size and difficulties of problems faced in the project daily. They were involved in all procedures, in the choice of professionals and consultants and contractors. This method of monitoring and distant involvement delayed the project, because of the time delay in sending telexes and waiting for a response. In some cases when there was an urgent need for immediate action, the response came too late. They signed agreements with the local government, which in effect both included and excluded the central project unit. "The local government is to call on us when and if they want.us. Is it possible, that the local government would come on their accord and ask for our assistance?!" The end result could be stated as: "How can we--the national government--monitor and be responsible for this project under such agreements?"

From the point of view of the World Bank they might argue as follows: The Bank comes in with a project that has been tested in other developing countries, in a few cases some problems arose, but nothing that could not be dealt with. The government does not know what is best for them. All this money and a solution to do something for the poor, who are always excluded, and all national government care about is the aesthetics and their political image. They want grandiose, visible projects. They knew what they were getting into but they chose to go along to acquire the funds. They set up a new institution, when we wanted to work with the GOPP, true they are still at the center, but it is not a new institution. In effect they were trying to avoid accountability and at the same time also augment budgets and expand their power base. How can we work at the local level? We are here for short visits and we cannot be involved on a daily basis with these dispersed projects. Besides we cannot work with the local government. They lack skills and there are other local political issues and conflict of interests that it is better to be far from. The national government have problems with their local government, which might be a power conflict. Local government departments are fragmented and at the same time there is loss of control from the center. The obstruction and delay of these people, it took them a year to sign the subsidiary agreements and to conform with our requirements. It took them two years to consolidate the new agency and even then it was an agency with no credibility.

Local government, on the other hand might argue as follows: The national government, as usual, brings in the World Bank and they side together, and they think they understand our problems. They offer us a solution that is basically our work and pretend it is a new concept. What do they know of the procedures of providing infrastructure, of the struggle of the people for acquiring priority. They sit there in Cairo, where the amenities are available and tell us what we should do. What do they know of the informal sector, how this sector functions, the interests that underpin these settlements, the daily demands and the pressures that the inhabitants exert on us politically. We told the World Bank officials that that these plans were not acceptable but they still insisted--together with the

national government officials--that this is what we shall get. To make things worse they want us to be monitored from the center in our own jurisdiction. The funds are also to be monitored by the center, they do not trust us. Are they trying to show who is boss?

In the above scenario the author has tried to show the different views of actors and the problems that are presented by each in the case. This is another way of describing the obstruction and hesitation and fragmentation, etc., that seemed to be in the project. Thus each of the groups of actors might characterize the others. But these statements, however accurate or distorted, are based on simple appraisals of vested interest and identity. They fail to account for the array of interrelated beliefs, professional ideologies, social status characteristics, educations, language skills, and personal economic opportunities that vary among these three groups of participants. Only by considering differences described by a richer mosaic of interrelated personal and organizational attributes can a clearer understanding of the confrontations arise. This is what the *model of collegiality* tries to do.

The model discusses administrative relationships and from it the author finds ways in which projects of this kind could function more smoothly. By using the model it is not assumed that it is possible to solve all problems encountered in implementation: for example, as indicated by Pressmann and Wildavsky, 1973, p128: "Obstruction, delay, red tape, overlapping, duplication, vacillation, hesitation", are only indirectly within the domain of the model.

As previously mentioned these projects involve other actors, the consumer as an example, but the research deals only with those who are charged with planning and implementation in an effort to initially ensure the delivery of the project to the people. This research does not discuss whether government should intervene in the housing market or not. The model assumes that once the government is involved, how do you proceed? This model does not suggest solving all the problems encountered in implementation but clarifies an aspect of them.

Collegiality--Problem or Opportunity

The author has refrained from using the term "problem", in describing this relationship, because collegiality among actors is a requirement. When does this collegiality become an impediment to implementation and hence problematic, and how can we make use of it to promote implementation?

In our case study three entities are involved: a strong lender, a highly centralized national government, and a distant local government. The project is an upgrading project for the poor, a new approach, in dispersed locations and within the jurisdictions of the local government. The unequal collegiality among the three actors--a strong

international/national collegiality and lesser collegiality with the local government--was a strong impediment to implementation and hence is apt to arise in similar circumstances.

Collegiality among two entities is a prerequisite for success. However as noted in the model, among three entities unequal collegiality will cause jealousy, noncompliance by the third party, and hence impede implementation.

Observing the phases through which the project evolved, it is noticed that the Harmony Phase involved only the international agency and the national government, and in this phase of the project collegiality promoted the work. Both actors worked in Harmony and completed the study on schedule. To a large extent this collegiality has delayed the next Realization Phase because they failed to realize early on the controversy among them. They had no problems working out the plans together and hence found no need to resort to other parties. Collegiality made the realization period short and steps for accommodation were quickly introduced. Collegiality also extended the Frustration Phase and delayed the Resentment Phase. Collegiality in that sense has made both the national government and the international agency carry the project for a long period and try--to the best of their efforts--to overcome obstacles. Once the third party was introduced international/national collegiality became a setback and this is when frustration started. The third party was left out despite that the project is within its jurisdiction. Not surprisingly the third party reacts by defying both, the international and national agencies.

Collegiality---A Structural Issue

The *model of collegiality* argues that it is a structural issue that is difficult to overcome and therefore likely to persist. What then are the implications?

The World Bank as an international lender has its own agendas and procedures which most probably will not change in the near future. Also both the national and local governments have their agendas and procedures which most likely will not change in the near future. The World Bank as an institution is set up to move money in a given period of time for certain goals and will continue to monitor from Washington by short intermittent visits to the receiver country. As an entity that offers loans it needs to ensure recovery of its money hence it would prefer to work with the national government. They will continue to build up institutions because from a managerial point of view it is more convenient to them and less time consuming--their time--it ensures that the sole responsibility of the staff employed focuses on the project. They will continue to perceive local government as incompatible with their professional standards and to a lesser degree the national government and hence often require a new agency, often in the capitol city. They cannot afford to be caught up in local administration and implementation problems. All these requirements necessitate affiliation with the national government. "One of the conditions of the World Bank loan in the Kampung project in Indonesia in 1974, was the establishment

of a separate project unit" (Devas, 1981).

As long as the World Bank is the entity that is offering the money it will continue to select the project, initiate the project, and to a large extent set the agenda for the procedure of work. National governments who are always short for funds will continue to seek affiliation to the World Bank and to sustain this affiliation. National government will continue to seek grandiose visible projects, in areas which avoid to a large degree local government jurisdictions. National government professionals will continue at least for some time to come, to perceive the local government to be distant and divorced from policy and planning. In the case study even though the national government did not support the policy, they did not turn it over completely to the local government, but they built a new institution and went along with the policy. Even though the projects--upgrading and sites and services--are simple and do not require much sophistication in experience, they are more in the realm of the local professional than the national professional. While the local government deals directly with the people and are under pressure to answer their demands, accessibility to these areas is made easier by the local professionals.

Local government will continue to struggle for existence and struggle to prove its identity and its right to be on an equal basis with the center. They will continue to be in competition with the national government for scarce resources with the local government at a disadvantage. Even though they have some similarity there is still a lack of collegiality among them that will persist.

Degrees of Collegiality

It is also argued that collegiality between the international agency and the national government will be strong or weak depending on three variables: the international agency, the receiver represented by the national and local governments and the policy. Strong is in the sense that it is inevitable, and weak when it is less likely to happen.

The International Agency

Using a few indicators to categorize international agencies: multinational; national; governmental; nongovernmental; size of budgets; size of organisation; donors or lenders, we can divide them into three families. The first category would include the larger agencies like the World Bank, the USAID and the United Nations for Development Programs (UNDP). The second level would include the intermediate sized agencies like the British Overseas Development Agency and the German Agency for Technical Cooperation. The third level includes the small agencies which are most of the non-government organizations.

It is argued that the large agency seeks collegiality with the national government, while both the national and local government seek collegiality with the large agency. Hence the larger the international agency the stronger the collegiality with the national government.

The national government will not necessarily seek collegiality with an intermediate and small international agency. The intermediate and small agencies would seek collegiality with either the national or local governments. The local government would seek collegiality with an intermediate or small international agency. Hence the smaller the international agency the weaker the collegiality with the national government.

Whether an agency lends or donates funds is also important. An international lender would seek collegiality with the national government while a donor would not necessarily seek collegiality with the national government.

The Receiver

The more politically centralized the receiver, the stronger the international, national government collegiality. The more contrasts between the national government and the local government the weaker the national/local government collegiality. The weaker the national /local collegiality, the stronger the international/national collegiality. The less contrasts between national government and the international/agency the stronger the international/national collegiality.

The negative effect of unequal collegiality is stronger when the local government professionals are compatible to the professionals in the national government, like in the case of Cairo and Alexandria.

The Policy

The more dispersed the project across the country, the stronger the international/national collegiality. New approaches tend to create a stronger international/national collegiality.

The stronger the collegiality between the international agency and the national government in projects that will eventually involve local government, the less successful the project will be in implementation. Upgrading and sites and service projects fall into this category. Differentiating between upgrading and sites and service projects, upgrading projects require local government expertise and knowledge, and therefore a strong international/national collegiality relationships would impede project implementation. To a lesser extent, for sites and services, which requires less local expertise, collegial relationships are of relatively lesser importance.

Collegiality between national government and international agencies would be favored for policies within the jurisdictions of national government. Collegiality between the international agency and the local government is favored for policies within the

jurisdictions of local government.

For projects like upgrading, which fall in the jurisdiction of the local government, collegiality should be sought with the local government and hence a large international agencies should avoid such projects. A middle or small international agency would be more successful.

Policy Implications

Accepting the *model of collegiality* as previously indicated and as a structural problem that is apt to persist in the future, it is argued that identifying this underlying relationship is the first step to finding solutions to it and the second step is to be aware of its broader implications. It has been also argued that collegiality between the international agency and the national government will be stronger or weaker depending on three variables: the international agency, the receiver and the policy.

In cases when collegiality with the national government is inevitable as in cases where a strong international agencies----lender or donor----like the WB, USAID and UNDP are involved, perhaps one way is to get all three entities to work together at the beginning and break the unequal collegiality at the start. Another way deals with the choice of projects to be sought by the international agencies. The following projects offer examples of different collegial arrangements:

Projects that are within local government jurisdiction but that do not necessitate working with the LG: The shift back to sector funding² adopted more recently by most of the large agencies would be more suitable for large agencies. An example is the "The Urban Health Delivery System Project" comprising: a center for social and preventive medicine and eight, general urban health centers, built in several low income neighborhoods in Cairo. An agreement was made between the USAID and the GOE represented by the Ministry of Health, whereby the USAID would be responsible for financing the design and erection of buildings, while the Ministry of Health would provide the land and necessary utilities. The design and execution of the project was undertaken and completed in the time planned for it, by American/Egyptian firms under the supervision of the Ministry of Health.³

Projects that meet the specifications of national government----grandiose and

²The national government is divided into functional sectors and is responsible for implementing medical, educational, housing,etc. projects. These projects are then handed over to the local government according to location of project and administrative boundaries. The different directorates in the local government will then be responsible for providing the infrastructure, maintaining and managing these projects.

³Information acquired from Hosny and Fahmy, Architects & Planners, 24, Fawakih St., Cairo, Egypt, local consultants to DMJM/KIDDE, USA, Architectural & Engineering Firm, contracted by the Ministry Of Health, for the above mentioned project.

visible---and are not in the jurisdiction of local government: new towns, new residential neighborhoods. Other examples of international/national collegiality and sector financing of a grandiose visible project was the High Dam project in Aswan. Funded by the Soviet Union in 1957 and designed by both national and Soviet professionals, a new institution was built at the national level to undertake the design and implementation of the project. Ayoubi 1981, describes in detail the building of the High Dam, within the Egyptian bureaucracy as an example of a successful project. The author is not discussing here the concept but the actual implementation of a huge project within the time-frame planned for it. Other examples of sector financing are, the High Tension Power Lines between the Ministry of Electricity and East Germany, and the Steel Industrial Plant in Helwan between, the Ministry of Industry and the Soviet Union.

For projects which are within the local government jurisdiction and that necessitates working with the local government: Upgrading projects is an example which falls within the jurisdictions of local government and at the same time does not come under the criteria of projects sought by the national government. These projects require that the national governments be by-passed and collegiality with the local government is sought. To that effect the *model of collegiality* suggests that large international agencies should avoid such projects. However if they must be involved then they should consider setting up the project units at the local level, within the local councils departments as the case in Amman, Jordan. This example was mentioned by Mr I. Chiri, former Director of the World Bank funded project in EAJHP, as an example of a successful upgrading project sponsored by the World Bank. The solution in Lusaka is an example that shows the World Bank actually by-passed the national government. However they eventually also by-passed the existing local council and built an unequal collegiality at the local level: In Lusaka, the World Bank built a new institution at the local level.

"The Lusaka city council, and the World Bank agreed on the need to set up a separate Housing project unit within the city council, which would specifically carry out the sites and service and upgrading projects. This was because it was believed that the project team would find it difficult to implement their objectives within the city council Department of Housing and Social Services. At one stage, there were some doubts about this approach, as it was considered that problems would arise when the time came for handing over completed projects to the responsible council department, especially as day-to-day operations were carried out in isolation from the main city council departments, responsible for housing. However others argued in favor of a separate unit to avoid being caught up in the usual local government bureaucracy and to increase the chance of giving these communities an experience of participation. In the end a separate Housing Project Unit (HPU) was accepted, though it must be acknowledged that not all the problems involved have been solved"(Jere, 1984, p.59)

Another alternative for the large international agencies is not to be involved in upgrading projects and to leave it to the intermediate-sized international agencies like the GTZ and British ODA or to nongovernmental organizations. As examples to the collegiality of intermediate international agencies and local government the following cases are presented:

The ODA financing the upgrading and sites and services project in Ismailia Governorate, to the east on the Suez Canal is one example. The international agency worked with the local government in both the development of plans and implementation phases. It was the local government's project and the national government was not involved. This project is described as one of the few examples of upgrading and sites and service projects that was successful in Egypt.

Another example is the GTZ assisted project in Aswan, south of Egypt. Here the intermediate-sized international donor worked with the local government in producing the plans and in implementation. The project is still at the early stages but it shows the possibility of working with the local government by an intermediate-sized international agency. Aswan is about 800 km south of Cairo and is very distant from the national government, not only in Kilometers but more so in collegiality. According to the GTZ consultant, Dr S. Mildner, the structure plan for the town of Aswan was prepared by GOPP and the GTZ, and within this plan the neighborhoods that required upgrading was identified. The GOPP chairman at the time, refused to continue the detailed planning and to be involved in the upgrading project. His reply was that the minister expects him to produce structure plans for these towns and not to be involved with upgrading. This incident happened in 1987, ten years after the introduction of the World Bank funded project.

The model is very clear in Egypt, and cursory evidence from elsewhere suggests that it applies as a general model in other contexts. However the author is more speculative for other contexts and for other scenarios and further research is suggested to test it in other cultures and under other government structures. Other research would also include looking in depth into the above mentioned case studies or others of similar nature with the model in mind.

BIBLIOGRAPHY

I. Housing

Abrams, C., "Housing in the Modern World," London: Faber and Faber, 1966.

Abrams, C., "Mans' Struggle for Shelter," Cambridge, The Technology Press, 1964.

Abrams, C., "The Subsidy and Housing," *Journal of Land and Public Utility Economics* 22 (2) (May 1949): 131-139.

Abt Associates Inc. with Dames & Moore, and the General Organization for Housing, Building and Planning Research, "Informal Housing in Egypt," Draft Final Report, November, 1981.

Abusham, ME., "Successful Self-Help Housing Programmes in Port Sudan: Social, Administrative and Constructional Organizations and Cost Analysis of Houses," M.Phil. thesis, University of Newcastle Upon Tyne, England, 1974.

Adunine, Obi Basil, "Dynamics and Strategies for Urban Housing and Infrastructure in Developing Countries: A Case Study—Lagos Metropolitan Area," Nigeria. Ph.D. dissertation, Michigan State University, 1977.

Alexander, E.R. "Informal Settlements in Latin America and its Policy Implications," in *Spontaneous Shelter: Internatinal Perspectives and Prospects*. Patton, C.V. (ed.), p. 125-146, Temple University Press, Philadelphia, 1988.

Angel, Shlomo, and Benjamin, Solomon, "Expanding the Perception of the Housing Problem in Developing Countries," Paper for Habitat Preparatory Conferences, 1975.

Angel, Shlomo, "Upgrading Slum Infrastructure Divergent Objectives in Search of a Consensus," *Third World Planning Review* 5 (1) (Feb. 1983): 5-22.

Amos, Francis., "Political and Administrative Factors in Low-Income Housing" in *Low*

Income Housing in the Developing World: The Role of Sites and Settlement Upgrading, Payne, G. (ed.), John Wiley and Sons, 1984.

Amis, P., "Commercialized rental housing in Nairobi, Kenya," in *Spontaneous Shelter: International Perspectives and Prospects*, Patton, C.V., (ed.), pp. 235–257, Philadelphia: Temple University Press, 1988.

Asiama, S.O., "The Land Factor in Housing for Low-Income Urban Settlers," *Third World Planning Review*, 6 (1) (Feb. 1984): 171–184.

Asian Conference on Low Income Shelter and Housing Finance, "Bangkok Proceedings", February 15–19, 1981, Sponsored by the U.S. Agency for International Development and the Government Housing Bank of Thailand, Washington D.C., 1981.

Bamberger, E. Gonzalez, and Sae Hau, V., "Evaluation of the First El Salvador Sites and Services Projects," Urban and Regional Report No. 80–12, Urban and Regional Economics Division, The World Bank, 1981.

Bamberger, Michael; Sanyal, Bishwapura; and Valverde, N., "Evaluation of Sites and Services Projects, The Experience from Lusaka, Zambia," Washington: The World Bank, 1982, World Bank Working Staff Paper. No. 548.

Baross, P., "Land Supply for Low-Income Housing: Issues and Approaches," *Regional Development Dialogue*, 8 (4) (Winter, 1987): 29–50.

Buranasiri, P., "Urban Growth, Housing and Slum Upgrading Programs in Bangkok," in *A Place to Live: More Effective Low-Cost Housing in Asia*, Yeung, Y.M. (ed.) International Development Research Centre, pp. 121–131, 1983.

Burgess, Rod, "The Limits of State Self-Help Housing Programmes," *Development and Change*, 16: (1985), 271–312.

Burgess, Rod, "Petty Commodity Housing or Dweller Control? A Critique of John Turner's View on Housing Policy," *World Development* 6 (9/10) (1978): 1105–113.

Burgess, Rod, "Self-Help Housing Advocacy: A Curious Form of Radicalism. A Critique of John F.C. Turner's Work," in *Self-Help Housing, A Critique*. Ward, Peter M. (ed.), pp. 55–97, London: Mansell Publishing Limited, 1982.

- Burgess, Rod, "Self-Help Housing: A New Imperialist Strategy? A Critique of the Turner School," *Antipode* 9 (2) (1977): 50-59.
- Burns, L.S., and Grebler, L., "A Theory of Housing Intervention," in *The Housing of Nations*, pp. 100–125, Macmillan Press, 1977.
- Burns, L.S., "Self-Help Housing: An Evaluation of Outcomes," *Urban Studies* 20 (3) (August, 1983): 299–309.
- Cairo University/Massachusetts Institute of Technology, *Seminar Proceedings*, "Core Housing and Site and Services Projects for Low-Income Groups," Jan. 1979.
- Cohen, M.A., "The Challenge of Replicability: Towards a New Paradigm for Urban Shelter in Developing Countries" in *Regional Development Dialogue* 4 (1) (Spring 1983): 90–99.
- Collier, D., "Policy Change in Comparative Perspective," in *Squatters and Oligarchs*, The John Hopkins Press, pp. 125–143, 1976.
- Collins, John, "The Evolution of Urban Housing Policies in Zambia with Particular Reference to Lusaka," New York: Columbia University, 1970.
- Collins, John, "Case Studies of Public Policy Measures: Site and Service Schemes and The (Aided) Self-Help Policy," London, University College, Development Planning Unit, 1974. Working Paper B.3.3, Planning Urban Growth: The Lusaka Experience (1957–1973).
- Connolly, P., "Uncontrolled Settlements and Self Build: What Kind of Solution?" in *Self-Help Housing: A Critique*, Ward, P.M. (ed.), p.14–174, London: Mansell Press, 1982.
- Conway, D., "Self-Help Housing, The Commodity Nature of Housing and Amelioration of The Housing Deficit: Continuing The Turner-Burgess Debate," *Antipode* 14 (2) (1982): 40–46.
- Dames and Moore, "Cairo Metropolitan Area Land Use Infrastructure Development Study," Final Report, September, 1981.

- Davidson, F and Payne, G. (eds.) for Clifford Culpin and Partners, Urban Project Manual, Liverpool University Press, 1983.
- Davies, Robert J., "The Informal Sector in Rhodesia: How Important?" *The Rhodesia Science News* 8 (7) (July 1974): 216-220.
- DeLeon, L.T., "Barrero Escopa: Transformations in a Philippine Squatter Settlement," *Journal of Architectural Planning and Research* 3 (2) (May, 1986): 93-116.
- Devas, N., "Indonesia's Kampung Improvement Program: An Evaluative Case Study," *Ekistics*. (286) (Jan./Feb. 1981): 19.
- Doebele, W. and Grimes, O., "Valorization Charges as a Method for Financing Urban Public Works: The Example of Bogota, Columbia," World Bank Staff Working Paper No. 254, International Bank for Reconstruction and Redevelopment, Washington, D.C., 1977.
- Drakakis-Smith, D., "Urbanization, Housing and the Development Process," New York: St. Martin's Press, 1980.
- Drakakis-Smith, P.W., "Slums and Squatters in Ankara: Case Studies in Four Areas of the City," *Town Planning Review*, Vol. 47, 1976.
- Elzinga, A., "Evaluating the Evaluation Game: On the Methodology of Project Evaluation with Special Reference to Development Cooperation," Stockholm, Swedish Agency for Research Cooperation with Developing Countries, 1981.
- Echkok, Alain Menouer, "Towards Appropriate Housing in Urban Areas With Special Reference to Low-Income Families in Algiers," Ph.D. dissertation, University of Newcastle Upon Tyne, 1979.
- Follain, J.R. and Jimenez, E., "The Demand for Housing Characteristics in Developing Countries," *Urban Studies* (U.K.) 22 (5) (Oct. 1985): 421-432.
- Gans, Herbert J., "City Planning in America: A Sociological Analysis," in *People and Plans: Essays on Urban Problems and Solutions*, Basic Books Inc.: New York, 1968.

- General Organization for Physical Planning/Doxiadis. Associates International, "Egypt Urban Development Project, Study for Lowest Income Housing," Final Report, Vols. 1-2, Dec., 1977.
- Gilbert, A. and Ward, P., "Low Income Housing and the State," in *Urbanization in Contemporary Latin America: Critical Approaches to the Study of Urban Issues*, Gilbert, A. (ed.), London: Wiley, 1982.
- Gilbert, A. and Ward, P.M., "Housing, the State and the Poor: Policy and Practice in Three Latin American Cities," *Latin American Studies*, Vol. 50, pp. 1-27 Cambridge University Press, New York, 1985 .
- Grebler, L., "Criteria for Appraising Governmental Housing Programs," *Papers and Proceedings of AEA* 1 (2) (May) 1960.
- Hadjitheodorau, N., "An Institutional Framework for the Upgrading Process on Manshiet Nasser in Cairo, Egypt," *Ekistics*, No. 286, Jan./Feb. 1981, p. 71.
- Handelman, H., "The Role of the State in Sheltering the Urban Poor," in *Spontaneous Shelter: Internatinal Perspectives and Prospects*, Patton, C.V. (ed.) pp. 326-342, Temple University Press, 1988.
- Hansen, Karen Tranberg, "Lusaka's Squatters: Past And Present," *African Studies Review* 15 (2, 3) (1982): 117-136.
- Hardoy J.E. and Satterthwaite D., "Shelter Need and Response: Housing Land and Settlement Policies in Seventeen Third World Nations," Chichester: John Wiley and Sons, 1981.
- Harms, Hans., "Historical Perspectives on the Practice and Purpose of Self Help Housing." in *Self-Help Housing. A Critique*, Ward, P. (ed.), pp. 17-55. Mansell Publishing Limited, 1982.
- Harms, Hans, "Self-Help in Housing: Its Potentials and Limitations: Utopia or Emergency Solution?," Paper given at the Self-help Conference in Amsterdam, Organized by the L.O.B.H., March 5, 1982.
- Harms, Hans, "Limitations of Self Help," *Architectural Design*, 4 (1976): 230-231.

- Herbert, John D., "Urban Development in the Third World: Policy Guidelines," New York: Praeger, 1979.
- Hollnsteiner, M., "Phillippines, From Tondo Squatter to Tondo Settler," *Ekistics* 40 (238), 1975.
- "Housing Policy Guidelines for Developing Countries," U.N. Dept. of Economic and Social Affairs, United Nations, New York, 1976.
- Huque, Ashraf, "The Myth of Self-Help Housing," The Royal Institute of Technology, Stockholm, Department for Building Function Analysis, 1982.
- Isaac, Tarirai, "Housing Policies in Zambia 1960-1981: A Critical Perspective," Columbia University, 1981.
- "Improvement of Slums and Uncontrolled Settlements," Report on an Interregional Seminar in Columbia 1970, Department on Economic and Social Affairs, New York, 1971.
- Jarir, S. Dajani and Gimmell, Robert S., "Economic Guideleines for Public Utilities Planning," *Journal of the Urban Planning and Development Division*, Proceedings of the American Society of Civil Engineers, Vol. 2, (9977) (1973): 171-182.
- Jens, Knocke, "Financing Housing for Urban Low-Income Households in Africa: A Matter of Technical Building Codes?" in *The National Swedish Institute for Building Research Bulletin* 82: 1
- The Joint Research Team, Cairo University/MIT, "The Housing and Construction Industry in Egypt," Interim Report Papers 1977, and Interim Report Working Papers, 1978.
- Juppenlatz, Morris, "Cities in Transformation: The Urban Squatter Problem of The Developing World," University of Queens Land, 1970.
- Keare, Douglas H. and Parris, Scott, "Evaluation of Shelter Programs for the Urban Poor,—Principal Findings." Washington D.C., World Bank Staff Working Papers, No. 547, 1982.

- Keare, Douglas H., "Assessing Project Impacts," in *A Place to Live: More Effective Low-Cost Housing in Asia*, Yeung, Y.M., (ed.), International Development Research Centre, pp. 157–176, 1983.
- Kirke, J., "The Provision of Infrastructure and Utility Services," in *Low-Income Housing in the Developing World: The Role of Sites and Services and Settlement Upgrading*, Payne, G. (ed), John Wiley and Sons, 1984.
- Laquian, A.A., "Basic Housing: Policies for Urban Sites, Services and Shelter in Developing Countries," Ottawa: International Development Research Center.
- Lee, M., "Myths of Affordability," *Third World Planning Review* (U.K.) 7 (2) (May, 1985): 131–142.
- Leeds, Anthony, "The Significant Variables Determining the Character of Squatter Settlements," *America Latina*, pp. 44–87, 1969.
- Lindbeck, A., "Rent Control as an Instrument of Housing Policy," in *The Economic Problems of Housing*, Nevitt (ed), Chap. 5, pp. 53–72, 1967.
- Lloyd, P., "Slums of Hope? Shanty Towns of The Third World," Harmondsworth, Penguin, 1979.
- Macon, Jorge and Manon, Jose M., "Betterment Levies in Latin America: Nature, Experience and Recommendations for Their Adoption in the Financing of Public Works Projects," International Development Bank, Washington, D.C. 1975.
- Malpezri, S.; Mayo, S.K.; and Gross, D.J., "Housing Demand in Developing Countries," World Bank Staff Working Papers, No. 733, Washington, D.C.: The World Bank, 1985.
- Marris, Peter, "The Meaning of Slums and Patterns of Change," *International Journal of Urban and Regional Research* 3 (3) 1979.
- Martin, R., "Housing Policy in Lusaka" in *Local Government in Zambia*, Hawkesworth, N.R. (ed.), Lusaka City Council, 1979, pp. 53–93.
- Martin, R., "Institutional Involvement in Squatter Settlements," *Architectural Design* No 4, 1976(a) pp. 232–237.

- Martin, R., "Urbanization, Squatter Settlements and Upgrading Human Settlement in Zambia," Report of a Workshop at the University of Zambia, Lusaka 1975, pp.67-68.
- Menzes, L., "Site and Services and Slum Improvement: An Approach to the Shelter Problems of the Urban Poor, Preliminary Conclusions From the Madras Experience," New Delhi: Ministry of Works and Housing, Mimeo.
- Ministry of Housing and Reconstruction and General Organization for Housing, Building and Planning Research, "Human Settlements in Egypt," National Report, June 1975.
- Moser, Caroline O.N., "A Home of One's Own, Squatter Housing Strategies in Guayaquil, Ecuador," in *Urbanization in Contemporary Latin America*, Gilbert, Alan; Hardoy, Jorge; and Ramirez, Ronalds (eds.), pp. 159-190, Chichester: John Wiley & Sons Ltd., 1982 .
- Moser, Carolin O.N., "Informal Sector or Petty Commodity Production; Dualism or Dependence in Urban Development?" *World Development* (9/10) (1978): 1041-1064.
- Mourad, Moustafa Abdel Khalek, "The Need for a New Approach Analysis of the Built Environment of Informal Settlements and Public Housing Policy in Egypt," M.S. thesis MIT, 1983.
- "Report on Proposed Service Areas, Metered Water Service Program," Prepared for the General Organization Of Greater Cairo Water Supply, Arab Republic of Egypt, March, 1980.
- Niented, P.; Meijer, E.; Linder, J. d., "Karachi Squatter Settlement Upgrading: Improvement and Displacement," Amsterdam Geografisch en Planologisch Institute, Vrije Universiteit Amsterdam, 1982.
- Okpala, D.C., "Public and Quasi-Public Sponsored Housing in Nigeria: An Appraisal," *Journal of Administration Overseas* 19 (4) (Oct. 1980): 270-278.
- Orville F. Grimes Jr., "Housing for Low-Income Urban Families," *Economic and Policy in the Developing World*, 1976.

- PADCO. Inc., "A Prefeasibility Study for Upgrading the Spontaneous Settlements of Tunis," Tunisia, 1976.
- Pasteur, David, "The Management of Squatter Upgrading," University of Birmingham, Saxon House, Farnborough, 1979.
- Payne, G. (ed.), "Low Income Housing the the Developing World: The Role of Sites and Services and Settlement Upgrading," John Wiley and Sons, 1984.
- Peattie, R., "Housing Policy in Developing Countries: Two Puzzles.," *World Development*, Vol. 7, 1979.
- Peatie, Lisa, "Squatter Housing in Caracas," in *Shaping The Urban Future, Essays in Memory of Catherine Baur Wurster*, Frieden, B. J., and Nasu, W (eds.), Cambridge, 1968.
- Peattie, Lisa and Aldrete-Haas, J. "Marginal Settlements in Developing Countries: Research, Advocacy of Policy and Evolution in Program," *American Review of Sociology*, 1981.
- Peattie, Lisa., "Some Second Thoughts on Sites and Services," *Habitat International* 5 (5 and 6), 1981.
- Peil, Margaret, "African Squatter Settlements: A Comparative Study," *Urban Notes*, Vol. 13 (1976): 155–166.
- Perlman, Janice E., "The Myth of Marginality: Urban Poverty and Politics in Rio de Janiro," University of California Press, 1976.
- Perlman, Janice E., "Strategies for Squatter Settlements (State of the Art)," in *Residential Circumstances of the Urban Poor in Developing Countries*.
- Qadeer, M.A., "Successful Housing Planning for Third World Countries Must Be Indigenous," *Journal of Housing* 37 (3) (March 1980): 142–146.
- Rakodi, Carole, "Participation in Squatter Upgrading," in *Upgrading in Lusaka—Participation and Physical Changes.*, pp. 55–80, Rakodi, Carole and Schlyter, Ann, (eds.) Stockhlom: Swedish Council for Building Research, 1981

- Rakodi, Carole, and Schlyter, Ann, "Upgrading in Lusaka—Participation and Physical Changes," Stockholm: Swedish Council for Building Research, 1981.
- Rakodi, C., "Land, Layouts and Infrastructure in Squatter Upgrading: The Case of Lusaka," *Cities* (UK) 4 (4) (Nov. 1987): 348–370.
- Ramirez, Ronaldo; Fiori, Jorge; Harms, Hans; and Mathey, K., "Self Help Housing in the Third World: The Policies And the Politics," London, 1982, paper delivered to a seminar of the Architectural Association, June 1982.
- Rodwin, L., "Some Lessons and Implications of the World Bank Experience in Urban Development," paper presented at the Conference on Regional Development and National Economic Growth, Wolfville, Nova Scotia, July 25–27, 1985.
- Sarin, Madhu, "A Critique of Sites and Services and Slum Improvement: Are They an Excuse to Further Withhold Investment on the Real Needy? Are They Delaying a Push For Real Change?" Paper for seminar on Non-conventional and Alternative Approaches to Shelter the Urban Poor: Local and International Experience: Bombay, Delhi, Calcutta, Hyderabad and Ahmadabad. ASAG, Jan., 1981.
- Sarin, Madhu (ed.), "Policies Towards Urban Slums; Slums and Squatter Settlements in the ESCAP Region: Case Studies of Seven Cities," Bangkok: United Nations ESCAP, 1980.
- Schlyter, A., "Upgrading Reconsidered—The George Studies in Retrospect," National Swedish Institute for Building Research Bulletin, 1984.
- Sethuraman, S.V., "The Urban Informal Sector in Africa," *International Labour Review*, 116 (3) (1977): 343–353.
- Shipman, Harold R., "Policies Affecting the Financing of Urban Water Supply in Developing Countries," International Standing Committee on Problems of Water Supply in Developing Countries, Subject No. 2, Washington, D.C., World Bank, 1972.
- Silas, John, "The Kampung Improvement Programme of Indonesia: A Comparative Case Study of Jakarta and Surabaya," in *Low Income Housing in the Developing World: The Role of Site And Services and Settlement Upgrading*, Payne, G. (ed.), John Wiley and Sons, 1984.

Skinner, R.J. and Rodell, M.J., (eds.), "People, Poverty and Shelter: Problems of Self-Help Housing in the Third World," London: Methuen Press, 1983.

"Slum and Squatter Settlements," *Habitat News* 2 (1) (April, 1980): 17-18.

Stren, R., "Squatting and the State Bureaucracy: A Case Study of Tanzania," Paper prepared for the Annual Meetings of the African Studies Association, Philadelphia, Pennsylvania. (Oct. 1980, draft) Toronto, p. 37, 1980.

Turner, John F.C., "Barriers and Channels for Housing Development in Modernizing Countries," *Journal of the American Institute of Planners* 33 (May, 1967): 67-180.

Turner, John F.C., "Housing as a Verb," in *Freedom to Build*, F.C. Turner and R. Fichter (eds.), The Macmillan Co. 1972.

Turner, John F.C., "Housing by People," London, Marion Boyars, 1976.

Turner, John F.C., "Housing Priorities, Settlement Patterns and Urban Development," *Journal of AIP*, 34-36, 1968.

Turner, John F.C., "Issues in Self-Help and Self-Managed Housing," in *Self Help Housing, A Critique*, Ward (ed.) pp. 99-113, London, Mansell Limited, 1982.

Turner, John F.C., "Uncontrolled Urban Settlement: Problems and Policies," in *The City in Newly Developed Countries*, Gerald Brees (ed.), pp. 507-534, Englewood Cliffs, Prentice Hall, 1969.

Turner, John F.C., "Who Shall Do What About Housing?" in *Urbanization in Contemporary Latin America*, Gilbert, A.; Hardoy, J.E.; and Romirez, R. (eds.) pp. 191-204, John Wiley and Sons, 1982.

Umeh, J.A., "Economics and Politics of African Slums and Shanty Towns," *Journal of the Royal Town Planning Institute* 58 (1972).

United Nations, *Improvement of Slums and Uncontrolled Settlements*, New York: UN. pp. 65-67, 1971.

"Urban Improvements: A Strategy for Urban Works, Observations of Sir Patrick Geddes, with reference to Old Lahore," Government of Pakistan Planning Commission,

- Physical Planning and Housing Section, Study NPD 8H, 21 June, 1965.
- USAID, "Housing and Community Upgrading for Low Income Egyptians: Immediate Action Proposal for Housing in Egypt," June 1976.
- USAID/Ministry of Housing Egypt, Joint Housing Team, "Housing and Community Upgrading for Low Income Egyptians," August 1977.
- USAID/Ministry of Housing Egypt Joint Housing Team, "Housing and Community Upgrading for Low Income Egyptians: Urban Land Use Policy, Housing, Finance," August 1977.
- USAID/Cairo, "Neighbourhood Urban Services (263-0153)," Project Paper.
- USAID/Cairo, "Provincial Cities Development (263-0127)," Project Paper.
- USAID Field Memo, Country Development Strategy Statement FY1984 Annex, "Urban Policy and Strategy Egypt," February 1982.
- USAID/Egypt, "Housing and Community Upgrading for Low Income Egyptians," Mid-Project Evaluation of the Community Upgrading Component Project No. 263-0066.
- USAID/Egypt, "Housing and Community Upgrading," Project Papers—Unclassified.
- USAID, "A Prefeasibility Study for Upgrading the Spontaneous Settlement of Tunis," Tunisia, 1976.
- Ward, Peter, "Self-Help Housing in Mexico City: Social and Economic Determinants of Success," *Town Planning Review*, 49 (1) (1976): 38-50.
- Ward, Peter, "Political Pressure for Urban Services: The Response of Two Mexico City Administrations," *Development and Change* 12: 379-407, 1981.
- Ward, Peter M., "Financing Land Acquisition for Self Build Housing Schemes," *Third World Planning Review* 3 (1) (1981): 7-20.
- Ward, Peter, "Mexico: Beyond Sites and Services," in *Low Income Housing in the Developing World*, Payne, G. (ed.), John Wile and Sons, Ltd. 1984.

- Ward, Peter M., (ed), "Self Help Housing: A Critique," London, Mansell Publishing Limited, 1982.
- Wheaton, W. "Housing Policies and Urban Markets in Developing Countries: The Egyptian Experience," *Journal of Urban Economics* 9, 1981.
- World Bank, IBRD, "Sites and Services Projects," A World Bank Paper, Washington, D.C. April 1974.
- World Bank, "Housing," Sector Policy Paper, Washington 1975.
- World Bank/General Organization for Housing, Building Research and Planning (GOHBRP), "Construction Industry Study," 1978.
- World Bank, "Making Shelter Projects Replicable" *The Urban Edge* 9 (10) (December 1985): 1-4.
- World Bank, "Shelter, Poverty and Basic Needs," Sector Policy Paper, September 1980.
- World Bank, "Urbanization," Sector Working Paper, Baltimore: John Hopkins University Press, 1972.
- World Bank. Staff Appraisal Report, "Brazil: Sites and Service and Low Cost Housing," 1979.
- World Bank, Staff Appraisal Report, "Bolivia Urban Development Project," 1977.
- World Bank, Staff Appraisal Report, "Egypt Urban Development Project," 1978.
- World Bank Project Completion Report (P.P.R.), "Egypt Urban Development Project," 1986.
- World Bank Project Performance Audit Memorandum (PPAM), "Egypt First Urban Development Project, Credit 831-EGT," 1986.
- World Bank IBRD Staff Working Paper No. 200, July 1975, "The Task Ahead for the Cities of the Developing Countries."
- World Bank. IBRD Staff Paper No. 211, July 1975, "The Urban Informal Sector."

Zetter, Roger., "Land Issues in Low-Income Housing," in *Low-Income Housing in the Developing World: The Role of Sites and Services and Settlement Upgrading*, Payne, G. (ed.), John Wiley and Sons, 1984.

II. Implementation

Abedin, N., "Local Administration and Politics in Modernizing Societies: Bangladesh and Pakistan, Dacca," National Institute of Public Administration, 1983.

Abueva, J. "Administration Culture and Behavior of Middle Civil Servants in the Philippines," in *Development Administration in Asia*, Weidner, E. (ed.), Durham, N.C.: Duke University Press, 1970.

Alexander, E.R. and Fauidi, A., "Planning and Plan Implementation: Notes on Evaluation Criteria," *Environment and Planning: Planning and Design* (UK) 16 (2): 127–140, April, 1989.

Allison, G. "Implementaion Analysis: The Missing Chapter in Conventional Analysis—A Teaching Exercise," *Benefit-Cost and Policy Analysis*, 1974, p. 369.

Argyris, C. and Schon, D., "Organizational Learning: A Theory of Action Perspective," Reading, Mass.: Addison-Wesley Publishing Co., 1978.

Ayubi, N., "Bureaucracy and Politics in Contemporary Egypt," Published for the Middle East Center, St Antony's College Oxford, Ithaca Press London, 1980.

Bamberger, M. and Anghewitt, E., "Monitoring and Evaluating Urban Development Programs: A Handbook for Program Managers and Researchers," by the World Bank Water Supply and Urban Development Operations Policy Staff, Report No. UDD–58, 1985.

Bardach, E., "The Implementation Game," Cambridge, Massachusetts: MIT Press, 1977.

Bardach, E., "On Designing Implementable Programs" in *Pitfalls of Analysis*, Majone, G. and Quade, E., (eds), London and New York: John Wiley and Sons, 1979.

- Barkan, D., T. Okumu J. (eds.), *Policies And Public Policy in Kenya and Tanzania*, New York: Praeger, 1979.
- Benveniste, G., "The Politics of Expertise," Berkeley, CA: Boyd and Fraser, 1977.
- Benveniste, G., "Bureaucracy and National Planning: A Sociological Case Study in Mexico," New York: Praeger, 1970.
- Berman, P., "The Study of Macro- and Micro-Implementation," *Public Policy*, Spring, 1978, p. 157.
- Blair, H.W., "Approaches to Integrated Social Development Planning and Implementation at the Local Level," *Regional Development Dialogue*, 7 (1): 31-52, Spring 1986.
- Blondel, J. (ed.), "The Bureaucratic Mind," in *Comparative Government: A Reader*, London: Macmillan, 1969, p. 217.
- Bunker, R.D., "Perspectives on Implementation Processes," *Policy Science* 3, No. 7, March 1973, pp. 75-77.
- Caiden, N. and Wildavsky, A., "Planning and Budgeting in Poor Countries," New York: John Wiley and Sons, 1974.
- Campbell, J.R., "Administrative and Operational Procedures for Programs for Sites and Services and Area Upgrading," World Bank, 1980, pp 1-30 and Figures 1-5.
- Catanese, A.J., "The Politics of Planning and Development," *Sage Library of Social Research*, Vol. 156, Beverly Hills, CA: Sage Publications, 1984.
- Charnvit, Athikomrungsarit, "Benefits and Costs of Providing Potable Water to Small Communities in Thailand" Masters thesis No. 566, Asian Institute of Technology, Bangkok, 1971.
- Chase, Gordon, "Implementing a Human Services Program: How Hard Will it Be?" *Public Policy*, Vol. 27. No. 4, Fall 1979.

- Chilcote, R.H., "Dependency: A Critical Synthesis of the Literature, Latin American Perspectives," 1 (1) pp. 4–30, in *Third World Urbanization*, Abu Lugho, L.J. and Hay, R. (eds.), Chicago: Miroufa Press, 1977, pp 128–134.
- Cleaves, P., "Bureaucratic Politics and Administration in Chile," Berkeley, CA: University of California Press, 1974.
- Crozier, Michel, "The Bureaucratic Phenomenon," Chicago: The University of Chicago Press, 1964.
- Derthick, M., "New Towns, In-Town: Why a Federal Program Failed," Washington D.C.: The Urban Institute, 1972.
- Downs, A., "Inside Bureaucracy," Boston: Little, Brown and Co, 1967.
- Emmerson, D., "The Bureaucracy in Indonesia," Cambridge, MA: M.I.T., Center for International Studies, 1974.
- Greenberg, M., "Bureaucracy and Development: A Mexican Case Study," Lexington, Mass., : Heath Lexington Books, 1970.
- Grindle, Merilee, S. (ed.), "Politics and Policy Implementation in the Third World," Princeton: University Press, Princeton, 1980.
- Grindle, M., "Bureaucrats, Politicians and Peasants in Mexico: A Case Study in Public Policy," Berkeley: Union of California Press, 1977.
- Hargrove, E., "The Missing Link: The Study of Implementation," *Social Policy*, Urban Institute, 1975.
- Hardoy, J.E., and Satterthwaite, D., "Small and Intermediate Urban Centers in the Third World: What Role for Government?" *Third World Planning Review* (UK), 10 (1): 5–26, Feb., 1988.
- Hieger, G., "Bureaucracy, Political Parties and Political Development," *World Politics*, 25 N 4 July 73.
- Heginbotham, S., "Cultures in Conflict: Four Faces of Indian Bureaucracy," New York: Columbia Univesity Press, 1975.

- Hill, J. Michael, "The Sociology of Public Administration," New York: Crane, Russak and Company, Inc., 1975.
- Hirschman, Albert O., "Exit, Voice and Loyalty," Cambridge: Harvard University Press, 1970.
- Honson, M., "Organizational Bureaucracy in Latin America and the Legacy of Spanish Colonialism," *Journal of Inter American Studies and World Affairs*, 16, No. 2, May, 1974.
- Hudson, B., "Domains of Evaluation," *Social Policy*, Vol. 6, No. 2, September/October 1975.
- Karnjanaprakorn, C., et al., "Housing Administration," in *Housing Asia's Millions*, 1979, pp. 67-79
- Kaufman, H., "Administrative Feedback: Monitoring Subordinates Behavior," Washington, D.C.: The Brookings Institution, 1973.
- Lazen, Fred, "The Effects of Administrative Linkages on Implementation: Welfare Policy in Israel," *Policy Sciences* 12, 1980, pp. 193-214.
- Lindenberg, M. and Crosby, B., "Managing Development: The Political Dimension," West Hartford: Kumarian Press, 1981.
- Lipsky, M., "Standing The Study of Public Policy Implementation on its Head," in *American Politics and Public Policy*, W. Dean Burnham and Martha Weinberg, (eds.), pp. 391-402.
- Lipsky, M., "Street Level Bureaucracy," New York: Russell Sage Foundation, 1980.
- Lowi, T., "American Business, Public Policy, Case Studies and Political Theory," *World Politics*, 16, No. 4, July 1964, pp. 677-715.
- Lynn, L. Jr., "Designing Public Policy: A Casebook on the Role of Policy Analysis," Santa Monica: Goodyear Publishing Co., pp. 1-23.
- Majone, G. and Wildavsky, A., "Implementation as Evolution" in *Implementation*,

- Pressman and Wildavsky (eds.), Berkeley: University of California Press, 1979.
- March, J. and Simon, H., "Organizations," New York: John Wiley and Sons, 1968.
- Martin, R., "The Management of Participatory Projects: A Consensus Model," paper prepared for the International Workshop on the Management of Squatter Upgrading Programmes held in Birmingham, pp 21–26, Sept., 1980.
- Mawhood, P., "Decentralization: The Concept and the Practices" in *Local Government in The Third World*, John Wiley and Sons, 1983, pp. 1–24.
- Mazmaniam, Daniel and Sabatier, P., "Effective Policy Implementation," Lexington, Mass. : Lexington Books, 1981.
- McNeill, D., "Planning with Implementation in View," *Third World Planning Review*, (UK) 7 (3): 203–218, August 1985.
- Moore, Clement H., "Images of Development—Egyptian Engineers in Search of Industry," Cambridge, Mass.: MIT Press, 1980.
- Nadjtheodorou, N.M., "An Institutional Framework for the Upgrading Process of Manshiet Nasser in Cairo, Egypt" *EKISTICS: The Problems of Science of Human Settlements*, Vol. 48, No. 286, Jan., Feb., 1981.
- Obomanu, John Temediari, "Constraints in Plan Implementation: The Case of Kenya's Housing Policy," MCP thesis, MIT 1983.
- Olson, Mancur, "The Logic of Collective Action," Cambridge, Mass.: Harvard University Press, 1965.
- Okumu, J.J., "Party and Party—State Relations," in *Politics and Public Policy in Kenya and Tanzania*, Barkan, J.A and Okumu, J.J. (eds.), New York, Praeger.
- Oram, N., "Housing, Planning and Urban Administration," in *Housing in Third World Countries*, Morrison, H.S. and Lea, J.P. (eds.), St. Martin's Press, 1979, pp. 43–48.
- PADCO Inc., "Integrated Improvement Program for the Urban Poor: An Orientation for Project Design and Implementation," 2 Volumes, September 1981.

- PADCO Inc., "National Urban Policy Study: Urban Management Handbook," Jan., 1982.
- Pasteur, David, "Management and Institution—Building for Squatter Upgrading," in *The Management of Squatter Upgrading*, Saxon House, Farnborough 1979, pp 135–160.
- Paul, Samuel, "Strategic Management of Public Programs," manuscript version of a forthcoming book, Harvard University Press, 1982.
- Peattie, L., "Realistic Planning and Qualitative Research," in *Habitat International*, Vol. 7, No. 5/6, 1983. pp. 227–234.
- "Planning and Implementing Self-Help Projects in Developing Countries: The Case of Housing," in *Planning and Administration*, Vol. 6, No. 1. The Hague: INLA, 1979.
- Pressman, J. and Wildavsky, A., "Implementation," Berkeley, CA: University of California Press, 1979.
- Public Administration and Development, 5 (4) (October–December 1985).
- Rakodi, C., "Land, Layouts and Infrastructure in Squatter Upgrading: The Case of Lusaka," *Cities (UK)* 4 (4) (Nov. 1987): 348–370.
- Ramos, A. Grierreiro, "The New Ignorance and the future of Public Administration in Latin America," in *Development Administration in Latin America*, Thurber and Graham (eds.).
- Rein, M. and Rabinovitz, F.F., "Implementation: A Theoretical Perspective," in *American Politics and Public Policy*, Burnham, W.D. and Weinberg, M.W. (eds.) Cambridge, MA: MIT Press, 1978.
- Rein, M. and Schon, D., "Problem Setting in Policy Research," in *Using Social Research in Public Policy Making*, Carol Weiss (ed.), Lexington, Mass.: Lexington Books, 1977, pp. 235–251.
- Reinhard, S., "Self-Help, Community Organization and Politics: Villa el Salvador, Lima." in *Self-Help Housing: A Critique*, Ward, PM. (ed.), London: Mansell Publishing, 1982.

Riggs, F., "Administration in Developing Countries: The Theory of Prismatic Society," Boston: Houghton, Mifflin, 1964.

Ross, M.H., "The Political Integration of Urban Squatters," Evanston, Northwestern University Press, 1973.

Rothenberg, I.F., "Administrative Decentralization and The Implementation of Housing Policy in Colombia," *Politics and Policy Implementation in the Third World*, 1982. pp. 145—169.

Scott, J., "Corruption, Machine Politics and Political Change," *American Political Science Review*, 63 No.4 (December 1969): 1142.

Smith, T.B., "The Policy Implementation Process," *Policy Science* 4, No. 2. June 1973.

Springborg, Robert D., "The Ties That Bind: Political Association and Policy Making in Egypt," unpublished Ph.D. dissertation, Political Science Department, Stanford University, 1974.

Stockey, E. and Zeckhauser, R., "A Primer for Policy Analysis", New York: W.W. Norton and Co., 1978, pp. 291—319.

Summie, James, "Citizens in Conflicts" in *Sociology of Town Planning*, 1974.

Sussman, Gerald E., "The Pilot Project and the Choice of an Implementing Strategy: Community Development in India," in *Politics and Policy Implementation in the Third World*, Grindle, M.S. (ed.), Princeton: Princeton University Press, 1980.

Temple, F.T. and Temple N.W., "The Politics of Public Housing in Nairobi," in *Politics and Policy Implementation in the Third World*, Grindle, M.S. (ed.), Princeton: Princeton University Press, 1980.

Tendler, Judith, "The Abundance of Foreign Assistance," unpublished paper, Department of Economics, U.C. Irvine, 1970.

Tinker, H., "Local Government and Politics and Political and Social Theory in India," in *Local Level Politics*, M. Swartz (ed.), Chicago: Aldine, 1968.

Tokman B.K., "Ankara: Procedures for Upgrading and Urban Management," in *Low-Income Housing in the Developing World: The Role of Sites and Services and Settlement Upgrading*, Payne, G. (ed.), John Wiley and Sons 1984.

United Nations Environment Programme, *Project Document*, "Integrated Approach for Improving Slums and Marginal Settlements in Indonesia, Jakarta," unpublished report, 1976.

Van Meter, D., and Van Horn, E., "The Implementation of Inter-governmental Policy," in *Public Studies Review Annual*, Vol. 1, Nagel, Stuart S. (ed.), Beverly Hills and London: Sage Publications, 1976.

Van Meter, Donald S. and Van Horn, Carl E., "The Policy Implementation Process: A Conceptual Framework," *Administration and Society*, 6, No. 4, February 1975 p.446.

Walton, David S., "The Role of International Consultants," in *Low-Income Housing in the Developing World: The Role of Sites and Services and Settlement Upgrading*, G. Payne (ed.), John Wiley and Sons, 1984.

Warwick, D., "Integrating Planning and Implementation: A Transactional Approach."

Waterston, Albert, "Development Planning: Lessons of Experience," John Hopkins University Press, 1965.

Wildavsky, A., "If Planning is Everything, Maybe it's Nothing," in *Policy Sciences*, Vol. 4, No. 2, June 1973.

Wildavsky, A., "Speaking Truth and Power, The Art and Craft of Policy Analysis," Boston: Little, Brown, 1979.

William, A. Robson and Regan D.E., "Great Cities of the World: Their Government, Politics and Planning," Second Edition, 1972

Williams, A., "Implementation Analysis and Assessment" *Policy Analysis*, Summer 1975.

Williams, David G., "The Role of International Agencies: the World Bank," in *Low-Income Housing in the Developing World: The Role of Sites and Services and Settlement Upgrading*, Payne, G. (ed.), John Wiley and Sons, 1984.

Wilson, James Q., "The Bureaucracy Problem," *The Public Interest*, Vol. 6, Winter 1967.

Wolf, C. Jr., "A Theory of Nonmarket Failure: Framework for Implementation Analysis," *The Journal of Law Economics*, April 1979, pp. 107–139.

Yeh, S.H.K., "Urban Low-Income Settlements in Developing Countries: Characteristics and Improvement Strategies," *Regional Development Dialogue* (Japan) 8 (4) (Winter 1987): 1–23.

Zambia, R. Martin, "Institutional Involvement in Squatter Settlements" in *Architectural Design*, Vol. 4, 1976, p. 232 ff.