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HOUSING POLICIES AND STRATEGIES IN LIBYA: BRIEF AN OVERVIEW

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Abstract: Housing is a major concern for all people in every corner of the world as the wellbeing of a country is reflected in its people enjoying a certain standard of living. The Libyan government has made every effort to provide quality dwellings for its citizens as part of the overall welfare strategy. Different schemes were built over the last ten years in an attempt to satisfy the ever-growing social and economical needs of the society in addition to the huge population growth. Therefore, this paper aims to provide a short overview of the housing policies and strategies in Libya. A review of the housing policies and strategies were provided throughout secondary data obtained from various academic and published sources. This review was focused on issues such housing delivery, policies, funding systems, ways to improving the delivery system, etc. In the end, the paper has provided a brief conclusion to improve the shortcoming and suggestion for the way forward.

Keywords: housing, policies, strategies, development, Libya

HOUSING CONDITIONS IN LIBYA

Almost no city in Libya, or in other Arab countries, has remained intact in the face of the tremendous expansion of the urban population and the adaptation, on a large-scale, of foreign urban forms and modern technology. The urban environment has changed rapidly, both physically and socio-culturally. The original Arabic-Islamic urban forms of Tripoli, now found in what is left of the Medina, have been largely demolished or encircled by the expanding urban areas, with housing and streets laid out according to Western design patterns and a host of new transplanted from Europe and other foreign countries on the grounds of modernism (Hassan, 1982). At present, the old city houses have been left without any maintenance as a temporary shelter for the poor, most of whom are recent rural migrants. The people here live at higher densities and are characterized by low levels of income and literacy, and higher fertility rates than the average city inhabitant (Abdulmagid and Ruddock, 2001).

THE PUBLIC HOUSING APPROACH: AN OVERVIEW

After independence, the housing situation remained inadequate in quality and quantity. Bukamur (1985) argued that most Libyan cities witness a large number of shantytowns surrounding the planned areas. The first attempt to improve housing conditions was carried out when Libya was awarded of the UN from 1948 to 1951. The first major attempt at an urban plan in Libya since independence in February 1963 was the town of (El-Marj), which had been devastated by an earthquake. A comprehensive plan was drawn up for the construction of a new town. The main features of the new town were fundamentally Western in origin; detached houses with front gardens wherever possible, neighborhood centre with a range of facilities and a network of wide roads introduced by the government on a national level. The sum of 400 million Libyan pounds was allocated to build 100,000 dwellings over a period of five years, at a rate of 20,000 units per year. Western ideas appear to have been introduced wholesale and indigenous forms

abandoned uncritically (Abdulmagid and Ruddock, 2001). Other features of the new public housing schemes ignored the socio-cultural values of the Libyan family or community. According to Bukamur, (1985) at the time of the Revolution about 220,000 Libyan families were in urgent need of housing. For this reason, from its early days, the Revolutionary Government (RG) has played the main role in solving the housing problem especially for low-income groups, by establishing family and housing allowances and subsidies and by reducing the selling price of government houses and land. The RG planned that each family should have the opportunity to own an adequate home.

HOUSING DELIVERY SYSTEM

□ The challenges

Although the Government has tried to address the problem of the adequate and affordable housing to the nations over the past 25 years, the progress is slow, and the problem of "informal settlements" is still growing. It is the dream of every Libyan to have a house of his own. However, the problem of access to affordable housing for the poor is too much for any one group to solve alone. The challenges today is to fill the missing link between the delivery system of affordable housing and the low-income communities, together with the long term commitments of the Government and private sectors who involved in the housing industry to resolve massive housing problem at the same time, seeking a balance between shareholder value and social responsibility. Our Government should be aware of this; it is an open market economy. This means that the economic growth depends on the market driven industry. There will be competition among industry players, and there is no exception in the housing industry. With globalization, foreign players will eventually penetrate the industry. Indirectly, the foreign contents in housing will increase. Although cheaper building materials and foreign input will be imported from the country, it will not be able to lower the price of the house. Local inputs such as building material, labor, and the whole delivery system that

continue to rise the price houses. Moreover, with all above challenges, Libyan housing developers also need to accommodate new demands – both by regulations and market demand. As such, it is necessary to study the delivery system especially for the affordable housing and at the same time, to enhance the delivery system.

🏠 The Delivery System

» The Conceptual Process

This is process when the developer decides to develop a piece of land, and it all depends on the location of the land, the market demand, the budget, the price and its physical forms. All these elements will have an impact on what type of houses (flats or landed properties) to be built. Moreover, from there, the size and price of the houses will be determined. However, there are more and more challenges faced by developers during this process. The availability of land is one of the biggest challenges, as the developers need to ensure the location is suitable. However, land is a non-renewable resource, and the land prices have continued to escalate. Besides that, good land is more difficult to come by and houses are forced to build further and further away from economic centers indirectly, the traveling time and cost will increase. All these will be obstacles for the private sector to develop affordable housing in prime areas where demand for such housing is high. For no doubt, the Government should play a more proactive role in allocating suitable land for development of affordable housing. The other challenge is the costs of labor, material, and infrastructure which usually cost more than 60% of the cost of a house. The house pricing is all depending on the fluctuation of those costs. Especially when the housing industry is heavily relying on foreign workers – both the skilled and semi-skilled labors. The new restriction on hiring foreign labors strict has decreased the number of them. Due to the labor shortage, the builders faced disruptions, and the labor costs have increased significantly over the last few years. Investment in the housing sector constituted a high percentage of the country's five-year plans compared to the total amount of capital investment allocated for the development which was 10% in the fifth five-year plan (1990-1995). The three previous development plans in Libya (Second: 1975-1980; third: 1980-1985; and fourth: 1985-1990) increased the number of new houses and improved the existing ones (Hudana, 1995; Abdulmagid and Ruddock, 2001). The development process in the housing sector during these earlier periods depended on the Government's efforts in the field of building and construction. During the fourth development plan, housing activity greatly declined including the activity of governmental departments, which used to provide their staff with houses. The development of the housing sector is a field, which will depend greatly upon the activity of the private sector and its financial resources (Garnett, 2000). A basic need of the population is an adequate shelter. This is a major indicator of the living standards as it contributes directly to

prosperity and indirectly to health and productivity. These two elements are vital to national economic growth.

» The Approval Process

We cannot deny that the Libya housing industry is really highly regulated. There are more than 50 pieces of legislations, guidelines, rules, and regulations on land, building, environment and workers' safety. All these laws, policies and regulations are different from state to state, local councils, and governmental agencies. Generally, the process state with the planning permission and ends with the Certificate of Fitness for Occupation (CFO). Throughout the whole process, there are so many regulatory requirements to be fulfilled before obtaining approval for each of the steps to get CFO. Sometimes, the guidelines are not clear enough and have caused unnecessary discretion for interpretation. This has delayed not only the process but also gave change for both the approving person and developers to abuse the system. Sometimes, the culture of facilitation can have the hidden costs up to 15% of the cost of a house. For sure, this is not what the nation desires in the long run as the cost of such practices will still go back to the house buyers at the end of the story. This means that the cost to develop a housing scheme will increase and cause the house prices becoming too much to be afforded by the low-income groups. In short, the trend of increasing regulatory and compliance costs, if not urgently arrested, will soon threaten to slow down the growth in the industry. Moreover, if the situation remained unchanged, the cost will continue to rise, and it will be impossible for all Libya to own a home. However, these regulatory costs are not the only hindrance to access to affordable housing in this country, but the weakness in distribution system has also caused the lower-income group not able to gain access to affordable housing. In fact, the distribution of LCHs which developed by the private sector is handled by the State Government through a computerized open registration system. In another word, developers will need to get the list of applicants from the respective State Government. However, we always hear that most of the time, the list fail to be delivered to developers and even the lists have been obtained, they are often outdated. At the end, only 10 present of the potential purchasers listed will take up the low-cost units offered. This is because these potential purchasers are not allowed to choose their preferred location, and when they are offered LCHs at the unsuitable location, they prefer not to accept them. This is definitely the mismatch between the supply and the demand. However, the developers are still required to build required quota of LCHs.

» The construction process

This process involves constructing houses, which have been purchased by the house buyers. We all know that it will take at least twelve to eighteen months to build for a housing scheme, simple process. However, complaints received from house buyers are often related to poor workmanship and quality of houses. Especially for the low-cost units, the poor conditions of the units are even worst. There are two major

reasons for all these. The first reason is unskilled labors, mostly the foreign workers. Moreover, there is no skills training for them, and they can only improve their skills through time and work experience. Unfortunately, most of them do not. Besides that, lack of supervision during the construction period has also caused the poor workmanship and quality. The normal practice in this country is a site supervisor, a consultant or even a supplier will need to handle many projects at same time. This means that they do not have sufficient time to monitor each of the sites that they are handling with. Of course, loose supervision leads to the poor condition of the houses, especially the LCHs. Although Industrialized Building System (IBS) may solve part of these problems as it will manage to reduce construction time, labor input and ensure the quality of works, it will also increase the construction cost of the project. So, only 15% of buildings in Libya use IBS. From this section, a general conclusion can be drawn that it is clear there are many challenges facing the industry in delivering affordable house. As we can see, every player has an important role in each of the stage of the delivery process, and it is obvious that the access to the affordable housing should not only be the responsibility of the private sector alone. To ensure the delivery system to be successful and effective, everyone in the system, including the Government and its agencies, developer, contractors, consultants, etc must contribute to solving the above-mentioned problems.

HOUSING POLICY

The housing policy was aimed not just at low-income groups but also middle- income groups, living in either unsuitable houses or in huts. The main goal of this policy was to house all Libyan people by giving them the opportunity of owning an adequate home, and so raise the standard of living of the whole Libyan population. The government recognized not only the need for adequate housing for all citizens but also the need for public facilities such as water, electricity, sewage, parks, and security. The housing programmer consisted of 386,000 units in the period of 1970-1985. According to the study performed by the Ministry of Housing in 1989 on future housing needs, 50000 dwelling units had to be built each year. During the period of the Transformation Plan 1976-80, with a total of 80,319 units completed by both private and public sectors, the overall average annual completion rate was 16,000 units. The housing situation deteriorated, the shortage in 1980 is 42% greater than that in 1975, although it cannot be denied that the quality of the housing stock in the country has improved considerably. Low-income type accommodation having been abandoned and middle-income type dwellings having been allocated to shack dwellers and low-income groups. In consequence of the shortcomings of the previous plan, of 1975-80, a new phase of development had started requiring the reorientation and further adjustment of housing policy (Essayed, 1981b). These adjustments were expressed in the comprehensive programmer of socioeconomic development as well as in a

prospective plan for the housing sector for 1980-1985. The principal object of this plan was to shift the major burden in housing construction from the public to the private sector. The plan proposed a considerable increase in house construction. The target was 206,152 units to be completed, that is to say, 165% of the previous plan fulfillment target (Essayed, 1981a).

Government Efforts In Public Housing

During the development and changing process, the main challenge to Libyan cities was the problem of squatter settlements especially in the capital (Tripoli). These squatter settlements appeared around the industrial areas, military compounds, and commercial complexes. The Libyan government sought solutions for this problem considering its humanitarian aspect. It bought lands owned by individuals or other legal owners and then started constructing roads, schools and other services (Ministry of Housing and Works in Libya, 1997). It also provided people with plan and designs. Regarding low-income citizens, the government set forth a programme outfitting parcels of land, provided with all services and facilities, then distributed them among citizens free of charge. The government also gave easy long-term loans through the Real Estate Development Fund to enable the citizen's build their own adequate houses. These hundred of thousands of land parcels throughout the country solved the problems of hundreds of thousands of families in Tripoli, where more than fifty thousand parcels within ten years were distributed. The houses in Libya had local characteristics. They were generally built of the available simple local building materials such as stone, mud, date palm, trunks, branches or leaves, wood, and plaster. However, after the great expansion in the municipalities of the country, the conditions of residents and the houses changed (Hudana, 1995). The old buildings of most Libyan cities began to change rapidly and be upgraded. Buildings construction required permission from the municipality. Permits were issued upon fulfilment of certified plans and designs. Housing in Libya passed through several stages and phases of development and programmers until it reached its present position. Both major sectors participated in the housing development process - the public sector, and the private sector. The aim was to provide adequate, hygienic houses with facilities and services suited to modern life and at the same time conforming to the financial capabilities of individuals and families.

The funding of housing

According to the type of housing policies and programmers followed, funding is carried out through the following channels:

i. Public sector:

1. The Central Housing Corporation;
2. Ministries having Housing responsibilities;
3. The Real Estate Investment Company - The General Institute of Social Security;
4. The Real Estate Bank; and

5. The National Investment Company.

ii. The private sector:

1. Commercial Banks; and

2. Co-operative Housing Activity.

Modern housing built

Housing was one of the major concerns of the Revolutionary Government from the beginning, and the provision of adequate housing for all Libyans by the 1980s remained a top priority (Essayed, 1982a). By 1969, a survey at the time of the Revolution found that 150,000 families lacked decent shelter, the actual housing shortfall being placed at upward of 180,000 dwellings. Both the public and private sectors were involved in housing construction during the 1970s, private investment and contracting accounted for a large portion of all construction until new property ownership laws went into effect in 1978, that limited each family to only one dwelling. Despite the decline of privately financed, undertakings, the housing sector constituted one of the most notable of the government's achievements. By the late 1970, the hovels and tenements surrounding Benghazi and Tripoli had begun to give way to modern apartment blocks with electricity and running water that stretched ever further into what had once been groves and fields. These high-rise apartments became characteristic of the skylines of contemporary Benghazi, Tripoli, and other urban areas.

Building and construction sector

The national construction industry in Libya has been very weak and unable to meet the demands of development. The lack of manpower in general (and skilled manpower in particular), and a shortage of building materials as well as the low degree of industrialization in the building field, are the main reasons for the inadequate construction capacities that have caused long delays in the implementation of housing programmes (Essayed, 1981). The Government, having in mind the importance of this sector in the economic and social development of the country, has been concerned and involved in activities intended to overcome the construction problems. Between 1975-1986, the government invested some LD25.9 million in housing, which made possible the construction of 227,500 housing units, according to the official sources (Minister of Housing, 1989). To reach these targets, the regime drew not only upon Libyan resources but also enlisted firms from France, the Federal Republic of Germany, Spain, Italy, Turkey, the Republic of Korea, and Cuba.

Suggested ways to ensure quality housing

Libya suffers from a severe housing shortage, particularly in urban areas, where housing programmes are mostly dominated by public social rental housing. The housing sector does not perform well when measured against either economic growth or social shelter objectives. This situation is due to a combination of a malfunctioning housing market and policy constraints impacting housing supply and demand. On the demand side, effective demand for housing is suppressed by lack of access to finance mortgage market and the absence of long-term investment accessible

mortgage loans. The current stock of mortgage loans represents only 1% of GDP (particularly low even for an emerging economy), and housing loans to individuals remain less than loans to developers (mostly public owned).

CONCLUSIONS

Housing is certainly considered one of the major factors to be borne in mind when processing social and economic planning. The provision of houses in Libya helps the citizens own their houses and that consequently contributes to the upgrading of living standards and the provision of the needs of the citizens. Housing in Libya, especially in some cities, indicates that housing of the low-income and poor especially in the cities required joint efforts between the public and private sector. Group houses were constructed, residences were provided to employees of companies and establishments, land parcels were distributed, and loans were offered by Real Estate Development Fund or banks in accordance with the housing policies laid down by the government of Libya. Some conditions should be taken into consideration for changes towards housing strategy in Libya:

1. Local authorities should perform a policy of substantial investments in the public sector and the creation of a viable infrastructure for the economy.
2. The encouragement of investments made by the private sector through providing suitable conditions for its investment.
3. The confrontation of important changes in the rural sector, such as demographic pressure on land, and related condition of lifestyle.

Moreover, between the builders and the buyers, the issue of build and sell concept is bugging both sides of parties. The advantage and disadvantage have been raised Government planning to introduce it in the housing industry. With all the housing issues above, there will never be a reduction in Government responsibility to encourage an integrated approach to the use of financial, institutional, human and physical resources in public, private and the so-called "third" sector – the community to solve the housing issues as a team.

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