

## PPPs as a Housing Delivery for Affordable Housing Development in Yemen

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### Abstract

*Government in the developed and developing countries have tried to tackle the problem of housing discrepancy to their nations over the last three decades. This paper has emphasized that a pragmatic housing policy in Yemen should endeavor to resolve the contradictions among "need", "demand" and "supply" in the housing market. It reveals that there is a peculiarity between top-down and bottom up supply to gratify effectiveness and fairness in housing policy. It scrutinized the experience of housing policies in developed and developing countries. It presented the Public Private Partnership (PPP) as a promising housing policy in both developed and developing countries. It explored the evolution of housing policy in Yemen the case of Aden city, signifying that (PPP) is a promising housing policy that could be carefully adopted as housing policy in Yemen.*

**Key words:** Housing policies, developing countries, developed countries, Public-Private Partnership, Yemen



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### INTRODUCTION

There has been little or no housing policy or planning for housing in most of the developing countries. A survey conducted by the United Nations in 1974 shows that of about 128 nations in Third World countries, 30 had a deficient housing policy. This means that about 77 per cent of the Third World nations had some formal recognition of housing policy and Yemen is not an exclusion (Rakodi, 1995). Recently, in Yemen, the Ministry of Public Works and Highways, proposed some Terms of Reference (ToR) for developing a housing policy for the country. That proposal announced that the problem of housing has proliferated in the last two decades due to many interconnected factors including the increase demand for housing. It is also enthusiastic in accomplishing housing policy goals by spotlighting on easing the housing claim for all. Moreover, it recommended that ToR have to be based on preceding local preliminary studies and reports (Ministry of Public Works and Highways, 2010)

Housing problem is not essentially met, because of the increase in housing demand, which means that people have the ability to pay, or because there is not enough housing supply. It is rather as argued by Turner (1990) in the increase of housing need, and the existing housing is beyond the ability of the urban poor to pay. The materialization of poverty is signifying in poor housing, and depleted living conditions of the urban poor in all Third World cities and Yemeni cities are included. Therefore, a stable and long term policy to improve housing and living conditions would be to improve the economic status of the poor to house themselves (Turner, 1990). That could be achieved by government intervention in formulating a housing policy. Seeing that in other areas of socio economic policy, the duty of the government interference in housing has been residue as a matter of disagreement. Visions have ranged from fewer or even no public interference, on one hand, to that of extra widespread role. Governments' housing policies have been concerned either by efficiency of investment in housing or by equity objectives, which relate to the just distribution of that investment (Rosen, 1985). In an attempt to address the problems of increased housing need and housing accessibility, housing scholars have conducted studies, which can be classified into four categories: descriptive, causal, impact and comparative.

Descriptive studies are studies that describe and arrange data into patterns as indicated by Headey (1978) in the Housing Policy in the United Kingdom, Developed Economy, Sweden and the United States of America. Causal policy studies are historical evaluations of ideological theories as seen in Green and Malpezzi (2003). The considerable policy studies are those which evaluate given policies to determine

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their outputs and their outcomes and consequences as seen in (Okpala, 1992). Moreover, a review of the Possible Future Trends and Experiences of the housing production systems and technologies in developing countries have been conducted. This compares the policy analysis that involves cross national assessment of similar systems to determine whether the effects on policy are culturally specific or the result of the policy system as indicated in the work of (Hardoy and Satterthwaite, 1981).“ Inconsideration of the comparison of land, housing, as well as settlement policies in seventeen Third World Nations, by regarding the Aden city as a case study, the present paper presents the development of housing policy in the city. The above-mentioned frameworks of the comparative and descriptive analysis are utilized to explain the evolution of housing policy in Aden city. This evolution can be divided into three consecutive political periods; Colonial era (1839-1967, Post-independence (1967-1990) and Post-state unity (1990-present time).

For the purpose of clarity, this paper started by referring to "Need", "Demand", and "Supply". The rest of the paper has been organized in five sections. These sections are housing policy experience in developed countries, content and appropriate concern in housing policies in developing countries, housing policy experience in developing countries, emerging housing policies and housing situation in Yemen (Aden as a case study). Finally, conclusion remarks have been set. The practical contribution of the paper is to provide a conceptual background for the present search for a housing policy in Yemen. The paper will add to our understanding on the key characteristics of housing policy measures adopted by the government of Yemen.

## REVIEW OF THE RELATED LITERATURE

### Definitions (Need, Demand and Supply)

The term need according Al-A'Bed (1996) refers to the extent to which both the quantity and quality of the obtainable accommodation falls short of what is essential to provide each family or person in the population, irrespective of ability to pay or of particular predilection, with accommodation of a specified minimum standard and above. Moreover, the term demand in the economist's context refers to the "Effective demand for housing relates to the accommodation for which people are willing and able to pay. It takes no account of personal aspirations that cannot be fulfilled because of lack of money". The distinction between 'need' and 'demand' is therefore that the former is a term used to denote the inadequacy of existing housing provision when compared with socially desirable norm, and the prescription is that provision should be improved to at least attain that norm. On the other hand, economists use the demand as a descriptive term to denote the relationship between the price of housing, quantity, quality of housing for which people are able and willing to pay.

The review of literature on the housing supply in developing countries suggests that actors in housing sectors consist of politicians and public sector. These actors (Public Housing Departments), the suppliers of land (Landowners, Landlords, Speculators, Real Estate Agents), housing capital (Building Societies, Banks, Saving & Loans Associations), labour (Public Direct Labour, Co-operatives, Building Companies, Contractors, Private Enterprise, Builders) and consumers (Owner, Occupier and Tenants). Each actor has objectives and incentives. The production and consumption of housing by these actors is typically categorized into two sectors conventional (formal) and non-conventional (informal) as shown in Fig.(1).

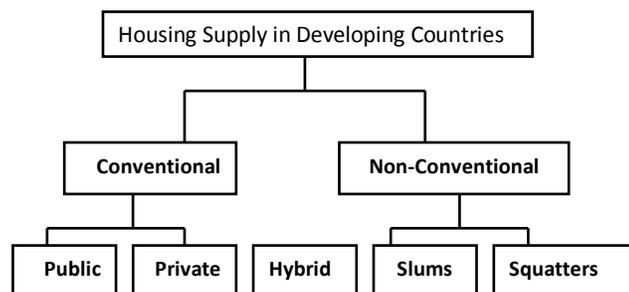


Figure 1: Housing Supply in Developing Countries  
Source: (Drakakis-Smith, 2012)

A realistic policy in housing should aim to resolve the contradictions among "need", "demand" and supply in the housing market. That is by increasing the household income to meet housing demand, lowering housing cost to satisfy housing need, or a combination of these two.

### **CONTENT AND CONTEXTUAL ISSUES IN HOUSING POLICIES IN DEVELOPING COUNTRIES**

A housing policy according to Rakodi (1995) defines overall objectives and responsibilities of various participants in the housing delivery system. The general directions for the kinds of housing to be developed, set priorities for delivering of housing to various income groups, especially other target groups, general financial terms, conditions, the role and dimensions of possible subsidies. According to Hardoy and Satterthwaite (1981) therefore, the requirements of a housing policy to meet national and individual needs are: First, The housing to be provided must be in the right place, in the right quantity at the right time. Second, dwellings must be of the right size and form and the right construction, and most importantly, they must be available at the right price (Hardoy and Satterthwaite, 1981) . Housing assessment policy depend the extents to satisfy policy programs the above-mentioned specifications and requirements, particularly how these programmes benefit households of different income groups. If housing programmes carried out in the most developing countries are evaluated in terms of how they satisfy needs of different income groups, it will be observed that they (partially) satisfy needs for only a few, mostly the higher income households. This out-come is usually quite different from the professed goals and targets of the policy makers of these governments. Various factors such as ideological, political and technical, affect the implementation of housing programmes in developing countries (Headey, 1978). Arguments about housing policy are based on conceptions of efficiency and equity or distributive justice. Using examples from the developed economies of the United Kingdom, the United States of America and Sweden, Headey (1978), discusses four of these: liberal, democratic, marxist and elitist. For reasons of efficiency, the liberal conception advocates the free play of market forces in the housing sector. They regard the market as the best means of allocating resources and ensuring that the maximum supply of housing is produced for given factors of production. On the other hand, the democratic view advocates equity (Headey, 1978). The government intervention in the housing sector secures decent basic standards of housing for low-income families. The weaker version of this is that assistance should be given for poor households' to be able to afford decent accommodation without paying an excessive proportion of their income (Oteng-Ababio, 2011). The strongest version of the representative equity endorses the provision of good quality neighborhoods and land use planning as well as satisfactory housing for the entire population and programmers designed to bring significant redistribution of these services in favor of lower income groups (Headey, 1978). The third is the marxist concept, which advocates equity and suggests that when the final stage of communism is achieved, resources will be distributed, "from each according to his ability, to each according his needs". According to Headey (1978), the Marxist concept has had little impact on housing programmers in Eastern Europe. Finally, to maximize housing efficiency, there is the elitist formulation, which Headey (1978) observes is difficult to defend, which confers additional benefits on households, which are better housed in the first place. In most developing countries, the exact philosophy being pursued is not clear. The following sections clarify the policy of housing in developed and developing countries.

### **POLICY OF HOUSING IN DEVELOPED COUNTRIES**

Green and Malpezzi (2003) came out with proficient assessment of the contemporary situation of housing policy in the United States, as well as some of its history. In latest years, the federal and local governments play an overriding role in the policy of low-income housing. There are three types of federal rental housing assistance programs. The first of the three rental housing assistance programs is public housing program. This program includes housing projects, which are infatuated handled via local public housing authorities and primarily established by local governments but funded from the federal government. The second program is the housing program, which includes subsidized projects that are owned surreptitiously, by either nonprofits or for-profit organisations, and receive subsidies from the government. The third program is tenant-based assistance in private housing. This is supported by way of housing allowance and housing voucher programs (Olsen, 2003).

However, all the three stated programs have shown considerable discrepancy over time, with regard to the nature and coverage of the subsidies afford to building owners, as well as tenant rent formulae and tenant eligibility criteria (Buckley and Kalarickal, 2005). This indicated that less than half of the 14 million-tenant family that suits the eligibility criteria obtains rental assistance. Because of this, the past four decades, mark a stable faction away from public housing so as towards housing allowances premeditated according to the income of the tenant household (Arnott, 2008).

The existing majority viewpoint, based on a variety of experimental studies, some of which are assessed in Olsen (2003) indicating that elements like demand-side, income-related as well as rental assistance strategies are more proficient than supply-side rental assistance policies that are online with a variety of criteria. Moreover, dreadful occurrence with public housing has led policy makers to support the “de-concentration of poverty populations” for example the Moving of Opportunity (MoT) programme to mitigate residential segregation (Wardrip, 2005).

Over the last 40 years, after World War II, governments of Northern Europe became involved in housing sectors more widely than United States. Moreover, in some countries most house building was commissioned by the state, this was due from different social philosophies attitudes in the Nordic countries particularly were more socialistic and less market-oriented, placing more prominence on social equity and less on efficiency (Arnott, 2008). In other countries, housing organizations set up to counter the crucial housing scarcity after the War, were only gradually take apart. The enforcement of first-generation rent control programs to private rental housing was universal. All European governments, during last two decades have been gradually withdrawing from the housing sector, through liberating and moving towards superior buoyancy on markets in the specification of housing, with rental housing assistance being increasingly geared to income. Otherwise, in United States there was an analogous inclination towards demand-side tenant-based housing allowances and away from supply-side construction-based subsidies. While European governments have stimulated to greater reliance on the market for the stipulation of housing, it is the reliability of government in a civil society to promise reputable and realistic housing for all its masses (Arnott, 2008).

## **EXPERIENCE OF DEVELOPING COUNTRIES IN HOUSING POLICY**

With reference to the World Bank’s assistance, this section will review housing policies in developing countries. This section is based on the Bank's housing policy experience in developing countries. Most of this section has been summarized from (WorldBank., 1993).

### **Slum Clearance**

This has been the traditional method of eliminating unlawful residents and poor housing reserve in the city. Slum clearance, which lasted well into the 20<sup>th</sup> century, has recorded slight success. Slum eradication is exclusive, reduces housing stock and is managerially unmanageable. Many of the new public housing blocks constructed on the unoccupied location for the slum inhabitants have proved too luxurious for the previous inhabitants of those areas. Such undeviating, often elevated quality, building is only reasonable by the poorest sections of society if sustained by subsidies reaching as high as 80% of costs (Pugh, 1995). The World Bank has shore up series of such housing plan schemes. Public housing projects were overriding during the 1960s and are now extensively accredited to have been collapse. Resources were frequently made available for building but not for preservation, and most rents fell sharply in real terms due to rent control, leading to speedy worsening of housing units (World Bank, 1993).

### **Slum Upgrading**

Over the last three decades, urban planning focused on simplifying rather than confining growth of cities through stipulation of infrastructure and the elimination of socio-economic and environmental impediment in the course of their movement and improvement (O'Hare et al., 1998). In keeping with these views, and as housing needs increasingly outran obtainable funds in the 1950s and 1960s, housing policies took new commands. Policies of housing, which highlighted the positive features of rising at comparatively low cost accessible informal settlement over time, were given authority (Turner, 1990). Aziz and Shawket (2011) revealed that there are strategies to improve slum areas in developing countries. These strategies comprised of three stages the first stage is planning change, second stage is facades adjustment third stage is urban image adjustment. Therefore, by means of this method, governments could locate and resolve housing problems originated by growing residents’ numbers, without troubling

informal settlement to accomplish sustainable housing development, which rely on the concept of self-built.

### **Sites-and-Services**

Spence et al. (2009), argued that sites and services programs, commenced at Senegal in the year 1972 as the first essential shift in policy of housing in the postwar years from commencing total public housing provision to public assistance in private housing production. This change was based on the apprehension that in most developing countries, legal housing produced by the private sector was not reasonably priced for most urban inhabitants (Spence et al., 2009). Produce massive amounts of housing with a high level of quality enough in meeting urban needs required, gigantic subsidies that most governments in market-oriented economies were either averse or not proficient to pay for (Arnott, 2008). Low-income governments were constructing reasonably priced housing through developmental process, with self-help and self-management of the structure process. The provision of secure land tenure and basic infrastructure services increased the inducements of households themselves to endow their savings, labor, and management skills in housing (Buckley and Kalarickal, 2005).

Nonetheless, sites-and-services like slum improvement projects required to translate these observations into practical solutions by executing more reasonable structure standards and providing basic infrastructure services or core-housing units instead of finished units. In this method, the serviced sites, with secure titles and long-term leases, would make available family with a reasonable foothold in the housing sector without entailing subsidies. Even though, in some cases these projects seem to be comparatively large. They were being envisaged as experimental demonstration projects in quest of meeting three prime objectives, which include the provision of reasonably priced housing for low-income families, cost recovery from beneficiaries resulting in the abolition of public subsidies, and replicability of such projects by the private sector, signifying that it could move down market to produce many reasonably priced housing (Arnott, 2008). The key objective of site and services projects, physical provision for units of low-cost housing, was checked widely. Regrettably, the vast majority of projects met neither the second nor the third objectives. The third objective, replicability was generally not met because the key features were not replicable (by the private sector) on a large scale. Moreover, the waiver of zoning, land use, building policy, accessibility of overseas and domestic proficiency, access to government land at below market prices, and interest rate subsidies were important aspects of such projects that either were not or could not be simulated. Hence, the slum upgrading projects were, on the other hand, capable to suit the replicability criterion and to distribute subsidies more widely to the poor (WorldBank., 1993).

### **CONCEPT OF SUSTAINABLE DEVELOPMENT**

There are several of authors who debated on the concept of sustainable development, (Carley and Christie, 2000; Sadowski et al., 2002; Scupola, 2003; Samii et al., 2002). The definition most cited of sustainable development was put out through World Commission on Environment and Development. This definition emphasized that sustainable development is that which meets "the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland, 1987 p. 8). More so, it refers to the common and contemporary goal of many urban development policies in various countries (Berke, 2000).

In addition, there is an important change in policy of housing and practice within the World Bank during the 1980, which gradually moved away from sites and-services toward lending housing to finance institutions this change was encouraged via two broad objectives. The first goal was a perceived opportunity for the Bank to handle wider economic issues in borrowing countries. Activation of the housing finance system well was contributed to achieve the goals of the financial sector by upgraded native resource mobilization, fiscal objectives by making subsidies more clear and better targeted. The second goal may be more urgent, objective to influence overall policies and routine of the housing sector through the broad instrument of housing finance system development. Finally, important lessons learned at the World Bank during during the past three decades could be explained in the following:

The macroeconomic and regulatory environments are significant; the unceremonious housing sector has important contributions; Building projects, as an approach, has partial impacts; attention should continue

to change on the housing sector as a whole, and assurance should be transferred from projects to institutional redress (WorldBank., 1993).

### **PUBLIC PRIVATE PARTNERSHIPS (PPPs)**

The term "Public," as in public-private partnership is defined below that entails the use of governmental resources, whether federal, state, or local in origin (Link, 2006). "Private" refers to any phase or view of innovation procedure, which engages the use of private sector resources, typically firm-particular resources. Furthermore, resources are defined to contain all resource's funding, comprehensive inquiry, infrastructural resources, as well as the likes that influence the widespread environments in which innovation transpires. Finally, the term "partnership" refers to any innovation-related relationships entail but not constrained to formal and informal cooperation (Link, 2006). On the other hand, Partnership as defined by Brinkerhoff (2002) is a self-motivated relationship between diverse players, based on reciprocally consented objectives, pursued through a participant's understanding of the most reasonable partition of work on the respective proportional benefit of each partner.

According to Kwak et al. (2009), the willing work in concert with arrangement between public and private organizations which consist of the sharing of resources, obligations, risks, as well as rewards with others for the accomplishment of united objectives.

The term Public Private Partnerships (PPPs) is a sunshade refers to government schemes involving the private sector in public sector projects. The conventional form of public procurement used in most industrial countries is based on a form of unbundling. Firstly, the government designs the characteristics and quality attributes of the infrastructure to be built. Second, the government decided, that a private designer should build those assets on its behalf but retains ownership of those assets. Finally, the government selected an operator, who may be either public or private, to manage those assets and provide the public service (Martimort and Pouyet, 2006).

In recent times, several inventiveness around the world and various legal reforms have recognized an alternative form of procurement, typically called PPPs, in which the government takes a strategic, regulatory position. Unlike traditional forms of public procurement, in PPPs the government contracts with a private company to design the quality attributes of the infrastructure, to finance the building of the assets in addition to the maintenance and management of them as efficiently as possible over a long period (Martimort and Pouyet, 2006).

Furthermore, PPPs is defined as a sustained mutual effort among the public and private organizations in obtaining common goals whereas both players trail their own individual interests. This definition indicates that PPP involves the share of every partner in the design. It throw in a division of the funding, managerial plus technical resources necessary to execute and sometimes operate the project in agreement with every partner's relative obligations, as well as partially take on the risks connected with the venture and acquire the benefits expected by each partner whom the project creates (Pessoa, 2006). In practice among the most significant aspects of attracting institutional finance is managing risks and transfer of risk. These are at the heart of PPP and the target is that the party should detain risks, which is best able to manage them. The implication is that some risks will be contractually allocated to the private sector, though others will be preserved by the public sector or may be shared (Demirag et al., 2010).

### **(PPPS) AS EMERGING HOUSING DELIVERY**

Public-private partnership (PPPs) has been accomplished for delivering of housing in many developed and developing countries. It has practised in Australia, the United Kingdom, Canada, U.S.A, Malaysia, Bulgaria, South Africa, Russia, Egypt, Tunisia, India as well as Thailand (Payne, 1999).

Even though the private developer is likely to execute all development tasks under PPPs, the public sectors may take on the role of the 'regulator' (Leung and Hui, 2005). While 'enabler' take the responsibility of providing the enabling environment for the private partner to step in, even as 'moderator' balance market incentives with community interests (Sengupta, 2006). As well as 'facilitator' who takes the responsibility of assisting in project completion in addition to reducing the developer's risks as indicated in (Lynch et al., 1999). In South Africa, Bulgaria and Russia a variety of forms of facilitation are included in their housing PPP (Dewar, 1999). Under India's participatory development schemes, the

public agency offers grounds of legal base, favourable policy environment, development guidelines and even loans (Adusumilli, 1999). In Canada, the facilitation is by way of permitting design plasticity in terms of, for example, permitted height, density, site construction and open space, in addition to reshuffling the approval process.

Nonetheless, partnership is a significant means of provision, which tied different styles in different socio-economic context to generate synergies for well-organized and reasonable housing provision. Partnerships may also be seen to link the ideological divide amid the promoters of the free market system and those of state intervention by allowing the participation of both in addition to community actors (Jones and Pisa, 2000).

A common form of partnership relates to public-private joint venture schemes. In this form of provision public authorities usually supply contemptible appropriate land and tax incentives which private firms provide finance and construct housing units on these lands in swap for being able to sell an agreed part of the projects on the open market and offer the rest to low-income house (Drakakis-Smith, 2012; Moatazed-Kevani, 1993) grasps at agreed prices. Such plans have been tried in numerous developing countries including Malaysia, India and Iran. Depending on the context, the design criteria of at least the low-income section of the project is settled with, or resolute by, the government side (Drakakis-Smith, 2012).

Another type of partnership can crop up between the public and co-operative form of housing provision. In this style, the public sector provides free land or below market price even as members of the co-operative finance and build their own housing units. (Keivani and Werna, 2001). This form of partnership was executed reasonably successfully in Iran after the 1979 revolution. In the year 1985, for example, over 6% of total urban housing venture in the country were offered under this style. Again, for such styles to be efficient it is essential that the government have both the political will and physical resources to execute such programme. In addition, to Iran, co-operatives have proved to be reasonably successful in a number of countries including India and Turkey (Okpala, 1992).

Moreover, the PPP housing policy in South Africa is part of the recently elected government's strategy of bringing all of the major housing stakeholders into the process, including private housing contractors, co-operatives, communities and civic associations, to convene the obligation of making the process work and to control housing costs (Mackay, 1999). Lack of political determination and undue interference has been renowned as the main reasons for failure of innovative projects in both India and Pakistan (Jones and Pisa, 2000). In addition to the political determination as well as physical and institutional capacity of the government, the success of such systems is also reliant on gratifying the requirements of the other stakeholders. In the case of private players, the profit cause is apparently the most significant factor. In Iran, for example, until 1990 the public-private policies had not been very triumphant due to the unsuitable locations of the land plots obtainable by the government, which created problems of sale of the units on the open market (Moatazed-Kevani, 1993).

Likewise, the ejido-private partnership programme in Mexico has thus far verified to be not very successful. Jones and Pisa (2000) indicated that by early 1998 only eight out of 1122 ejidos (co-operative farms) adjoining Mexico largest cities had established partnership schemes in 12 projects. Reasons for this incorporated bureaucratic inadequacies and delays in surrendering land titles, deficiency of capital in the ejido sector and supremacy of the policies by the private sector to the elimination of ejidatarios leading to loss of control over their land and the project without adequate financial compensation. As a result, the Mexican government has taken steps to conquer these problems with fast footpath legal title stipulation and proposals for new lines of finance for ejido development through a national fund or state government. In the event of stipulation of public finance, the government would become a formal partner in the project until such time the ejido has repaid the capital or chooses to contribute serviced land (Jones and Pisa, 2000).

Therefore, the dispute for governments is to master the political determination and for international and national policy makers, practitioners and academics, to formulate innovative policies for apprehending the prospective without predetermined ideological biases and favorites. Depending on the social, economic, political, legal and institutional circumstances as well as competences of countries alarmed

there are different opportunities for co-ordination and creation of synergies through harmonizing combinations. The task, however, is by no means easy.

### **HOUSING SITUATION IN YEMEN (ADEN AS A CASE STUDY)**

Evidence is produced in this section to show that housing policy correspond closely with the country's political process. Housing development in Yemen in general and Aden city as a case study in particular has existed for a long time, but the development of a national housing policy is not well defined. In order to have a review of the evolution of housing development in the case study in Aden city has been divided into three consecutive political periods as follows:

1. Colonial era (1839-1967)
2. Post-independence (1967-1990)
3. Post-state unity (1990-present)

#### **Policy of Housing in the Colonial Era (1839-1967)**

This era was an "era of housing reservations or the era of white ghettos" (United Nations and Social Commission for Western Asia. Human Settlements, 1985). Two reasons are given for the policy of "white reservation" district. The policy was based on the concept of "sanitary syndrome" which aimed at keeping people of like sanitary standards together and differing standards apart. The second reason is that the policy was also used as psychological weapon in the exercise of political authority. The expatriate administrators saw themselves as a different species from the local people. One way to invoke and perpetuate such a mythical image around them was through residential exclusiveness.

In 1839, after occupation of British for Aden city they commenced to develop the pattern of European in some areas and built camps and houses for the British officers and their families.(Al-Abed, 2006a). On the other hand, occupation of British stimulated some investors to exploit their money to provide housing for soldiers. Subsequently, began the growth of the housing on a large scale this resulted to attract workers from the north and all cities in interior of the country. People who migrated began building homes from tree branches and mud in the isolated from the British housing (Ahmed, 2003).

The position continued in the Aden city as it is the same style used in the distribution of land to build their homes in the isolated areas. Few of the people managed to build houses on small plots of land not more than 30 square meters in limited parts of Aden. The land divided and sold for investors to build housing for military officers and government officials.

#### **Housing Policies and Activities in the Post-Independence Period (1979-1990)**

Al-Abed (2006b) indicated that houses, which had been occupied by the British officials, were nationalized and redistributed to government employees. Afterwards, a law was enacted determining the government's right to let to people in need any house left vacant for more than three months. The next step taken by the government was the nationalization (decree No.32, 1972) of all houses and residential buildings except owner-occupied dwellings. The main principles of the nationalization law were the follows:

Decreasing the rents by 25 per cent; eliminating investments in housing; this meant that each family was allowed to own only one house; all other houses shall be taken by the government for distribution to deserving families. Housing construction became the direct responsibility of the government who would endeavor to provide adequate houses in good condition for its citizens. The above measures have on the one hand resulted in an equitable distribution of dwellings among the people, and on the other hand caused serious housing problems to emerge in Aden (Taher, 1997).

Due to the socialist housing policy imposed by the government, the following housing problems have been identified: The demand for housing became extremely large since the theory of supply and demand for housing was no longer operative in the housing market. Neither the government nor the private sector could build enough housing units to cater for the additional population. After the gousing law No.32 for 1972, which nationalized 59,750 housing units in Aden out of 70,000 units, the maintenance of these houses, has become a serious problem. Therefore, it was estimated in 1983 that about 50 per cent of

the nationalized apartment buildings needed urgent repairs. It was estimated that the percentage of slum dwellings reached 25 per cent of the total units in 1980 (Taher 1997).

The socialist government has exerted tremendous effort to solve housing problem caused by socialist housing concept. It is worthwhile mentioning that during the Second Five Year Plan (1981-1985) 5,370 dwelling units were built in Aden where the housing need reached 36,000 units in 1983. According to (United Nations, 1985), although the government has adopted socialist philosophy in housing policy, it confessed that the government performance as regards the supply of housing has been inadequate.

#### **Housing Policies and Activities in the Post-State Unity (1990-present)**

This paper refers to the 1990-present period as an era of the "free play of market", which promotes the broadminded housing formation. A housing market as viewed by Al-Abed (2006) is the structural apparatus for the construction, swap and utilization of housing and housing services. The government during this period embarked on a series of positive and purposeful key actions and programmes, as well as re-organization and institutional creations and changes, which were aimed at having progressive impact on housing throughout the city. Among the problems, that characterized housing during the period of 1967-1990 was housing nationalization. Housing Law No.32 for 1972 has been cancelled after 1990. Many residential functions were created, and a greater allocation of investment to the housing sector occurred than previous periods. 95% of housing stock was provided by private sector (Haklan, 2002). In fact, the size of the city has been doubled; this is perhaps because of the improved economic situation, which arose from declaring Aden city as a free zone in 1993.

In 1993, government commissioned Greater Aden Master Plan (GAMP), which was an improved version of 1980 Master plan. The GAMP, which was prepared by the assistant of the Russians, was designed to accommodate two million inhabitants (Barashed, 1997). However, the city has expanded beyond the limits of the master plan in 1910 and the adopted policy towards the stipulation of housing was reliant upon three principles. The principles were as follows: In the year 1998, the then government provided 138 housing co-operatives. According to this policy, 3300 land plots (10\*12m<sup>2</sup>) were billed to private inhabited sector. That was to help 47,000 members (Al-Hazmi, 2004). The second principle was public housing stipulation policy to house the low-income sector. The Presidential low-income housing programme was kick off in many governorates and Aden was not an exception (Jawhar, 2007). The third principle was leaving housing in the hands of private developers who gratify to a large greater part who could have enough money to acquire or to construct their own homes (Al-Abed, 2009).

The housing activities throughout this era were largely depended upon the unorganized and intermittent efforts of public and private housing stipulation. The importance of such housing activities lies not only in the production of public housing units, but it is even more in inspiring people efforts whose input plays significant manipulation in housing improvement. However, not all-private housing provision in this period was inexpensive by the majority. The urban poor before amalgamation took advantage from the welfare housing system and compensated only ostensible rents. After amalgamation in 1990, however, the government determined to cease the preceding welfare housing allotment system. The urban poor were unaccustomed to home purchase. They were left behind to accommodate themselves. Therefore, squatter settlements are still mushrooming in the city (Al-Abed 2009). Partnership between all housing supply parties (public, private and squatters) could have bridged this gap. To some extent, the 1990-present period was a period of improvement in housing activities in terms of the number of positive changes that were made and the quantity of housing production. Public private partnership as an emerging housing policy has been adopted by many developed and developing countries. In Yemen as shown in the case study (PPPs) is still in its primitive stage. (PPPs) is a challenging option as a housing policy in Yemen. A promising policy could be carefully refined and developed to fit with Yemen context to secure decent housing for all groups.

#### **CONCLUSION**

In a search for housing policy for Yemen, this paper has emphasized that a realistic housing policy should aim to resolve the contradictions in the housing market among: "Need", "demand" and "supply"; "Top-down" and "bottom-up" housing supply; "Equity" and "efficiency". It examined the experience of housing policies in developed and developing countries. It presented the (PPPs) as an emerging housing policy in both developed and developing countries. It explored the evolution of housing policy in Yemen

the case of Aden city, demonstrating that housing policy is a manifestation of political and ideological will. In the past three decades, the developed countries have reconsidered in rental housing policy; this policy away from public housing and upholds building of private housing units for low-income people, towards housing allowances based on family income. The demand side; yield and aid policies are more effective than supply-side rental assistance. In the same countries, the main mechanisms for achieving justice have been redistribution by income tax and supported dramatically of essential services. To meet integrity in housing policy Move to Opportunity (MoT) programmes were introduced to minimize housing residential segregation. Per capita incomes in developing countries differ from developed countries also in having a relatively large informal sector. In 1960s the clearance of squatter housing and public housing were dominant in that period and became known widely it failed. During the past decades, the World Bank developed housing policy into three stages. The first stage was focused mainly on "sites, services, and slum-upgrading projects"; whilst that second stage was focused on housing finance development; last stage was focused on "housing policy development" loans.

Housing policy in developing countries could achieve better efficiency by enabling the labor market. The enable of housing market means the housing planning, optimal use of government Lands and correct the failures of the housing market. It is also by (Soliman, 1996), tolerating and facilitating informal housing markets. Assisting community organizations in setting up microfinance for informal housing and infrastructure investment is a promising new line of policy. Public Private Partnership (PPPs) is an emerging housing policy experienced in most developed and developing countries. As presented in this paper, (PPPs) demonstrates that there is a shift in housing policies from top-down supply oriented policies to meet equity to bottom-up and top-down partnership to secure both equity and efficiency in housing policies. However, (PPPs) must be developed and refined through greater research on identifying and examining the pros, cons, potentials, means and problems of co-ordination between different modes of housing provision in specific contexts in developing countries similar to Yemen context. Before adopting (PPPs) as a national housing policy in Yemen, this paper recommends, therefore, by calling for further research in this area.

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