

Housing Delivery System in Morocco

Problems and Opportunities

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Introduction

Housing and public works sector have been recognised as a vital engine driving the growth of economy all over the world¹. Housing addresses one of the basic needs, i.e. Shelter. It has direct impact, not only on the living conditions of low and medium income population groups, but also for achieving a higher growth rate. However, this sector continues to suffer from many dysfunctions and obstacles in most developing countries and is not functioning properly to make housing affordable to the majority of the population.

In Morocco, this sector has been characterized during the last four decades by a heavy deficit to be met, despite the persistent efforts made by the successive governments.

Place of the Housing Sector in the Economy

The housing represents the principal branch or activity in the public works and represents around 5% of the GDP. About 9.5% of the population is involved in the housing and public works activity.

Size of Construction Sector and Housing Sector

Country	Construction		Housing construction	
	% GDP	% of employment	% GDP	% of employment
US	8	6	4	3
Korea	16	9	5	3
Brazil	8	6	6	5
Poland	6	6	2	1
Russia	5	9	3	5
India	5	9	3	5
Morocco	5	9.5	3	5

Source: Mckinsey Report on Housing Construction (2000.)

National Deficit in Terms of Housing:

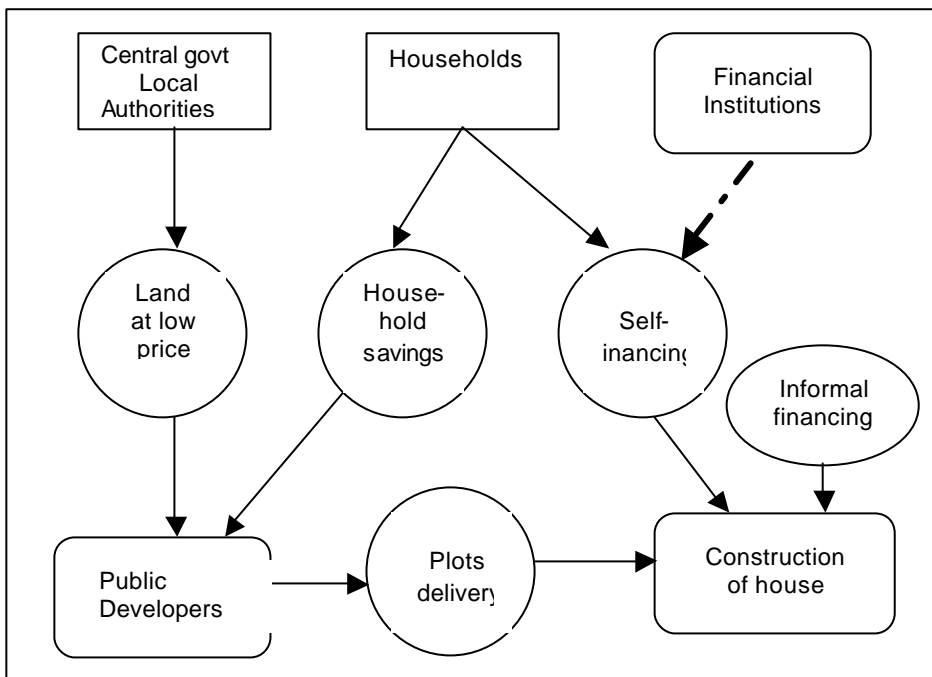
The housing deficit, at present, is estimated at 750,000 units. The population growth rate and the speed of the urbanization process are identified to be the main causes of this high shortage. Indeed, they overtake the rhythm of production capacity of housing. Our current delivery system can provide only 90,000 housing units annually against 125,000 units required, only due to growth of population and number of households. Since the need for housing could not be met

¹ Traditionally housing activity was listed as consumption capital as opposed to productive capital (Keynes:1937).

adequately, the poor took shelter in informal areas resulting in proliferation of 25,000 to 35,000 units of informal housing every year².

The delivery system has different meanings. According to Harper (1978:102) production stands for achieving the end result or product. In general, all theories and practices about delivery system put the track on putting necessary resources embarking on series of actions for completely satisfying the objective (Maria Saguti Marealle 2000:19). The housing delivery is the unison of different factors such as technical, technological, organisational, managerial, financial, and legal. etc. to reach the objective, which is producing housing units. In this order, many scholars argued that the housing delivery system must be different from many other processes. Bon states that housing products require much more time from designing step to the final step.

An indicative diagram showing the access process to a developed plot by a public developer is given below:



The Problem of Inadequate Housing Delivery

Housing started to gain more attention from the public authorities only during the last three decades. This attention during last 15 years has focussed on low-income group population. The current government has initiated new policy measures to meet needs of this target group. These initiatives have essentially focused upon providing financial and fiscal incentives and create favourable legal environment to promote affordable housing for the poor. Putting these measures in practice, they have not been efficient enough to tackle the low-income population-housing problem to a considerable extent. A lot of work remains to be done in order to provide mass and affordable housing and make the housing activity an integrated part of the working economy of Morocco. From the investors' point of view, the private sector is aware of the attractiveness of investment in social housing,

² Statistics provided by the Ministry of Housing. For more information please visit the Ministry web site at the following address: www.seh.gov.ma

but the issue lies to some extent on the demand side - the financial ability of the poor to pay. Being aware of the role of housing activity as engine of growth, because of its extensive linkages in the other sectors of the economy and meeting a very sensitive basic need, the Govt has been trying to create enabling environment through appropriate legal and financial interventions towards developing the sector. The authorities at the highest level have been aware of the negative effects that generate due to the proliferation of the slums. The head of the state has warned the government to be firm and carry out a deep reflection on the actions that have to be taken urgently and the means to be used to rehabilitate these informal settlements which destroy the country's social fabric and deepen the poverty among the majority of the population living in the slums areas³.

Current Housing Situation:

Needs in Terms of Urban Housing

Morocco's annual population growth implies addition of 2.06% every year leading to a requirement of about 136,000 housing units per year⁴. In addition to this, the updated data analysis provided by the 1994 census indicates that the deficit in urban housing is estimated at 750,000 units in 1999. Against the same, our delivery system has been able to produce at most 90,000 units per year. In sum, to be able to absorb and catch up with the housing deficit and meet the new additional needs, our delivery system should be able to produce 180,000 units per year, that is the double of the current production. For the same the country has to undertake major initiatives to boost the housing delivery systems.

The housing projects implemented by the govt fall under the social housing program. These projects are intended to meet the needs of the low income population groups who fulfil the following conditions:

Monthly income:	<3,600 Dh ⁵ .
Unit area	: < 100 m ²
Unit price	: <200,000 Dh.

These constraining conditions contribute to a large extent to exclude some very important groups of the population whose income lies between 3600 Dh and 6000 Dh to benefit from the facilities provided under this program⁶.

³ In his speech, on the 20th August, 2001, The King of Morocco urged the government take proper actions against this devastating phenomenon.

⁴ La direction de la Statistique (Department of National Statistics)

⁵ Currently 1USD= 11.50 Dhs

⁶ This category gets 2 points of interest rebate under the general regime fixed by CIH (CIH stands for a financial institution for the promotion of real estate and tourism).

The table below shows the total of the loans allocated to different categories monthly income categories through 1998 to 2000.

Monthly income bracket(dh)	1998		1999		2000		Total during period 1998-2000	
	Nr of loans	%	Nr of loans	%	Nr of loans	%	Nr of loans	%
<=2,000	227	5,3	224	4,6	159	4,4	610	4,8
2000<1<3000	529	12,4	521	10,8	359	9,9	1.409	11,1
3000<1<4000	948	22,2	1.135	23,5	820	22,7	2.903	22,8
4000<1<5000	1022	24	1.238	25,6	945	26,1	3.205	25,2
5000<1<6000	449	19,5	533	11,0	381	10,5	1.363	10,7
>6000	1090	25,6	1188	24,6	955	26,4	3.233	25,4
	4.265	100,0	4839	100,0	3.619	100,0	12.723	100,0

Source: Ministry of Finance: Direction du Tresor et des Finances Exterieures. (2001)

From this table, we can clearly see that the subsidization system seems to be in favour of people who draw a monthly income of more than 6000 dh. That is 25% of the total loans provided under General regime and 30% of the total amount of discount on these loans. The efforts sincerely made by the government are not delivering the expected results.

Land Use

The diagnosis of the land use for the housing projects in Morocco raises more than one question. In fact the land and real estate market is suffering from many dysfunctions. The main obstacles could be summarized as follows:

- 1 The lack of availability of developed land in the urban areas has been the prime factor hindering the housing and urban development activities.
- 2 The provision of government land by public developers is not viable at least for long-term run. The scarcity of this land starts to be gain the concern of the decision-makers.
- 3 The procedures are slow and involve significant overheads: According to some surveys carried out by few developers, we need on average 2 to 4 years to carry out the land auditing and the registration of the title-mother of an operation of allotment, and we need again on average 2 more to 4 years between the beginning of a procedure of authorization application to the effective start of the building site. These deadlines practically correspond to a doubling of the cost of acquisition of land (6 years with 13%).
- 4 The prices of land are excessive compared to the low and medium income groups capacity.
- 5 Length and complexity of the urban planning procedures,
- 6 Lack of information and of transparency on the land and real markets.

Financial Affordability at Stake

The exclusion of the poor or low income groups from having access to the institutional financing system is due essentially to lack of regular income and evidence of acceptable collateral. The banks consider the poor people as high commercial risk clients. The heterogeneity of these low income groups in terms of their needs and ability to pay as

well represent a very good reason to the banks not to respond to the request of the poor (Jorgensen 1982:59). Therefore there is rationality to get involved with them. It is very true that the financial system is reluctant to be active and efficient in the housing policy particularly for those who belong to the low scale of income. In this respect, as we know, most of the poor people are involved in informal economic activities. The informal sector becomes then the source and engine of their income generation. They are acting in non-institutional framework. What it is interesting to know is these groups have a very high propensity to informal savings for various purposes.

The Objective of the Study

The objective of the study is to analyse within the limited time and space the reasons why the housing delivery system is incapable towards meeting housing needs for the target groups despite the policy measures and the efforts made by the public authorities in alleviating the situation in housing deficit. In fact, the deficit in housing continues to increase even more. Some dysfunctions must lie within few actors involved in the process. The study attempts to look into the issue from different perspectives and come up with some conclusions that could contribute to the improvement of the current delivery system. The recommendations of the study should enlighten the vision and give new insight to improve the production capacity system. This paper doesn't pretend to be exhaustive and come up with the solutions but it will try to incite other researchers to examine in depth and the obstacles that hinder the full operation of the delivery system.

The Enabling Strategies

The strategies of public intervention in terms of providing housing, have been the government's priority since last thirty years. The concerns of the State as regards housing date from the period, shortly after independence. The concern of the government was formalized in the Plan of Economic and Social Development starting in 1973–77.

The strategy of intervention of the State passed from the operations of improvement of land intended exclusively for the integration of the shantytowns combining at the same time the production of developed plots of land for re-housing and plots intended to be sold at the market price. It should be noted that from the year 1980, the authorities have readjusted their actions by setting up programs which are based more on specific actions. With the Economic and Social Plan of Development 1973-77, the authorities chose the strategy of upgrading of the shanty towns, which was in vogue at the time (following the recommendations of Vancouver in 1976) supported financially by the World Bank and the USAID. The Economic and Social Plans of 1978-1980 and 1981-1985 (this last one was extended to 1987), regarded as principal options, the continuation of the action of restructuring the shantytowns and the reinforcement of the program of the affordable (economic) housing⁷ (Programme de l'Habitat Social). The establishment of the National Agency for up-grading of Informal Housing

⁷ Much attention had been given to the implementation of that program. The government set up a special fund called *Fonds Social de l'Habitat* (FSH) to finance and carry out the program. The funds were allocated by the state budget.

(ANHI) in 1984 by the government as public developer was geared towards meeting housing needs of the low income population. This Agency has successfully carried out many projects for low cost housing and ensured its own sustainability⁸. The ANHI adopted the process of intervention towards production of developed plots for re-housing and the installation of integrated programs combining at the same time plots for housing and commercial use intended to be sold at the market price. One of the significant elements of this new strategy consisted of the recourse to the financial cross-subsidisation between the various categories of beneficiaries.

In 1991, a special program for up-grading informal housing was launched by the government, which had allocated substantial subsidies to carry out the implementation of this program by different government housing agencies⁹. However, these efforts did not achieve the main objective and could not be sustained because of the difficulties in debt recovery from the beneficiaries and lack of proper studies related to the feasibility and market analysis.

In recent years, the informal housing phenomenon which is becoming more and more extensive, the government through the Ministry of Housing has to begin a new approach aimed at the development of conventional policy with all actors particularly with the municipalities, local authorities and local associations of the residents, focusing much more on:

- Local planning for housing and urban development,
- Development of new zones of urbanization.

In view of the above changes in the policy, the new strategic orientations in the housing sector could be summarized as follow:

- To review the role of the state in the housing sector. The State has been assigned a new role as of a supervisor, enabler and facilitator of the production of housing by the adoption of appropriate regulations and laws related to the promotion of the housing sector.
- To reinforce the activity of the private sector to invest in the social housing programs.
- To demarcate the role of the housing public agencies through a clear line between the scope of their intervention and the intervention of the private developers.
- To set programs for the rehabilitation of informal housing by associating the local authorities.
- Modernisation and moralisation of the public life and government agencies through the capacity building development and the transparency in the public affairs management.

This shift in policy from looking at the housing activity mainly as government business point of view, to the participation of new partners in the building process is essentially due to the fact that the

⁸ This cross-subsidisation has made the Agency sustainable and achieve a double goal: the financial balance of different projects and integration of the different populations within the same urban area.

⁹ Currently ten owned state enterprises are operating as public developers under the Ministry of Housing of which: seven institutions are operating according to the previous administrative divisions (ERACs), National Agency for upgrading informal housing (ANHI), Société Nationale d'Équipement et de Construction (SNEC) and finally Tacharouk has been set up to carry out a program in Grand Casablanca.

Government has come to the conclusion that its action alone would not be sufficient, hence, it should give the opportunity to the private sector to carry out its role in this field. This new vision has probably gained the interest and the intention of many stakeholders especially the financial institutions to be involved to some extent, in the housing activity. To move ahead, the government has undertaken a number of attendant measures related to financial, fiscal and legislative aspects¹⁰.

The Actors

The role of various actors in the housing delivery process has been changing rapidly during the last few decades, with new actors playing a major role in the sector. The state used to be, a long time ago, the traditional and main actor in implementing housing projects.

However, with the changing world economy, the involvement of other actors has become an unavoidable necessity more than ever before to face the challenging housing demand. All efforts of different stakeholders need to be coordinated to get a better result. The role of each of them theoretically should be towards promoting the housing sector through a framework in which all players should comply within their respective rights and obligations.

The current view on delivery housing system stresses much on the crucial role of the actors in the public, private sectors and the community, who are the main players in the system. The institutional arrangements definitely affect the quality of the delivery in terms of housing standards, housing types and affordability.

The direct aim of the appropriate delivery system is to improve the ability and performance of actors in various housing-delivery, and to provide tools for better delivery of housing projects at both the implementation and the target population groups. Harper (1978) argues that the efficiency of all the components involved in housing delivery system should not be examined separately, and should be assessed by analysing them jointly. They constitute some sort of chain in which all the components must be efficient. Otherwise the system cannot work properly. In our case, we can identify a number of direct and indirect actors that are involved in the delivery system. Since the sector involves a multitude of actors, the paper will focus mainly on key actors.

The State

In recent years with the new changing international environment, the role of national government has swiftly changed from the central and major actor for development to that of an enabling and facilitating role. The role of the state is getting lesser than ever in managing public affairs in regard to housing. The role of central government has also been affected by the new style of management. We notice a new wave of decentralization policies taking place. This situation creates challenges for the authorities both at central and local level. At the same time the credibility of government is increasingly at stake because of previous policy failures. That is why new concepts such as good governance are translated into indicators for the performance of

¹⁰ For more information on these documents, visit website of the Ministry of Housing (www.seh.gov.ma)

the functioning of governments. In Morocco, according to the new vision, the central government is no longer a provider of the housing products, rather a supervisor and enabler of the sector. Its main mission is to formulate rules and regulations which are likely to promote the housing activity. Thus, we should recognize that the role of the state continues to be very critical in the sense that all rules and regulations that might promote or hinder the housing development at the national level are set up and issued by the state. With the new mission, the state has got different tools to intervene in the production process of housing¹¹. A whole battery of regulations and laws which represents a legal basis to the organisation of the housing sector and intend to increase the visibility of different actors vis-à-vis their roles in housing development, has been formulated.

In order to promote the housing sector, as mentioned earlier, the state has undertaken major finance and fiscal reforms to stimulate investment and growth. The judiciary and legal system has witnessed some changes in order to cope with the international business environment to attract national and foreign investors to take part in the housing activity. For instance, in terms of financial role, the state has established The Hassan II Fund as an extra-budgetary tool to implement social programs such social housing programs¹². The role of the central government represents the backbone of the activity. Therefore any shift in policy should ensure that it does not jeopardize the efficiency of the system. Indeed, the perception of the majority of people is that the social services such as housing comes within the competence of the government in large, rather than by the private developers¹³.

Local Authorities

Previously, the main role of this important actor consisted of managing and implementing what was decided and planned at the government level. The policy with top down approach was applied in dealing with local public affairs. This stakeholder is seen to be a tool in government's hand to carry out its development policies. The local authorities in most of time were not associated in the decision-making process to enhance the local economic and social development. They have not taken part in the planning process as it is stated in the local collectives Chart¹⁴. This is due to many factors. The common characteristics that strike most of these entities are due to the lack of proper human resources. Capacity building is one of the obstacles that hinder local authorities to carry out their functions¹⁵. The issue of good

¹¹ In this respect we should mention that during the last five years, the Ministry of Housing was able to elaborate many legal texts which represent a legal basis to the organisation and the promotion of the housing sector.

¹² This Fund is considered to be the most important tool in the government hand being used so far to finance social programs such as social housing.

¹³ This attitude starts to change rapidly because of different reasons. The quality of the housing units produced by some private developers is much better than the one delivered by the public developers and the pricing system applied by the public developers is not attractive at all.

¹⁴ According the 1976 Chart on the local collectives, the role of these entities as actor in managing local affairs and formulating respective development policies is very crucial.

¹⁵ The poor intellectual and educational level of the elected members tend to affect negatively the quality of local affairs management.

local governance emerges again on the scene and gains more attention than ever.

In response to this changing environment, the high authorities in the country have decided to devolve power to the regions to plan for their own development policies. According to this new political will, the local authorities are expected to play a critical role in creating a conducive environment to the development of their respective provinces with of course, the assistance and cooperation of the national government. With this new mission, that has been assigned to the regions as entities and engines for development, they should be active to clearly identify and prioritise their development programs and proceed to their implementation within the limited resources they have. This new vision would probably be the turning point for a new local development policy, which count much on the local communities capabilities in managing their own programs. Given their financial constraints, these actors would not be able to operate properly without assistance from the central government. The state has to allocate funds proportionally and assist them in capacity building initiatives. Indeed, the local authorities have been suffering from under-funding and dependency on state fund allocation. As a result they were overloaded and have put the needs of the poor low on their list of priorities.

Private sector

The actors operating under this sector could be mainly the professionals, the private developers and financial institutions. The common point among these actors, they are all motivated by making profit out of their activities. As far as the professionals are concerned, their intervention in the legal housing production is very important to carry out housing projects. Indeed, the regulations in practice state that every housing plan (self-construction or collective) must be approved by an architect and some cases civil engineer to ensure the conformity of the design to the building standards and to the urban planning. This shows clearly the role of the professionals in the production process of housing. Without the architect's approval at the end of construction, the end-user would not be able to legally occupy his or her unit. The municipality requires the certificate of conformity issued by the architect.

For the developers it is clear that their activity is driven by the profit generation as well. In fact, developers prefer to carry out luxurious housing projects designed for high-income groups to projects meant for low-income population. This preference is justified by the reluctance of the banking system to be involved with the poor in terms of issuing loan to them. The private developers do not take the risk in investing in the formal social housing project, which is generally meant for public developers that are highly subsidised either by direct subsidies or by using cross-subsidies. It is argued that the private developers get involved in informal housing because it yields much profit and without paying any kind of taxes. This attitude causes much damage to the national and local revenues by tax evasion. This

subsidization policy should gain the attention of the decision-makers at all levels and be reviewed¹⁶.

The Financial Institutions

The financial institutions represent a key actor in the housing delivery system. Indeed, the demand for housing finance services are undergoing profound quantitative and qualitative changes in many places in the world. This is probably due to:

- accelerated urbanization that generates a high domestic demand.
- new orientations in public policies (urban policies) that are redefining the private/public relationship.
- management of mortgage market risk by new type of institutional investors and the development of capital market.

However, the involvement of the financial institutions in financing social housing projects and allocating loans remains very limited. The private banking system is not ready to take the risk for many reasons. The non-affordability of the target population makes the financial institutions very reluctant in investing in social housing. The risk of facing difficulties in loan recovery and repayment represents the major reason for the limited intervention of the banking system in social housing. Again, it is important to mention that the interest rates applied to loans granted to the eligible individuals remain very high. These constraints have made the ownership of housing by the low income groups very difficult, even impossible.

The concern and fear of financial institutions involvement in the low-income housing process, has been the bottom-line of the issue. In fact the public authorities have been trying their best to persuade the financial institutions to increase their involvement in housing financing. The govt is trying again to come up with a new financial package focusing on low income groups to have access to the financial facilities¹⁷.

Communities

The role of the community is gaining more and more attention and is being considered as crucial one in the delivery housing process. The collaboration of the community with other actors is highly desirable. The good governance approach is probably an asset to facilitate the positive role of the community. It gives the power to the community to elaborate a clear policy based upon prioritising needs and remain active in the service delivery process. In our case, the role of these actors require a much higher level of directed community activism than now exists in order to change the current situation to reach such a sustainable and desirable involvement in the local affairs management. With the good local governance approach, the community could be able to provide capacity building and be active in the housing delivery process. In fact the majority of communities own the land

¹⁶ The private developers express their concerns and complain about the subsidies allocation to the public developers. In their view, this attitude distorts the competition and leads to unequal opportunities among the different actors.

¹⁷ The Ministry of Housing has carried out few studies on the delivery housing system in Morocco and on the financial aspects of housing. Many recommendations on these issues have been issued.

located in the urban area. They have the right to use it in the way it serves the community interest.

Design

In terms of architectural design, the functionality is the primary concern of the designers. The apartments units are built in multi story block of 4 levels in order to avoid the elevators. The 2 or 3 rooms units are designed in a way to accommodate a family of 3 to 5 people. The blocks are designed in standard plans to cut down the cost. As far as the beneficiaries are concerned, they tend not to pay too much attention to the architectural concepts as long as they can have access to an affordable shelter. Culturally, the house represents an asset for them. Furthermore, the beneficiaries are not associated or consulted during the design process. All the designs are prepared by the developers. The beneficiaries do not have much say in the appropriate design that fit their aspirations and meet their social and cultural needs most of the time.

From the environmental aspect, the professionals seem to underestimate this component and not to integrate it as an important variable in design. It is understandable that with the scarcity of land at appropriate price, the environmental concern is at the bottom of the list of priorities.

The design we are mentioning over here is the one that pertains to the affordability of the housing. The acquisition of housing units is not within the financial affordability of the poor. In terms of affordability and suitability of the needs of the target population, it is very useful to carry out thorough socio-economic and feasibility studies to be able to deliver a product which could effectively meet the requirements of most of the population.



Examples of housing project carried out by public developers

Conclusion and Recommendations

From what has been mentioned earlier, it is clear that our delivery system needs to be improved and therefore it is recommended to take the following actions.

Land Use Management

- 1 Expedite land registration process and treat all the developers, public and private, on the same footing of equality. This action will give more confidence to the private sector to get involved and take part in the process of the housing delivery system.
- 2 Simplify and accelerate the urban planning procedures : it is argued that time required to obtain all necessary authorizations to start the project should be much shorter, in order to make a lot of savings in terms of time and money; the developer should get the approval through a single window approach rather than running to different authorities and wasting time.
- 3 Support the involvement of the private sector in the financing, the implementation and the marketing of the social housing program: the policy should attract the private developers by offering a package of incentives and make all the actors comply with the rules especially the public developers.

Financial Architectural Reform

- 1 To involve more institutions and increase the accessibility to credit against the current position where the credit market is dominated by only one institution involved in real estate and tourism activity¹⁸. This situation represents some sort of monopoly and urges the credit users to comply with the exaggerating requirements of this institution to contract a loan. As far as the credit market is concerned, statistics show that credit granted to users in housing represents only 4% of GDP and 10% of the total credits to the economy¹⁹. This means that the recourse to the institutional loan system remains very limited. Hence the reform of the system should enhance more as many as possible of private banks to be involved in the process by offering them some kind of security as a viable option for mobilising resources. The development of the mortgage insurance market is one of the options, for example. Again we should figure out ways to channelise the saving efforts made by the poor. The place of informal sector in the economy should not be left behind. The financial authorities should come up with an option in which the savings made by the poor would serve for their housing needs.
- 2 To improve the access to credit, the current credit system of offering discounts on interest rates and some fiscal incentives seems to be ineffective. Indeed, it helps high income groups more than low income groups. A special treatment should be given towards this aspect. The target population should be carefully identified by providing different methods of evaluation properly.
- 3 To ensure the viability and the sustainability of the system: the banking authorities are sensitive to the financial stability. They do not want to take risk As they can see what happened in south east Asia in recent years. Therefore, it is wise to set up appropriate mechanisms that assure the safety and serenity of the system. The quality of these mechanisms would determine the degree of

¹⁸ Le Credit Immobilier et Hotelier (CIH), provides credits to the users mostly for housing in the urban area.

¹⁹ Financial and fiscal aspects of housing in Morocco (1995).

involvement and commitment of the financial system in housing activities. These reforms would probably help Morocco to be integrated in the international financial market. This integration would attract the foreign investors to set up their business in the country.

Enhancing the Rental Sector

The affordability and the accessibility to credit remain the main problems to the low income groups to have access to the ownership and land titles. In this respect, the government has to formulate policy instruments to promote the rental housing activity²⁰. The government should activate the elaboration of some kind of rent-to-lease schemes which can help low income groups to have access to the property.

Establishing Legal and Institutional Framework for Smart Partnership at the Local Level

As we have seen earlier, the housing production system involves many actors. To be more efficient, these actors should tighten their efforts and work together. It is worth noting that the public sector is moving towards an openness to work with the private business in the housing activity. The attitude of the government is changing in the way to give more chance to the private to contribute to the implementation of different projects housing in partnership. However, the level of cooperation has not reached yet the expectations level of different actors. This relationship should be based on clarity of the responsibilities of each, and with positive commitment and communication to be able to understand the concerns of each other in order to reach a high level of satisfaction. The local authorities should be very active in this respect. Since the central government has been given the role of supervisor and enabler, it should create a proper environment, conducive to the development and sustainability of this partnership. The local authorities are expected to develop their capacities, which is a pre-requisite to the efficient local development. The appropriate skills and competencies are therefore highly desirable even to run the local business and to be able to collaborate with other actors and get benefited from their expertise and know-how. In the past, most of institutions strategised to gain competitive advantage. Nowadays, the focus is moving towards gain cooperative advantage thereby realising the objectives more effectively.

All actors have to be responsive to change in order to come up with a new vision which would be more efficient and effective. Each of the actors should give the maximum they can, to boost the kind of expected smart partnership for citizen enterprise, towards achieving their common target – *Providing affordable shelter to all* in Morocco.

²⁰ The parliament has passed a law pertaining to the organisation of the rental market.

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