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SOCIAL HOUSING POLICY IN TUNISIA 1956-1992*

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* The opinions expressed in this document are those of the author and do not necessarily reflect those of the UNIDO Secretariat. This document has not been edited.

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CONTENTS

PREFACE

This report has been drawn up at the request of the United Nations Industrial Development Organization (UNIDO). The objectives of the study are as follows:

- To give an account of the specific results obtained by a developing country in the area of construction, more especially social housing construction; and

- To identify the Tunisian initiatives which have led to the success of the housing policy in Tunisia.

The report places emphasis on the social housing promotion policy and the part played by the private and public sectors as well as the action taken by the Government to encourage it.

INTRODUCTION

The study is aimed at identifying the key elements in Tunisian housing policy. The main idea is to bring out the way in which, since independence, Tunisia has sought to adapt its housing policy, more especially social housing, to enable the country to meet the needs of the population as adequately as possible.

The policy has been systematically supported by specialized institutions, sometimes concentrated and sometimes disparate. It has mobilized all the Tunisian parties concerned, whether building professionals or households, both in the formal and informal sectors. It has made use of all the regulatory resources, financial organizations and all other possible back-up structures. All these components have helped to promote social housing and the development of the housing stock intended for citizens with low incomes.

Since independence, the development of this sector has been marked by three stages, which are examined separately and which constitute different sections in this study.

I. 1956-1974: the National Real Estate Company of Tunisia;

II. 1975-1985: the proliferation of housing organizations;

III. 1982-1991: the contribution by the private sector.

I. 1956-1974: THE NATIONAL REAL ESTATE COMPANY OF TUNISIA (SNIT)

Following independence, Tunisia found itself facing an arduous, but exciting task, namely to promote the construction of housing and to ease the crisis which prevailed in that domaine. The task of the first independent Government was essentially a social one and was intended to improve the standard of living of the poorer people and to enable them to have decent housing. To achieve this goal the State set up the National Real Estate Company of Tunisia (SNIT) on 10 September 1957, by passing Law No. 57-19 (Official Gazette No. 15 of 13 September 1957).

SNIT is a commercial company governed by the legislation covering limited companies. In June 1959, following dissolution of the Tunisian Land Ownership Fund, the State entrusted SNIT with recovering the building loans granted by the Fund. The same year, the State authorized SNIT to offer real estate that was in the private domain of the State to reliable tenants under the hire purchase system. From 1 July 1959, SNIT took over control of the implementation of the SCOL (Workers' Housing Cooperative Companies) programmes as well as the management of the relevant recovery. In 1961 the Tunisian Mutual Fund (CMCIT) was dissolved and its portfolio transferred to SNIT.

A. Objectives

Since it was first set up, the role of SNIT has been defined as follows:

(a) To carry out real estate operations both on its own account and for the State or public communities;

(b) To undertake construction programmes or take a financial part in such operations in the area of workers' housing;

(c) To manage the real estate entrusted to it;

(d) To serve, if necessary, as a go-between and an inspectorate for the distribution of public funds in the field of construction.

In 1969, SNIT was appointed the sole State operator for social housing subsidized by the Government; this was done with the intention of producing a maximum number of dwellings, more especially low-rent housing.

B. Achievements

Between 1957 and 1974, SNIT constructed 50,567 dwellings. The total investment expenditure amounted to 62,269 million Tunisian dinars.

This period was marked by a concentration of all the activities of the real estate sector in one single organization. This trend was fairly current at that time in the bulk of the economic activities of the majority of countries.

II. 1975-1982: THE PROLIFERATION OF HOUSING ORGANIZATIONS

Despite the achievements of SNIT, as the only public promoter, the results of the 1975 census were an incentive to step up efforts to ease the housing crisis. For example, the law governing real estate promotion, which until then had been dominated by a quasi-monopolistic system entrusted to SNIT, underwent an important change. Starting from 1975, more suitable legislation was passed while, in parallel, new structures were brought into action. Before recalling the efforts deployed by the public promoters from 1975 onwards, we should mention the results of the 1975 census, more especially the existing state of property and the demographic growth rate.

Estimation of requirements on the basis of the 1975 census results

With regard to the existing state of property, it appears that out of a total of 1,005,670 dwellings, 223,000 were found to be insalubrious (sheds, shacks, tents, etc.). In order to replace them an annual construction effort of 11,000 dwellings proved necessary. The 1975 census further showed an average occupation density of 2.77 persons per room. To bring this figure down to 2, it would be necessary to build 13,000 dwellings per year, for the next 20 years. Finally, in view of the average lifetime of permanent dwellings, estimated at the most as one century, it would be necessary to build 7,800 dwellings per year as a form of replacement. Since the annual population growth rate is about 2.3 per cent, the average increase in population can be estimated at 138,000 people/year. As the Tunisian household contains an average of 5.5 persons, the requirements created by the demographic increase are therefore of the order of 25,000 dwellings/year.

Hence the global requirements amounted to 56,800 dwellings per year, distributed as follows:

	Dwellings/year
Replacement of slum dwellings	11 000
Decohabitation	13 000
Replacement of dilapidated property	7 800
Population growth	25 000
Total	56 800

A. National Real Estate Company (SNIT)

The various functions performed in parallel by SNIT, i.e. developer, real estate promoter, real estate manager and financing organization, were separated, starting in 1975, according to their particular vocation. From then on the Company only played the role of real estate promoter. Under the new law its activity was limited to the construction of rural houses and dwellings on behalf of national bodies such as the National Fund for Retirement and Social Welfare (CNRPS) and the National Social Security Fund (CNSS).

B. Other housing organizations

The diversification of the activities of the operators was reflected more specifically by a proliferation of the housing organizations, of which we will mention only the most important:

(a) Social Housing Promotion Company (SPROLS), which concerns itself with the construction of social housing intended for lease for the benefit of the affiliated members of the National Funds (CNSS and CNRPS).

(b) Land Settlement Agency, a body which specializes in making land services available and which was set up to curb the speculation in land. The Agency, whose activities have been crowned with success, has access to diversified and complementary modes of action. First, the legislation grants it the right of pre-emption and expropriation of urbanizable land for public use and, second, it has the advantage of its activities being decentralized and the opportunity of coordinating its functions with other land agencies in such a way as to promote integrated operations within a global and coherent context of economic development (housing, industry, agriculture, tourism, etc.).

(c) National Housing Loan Fund, of which the form of savings has, from the very start, encouraged spontaneous membership by citizens.

C. Accompanying action

To enable these organizations to achieve their housing objectives, certain changes were introduced at the level of organization, regulation and legislation in that field.

The establishment of regional branches of the organizations (SNIT, AFH, CNEL and others) made it easier for a greater number of citizens to have access to decent dwellings and also made it possible to avoid the concentration of housing programmes in the capital and the big cities. Through administrative decentralization it was possible to bring the administration closer to the citizen, especially as regards approval for the parcelling out of plots, receipt of a building permit and the examination of applications for loans and subsidies, and credits from the National Housing Aid Fund (FNAH).

The development of construction and the action taken to promote real estate made it necessary to speed up the administrative procedures with the municipalities, the Ministry of Equipment and Housing and other bodies so that it was easier to acquire dwellings and procure property titles.

The decree of 10 September 1943 governing matters of architecture and town planning was amended so as to make the legislation more effective and to divide up the improvement costs more equitably among the developers and the ultimate beneficiaries in the same chronological order as their participation.

The economic development of the country and the social promotion of the citizenry gave rise to a considerable demand for dwellings both in towns and in rural localities. The decree of 22 July 1943 governing permission to build had become somewhat ineffective and the decree was remodelled under Law 76-34 of 4 February 1976. This law made it possible to extend the scope of the authorization to build to cover localities that were not communally built up, specified a deadline for the issue of the building permit, guaranteed the rights of citizens through proper methods of redress and strengthened the control of construction by joining up local public communities, legal authorities and police in the lookout for infractions.

The State has always encouraged the construction of dwelling houses by means of subsidies. With this aim in mind a new order was promulgated by which only persons building new dwellings with their own funds could have the benefit of a building subsidy. All these initiatives made it possible to construct an average of more than 40,000 dwellings per year during the Vth Plan (1977-1981).

III. 1982-1991: THE CONTRIBUTION BY THE PRIVATE SECTOR

This decade was marked by a meaningful contribution on the part of the private sector to the housing construction effort in Tunisia. It divides into two periods: the VIth Development Plan (1982-1986) and the VIIth Development Plan (1987-1991). During this decade production was about 500,000 dwellings, or a yearly average of 50,000 units. This increase in supply made for an improvement in the housing construction rate, which rose from 4 dwellings/1,000 inhabitants/year between 1975 and 1981 to 6 dwellings/1,000 inhabitants/year between 1982 and 1991. This rate of construction is clearly above average for the third world countries. Indeed, the average rate for the African countries is currently not more than 3 dwellings/1,000 inhabitants/year (1987 United Nations Yearbook). At a rate of 6 dwellings/1,000 inhabitants/year Tunisia was up among such European countries as France and Germany. The table below shows the trend in housing production during the decade in question.

Table 1

Trend in housing production during the decade 1982-1991

	Public sector				Private sector				Total			
Period	No.*	%	Inv.**	%	No.*	%	Inv.**	%	No.*	%	Inv.**	%
1982-1986	78	30	540	23	192	70	1 800	77	270	100	2 340	100
1987-1991	65	28	568	23	167	72	1 928	77	232	100	2 496	100
1982-1991	143	29	1 108	23	359	71	3 728	77	502	100	4 836	100

Source: Ministry of Planning.

* Number in thousands of dwellings.

** Investments in millions of dinars.

The table reveals a decline in production which dropped from 54,000 dwellings per year during the VIth Plan to 46,400 under the VIIth Plan. It also shows an increase on the part of the private sector, from 70 per cent during the initial VIth Plan to 72 per cent during the VIIth Plan.

A. Construction of dwellings during the VIIth Plan

The number of dwellings completed during the VIIth Plan is shown in the following table.

Table 2

Completion of dwellings during the VIIth Plan (1987-1991)

Type	1987	1988	1989	1990 Probable	1991 Scheduled	1987-1991 No.	Percentages
Autnorized dwellings a/	26 751	23 810	21 456	24 400	27 575	123 992	53.4
Informal dwellings b/	14 449	13 730	17 784	17 700	16 425	80 088	34.5
PNRLR c/	14 000	6 000	3 756	2 400	2 000	28 156	12.1
Total	55 200	43 540	42 996	44 500	46 000	232 236	100

Source: Ministry of Planning.

a/ Estimation of the time for completion: 25 per cent the second year, 50 per cent the third year and 25 per cent the fourth year.

b/ The following studies were used as reference material:

- Study of spontaneous housing in Tunisian districts and towns (1985-1987);
- Survey of irregular housing in eight provinces (Bizerte, Nabeul, Zaghouan, Sfax, Gabès, Kasserine and Tataouine) Min. Equip. and Housing 1990;
- 1984 census and 1989 survey (INS);
- Industrial branches of the National Electricity Company (SONEDE).

c/ The estimate of the dwellings completed under the National Programme for the Reduction of Rudimentary Dwellings (PNRLR) refers to the evaluation conducted in 1988 under UNDP project TUN/87/004, which states that only 40 per cent of the dwellings built can be considered as new creations, the remainder being improvements or extensions of existing houses.

Table 2 shows, furthermore, the importance of the informal sector during the VIIth Plan both in absolute value, since it represents a yearly average of 13,600 dwellings, and in percentage, with the latter amounting to 34.5 per cent of the dwellings constructed during that period.

The investments envisaged and made in the housing sector during the VIIth Plan are shown in the table below.

Table 3

Investment made in the housing sector during the VIIth Plan

Operators	Forecasts		Achievements		Relative discrepancy
	Invest-ments*	Equivalent housing**	Invest-ments*	Equivalent housing**	
SNIT	374	27 385	316	22 000	
Social security organizations	43	2 270	)		
Other public promoters	90	7 545	) 102	13 544	
PNRLR	173	86 300	150	28 156	
Subtotal public	680	123 500	568	63 700	-16%
Private promoters			162	10 050	
Formal self-promotion			1 240	98 900	
Informal self-promotion			534	50 350	
Subtotal private	1 321	136 500	1 935	159 300	47%
TOTAL	2 000	260 000	2 503	223 000	25%

Source: Ministry of Planning.

* Investments in millions of dinars.

** Equivalent housing.

The forecasts materialized to the extent of nearly 90 per cent achieved in terms of housing equivalent, while, conversely, they were overshot in investment terms, the amount equalling 2,500 million dinars, as against 2,000 million dinars forecast, or a 25 per cent overshoot.

This unforeseen increase in investments is once again due to the private sector which by investing about 1,935 million dinars made up more than 77 per cent of the investments made under the VIth Plan (1982-1986). The public sector only made up 568 million dinars, as against the envisaged 680 million, or 23 per cent of the total investments - a more modest performance than that shown during previous plans.

The effects of the economic crisis observed at the beginning of the VIIth Plan were felt much more by the public sector than by the private sector, especially on account of the decrease in the SNIT land stocks and difficulties in marketing its production of economic housing.

Examination of the results shown per branch of production indicate that it is the controlled branch (SNIT, social security organizations and private promoters) which is most affected by this decline: 30,000 dwellings produced per year as against 40,000 in the preceding plan. SNIT, the principal promoter of real estate in the country, experienced a drop in housing production from 12,000 dwellings/year in the VIth Plan to 4,400 dwellings/year in the VIIth Plan.

The resources mobilized for financing these investments can be divided up as follows:

Origin of funds	Millions of dinars	Percentage
State budget (slum clearance and offices)	180.0	7.2
Housing Bank	266.4	10.6
FOPROLOS	89.6	3.6
CNSS/CNRPS	90.0	3.6
Foreign credits	45.0	1.8
Self-financing of households	1 831.8	73.2
Total	2 502.8	100.0

The above distribution brings to light the major contribution by households, for which self-financing represents more than 73 per cent of the housing financing as a whole during the VIIth Plan. The remainder, or 27 per cent, comprises institutional funding represented by the Housing Bank, FOPROLOS, social security organizations and the State through its budget.

Besides the investment effort which was apparently satisfactory, the trends noted necessitated the adoption of certain measures.

B. Trends

1. Production of buildable land

The production of buildable land necessary for implementing urban housing programmes has remained below what was required. The approved division into plots showed a parcelled surface area of 2,774 hectares, while the actual needs were estimated at 5,000 hectares, hence the recourse to illegal parcelling of urban land. The parcelling covered a total of about 2,826 hectares, or 50.5 per cent of the total, or an annual average of 565 hectares/year. The estimate is based on the need for buildable land in order to complete all the dwellings constructed in the urban milieu, including those of the informal sector, in accordance with the following densities: 26 dwellings/hectare on the approved plots, and 30 dwellings/hectare on the non-parcelled land. The average density of the approved parcelling showed a slight improvement since it rose from 23 dwellings/hectare during the VIth Plan to 26 dwellings/hectare for the first four years of the VIIth Plan.

This densification, still very limited, is basically the work of public parcelling out, especially the Land Settlement Agency (AFH), which completed 892 hectares, or 15 per cent of the total surface area of the plots, and 31 per cent of the surface area of the approved plots. The scarcity of buildable land and the increased cost of land and infrastructure encouraged densification of the plots and the improvement of smaller plots (improved plots), a new product for the AFH, but one in which the production was satisfactory (about 1,500 plots/year), but unsuitable for households with low income because of the costs.

2. Renovation of existing housing

At the beginning of the VIIth Plan, the achievements were as follows:

(a) Activities within the National Housing Improvement Fund (FNAH): improvement of about 3,000 dwellings at a total cost of 14.4 million dinars;

(b) Urban development project (PDU): continuation of the third project and completion of the fourth would have permitted:

- The renovation of 47,400 dwellings (17,500 of which were envisaged under the Special Improvement Project (PSA) for 72 districts);
- Integrated renovation in the true sense, which effected 30,000 dwellings in about 30 communes spread out through the provinces of the country;
- Investments made under the third and fourth urban projects during the VIIth Plan (including the special project) will amount to 54.8 million dinars;
- In the integrated renovation projects, the Highway Maintenance and Service Networks (VRD) represent by far the largest component (69 per cent of the investments), the remainder being devoted to building improvement, communal facilities, land balance and so forth.

Projects	Number of dwellings	Investment in millions of dinars
IIIrd Urban Development Plan (integrated)	9 900	15.8
IIIrd Urban Development Plan (special improvement project)	17 500	13.5
IVth Urban Development Plan	20 000	25.5
FNAH	3 000	14.4
Total	50 400	69.2

3. Geographical distribution and concentration

The dwellings constructed during the VIIth Plan have been of benefit to the coastal regions, more especially the north-east where 40 per cent of the dwellings were completed, corresponding to 42 per cent of the overall investments. In terms of the population, this construction effort represents a yearly rate of 8 dwellings/1,000 inhabitants in the district of Tunis and the east-central area, while it hardly makes 4 dwellings/1,000 inhabitants in the west-central part and 4 dwellings/1,000 inhabitants in the north-east.

As a result there has been a tendency towards the conglomeration of dwellings in the eastern regions of the country (78 per cent of the total dwellings constructed), which is a good indication of the concentration of economic activities and the corresponding investment. Noting more and more that the public promotion programmes (mainly SNIT and AFH) carried out in the western areas have undergone a slump, it can be said that the construction of housing has thus tended to concentrate and has been one of the range of problems occurring in town and country planning.

It seems, furthermore, that housing promotion proceeded faster than the actual demand and that it even acted as a catalyst in the migration to such regions.

4. Unsuitability of production to needs and proliferation of spontaneous housing

Spontaneous housing has made great progress, since the proportion of it has risen from 25 per cent of the total dwellings built under the VIth Plan, to 34 per cent under the VIIth Plan and, if the trend is not controlled, may reach even higher proportions. The factors that have encouraged the proliferation of spontaneous housing are the following:

(a) The concentration of investments in urban areas and the inevitable movement of populations towards the towns in search of employment and better living conditions;

(b) The accentuation of the ensuing demand in the urban areas; this becomes more pronounced in the big cities where it is coupled with the accentuation of the scarcity of buildable land;

(c) The dynamic development of extensive urbanization which has prevailed over the last few years through the promotion, in the majority of cases, of private dwellings which take up a lot of space and which give rise to wastage of land resources;

(d) The unsuitability, above all in the concentration zones, of the official supply of housing, which is simply out of the question for households whose income is below the mean (260 dinars in the towns and 120 dinars in the country). It is essential to mention here that, although spontaneous housing has created for landowners an obvious opportunity for enrichment, for the low-income populations it has been the best solution (flexible terms, short delivery deadlines, adjustable plot size, and so forth) for satisfying housing needs; in other words, it is a one-time solution to an equation difficult to solve.

5. Increase in housing costs

The increase in the cost of housing has been clearly felt over the last few years. For example, between 1980 and 1988 the average cost of an urban dwelling tripled, rising from 4,000 to 12,000 dinars.

An initial analysis of housing production costs, using a sample from SNIT projects, makes it possible to break down the overall cost as follows:

Serviced land:	20 per cent
Materials:	35 per cent
Construction:	25 per cent
Studies and miscellaneous costs:	20 per cent

This shows that the housing production costs depend on several factors tied in with the production price of serviced land, that of the materials and the mode of construction. More detailed analyses may show the impact on these costs of the excessive rise in the cost of land, the standards in use in the area of servicing and construction, the use of materials for which production needs a considerable amount of energy, and control of construction deadlines.

6. Degradation of environment

Massive urbanization has given rise, in addition to the potential losses of agricultural space, to the development of soulless cities without a community life centre, with degraded urban roadways, badly maintained buildings and lacking in architectural style. This deterioration of urban quality is accentuated by the following factors:

(a) Lack of participation by inhabitants in community life and in administration of the districts;

(b) Non-integration between the districts and relationships of conflict between their inhabitants;

(c) Insufficiency and inadequacy of community facilities for the life of the districts;

(d) Non-compliance with architectural and town-planning typology in each region and the lack of local and regional architectural unity.

C. Measures for recovery

To relaunch the housing sector, weakened by the economic crisis of 1986, a series of measures have been adopted since June 1988. The first ones relate to improvement in the efficiency of the public operators and the thrust of their production; the others are more administrative or regulatory measures.

1. Land Settlement Agency (AFH)

The goal of AFH is still to make land available to households at acceptable prices so that they can build their houses there or have them built. These aims are reflected by:

(a) Reduction in the size of the individual plots that it services and their degree of servicing in such a way as to bring this land within reach of the low-income population (improved plots);

(b) Orientation of its activity towards the production of housing blocks with primary services "extra muros" with a view to placing them at the disposal of a variety of developers with a schedule of conditions adapted to the type of dwelling to be built;

(c) Improvement in its methods of management by systematization of market studies and the use of intra- and inter-project equalization;

(d) Preparation of a plan for liquidation of unsold houses (which have attained 205 hectares).

2. National Real Estate Company (SNIT)

SNIT's programme of action covers inter alia:

(a) Specialization of activities such as to accord priority to real estate promotion by individualizing within an autonomous structure (as compared with other functions exercised: town and country planning for its needs as real estate promoter and management of real estate operations on behalf of the State);

(b) Orientation of its real estate promotion activity on a priority basis towards the production of social housing (8,000 to 11,000 dinars), while opting for the "personalization" of housing at the request of the beneficiaries;

(c) Improvement of its internal capacity for project management with a view, inter alia, to better control of costs and production deadlines;

(d) Adoption of a campaign for liquidating unsold housing which is a heavy burden on its operational balance.

3. National Company for Social Housing Promotion (SPROLS)

The objective of SPROLS is to enable the greatest number of families of Tunisian wage-earners meeting the legal conditions to acquire housing that is decent, healthy and within their means. Since the time when it was set up and in accordance with its purpose, up to 1988 SPROLS had built 11,000 social dwellings intended for leasing.

Starting in March 1989, at the decision of the President of the Republic, SPROLS began its first operation involving the transfer of older dwellings to their tenants. Following the Presidential recommendations of June 1989 on the revitalization of SPROLS' programmes, the latter switched its direction. Its dwellings are no longer intended for rental but for direct sale. Starting from that date, the new programmes were financed by the Housing Bank and the Housing Promotion Fund for the Benefit of Wage-Earners (FOPROLOS). The terms for granting social housing are as follows:

- The applicant must not be the owner of another dwelling;

- The applicant's salary must not be more than double the maximum guaranteed wage (SMIG);

- The self-financing required is 10 per cent of the price for eligibility for FOPROLOS credit (repayment in 25 years and interest of 5 per cent).

4. Restructuring of the financial system

The principal measures concern:

(a) Transformation of CNEL into the Housing Bank in April 1989, which made it possible to create new products;

(b) Immediate funds for land, new and old dwellings, and renovation (the mortgages have reached 85.2 million dinars for 7,400 beneficiaries);

(c) Easing of the FOPROLOS financial terms by raising the credit up to 90 per cent of the cost of the housing (repayable in 25 years at 5 per cent interest).

These changes have introduced improvements as reflected by an increase in FOPROLOS credits and mortgages. Nevertheless they have brought about by the same token a downtrend in the subscriptions to contractual housing loans, which is more constraining.

5. Legislation and regulation

On the legislative and regulatory level, the measures introduced concern:

(a) Amendment of the law governing real estate promotion by granting more benefits to the housing programmes and social parcelling out and by introducing developer activity;

(b) Simplification of the procedures for obtaining building permits and approval of building plots;

(c) Revision of certain articles of the Town Planning Code and the law governing building permission so as to curb the system of clandestine parcelling out and irregular construction.

6. Control of costs

The measures proposed relate to the cost of land and the drop in the cost of construction.

- Encouragement of urban plot densification (the aim is to attain 40 dwellings/hectare);

- The carrying out in an area of a number of pilot housing operations using local materials and traditional building techniques by which to reduce the unit cost by at least 30 per cent with greater comfort. All these correctional measures are in process of application.

IV. CONCLUSION

The housing policy pursued in Tunisia since independence has managed to appreciably reduce the housing crisis to the extent that the number of dwellings now exceeds the number of households and the new dwelling construction rate per year and per inhabitant is 6 per 1,000, which is of the same order as for such European countries as France or Germany. If we refer to the requirements evaluated on the basis of the 1975 census results, which amounted to 56,800 dwellings per year, the production level of more than 40,000 dwellings per year during the Vth Plan and 50,000 dwellings per year during the VIth and VIIth Plans has practically reached the level of the requirements.

Despite these results there are still problems. The demand for serviced plots and social housing is still high, the production of buildable land falls short of the needs and we see illegal recourse to the parcelling out of urban land. Nevertheless the AFH has promoted the densification of plots. It has also initiated the improvement of small plots, but there still production is insufficient. In parallel, an effort has been made to renovate existing housing under the Special Improvement Project. There are also regional imbalances since 8 dwellings/1,000 inhabitants/year are being built in the district of Tunis, while only 4 dwellings/1,000 inhabitants/year are under construction in the north-west and west-central regions.

Inadequate production to meet the needs encourages the proliferation of spontaneous or informal housing and this sector has risen from 25 per cent of construction as a whole during the VIth Plan to 35 per cent during the VIIth Plan. However, thanks to the surveys made in districts and the listing of electricity link-up, this informal housing is in a certain way already known and official.

Increase in the cost of construction is also a problem, but the promoters are carrying out a number of pilot housing operations for which they use building materials and techniques which have made it possible to reduce unit costs by at least 30 per cent.

To find a solution to these problems the role of the operators has been redefined. SNIT no longer has the monopoly of social housing construction. SPROLS, which at first built rental housing, has sold the dwellings which have been bought by their occupants and it only builds housing now for direct sale. But it should be noted that the Tunisian mentality prefers private property to rentals, which explains why the share of the rented sector in Tunisia is very small.

Finally, a key element in the Tunisian housing policy is the Housing Bank, set up in 1989, which provides private individuals with suitably adjusted financial schemes.

Thanks to all these factors, and more generally to the dynamic movement of the private sector and the constant readjustment of the structures and incentives and regulations available for use by the Government, the problem of housing has been satisfactorily resolved in Tunisia.