



## دراسة نظامي الإسكان الاقتصادي في العراق و الأردن

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### ملخص البحث:

هذا البحث يدرس واحدة من اهم المواضيع في البلدان النامية و المتطورة و هو "توفير السكن للطبقات ذات الدخل المحدود". البحث يتضمن تحليلا و تقييما علميا لنظامي إسكان اقتصاديين في بلدين مختلفين هما العراق و الأردن. ان هذا الموضوع يلعب دورا أساسيا في الاستفادة من نظامي الإسكان في هاتين الدولتين المتجاورتين من خلال اجراء مقارنة علمية موضوعية لنظامي الإسكان الاقتصادي و تحديد مميزات كل نظام من هذين النظامين.

البحث ينطوي على أربعة اقسام أساسية: في القسم الأول يتطرق البحث و بإيجاز الى العوامل و المسببات الأساسية وراء ظهور و نمو السكن الاقتصادي في معظم البلدان النامية و يتوجه تدريجيا باتجاه العوامل التي اثرت في نظامي الإسكان موضع الدراسة مع إعطاء موجز لأسباب اختيار هذين النظامين.

في الجزء الثاني، سيتطرق الباحث الى الفلسفة و النظريات المختلفة خلف دعم العراق و الأردن كدولتين تختلفان اقتصاديا و سياسيا و تتشابهان الى حد ما اجتماعيا للسكن الاقتصادي إضافة الى مدى اعتبار ان الحكومات ملزمة بتوفير السكن الاقتصادي اللائق طبقا للقوانين الموضوعية في كلا الدولتين.

الجزء الثالث من البحث يناقش ظروف السكن اللائق و كيف تم تنظيمها في القوانين و التشريعات في كلا الدولتين و توزيع المسؤوليات المختلفة على المنظمات الحكومية التابعة لهاتين الدولتين.

يناقش الباحث في الجزء الرابع من البحث الاليات و الخطط المعتمدة من قبل هاتين الدولتين في اختيار، توفير، إيصال و دعم السكن الاقتصادي للطبقات محدودة الدخل مع اجراء مقارنة موضوعية علمية بين النظامين.

أخيرا و بناء على ما تم نقاشه في البحث سيتم عرض النقاط الأساسية بخصوص نظامي الإسكان الاقتصادي في العراق و الأردن مع تبيان اهم الفروقات لتحديد مميزات (إيجابيات و سلبيات) كلا النظامين من خلال الاستنتاجات النهائية للبحث.



## Affordable Housing Policies in Iraq and Jordan

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### **Abstract:**

This research is looking at one of the most important concepts in the developing countries that is 'housing provision for the low-income'. The research will analyse and evaluate two affordable housing provision systems in two different countries; Iraq and Jordan. The research consists of four parts. In the first part, the research starts by briefly giving a background about the general factors that lead to the emersion of the affordable housing needs in most developing countries with short justification for the choice of two countries Iraq and Jordan.

In the second part, the research will look at the different philosophies and governmental views regarding the affordable housing issues, and the level to which both governments consider themselves involved/concerned in providing housing for the low-income according to the laws.

The third part of the research will be looking at the different conditions of the low-income and how were they defined according to the legal system of both countries regarding housing provision.

The research will then continue in the fourth part by explaining the governmental mechanisms, delivery and support programmes associated with housing provision for the low-income in each of the two countries. Taking into consideration the advantages and disadvantages of these mechanisms and indicating the differences between mechanisms used in both countries.

Finally, and based on the main findings in the first two parts, the research will end up pointing to the most important key points in the conclusion.



## **Introduction**

The world demography has changed a lot during the last few centuries especially after the rapid technological and manufacturing developments. The world of today is a lot different from the world of the past. Agriculture, which provided most job opportunities in the past, is now industrialised and thus it cannot provide the same percentage of job opportunities for people as in the past. This mean that people have to move to other places like cities where more jobs and better services are available. Population growth, economic growth, urbanization and the increasing focus on cities as the new development centres by governments and politics meant making the city even more complex system with higher levels of demand on basic services such as housing, health, education...etc. Thus rules and laws have to be laid down to control and regulate the life in these cities to guarantee that everyone have access to these basic services without affecting others living in the same community.

Housing, as other basic services, has changed dramatically during this period. From the old small simple houses built by few unspecialized families, to the new advanced housing systems planned and built by a number of specialized organizations and construction companies.

All these factors above lead to the emersion of poor and low income families who could not afford to buy or sometimes even rent a housing unit which commensurate with their basic needs. Thus, governmental and non-governmental organisations worldwide started to think about the best approach to help these people to gain (own or rent) their own housing units which suit their basic needs.

Governments nowadays differ in their way of looking at the affordable housing problems in their countries. Thus, they differ in the way they help these people and their level of involvement. From playing the role of 'Enabler' who enables the low-income to have an appropriate housing unit through the market such as providing microfinance systems, subsidies, loans, discounts, technological support...etc. To



the role of 'Provider' who provide these low-income families with land, basic services, parts or even full housing units.

This research will look at affordable housing provision systems in two different countries, namely Iraq and Jordan, with an emphasis on the origins of affordable housing shortages, governmental philosophies and views related to affordable housing provision and to what extent these two governments see themselves concentrated about the housing shortages, the governmental mechanisms of supporting or delivering housing for the low-income. The justification of this choice is derived from a number of similarities and differences in the factors related to housing problems in both countries which makes the comparison extremely important:

- Both countries are consider countries from the Arab world with Islam as the main religion (1).
- Both countries have about the same overall population density in both rural and urban areas of around 70 people per km<sup>2</sup> with about the same fertility rate and population growth rate (1).
- Iraq's total area is about 438,317 km<sup>2</sup> (2) nearly five times the area of Jordan which is about 89,342 km<sup>2</sup> (3).
- Iraq has a higher level of Arable land per capita than Jordan (1).
- Different political systems. While Iraqi political system, as described in Act 1 of the Iraqi Constitution (4), has recently changed in 2005 to be Federal democratic republican system, Jordanian political system has been liberal monarchy for about six decades as described in Act 1 of the Jordanian Constitution (5).
- Iraq has a much higher GNI than Jordan (1). This can be attributed to the fact that Iraq is one of the biggest oil-producers worldwide and that oil production represent over 89% of the national budget, Jordanian national budget, on the other hand, is mainly based on taxes.
- The direct relation between the housing crises in both countries especially after 2003.



## **Origins of the low-income problem in Iraq and Jordan**

Beside the natural causes of the increasing demand on affordable housing in most developing countries discussed earlier, there are other reasons which specifically apply to Jordan and Iraq regarding the affordable housing shortages in these two countries. Therefore it is highly important to briefly explain the origins and the nature of housing problems in both countries here to be able to understand the real factors which led to affordable housing shortages in each of the two countries and thus the philosophies, policies and mechanisms associated for addressing this problem.

### **Iraq**

After the fall of the Iraqi Kingdom in 1948, Iraq started a new era within which Iraq turned to be a socialist republican country. During the first stage of this era (1958-1968) and in order to provide political support for the new government, the government tried to attract some of the low-income people who were originally living in rural areas to cities by starting housing and land provision programmes especially for those who migrate. This caused a huge numbers of rural-urban migrants to migrate to Iraqi major cities back then such as Baghdad, Mosule and Basrah. The numbers of migrants were very high that it was above the expectations of these programmes, and in such short time that the government was unable to stop this migration especially with the political conflict within the new government during 1963-1968 (6). According to (7, 8), The increasing numbers of migrants had a very dangerous impact on most Iraqi cities by increasing the demand on basic needs such as education, health, jobs... and housing especially the affordable housing. The continues neglect of housing problem by the government during the second stage (1968-2003) which resulted in the lack of finance allocated for housing and other development programmes on the national level, in combination with the bad impacts on Iraqi people and infrastructures resulted from the Iraqi-Iranian war 1980-1988 and the Iraqi invasion of Kuwait in 1990-1991 and the crisis followed. All this caused the aggravation of housing needs on the different levels (low, mid and high-income) until it became a dangerous crisis affecting the whole Iraqi community especially the low-income and the mid-income. After 2003 and due to the security issues in Iraq and the



political conflict, the government could not start any housing programme. Most of the national budget was spent on the new Iraqi army and police which was essential for securing Iraq overall. Besides there are new laws and regulation to be approved first in order to facilitate development programmes and allow national and international investors and companies to work in the country. Based on all that above it is possible to conclude that the main reasons for the affordable housing problems in Iraq are the unplanned housing programmes and the continuous neglect to this important sector followed in the last six decades.

### **Jordan**

Although the origins of housing crisis in Jordan differ from Iraq, they are to some extent related. According to (9, 10), the main problems in Jordan regarding the housing sector are derived from the unbalanced housing supply and demand as well as the differences between the specifications of available housing stock and new families' needs. The main factors which caused and causing these issues in Jordan are the regional migrants' waves from the countries nearby which differ in size, type and level of income which was combined with the limited national budget and housing programmes implementation problems. These waves are as the following:

- 1- First Palestinians migrants' wave after 1948 war in Palestine who were mainly mid-income class who lost their houses or business...etc.
- 2- Second Palestinians migrants' wave after 1967 issues who were mainly low-income.
- 3- First Iraqi's migrants' wave during the Iraqi-Iranian war 1980-1988 from different classes.
- 4- Kuwaitis migrants' wave after the Iraqi invasion of Kuwait in 1990 which were mostly from the high-income class.
- 5- Second Iraqi migrants' wave after the failed revolution on the Iraqi regime in 1991 which were also from the different classes.
- 6- Third Iraqi migrants' wave after 2003 which mainly consisted of high and mid-income families.
- 7- Syrians migrants' wave which is happening now due to the recent situations in Syria.



The successive waves of migrants to Jordan and the small flexible housing market in this small country, all that caused the demand on affordable housing to increase as well as causing the whole housing market in Jordan to fluctuate dangerously.

### **Philosophies and views of Affordable housing:**

Based on what was discussed earlier, it is safe to assume that the governments of both countries have different philosophies and views about the type and level of governmental organizations involvement in affordable housing.

In Iraq the philosophy of housing delivery for the low-income is based on act 3 of the Iraqi constitution (4), *"the government is responsible for providing acceptable housing with basic services for all Iraqi people especially women and children"*. It is possible to say that this is mainly derived from the older laws when Iraq was a socialist republican country. The main difference here, however, and according to the new laws - act 26 of the Iraqi Constitution (4) and (11) - the government does not have to be the only provider of these services, in fact the new Iraqi laws opened the door widely for national and international investors, NGOs and other organisations which propose to work freely especially in the housing sector through announcing new set of laws which should facilitate the work of international investors such as allowing non-Iraqis personal and organization to own land in Iraq exclusively for housing projects as described in the new investment law approved by the Iraqi parliament in October 2009 (12).

This huge changes in laws and the Iraqi housing system can be attributed to the fact that the Iraqi government is now aware that it is highly unlikely for the public sector to be able to fulfil the increasing demand on housing services especially with the huge housing shortages inherited from previous governments associated with the Iraqi community's different classes (poor, low, mid and high-income). The new government has also realised that it is too hard to monitor and control housing provision in the whole country centrally like the way it used to be before, therefore the



central government started to give some control for local authorities over issues such as housing and other services provision while keeping some basic overall monitoring/control on these local authorities regarding their performance.

As for the Jordanian government, the philosophy of affordable housing provision is based on humanitarian and political reasons as there is no legal text which commits the government or to be responsible for housing provision for the Jordanian people. Instead housing provision is now completely dependent on the market. It is important to mention here that because of the huge impacts on the housing sector by the different migrants waves, the government tried to tackle the problem in the 1970s and 1980s by shifting housing provision for the mid and high-income to be fulfilled by the market by attracting national and international investors to invest in the housing sector. While leaving the affordable housing demand to be fulfilled by the government via social housing (10, 13). The programme, nevertheless, did not continue because of some financial and technical problems, which pushed the government to shift housing provision for the low-income to be fulfilled by the market as well in the early 1990s.

Based on what we discussed above and because of the differences regarding housing problems nature and governmental financial capacity of both countries, it is possible to say that the new view of the Iraqi government regarding housing provision is to mainly act as Enabler/Controller, while acting as a Provider/Investor to some extent especially when dealing with the affordable housing. On the other hand, the view of the Jordanian government is to act as Enabler/Controller almost always. These differences in governmental views have it impacts on the mechanisms used to solve housing problems in both countries.

## **Who are the Low-income?**

It is crucial to understand how the low-income are defined in both Iraq's and Jordan's legal system. According to (14), the main conditions of any person to be described as low-income, are:

- 1- Should hold the Jordanian nationality and be more than 18 years old.





- 2- Do not own his/her house or apartment in the same city of the affordable housing project.
- 3- Is not benefiting from one of the apartments by the Jordanian Housing and Urban Development Corporation (HUDC) in the same city of the new project.
- 4- Is not benefiting from the Housing Funding Support programme.
- 5- Living or working in the city of the proposed affordable housing project.

In Iraq and based on the law 234 in 1979 (15), the conditions required from any person who want to benefit from affordable housing programmes are:

- 1- Neither he/she nor any member of his/her family who he/she are responsible for financially should own their own housing unit in the same city of the proposed affordable housing project.
- 2- He/she or his/her partner is not benefiting from another affordable housing project from any governmental organization.
- 3- He/she or his/her partner did not buy and sell their housing unit through the past 3 years.
- 4- Is not benefiting from any of the Housing Funding Support programmes.

It is possible to say here that there are some advantages for the Iraqi law over the Jordanian law in that a sense. The Iraqi law is more critical because it included life partners and family members who are the responsibility of the person applying for the affordable housing in the conditions. That could guarantee that every low-income family can get only one housing unit for the low-income in the housing programme or one loan which should help distributing affordable housing more equally, thus more low-income families will be benefited from these programmes. However, it is not really defined what will happen exactly if one of the conditions stopped being valid, for instance if the two partners were separated after receiving the housing unit and then remarried to people who have their affordable housing because that might end up with one family having two affordable housing unit and another family who does not have a housing unit.

Another advantage for the Iraqi system is the third condition. By eliminating people who bought and sold their housing unit within the last three years before the application is being made, it is possible to reduce frauds which might happen when



the family sells their own house in order to get housing subsidies, loans or discounts. Especially if the fact that according to the Iraqi land and house registration system the land or house is registered under the name of the new owner once he/she finishes paying all of the housing loan payments, and thus they will be free to sell the house or apartment.

One advantage for the Jordanian system is the fifth condition which gives the right only for the person who lives or works in a city which has housing support programmes for low-income to apply for the affordable housing or fund. This has a major advantage in the reduction of rural-urban or urban-urban migration. Also, it can limit the number of benefited families in each city to those who will benefit the most.

It is important to mention that although the Iraqi law did not require the applicant to hold Iraqi nationality and based one that the door should be opened for non-Iraqis to benefit from housing support programmes; it was not possible practically for non-Iraqis to benefit from these programmes because the old laws did not land and houses to be registered for non-Iraqis as well as for the loans to be given for non-Iraqis. Also and although the law 234 in 1979 is still currently valid, it only applies through few governmental organisations now. Instead, and according to the new laws, each organisation who wants to offer affordable housing support of any kind has the freedom to put its own conditions with regard to the central statistical recommendations made by the Iraqi Ministry of Planning.

It is crucial to mention here that both countries use special system to prioritise applicants for the affordable housing, fund, loans ...etc. See (Appendix 1)

## **Mechanisms of Affordable housing provision/support**

The differences in the governmental philosophies and views on one hand, and the different nature of housing problems in Iraq and Jordan on the other hand, meant there are a number of differences in the mechanisms used by governments to help addressing the housing problems for the low-income. The main mechanisms regarding housing support programmes for the low-income are:



## **A- Housing Programmes**

Housing programmes is one of the common ways to provide support for the low-income. It generally means that the government will provide full housing units for the low income via subsidised payments, selling at cost price, price discounts...etc. with the government as the main and the only investor or by allowing the private sector to invest in this field too by providing an appropriate legal system to attract investments to this field.

In Jordan and because of the limited governmental finance for housing, the government started the Jordanian Housing Bank in 1974 to encourage national and international investors to invest in the housing sector (16). The government also tried to facilitate land buying and selling for international investors by providing set of laws earlier the same year such as act 17 in 1974 (17). However and since housing for the low-income is generally considered less profitable for national and international investors, most investors started to invest in the mid and high-income housing which is considered more profitable. That resulted in housing oversupply for the mid and high class on one hand, and housing undersupply for the low-income especially after the failure of governmental programmes in 1980s and 1990s to cover the affordable housing demand. This, in turn, lead the government to shift the affordable housing supply to the market and encourage investments in this sector by providing tax reliefs and standards-overcome permissions for investors working in this sector. A good example of this type of housing programme in Jordan is the royal initiative of "Decent Housing for Decent Living", which mainly financed by regional investors from Saudi Arabia...etc. to provide housing for the low-income.

The second type of housing programmes used by the Jordanian government is within wider regeneration programmes such as the one by the Jordanian Urban Development Department which was established in the 1980s. The programme was focusing on upgrading slums and squatter areas within Amman, Zarqa and Aqaba and to provide Site-and-Service schemes for the low income groups. The department was also responsible for providing small subsidies and loans for upgrading slum and squatter areas and provide housing for the low-income.



As in Iraq and due to the new set of laws which gave more flexibility to local authorities to sign investments or start projects in the housing sector, it is possible to see a variety of housing programmes for the low-income.

According to (7, 8), one of the important housing programmes in Iraq is through local authorities. These programmes provide subsidised housing, housing discounts or housing units at cost price for the low-income or even for free. This type of affordable housing provision is controlled by a special system called 'Provincial Development system'. In this system the ministry of planning will be responsible for deciding the amount of finance for each of the 18 governorates or local authority regarding housing provision and other services based on two factors; 40% for province deprivation level and 60% for the relative importance of the population in the province. See (Appendix 2). After deciding the size and type of Housing sector improvements by the local authority, they might then either sign a contract directly with some investors or housing companies, or through the ministry of housing to provide affordable housing and put the eligibility rules/conditions.

There are also housing programmes for the low-income via the central government or the Kurdistan regional government which are quite similar to the one via local authorities but it is under the control of the central government or the regional government directly or through one of the government's ministries. In the latter case it tends to be allocated for this particular ministry's employees only.

It is possible to notice here that housing programmes in Jordan are mainly financed by international and some local investors while in Iraq they are mainly financed by the government. This can be attributed to the fact that Iraq higher national income from oil production, and in addition to that the door is still widely opened for housing investments for the mid and high-income class. However, Iraq can extremely benefit from the Jordanian's system to attract more investments towards the affordable housing sector which might then lead to a more balanced supply of housing by the market and at the same time free the government from the burdens of affordable housing giving it more freedom to focus on other sectors where it is difficult to attract investments such as housing for the poor...etc.



On the other hand, Iraq is using a really developed system to distribute and manage housing provision in different provinces which extremely beneficial to ease the control and management of housing for the low-income and at the same time achieve fair distribution of housing for the low-income in Iraq's 18 provinces.

## **B- Land Provision**

Another mechanism of housing support system for the low-income is land provision. Land provision generally means providing the low-income with land at nominal prices in order to build their own housing unit. This system is normally associated with service delivery and subsidised loan system.

Although land provision is available for government employees in Jordan through their organisations, it is not a very successful system in Jordan. The main reason is that most of the land owned by the Jordanian government is too far from city centres, thus it is inconvenient for those employees to build their housing unit there because it is too far from their place of work...etc.

On the other hand, this system is widely used in Iraq especially for government employees. Most of Iraqi ministries and other governmental organisation provided land at nominal prices for their employees especially the low-income. This system is also available through other non-governmental organisation such as Iraqi engineers' guild...etc. for their members but it normally has special requirements for applicants. Although this system is also available through local authorities in Iraq for non-government employees, it is really rare that it could not be considered as another way of land provision.

In both Iraq and Jordan, although land provision does not allow the recipients to use the land provided for other purposes, it does not really require them to build their housing unit on this land. Therefore it is possible to observe here that most recipients sell their land once the finish the registration procedure and thus the land end up in the market to be sold at market price. Therefor it crucial to put some legal restrictions and provide financial support to encourage the recipients to build their housing units on the new land rather than leave it untapped or sell it in the market.

## **C- Housing Loans**



The third mechanism is loans which can be either loans specifically given for housing purposes or general but can be used for housing purposes. There are different channels which provide loans for the low-income. This method is extremely beneficial when combined with land and services provision system. And it is also very useful way for individuals who do not have their own housing unit but have the land and the will to build their own house.

In Jordan, housing loans is provided for government employees through their organizations such as military Housing Corporation, teachers housing funds, universities Housing Funds, Or for the public non-government employees through housing co-operatives and the formal private sector and banks or through the Jordanian Housing Bank (16). However, in the latter case it normally has a higher interest rate and requires government employee insurance letter.

In Iraq, housing loans are available for the public through the Iraqi Housing Bank which provide loans of up to about 35m Iraqi Dinar. The only collateral needed for this loan is the land which will be used for building the new house or apartment building. The payment could be divided up to 15 years with an interest rate of 8% per annum. Another type of housing loans is through governmental organizations which normally made for their employees and equal to about 100 times their monthly salary with lower interest of about 4% per annum. The third type of housing loans is through co-operatives and non-governmental organizations such as Iraqi Engineers Guild...etc. however these loans normally have special conditions such as being a member of the guild for a certain number of years...etc.

It is possible observe that housing loans in both Iraq and Jordan are still at high level of interest and sometime pretty small compared to the actual prices of housing units in these two countries especially for non-government employees. This has major impact on housing loans system efficiency in reducing housing demand and helps the low-income to gain their own housing unit. In my opinion, governments should facilitate loan procedures and try to decrease interest rates on housing loans, and at the same time provide an efficient system to encourage construction companies to decrease their costs by providing tax reliefs...etc. in order to



encourage low-income families to build their own houses and thus decrease the housing crisis impacts.

#### **D- Other mechanisms**

There are also a number of other mechanisms to provide housing support for the low-income such as rental housing which is generally available for government employees such as Universities rental housing in Iraq and Jordan, Military rental housing in Jordan...etc.

### **Final Conclusions**

Based on what we discussed earlier in this research, it is possible to conclude two import points. Firstly, the huge variety of mechanisms regarding housing provision for the low income at the different levels in Iraq over Jordan gives Iraq the advantage of better distributing housing services amongst different cities equally and also increases the chance for low-income families to get housing support which suit their needs the best. However, the wide range of mechanisms and the high number of governmental and non-governmental organisations involved will make it very difficult to control the housing system especially with the absence of any effective monitoring system to make sure that housing support systems are achieving their goals and delivered to the targeted people. On the other hand, although the Iraqi housing system for the low-income is still new, the Jordanian system seems to have the advantage over the Iraqi system when considering the amount of governmental finance needed for housing support programmes because it was more successful in attracting international investments.

Secondly, although the governmental philosophies and view of both Iraq and Jordan regarding affordable housing provision gives the impression that housing support system should be available for all community members equally, it is possible to observe that practically the low-income families who work in governmental organisation are better served by affordable housing support programmes and.





The following table shows the relation between type of employment and affordable housing provision system in both Iraq and Jordan.

Table 1: Effectiveness of the different housing support mechanisms available for the low-income

Housing Provision system	System level of effectiveness			
	Iraq		Jordan	
	Gov. Employees	Non-Gov. Employees	Gov. Employees	Non-Gov. Employees
Housing Programmes	●●●	●●	●●●	●●
Land Provision	●●	●	●	-
Housing Loans	●●●	●	●●	●
Other Mechanisms	●	-	●	-
Average/Total	●●	●	●●	●

In my opinion the high level of advantages given for low-income government employees compared with others who are not governmental employees regarding housing services is having a very serious impact on the community and the economy. This is because it attracts more people towards working in the public sector (governmental organisations), in a time where people should be directed towards the private sector and private investments. This will firstly decrease the pressure on the government giving it the advantage of monitoring the private housing delivery system and secondly giving the private sector the opportunity to deal with housing problems especially after it proved its success and flexibility in dealing with the increasing housing demands in a number of countries worldwide. This could be achieved by increasing affordable housing programmes and funds on the general bases rather than making it specifically for government employees and encourage





the private sector to invest in the different housing provision systems (low, mid and high-income) at the same level.

## **Appendices**

### **Appendix 1: System used to identify and prioritise the low-income:**

In both Iraq and Jordan, a special system is used to prioritise the low-income applicants who want to benefit from the different housing support programmes available for the low-income. The system is a point-based system which takes the following aspects into consideration for each applicant:

- Social condition: which means is the applicant married how many children do he/she has.
- Educational Situation: which means the type and level of the degree he/she has.
- Which city he/she is living in.
- Number of years in service.
- Land ownership: which means does he/she has a land or house which belongs to or owned by him/her only.
- Years of service in the military in Jordan system only.
- The original nationality (Palestinian or Jordanian...etc.) very common in the Jordanian system.
- Other conditions.

In Iraq for example:

- Five points is given for the applicant who lives in the same city the housing programme or fund will cover.
- One point for each year in service.
- One point for each wife and one point for each child up to 18 years old except girls who are not yet married and still under the financial responsibility of the applicant.



- Five points for PhD holders, Four points for Master's degree holders, Three points for Bachelor's degree holders, Two points for Undergraduate Diploma holders (2-3 years) and One point for High-school certificate holders.

As seen here, this system takes the different aspects of life to prioritise low-income applicants, which, for instance, will have an effect on the time for handing over the housing unit, the maximum number of payments and the time allowed, the type of housing support and finally the interest rate.

Also it is possible to use this system to encourage good or bad behaviour. As what used to happen in the past in Iraq when the government was giving 10 points for the people who are members of Ba'ath party or close to the regime.

## **Appendix 2: The Provincial Development system in Iraq:**

Due to some political and racial reasons, the distribution of development programmes and income associated with development projects was not equal during the period between 1948 and 2003. Because of that unequal distribution some cities were over-served by housing, health, education...etc. services while others were not. Therefore and after 2003, a new set of laws was approved by the Iraqi parliament which allowed the Iraqi Ministry of planning special to start a special system to distribute the governmental budget associated with housing and other services provision through local authorities according to the level of deprivation of the city and the importance of the city according to the percentage of its population.

Table 2: Iraqi governorates priority according to the degree of deprivation.

Source: based on (8)

Provinces	Population Percentage	Deprivation Factor
Mesan	11.3	55.8
Al-Muthana	9.0	44.3
Al-Dewania	9.0	44.3
Thi Qar	8.5	42.1
Wasit	7.2	35.5



Babylon	7.0	34.5
Naynawa	6.8	33.5
Salah Al-deen	6.7	33.1
Dyala	6.7	32.9
Karbala	6.6	32.7
Najaf	6.0	29.6
Basrah	5.3	26.3
Karkuk	4.2	20.6
Baghdad	3.6	17.8
Al-Anbar	2.1	10.3
Iraq average	-	27.9

Based on the two factors, the Iraqi Ministry of Planning will determine the exact share of the national budget which will end up in the different housing, health, education...etc. services in each province. The money will then be transferred to the local authority with a set of recommendation from the ministry of planning.

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