

# **SHELTER DEVELOPMENT THROUGH COOPERATIVES**

**A Strategy for Poverty Alleviation and  
Slum Improvement for Asia and the Pacific Region**

A Concept evolved  
by  
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## **FOREWORD**

Over the past decades there has been a succession of global initiatives addressing the challenge of poverty. The United Nations and others have committed themselves first to an assault on world poverty and then to its eradication or elimination.

In 1973 Henry Kessinger addressed the United Nations and proclaimed a bold objective that in 10 years time no child will go hungry or fear for the next day's bread. In 1975 Brian Walker of OXFAM spoke about the possibility of abolishing poverty from the human condition. But despite sectoral progresses in many areas and places the evidence of the last 40 over years is that poverty however defined is becoming more severe for more and more people.

In trying to do something about poverty have men and women of energy and goodwill been thinking about it in a realistic way? Do the words that we commonly use to describe our intentions and our initiatives reveal a less than adequate understanding of the and the processes of poverty ? Is there a danger that our resources, our efforts, our programmes, our commitment may lead to little improvement if it is not rooted and grounded in a more adequate understanding.

I do not think that it helps to assault poverty. Poverty is not a discrete object that we can hit, an identifiable enemy that we can attack.

In this context are we using the right word when we talk about 'impact' in seeking to measure the effects of our development efforts?. In 2005 a massive International effort has commenced to make poverty history. Bold and imaginative moves to cancel un-payable debt, work for trade justice and greatly increase the amount and quality of aid are long overdue.

An estimated 600 million and more urban dwellers are said to be living in the Asian cities under extreme hardships. The vast Asian and the Pacific region

is home to 60% of the World's people. Despite its fast growth rate, poverty reduction remains the most important challenge for the Asian and the Pacific region.

It is in the above context that the International Cooperative Housing Foundation for Asia and the Pacific (ICHFAP) is attempting to evolve a concept that envisages that the millions of the urban poor and the slum dwellers of the towns and cities across the Region may be organized into ***Multi-purpose Urban Cooperatives for undertaking housing and related socio-economic development initiatives.***

The concept, details of which are explained in the notes that appear along with those forward attempts to emphasise on the facilitative role which the Government at the Federal level and the State level as well as other related agencies would have to play in providing the necessary supportive inputs such as land, tax breaks, easy credits and technology to eradicate the slums, provide shelter, safe drinking water, sanitation, transport, healthy environments etc. best possibly in "cluster" formations as has recently been advocated by environmental specialists. The proactive role by Non-Government Organizations (NGOs) in motivating the urban poor to form the cooperatives and a participatory role by industry associations to make the proposed programme successful is also emphasised in the paper.

In India, it is understood that a similar concept has been put forward by the National Cooperative Housing Federation of India and which we are informed has been appreciated by the Government of India and which may likely be implemented shortly.

I hope that the Governments in the Asia and the Pacific Region may also find the concept suggested in the attached paper to be feasible and implementable across the Region within the available legal and resource frameworks.

I would like to record my appreciation for the efforts that have been put in by Ms.Gunjan K Arora, Assistant Secretary in ICHFAP in the endeavour to evolve this concept under the guidance of Dr. M.L.Khurana, Managing Director, National Cooperative Housing Federation of India (NCHF).

Kuala Lumpur  
September, 2006

**Paramasvaran S. Kandiah**  
President

# LIST OF ABBREVIATIONS

- BMTPC** – Building Materials and Technology Promotion Council
- BPL** – Below Poverty Line
- EU** – European Union
- HUDCO** – Housing and Urban Development Corporation
- ICA** – International Cooperative Alliance
- ICHFAP** – International Cooperative Housing Foundation for Asia and the Pacific
- KIP** – Kampung Improvement Programme
- LIC** – Life Insurance Corporation of India
- NCHF** – National Cooperative Housing Federation of India
- NGO** – Non-Government Organization
- NHB** – National Housing Bank
- NSSO** – National Sample Survey Organization
- PWD** – Public Works Department
- SAARC** – South Asian Association for Regional Cooperation
- UN** – United Nations
- USA** – United States of America
- UT** – Union Territory
- WB** – World Bank



# URBAN POVERTY

Poverty is a world-wide phenomenon affecting millions of people where the means available to people may not be sufficient to stay alive or to live a life that is considered normal in a society. Poverty is not limited to lack of adequate income; but is multi-dimensional and therefore may be a combination of factors leading to situations of hunger/starvation, malnutrition/ill-health, inadequate housing/slums, lack of access to basic social and community infrastructure, etc.

The poor are generally vulnerable to exploitations and suffer various kinds of deprivations; but the problems of the urban poor are peculiar and heterogeneous which make them more difficult to tackle. The high population density in urban settlements, scarcity in availability of developed land and house sites, rising land/house/property costs and high rentals, squalid living conditions in slums and squatter settlements where majority of the urban poor live, inadequate water and sanitation facilities, filth and squalor-filled surroundings - are some of common features of their living environment.

The solution to these multiple problems obviously lies in creating conditions for the availability in adequate measures of basic necessities of human life among which 'shelter' occupies a predominant position.

## 1.1 CULTURE OF POVERTY

The Origin of the concept of poverty can be traced back to the writings of ancient religious thinkers and moralists as well as in the scriptures of the theological states. They viewed poverty as an act of God - a curse on sinners for their bad deeds. This view prevailed down to the end of 19th century and persists even today to a certain extent. This view, gradually came to be regarded as a 'culture' or more accurately as a subculture of poverty.

Many researchers noted that the life style of poor differs in certain respects from other members of the society. Poverty and life styles share common characteristics. The circumstances of poverty are similar, in different societies. Similar circumstances and problems tend to produce similar responses and these responses can develop into a culture, that are learned, shared and socially transmitted behavior of a social group. This has given rise to the concept of 'Culture of Poverty', and this concept of culture of poverty was introduced in literature by an American Scholar Oscar Lewis.

But the first question that comes to one's mind is that how to define Poverty. Various definitions of poverty were put forward by many national and international institutions.

Poverty is multi dimensional, the poor are malnourished, lack minimum shelter, sanitation and drinking water; they are illiterate; and cannot afford to send their children to the elementary school etc.

Poor are also at various risks like the problems of employment, child labours, insecurity in old age, limited access to health care or more private health expenditure, non healthy living conditions, no proper housing etc. The poor and slum dwellers occupy a marginal section in the socio-economic life of the community.

According to Lewis, the poor generally have more important features like:-

- Lack of effective participation and integration of the poor in major institutions of the larger society.
- The urban poor do not usually belong to trade unions or other associations.
- They are not regular members of political parties and do not participate in national welfare agencies, and make very little use of banks, hospitals etc.
- They face low wages, chronic unemployment and under employment leading to low income, lack of property ownership, absence of savings etc.
- Poor housing conditions, over-crowding, material deprivation are other features.
- On the family level, there is absence of childhood, high rate of divorce, desertion by male family head, leaving only female headed households thereby making children and women the most vulnerable group.
- On the level of individual, the major characteristics are strong feelings of marginality, of helplessness, of dependency and inferiority.

These have been common features which touch upon the various dimensions of poverty. Different countries have different definitions of poverty and it has been realized that consistent comparisons between countries can be difficult.

Also wherever possible consumption has been used as the welfare indicator for deciding who is poor. But now that certain social indicators like infant mortality rate, malnutrition etc. have been used, new dimensions have been added in understanding the concept of poverty.

## **1.2 FEATURES OF POVERTY IN URBAN AREAS**

'Urban' is a term that is anything relating to towns and cities. The urban place is defined by employing the criteria of population size, economic base and other administrative criteria. Since urban places are generally larger than rural places, at some point of time the size of the population determines or decides when a village becomes a town. But various countries would differ in fixing the threshold level of population. For instance in Sweden, any settlement with more than 200 inhabitants is classed as urban, whereas in the USA, the population minimum for urban status is 2500. In some countries population size is combined with another criteria like that of economic base. For instance in India a settlement must have more than 75 per cent of its adult population engaged in non-agricultural work to be classified as urban.



A vicious cycle of poverty is operating in the urban areas where it is concentrated in informal sectors. With the increase in the population of the Region, villagers are left with no option but to drift or migrate to urban areas because of the inability or incapacity of rural areas to support them above poverty level. After moving to the urban areas, the migrants face the problem of unemployment, underemployment, non availability of shelter and limited access to the basic needs. Formal sector or urban employers are reluctant or refuse to accept the new rural migrants because of their lack of or low levels of education and inferior skills. The informal sector gives them less productive jobs, lower wages and partial employment. This creates lower income and the inability to save. To meet the household expenditure, there performance needs to be more number of hands which means a demand for larger household size which results in increase in population.

In comparison with the rural poor, urban poor are faced with a different set of problems. Urban areas are generally characterized by greater degree of commercialization for goods, services and land. While fuel wood and water are available free in rural areas, it is not available without expenditure of cash or at considerable cost in urban areas. Transportation cost becomes another burden which enters into the family budget of an urban poor family which was not significant in the rural area. In addition, prices for goods and services are generally higher than in the rural area. Dependency of urban poor on cash income means higher vulnerability of the urban poor for price rise. For instance, if the cooking oil price or onion price shoots up, the urban poor has to go without these items. When the cereal price goes up, the urban poor consumes less which in turn affect his health. Inadequate provision for safe drinking water, sanitation and drainage makes them vulnerable to ill health.

There are certain characteristics of poverty within which urban poor live:

- At a community or location level, many poor people in urban areas live in cramped, over crowded and unsanitary conditions. Some occupy precarious sites which are vulnerable to fires and flooding.
- The poor suffer unprotected and irregular employment.
- Urban poor are highly dependent on public bodies to provide goods and services (water, health care, regulation of job contracts etc.) because they have less control over their immediate environment than in rural areas. In addition, safe drinking water, solid waste collection and hygienic sanitation systems reduce other vulnerabilities.
- Violence or threat of violence is a constant feature of urban life. This is exacerbated by youth underemployment, alcohol and drug abuse especially among men.

These are the major features of the urban poor but one striking and bothering feature of poverty itself is that poverty is a dynamic concept. Those above or on the poverty line today, may fall below it tomorrow. To handle this delicate issue new concept of 'Social Development' has been added.

'Social Development' concept assumes that the people or beneficiaries have the capacity to act in their own interests. They have the capacity to seize opportunities offered (education, loans etc.) to turn them into sustainable capital assets. But the poor people's capacity to translate development opportunities into activities to

reduce individual and household poverty is dependent on a number of factors. For untrained poor people's capacity for action is dependent on whether they are in a position to take a risk - to forego present income earning opportunities in order to enhance skills for a potentially higher earning job in the future. The improving poor can take advantage of social development interventions. For the coping poor, however it may be a risk that they are either unable, or are not prepared to take. The declining poor are out of the picture altogether.

Also if the concept of poverty is dynamic, it is not necessary that poor, who have improved, cannot fall back. So with the concept of 'Social Development' is needed the concept of 'Social Protection' i.e. improving poor should continue to improve. This would be a sustainable approach to poverty reduction.

In Asia and the Pacific Region, the issue of poverty has been in direct or indirect focus of development initiatives, since the end of the colonial era (1940s to 1950s). The issue of urban poverty has gained prominence only in the last two to three decades. Two basic 'levels' or 'types' of poverty are identified in the development literature: absolute poverty and relative poverty. Absolute poverty is defined as the cost of the minimum necessities needed to sustain human life, whereas relative poverty is defined as the minimum economic, social, political or cultural goods needed to maintain an acceptable way of life in a particular society.

The European Union defines the relatively poor as "persons, families and groups of persons whose resources (material, cultural, social) are so limited as to exclude them from the minimum acceptable way of life in the member state in which they live". Terms such as poverty eradication and poverty alleviation are often used interchangeably in the development literature. While absolute poverty can be eradicated, relative poverty can only be alleviated, because what is minimally accepted today may vary over time, from villages to urban areas and from country to country. Relative poverty also varies with levels of economic development, and the perceptions and expectations of the majority on what is minimally acceptable. For instance, while clean piped water may be a minimum acceptable standard of living in a city, it may not be minimum requirement in a village.

### **1.3 ESTIMATES OF URBAN POVERTY**

In today's world, in spite of socio-economic achievements and globalisation, extreme poverty has persisted and inequality has deepened in many countries. The main features of poverty today include falling incomes, rising costs of living, especially within urban areas, and inadequate access to basic services such as water and sanitation as talked earlier.

Poverty has increasingly become an urban phenomena. This increase in the number of the world's poor has been accompanied by rising inequality and polarization between nations, within nations and within cities.

The number of poor people has risen worldwide in recent years. The total number of people subsisting below the international poverty line of less than US\$ 1 a day has risen from 1200 million in 1987 to 1500 million in 2000 and is projected to grow to 1900 million in 2015.

World Bank estimates of poverty show that very little progress has been made in reducing income poverty levels over the last decade. In South Asia for instance, the incidence of poverty did decline moderately through the 1990s but not sufficiently to reduce the absolute number of the poor. The actual number of poor people in the region has been rising steadily since 1987.

Despite significant progress in economic growth and poverty reduction, Asia and the Pacific countries is a region of considerable disparity, with approximately 679 million people living in poverty. One of the main reasons behind this is the lack of adequate job creation. Labour markets in the region have hardly progressed relative to the region's economic gains. In many countries in the region, the rate of unemployment has increased, although a few have witnessed some improvement in 2003. Under employment and child labour continue to be issues of concerns. The region is also confronting three specific issues - jobless growth, the working poor and youth unemployment. Though the region has made significant progress on both the social and economic fronts. But this overall progress marks wide disparities and stark contrasts. Hundreds of millions of people have been lifted out of poverty, yet hundreds of millions of others struggle to survive on less than US\$ 1 a day. Two out of every three people living in extreme poverty live in the Asia and the Pacific.

In India, Planning Commission defines the poor through the criteria for Below Poverty Line (BPL) based on the average per capita consumption expenditure which meets specified per capita daily calories requirements along with a minimum of non-food expenditure. The calorie norms were fixed at 2400 kilo calories per capita per diem for rural areas and 2100 kilo calories for urban areas.

Estimates by the Planning Commission showed that in 1999-2000, a little over 260 million people in India were categorized as poor out of which 67 million were in urban areas. This corresponded to a poverty ratio of 26.1 per cent for the country as a whole and 23.6 per cent for the urban areas. The Tenth Plan (2002-07) has set a target of reduction in overall poverty ratio by five percentage points to 19.3 per cent by 2007 and by 15 percentage points by 2012.

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# ASIA AND PACIFIC : AN OVERVIEW

## 2.1 INTRODUCTION

The vast and culturally diverse Asia and the Pacific Region is home to 60 per cent of the World's population. It encompasses the huge, rapidly industrializing economies of China and India, the remote mountainous communities of Nepal and Bhutan and the small Pacific island countries. In the past two decades, the Region has made great progress on both the social and economic fronts. Some countries in the Region were the pioneers in several fields of science and technology centuries ago. The Region gave the World scientific discoveries in the fields of mathematics and astronomy as well as technological inventions such as paper, printing and gunpowder - key materials in the unfolding of history and civilization.

Rapid economic growth and macro-economic stability are widely recognized as central objectives of development policy. The developing economies of the Asian and the Pacific Region have been quite successful in achieving both social and economic objectives. The economic growth rate of developing countries in the Asian and Pacific Region slowed moderately to 6.6 per cent in 2005 largely due to high oil and commodity prices and global slowdown in trade. However, a look at individual economies such as those of China, India and Pakistan revealed higher economic growth in 2005 than in 2004. Also no country in the Region experienced a negative rate of growth.

In the past 30 years, the urban population has tripled and projections suggests that urban growth will continue in future. Urban areas in Africa, Asia and the Latin America are growing at an average rate of one million people a week. Urban population in the Asia and the Pacific Region is growing at an average annual rate of 3 per cent, having doubled between 1960 and 1980 from 359 million to 688 million. The total urban population in the region at present is about 850 million containing 40 per cent of the World's urban population.

Despite growing faster than most regions in the World for more than two decades, poverty reduction remains the most important challenge for the Asian and the Pacific Region. The Region contains  $\frac{2}{3}$ rd of the World's poor, with 40 per cent of the extremely poor who earn less than \$1 a day living in South Asia and in least developed countries. Pockets of extreme poverty also exist in parts of South East Asia and in some Pacific island States.

There are important linkages between poverty, population growth and pressures on the environment. Poverty is one of the great sources of environmental degradation. Any practical strategy for sustainable development demands that basic needs of the population be met as a matter of the highest priority. The basic needs to be met

in an enduring fashion, it is imperative that such needs are provided not through redistributive mechanisms of Government but through institutional changes that ensure the ownership of assets and command of knowledge by the poor. Failing to meet basic needs, minimum standards of food and nutrition of housing, health care and education - is to deprive people of basic rights.

Elimination of poverty has no general solution that would be applicable equally in all countries and at different levels of development. The handful of economies in the Region such as Hong Kong, China and Singapore have effectively over-come poverty during the past quarter century have done so by applying individual approaches and policies. The fast pace of economic growth is vitally important. Rapid growth not only provides ever increasing opportunities for employment in both the formal and informal sectors but also generates resources for the public sector to use in redressing issues of non income poverty, such as inefficient or poor quality public goods, education, health, transport and housing.

But rapid economic growth alone may not be enough. The inexpensive growth of China and India is widely believed to have pulled millions of people out of extreme poverty. But these results are skewed and are Region specific. In India for instance, the information and communication technology boom has reduced the incidence of poverty in urban areas, but large parts of the rural economy have been left behind. It thus appears that in countries where poverty is widespread, jobs and income growth alone will not eliminate non-income poverty. Governments need to expand the provision of public goods and ensure better access for the poor. Without such intervention, even rapid economic growth will deliver inequitable outcomes and will be unsustainable over the long term.

While the private sector, including civil society, can provide critical support in widening access to public services, through public, private partnerships and other means, Government interventions remains essential for scaling up individual success and creating a favourable environment, through regulation for promoting and sustaining universal access to public services. For instance, in Vietnam, where the Government has not only created a favourable business environment for domestic and foreign investors, but also has extended the benefits of economic growth to the wider society by investing in education, medical facilities, roads, drinking water and electricity in rural areas.

On the other hand, Pacific island countries face many daunting problems in their quest for economic growth and sustainable development. This include physical disadvantages of remoteness, smallness and dispersion. In many cases, the rising population exerts pressure of scarce resources and suffocates efforts to raise living standards. Most Pacific island economies of Fiji, Kiribati, Papua New Guinea, Solomon Islands etc. have reported growth rates of less than 3 per cent for most centuries. Most Pacific island countries continue to experience declining living standards as population growth rates outpaces modest GDP growth rates. Also the average economic performance in these economies hides the fact that a small population of the people earn high incomes, while the bulk of the population is doing poorly and a larger proportion is slipping into poverty. The three major causes of poverty are lack of employment and economic opportunities, lack of access to basic services (education and health) and lack of response by Government institutions to the people's need.

In most Pacific island countries larger number of people have moved from rural areas to urban centres, partly in search of formal employment. They are also looking for better educational opportunities for their children, improved access to health care and perhaps the attractions of urban life. In South and South West Asia, high growth rates need to be maintained to tackle poverty, a key challenge in most countries, as the South Asian Association for Regional Cooperation (SAARC) also recognized at its thirteenth submit in Dhaka in November, 2005.

Unemployment and underemployment are among the major reasons for the high incidence of poverty in South Asia. Official figures place open unemployment in the sub region at about 8 per cent although the rate varies across countries. More than half of the labour force is employed in the informal sector, where people tend to be under employed and their income levels are low. Urbanization is progressing in the Sub-Region, but the largest share of people still live in rural areas and most are dependent on agriculture. Rural industrialization, based on the processing agricultural products, is thus the key to generating additional employment in rural areas. Although fertility rates are declining in all countries in South Asia, population pressure continues to be serious problem. It is clear that a comprehensive package of population policies and programmes is needed to tackle the problem of unemployment and poverty.

## **2.2 POVERTY IN ASIA AND PACIFIC**

Poverty, world-over has three main aspects: (i) Poverty of Money; (ii) Poverty of Access and (iii) Poverty of Power.

### **2.2.1 Poverty of Money**

The most prevalent means of measuring poverty have been and continue to be those related to money. Measures such as poverty lines and Gini-coefficients are used to measure absolute and relative poverty in terms of incomes and affordability. They are used as they are relatively easy to make and quantify. Lack of money is a symptom of poverty rather than its cause i.e. poor are not without an income, what they lack is the ability to accumulate assets, which is essential for the creation of wealth and breaking the cycle of poverty.

### **2.2.2 Poverty of Access**

Most Asian urban poor live in overcrowded and unsanitary slums and squatter settlements and often do not have access to basic infrastructure and services. They are forced to live in illegal and informal settlements because they cannot enter formal land and housing markets. The way the formal markets are regulated and structured, the poor are unable to afford the choices offered to them in these markets whereas the informal and illegal housing markets of slums and squatter settlements are specifically geared to meet their shelter needs. But there are serious disadvantages of the informal land and housing market as they are often located on marginal land (along river banks, railway lines, steep slopes and on or near garbage dumps) and are prone to natural and man made disasters. They are often illegal and the residents do not have security of tenure. Because of informal status they are often not provided with formal basic infrastructure and services such as piped water, electricity, waste water disposal and solid waste collection by Government agencies and organizations. Moreover there is fear of eviction and thus

the poor do not invest in improving either their housing or their settlements. The lack of basic environmental infrastructure and location of marginal land often translate into higher rates of disease and lower life spans further adding their expenditure and loss of workdays. Also poor education availability further contributes to entrenchment of the cycle of poverty.

### **2.2.3 Poverty of Power**

In urban areas poor suffer from diseases associated with poor sanitation, lack of clean water, overcrowded and poorly ventilated living and working environments, as well as from modern risks caused by air and industrial pollution. While poor suffer the most from dysfunctions in cities, they are least able to influence how cities are governed. In many Asian cities, both the formal structures of Government and culture of governance tend to exclude the poor from decision making and tend to concentrate decision making among a small number of formal and informal elite. Information, that is another important aspect of power, is also miles away from the poor as they lack the means that are inaccessible or not understandable to them.

The extent and nature of poverty, as defined by its three aspects and its impact on marginalizing and alienating segments of the urban society are difficult to measure. The extent and nature of poverty varies considerably in countries of Asia and the Pacific and that of urban poverty varies considerably between countries, between rural and urban areas, among urban areas within a particular country and among neighbourhoods of a given urban area. The eradication of poverty or more recently, alleviating poor out of the cycle of poverty that has been on various agendas of various international and national level organizations, have pointed that for eradication of poverty it is essential for sustainable human settlements.





## SHELTER CONDITIONS OF THE ASIA AND THE PACIFIC REGION

'Shelter' means more than just a roof over one's head. The term 'adequate shelter' that has been part of international conferences and other HABITAT debates means "adequate privacy, security, security of tenure, structural stability and durability, adequate lighting, heating and ventilation, adequate basic infrastructures such as water supply, sanitation and waste management facilities, suitable environmental quality and health related factors; and adequate and accessible location with regard to work and basic facilities, all of which should be available at an affordable cost". This shelter adequacy varies from country to country, since it depends on specific cultural, social, environmental and economic factors.

It was in 1976 that United Nations held its first conference on the issue of physical and spatial organization of human life. The Conference 'Habitat: United Nations Conference on Human Settlement' established the concept of human settlements to consist of several elements that had been previously considered separately from one another - housing, building, planning and relationship of these and other such activities. Vancouver Declaration defined human settlements as:

Human settlements means the totality of the human community, whether city, town or village with all the social, material, organizational, spiritual and cultural elements that sustain it, the fabric of human settlements consists of physical elements and service to which those elements provide the material support. The physical components comprise:

**Shelter** : i.e. the super structures of different shapes, size, type and materials created by mankind for security, privacy and protection from the elements and for his singularity within a community.

**Infrastructure** : i.e. the complex network designed to deliver to or remove from the shelter, people, goods, energy or information.

**Service** : covers those required by a community for the fulfillment of its functions as a social body, such as education, health, culture, welfare, recreation and nutrition.

Over the years, this concept of human settlements has been broadened to become a frame-work for an overall national socio-economic development in the context of formulating global shelter strategies for the year 2000. It is now contended that human settlements are the spatial dimension as well as the physical expression of economic and social activity. Settlement conditions influence the persons life to



a great extent. They are an indicator of and a pre-requisite for social and economic development. Settlements and shelter are places where people live, learn, comfort and procreate. Shelter conditions are the most visible expression of a society's ability to satisfy some of the fundamental needs of its members. In other words no sustainable social progress or economic development can occur without efficient settlement system and settlement networks.

In words of Karl Marx 'man must be in a position, to live in order to make history'. To live man needs to eat, drink, be clothed and have a dwelling place. This view expressed in the 1840s is still very relevant. Today since both empirical and theoretical evidence support the need to treat shelter, food and clothing as basic needs to which both rich and poor are entitled.

Housing is truly one of the most important basic needs of mankind, and the elevated position which it occupies in the social policy of many countries cannot be overemphasized. This is partly due to the fact that housing has profound impacts on health, social attitudes and the productivity of individuals. The quality of one's housing may be one of the best indicators of one's standard of living and place in society. Housing not only provides shelter for a family, but also serves as the centres of its total residential environment and social acceptance. The home and its physical environment forms a compact block in which the largest range of human needs are met and the largest part of human life is lived. Housing comprises such a fundamental and major dimension of society that the study of residence is central to our understanding of society.

### **3.1 HISTORY OF SHELTER DEVELOPMENT**

Development of shelter is an ancient human activity. It began with the purely functional need for a controlled environment to moderate the effects of climate. Constructed shelters were one means by which human beings were able to adapt themselves to a wide variety of climates. Human shelters were at first very simple and perhaps lasted only few days or months. Over time these temporary structures have evolved into highly refined forms which are more durable. From the use of leaves, branches and animal hides, it switched over to more durable natural materials such as clay, stone, timber and later other synthetic materials such as bricks, concrete, metals and plastics. The hunter-gatherers of the late stone-age who moved about a wide area in search of food, built the earliest temporary shelters. With the agricultural revolution around 10,000 BC, gave a major impetus to building permanent dwellings. Humans created permanent settlements where they raised crops and learned to domesticate animals for use in the fields or as a food supply. With these permanent settlements came a life with a complex pattern of division of labour and a rise of a concrete social structure and a hierarchical power structure. Permanent settlements forced people to specialize in different tasks.

With a more complex diversion of labour and the development of hierarchical power structure, there was a third element - development of cities and urban centres. By 3500 BC urban population or city population came to be distinguished where the permanent structures of dwellings grew and multiplied. Later as cities became the centre of trade, demand for housing and permanent shelter increased. With industrial revolution in 18th and 19th century - people were moving to cities in unprecedented numbers and city's population exploded. With the urban population enjoying more wealth, more efficient means of production and better health and

sanitation conditions both migration and natural population growth were high. This influx, coupled with technological improvement and advances in health and sanitation services, created what is known as demographic transitions. Depopulation of rural areas as people moved to cities, many abandoning their farms in search of white collared jobs in cities also took places. These migratory trends have gained so much prominence that it is the central concern of demographers.

### **3.2 URBANISATION AND URBAN CENTRES**

The rapid growth of the World's population has been accompanied in most countries by the multiplication and growth of urban places. The United Nation's estimates that between 1950 and 2025, the number of urban dwellers will increase nearly sevenfold from 738 million to 5.1 billion. But the World's urban population is not distributed evenly among regions. The more developed regions in 1970 had 677 million urban dwellers, in 1994 that rose to 868 million urban dwellers and by 2025 it is expected to rise to 1040 million urban dwellers.

The less developed regions of the World like Africa, Asia, Latin America and Oceania in 1970 had nearly similar number of urban dwellers that were 676 million but by 1994 that had rose to 1653 million urban dwellers and this is expected to raise to 4025 million urban dwellers by the year 2027. Asia is a major Region of urban growth. Whereas in 1970, Asia was home to 503 million urban dwellers (37 per cent of the World's total), by 1994 1.2 billion (46 per cent of the 2.5 billion global urban dwellers were Asian. It is anticipated that 2.7 billion (more than half of World's urban dwellers will live in Asia by 2025.

Another example is that of China. In the past decade alone about 120 million people (twice the population of France) abandoned agriculture in search of the economic opportunity created by China's dual embrace of urbanization and industry. An additional 60 million to 70 million people will join them by 2010.

Massive over-urbanization is occurring in the less developed parts of the globe. It is noted that while populations in developing countries are doubling every 25 to 30 years, their large cities are doubling every 10 to 15 years. And the urban slums and shanty towns in the cities are doubling every 5 to 7 years. In 1950, only one city in the developing World had a population greater than 5 million. Over the course of the past half century, a World where most people lived in rural areas has been transformed into a predominantly urban World. This trend has influenced not just the physical location of population but also the organization and conduct of economic and social life of most people on the planet - both urban and rural dwellers.

### **3.3 CITY LIFE**

Cities of the world are almost reaching unprecedented sizes - Tokyo 27 million; Sao Paulo of Brazil - 16.4 million; Mumbai of India - 15 million. Such a situation places enormous strains on the institutional and natural resources that support them.

Historically the social and economic development of any country depends on its cities. As centres of industry and commerce, cities have long been centres of wealth and political power. They also account for a disproportionate share of national

income. The World Bank estimates that in the developing World, as much as 80 per cent of the future economic growth will occur in towns and cities. The urbanization not only produces economic benefits but is also associated with higher incomes, improved health, higher literacy and improved quality of life. Other benefits include access to information, diversity, creativity and innovation. The increasing economic role of cities and towns in today's globalizing environment capable of generating employment opportunities as well as offering a diversity of goods.

For cities to succeed they must provide a minimum package of enabling conditions - a well functioning infrastructure and urban services, a skilled labour force, excellent communications, efficient transport systems, availability of affordable housing and access to educational and recreational facilities. But at ground level, living conditions have worsened over the years, real incomes of people have fallen, living costs have gone up and the number of poor households has grown. Real estate costs in certain cities have gone up, pushing the middle and lower income groups to the fringes of the city. A growing proportion of people in urban areas find it impossible to buy a house as the cost determined by the urban land market do not match with their salaries.

Poor living in slums and slum like conditions have little influence over global economic forces and have been left far behind. They themselves take an increasingly active role and are agents of their own development. The urbanization process, population increase and migratory trends together have put a huge burden on the basic necessities and city's infrastructure. This has further led to additional responsibilities on city governments which have now a dual task of economic and social development of city and also managing and ensuring social justice and equity in distribution of services.

In all, urban livability depends on the efficacy of measures undertaken to protect urban population from deprivation, unemployment, homelessness, illiteracy, injustice and social disintegration. Livability of human settlements is heavily dependent on the housing situation. If housing is inadequate, because of overcrowded conditions, or lack of basic amenities, it undermines people's health and well being. It is necessary that housing policy be formulated, legislative and administrative reforms be made to support people's efforts, to produce affordable shelter, adopt proactive planning of land supply, promote the efficient functioning of land markets and administration, eradicate legal and social barriers to the equal and equitable access to land and to ensure the equal rights of women and men to land and property are protected under the law. Livability of human settlements cannot be enhanced without recognising the empowering role of infrastructure, micro-finance institutions and community based organizations that have initiated programmes providing low income households with access to land and services needed to improve their earning capacity and living conditions. There is a need to vigorously promote affordable shelter and basic services for the homeless, preventing forced evictions that are contrary to the law and facilitating access of all people to information in housing registration, including any legal rights and to remedies where these laws are violated.

Along with the provision of housing and shelter facilities, urban centres face numerous other challenges to provide clean drinking water, urban air pollution, inadequate sanitation etc.

The rapidly growing population in urban regions has led to scarcity of all resources, natural and man generated among which land is one. Land is one such commodity which is not reproducible or it is not going to increase. The best way the availability of adequate land can be made possible is only through good land management. But the prices of land have increased to such an extent, that they are out of the reach of common man. In some Asian cities in particular, high land prices, caused by speculative investment have resulted in increased difficulties for the urban poor. In scarcity of land, single storey houses are taking the shape of multistorey buildings that are poorly ventilated and sometimes over-congested. Unsatisfactory home environment leads to ill health both mental and physical.

### **3.4 LIVING CONDITIONS OF URBAN POOR IN SLUMS OF ASIA AND THE PACIFIC**

In every city in developing countries, there is typically a large population of less affluent people residing in squatter settlement and their numbers are growing. There are larger number of informal settlements in the urban areas. It would not be wrong to say that such large squatter settlements have gradually become an integral part of the urban fabric.

The living structures in slums and squatter settlements where the poor live are in bad and sometimes dilapidated conditions are inadequately ventilated and congested. They are constructed with mud, un-burnt bricks, tin sheets, asbestos sheets, bamboo, gunny bags, plastic sheets etc. and are usually single room units with inadequate space standards and susceptible to fire hazards. Private toilets do not exist, even common toilets are available only in a few. Where there are no toilets, people defecate in the open which besides being an environmental nuisance, poses hardship for slums dwellers, especially women. Most of the houses in slum areas do not have individual water supply. In some slum areas, public taps do not exist, but the number of persons using each such tap is generally very high. Roads and lanes are narrow and often unpaved.

Puddles and slush are common place after every rain shower. The facility of street lights is generally inadequate. This adversely affects the safety and security of residents. Unfortunately, the economic circumstances of the slum dwellers are such that it does not allow them to improve their living conditions. Due to low income, their standard of living is also low and they are left with little surplus income for better housing after meeting their family's basic needs of food and clothing. In brief, urban poor are faced with:

- Lack of affordable shelter;
- Unsafe building structure;
- Insecurity of tenure;
- Lack of basic services, limited access to credit and formal job opportunities.

In the past Asian cities had a tremendous ability to provide housing opportunities for its growing population. But in recent years the housing opportunities in many Asian cities have rapidly been decreasing as there has been a commercialization of urban land and rapid increase in land prices. Land these days is being purchased by highly organized professional land developers who have access to considerable amount of capital. The urban poor have often been forced to move to urban fringe

areas remote from income opportunities and often with poor access to public transport. In other cases, the urban poor have to reside on land of poor quality such as hillsides and swampy areas.

### **3.5 SHELTER DEVELOPMENT MEASURES**

#### **3.5.1 Sites and Services Scheme**

Governments are generally involved in the provision of housing and infrastructure. The conventional housing programme generally involves provision of land and infrastructural set-up such as provisions of electricity and water supply, roads and proper drainage system and other support giving structures like schools, hospitals and recreational grounds. All this is provided at a particular site where the houses are constructed and the people move in. Here the role of the Government has been that of a provider.

But in 1960s and 1970s when it became increasingly visible in many countries of the Region that rural-urban migration could not be curbed and simultaneously Government housing programmes could not keep pace with the enormous housing demands, alternative methods were found and the role of the Government changed from that of a provider to that of an enabler and thus came up Sites and Services Scheme. Many experts advocated that if low income groups were provided security of tenure and depending on the financial resources of the Government, some basic infrastructure, residents would with time gradually improve their housing. Sites and services schemes provide the target group with a plot and basic infrastructure such as water, roads and sanitation facilities. The beneficiaries either lease or buy the allocated land and are also provided access to loan facilities. It is expected that the plot owner would build a home of reasonable standards.

During the 1990s and 1980s, sites and services schemes were implemented in nearly 100 countries. The World Bank implemented 36 sites and services schemes between 1972 and 1989 worth more than one billion US dollar benefiting nearly 2 million people. The scheme failed because of high costs, the beneficiary group decided to sublet or sell the site and move back to an area close to his original squatter settlement. Programme often failed due to financial constraints and also due to magnitude of the problem. Further, the method had also been expensive for Governments when the land prices rose. Observing the limitations of sites and services scheme, settlements upgrading scheme has become a more favoured Government's response to the needs of low income groups.

#### **3.5.2 Settlement Upgrading Scheme**

Although sites and services approach offers many opportunities, it is not a feasible method for providing housing to the majority of urban low income residents because of huge shortage in the existing housing stock and high costs. Settlement upgrading is based on investment already made in the existing housing stock and is therefore, less costly to implement. Settlement upgrading provides existing settlement dwellers land tenure as well as some or all the components i.e. the basic infrastructure. Various instances are available where the provisions of basic facilities have benefited millions in the Asian Pacific Region.

In Kolkata, India, major upgrading efforts during the 1980s included provision of roads, standpipes as well as electrification. This had benefited nearly two million people (UN, 1986).

The Kampung Improvement Programme (KIP) in Indonesia is one of the best examples of settlement upgradation programme in the World. Under the project, roads, footpaths, drainage, drinking water and other social facilities such as schools and health centres were provided. Nearly 500 Kampunges were provided with such benefits and nearly 3.8 million people were benefited. Here in later stages of the programme, the local residents were also involved in planning, construction and maintenance of facilities. Funding was handled through community based organizations and residents too provided with funds.

The Indore Habitat Project of India that started in 1990 is another example where the slum communities were integrated into the physical systems and social, health and economic networks of the city thereby improving the living conditions of nearly 900,000 people.

The Grameen Bank Housing Programme of Bangladesh that was awarded the World Habitat Day Award of 1998 has provided affordable housing loans and now the poor families have been able to build houses that are durable and can stand nature's wrath. Families had mobilized their own savings to large extent. The dilapidated, unhygienic, ill services dwelling units have now been changed to well built structures.

Another example that has converted a shanty settlement of Karachi in Pakistan is the Orangi Pilot Project. Under the programme 4,000 homes are built and improved annually. It is estimated that over 4 million people have been benefited from the project.

It is very much agreeable from the above examples that settlement upgrading scheme is relatively cost-effective in a situation of high demand for shelter and services. Such simple programmes have extended coverage and ensure faster implementation. Another major achievement of this scheme is community mobilization and community participation. In such schemes, people are allowed to partner in their own development by investing their labour and money.

### **3.5.3 Incremental Development Scheme**

Under this scheme, groups of households are encouraged to organize themselves, accumulate funds and to provide infrastructure gradually. Construction begins when the group has collected a certain percentage of the required funds. This approach has been implemented in the United Republic of Tanzania and Zambia and in Hyderabad, Pakistan. The method has the advantage that costs are kept as low as possible thereby allowing access to land for the low income group.

All the schemes mentioned have to certain extent, gained recognition and success but still a large percentage of population in urban areas especially in the developing regions of South Asia and South East Asia reside in slums. In all these schemes, the initial initiatives are either taken by Government or some community based organizations. There are certain inherent problems and some schemes that have proved to be fruitful in one region may not be favourable in another region.

For instance, the sites and services schemes that aims to provide public housing, puts financial pressure on the Government. Projects have failed due to lack of finance; lack of income generating activities; failure to mix various income groups etc. Further the administrative delays and lack of knowledge of the requirements of the people add to the problems. Most of the time, the officials have little contact with the actual economic and physical realities of the low income groups. Ultimately the delays increase the costs for the beneficiaries.

Similarly under the settlement upgrading scheme, the existing slum that may have encroached the valuable public land, or may be located in a posh locality, if upgraded, may lead to loss of expensive land. The settlement if upgraded, then gets a permanent status. Such an act can also encourage more migrant population to rush to urban centres and encroach land with the thought that their settlements would also be made permanent in the near future.

*Experiments and experiences have shown that biggest producers of shelter in the World today are the urban poor themselves who build their own houses, often without Government's support and make the shelter as per their own requirements. What is needed in a community as an initial mobilization and knowledge on how they can make their own shelter.*

Perhaps the most important ingredient of providing a shelter is the provision of security of tenure. It may not be the provision of land tenure. As such land markets are developing, public agencies and the poor in most cities find it increasingly difficult to get access to land. It is evident that the situation is not really the result of an absolute shortage of land, but rather because there are a variety of barriers that inhibit and constrict the supply. Legal encumbrances, lengthy procedures, inappropriate institutional structures, skewed distribution, information barriers and resistance of land owners to part with land, are some of the factors that contribute significantly to this problem and the poor are the worst affected. The formal private market that is not within their reach and land in public projects being in short supply, the low income families are driven to informal land supply mechanisms and are thus driven to uncertain provisions in terms of location, site conditions, tenure etc.

*The major question is access to land, access to land increased and access to land sustained.*

Land cannot be reproduced. Each country has its own set of tenurial rights and practices depending on the cultural, social, political and ethnic context of the country. The land tenure systems of many developing countries do not facilitate efficient land use but reinforce prevailing inequalities of wealth and unequal opportunities. Most land tenure systems in Asia have been strongly influenced by the concepts of British Common Law . The basic concept of the land tenure system of the British Common Law is often described as each land parcel having a so called bundle of rights. These rights could include, right to build one or many houses, to live on the land to farm or to mine on the land as well as a right to certain portion of the building (condominium).

In today's world, where population pressure on urban areas, has increased the pressure on land and infrastructure, and migration to urban centres is still enhancing

this pressure, the urban poor are left far behind. The local municipal authorities and public agencies are not able to cope up with this increasing pressure.

Housing scenario in this context is quite grim. Land being precious commodity is not available to all for individual house building. Building group housing societies provides an answer where land is held by a group of people and vertical development of houses is encouraged. The infrastructure and provision of other basic facilities is managed and maintained by the group members. The pressure on land and basic amenities will increase further in future years and migration cannot be curbed. So the only thing left is to form cooperative societies where people are encouraged to live in groups and thus land management is promoted. Development of cooperative group housing societies would be able to avoid further development of slums to a great extent.







## HOUSING AND HOUSING COOPERATIVES

As has been stated earlier that the magnitude of the problems of shelter for the urban poor show that Government alone cannot resolve them, but a ***participatory effort through the mechanism of cooperatives*** can possibly be an answer where the members to the housing cooperatives not only build the houses and share the benefit of group housing and living together but also managing their own cooperatives through a democratic process.

The very essence of 'Cooperation' is that individuals can come together to achieve alone as a collective group what they cannot achieve alone as individuals such as the means in general like access to land, finance and other resources for housing. In particular these resources are even more limited in the case of slum dwellers than in other sections of the society and as such in this area the concept of group action through mutual self-help and housing cooperatives have a substantial role in the attainment of its shelter goals.

A major advantage of cooperatives is that they can provide fresh migrants the much needed emotional security in the unfamiliar urban environment. In furtherance of their aim of fostering a new community life for the poor in the slums, cooperatives can undertake various educational, cultural, economic and social activities also.

Housing cooperatives can also help in income up-gradation endeavours if, for instance, cooperative household industries in poor settlements are encouraged with a view to raising income and, thereby improving their affordability towards housing and related services, including capability for repayment of housing loans.

An important aspect of poverty alleviation/slum improvement and up-gradation is to motivate the public to maintain the assets created. Cooperatives have a major advantage as they can secure the much needed maintenance of assets created which local authorities can ill-afford as a recurring responsibility. Cooperatives not only provide a forum for community action in respect of maintenance initiatives, but they also help in educating the poor on the need for maintenance and thereby secure, in the long term, individual responsibility and participation.

Thus, cooperatives for housing, cooperatives for water supply and sanitation, cooperatives for schools, cooperatives for health and environment etc. or a ***Multi-Purpose Urban Cooperative*** in each slum settlement can effectively ensure the delivery of housing and various development inputs directly and specifically to the targeted population in order to achieve the desired results.

## **4.1 SOCIO-ECONOMIC SIGNIFICANCE OF HOUSING**

Houses are acknowledged as vital components of social and economic development of a nation. Besides providing shelter to the citizens, the large volume of capital expenditure involved in their construction, the multiple industrial/production activities of various construction materials, their commercial activities of trade, storage and transportation, abundant employment opportunities generated for skilled and unskilled workers etc. make housing activities vital for the economic growth of the country.

### **4.1.1 Social Significance**

A 'house' or 'home' is central to human life. Viewed in a purely physical attribute, it is the house which provides a locational identity to a person. Though names and surnames are used in identifying people, the multiplicity and similarities of names and surnames often confuse the correct identity; whereas the serial number, name or physical character of a house, building or flat followed by relevant street names helps in conveniently identifying a person who live in that house/flat. This is possible because, unlike many other commodities and services with which human beings get associated, a house is a 'fixed' immobile entity. This physical attribute of permanency of a house lends credence to a persons' address or locational identification which is an important pre-requisite for a harmonious social environment and safe and peaceful community living of that person(s).

Besides the identification aspect, the house-human relationship has wider connotations; it encompasses every aspect of human life - their physical mobility, psychological, physiological behaviours, social and community interactions, economic activities of production, storage, transportation and consumption etc. which are everyday activities performed as a matter of routine day after day - are centered around his house.

A house performs certain noble and humane functions - it gives shape to human relationships, the very essence of societal behaviour, and gives interpretations to mutual relationship among members of a household like father, mother, brother, sister, son, daughter etc. who are all normally sharing the same house space. It is also the place where the food for the family is cooked, served and consumed, an essential function for the very survival of the family members. The physiological processes and psychological developments take shape around that housing unit.

It is customary to keep the house and its environs clear and clean, decorate and illuminate on festivals and marriages and other celebrations to bring the house 'alive' reflecting the mood of happiness of the household members; it is also a mute witness to the loss, destruction and death occurring to household members. It is an inseparable component of the life. Thus it witnesses birth, survival and death - the most sure happenings to every human being.

It is in the environs of the house that human attitudes take shape towards group and development. They permeate to the neighbourhood, to the entire human settlements and to the larger physical, social and economic environment of a State. A 'house' becomes the micro unit of a State and the state of affairs of social well being, economic growth and physical development - the key parameters of a welfare state - are equally relevant for the welfare of a house and its occupants.

Going by natural human instinct, everybody turns towards their houses for safety and security whenever they are exposed to any kind of dangers - be they man-made or natural. When the lightning strikes, storms and rains lash or wind blows with fury carrying hot or cold waves, it is the house towards which people rush hoping to get protection. Similarly, house is the trusted physical environment for safe-keeping of the valuables, precious goods and equipments of household members when they go out to work, travel or leisure. In fact no other physical structure matches the innumerable variety of utilities and services which houses are capable of providing to its occupants. Neither do anything else attract as much total trust, faith and commitment from people who look towards house as their abode of peace, harmony and tranquility.

By virtue their various social and economic significances, houses could be called both 'consumable goods' as well as 'productive goods'. Unlike many other consumable goods, a house does not diminish in quantity while it is consumed; on the other hand it produces many more other products and services during the process of consuming (utilizing), thus adding to the values. The adage that '*you cannot have the cake and eat it too*' does not seem to be valid in the case of a house which, when consumed more and more produces more utilities and services for the consumers.

House is reckoned as a basic need of people for leading a safe, secure and dignified life. Every Government strives to provide adequate housing facilities to its people, both for fulfilling the basic necessity of people and also as an important welfare measure for improving the quality of their life. After all, the quality of houses of people truly would reflect the quality of their life. Better housing has always been viewed as a sure sign of prosperity. Not only people would live under the protection of a house as a shelter, the better hygienic environment of the house will add to the health and happiness of the inhabitants also. Thus, a house assumes wider meaning to include built environment which would be congenial for a happy and contented living.

#### **4.1.2 Economic Significance**

Housing activities contribute significantly to the national economy. Not only they generate large employment opportunities, they also add volumes to the capital formation in the country's economy. The capability of the housing sector in creating jobs both for skilled and unskilled workers, is well recognized. From the planning and developing of land areas, internal development of land/plots by laying of drains, local road networks, water pipes and drawing of electricity supply lines, sale and marketing of developed housing plots, financing the house construction activities, managing and maintaining the services like water supply, waste disposal, neighbourhood facilities and amenities, there are a myriad of activities closely linked to housing. Each of these activities, in-turn, has both on-site and off-site functions leading to a highly potential multiplier effect on the employment scenario. In fact, the larger the housing activity, the larger becomes the multiplier effects and consequently, housing is able to absorb a much large workforce. The higher income generation which follow such large scale employment opportunities, lead to better savings and surpluses and thereby help in improving the life styles of people.

## 4.2 ROLE OF COOPERATIVES

Since the dawn of civilization man has been following one pattern of business or the other in his pursuit for livelihood discarding one when its drawback became marked and taking to the other which was considered to be more in line with his general thinking. The common method has been the commercial type of business in which one or more persons jointly come into business and sell goods and services to other persons, the motive being the earning of profit. Objective being such, the means adopted to achieve it are very often objectionable from the point of view of the customer. Quality tends to be low at a given price, needs of the customers and their interest are not fully cared for, and the maximum benefit is taken of their ignorance. As a measure to remove these defects, some countries adopted an economic system in which the state owned the means of production as well as distribution. This system of public enterprise was actuated by considerations of social welfare and equality of opportunity. It aimed at the prosperity, not of any individual, but of the nation as a whole. However, this type of enterprise also has got its limitations. It works in an impersonal way, lacks incentives for work, and curtails the liberty and creative spirit of man.

Among these divergent economic system, Cooperation acts as a balancing factor. It is said to be 'a double edged axe' which strikes at the same time at the dead abstractions of the socialistic state and at the sterility of individualism'.

Cooperation has been defined by H. Calvert as "a form of organization in which persons voluntarily associate together as human beings on the basis of equality for the promotion of the economic interests of themselves." Cooperation is, thus, similar to other forms of enterprise in so far as it also aims at doing business and efficiently too. It combines itself the good points of capitalistic as well as socialistic forms of organization.

A cooperative society enables the members to put in their best to attain a higher standard of living for themselves, without in any way exploiting others. It honours human values and also provides incentives. In a private enterprise, profit earning is the motive and surplus goes to the organizers and capitalists. In a socialistic concern, on the other hand, the individual is neglected and surplus is utilized for the welfare of the society as a whole. In a cooperative set-up none of the factors of production is allowed to get an upper hand over the other. Surplus, if any, is distributed among all the factors of production in fair proportion.

In a cooperative society, we find a complete amalgamation of interest of workers and their employees and of consumers and producers. This harmonization of interest leads to mutually beneficial policies. In private enterprise, the institutions close their doors to new members after their business gets going. A cooperative society, on the other hand, keeps its doors always open to qualified persons. Cooperatives are in a better position than public and private enterprise, to listen to their customers and find out their needs.

A private enterprise is a combination of those who subscribe capital. The shareholders' voice in the management of private enterprise is thus proportionate to the capital subscribed by them. A public enterprise, on the other hand, has no shareholder at all and the state, which is the sole owner, tends to follow totalitarian policies. In a cooperative, capital does not play deciding role in management. Each

member, irrespective of his investment in business, possesses an equal voice in management.

Mr. C.R. Fay, defined a Cooperative society as 'an association for the purpose of joint trading originating among the weak and conducted always in an unselfish spirit on such terms that all who are prepared to assume the duties of membership may share its rewards in proportion to the degree in which they make use of the association.

*Cooperation is a special method of doing work jointly and suits the poor more than the rich.* All those who want to form a cooperative must, as a condition precedent, have a common need and to fulfill it, should agree to work selflessly. In such an association, it is necessary that all associates should have an equally forceful voice in the affairs and be able to freely express their opinion.

The concept of cooperation, thus envisages a group of persons having one or more common economic needs, who voluntarily agree to pool their resources both human and material and use them for mutual benefit, through an enterprise managed by them on democratic lines.

### **4.3 PRINCIPLES OF COOPERATION**

Principles of Cooperative Movement were first stated by Rochdale Pioneers. A Committee set up by the International Cooperative Alliance in 1937 stated the following as the Rochdale Principles :

- Open Membership
- Democratic Control
- Limited interest on capital
- Distribution of surplus to members in proportion to their transactions
- Political & religious neutrality.
- Cash trading
- Promotion of education.

Presently the cooperative movement is working in the context of different socio economic conditions obtaining in various countries. Yet, there are strong bondage amongst the cooperative fraternity with regard to the values, spirit and objectives of the movement on a global level. In 1995, the Congress of International Cooperative Alliance spelt out the values of cooperation thus:

*"Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others".*

Hence, the cooperative principles and values could be explained as follows :-

- **Self-help:** Members should try to achieve their objectives by their own efforts, means and resources. Self-help and mutual help is the key to success of cooperatives.

- **Self-Responsibility:** Members assume responsibility for running their organizations.
- **Democracy:** Decisions are taken on democratic basis.
- **Equality:** Each member has an equal right of participation, right to be informed and right to be involved in decision making.
- **Equity:** Members should be treated as equals. They should be rewarded for their participation in cooperatives particularly through patronage dividend, reduction in charges etc.
- **Solidarity:** Cooperatives have responsibility for collective interest of members. The members work together to present a common entry before the public and Government.
- **Honesty:** Honesty does not merely refer to monetary terms but also honesty of thought, commitment, behaviour, conduct with cooperatives. It also refers to transparency in accounts and transactions.
- **Openness:** The cooperatives are open to the members of the community they serve. There is no made secrecy in cooperatives.
- **Social Responsibility:** Cooperatives should move beyond caring for members only. They should financially assist or organize activities beneficial to the entire community i.e. establishing dispensaries, crèches, opening of libraries and night shelters for poor etc.
- **Caring for Others:** Besides primarily serving members, they should also undertake activities for the community as a whole out of the economic surplus. They have also responsibility towards the community.

### **Description of Principles of Cooperation:**

**1st Principle**     ***Voluntary and Open Membership:*** Cooperatives are voluntary organizations, open to all persons who are able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

**2nd Principle**     ***Democratic Member Control:*** Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decision. Men and women serving as elected representatives are accountable to their members. In primary cooperatives, members have equal voting rights (one member-one vote) and cooperatives at other levels are also organized in democratic manner.

**3rd Principle**     ***Members Economic Participation:*** Members contribute equitably to and democratically control the capital of their cooperatives. At least, part of that capital is usually the common property of the cooperatives. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes:

- Developing their cooperatives, possibly by setting-up reserves, part of which at least would be indivisible;

- Benefitting members in proportion of their transaction with the cooperatives; and
- Supporting other activities approved by the membership.

**4th Principle** ***Autonomy and Independence:*** Cooperatives are autonomous self-help organizations controlled by their members. If they enter into agreements with other organization, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

**5th Principle** ***Education, Training and Information:*** Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public particularly young people and opinion leaders - about the nature and benefits of cooperation.

**6th Principle** ***Cooperation among Cooperatives:*** Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

**7th Principle** ***Concern for Community:*** Cooperatives work for the sustainable development of their communities through policies approved by their members.

#### **4.4 COOPERATION AND STATE AID**

Cooperation, which has mostly been a working class movement had to struggle against odds to make itself successful. It could not think of Government or any other outside help and perforce depended upon self help. Outside help from whatever quarter it may come, makes it's recipient dependent and kills its initiative. In a cooperative society, it slackens the process of self help, which is one of its basic ideals. Moreover state help may be withdrawn abruptly at a difficult time and endanger the very existence of the movement. Self help, as opposed to state help, has thus become an essential component for the cooperators and it is considered safe to avoid state help.

In India, the cooperative movement had to be initiated by the government and still requires state's aid to go ahead. Time and again, it has been justified that state's aid is required to carry on with the cooperative movement. From the point of view of public policy also there is much justification for aid to cooperatives. Cooperation is a method to improve the condition of the masses and as such it is a means to carry out government policies directed towards the welfare of the people. Cooperation is now a necessary instrument of democratic planning and a recognized agency for the execution of government policies, specially at village level. This being the role assigned to it by the society, the movement also has a claim on the society.

Within the ambit of public policy, therefore, assistance should be available to cooperatives to enable them to fulfill the task allotted to them. *Also government*

*help to the people if routed through the cooperatives would be more effective, in as much as it would be applied to the requisite purpose and yield better and lasting results. In practice also state aided cooperation has yielded better results.*

Also, there are two views - one against the acceptance of Government aid and the other in its favour. There is no denial of the fact that self help is better than outside help. On the other hand, it is equally true that state help in countries like India, is indispensable. State aid should help the cooperatives to help themselves. It should be given just to make self help more effective.

State help is no longer restricted to mere state aid and guidance. It has expanded itself to state partnership. The state, instead of merely standing by, enters the arena of struggle itself by becoming a partner in societies, thus providing a balancing factor between the cooperative movement on one hand and private sector on the other. Participation of states creates the necessary confidence in the members as well as non-members in the cooperative institutions. It also gives the societies the borrowing power necessary to enable it to raise funds sufficient to meet the credit needs of the members. Cooperation is now recognized as an instrument of democratic planning and the state has to co-ordinate its effort with those of the people in development.

#### **4.5 COOPERATIVE HOUSING**

Housing like food and clothing is one of the basic necessities of life. In the last two decades, housing problems in the Asia and Pacific Region has become more pronounced. Population increase unaccompanied by proportionate increase in the number of houses, general rise in the standard of living and the consequent urge for better houses and migration of population to the urban areas are some of the factors responsible for adding acuteness to the problem of urban housing. The condition of housing/shelter amongst the urban poor is a worse.

The present concept which intends to alleviate poverty through housing cooperatives is a big challenge. The interested objectives or goals of the concept are:-

- (i) The housing cooperatives through building houses for the urban poor would intend to serve dual purpose. It would act like a 'double edged sword' which would fight the shortage of houses amongst the urban poor which would also involve the poor in the construction processes, thereby creating employment opportunities for them.
- (ii) The construction of houses is in three phases:
  - (a) Pre construction phase
  - (b) Construction phase
  - (c) Post construction phase (i.e. maintenance of the constructed assets)

In the pre construction phase the employment opportunities would be created when the necessary building materials like cement, iron, wood, bricks etc. are acquired from various sources.

In the construction phase, there is obvious requirement of labour force. The construction process involves both skilled and unskilled labour. The urban



poor would mainly constitute the unskilled labour force. And that too mostly women. Women would form the major portion of the labour. Thus the project would absorb their capabilities.

In the final, post construction phase, i.e. the maintenance of construction is required. This would involve supply of electricity, water, maintaining drainage system etc. This process would further involve the networking of various departments which usually provide these services i.e. Water Resource Ministry, Public Works Department etc.

- (iii) Even after the post construction phase the process continues because just providing the shelter to the urban poor is not the answer. Other infrastructural facilities too are required. For instance schools for the children, recreation parks, provision of easy availability of work near their houses, construction of roads etc.
- (iv) Also by creating a cooperative society within, the intended model, women be encouraged to work from their homes itself i.e. opening small businesses like shops or sewing and knitting centres etc. to make them self sufficient.
- (v) Thus the project talks of '*work-cum-shelter*' programme. The residence would also be the place of work. They can start with some micro activities or small businesses from the house itself. Women would be at advantage as there would be no wastage of time. They can look after the household activities, rear children and at the same time would earn. Thus this is an inherent advantage of this model.
- (vi) Earlier the urban poor who form the heterogeneous group and are unorganized, would now become into an organized colony. The compact housing settlement would give them an identity, social acceptance and social recognition. They would be allotted house number and street number.

The organised group would be at an advantage economically too. Their economic skills can be upgraded, it would be easy for them to secure loan from banks for starting their own enterprises. If the group clubs and starts a common business within the residential colony itself then they would be able to easily procure the raw material, and also market it. This large scale production would definitely prove more economical.

- (vii) For the social development an NGO or a cooperative society could be created OR an NGO could also collaborate with the cooperative society for the all round development of the settlement colony. It would be easier to work for the urban poor if they are at a single place in the organised colony.
- (viii) Training the youth by providing them job oriented education.
- (ix) Implementation of poverty alleviation programmes of the government or providing employment opportunities to them would definitely become easier if they are at a single place. It would be easy to target them.
- (x) Once the organized shelter settlement is provided, it would be easier to give them other basic facilities like providing water, electricity i.e. getting basic services at doorsteps.

Earlier, as it is visible in slums that there is theft and misuse of water, electricity etc. now the state could charge them for these services once they are capable.

- (xi) Community asset management - The community assets created within the settlement like, parks for children, community toilets or community halls would be maintained. This would again provide employment. The resources for maintenance would be generated from within the community. The community itself would be made accountable for the maintenance of such assets.
- (xii) The urban poor, who migrate to urban areas lack social and emotional support and go through emotional crisis and are under stress. They may indulge themselves into crimes which is another very much noted feature among the urban poor. By making them live into a compact settlement, a cohesive group is formed and thus the need for social and emotional security is met.
- (xiii) Urban Poor as such have no bargaining power. They are very much away from the institutional frame of the statutory organizations. It would not be an exaggeration if we say that they are not even aware of their basic rights and duties or are not aware of the Government programmes and schemes. By putting them in such a settlement they could be made aware of such things.

#### **4.6 ACHIEVEMENTS OF HOUSING COOPERATIVES**

Two governing principles of cooperatives are central to their institutional potential of low income housing:

- Collective ownership and;
- Democratic management.

In collective ownership arrangements, members jointly own the resources of the housing cooperatives. Members collectively pool their investment resources for achieving a common housing objective ( e.g. finance, construction, management and maintenance). Their investments is often in the form of share capital, but it can also be in the form of material inputs, labour or land. Collective management entails collective participation of members in monitoring and managing the cooperative decisions are made in a democratic way.

These two features of the cooperatives are advantageous for low income housing in at least four ways. First pooling of resources in the collective lowers the individual housing costs that each household would otherwise incur. Such pooling offers economy of scale on several fronts; land, building materials, construction, financing, maintenance, management and service provision, cooperatives foster collective action and self-help. In big cities if urban poor and pavement dwellers are organized into cooperatives, tendency for collective action is enhanced, women's participation is encouraged, construction are made taking care of particular housing needs and also increases their potential to contribute to community leadership and action.

Moreover collective pooling of resources increases the credit worthiness of low income households. Since low income households have little access to formal housing finance, they largely depend on informal credit or personal savings, pooling their limited resources in a cooperative increases their collective asset value. In cooperatively owned housing there is collective ownership of land that limits the ability of individual households to sell land in the open market. This restriction can be especially beneficial in slums where granting of private land tenure to households on an individual basis can result in loss of land, cooperative land banks have also

been proposed as a means of limiting speculation through collective ownership. In such an arrangement buildings, land and infrastructure belong to the cooperative.

Given these advantages of cooperatives, housing cooperatives are famous World over and are practiced to provide housing to various categories of people. In most of the Asian countries like Indonesia, Malaysia, India, Pakistan, Sri Lanka, Bangladesh, Japan, Thailand etc. housing cooperatives have proved themselves and are playing a key role in adding to the country's housing stock.

Almost all Asian countries are developing economies and face a mounting housing shortage. In all, these countries, housing cooperatives are mainly focused on low income housing projects.





# **ORGANISE SLUM DWELLERS AND URBAN POOR TO PARTAKE IN MULTI-PURPOSE URBAN COOPERATIVES**

In order to effectively implement Poverty Alleviation Programmes, people's participation is absolutely necessary. Therefore, the strategy would be to organize housing cooperatives for the urban poor and facilitate them to develop housing units with all concomitant amenities. For achieving this, multi-purpose urban cooperative societies may be formed in each of the slum clusters in various countries of the Region.

## **5.1 RESOURCE SUPPORTS REQUIRED**

The urban poor in general and the slum dwellers in particular are in the lowest income strata and therefore do not have the capacity to afford the various housing inputs at high market rates. They, therefore need to be facilitated through various mechanisms of state aid free house sites, concessional prices, low interests, etc.

### **5.1.1 Land**

Land is the crucial input needed for housing the urban poor. Therefore, the land requirement of the proposed housing cooperatives of the poor should be allotted to them by the Federal and State Governments/Local bodies which are normally custodians of urban land. Land prices should be kept at an affordable minimum rate and the land cost may be recovered in phased manner from the cooperatives on a long time basis.

### **5.1.2 Finance**

Finance is another costly and essential input in constructing the housing units. Since the beneficiaries have limited earning and repayment capacity, the scheme should have a financial package inclusive of both subsidy as well as loans. The finances under various Government projects could be extended to urban poor through the mechanism of housing cooperatives. Cooperatives mobilize their own funds and follow a two tier system for finance availability.

The regional or state level cooperative federations should be formed for financing these multi-purpose urban cooperatives. Regional and State level federations should raise funds from central financing institutions and channelise these funds to the urban poor through cooperatives. Deposits from urban poor should also be accepted as part of their contribution for their own development. This pattern of funding be adopted by taking care of the local conditions of the Region.

Just as in India, State Federations raise loans from central financing institutions such as LIC, NHB, HUDCO etc. Since State level federations would have to incur the expenses of the above mentioned financial management, central financial institutions give them a margin of 1 per cent over the prescribed interest rates. The financing institutions, therefore, should keep the lending rate on housing loans low to accommodate this component.

### **5.1.3 Technology**

Innovative designs, cost-effective construction techniques as well as materials would have to be adopted for construction of houses by the envisaged housing cooperatives for the urban poor in order to achieve economy in construction cost and to make the houses affordable within the limited means of the urban poor. Research institutions in the Region should extend all possible support and technical know-how to the regional cooperative federations and thus help in building affordable and cost effective houses for the urban poor. In India, this is being done by Building Materials and Technology Promotion Council (BMTPC) that collaborates with State level Federations for the provision of low cost housing. ICHFAP may collect information from various research institutions on housing and various technology related developments and disseminate the same to housing cooperatives of the Region.

### **5.1.4 Legal**

Cooperatives have to function under Cooperative Societies Act. The purpose of the Act is to provide means for smooth and efficient functioning of the cooperatives. The Registrar of Cooperative Societies, that is the authority that registers, guides and supervises the activities of cooperative societies and is also responsible for development of the cooperatives, should draft model bye-laws of these multi-purpose urban cooperative societies.

The cooperative societies acts should have sufficient provisions for the efficient functioning of housing cooperatives.

For instance in case of India, some States have included a separate chapter in their respective Cooperative Societies Act that deals exclusively with cooperative housing societies.

## **5.2 ORGANISATION AND MANAGEMENT OF HOUSING COOPERATIVES**

The formation of Multi-Purpose Urban Cooperative Societies (MPUCS) can be facilitated under the cooperative societies act for which the national level organisations and cooperative unions can provide specific guidelines. The national level organisations should undertake the training and educational needs of the members of the housing cooperatives so as to guide them in achieving their goals and objectives. They should also assist the new housing cooperatives in securing land and finances from the Federal and State Governments as is being done by the National Cooperative Housing Federation of India (NCHF). In its capacity as the umbrella organization of cooperative housing movement in India it is promoting, guiding and coordinating efforts of housing cooperatives in India.

## **5.3 ROLE OF NGOs AND INDUSTRY ASSOCIATIONS**

### **5.3.1 Role of NGOs**

Non-government organizations are present in each and every country and are acting as reliable partners to the development efforts of the Government. The commonly accepted definition of NGOs is, they are independent institutions from the state and state authority which suggests that they, are largely or entirely autonomous from Government funding and control, and emanate from civil society. With government efforts not reaching the very poor especially among the informal and unorganized segments, there was a felt need for someone to work at the ground level amongst the poor.

Thus arose a number of NGOs in developing countries, especially in the Asia and the Pacific Region to empower the marginalised sections of the society. The NGO movement in the Region has become so powerful that Governments in various countries have recognised them and have given them credit for their development inputs.

This NGO-Government collaboration is required to deal with the development issues. There is a popular belief that government and statutory bodies are generally insensitive to the needs of the masses. NGOs here come into picture. They are creative and innovative in their ways and means to reach the very poor. They manage to enter the community, help them in their daily requirements. They act as advocates for the poor and can always compliment the Government initiatives at the policy making level.

With time, these organizations gain confidence amongst the poor and can mobilize them to work for their own development which any statutory body cannot do.

In the context of the envisaged strategy for poverty reduction through cooperatives, there is need of Non-Government Organizations which can motivate and mobilize the local people to form cooperative societies. Within a slum, an NGO would be located which can talk with the local poor people, or talk with their local leaders and educate them on the benefits of forming a Multi-purpose Urban Cooperative Society.

The first step of activity would be the pre-construction phase where the NGOs help would be needed at the outset. Because, this envisaged cooperative society would be a legal entity which does not deliver immediate consumption goods and services, the poor at first may not be that enthusiastic about forming the cooperative society on the Governments' initiatives alone. But once the poor are fully informed and educated about the benefits of the intended society, they would come forward. Here the help of an NGO would be of immense value to transmit the message of the proposed programme and convince them of the ultimate benefit that could be derived through this cooperative institution.

During the construction phase too, NGO's services would be used. For instance after the land is allotted, the architectural and engineering services can be procured by the NGO or the government body.

For mobilizing resources, i.e. for generating resources from within the community, NGO workers can always persuade the poor to save some money for building their own houses.

The resources need not be in the form of money alone. The poor can also contribute labour for constructing their own houses. This '*self help labour*' would reduce the construction cost and also would create a sense of belongingness in the poor for his house.

Once the cooperative society is formed, the poor themselves can have a Managing Committee of their own to manage and look after the community assets.

The job of the NGO doesn't end here. The NGO can help the Managing Committee of the Multi-purpose Urban Cooperative Society to upgrade their skills from time to time. Also help them start home-based tiny/micro enterprises and thus create employment opportunities and additional income to the households.

Thus in the post construction phase, though the NGO can withdraw from the housing work, they would continue to be associated with other social activities like health, hygiene and education. NGOs can also assist in for the maintenance of the community assets created and coordinate with the service providing civic agencies like the local bodies, Electricity Board, etc. which the urban poor may find difficult to do.

Thus the NGO - Government amalgamation or collaboration is a pre- requisite to form the Multi-purpose Urban Cooperative Societies (MPUCS) to mobilize both the poor and their resources (money and labour).

### **5.3.2 Role of Industry Associations**

As has already been seen, a majority of the urban poor and the slum dwellers are migrants from the rural hinterlands who have landed in towns and cities in search of employment opportunities, higher income and improved infrastructural facilities. The industries which provide large employment opportunities are the biggest pull factor for these migrant. At the same time this is also true that an industry gains considerably because of the cheap labour provided by this migrant work force majority among them though are not adequately skilled. It is, therefore, only appropriate that the industry reciprocate by contributing towards the welfare of this migrant labour force who are the urban poor and settled in slums and squatter settlements.

Industry can perform a very noble and responsible role by being a partner in the envisaged programme of creating cooperatives for the urban poor and undertaking house construction activities on a very large scale. Specifically, industry can adopt identified slum/squatter settlements for delivering various development inputs either independently or jointly with the local authorities, development boards, city administration or concerned State agencies. Industry associations can also undertake awareness campaigns among their member bodies and also help in channelising development funds for successfully implementing house construction programmes so that living environment of their low-paid employees generally improve, which in turn, will increase the overall productivity of the industries.





## SUGGESTED ACTION PLAN

### 6.1 STAKE-HOLDERS

The proposed strategy calls for a partnership effort by a large number of stakeholders:

- designated departments of the Federal/State Governments and local bodies as well as the land owning agencies.
- NGOs and Industry Associations.
- The service providing agencies such as the Electricity Boards, Water Authorities, Public Health Engineering Departments, etc.
- Central Financing institutions, like insurance companies, housing banks, commercial and cooperative banks.

### 6.2 OPERATIONAL MECHANISM

The *modus operandi* would be as follows:

- Organise Multi-purpose urban cooperatives among the urban poor.
- Land for house construction should be allotted on Lease-hold basis to the *MULTI-PURPOSE URBAN COOPERATIVE SOCIETIES* where the members will derive the occupancy right.
- Members shall be prohibited from selling their share of land or alienating it in any manner. Even when a member chooses to quit the membership of the cooperative, the land shall revert to the cooperative itself thus preventing speculative and even illegal transaction of land areas.
- Occupancy right/land title would be heritable and the same can be mortgaged with housing finance companies for raising housing loans.
- Women in the urban slums live in dire poverty and are prone to violent crimes and limited employment opportunities though they contribute substantially to the growth of the family. In order to safeguard their interests, membership in the cooperative will preferably be only for women and they shall be given occupancy rights and title of land.
- Multi-purpose urban cooperatives may undertake besides housing, other activities like home-based industries, health and social services, rental housing, library, child care, care for elderly, distribution of building materials, publicity for the use of innovative technologies, etc.
- These additional activities will generate employment opportunities and



give additional income for the members on the one hand and reduce housing costs on the other.

- These multi-purpose urban cooperatives can also perform Thrift and Credit functions among the members thereby strengthening micro credit system for urban poor.

### **6.3 COORDINATION OF IMPLEMENTATION**

The affairs of the cooperative society will be managed exclusively by its duly elected Management Committee giving due representation to their women members. The Managing Committee may also co-opt a couple of representatives from among the NGO/Industry Associations and service providing institutions for facilitating the holistic development of the housing activities.

The programme of organizing the housing cooperatives and implementing the house construction activities as well as the provision of post-construction services and facilities are required to be coordinated in each area of different country of the Region by an inter-institutional Coordination Committee consisting of representatives of :

- housing cooperative;
- regional cooperative housing federation;
- NGOs;
- the concerned industry association;
- service providing agency;
- designated department of the Federal/State Government concerned with slum improvement/poverty alleviation programmes; and
- people's representatives (local political leaders).



# GUIDELINES FOR DRAFTING BYE-LAWS OF THE PROPOSED MULTI-PURPOSE URBAN COOPERATIVE SOCIETY

The organization and registration of the proposed society will be under the provisions of Cooperative Societies Act of the respective Countries and their states. However, while drawing up the bye-laws of individual cooperative societies of the urban poor, the following aspects would have to be incorporated to ensure the proper functioning of the cooperative and performance of its activities in accordance with the objectives as spelt out in the present strategy of poverty alleviation and slum improvement.

In this context, explanations about the following aspects are highlighted, as a guidance.

- **Objects:** The objective of the society shall be acquisition of land and building materials, mobilization of loans and savings, providing technical assistance, extending assistance to members in construction and/or improvement of houses/flats, promoting the economic/employment interest of members, encouraging thrift and self-help among the members, establishing and maintaining, social, recreational, educational, medical and public health amenities, setting-up consumer stores, crèches, undertaking cooperative education and training programmes, spreading the message of cooperative principles and practices among the community, etc.
- **Membership:** Membership in the proposed Multi-purpose Urban Cooperative Society is open normally to a woman aged 18 years or more, competent to contract; having a sound mind; ordinarily a resident in the area of operation of the society. Membership will be open to males only if there are no women in their household who are eligible to be members. In any case, those who are already members in any other multi-purpose/group housing society shall not be eligible to be member of the proposed Multi-purpose Urban Cooperative Society.
- **Managing Committee:** The affairs of the proposed Multi-purpose Urban Cooperative Society will be managed by a Managing Committee duly elected by the members with due representation from among the women members. The Committee may also co-opt members to represent the Regional cooperative housing federations, NGO, Industry Association, service providing agencies, and such other institutions for the smooth and effective functioning of the cooperative.

- **Occupation Right/Ownership Right:** The land allotted to the multi-purpose urban cooperative will be held on lease hold basis and each member shall derive ownership rights on that land on pro-rata basis. Each member shall also have occupancy right on the individual house/flat constructed by the cooperative.
- **Inheritance:** Both the ownership right as well as occupancy right will be heritable and therefore transferable to the legal heirs.
- **Cessation of Membership:** Members who may wish to quit membership of the cooperative would be permitted to do so; however, the pro-rata land held by them shall revert to the cooperative itself, thus, preventing the alienation of land.
- **Education and Training:** Adequate provision should be made in the bye-laws of Multi-purpose Urban Cooperative Society for the pre-member Education Course so as to acquaint prospective members about the cooperatives, bye-laws, Act, Rules, Rights and Duties of members, various meetings management and implementation of self-help construction. This will bring active participation of members in the affairs of cooperatives. It should be rather precondition for membership.

There should be separate training for members of the Managing Committee. They should be taught, how to convene meetings, keep record, liaison with higher level cooperatives.

- **Audit:** The accounts of the cooperatives shall be audited by a Chartered Accountant registered with the Institute of Chartered Accountants of respective countries.
- **Settlement of Disputes:** Disputes arising out of the functioning of the cooperative shall be settled with the help of a three member Arbitration Council consisting of a representative of the Cooperative, Regional cooperative housing federation and an independent legal expert.

