

Report of the Regional Seminar on Housing Cooperatives

Kuala Lumpur, Malaysia

March 25-29, 1996



International Cooperative Alliance
Regional Office for Asia & the Pacific, New Delhi

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March 25-29, 1996

Edited by

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National Cooperative Housing Federation of India



International Cooperative Alliance

Regional Office for Asia & the Pacific

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ISBN : 92-9054-038-9

September 1996 (400)

Typeset and printed in India at Document Press, HS-14 Kailash Colony Market,
New Delhi-110048. Tel: (91-11)-6432836, 6923316 Fax: (91-11)-6463593

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Foreword

This report of the Regional Seminar on Housing Cooperatives which was held in Kuala Lumpur (Petaling Jaya) from 25th to 29th March, 1996 gives a good overview of the status, prospects and problems of housing cooperatives in Asia and the Pacific Region and indicates the need and strategy for future development of cooperative housing movement. The seminar gave an opportunity to learn from each others experience and will help in exploring the possibility of creating a network between housing cooperatives of the region.

The event was of particular significance firstly because a seminar on housing cooperatives was convened by the ICA-ROAP after a lapse of more than two and half decades. Secondly due to the encouragement received from the collaborators viz; ICA Housing Committee, National Cooperative Housing Federation of India, ICA Member Organisations in Malaysia under the leadership of ANGKASA and Cooperative Union of Malaysia, and the Cooperative College of Malaysia.

The crisis we are facing today threatens our physical, economic, social and cultural survival. Poor habitation has the potential to disrupt the social-system thus destroy the very basis for life. In such a situation, it is the poorer half of human-kind that suffers the most. The cooperatives worldwide are engaged in the activities which are aimed at improving the living conditions of not so affluent people. ICA-ROAP is also keenly concerned with the enhancement and encouragement of the involvement of the weaker sections of the society as also women and youth in the activities of the cooperatives. Further housing cooperatives are also recognised for their significant role in meeting the shelter need of the people at affordable cost.

Housing is a basic need of the human-beings after food and cloth. It is a problem both in urban as also in rural areas, particularly in the developing countries of the Asian Region. Though housing cooperatives have been organised in various countries of Asia and made considerable progress in meeting the needs of its members at

different degree. But their experience have not been properly and adequately documented and also in some countries they lack the one point leadership for their smooth development. This seminar was a long felt need of ICA-ROAP to undertake a review of the progress of housing cooperatives and discuss the possibility of promoting and further strengthening the housing cooperatives in the region.

One of the instant outcome of the recommendations of the seminar was the setting up of a Regional Committee on Housing Cooperatives for strengthening the cooperative housing movement in Asia and the Pacific Region. I hope such initiatives would streamline the working of housing cooperatives and provide them the strength to bear the increased pressure for housing due to constantly improving socio-economic conditions of the people. At the same time it is necessary that the housing cooperatives gear their resources and learn from each other so that their services could be improved consistently.

I am glad to know that the cooperative housing movements of India and Pakistan are progressing well under the guidance of their National Apex Organisations. To this end, I am hopeful that the deliberations will prove beneficial in removing the structural gaps by facilitating the setting up of national level federations in all countries of the region which would provide an impetus to cooperative housing sector.

I am happy that in the seminar there was very active participation from all levels. I am also pleased that this publication discusses some of the vital issues confronting the cooperative housing sector. This document will enable us to share the view points of the learned resource persons and give insight in the country experiences through the papers of the participants.

I hope this report will be of immense use to planners and administrators in various countries of the region to find viable solutions aiming at our common object of giving goal oriented direction to housing cooperatives.

I thank Dr. M.L. Khurana for his efforts put in bringing out this Report.

New Delhi
August 29, 1996

G. K. Sharma
Regional Director

Editor's Note

The cooperative movement has made tremendous progress world-wide under the umbrella of the International Cooperative Alliance. Millions of coöperators globally have over the last about hundred years toiled to uplift the economic status of the common people irrespective of their race, religion, creed or national boundaries. The International Cooperative Alliance have opened its several Regional Offices for the effective development of cooperative movements in various parts of the world and one of them is the ICA Regional Office for Asia and the Pacific, located at New Delhi, which is functioning with the principal objective of strengthening autonomous cooperatives in the countries of Asia and the Pacific Region. During recent years the ICA-ROAP, New Delhi, has planned to promote and strengthen housing cooperatives in the Asia-Pacific Region for providing good housing at affordable cost to the needy people. Taking the same idea in view, the ICA-ROAP organised a Regional Seminar on Housing Cooperatives at Kuala Lumpur (Malaysia). I have prepared a Report on this Seminar, which I hope will be useful for the development of cooperative housing movements in the various countries.

The preparation of the seminar report is greatly aided by the background papers contributed by resource persons and country papers presented by the participants. Marginal editing, more inclined towards grammatique checks, was undertaken on the style of writing and presentation without changing the original contents. However, utmost care was given so as to ensure internal consistency of the report.

Further, the report does not contain full text of presentations in order to avoid lengthy and repetitive details. Also in some cases where presentation was made by depicting data on slides, the statement was extracted by simply interpreting the data thus not reaching to any conclusion at our own.

The report consists of three parts. In part one the recommenda-

tions, seminar details including the proceedings and the resource documents have been covered. Part two covers the country papers on cooperative housing movements of the represented countries. Whereas part three covers the inaugural address, programme of the seminar, profile of organisations associated with this seminar and the participation detail.

The contributions made by the presenters have been valuable and appreciated to understand the status and prospects of housing cooperatives in Asia and the Pacific Region in particular and other parts of the world in general. These would be helpful in strengthening inter-regional and global collaboration in the field of housing cooperatives and will serve as a guiding factor not only in establishing national level organisations of housing cooperatives in countries of the region where these are non-existent but also strengthen the existing ones.

I trust that those who deal with the planning and execution of programmes meant for the development of cooperative housing movements in various countries as also academicians and researchers will find this document useful.

I earnestly hope that this volume will enthuse and guide members of cooperative housing movement in different countries of the region and help planners to find appropriate solutions in eradicating the problem of housing the needy people. It is hoped that the thoughts and situations contained in the report will give its readers a greater insight in the problems and issues discussed here.

I wish to acknowledge the help of Shri K. Sethumadhavan of the ICA-ROAP, Shri N.S. Mehara and and Shri S.P. Kumar of NCHF for assisting me in various tasks.

New Delhi
August 29, 1996

Dr. M.I. Khurana
Managing Director,
National Cooperative
Housing Federation of India

PART - 1

Recommendations

A Regional Seminar on Housing Cooperatives organised by the ICA Regional Office for Asia and the Pacific, in collaboration with the ICA Housing Committee; National Cooperative Housing Federation of India; and ICA member organisations in Malaysia under the leadership of National Cooperative Organisation of Malaysia (ANGKASA) and Cooperative Union of Malaysia, was held from 25th to 29th March 1996 at Cooperative College of Malaysia, Petaling Jaya, Malaysia. After detailed deliberations during 5 days in various sessions and visits to cooperative housing projects, the following recommendations were made by the seminar.

1. A proposed Regional Committee on Housing Cooperatives was set up for strengthening Cooperative Housing Movement in Asia and the Pacific. The main objective of the Committee shall be to promote, develop, strengthen and coordinate the activities of housing cooperatives in the Region. The following office bearers were elected unanimously:

- Dr. M.L. Khurana President
Managing Director,
NCHF of India
- Haji Abdul Rahman B. Haji Salleh : Vice President
Vice Chairman,
Malaysian Government Officers Coop.
Housing Society Limited.

Mr. Malte Jonsson, Senior Development Advisor of ICA-ROAP was appointed as Secretary of the Regional Committee.

The ICA-ROAP was requested to get the formation of the above Committee ratified in the coming Regional Assembly Meeting in Malaysia in June 1996.

The above office-bearers were authorised to finalise the Constitution of the Committee on Housing Cooperatives and initiate the activities.

2. National Cooperative Housing Federation may be set up by each country of the Region. These National Federations may act as advisory bodies for their government, promote housing cooperatives, provide necessary advice and guidance to their primaries and also keep in touch with the Regional Housing Committee and other international organizations dealing with housing.
3. The National Cooperative Housing Federations of various countries, where there is no national federation, local organisations, should join the membership of ICA Housing Committee and Regional Cooperative Housing Committee.
4. Long-term Action Plan, say for about 10 years, might be drawn for promoting and strengthening housing cooperatives in the countries of Asia and the Pacific-Region.
5. The governments of Asia and Pacific countries should be requested to frame National Housing Policy and assign a definite role to housing cooperatives therein.
6. The Regional Committee should draw a development plan for housing cooperatives in each country of the Region.
7. The Regional Committee/ICA Regional Office should identify the sources of funds available for housing cooperatives at international level and disseminate this information to housing cooperatives in the Region.
8. Training Programmes/Study Visits: ICA Regional Office/Regional Committee may organise training programmes and study visits to those countries where housing cooperatives have made good progress. The National Cooperative Housing Federations in India and Pakistan and the ICA Housing Committee should extend all possible support to this programme.
9. Research Studies: The Study on Housing Cooperatives in Asian countries, initiated by ICA- ROAP, should be finalised by collecting data and other information from Registrars of Cooperative Societies for the benefit of housing cooperatives. Some more studies, highlighting achievements or success and weaknesses affecting this sector in Asian countries, compare and contrast their experience on cooperative housing, suggest policy changes and innovation and management practices, which may contribute in enlarging the existing knowledge-base on cooperative housing, should be undertaken.
10. The Regional Committee may bring out a Bulletin quarterly/half-

yearly or a separate section in ICA Newsletter may be added which may include success stories of housing cooperatives, latest technologies developed in house constructions and other informative articles or reports for the benefit of member countries.

11. The ICA-ROAP may follow the implementation of this Seminar's recommendations and review its progress at regular intervals.

Report

1. Background

It has been a long time since the first Regional Seminar on the Development of Housing Cooperatives in South-East Asia was organised by the ICA-Regional Office and Education Centre (erstwhile name of the ICA-ROAP) in collaboration with the Cooperative Union of Malaysia from 19th October to 2nd November, 1970 in Malaysia. And the launching of Cooperative Development Decade by the International Cooperative Alliance in the beginning of 1971 as a contribution to the United Nations Social Development Decade with which a concerted and intensive campaign for the promotion of cooperatives in developing countries was undertaken.

The development of cooperative housing movement in Asia and the Pacific Region could not reach the desired levels. Though the activities of housing cooperatives have been well developed in many Asian countries but their experience have not been properly and adequately documented. In recent times the endeavour of the International Cooperative Alliance Regional Office has been to promote and strengthen housing cooperatives in the countries of Asia and Pacific Region. The ICA-ROAP felt that it is appropriate to undertake a review of the progress of housing cooperatives and discuss the possibility of promoting and further strengthening the housing cooperatives in the Region and organise a Regional Seminar on Housing Cooperatives in Kuala Lumpur, Malaysia.

Accordingly discussions pursued by the ICA-ROAP with the ICA Housing Committee, National Cooperative Housing Federation of India and Cooperative Organisations of Malaysia under the leadership of National Cooperative Organisation of Malaysia (ANGKASA) for collaboration in the organisation of the seminar. A coordinating committee of ICA for Asia and the Pacific and local organizing committee were constituted. A planning meeting was held in Kuala Lumpur during 16-17 October 1995 to decide the plan of action for the seminar which was followed by a second planning meeting held

in New Delhi (India) on 6th of March 1996 to review and finalise the arrangements for the seminar.

2. Methodology

A lecture-discussion method was adopted during the course of the seminar. ICA-ROAP invited eminent personalities in the field of cooperation/cooperative housing as resource persons to the seminar. The resource persons based on their in-depth experience made thought provoking presentations during various sessions in the seminar on different topics assigned to them in advance.

The participants from various countries also presented comprehensive papers on Cooperative Housing Movements in their respective countries.

A field study programme was arranged on 28th March 1996 to visit housing projects of the Congress of Unions in Public and Civil Services (CUEPACS) and National Land Finance Cooperative Society Limited (NLFCS).

3. Objectives

The principal objectives of the seminar were:

- a) to strengthen inter-regional and global collaboration in the field of housing cooperatives,
- b) Preparation for setting up an ICA Regional Housing Committee for Asia and the Pacific,
- c) To establish national cooperative housing organisations in the Region; and
- d) Study of Cooperative Housing situation in Malaysia.

4. Participation

In all about 45 participants including observers and resource persons from eight countries attended the seminar (please refer list of participants). The break down of the participation is as follows:

India	:	2
Indonesia	:	3
Malaysia	:	26
Myanmar	:	2

Pakistan	:	3
Philippines	:	2
Srilanka	:	2
Sweden	:	2
ICA-ROAP	:	3

5. Proceedings

The seminar was inaugurated by Dr. Nik Mohamad Zain Bin Nik Haji Yusof, Secretary General, Ministry of Land and Cooperative Development, Malaysia on 25th March, 1996. In his inaugural address Dr. Nik Mohd. said that with the increased pace of globalisation the time has come to strengthen the cooperative movement in Asia. Also, by building an affordable housing, the cooperatives could play an important role in overcoming the housing shortages faced by the Asian countries.

He further said that in Malaysia, many projects owned by cooperatives have proven to be successful and affordable to those from the lower income groups. Thus the government should consider taking cooperative societies as its partners to build low cost homes. The ceiling for a low cost housing unit is RM 25,000 (US\$ 1=RM 2.50) at present in Malaysia and the cooperatives can build homes cheaper than this ceiling provided the state governments make the land available at cheaper rates.

Dr. Nik Mohd. also said that the Malaysians, majority of whom though knowledgeable but still associate cooperatives with credit and cheap goods and are not even concerned about their rights and liabilities as members or bothered about financial control, should change their perceptions about cooperatives if they want them to overcome the housing shortage which is likely to reach upto 6,00,000 units by the year 2000. He appealed to the cooperatives to undertake more housing projects and expressed the willingness of the Ministry to give loans to cooperatives from the revolving fund. He hoped that new Cooperative Act, which makes cooperatives more financially accountable would prevent problems of cash flow and bad debt.

He further observed that high cost of land is deterrent in wholehearted involvement of cooperatives in undertaking housing projects. Also due to lack of coordination among the cooperatives the states are reluctant in awarding the projects to them. He concluded

with a promise note that these problems can be overcome with the establishment of a federation of housing cooperatives which the Ministry is planning to set up by the end of 1996.

While speaking at the inauguration ceremony, Royal Professor Ungku Aziz, President of the National Cooperative Organisation of Malaysia (ANGKASA) said that cooperatives should take initiative to educate and train their members. He said the Swedish Cooperatives taught their members how to build their own homes and the members not only saved money but also became self-reliant. He added that cooperatives should introduce a 'do it yourself' concept in Malaysia to allow the public to obtain materials to build their own homes.

Mr. G.K. Sharma, Regional Director, ICA-ROAP welcomed the delegates and observed in his message that housing cooperatives of different forms have been organized in various countries of Asia and made considerable progress in meeting the needs of its members at different degree. However, the pressure for housing will continue to increase with the constantly improving socio-economic conditions of the people, particularly the middle-class and lower-middle class. It is, therefore, necessary that the housing cooperatives gear their resources and learn from each other so that their services could be improved consistently.

Mr. Rolf Trodin, Chairman, ICA Housing Cooperatives, HSB National Federation, Stockholm, Sweden while speaking at the inaugural ceremony said that cooperative housing movement has a great future in Asia.

Dr. M.L. Khurana, Managing Director, National Cooperative Housing Federation of India gave the vote of thanks.

After the inaugural session the three days from 25-27th March, 1996 were divided for presentation of papers by resource persons, presentation of country papers by participants and discussion on papers and specific subjects/reporting. The Resource documents were presented by Mr. Malte Jonsson, Dr. M.L. Khurana, Mr. Rolf Trodin, Mr. Ahmad Zaki Bin Yahya, Mr. Azizan Bin Abdul Ghani, Mr. Ahmad Rosdan Bin Abdul Razak and Ms. Kicki Johansson Trodin. The country papers on cooperative housing movement in respective countries were presented by the participants from India, Indonesia, Myanmar, Pakistan, Philippines and Srilanka. All documents are included in the following sections of the report.

International Cooperation by ICA*

Historical Background

In August 1895 a Cooperative Congress was held in London where National Cooperative Unions or Federations from about eight European countries participated. From Asia one representative each from the Cooperative Movement in Australia and India were also present.

At this Congress the International Cooperative Alliance (ICA) was constituted. For the drafting of the Constitution 12 Articles were adopted. In 1896 the Rainbow Flag became the everlasting symbol of the International Cooperative Movement.

The 30th ICA Congress was held in Tokyo in October 1992. It was the first ICA Congress ever held in Asia and the first ever held outside Europe.

Today 208 national cooperative organisations and 7 international organisations from 93 countries are affiliated to the ICA with a total membership of about 750 million, out of which almost 500 million are to be found in Asia.

The aims and objectives of the ICA are:

- a) to be the universal representative of cooperative organizations of all types which, in practice, observe the Cooperative Principles, as set out in Article 8 of the Rules and Standing Orders;
- b) to propagate Cooperative Principles and methods throughout the world;
- c) to promote Cooperation in all countries;
- d) to safeguard the interests of the Cooperative Movement in all its forms;

* Malte Jonsson, Senior Development Advisor, ICA-ROAP, New Delhi

- e) to maintain friendly relations between its affiliated organisations;
- f) to promote economic relations between the cooperative organisations of all types, nationally and internationally;
- g) to assist the promotion of the economic and social progress of the people of all countries; and
- h) to work for the establishment of lasting peace and security.

ICA Policy on Cooperative Development

At the ICA Congress in Paris in 1954, one of the themes was "Cooperative Development in Under-developed Countries". The year before, the ICA Executive approved to establish a "Development Fund" for the promotion of cooperation. It was suggested that the ICA should increase its membership in the under-developed regions and help those organizations who are not yet eligible for membership, because they were not fully independent and self-governing, to stand on their own feet and manage their own affairs. A Technical Assistance Sub-Committee of the ICA was formed. The emphasis was to support cooperative education, training and propaganda, using the resources of the Development Fund. The ICA Congress in Stockholm in 1957 was of great importance for the consideration of the ICA Policy on Technical Assistance. The theme of this Congress was "A World Without Boundaries".

The ICA Policy for the promotion of cooperation in the newly-developing countries was changed from short-term to more long-term programmes at the Congress in Lausanne, Switzerland in 1960. On 1st January 1971 the ICA launched the Cooperative Development Decade. This was intended as a contribution to the UN Social Development Decade. A concerted and intensive campaign for the promotion of cooperatives in developing countries should be undertaken. The ICA intended to act as a nerve-centre to marshal, coordinate and channel resources to cooperative development in the less advanced countries. The main contribution should, of course, come from the cooperators, especially in the developed countries, but governments, voluntary organisations and the UN and its specialized agencies should also support cooperative development. The ICA Congress in Moscow in 1980 marked the end of the Development Decade and the increased participation of the ICA affiliated organisations in cooperative programmes in the developing countries led to the adoption of a resolution on technical assistance at this Congress. The resolution

requested the Central Committee "to draw up a long-term policy for cooperative development plans" (ICA Policy for Cooperative Development).

At the ICA Central Committee meeting in Rome in 1982 the "ICA Policy for Cooperative Development" was approved, where the objectives, fields of action and priorities were stated.

The objectives are:

- a) The basic objective of the ICA policy on cooperative development is the establishment and growth of independent democratic and viable cooperative organisations, in which men and women participate on equal terms. These organisations must be capable of serving their members efficiently and contributing to economic growth and social equity in their respective communities and/or countries.
- b) The ICA policy shall aim at strengthening collaboration between cooperative organisations of various types and in different countries, thereby promoting the growth of international solidarity, which is the foundation of a constructive peace.
- c) The ICA shall endeavour to influence public opinion, national authorities and international organisations in order to stimulate the growth of a favourable atmosphere for cooperation, promote the enactment of appropriate cooperative legislation and enlist the support of government and international organisations for the development of cooperative movements.

This policy declaration is still guiding the ICA Development Work today and for the implementation, strategies have been worked out, the first in 1986 which was amended in 1993. This was felt necessary as a result of the socio-economic changes affecting the cooperatives in a liberalised environment and reduced government support. Two important documents, "The ICA Policy on Human Resource Development" and "ICA Policy on Women in Cooperative Development" provide guidelines for two priority areas of ICA's development work.

ICA Regional Office for Asia and the Pacific

The decisions at the Congresses of the ICA have played an important role for all activities carried out by the organisation. At the Paris Congress in 1954 a delegate from Japan proposed the formation of an Asian Regional Sub-Committee and an annual or bi-annual Asian

Cooperative Conference. The Technical Assistance Sub-Committee decided to send a fact-finding mission to Asia with the purpose to acquire deeper and more precise knowledge about the situation of cooperative development and how ICA could render assistance to strengthen the cooperative organisations. Asia was chosen mainly because the Japanese Cooperative Movement already convened round-table conferences for the Region. In 1955-56 this mission was carried out. The ICA Development Fund had received considerable contributions from several member-organisations, which facilitated a more long-term commitment for cooperative development assistance.

The missions report to the Technical Assistance Sub-Committee suggested to hold a conference of cooperators in the Asian region which was endorsed by the Executive, for the purpose of consultations on the establishment of a permanent secretariat of the ICA in South-East Asia.

The Conference was held in Kuala Lumpur in 1958 with a participation of ICA affiliated organisations from six Asian countries and cooperative organisations not yet affiliated from five countries. In addition high ranking officials from Cooperative Departments, International Labour Organisation (ILO), Food and Agriculture Organisation (FAO) and the International Confederation of Free Trade Unions (ICFTU) participated.

It was the first time that a delegation from the ICA and representatives from both government, cooperative organisations and other organisations in Asia met and exchanged experiences and discussed problems of their respective movements. The need for closer collaboration and continued exchange of experiences was obvious, but it was left to the ICA to decide where the Regional Office should be located. After further studies the ICA decided to locate its Regional Office in New Delhi. The Swedish Cooperative Centre (SCC) agreed with the ICA to support cooperative development in the Region through cooperative education and training activities. For the purpose the ICA Education Centre was established, linked to the Regional Office, and the first activity started in November 1960 by organising a Regional Seminar on Cooperative Leadership in South-East Asia at New Delhi. From 1960 the ICA Regional Office for South-East Asia (later Asia and the Pacific) is placed in New Delhi.

In 1961 a Regional Advisory Council of the ICA was formed to guide the policy of the Regional Office. The ICA Technical Assistance Sub-Committee approved the programme carried out by the Regional

Office. In June 1963 the ICA Regional Office and the Education Centre was merged into one and named ICA Regional Office and Education Centre for South-East Asia.

The permanent office building in New Delhi, which still houses the Regional Office, was inaugurated in February 1968, financed from the ICA Development Fund, the Japanese Agricultural Cooperative Union and the Swedish "Without Boundaries" Foundation.

Besides the Regional Advisory Council, Sub-Committees were set up between 1967 and 1977 for Agriculture, Fisheries and Consumer Cooperation. Considerable changes of the activities, financial resources, and administrative set-up of the Regional Office have been made over the years.

At the beginning the emphasis of the activities was to organise, more on an adhoc basis, seminars, courses, conferences and workshops, but today the Regional Office acts as a catalyst, facilitator and coordinator of cooperative development in the Region.

At the ICA Congress in Tokyo in October 1992 a decision was taken to change the governing structure of the ICA by creating Regional Assemblies in order to promote collaboration among the ICA member organisations at the regional level and to provide a forum for discussion of regional issues. The first meeting of the ICA Regional Assembly for Asia and the Pacific was held in New Delhi in January 1995. The previous Regional Council is now replaced by the Regional Executive Council.

The number of member-organisations and countries have increased considerably and embraces now the whole of Asia, the Pacific and part of the Middle-East, all together 26 countries (58 member organisations) with 66% of the total ICA membership. Since 1988-89 the name of the Regional Office is ICA Regional Office for Asia and the Pacific.

The first 25 years of the development work of the ICA Regional Office in New Delhi was almost totally financed by the Swedish Cooperative Centre (SCC). However, the ICA member organisations contributed to local costs for the ICA education activities already from the beginning, although these expenses were not shown in the budget until recently.

From 1986-87 the Ministry of Agriculture, Forestry and Fisheries (MAFF) of Japan started to support ICA activities, followed by the Japanese Consumers' Cooperative Union (JCCU). From 1993-94 on-

wards the Canadian Cooperative Association (CCA) also started contributing on a regular basis to the activities of the ICA-ROAP. In the 1995-96 budget 37% is financed from MAFF and JCCU; 14% from SCC and 5% from CCA. More than 30% of the activities are now covered by the member organisations in the Region.

The activities of the Regional Office today are divided into four areas:

- a) coordination of cooperative development efforts within the region, and promotion of exchanges and experiences;
- b) project identification, formulation, preparation and evaluation;
- c) promotion of the establishment and development of national cooperative apex organisations, based on local cooperatives; and
- d) organisation of seminars and conferences on specific subjects including support for programmes aiming at the involvement of women and youth in cooperative activities.

The objectives of the Regional Office are:

- i) The establishment and growth of independent, democratic and economically viable cooperative organisations in which men and women participate on equal terms;
- ii) Strengthening of collaboration between cooperative organisations;
- iii) Influencing public opinion, governments, international authorities and international organisations on matter pertaining to development of cooperative organisations;
- iv) Enhancement and encouragement of the involvement of the weaker sections of the society as also women and youth in the activities of cooperatives; and
- v) Promoting awareness among the cooperative organisations of the importance of an environmentally sustainable cooperative development.

The work programme is divided into eight different projects such as Policy Development and Legislation Project; Development Planning and Coordination Project; Agricultural Cooperative Development Project; Consumer Cooperative Development Project; Human Resource Development Project; Gender Integration Project; ICA-Japan Agricultural Management Training Project; and Rural Women Leaders Training Project.

The Specialised Committees (previous sub-committees) in Agriculture, Consumer, and Human Resource Development discuss and advise on the activities of the ICA-ROAP in the respective fields. In addition there exist the Fisheries, Finance and Trade and Industry specialised regional committees. The overall work programme of the ICA-ROAP is presented at the Regional Executive Council and Regional Assembly meetings. At the Regional Assembly the priorities for the ICA work programme are established.

Throughout the years ICA has had close relations with the Institute for the Development of Agricultural Cooperation in Asia (IDACA). The activities of IDACA were presented and reviewed at the Regional Council meetings.

The ICA-ROAP is playing a very important role to promote mutual understanding between the cooperatives and the government. For this purpose Ministerial Conferences are organised with the objectives to accelerate and develop genuine Cooperative Movements in the Region. ICA is also assisting in initiating changes in the existing cooperative legislation.

Cooperatives and Environment is another area in which ICA - ROAP carries out research and disseminate experiences from cooperative organisations actively involved in environment protecting activities. A Gender Perspective is increasingly applied in the work programmes of the ICA, closely linked to the Human Resource Development Project.

ICA-ROAP is proud to host the most comprehensive cooperative Library with more than 19,000 books and 200 journals. Documentation services include publishing of the quarterly "Asia-Pacific Coop News" and News Bulletins on Consumer and HRD Activities. In addition a number of publications are issued (30 during 1992) and can be purchased from the ICA Domus Trust, New Delhi.

During 1991 ICA-ROAP started its Data Bank Network, collecting and disseminating statistical data on ICA member-organisations and affiliated cooperatives of all kinds.

One of the aims and objectives of the ICA is to promote economic relations between cooperative organisations. This include identification of possible joint ventures. With the coordination and facilitation of the ICA-ROAP an agreement has been signed between Chinese and Australian cooperatives for joint venture on cotton, wool, cow hides and sheep skin value-adding processing.

Setting Up National Cooperative Housing Federations in Asian Countries*

This paper tries to touch upon briefly on the importance of housing cooperatives, housing and living conditions in Asian countries, Cooperative Housing in this part of the World and Role of National Cooperative Housing Federations.

Importance of Housing Cooperatives

Housing is one of the basic needs of the human beings and occupies third place after food and clothing. The aim of life, among other things, is to secure decent shelter during life time, depending upon standard, mode and economic position of the person concerned. The modern concept of housing does not limit the idea of housing merely to shelter but comfortable shelter with good surroundings, so that man's personality may develop and increase his level of participation in the society. The United Nations has emphasized the importance of housing in these words:-

“The home provides the physical frame-work in which the human, social, economic and cultural resources of the individual are released, enriched and integrated. Because adequate housing reinforces human dignity and status, it creates the political and social climate for orderly development of the society. This climate is necessary for economic and social development. Adequate housing contributes directly to individual health and productivity, which are essential for national economic growth. Housing is itself an important economic activity, providing substantial direct and indirect employment of a type easier to create than many other types of employment.”

Inspite of the fact that housing is one of the prime necessities of

* Dr. M.L. Khurana, Managing Director, National Cooperative Housing Federation of India, New Delhi.

human life, the problem of securing good accommodation is drifting from bad to worse particularly in Asian countries due to many reasons like high population growth, low national income, inadequate infrastructure and low level of technology development.

Since the housing is of considerable socio-economic significance, it is the responsibility of the Governments to see that its citizens are provided with adequate housing facilities. It cannot be left exclusively with private sector to implement housing as a commercial activity with profit motive. Active involvement of the Government in the organisational, financial and technical aspects is thus necessary to achieve the important social object of just and equitable distribution of the housing facilities. The housing cooperatives are acknowledged as the best suited organisational set-up for achieving this important social objective.

A housing cooperative is a legally established association that is owned and democratically controlled by its members for the elementary purpose of improving their living conditions. Democratic control by residents, open and voluntary membership, limited return on membership investment, the expansion of services beyond merely the supply of housing to the wide range of community services and a strong emphasis on self help and cooperative action are the basic characteristics of housing cooperatives.

The benefits of cooperative housing are of particular relevance to developing countries where need for better shelter is typically growing at a faster rate than local public institutions can handle. Governments in various countries have realized that Government action alone will never solve their housing problem and that all resources including those of private sector and the prospective participation must be employed.

Cooperative action is being increasingly recognized as an ideal mechanism for securing the involvement of people and for utilizing their self help or sweat equity in the whole process of home building. Further, cooperative housing can provide not only shelter and housing, but also a mechanism to bring additional and needed services to the community, including health care, recreational, transport, education and environmental services. The promotion of employment opportunities is another area where housing cooperatives can have an impact. The most important advantage, perhaps is that housing cooperatives offer poor people an opportunity to participate in the democratic decision making process which directly affects their

family and community, the maintenance of project, the development of different social and economic activities for the members of the community etc.

Cooperative housing has also been recognized for their role in national development and national integration. It has excellent record not only in building construction but also in maintenance and in providing infrastructure facilities through cooperation and mutual understanding. They have offered commendable services in rural areas and among low income communities in the urban areas, where neither the public agencies nor the private agencies are capable of providing creative contribution.

The role of cooperative housing figured prominently in a United Nations Resolution which was adopted by the General Assembly in the year 1976, and which reads as:

“Drawing attention to the lasting benefits enjoyed by large sections of society in urban and rural areas in many parts of the World owing to the noteworthy expansion in cooperative housing projects in the last three decades, and the considerable potential for further activity in this field.”

History of socio-economic development has also shown that it is only the group and collective efforts which can achieve best than the individual efforts in any field. This idea has given rise to the formation of housing cooperatives, since individual efforts failed to achieve the desired results. The housing cooperatives are run by the people, for the people and for their socio-economic betterment.

Housing and living Conditions in Asian Countries

Most of the developing countries in Asia are experiencing the tremendous impact of rapid population growth, increasing industrialization and large influx of rural population into urban areas which leads to serious housing shortages and over congestion in urban centres. The formation of slums and squatter settlements further adds to the problems. Inadequate community facilities and health services, ever increasing metropolitan traffic creating pollution hazard, wasteful sub-division and use of urban land, sky-rocketing land prices and cost of building materials are some of the major problems faced by most of the Asian countries.

Many of the developing countries in Asia has not been able to meet the needs of the population for adequate housing accommoda-

tion. There has been a general deterioration in housing and environmental conditions, thus leading to poor quality of life particularly in urban areas and large urban agglomerations. In many of the countries in south east Asia, governments have undertaken direct public housing and physical planning programmes to ameliorate the critical housing situation and problems associated with rapid urbanization. Despite all these efforts taken and measures adopted, little progress has been made and the situation remains unsatisfactory with exception in case of some countries. During early 1990s, the housing shortage in India was around 31 million dwellings. In Pakistan the annual demand for housing is 580 thousand units. Similarly there is a shortage of about 500 thousand housing units in urban areas of Indonesia what to speak of rural areas. In Thailand too about 376 thousand dwellings are in short supply in Bangkok city alone, which after combining with requirement of other cities adds to a demand of 1126 thousand dwellings.

The availability of infrastructure in some selected Asian countries is presented in table-1. The position in regard to accessible paved roads is much better in Japan followed by Malaysia and Singapore. The road density respectively is 6007 kms., 1490 kms., and 984 kms. per million persons. The well developed telecommunication sector is also visible in Japan, Singapore and Malaysia compared to other countries of the region. The telephone main lines per 1000 population respectively are 441,385 and 89. Bangladesh, Indonesia, India, Srilanka and Pakistan are lagging far behind in this regard where only 2 to 8 main telephone lines per 1000 population are available.

In terms of percentage of population having access to safe drinking water the poorly placed countries are Indonesia (34%), Pakistan (55%) and Srilanka (60%). It is interesting to note that this facility is available for more population in rural areas of Bangladesh and Thailand compared to urban areas of these countries.

Sanitary conditions are comparatively better in Singapore, Malaysia and Philippines where about 97%, 87% and 70% population respectively is having access to proper sanitation. Bangladesh, India, Myanmar and Pakistan are poorly placed in this regard where only 12% to 25% population have access to sanitation.

Some of the indicators of development in selected Asian countries are presented in table - 2. The social planning is as important to development as economic planning and that the social development must be integrated with economic planning. However, in practice the

Table 1 : Availability of Infrastructure in Selected Asian Countries, 1990

Country	Road density (KM/ Million Persons) 1988	Telephone main lines (per 1000 persons)	Access to safe drinking water (% of population)			Access to sanitation (% of population)		
			Total	Urban	Rural	Total	Urban	Rural
Bangladesh	59	2	78	39	89	12	40	4
India	893	6	73	86	69	14	44	3
Indonesia	160	6	34	35	33	45	79	30
Japan	6007	441	96	100	85	-	-	-
Malaysia	1490	89	78	96	66	87	90	70
Myanmar	210	-	74	79	72	22	50	13
Pakistan	229	8	55	82	42	25	53	12
Philippines	242	10	81	93	72	70	79	63
Singapore	984	385	100	100	-	97	97	-
Sri Lanka	536	7	60	80	55	50	68	45
Thailand	513	24	77	65	85	45	64	41

Source : World Development Report 1994, The World Bank

Note : * Access to drinking water means access to safe water by either stand-post or house connections. Safe water is defined here as treated surface waters or untreated but uncontaminated waters such as from protected springs, bore holes and sanitary wells.

* Access to sanitation includes by either sewer connection or other means such as septic tanks, communal toilets, pit privies, pour flush latrines etc.

Table 2 : Indicators of Development in Selected Asian Countries, 1992

Country	Population Millions	Area (000 Sq. km)	GNP Per Capita (US\$)	Life Expectancy at birth (years)	Adult* literacy (%)	Urban Population (%)	% of Govt. expn. on housing, social security and welfare
Bangladesh	114.4	144	220	55	35.0	18	5.3
India	883.6	3288	310	61	48.0	26	5.7
Indonesia	184.3	1905	670	60	77.0	32	2.0
Japan	124.5	378	28190	79	99.7	77	-
Malaysia	18.6	330	2790	71	78.0	45	11.6
Myanmar	43.7	677	-	60	81.0	25	12.1
Pakistan	119.3	796	420	59	35.0	33	3.4
Philippines	64.3	300	770	65	90.0	44	4.4
Sri Lanka	17.4	66	540	72	88.0	22	16.1
Singapore	2.8	1	15730	75	90.0	100	7.2
Thailand	58.0	513	1840	69	93.0	23	6.7

Source: World Development Report, 1994, The World Bank.

Note: * Refers to 1990

social aspects of development has often been overlooked or neglected. As a result, the comparatively smaller share of the national income had been devoted to housing and related programmes such as social security and welfare etc. than appears justified in terms of social and economic requirements. The situation however has been gradually changing overtime.

Most of the countries named in table - 2 belongs to low-income economies (i.e. per capita income below US\$ 675). However, Thailand and Malaysia belong to middle income economy (i.e. per capita income US\$ 676 to US\$ 8355) with their per capita GNP at US\$ 1840 and US\$ 2790 respectively. Japan and Singapore belong to high income economies with their per capita GNP of US\$ 28190 and US\$ 15730 respectively. The life expectancy at birth is maximum at 79 years in Japan and minimum at 55 years in Bangladesh. Adult literacy is poor in Pakistan and Bangladesh at 35% for each and to some extent in India also. About one fifth to one fourth of the population is urban based in Srilanka, Thailand, Myanmar and India. Bangladesh is the least urbanized country with only 18% urban population and Singapore is cent per cent urbanized country.

Till recently the inability of most of the developing countries in Asia to cope with the serious housing problem was mainly due to lack of clearly defined and comprehensive housing policies, realistic programme packages and adequacy of funds for implementation of programmes. The other contributory factors to this problem were inadequate administrative machinery for dealing with housing and urban development issues and problems which were aggravated by dearth of trained technical and managerial staff, lack of adequate financing schemes for encouraging private or household savings for house construction, no proper and effective urban land policies for preventing and checking land mafia and ever-increasing land prices, improper appreciation of the advantage of housing cooperatives and the failure in most of the countries to adequately tap the immense potential of self help housing.

Cooperative Housing in Asian Countries

The cooperative housing movement have made noticeable progress in some of the Asian countries and contributing significantly in adding to the housing stock and diluting the acute housing problems in the region. However, in some of the countries this noble movement has yet to reach the desired level of appreciation. While looking back to

trace the genesis of cooperative housing movement, it is observed that it started in India as early as in the year 1909, late 1940s in Malaysia and Singapore, in 1930s in Pakistan, in 1957 in Japan and in 1979 in Indonesia.

In general the following types of housing cooperatives are functioning in Asian countries. These include:

(a) Permanent Cooperative Housing Societies

- Co-Ownership Cooperatives: Members own the society collectively as the housing estate is owned by the society. Every member is entitled to use the house/flat allotted to him on monthly rental as long as he/she is a member of the society and no individual member can claim ownership of a house/flat.
- Individual Ownership: Once the member has repaid total loan the ownership of the house is transferred to him. The society continues to provide maintenance and other services to members and also enrol new members and to provide houses to them.

(b) Terminating Cooperative Housing Societies

- The societies transfer the ownership of land and houses to individual members immediately after the completion of the project and the society go into self-liquidation. The members pay their monthly instalment direct to the lending organisation.
- In this case the societies transfer ownership of the land and building to the members only after the entire loan has been repaid to the lending organization. Responsibility of collection of loans from members and repayment of loan to lending organisations remains with the society. After full repayment of loan and transfer of ownership of houses to members the society go into self-liquidation.

(c) House Construction Cooperative Housing Societies

These are the societies of house builders like carpenters, painters, brick-layers, skilled and unskilled labourers. They obtain funds from financial institutions and build houses for sale or for rental.

(d) Housing Land Development Cooperatives

These are formed for the purpose of acquiring and developing land collectively. Once the land is acquired and developed it is distributed among the members and the societies go into liquidation.

(e) Multi-Functional Cooperative Housing Societies

These societies undertake all activities connected with housing. The constitution of these societies provides that they continue indefinitely as permanent societies or liquidate themselves after a specific objective is achieved.

The number of members required to form a housing cooperative in India are 10, Singapore 10, Indonesia 20, Pakistan 30 and Thailand 50. The membership fees as prescribed in different countries is to be paid while becoming member and minimum prescribed amount of share capital is to be contributed. In general in most of the countries only one person from a family is allowed membership of a particular society whereas in Pakistan and Thailand two members from a family can become members.

The activities of housing cooperatives have been well developed in many Asian countries but their experiences have not been adequately documented. Also substantial difference exist among the Asian Countries in the degree of development of Cooperative Housing Movements, the structure and management practices of their housing cooperatives, nature of activities undertaken by them and the Government policies towards their cooperative housing sectors. At one end of the spectrum we see active cooperative housing sectors thriving in countries like India and Pakistan, while at the other end we see the case of Singapore which has successfully dealt with its housing problem through Public Housing Agencies alone without any efforts from the housing cooperatives.

The role of cooperatives in the housing sector also varies among these countries. In India and Pakistan, Housing Cooperatives have involved in housing activities for all income groups. In Singapore, Town Councils limit their areas of activity to maintenance and repair of infrastructure services and loan recovery from the beneficiaries in the housing estates built by the public housing agency HDB. In Thailand, the Bangkok Cooperative Housing Limited undertakes housing activities for all income groups while the Building Together Association concentrates on developing the slum communities cooper-

atives. In Japan and Indonesia the Workers Cooperative Housing Societies are well organised and are playing active role in Workers housing.

In many countries like India, at initial stages, the housing cooperatives activities were limited to lending credit but later on they diversified into building and maintenance. In India, Indonesia and Thailand, there are notable housing activities undertaken by the housing cooperatives for low income groups and slum communities.

The details of the Cooperative Housing Movement in Asian Countries given in Table-3 shows that quantitatively the cooperative housing movement is well developed in India, Pakistan and Japan. At the same time the data clearly indicates for adequate expansion of this movement in rest of the countries and further consolidation in the above named countries. While taking into account the average dwellings constructed per housing society, Indonesia tops the list with 5620 dwelling constructed followed by Japan 2938, Bangladesh 94, Pakistan 69 and India about 16. The higher productivity of Indonesian Cooperative Housing Movement is appreciable as the movement is of most recent origin compared to other countries.

Table 3 : Status of Housing Cooperatives in Asian Countries

Country	Housing Cooperatives		
	Numbers	Membership	Units Developed
India	80,000	5,000,000	1,300,000
Bangladesh	131	28,005	12,364
Indonesia	17	-	95,546
Japan	48	1,076,832	146,900
Malaysia	47	27,864	-
Pakistan	2,016	736,689	139,564
Singapore	1	2,522	-
Thailand	10	-	-

The degree of government patronage for cooperative housing sector varies among these countries. In countries like India, Pakistan and Indonesia, the Governments are actively supporting the cooperative housing sector through incentives, tax rebates, preferential allotment

of resources and supportive policies. In Singapore, recently the government is giving more role to people's organisations in housing, mainly infrastructure maintenance though earlier it has handled the housing situation without encouraging cooperative housing.

The cooperative sector has achieved considerable success in the sphere of housing and has made significant contribution towards solving national housing problems in developed countries. The cooperative methods adopted to solve housing problems in developing countries has yet to utilize its full potential. The success of housing cooperatives in developing countries particularly in Asia region, however will depend not only on the mobilisation of members savings and enlisting their support of self help basis but also on various types and quantum of assistance received from the governments concerned. Such assistance may be of following categories viz:

- * Organisation and Management
- * Finance and financial assistance
- * Incentives and concessions for house building.
- * Special legal protection for housing cooperatives.
- * Specialized technical and managerial services.
- * Research for promotion of house building activities.
- * Development of Building Material industries.

National Cooperative Housing Federations

It will be seen from above details that the housing cooperatives have made some strides in this part of the world, but have not developed fully in most of the countries and as such there is a need to expand them so as to provide affordable decent shelters to needy people. For that it is suggested that the National Cooperative Housing Federations may be set-up in all countries of the region where these are not in existence at present and the existing one should be strengthened.

The edifice of the cooperative movement rests on primary cooperatives i.e. cooperatives organized by individuals at local level with the object of promoting economic and social interests of their members in accordance with the recognized cooperative principles. It is for the better organisation and pursuit of these activities that the primary cooperatives federate themselves in their appropriate groups.

These national federations can assume the role of advisory bodies and should be made responsible to promote, develop and coordinate

the activities of housing cooperatives. Its primary task should be to propagate cooperative ideology for the development of cooperative housing movement. It must assist the individual members in broadening the field of cooperation either directly or through primaries. They have important task to perform in the field of supply of information and imparting education to the members of housing cooperatives, so that members are fully informed and educated about the objectives, policies and activities of cooperative housing movement.

Function-wise, the National Cooperative Housing Federations can be divided into two broad, but overlapping categories namely:

- (a) Promotional Federations
- (b) Promotional-cum-Business Federations

Promotional Federations

The promotional federations transact no business of their own i.e. they do not buy land, they do not undertake development activities. Neither they construct housing units for their members nor undertake maintenance of housing estates. They render to their constituent units and to the structure as a whole the promotional services. They are non-equity based.

Promotional National Cooperative Housing Federations

The National Cooperative Housing Federation should work in combination with the primary housing cooperatives which constitute the other cogs of the cooperative housing system. By virtue of its national status and the position of influence it holds over the primary housing cooperatives, the role of a National Apex Cooperative Housing Federation will be primarily intended to bring about integration, both horizontally and vertically of the activities of the primary housing cooperatives.

It should work for the furtherance of the activities of the primary housing cooperatives which are the basic units of the cooperative housing system. Its tasks should be to complement and support the activities of the primaries. This Federation should play the role of a coordinator, a promoter and a supporter of the activities of the primary housing cooperatives which it seeks to serve.

Functions

The National Cooperative Housing Federation may perform all the

functions that are conducive to effective discharge of its role as a promoter, coordinator and supporter and these functions are briefly discussed as follows :

Promotional

One of the most important tasks of a National Cooperative Housing Federation is to work for propagating cooperative housing. In doing this, the organizing of the new primary housing cooperatives for persons who intend acquiring dwellings through the cooperative housing method is a primary task that falls on the National Cooperative Housing Federation. This type of organisation should not only be well equipped to give guidance and other assistance in organizing housing cooperatives but it would also be equipped to carry the message of cooperative housing to the general public so as to give them insights into the possibilities of solving the housing problems through housing cooperatives and to create an enthusiasm in them for adoption of cooperative housing method in solving their problem. It will also advise the housing cooperatives as to the desirable structure for their effective functioning and in planning their future programmes with regard to savings, house building and other activities.

Finance

Finding adequate resources for financing cooperative housing projects is a major problem faced by housing cooperatives. An efficiently run National Cooperative Housing Federation can be of great assistance to primary housing cooperatives in procuring funds for their house building activities. Its national position and greater resources would naturally make it more acceptable to financing institutions. Therefore, it would be in a stronger position to negotiate for finance.

Research and Studies

The other area in which the National Cooperative Housing Federation can play an important role is to undertake research and studies to project the image of housing cooperatives and for the benefit of members. The National Cooperative Housing Federation should therefore conduct Research and Studies on various aspects of cooperative housing and allied subjects which will be beneficial for the housing cooperatives in their planning, designing and use of latest building techniques in proper execution of their projects. This will

also help the planners in the Government to entrust a larger role to housing cooperatives thereby providing proper environment for their smooth functioning.

Education and Training

In order that housing cooperatives function properly and succeed in achieving their social and economic objectives their members should be properly educated and those concerned with their management and working should receive proper training. Before commencing a cooperative housing project, it is necessary to make members aware of the philosophy, ideology, and principles of cooperation and of their rights, duties and obligations. At the same time, members should also be adequately informed about the approximate cost of housing units, general construction techniques, common services, requirements of finance etc. To meet these requirements, the National Federation should evolve education and training programmes for the personnel of the housing cooperatives in various aspects of the cooperative housing and allied subjects.

Building Materials

The housing cooperatives face problems in getting good quality of building materials at cheap rates. The National Federation should procure, manufacture, stock and supply the building materials for the members of the housing cooperatives. Also the National Federation should play an instrumental role in establishment of building centres which would significantly contribute to the promotion of house building and rational use of resources.

Land

Sometime the housing cooperatives face difficulty in getting land at affordable price. The National Federation should negotiate with the Government in providing land to the housing cooperatives at cheap rates.

Conferences and Seminars

A major objective of the National Cooperative Housing Federation will be to act as a forum for interaction for organizations and individuals associated with the development of cooperative housing. In pursuit to this objective, the National Federation should organize

conferences, seminars etc. on various aspects of cooperative housing and problems faced by them.

Publications

The National Cooperative Housing Federation should bring out publications and periodicals, news bulletin and journals, relating to cooperative housing for propagating and popularizing Cooperative Housing Movement on the sound cooperative principles and for promoting such ideas and also to update the knowledge of the members on the development of cooperative housing movements in other countries.

Coordination with the Government

The Governments must be kept informed of the policies, activities and problems of housing cooperatives by the National level organization in respective countries.

Promotional-Cum-Business - National Cooperative Housing Federations

These organizations may be formed in those countries which are small and where the cooperative housing is under-developed, for expanding the activities of housing cooperatives. These types of National organizations will not only take the promotional measures for the development of cooperative housing in the country but also undertake housing construction activities as well. Their role should be complementary and supplementary to lower level cooperatives.

International Relations

The National Cooperative Housing Federation should maintain cordial relations with cooperative organisations functioning in various countries. The Apex federations should have international liaison on the matter of finance, organization development, management, cost effective building techniques and should have easy access of information/data on development of cooperative housing movement.

Conclusion

The cooperative housing movement in Asian Region is still in the developing stages in some of the countries. The problems being faced by this movement are diverse in nature and varying from country to

country. At present it is evident from the experience of different countries that the movement is not functioning in an organized, systematic manner and on equality basis in some of the countries due to lack of one point leadership i.e. non-existence of a national level organisation.

The vast potential of the cooperative housing movement particularly to organize low income communities to self help housing in some countries is still to be tapped fully. It is also evident that major part of the population of most of the Asian countries is living in rural areas. There is immense potential that self-help and aided self-help housing could exploit in the building of houses in rural areas. A National level Federation can only help through organized cooperative efforts and also by persuading the Government for assistance and guidance in this regard.

The need of the hour also calls of learning from successful cooperative housing movement existing in the countries like India and Pakistan and make use of finer points of these movements. This will help in development and establishment of National level Cooperative Housing Federations in all the Asian Countries and successfully organize the cooperative housing movement there.

Cooperative Housing

- The Best Alternative*

HSB is the biggest organisation for housing cooperatives in Sweden, with more than 600,000 individual members. More than 1 million people live in HSB managed houses. That is about 25% of all families living in multifamily-houses and about 12% of all housing including villas, farms etc.

History of Housing

In primitive societies, and even today in many farming communities, people built their own houses from local materials. They received help from neighbours and relatives, so that a kind of a temporary producing cooperative was set up, only to dissolve when the house is completed. As building methods became more complicated, the craftsman, the bricklayer, the carpenter, the tiler, the plumber, the mason and the electrician took over. They were employed by the owner to carry out those parts of the work, he couldn't do himself.

It is only in quite recent history the speculative builder made his appearance, putting up houses, terraces and blocks at his own expense and selling them or letting them out to the public for his own profit. He flourished for perhaps a century, during which the quality, quantity, location and price was settled by the economic laws of supply and demand.

The low standard of housing, especially for workers in the rapidly growing industrial towns of Europe, led to public concern, which started more than hundred years ago. During that period philanthropists, far-sighted employers, local and national governments, have all contributed to the stock of houses for ordinary people with moderate income.

* Rolf Trodin, President, ICA Housing Cooperatives, HSB National Federation, Sweden.

These houses were built under some form of public control in such matters as location, standard, services, costs and rules for who could live there and under which conditions.

Cooperative housing began in Denmark around 1850. Other European countries as Germany, Austria, Sweden and France followed in the next decades. These early cooperatives were private ventures, initiated by people who had been shocked at the human misery, brought out by unchecked commercial speculation in housing. They saw that cities easily could become very unhealthy, depressing and destructive of human values. That led to the garden cities and other forms of town planning.

In developing countries, where industrialisation was only beginning and large towns were the exception, government and other large employers often built special houses for civil servants, railwaymen, miners, workers on tea or rubber estates etc. Such houses were adequate in standard of its days, but did not always allow for future standard rising.

The two world wars increased the need of new houses in many countries. Many houses were actually destroyed or made unusable. In most countries, even some neutral countries, all house building and house repairs were suspended because of lack of money, material and construction workers. The result was an actual diminution of the stock of houses in the world. After the wars the governments started to build houses for ordinary people. They also subsidised cooperatives and other non-profit-making housing organisations. That did much to improve matters.

Since the end of world war II other factors have contributed to shortage of houses. The most important is population growth and migration. The two wars, specially the second one, resulted in the displacement of large numbers of persons, either refugees or those expelled from their homes. For them a new home in a new place had to be provided.

Even where there has been no migration, population has increased more rapidly than had been anticipated. Most of this population has found its way into the towns. This means that not only new houses had to be built, but the housing has had to be of other types and with other facilities, then would have been necessary if people had remained in the country side.

Public services, like water, electricity, roads etc. had to be

supplied at the same time as the new houses, thus adding greatly to the costs. At the same time, the families in Europe and North America increased in size and demanded larger houses or at least houses with more rooms.

Fewer families are ready to include in the household old parents or unmarried adult relations. This change has led to needs of small houses for elderly and singles.

Lastly the rising of living standard throughout the world has resulted in that people are no longer prepared to accept the small rooms and the absence of modern facilities that their parents were perfectly satisfied with.

Most European countries can show successful examples of cooperative housing. It is specially associated with the Scandinavian countries. It started, as I said before in Denmark. Sweden was one of the pioneers in large scale development. Norway can show the most rapid post-war development. Finland, Germany, Switzerland, France and Italy have all used the cooperative method over many years. Poland, Czechoslovakia and Hungary were very successful between the wars. After the second world war these countries have all restored their organisations and expanded. In Spain and Portugal the cooperatives are an important part of new houses.

The political changes in Eastern and Central Europe have been of utmost importance for cooperative housing. Poland, Czech Republic, Slovak Republic, Hungary and the former German Democratic Republic are undergoing a transition to market economy and a democratization that effects the housing cooperatives in many ways.

I am involved in a project in Estonia, a former part of Russia, that now is an independent country. They want to convert former public rental houses into cooperatives. My mission is to create regional services centre for those new cooperatives and the old ones. There are about one hundred old cooperatives managed by the cities. The programme is also to start a national federation of housing cooperatives. The project is financed by funds in Europe for converting the economic system in former communist countries in East and Central Europe.

In America USA has been active in cooperative housing in the big cities, particularly in New York, where former slum areas have been cooperatives and rehoused a large number of workers, formerly living in conditions well below modern standard. In the states of New

York, Massachusetts and Minnesota housing cooperatives for elderly with special needs are very common. The American organisation has a long history in working with housing projects in developing countries too.

Canada has worked very successfully with both ordinary cooperatives and cooperatives for special groups such as student, retired people etc.

In Latin America Chile, Uruguay and a number of South American countries have small but very active cooperative organisations. In a seminar in Miami in December 1995, I and Mike Doyle from the American organisation CHF met many new organizations that wanted to know more about ICA housing. They were from Mexico, Costa Rica, Panama, Colombia, Venezuela, El Salvador, Uruguay, Paraguay, Chile, Argentina and Brazil. Many of them said that they wanted to be members, and we are now sending them the bylaws and other conditions.

In Asia housing cooperatives are to be found in a large scale in India and Pakistan. Malaysia, Indonesia and Srilanka have many good cooperatives. In Hong Kong housing cooperative is one of the means used to solve the problem of over-crowded island. In the Middle East there are a lot of good cooperatives. Most of the new houses in the cities of Israel are by cooperatives. In Turkey the housing cooperative union KENT-KOOP is very successful.

In China a housing cooperative movement has started in cooperation with my organisation HSB of Sweden. I have been there four times, participating in 10 seminars around the enormous country. I am very positive about the future for the Chinese housing cooperative movement.

In Africa, north of Sahara we have only one member and that is Egypt. I have been in Cairo in December 1994 and I am impressed of their work. In South, there are housing cooperatives in Kenya, Zambia, Zimbabwe and Tanzania. I have got an invitation to come to South Africa for seminars about housing cooperatives.

This is a very brief resume over the situation among our members and hopefully new members. Let me tell you something about ICA Housing. We are a specialized organisation within the ICA family. We have 60 members from 40 countries all over the world. Until last year it was a global organisation with one board with a majority from Europe. We have decided that we want to regionalise the work of the

organisation. It cost a lot of money for our members to travel all over the world to meetings, conferences and seminars. Organisations in one region also in common have more to discuss with each other, then with colleagues from a totally different part of the world. That is why we have decided to work with four regions:

In 1995 we have started region Americas. Their priority is the growing organisations in Central and Latin America. The work in the region is very informal. There is no board or by-laws. The region is a network for members in that region. The chairman is one from the global board. In region Americas it is Mike Doyle from USA. He is responsible for the work and the connections with the board and general assembly of ICA Housing.

In our general assembly in Istanbul in connection with Habitat II the board suggest that we start a region in Europe. The chairman will be Jens Heiser of the German organisation GDW. Their priority will be the cooperative organisations in former communist countries in Central and Eastern Europe.

My mission to South Asia is of course to get new members and to try to strengthen the cooperative idea, but it is also to see, if there is a possibility to start a region in 1997 or 1998. Of course, we need a discussion. Are there enough members to make the work meaningful? Who is going to take the lead? etc.etc.

One of the things I want to discuss with you is therefore the conditions for the next region being Asia, when is the proper time to start it and what will the priorities be. I hope to be able to say to the Istanbul meeting that the next region we are preparing is Asia.

I travel a lot and meet a lot of cooperators and local and national politicians. I meet people from contracting companies and from financing institutions. More and more these people realise that the best way to get value for the money in solving housing situation for ordinary people is through the housing cooperative movement. Supporting cooperatives is help to self-help. If I were a politician or a bankman, I couldn't afford not to support cooperative housing and give them priority.

Of course some of our organisations have made some mistakes over the years. One of the mistakes some of the housing cooperative organisations have done is that they have tried to be non-profit instead of not-for-profit. If you are non-profit you are poor forever and always depending on politicians and their decisions about

subsidies. If you are working not-for-profit, of course you make profit. But that goes back to the members in some way. The profit is necessary to build funds and reserves, to develop the organisation, to give the staff and the voluntary members good education etc. The profit you make in good times help the members in bad time.

An other mistake some of us have done is that we are not politically independent. Of course we should not be politically neutral. We have to fight in housing policy for our members. Of course we are dependent of political decisions and need good relations and good contacts. But we have to be as independent as possible and not only related to one party. In many of our members countries the governments changes from time to time, both local and national government. In those situations it is good to be political in housing policy but not a part of a party. The only obligations we have are to our members. I am convinced that the year 2000 is going to be the beginning of the big harvest time of the housing cooperative movement all over the world. Let us prepare for that harvest now.

The Role of Government in Housing the Low Income Groups in Malaysia*

1. Housing Policy

To ensure that all Malaysians, particularly the low-income group have access to decent and adequate housing.

The Housing policy strategies and supplementary strategies are as presented below:

(a) Housing Policy Strategies

- Emphasise the human settlement concept in the planning and development of housing projects.
- Provision of more low-cost houses and low medium-cost houses.
- Encourage participation of the private sector in the provision of houses especially low-cost houses.
- Adequate financial support for low income earners.
- Intensifying research in housing industry.

(b) Supplementary Strategies

- Review of planning and infrastructure standards for the development of low-cost housing.
- Overcome multiplicity/protracted approval process at State level
- Encouraging large-scale housing development
- Implementation of site-and-services scheme
- Redevelop and improve squatter areas.

2. Population of Malaysia

The population of Malaysia by rural and urban regions is

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projected upto the year 2020 and presented in table - 1. Urbanisation is taking place rapidly in Malaysia as evident from the data which shows that the share of urban population in total has increased from 26.9% in 1970 to about 34.3% in 1980. In the year 1991 about 50.6% of the total population was urban based and as per the government estimates, nearly two-thirds of the population will be living in urban areas by the year 2020.

Table 1: Population of Malaysia

Year	Region (Million)				
	Urban	%	Rural	%	Total
1970	2.8	26.9	7.6	73.1	10.4
1980	4.5	34.3	8.6	65.7	13.1
1991	8.9	50.6	8.7	49.4	17.6
2000	14.6	58.2	10.5	41.8	25.1
2020	26.0	64.0	14.6	36.0	40.6

3. Housing Stock & Households

The details on Housing Stock (living quarters), households and average household size in Malaysia during 1970 - 2000 is presented in Table - 2. It is observed that the household size is gradually coming down after 1980's. Whereas in the decade of 1970s it remained more or less constant. In 1991 the number of living quarters were 4.09 millions and total households about 3.59 millions. The respective figures are likely to reach upto 5.30 million and 5.22 million by the year 2000.

Table 2 : Number of Living Quarters, Households and Household Size: Malaysia

Year	(Million)		Household size
	Living Quarters	Household	
1970	1.97	1.89	5.21
1980	2.64	2.52	5.22
1991	4.09	3.59	4.91
2000	5.30	5.22	4.81

4. Housing Programmes for Lower Income Group

The various housing programmes for lower income groups in Malaysia include:

- a) Public low cost housing
- b) Private sector low cost housing
- c) Special low cost housing programme
- d) Cooperative Societies
- e) Statutory bodies and state development corporation
- f) Government and institutional quarters
- g) Regional Agencies and land schemes
- h) Site and Services

5. Features of Public Low-cost Housing

The special features of public low-cost housing are as follows:

Target Group:

- Households with the income of RM 750 per month and below

House Type:

- 3-5 storey flats in major towns
- Terrace house in smaller towns
- Single units in rural areas

Built-up Areas:

- 46-56 sq.m. (500 - 600 sq. ft.)
- 2 or 3 bedrooms
- 1 living room
- 1 kitchen and bathroom/toilet

Selling Price;

- Not exceeding RM25,000 per unit

Repayment :

- (i) For houses in rural areas, the repayment period is of 30 years at an interest rate of 5.5% per annum.
- (ii) Houses in urban areas are sold to residing tenant after a period of 10 years. The repayment period is 15 years and interest rate at 8.5% per annum.

6. Sites and Services Scheme

Target Group:

- RM300 to RM500 in Peninsular Malaysia
- RM400 to RM650 in the states of Sabah & Sarawak

Implementation:

- Scheme A: Site and Services with core house
- Scheme B: Site and Services only

House Type:

- Single units core house
- Built-up area 30 sq. m.

Financing:

- RM10,000 & RM13,000 per plot with core house in Peninsular and Sabah/Sarawak respectively
- RM5,000 & RM7,500 per plot without core house in Peninsular and Sabah/Sarawak respectively
- Interest free and repayable over 30 years

7. Housing Target

The Housing Target during 1991 to 1995 in Malaysia is presented in table -3 below:

Table 3 : Housing Target 1991 - 1995

Programme	Target (units)	Type of House		
		Low-Cost	Medium-Cost	High-Cost
Public Sector	174,000	126,800	44,600	2,600
Private Sector	399,000	217,000	155,900	26,100
Total	573,000	343,800	200,500	28,700

The public and private sector housing targets and performance during 1991-95 are presented in Appendix-A and Appendix-B respectively. A closer look on the data reveals that the public sector achieved 58.9% of target whereas the private sector achieved a commendable 138.7% of target during this period. The cooperative sector which form the part of private sector also achieved as high as 118.3% of target.

8. Housing Credit Institutions

(a) Commercial Banks

- Provide bulk of end financing in the country
- Value of housing loans with commercial banks was RM 7.4 billion in 1994 (i.e. 68.2% of total housing credit)

(b) Finance Companies

- Loans issued in 1994: RM 1.8 billion

(c) Government Housing Loan Scheme

- Loans issued in 1994: RM 1.1 billion

(d) Special Low Cost Housing Funds

- A special low cost housing fund of RM 2.604 billion have been created which consists of:-
 - (i) Public sector housing: RM 1504 million
 - (ii) Government and Corporate contributions-
 - for bridging finance to developers at 2% interest rate: RM 500 million
 - for the construction of low-cost flats in urban centres: RM 600 million

9. Low Cost Housing Lending Guidelines to Financial Institutions

- (i) Commercial banks to finance 75,000 units of houses
- (ii) Finance companies to finance 25,000 units of houses
- (iii) For houses costing RM 100,000 and below, maximum interest rate allowed is 9% per annum
- (iv) For houses costing more than RM 100,000, there is no fixed interest rate

10. Withdrawal from Employees Provident Fund (EPF) for Housing Purchase

- 30% withdrawal from total credit
- Withdrawal at every 5 years until the age of 55 to reduce mortgages.

11. Financing of Public Low-Cost Housing

The Ministry of Housing and Local Government/Federal Treasury extends housing development loan to state governments. The state governments incur the capital expenditure to create public low cost housing units. The houses are then put on sale/rental to the target groups which make the monthly repayment of loan/rental to the state governments. The loan is finally repaid by the state governments to the principal lending authority.

12. House Financing

The Government funded housing loan facilities in Malaysia are as mentioned below:-

- (i) Public Low-Cost Housing Loan Scheme : Outright sale for rural units at 5.5% interest rate per annum
- (ii) Site and Services Loan Scheme : RM10,000 interest free loan
- (iii) Ministry of Housing Loan Scheme for Low-income Group : Maximum loan of RM7,500
- (iv) Treasury Housing Loan for Government Employees : Interest rate at 4% per annum

Public and Private Sector Housing Targets : 1991-1995

A) Public Sector	<i>Low Cost</i>	<i>Medium Cost</i>	<i>High Cost</i>	<i>Total</i>
a) Public Low Cost	24,430	-	-	24,430
b) Sites & Services Scheme	15,570	-	-	15,570
c) Housing in Land Scheme	56,100	-	-	56,100
d) Institutional Quarters & Other Staff Accom.	17,600	14,700	300	32,600
e) Commercial Agencies	13,100	29,900	2,300	45,300
Sub-total (A)	126,800	44,600	2,600	174,000
B) Private Sector				
a) Ordinary Low-Cost	44,080	-	-	44,080
b) Special Low-Cost Programme	171,620	-	-	171,620
c) Medium -Cost Housing	-	145,800	-	145,800
d) High-Cost Housing	-	-	24,900	24,900
e) Cooperative Societies	1,300	10,100	1,200	12,600
Sub-total (B)	217,000	155,900	26,100	399,000
Total (A) + (B)	343,800	200,500	28,700	573,000

Public and Private Sector Housing Performance : 1991-1995

A) Public Sector	<i>Low Cost</i>	<i>Medium Cost</i>	<i>High Cost</i>	<i>Total</i>	<i>% Target Achieved</i>
a) Public Low Cost	9,081	-	-	9,081	37.2
b) Sites & Services Scheme	2,835	-	-	2,835	18.2
c) Housing in Land Scheme	11,264	839	0	12,103	21.6
d) Institutional Quarters & Other Staff Accom.	3,894	20,661	284	24,839	76.2
e) Commercial Agencies	13,163	35,271	4,440	52,874	116.7
f) Housing Loan Schemes (SPP)	694	-	-	694	-
Sub-total (A)	40,931	56,771	4,724	102,426	58.9
B) Private Sector					
a) Ordinary Low-Cost	82,273	-	-	82,273	186.6
b) Spl. Low-Cost Programme	131,325	-	-	131,325	76.5
c) Medium-Cost Housing	-	218,320	-	218,320	149.7
d) High-Cost Housing	-	-	106,584	106,584	428.0
e) Cooperative Societies	3,481	9,271	2,156	14,908	118.3
Sub-total (B)	217,079	227,591	108,740	553,410	138.7
Total (A) + (B)	258,010	284,362	113,464	655,836	114.5

Study on Housing Cooperatives in Asian Countries*

- An Executive Summary

1. Introduction

The Asian countries in general are experiencing the rapid growth of population and constrained with the adequacy of scarce resources. These factors have posed a challenging task to many of the Asian Nations in solving one of the elementary needs i.e. housing, of their people. Cooperative housing has appreciable record not only in building construction but also in maintenance and in providing infrastructural facilities through mutual understanding. The benefits of cooperative housing are of particular relevance to developing countries where the need for better shelter is typically growing at a faster rate than local public institutions can handle. Governments in developing countries have realised that government action alone will never solve their housing problem and every resource, including those of the private sector and the prospective participants must be employed.

There has been a gradual shift in the focus of shelter programmes away from provision of built housing and towards assisting low income families in shelter construction and upgradation through programmes such as sites and services, squatter and slum upgradation and home improvement. These programmes offer affordable solutions and, to be successful require an ongoing dialogue between the local institutions and the beneficiaries themselves. Cooperative action is being increasingly recognized as an ideal mechanism for securing the involvement of people and for utilizing their self-help in the whole process of home building.

Though the activities of housing cooperatives have been well

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developed in some of the Asian Countries but their experiences have not been adequately documented. Keeping this in view the International Cooperative Alliance, Regional Office for Asia and the Pacific entrusted the study to me to document the status and experience of housing cooperatives in various Asian countries.

2. Countries Identified

Eleven countries were identified for the study. These include:

- Bangladesh
- India
- Indonesia
- Japan
- Malaysia
- Myanmar
- Pakistan
- Philippines
- Singapore
- Srilanka
- Thailand

3. Areas of the Study

The areas identified for the study were as follows:-

- History and growth of cooperative housing movement
- Role of National/Provincial Governments; local bodies and cooperatives for the development of housing cooperatives
- Size, type, structure and registration procedure of housing cooperatives
- Membership pattern
- Methods of construction of housing units/flats and allotment to members
- Housing Finance System: Financial support from government, members and other financial institutions. Also prevailing rate of interest and mode of repayment.
- Legal framework for housing cooperatives viz: procurement of land, mortgage system, registration of land/flats and

allotment of land to housing cooperatives.

- Management of housing cooperatives as per cooperative societies acts, rules and by-laws, and;
- Maintenance system of housing complexes and common services

4. Methodology

Both secondary and primary data were collected for the study. The main burden was, however, on primary data for which suitable survey instrument was developed in the form of structured questionnaire spread in three parts covering viz: (i) General Information; (ii) Cooperative Housing; and (iii) legal information

The information was collected through postal enquiry and personal visits as well. As per questionnaire the data/information were received from India, Pakistan, Japan, Indonesia, Thailand and Malaysia. The concerned departments of housing in Singapore and Myanmar have informed that there are no housing cooperatives in their countries. The information from Srilanka and Philippines could not be received and the concerned authority have been requested to make it available. Further in case of Bangladesh the information has been taken from other sources and thus included in the study.

I visited Thailand, Indonesia and Malaysia to study the working and progress of housing cooperatives in these countries and held discussion with concerned officials. The Cooperative League of Thailand, the Bangkok Housing Cooperative Limited, the Building Together Association and the National Housing Authority of Thailand were visited in Thailand. In Indonesia, the Indonesian Cooperative Council, Housing Project Site in Bekasi, Bina Karya Settlement, Housing Cooperatives in Bandung Area, and in Malaysia, the Cooperative Union of Malaysia, National Land and Cooperative Insurance Society Malaysia were visited.

5. Summary of Findings

Some of the common types of housing cooperatives functioning in Asian countries are House Mortgage Societies, House Construction and House Building Societies, Tenant Ownership Housing Societies or Tenant Co-partnership Housing Societies. In one form of cooperative housing; as soon as the members pay off the debt they become the absolute owners of their property, while in another form the cooperative

is a permanent body, the houses are collectively owned by the cooperative, not individually by each of its member and each member is both a joint owner of the housing estate and a tenant of the house or flat he occupies.

The genesis of cooperative housing movement dates back as early as 1909 in India being the oldest movement compared to other Asian Countries whereas this movement is of recent origin in case of Indonesia where it started in the year 1979. In quantitative terms India having maximum number (80000) of primary housing cooperatives followed by Pakistan (2016). Similarly about 1.3 million dwellings were constructed by housing cooperatives in India upto the year 1993. Japan occupies second position with about 147 thousand units followed by Pakistan (140 thousand dwellings) and Indonesia (about 96000 dwellings).

Table 1 : Status of Housing Coops. in Asian Countries

Country	Housing Cooperatives			Members required to form Coops.	Year of Starting
	Numbers	Membership (000 Nos)	Dwellings constructed (000 Nos)		
India	80000	5000.0	1300	10+	1909
Bangladesh	131	28.0	12.4	-	-
Indonesia	17	-	95.5	20	1979
Japan	48	1076.8	146.9	-	1957
Malaysia	47	27.9	-	-	1949
Pakistan	2016	736.7	139.6	30	before 1941
Singapore	1	2.5	-	10	1948
Thailand	10	-	-	50	-

The role of housing cooperatives varies among the Asian countries of reference. In India and Pakistan, they have involved in housing activities for all income groups while in Indonesia they are mostly active in the housing for low and middle income groups. In Thailand, the Bangkok Cooperative Housing Limited undertakes housing activities for all income groups while the Building Together Association concentrates on developing the slum communities cooperatives. In Japan and Indonesia the workers cooperative housing societies are well organized and are playing active role in workers housing.

In many countries like India, at initial stages, the activities of housing cooperatives were limited to lending credit but later on they diversified into building and maintenance. In India, Indonesia and Thailand, there are notable housing activities undertaken by the housing cooperatives for low income groups and slum communities.

The degree of government patronage for cooperative housing sector varies among these countries. In countries like India, Pakistan and Indonesia the governments are actively supporting the cooperative housing sector through incentives, tax rebates, preferential allotment of resources and supportive policies. In Singapore, recently the government is giving more role to people's organisations in housing, mainly infrastructure maintenance though earlier it has handled the housing situation without encouraging cooperative housing.

Substantial differences exist among the Asian Countries in the degree of development of Cooperative Housing Movements, the structure and management practices of their housing cooperatives, nature of activities undertaken by them and the government policies towards their cooperative housing sectors. At one end of spectrum we see active cooperative housing sectors thriving in countries like India and Pakistan while at the other end we see the case of Singapore which has successfully dealt with its housing problem through Public Housing Agency (i.e. Housing Development Board (HDB) alone without any efforts from the housing cooperatives.

Development Indicators of Housing Cooperatives

As the economic condition, population, housing stock and housing shortage of the Asian countries are different, to compare the status of housing cooperatives, it is necessary to have some indicators. It has been possible to develop certain indicators to understand the development of cooperative housing movement in these countries based on the primary data available from these countries.

One limitation of the analysis is lack of data from some countries for developing indicators for certain relevant items on housing cooperatives. The indicators developed in the study are not exhaustive and there are possibilities to develop many more indicators, particularly those which can capture some relationship between socio-economic conditions of these countries and development of cooperative housing sector there. Thus the numerical figures may not provide full picture but are helpful in understanding the level of development of housing cooperatives to certain extent.

Table 2 : Development Indicators of Housing Cooperatives

Country	Member-ship per coop.	Population per coop. (in 000s)	Population per member	Dwellings built per Society	Member-ship per dwelling unit
India	62.5	10.5	169	16.3	3.8
Bangladesh	213.8	867.8	4059	94.4	2.3
Indonesia	-	10840.2	-	5620	-
Japan	22434.0	2575.2	115	2938	7.3
Malaysia	592.4	400	675	-	-
Pakistan	365.0	58.6	160	69	5.3
Thailand	-	5760	-	-	-

It is observed that the average size of the housing cooperatives in terms of membership varies significantly between the countries. In Japan there are very large sized cooperatives having average membership per cooperative well over 22000 persons. In India and Bangladesh comparatively smaller sized housing cooperatives are functioning having average membership of about 62 and 214 persons per cooperative respectively.

People's participation in cooperative housing movement is appreciably significant in Japan, Pakistan and India where one person in each case has membership in housing cooperatives out of every 115, 160 and 169 persons respectively. Whereas in Bangladesh there is lesser participation of people in this movement where only one person in 4059 has membership in housing cooperatives. In case of Malaysia this ratio is 1:650.

In case of average dwelling units built per cooperative housing society, Indonesia tops the list with 5620 dwellings followed by Japan 2938. Average dwellings built per society in India, Pakistan and Bangladesh are 16, 69 and 94 respectively. The lower output per housing cooperative in these countries is probably due to the smaller size of their cooperatives compared to that of Indonesia and Japan.

The amount of work done by a society in a country in comparison to average membership in the society shows that in India approximately every fourth member of the housing cooperatives has acquired a dwelling unit. In Bangladesh every second member, in Pakistan every fifth member and in Japan every seventh member of

housing cooperatives has been able to acquire a dwelling unit. This shows that there is a significant demand for cooperative housing in the Asian countries which could be met only through proper organisation and development of this sector.

Recommendations

Many Asian countries are faced with common socio-economic problems and low level of technology development. These countries have many similarities not only in their economic conditions but also in socio-economic aspects of their citizens. This calls for sharing their experiences, expertise and resources in housing for their common benefits. The indirect and intangible benefits could be in addition to socio-economic welfare of the people, positive political approaches towards one another and consequently better international relations. It is, therefore, necessary to develop cooperative housing sector in these countries so that people are encouraged to adopt self help mode for tackling their housing problems.

Based on the findings of the Study the following recommendations are made for strengthening Cooperative Housing Movement in Asian countries.

a) Regional Committee on Housing Cooperatives

A Regional Committee on Housing Cooperatives may be set up by the ICA for strengthening Cooperative Housing Movement in Asian countries. The main objective of this Regional Committee shall be to promote Cooperative Housing Movement through following measures:

i) Establishment of a Training Institute :

The Regional Committee may undertake the establishment of a Training Institute for Human Resources Development of the Housing Cooperatives, Apex Housing Federations, and Cooperative Housing Departments of Asian Countries for undertaking various activities.

ii) The Regional Committee may collaborate with the ICA Housing Committee for :

- intensive interchange of ideas and professional experiences among members organisations
- distribution of international and national information
- promotion of cooperative housing on an international

level and in the countries affiliated to the ICA

- promotion of cooperative housing in developing countries by encouraging funding from international sources and by mobilising self-help and all available local resources for the benefit of the under privileged families in the Third World.

iii) Study Visits

Study visits may be organized for the Policy Makers and Officials of the Governments, Senior Managers of Housing Cooperatives and Apex Federations in these countries to see for themselves the working of Housing Cooperatives in different countries. It will provide valuable insights regarding the factors responsible for growth of Housing Cooperative Movement in various countries, significant management practices followed by their housing cooperatives, their achievements, modus-operandi etc. They are crucial for sharing experiences and increased inter action among them and in giving fillip to the cooperative housing sector in these countries.

iv) Seminars

Seminars may be organised on Cooperative Housing, in which participants from various countries can present papers and discuss the major issues pertaining to Cooperative Housing. The papers presented could be published and circulated among the people involved in cooperative housing movement.

v) Research Studies

The Regional Committee in collaboration with the International Cooperative Alliance may undertake Research Studies on Cooperative Housing. These Studies can bring out the major weaknesses affecting this sector in Asian countries, compare and contrast their experiences on Cooperative Housing, suggest policy changes and innovative management practices and thus contribute in enlarging the existing knowledge-base on Cooperative Housing. The proposed Regional Committee on Housing Cooperatives can thus play an active role in coordination of Cooperative Housing related activities in Asian countries, and act as a Resource Centre for these countries for developing their Cooperative Housing Sector.

b) National Cooperative Housing Federations

National Apex Cooperative Housing Federations may be set up in all Asian Countries to develop their cooperative housing sector. These apex federations may act as advisory bodies for their governments and develop model bye-laws for housing cooperatives in these countries. The Apex Cooperative Federations should coordinate the activities of the housing cooperatives and constantly keep in touch with the proposed Regional Committee on Housing Cooperatives, national governments, international agencies and other important actors in the housing sector in order to expedite the growth of Cooperative Housing Movements. Their representatives could participate in sharing experiences and expertise under programmes of the proposed Regional Committee and help each other to function efficiently.

c) Cooperativization of Slums

Cooperative Housing is a very effective instrument for housing for low income communities, and therefore it is important to organize the low income communities in Asian countries into housing cooperatives. India and Indonesia have vast experience in developing housing cooperatives among low income communities.

The slum housing cooperatives can not only help their inhabitants in shelter construction and maintenance of social and physical infrastructure in the slums, but also contribute to their overall economic and social welfare. This is because the housing cooperatives integrate the communities through their projects undertaken with cooperation and participation of their members who make dedicated contribution to the improvement of health, education, sanitation and environment of the slum communities.

Non-Governmental organisations could be encouraged to participate in Slum Improvement Programmes to organize the communities into housing cooperatives, since they have grass-root level experiences among low-income communities. Governments of Asian Countries may be assisted in project formulations, designs and execution of projects and in developing supportive policy framework for helping the low income communities to form housing cooperatives.

The Development of Housing Cooperatives in Malaysia*

1. Introduction

The emergence of housing cooperatives in Malaysia started with the registration of 'The Telok Anson English Teachers Housing Cooperative' on 9 March 1949 and 'The Kuala Lumpur Cooperative Housing Society Limited' on October 1949. These two cooperatives succeeded in building 30 units and 203 units houses respectively as their first housing projects. High rental rates, high prices of houses in midst of the increasing need for housing due to the rural-urban migration, especially after the Second World War, the Emergency Period and after the Independence in 1957, are reasons that necessitate the formation of housing cooperatives.

Basically, housing cooperatives play the role of housing developers, but with its own rationale and philosophy that make it different from other private housing developers. Their aim is not in making profits but to provide an affordable and good quality houses to its members. They also serve the needs and interests of their members by way of providing services such as collection of repayments and in organising social and economic activities. Besides helping members to own house at reasonable cost, other main reasons for the formation of housing cooperatives are, to assist members to :

- (a) receive a secured land tenure,
- (b) live in a peaceful neighbourhood with decent amenities, and
- (c) be in a locality within reasonable distance with good infra-structures and other common facilities.

The formation and registration of a housing cooperative is subject to the provisions of the Cooperative Societies Act 1993, and operates

* Azizan bin Abdul Ghani, Department of Cooperative Development, Malaysia

within the bounds of its by-laws:

- (a) it must have at least 100 individual members,
- (b) it is to serve the common needs of its members,
- (c) its members are of Malaysian Citizenship, and have attained the age of eighteen years and not convicted under any registerable offence, and
- (d) its members were born, reside, work or own land in the area of operation of the cooperative society.

A housing cooperative, through the provision of laws, can also :

- (a) assist members save part of their income in the cooperatives,
- (b) establish its funds through shares and deposits from its members and through loans from external sources, and
- (c) invest its funds in shares of private/public companies firms, in government securities or in shares of other cooperatives with the permission of the Registrar General of Cooperatives.

To achieve its main objective of providing houses to its members through purchase of land with the purpose to develop it by building houses, or subdivide such land into housing lots, or to purchase ready-made houses or ready housing lots and sell such lots, houses or land to its members; it may also do so by way of a joint-venture effort with its members and non-members (inclusive of registered companies).

2. Development of Housing Cooperatives : An overview of the past performance

The development of housing cooperatives in Malaysia from 1949 to 1995 is as shown in Table 1.

Table 1: Cooperative Housing in Malaysia (1949 - 1995)

	1949	1957	1977	1987	1994	1995
No. of coops	2	30	60	77	73	79
Membership	330	4,593	22,422	57,257	102,688	89,638
Share Capital (RM Million)	0.2	1.4	11.8	29.4	60.2	105.7
Total Assets (RM Million)	0.1	7.5	103.2	132.3	380.6	373.1

Housing projects are not restricted to by the housing cooperatives only. Other cooperatives such as the credit, thrift and loan, consumer and land development societies are also actively involved in these projects for the benefit of its members. In 1995, besides the 79 housing cooperatives, there were 11 credit cooperatives, 10 consumer and 1 each from land development and transport cooperatives involved in providing houses for its members.

The performance of the housing projects which is carried out by the cooperatives from the First Malaysia Plan to the Sixth Malaysia Plan is shown in Table 2.

Table 2 : The Performance of the Cooperative Housing Projects (1966 - 1995)

Year	Malaysia Plan	Targeted Unit	Houses Built (Unit)
1966-1970	First	N.A.	3,100*
1971-1975	Second	N.A.	3,500
1976-1980	Third	12,000	4,342
1981-1985	Fourth	25,260	6,485
1986-1990	Fifth	12,500	8,195
1991-1995	Sixth	12,600	15,000

Note : * This figure also take into account of the project completed from previous years.

The breakdown of the type of houses built by cooperatives from 1991 to 1995 is shown in Table 3.

Table 3 : Type of Houses Built by Housing Coops. (1991 - 1995)

Year	Low Cost (unit)	Medium Cost (unit)	High Cost (unit)	Total (unit)
1991	513	1,564	25	2,102
1992	851	1,015	1,467	3,333
1993	3,703	3,882	1,536	9,121
1994	2,802	8,131	1,428	12,361
1995	670	5,786	739	7,195

Note : Range of Prices (exchange rate : RM 2.50 = US 1 Dollar)

- Low Cost - below RM 25,000
- Medium Cost - RM 26,000 - RM 130,000
- High Cost - above RM 130,000

Abandoned Projects:

In tandem with the slowdown in the Malaysian Economy from 1984-1987 the housing industry was also effected. There were 252 housing projects abandoned due to unplanned increase in the costs of building materials and poor demand for them. Out of the number 42 were from the cooperative sector.

As at 1995, 14 cooperatives with a total of 19 projects applied to have their projects revived by under the Abandoned Projects Fund managed by Bank Negara (Central Bank) Malaysia. Out of the 19 applications for the funds only 2 were given an allocation totalling RM 23.4 million. Table 4 shows the breakdown of the status of the application.

Table 4 : Status of Application

Status of Application	No. of Project
Approved	2
Withdrawal by cooperatives	9
Incomplete application	5
Unsuccessful	3
Total	19

Generally, the housing cooperatives can be divided into 5 categories; depend on how their housing projects are carried out:

- (i) The housing cooperatives on their own develop and built houses and then sell them to its members.
- (ii) Bulk purchase of houses in various housing schemes (not necessarily developed by cooperatives) at discounted prices and then selling them to their members.
- (iii) Thrift and Loan Societies by way of loans made available to its members to purchase houses of their own choice.
- (iv) Cooperatives providing loans to members to build houses on their own land.

- (v) Through joint-venture arrangements with others to solve its financial, expertise and even land problems with the help of the partner or partners. Usually, an agreement is made by both parties.

In order to finance their housing projects, besides using members fund, the cooperatives can obtain the financial assistance from other sources, such as:

- (a) Cooperative-based financial institutions e.g. Bank Rakyat,
- (b) A revolving development loan fund administered by the Cooperative Department,
- (c) Other Government agencies e.g. Urban Development Authority,
- (d) Commercial Banks,
- (e) Government housing loans for public servants, and
- (f) Other financial institutions.

Issues and common problems encountered by the housing cooperatives in carrying out their projects are:

(a) Legal Aspect

All housing projects undertaken by the cooperatives are exempted from getting licence from the Housing Developers Act (Control and Licensing) 1966 (Amended 1988) and its Regulations (1989) due to its self-regulatory nature. This, however, makes it difficult to control its development and progress, therefore leading to various abuses of power by its management.

(b). Land and Bureaucracy

Site selection is a problem and suitable land are highly priced. Some state governments do not give priority to cooperatives on giving out land to the societies. Long waiting time in land conversions. This will add to the increasing cost especially i.: the holding cost and inflationary tendencies of building material costs.

(c) Financial

Sufficient loans for bridging and end-financing is difficult to obtain on reasonable terms. Cooperatives are often left to bear the high cost of infrastructure and technical advice.

(d) Management Capabilities

Since most cooperatives are unable to employ experts, they rely on consultants and other professionals to carry out their project. In most cases, the cooperatives have to pay a very high price for these services. To save costs some cooperatives only rely on the elected committee who are, in most cases, inexperienced in managing the project.

3. Recommendations

In addressing these issues and problems the Department of Cooperative Development proposes certain recommendations and measures as follows:

- a) A tighter control needs to be introduced by way of having a well defined and specific rules pertaining to the conduct and responsibilities of the cooperatives and its members/non-members in the development and implementation of housing projects.
- b) To ensure competitiveness in its pricing and quality of the houses built there is a need to instill professionalism. Funds could be made available by way of loans within the cooperative movement especially with the participation of more credit based cooperatives.
- c) Broadening the activity base to include maintenance and ensure continuance of the services provided.
- d) Ensure close collaboration and support from the various government authorities.
- e) State Government be approached to allocate land to the cooperatives to enable more houses to be built.
- f) The formation of a housing consortium, for the purpose of coordinating the various activities of the housing cooperatives.
- g) Establish a data bank of applicants (who are members of the cooperatives) for housing for the purpose of planning.

4. Future Prospect

The prospects of the housing cooperatives is expected to be more favourable in the coming years as the demand for houses especially

low costs is seen to be increasing. Presently, the government is committed to assist in reviving viable abandoned housing projects and also see to it that they are managed more effectively.

To safeguard the interest of all parties, especially those of the members and buyers, the Department of Cooperative Development plans to put up a Cooperative (Housing) Regulations and is collaborating with the Ministry of Housing and Local Government to ascertain that is achievable. This is also to ensure that the houses are built as specified and delivered to its owners within the time agreed to.

What Cooperatives can do to Assist in Providing Houses for the Lower Income Groups*

1. Housing Malaysia

Malaysia is a nation consisting of multi-racial and a multi-religious society with a population of approximately 19.1 million people with a land mass covering 329,758 sq. kms. divided into two parts. West Malaysia consisting of 11 states, while East Malaysia having 2 of the biggest state. The country practices a political system based on parliamentary democracy with a constitutional monarchy as the head of state.

Malaysia, being a developing country has a Gross Domestic Product per capita income of US\$ 3,230 or US\$ 8,050 based on Purchasing Power Parity and a consistent growth rate of about 8.3% over the past few years and is expected to sustain an average annual growth rate of 7% until the year 2020, which is also the year the country expects to attain a developed nation status (Vision 2020). The current of inflation is approximately 3.5% .

In 1991, the Government of Malaysia formulated the Second Outline Perspective Plan (OPP2) covering the period 1991-2000, based on a new policy called the New Development Policy (NDP) which sets out strategies and goals towards achieving national goals such as national unity and restructuring society so as to correct social and economic imbalance and the eradication of poverty.

One of the important social goals of nation's development is the provision of housing for the population. In the socio-economic development plans of Malaysia, the Government has always given priority in the development of the housing industry. It has been

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recognised that, apart from fulfilling the basic social needs of the population, housing industry also contributes towards the economic growth of the nation. The provision of adequate, decent and affordable shelter to the masses represents one of the more urgent socio-economic issues faced by most developing nations like Malaysia. The Government has identified that the housing needs are becoming more pressing for the low income group.

Housing, like most goods and services, can be provided by the private sector enterprise operating through the price system. In fact in Malaysia, the private sector plays the primary role in the housing industry. However, there are social and economic grounds for public intervention in the operation of market forces in the provision of housing.

First is the maldistribution of income where some people have sufficient means to secure adequate housing in the open market. Second, is the necessity to accelerate new building, the renovation of dwellings and the elimination of squatters. Third, the Government considers housing as a basic social necessity and merit direct provision through the public sector. On top of the above considerations, housing policies are also required to supplement important national policies and to attain socio-economic goals such as those set out under the Second Perspective Plan (OPP2).

Specifically, the objective of the housing policy under OPP2 is to ensure Malaysians, particularly the low income group and the poor, have access to adequate and affordable shelter and related facilities. The emphasis is on facilitating the development of houses based on the human settlement concept. Under this concept, communities will not only have access to suitable and affordable housing but also be provided with social services and amenities necessary for the attainment of better quality of life. Apart from being an important socio-economic activity, housing development will be reinforced as a means of attaining national integration and unity.

2. National Housing Policy

In 1984, the Malaysian Government embarked upon a new population policy which calls for a population of 70 million to be achieved by the year 2100. The Government views the increase in population as necessary to provide a larger domestic market to support industrial growth and economies of scale in the provision of infrastructure and other amenities as well as reduce the dependence

of export oriented industries which are sensitive to the protectionist policies of the developed countries. Previous projections indicated that the population of Malaysia would stabilise as around 30 to 40 million people. However it has generally been acknowledged that Malaysia's land area and ample natural resources can support a much larger population. In fact currently Malaysia is facing shortages in labour force in all sectors of the economy.

The rate of urbanisation is also increasing gradually, attributed mainly to natural increase and migration. The proportion of population residing in urban areas has increased from 34% in 1980 to 37% in 1985 and has grown to 50.6% by 1991. With rapid urbanisation, resources become overstretched which leads to uncontrolled urban sprawl and illegal establishment of squatter settlements which house at least 15% of the total urban population. The influx of migrants from the rural areas and also the immigrants from neighbouring countries has aggravated the problem of providing adequate housing and infrastructure in the context of scarcity and high cost of urban land.

In response to increasing demand for housing due to rapid population growth in urban centres like the federal capital Kuala Lumpur and other larger towns, extensive suburban housing development has been stimulated in the form of housing estates in urban fringes or in agricultural, mining or swampy land that has been reclaimed or converted for residential use.

The Government of Malaysia views housing as a basic social necessity and sees the need for a housing policy to regulate its supply and demand, to minimise price fluctuation and reduce speculation. In addition there is maldistribution of income, so the lower income groups need help in obtaining decent shelter. The Government also views the housing policy as a supplement to other national policies in order to attain socio-economic goals.

The objective of the housing policy is to provide Malaysians of all income levels including low income groups and the poor, accessibility to adequate and affordable shelter. Housing is seen as crucial for a good family development. It houses the family which is the basic unit of society. Current national development programmes stress on family development and welfare in order to harness it for national development and productivity. If population is housed in adequate shelter, it is hoped that the people will be more economically productive.

Housing development also aimed at rising the standard of living

as well as promoting social integration among the various communities in the country. Towards this goal, housing development programmes especially those built by formal sectors are implemented based on human settlement concept where the housing areas are facilitated with various social amenities such as school, clinics, sports and recreational facilities, religious worship places, commercial centres and so on.

In the Sixth Malaysian Plan (1991-1995), a total of 539,900 houses have been targeted for construction. Of this total, 26% (140,900) is targeted under public sector through various programmes such as Public Low Cost Housing, Site and Services Scheme, Land and Regional Development Schemes and Economic Development Agencies. While the private sector is expected to deliver the remaining 74% (399,000) under the Licensed Private Developers, Cooperative Societies and Special Low Cost Housing Programmes. The plan also emphasised the construction of low cost units through the greater participation of the private sector.

3. Supply and Demand of Low-Cost Housing

Throughout the years, the supply of houses has not been able to cope with demand. Public sector housing to cater for the low income groups has not been able to meet the targets set out in the various five year development plans. The problem is compounded when delays in the private sector are taken into account, because taken together, they result in substantial differences between targets and actual performance. A problem within the housing delivery system is the length of time required and the multitude of agencies involved in the conversion of the use of land and the planning and building approvals.

Building materials and labour cost are constantly rising because of supply constraints brought about by the buoyant economy. Higher construction costs are passed to house buyers which result in high selling prices. The spiralling house prices creates an inflation psychology which serves to fuel the buying of houses as a speculative measure.

The primary reason for the present housing situation is the disequilibrium between the demand and supply of houses in the market. The solution to the problems lies in encouraging and supporting the building of more houses. Urgent and immediate measures needs to be taken to ensure the number of houses in the

Public and Private Housing Programmes, Targets and Performance

Programmes	Units Targetted (1991-1995)				Units Completed (1991-1992)			
	Total	Low Cost	Medium Cost	High Cost	Total	Low Cost	Medium Cost	High Cost
Public Sector (% Targets Achieved)	140,900	93,700	44,600	2,600	24,254	14,603	9,038	613
Public Low-Cost Housing	24,430	24,430	-	-	17.2%	15.6%	20.3%	23.6%
Site and Service	15,570	15,570	-	-	4,400	4,400	-	-
Land & Regional Development Scheme	23,000	23,000	-	-	0	0	-	-
Government Servant Housing	32,600	17,600	14,700	300	1,252	1,161	91	0
Economic Development Agencies	45,300	13,100	29,900	2,300	4,891	2,539	2,276	76
Special Loan Scheme	-	-	-	-	13,361	6,153	6,671	537
Private Sector (% Targets Achieved)	399,000	217,000	155,900	26,100	350	350	-	-
Private Developers	170,700	-	145,800	24,900	212,515	86,225	96,117	30,173
Ordinary Low Cost	44,080	44,080	-	-	53.3%	39.7%	61.7%	115.6%
Special Low Cost Housing Programme (SLCHP)	171,620	171,620	-	-	123,032	-	92,963	30,069
Cooperative Societies	12,600	1,300	10,100	1,200	84,743	84,743	-	-
Total	539,900	310,700	200,500	28,700	4,740	1,482	3,154	104
(% Targets Achieved)					236,769	100,828	105,155	30,786
					43.9%	32.5%	52.4%	107.3%

market be increased substantially. This will dampen the inflation psychology, make speculation less profitable and stabilise the prices of houses.

The Government has to consider mechanisms and institutions that can provide and manage low-cost houses more efficiently and effectively. There is a need to fulfil the gap in the provision of low cost houses where this cannot be met by the private sector and to monitor the distribution of low cost houses in terms of locality and selection of eligible buyers. In this way, low cost units will be available to the deserving population and ensure the build-up of a stock of low-cost units which otherwise have been lost in the open market.

4. Housing Options in Malaysia

The subject of housing options deals with the different means which people satisfy their housing needs. The term "satisfy" is used to indicate the benefit of occupying a house whether by rent or through ownership. When discussing these options the following may be the main considerations:

- Affordability
- Location
- Type of house
- Neighbourship facilities

On the other hand, considerations of the producer are simply,

- Producers motivation i.e. profit or welfare
- Other considerations mostly dependent upon the above consideration.

Housing options to the consumer is to answer the question "How does an individual go about deciding whether he takes a house or not, and if so does he build it, buys it, or rent it and if so, what type and where?" The average Malaysian would have more than one of the following option:

Options through the Public Sector

The public sector on Malaysia is involved in the production of houses under many programmes and the consumer may obtain a house under one of these programmes. Besides completed homes the government also provides for self build options by providing building

plots and/or finance. Houses for rent are also available from the public sector.

Options through the Private Sector

The private sector is also a major producer of houses. Private developers offer completed houses for sale in their housing schemes. Serviced plots of land are also sold for purchasers to build their own houses on them. Houses for rent are also available from the private sector.

Self Build Options

Though serviced plots provided by the developers of the public sector are for the purchaser to build his own house, he is still bound by certain constraints similar to that of a purchaser of a complete house. Briefly he is not in complete control of all the processes that is involve to build a house.

One separate category for self-help alone is necessary where the house seeker goes about out building a house without participation from any other party. He is at once the producer and the consumer. He could become a member of a cooperative, or he could build on his own plot of land. He could also build on some other's land and where no permission has been obtained, he becomes a squatter.

5. Affordability

Housing is a durable good and is relatively expensive to purchase through the private market. In practice private house purchase can only be afforded by those who has considerable savings and capital assets or have access to loan financing. Thus any differentiation of access to the finance market would greatly differentiate house purchase affordability among the buyers.

The main factors affecting house purchase affordability are assets, current income and public housing policy. The Malaysian Government's policy with regard to housing is to ensure that all Malaysians particularly the low income groups will have access to adequate housing. To meet this objective, housing programmes in the national five year plans are formulated based on the nation's housing needs and the people's ability to pay for the housing. In its effort to meet the housing policy the Government encourages house ownership by actively promoting home-owning democracy.

The following illustration broadly indicates a general income spectrum of the public, the types and prices of houses available and

the expenditure pattern of the low income group.

A typical income spectrum of the consumers could be seen as follows:

<i>Profession</i>	<i>Monthly Salary (RM)</i>
Top Executives/Top Civil Servants	10,000 - 30,000
Professionals (Doctors, Lawyers, Architect)	3,500 - 8,000
Academician/Professors	2,500 - 12,000
Middle Managers	3,000 - 6,000
Administrative Executive	1,500 - 4,000
Clerical	600 - 2,000
Hawkers, Petty Traders	500 - 1,500
Manual Workers (semi-skilled)	700 - 2,000
Manual Workers	600 - 800
The Poor	300 and below

From the above income spectrum the low income and poor are those segment of the population that earns below US \$ 250 a month.

Let us compare these figures with the average price of various types of houses available in the market.

<i>Types of Houses</i>	<i>Urban Areas (RM in'000)</i>	<i>Rural Areas (RM in'000)</i>
Double Storey Detached	200 - 3,000	140 - 300
Single Storey Detached	150 - 400	100 - 200
Condominiums	150 - 500	-
Double Storey Semi Detached	150 - 400	120 - 150
Single Storey Semi Detached	100 - 300	80 - 100
Double Storey Terrace	70 - 250	70 - 90
Single Storey Terrace	50 - 150	40 - 160
Flats	40 - 120	-
Low Cost Houses (Regulated)	25	-

From the above ranges of housing prices, the type of houses affordable by the low income group are the flats and the low cost

The Characteristics of Different Types of Housing

House Types	Price (M\$)	Floor Area	Target Group (household incomes)	Types of dwelling units
Low Cost Houses	Less than M\$25,000	500-600 sq.ft. (45-56 sq.m)	Less than M\$ 750 (some state governments have extended to M\$ 1,000)	Walk-up flat, high rise flat, cluster link houses, single storey terrace houses.
Low Medium Cost Houses	M\$25,001-M\$50,000	651-800 sq.ft. (184-244 sq.m)	M\$ 751-M\$ 1,500 a month	Single storey terrace, double storey terrace (narrow frontage), flat and cluster link houses.
Medium Cost Houses	M\$50,001-M\$100,000	801-1,000 sq.ft (245-305 sq.m)	M\$1,501-M\$2,500 a month	Single storey terrace, double storey terrace, Flat and cluster link houses.
High Cost Houses	M\$100,000-and above	1,000 sq.ft and above (306 sq.m)	M\$2,501 and above	Double storey terrace, Semi-detached, Detached and High Cost Condominium.

houses. Most likely the poor will not be able to purchase any houses in the open market. This is basically the problem faced by the country at the moment, the issue of providing affordable housing to the low income and the poor.

6. Producers of Houses In Malaysia

The housing producers in Malaysia could basically be divided into 2 main sectors, the public and the private sector. The public sectors consist of the Federal Government, the State Government, Statutory Bodies and Government Agencies, while the private sector consist of private property developers.

(a) Public Sector Housing

(i) Federal Government's Low Cost Housing Programme :

The low cost housing programme is the largest and most pervasive of all the programmes carried out by the government. Large allocations are made under each Malaysia Plan to be distributed as loans to the State Governments. The State Government are then required to implement low cost housing projects that have been identified for these loans. Those eligible for these houses are selected according to guidelines set by the Ministry of Housing and Local Government. The main aim of this programme is to provide an opportunity for low income earners to acquire a house of their own.

From the consumers point of view if he is eligible for a low cost house, it would be his best choice. A low cost house through these programmes is in fact a complete house built according to all laws and planning requirements, with materials of adequate quality and is usually around 65 square meters, thus being large enough to accommodate an average Malaysian family. The terms of payment are generous in that, a rate of interest not exceeding 5.5% is charged to be paid over a period of 25 years. There is no down payment and the house is fully serviced with all infrastructural and recreational facilities.

The unavailability of government land in strategic areas and the high cost of acquiring such land has often sited these projects out of urban concentrations, thus creating problems on transport and sources of employment for the successful owners of these houses.

(ii) Land Development Schemes by Federal and Regional Agencies :

This refers to a group of agencies that have been formed to address themselves to land development across the country. In their sphere of activities housing becomes an important component. The option for a consumer under these agencies is therefore a means of livelihood along with a house. The selection criteria of participants for these programmes depend on the agencies concerned. However, as agencies are all dealing with land development (mainly agricultural development) the applicant should have an agricultural background and be willing to resite himself into the scheme area especially so for schemes by the Federal Land Development Authority (FELDA) and the various Regional Development Authorities. Another similar authority, the Rubber Smallholders Development Authority (RISDA) implemented a modified scheme which are related to farmers whose land are restructured and it often involves a mere shifting on to restructured plot with the help given by the Authority. It is a choice of a new way of life rather than a choice of a house alone.

(iii) State Economic Development Corporation (SEDC) :

All SEDCs throughout the country have started housing programmes one way or another. Houses of all types are built and sold to the general public on less stringent qualifications than in the other public sector programmes. However, a house buyer under this programme would have to seek his own source of finance which is not very difficult given institutions such as the Malaysian Building Society Berhad (MBSB) managing social financing schemes for such purchasers. The prices of the houses are generally lower than free market prices but are not subsidized like houses under the low cost housing schemes. The prices of the smaller houses such as terrace houses and flats may be cross-subsidized from the sale of the more luxurious units.

(iv) Urban Development Authority (UDA) :

Houses developed by the UDA are in fact the results of its comprehensive development of urban areas. This is being so, the houses tend to be in commercial areas and are usually high-priced. The sale of these units is in line with UDA's

purpose of introducing Bumiputra participation in urban activities.

(v) Local Authority Houses (Rental) :

A few local authorities have in the past constructed houses for rental which are very much in demand as they are often within the town boundaries, providing easy accessibility to employment and transport. Many of the criteria used for a location in low cost housing schemes are applied to these houses as well. The rental is extremely low. Of late the local authorities are facing an uphill task of maintaining such houses. As a result the quality of their housing has suffered. This is further aggravated by the rising standards of living and expectations of the people. Many of the houses are sold and since eventual ownership is not assured, they are subject to abuse and vandalism. The tight housing situation in most urban areas, combined with the low rental charged for such conveniently located houses makes them well sought after.

(vi) Sites and Services and Revolving Fund :

The government also encourages people to build their own homes to tap the building capacity of individuals. To this end, sites and services schemes as well as a revolving fund are created. Under this scheme, a site with all infrastructure is sold to the successful applicant and he is then at liberty to build the type of house he wants. As individual plots have been given to the participants, high density housing may not be achieved and therefore, this programme is more suited to rural and semi-urban areas. The resultant houses are of various standards reflecting the owner's ability. The Revolving Fund however is more suited for individuals who already have a plot but lack financing. A maximum amount of RM 7,500 is loaned to the applicant to enable him to put up his house.

b) Private Sector

Under the option of purchasing house from the private sector, the price would generally be very much higher than those offered by the public sector. Some state governments have required developers to produce a certain proportion of the units in their project for below RM 25,000, the sum being the ceiling for low cost houses. This is usually achieved by cross-subsidization. However the purchasers would have to seek their own financing like any other purchaser of houses from

private developers and pay around 10% interest rates as compared to the 5.5% charged on low cost houses built by the state governments.

(i) Self-Build Cooperatives :

Several housing projects have been launched by cooperatives in the country. The members having taken the management and the risks on themselves can be considered as self-builders. Many cooperatives have managed to produce houses at considerably lower costs to their members than the private developers. However the members are normally gainfully employed in other jobs and are therefore unable to expend the same amount of expertise and time as private developers. This often results on cost increase that could be avoided.

(ii) Individuals :

There is also a substantial number of self-builders who go it alone all the way from acquisition/conversion of land to the complete house. They could even be illegal settlers on other's land. Self-build gives the maximum flexibility and choice to the intending house owner. In rural areas it is the main choice since producers of mass housing do not venture into these areas for lack of a large demand. Since many of them are low-income earners, the houses are generally of poorer quality. The average wage earner in the urban areas is invariably unable to avail himself of this option, having neither the time of the rural resident nor the finance of the urban middle class.

(iii) Squatters :

Squatting as an option, is a very real one to many in the country. Though no direct national statistics are available, studies in towns are indicators of the extent of squatting. Squatting can take the form of houses in both public and private urban vacant land, as well as illegal clearings elsewhere. The squatters resort to this option for various reasons such as proximity to employment, low outlay, temporary abode and, in the case of land clearings, to seek gainful agricultural employment as well.

The majority of squatters are in urban areas having moved there to seek employment. The quality of the houses is very disparate. Where there is hope of permanency the houses

have been developed to high standards while the average squatter house is much more modest affair having made up of wood and zinc sheets.

7. The Housing Development Process

The housing industry of Malaysia is governed by a number of Acts of Parliament which regulates the development of houses for sale to the people. Housing developers, whether public or private are governed by the following legislations which stipulates the necessary requirements:-

- National Land Code
- Strata Titles Act 1985
- Housing Developers Act 1985
- Housing Developer's (Control and Licensing) Rules 1970
- Town and Country Planning Act 1970
- City of Kuala Lumpur Planning Act 1973
- Town Boards Enactment Cap 137
- Uniform Building By-law 1974
- Building By-law 1950
- Earthwork By-law 1975
- Street Drainage and Building Act 1974
- Street Drainage and Building By-law 1974
- Sewerage, Drainage and Building By-law 1957
- Private Sewerage Plant Construction By-laws 1960
- Certificate of Fitness for Occupation By-laws
- Municipal Ordinance
- Local Government Act
- Electricity Act 116, 1949 (Electricity Amendment Act A217, 1973)
- Water Enactment E.M.S. Chapter 146, 1935
- Telecommunications Act 1950
- Environment Quality Act 127, 1974
- Civil Aviation Act 3, 1969

- Real Property Gains Tax Act 169, 1976
- Shares Transfer (Land) Tax Act 310, 1964
- Land Acquisition Act Cap. 138
- Contract Act 136, 1950 and Contract (Amendment) Act A329, 1976
- Banking Act

A statutory body which implements housing programmes are regulated by the very statute of which it is formed. While a private developer has to obtain a developer's licence and advertising permit before it could embarked on the sale of houses and collect any form of revenue. Such permission is only granted by the Ministry of Housing, if it satisfy a minimum amount of capital.

For cooperatives undertaking housing projects for its members the legislation that it has to subject to is only the Cooperative Act which also regulates other form of cooperative businesses. It is not subjected to the Housing Developers Act.

The duration of development varies according to the size and location of the project. On average from the inception, i.e. procurement of land until the houses are handed over to the purchaser, it could be anything between 3-5 years.

8. Housing Financial System

Basically most house buyers, if not all, do require some financing in the form of housing loan to enable them to purchase a home. The public sector housing developers utilised the annual budgetary allocations to undertake their housing programmes, while the private sector rely on internal funds and bank financing to implement their projects. Cooperatives also rely on bank financing due to limited capital and high amount of development expenditure.

The sources of funds that normally provide financing are as follows :

State Government Low Cost Housing Loan

The Federal Government provides loans to all states for developing low cost housing projects both for sale and rental. Interest rate is fixed at 4% per annum for a period of 25 years. For relending the states add up to 1.5% to the interest rate so that loans to individuals are made at a maximum of 5.5% p.a. The target population for whom

this subsidised loan system in intended are those with a household income of \$750 per month.

Revolving Fund for Self-Build Houses

The Ministry of Housing and Local Government has a separate loan programme to help individuals with income not exceeding \$300 per month, to build their own house on lands they already own. The target groups are residents of rural and new villages, estates and mine workers and squatters and those directly affected by development projects. A Revolving Fund of \$10 million has been allocated for this purpose and loans up to a maximum of \$7,500 can be borrowed to be repayable between 5 to 25 years at an interest rate of 5.5% p.a. These loans are usually for housing in the rural and semi urban sector.

Malaysia Building Society (MBSB)

The MBSB launched by the Government to provide end-financing for low income groups has two separate programme namely its normal operations and the low cost housing finance programme. Loans provided under the normal operations fetch an interest of 9% p.a. repayable over 15 years. MBSB was appointed by the Government in December, 1976 to administer a \$400 million scheme for financing low cost houses for persons earning less than \$750 per month. Two-thirds of the fund are supplied by the Central Bank and the remaining from the Employees Provident Fund at 7%. Mortgage loans are in turn made at 5.5% repayable over 20 years for building houses costing not more than \$25,000 per unit undertaken by the private developers. The successful applicant usually qualifies for a loan of 90% of the purchasing price of the house. The ceiling price of houses to be financed was raised to \$25,000.

Government Employees Housing Loan Division

The Housing Loans Division of the Treasury provides loans to all public sector employees who have served the Government for more than five years. Loans are advanced up to 100% of the value of the house at 4% interest rate repayable within 25 years. The loans eligible which an employee is placed.

Employees Provident Fund (EPF)

The EPF is an important source of end-financing. This is a social security scheme for all contributors both public and private in the country. The EPF has made a \$400 million commitment to the

country's two building societies, the MBSB and the Borneo Housing Mortgage Finance Ltd. as end-financing for middle and low income housing.

The Fund also has two schemes providing finance directly to members as down payment for the purchase of a dwelling house :

- (a) The first is the withdrawal for the purchase of a low cost house effective from May 1977, whereby members can withdraw up to 10% of the purchase price of the house or of total amount of savings whichever is less subject to a maximum of \$2,000. The maximum price of the house should not exceed \$25,000 and it should be purchased from SEDCs, Government Housing Agencies or from developers approved by MBSB.
- (b) The second scheme is the partial withdrawal for a dwelling house effective from January, 1982. Members are allowed to withdraw 10% of the purchase price of the house or 45% of total amount of \$20,000. Eligibility conditions are membership for 5 years, one withdrawal by each member only for purchase of a residential house.

Commercial Banks and Finance Companies

As a group the commercial banks constitute the largest provider of housing finance. The loans are generally given to private sector housing for bridging and end-finance as well as financing for individually built houses. In line with the Government policy of giving priority for housing, the Central Bank has introduced guidelines requiring commercial banks and finance companies to channel at least 10% and 20% of their net increase in loans were kept constant at 9% for a repayment period of 10 to 15 years. The amount of loans approved by banks and finance companies increased from \$107 million to \$2,797.9 million over the decade from 1970-80

These financial institutions provide 2 forms of financing i.e. bridging finance to the developers as an initial funding for the development until the revenue is able to sustain the development cost and end financing for the purchasers to own a house. The normal period of bridging financing is between 1-3 years and housing loan for purchasers between 10-25 years repayment period.

During the launching of the project the house purchasers will sign a sale and purchase agreement which requires the purchasers to undertake a series of payments to the developer based on the progress of the work. Upon completion of the project and taking

possession, the purchaser then has to make monthly instalment to the financial institution based on a predetermined interest rate and repayment period.

9. The Problems of Low Cost Housing

The overall Government policy for housing is to ensure that the people has a right to own a roof over the head. The prices of houses are determined entirely by market forces. Unfortunately over the years the cost of owning a house increases at a high rate and this leaves a section of the population which comprise the low income group and the poor unable to purchase a house which they could afford from the industry. Although main objective of the national housing policy is to ensure that Malaysian, particularly the lower income group, have access to adequate shelter and related facilities, affordability has for long remained the main stumbling block to such access.

The great majority of the target group (those with a ceiling household income of RM 750 per month) cannot afford even the cheapest available house in the market i.e. those with an official price tag of RM 25,000. Up to 80% of the low income group cannot afford to buy such houses. To achieve the objective of providing low cost housing, housing programmes in urban areas are being accelerated with a target of 80,000 units build per year. In the rural areas, emphasis is being given to improving the quality of houses in existing villages by providing them with adequate basic amenities and facilities.

To overcome these problems the government introduced the following regulations for low cost housing:

- (a) A ceiling selling price of RM 25,000
- (b) Minimum Specifications for such houses in terms of area and quality
- (c) An allocation of 30% of the development composition to be of low cost houses for all housing projects undertaken by developers.

When such regulations failed to meet the targets of low cost housing needs and demand further measures are introduced to encourage the construction of more units. Among further assistance provided by the government are as follows :

- (d) Subsidised price of basic construction materials such as cement and steel reinforcements (below control price)

- (e) Lowering of land premiums
- (f) Reduction of legal fees
- (g) Reduction of interest rate for low cost housing loans
- (h) A quota for financial institutions to provide housing loan for low cost housing purchasers.

Even those measures failed to provide enough houses for the low income group and the poor. The developers claimed that at a ceiling price of RM 25,000/unit and increasing land cost and cost of construction, the other types of houses has to subsidised the development cost of low cost houses. The Government then embarked on a Special Low Cost Housing Programme to overcome such problems.

10. Special Low Cost Housing Programme (1986 - 1992)

During the mid eighties the nation suffered a severe recession with only 2% growth rate. In order to overcome the recession and encourage growth, the housing industry was identified as one sector that could generate such intended growth. The main focus of the programme is to provide low cost housing for the poor through accelerated production of housing and partly to cushion the impact of recession on the low income group.

The "Special Low Cost Housing Programme" is actually an extraordinary measure on a short term basis as a strategy to overcome the impact of recession by stimulating the economy as well as increasing the supply of low cost houses to meet increasing demand. It is an additional programme supplementary to the existing low cost housing programme. This programme will concurrently increase the number of houses for the lower income group. The target is to build an additional 80,000 units of low cost house during the 1986-1988 period.

The characteristics of the programme are as follows:

- a) The special low cost housing projects will be implemented either on the private developer's land or land alienated to the private developers on a privatisation basis.
- b) Every state government was requested to identify potential land for such development.
- c) The Central Bank provide RM 0.5 billion and the financial institution under the Central Bank directives will provide another RM 1.5 billion for the financing of such programmes implemented by the private developers at a low interest rate.

- d) The ceiling price of the houses is set at RM 25,000 per unit.
- e) All state government will register a list of interested house buyers and the priority will be given based on eligibility and the queue on the register.
- f) The government will set up a "one stop agency" to speed up all the necessary process of obtaining approval.
- g) The National Housing Department will formulate a set of standard house design taking into account the cost and comfort factor.
- h) The government will reduce the statutory charges such as land premium, land conversion fees and other contributions.
- i) With the cooperation of the bar council legal fees are reduced and standardised and certain fees to the land office with regards to documentation on ownership either being reduced to a nominal sum or waived entirely.
- j) The government reduced the controlled price of certain basic building materials such as cement and steel to about half the retail price.
- k) The interest charged for low cost housing loan is set at a maximum of 10%.

The overall performance of the Special Low-Cost Housing Programme which began in 1986, however, has been dismal. As at the end of 1989 only 19.9 per cent of the approved 348,039 units of low-cost houses were completed. The slow progress of the SLCHP is largely the result of the inappropriate choice of locations as well as administrative problems. This programme which was originally scheduled to end in 1989 has been extended to June 1992.

11. The Cooperative Housing System

The only community based housing system in Malaysia take the form of cooperative housing. Members of the community get together and pooled their financial resources to undertake housing projects for providing homes to their members. Approximately 3.2 million people or about 15% of the population are members of various kind of cooperatives. The number of cooperatives registered until 1994 is approximately 3,885. The cooperative movement of Malaysia has attained considerable success in the economic fields of agriculture, credit and banking, consumers, transportation, insurance, housing and fisheries.

Housing Cooperatives are normally formed by a section of the community that has common interest which is to provide affordable and quality houses for their members. It is autonomous, wholly owned by the members and managed by an elected board of directors during their annual general meeting. The cooperatives are regulated under the Cooperative Act of 1993 and operates within the defined scope of their bye-laws. The main function of a housing cooperative is to provide maximum housing benefits to its members with profit being a secondary objective. The cooperative principles of mutual cooperation and mutual benefits are the underlying factors which governs the business of the cooperatives.

Some of the types of community that form housing cooperatives are as follows:

- a) Teachers-Housing Cooperatives
- b) Government Employees Housing Cooperatives
- c) Farmers Housing Cooperatives
- d) Indigenous (Malays) Housing Cooperatives based on a particular district or state.

No.	Types of Coops.	No of Coops.	Members (000 Nos.)	Share Capital (million RM)	Assets (million RM)
1.	Credit/Bank	361	876.0	629.3	3926.3
2.	Housing	64	52.3	34.2	205.3
3.	Consumers	245	106.3	43.8	150.5
4.	Transport	174	69.6	12.5	45.8
5.	Land Dev.	45	21.8	8.1	114.3
6.	Industrial	27	2.3	2.2	3.5
7.	School	560	347.0	1.8	10.6
8.	Insurance	1	122.4	1.8	347.1
9.	Multi-purpose	452	1027.2	602.0	2780.6
10.	Social	27	16.6	0.4	0.8
11.	Association	4	1.1	4.5	10.6
12.	Investment	20	179.5	50.8	88.8
Total		1980	2821.0	1391.5	7684.3

The operation of a typical Malaysian housing cooperative is characterised as follows:

- a) A group of people with common interest either by geographical location or nature of profession formed a cooperative for the sole purpose of providing housing to its members.
- b) Each member of the cooperative will purchase a certain amount of share capital for the initial operation of the cooperative.
- c) The Cooperative will then decide to purchase a suitable piece of land, mainly land belonging to the state.
- d) The members will then determine the types and price of the houses they could afford and willing to pay.
- e) Each member that decide to buy a house from the cooperative will contribute a further sum of money for the purpose of financing the implementation of the project. If such sum is found to be inadequate, housing development being a capital intensive business, the cooperative will obtain additional financing from the financial institution such as the cooperative bank or the commercial bank. The land being used as a collateral for such funding.
- f) The board of directors and management of the cooperative will then appoint the relevant consultants to obtain all the necessary approval from the authorities and subsequently appoint a building contractor to construct the houses.
- g) Meanwhile each member who purchase the house will obtain a housing loan either arranged by the cooperative or from some other sources mentioned earlier.
- h) Upon completion of the housing project the houses will be handed over to the respective purchasers (members).
- i) Any profits made from the initial development will then be used to implement another phase of the project to acquire more land for the same purpose.
- j) During the implementation of the project, non members who are attracted by the cooperative ability to fulfil the housing needs of its members will join the cooperative for the same reason.
- k) Such development will continuously increase the size of the members, the capital formation and the expansion of the housing projects.

Development of Housing Cooperatives (1949 - 1985)

	1949	1957	1977	1985
Cooperatives	2	30	60	76
Members	330	4,593	22,422	54,480
Share Capital	RM 21,700	RM 1.4 Mil	RM 11.8 Mil	RM 28.7 Mil
Assets	RM 43,100	RM 7.4 Mil	RM 103.2 Mil	RM 122.2 Mil

Subsequently due to demand and good returns other non-housing cooperatives such as credit cooperatives, consumer cooperatives, multi purpose cooperatives undertake housing projects not only for their members but also as a business venture selling to the general public. The venturing of such businesses create an issue as whether cooperatives are into housing for the social responsibility of providing affordable and quality housing to their members or to gain maximum profits and distribute such profits to members in the form of high dividends.

However, due to different sizes and management capacity of the cooperatives, some housing cooperatives do encounter difficulties which resulted in delays and additional cost that what has been anticipated.

This is basically due to the following factors:

- a) Insufficient capital due to low income levels of its members. This is more prominent for housing cooperatives that operates in smaller towns and rural areas.
- b) The members, board of directors, management staff has inadequate knowledge on the technicality of implementing a housing scheme.
- c) Difficulty in obtaining suitable land in terms of proximity to infrastructure facilities such as water and power supply and economical physical terrain.
- d) Lack of confidence by financial institution on the ability of the cooperative to manage the project.
- e) The members could not afford to purchase the houses due to increasing land cost and construction cost.

On the whole the cooperative movement had been fairly successful in providing houses for its members as indicated by the following table where the number of houses increases gradually over the period.

Cooperative Housing Units Completed (1966 - 1985)

Duration of Malaysian Plan	Housing Units Completed by Cooperatives	Total Cost (RM Million)	Total Units Completed under Malaysian Plan	Percentage of total Housing (%)
1st Plan (1966-1970)	3,100	76.5	22,522	13.7
2nd Plan (1971-1975)	3,500	79.5	259,810	1.4
3rd Plan (1976-1980)	4,342	119.1	484,190	0.89
4th Plan (1981-1985)	5,884	222.4	391,924	1.5

Basically the benefits derived through the cooperative housing systems are summarised as follows:

- a) Much cheaper houses compared to other house producers
- b) Low financing cost due to capital formation among its members and low borrowings.
- c) Houses are designed according to the needs of its members
- d) Lower overheads and construction cost
- e) Development of a community spirit and cooperation.

12. The Abandoned Projects Experience

During the late 70's and early 80's, the Malaysian housing industry enjoyed a property boom with strong demand, high prices of houses and high profitability. Suddenly more private housing developers entered the housing market and implemented housing projects to obtain high returns. Many other non-housing based cooperatives, which have the financial resources and management capability entered the market for the same reason.

With a sudden decline in the growth of the economy in 1986, most of the developers were unable to find enough demand for their houses. This unique experience during the recessionary period (1985-1988) which effected the house buyers and house producers and the economy as a whole has provided valuable lessons and experience of the local housing industry. Even though the recession experienced a

very low growth rate of 2% during a two year duration but the effect is still being felt into the early 90's and to a certain degree to the present.

During the recession, the demand for housing dropped dramatically due to lower purchasing power and developers were caught having to carry the burden of heavy financial commitment and high cost of borrowings. Approximately 450 housing projects, including cooperative housing were facing difficulties at all stages of implementation with approximately 51,000 houses were left uncompleted or totally abandoned. The cost of the projects was estimated at about RM 4.5 billion. The impact on the public sector developers was not serious simply because they have the financial resources to sustain low demand and could carry on implementing the project even though at a much slower rate. The private housing developers and housing cooperatives faced a much more difficult situation. Most effected of all are the low-cost houses which is not available, except a few since these types of houses are not profitable to be build. As a result, low cost house buyers is in a much more difficult situation compared to other house buyers of other types of housing.

Due to the profound impact on the economy the Federal Government through the Central Bank allocated RM 500 million as a rehabilitation fund where private developers and cooperatives could borrow at very low interest rate to revive their project. Any developer that was considered unable to manage and complete the project, will put directly under the management of the central bank. Through this rehabilitation programme, a considerable amount of abandoned projects were revived and completed. In situation where it is not economically possible to revive the project, the property is disposed with a fair price to other developers.

The Cooperative Act of 1949 was replaced by a new Cooperative Act of 1993 which provide better management and accountability of cooperatives to ensure that members truly benefits from the economic activities of the cooperatives in line with the cooperative principles.

Such experience has created a much more cautious approached by developers towards housing development and would be buyers are more careful and selective from which producers that are going to purchase their houses. The financial institutions are also more conservative in providing loan to housing developers to ensure that projects are viable and the funds are properly disbursed.

13. What Housing Cooperatives Can Do?

The contribution of cooperatives towards providing Low Cost Housing at present is relatively insignificant particularly in the late 80s and 90s. The role of providing Low Income houses were fulfilled by the private sector and the government agencies. Even that the quality of such houses is far below the targeted amount and the delivery of such houses were made under legislative pressures.

However, housing cooperatives have the potential to provide assistance and contribute in providing houses to the low income group since there are various opportunities currently made available by the Government. The Government is giving top priority in the provisions of low cost houses to the people.

What the Housing Cooperatives can do is basically to address the following issues:

- Turning the cooperative into an efficient and cost effective producers of houses.
- Addressing the housing needs of the members, particularly the low income group.
- Cooperation among various types of cooperatives involved directly or indirectly in the housing industry.
- The most important of all, adherence to the cooperative principles.

The production of houses basically involves 3 major and vital components i.e. land, capital and management.

a) Land

The development of housing projects require the vital ingredient of land resources. The administration of land in Malaysia is governed by the National Land Code which classified land ownership as private or public. Property development is undertaken by private ownership through the process of land conversion or alienation of State land to housing developers. Obtaining land from the open property market is relatively expensive whilst obtaining land from State involves only the payment of land premiums to the State.

Hence, the only realistic source of land for the cooperative is from the State. Obtaining land from the State for cooperatives use to be easier then, but not so now due to competition from other developers and also from other land users.

However, if the cooperatives are able to convince the government that by making land available will benefit the low income group then that should be much to obtain state land.

b) Capital

Housing development is a capital intensive activity due to the high cost of production as compared to other forms of land use such as agriculture. The capital formation of housing cooperatives are relatively low due to the limited financial resources of the majority of cooperative members. The cost of borrowing from financial institutions are relatively high. Even Cooperative Banks are charging commercial rates. However, the Government of Malaysia has allocated RM 1.2 billion as a special revolving fund at 2.0% interest rate per annum for low cost housing programmes. Cooperatives could gain access to such funds, otherwise bigger cooperatives with the financial resources are the only category that could undertake housing development.

c) Effective Management

The failure or ineffectiveness of housing cooperatives are basically due to poor management. This arise due to the limited time accredited to management by the Board of Directors, insufficient knowledge and experience of the board members and also the cooperative management. In order to be more effective housing cooperatives should ensure that, members of the board and the staff of the cooperatives have sufficient management capability and knowledge to manage a housing project. Consultants that are appointed by the Cooperatives address only the technical requirements but not to manage the cooperatives and the whole process of housing production.

Addressing the Housing Needs of the Members

The needs of the members who require houses are basically simple, i.e.:

- A decent dwelling
- Purchase at an affordable price
- Suitable location in relation to place of work and educational facilities.

The cost and design of the houses should fulfil the above requirement. Where possible "cost/value engineering" concepts should

be adopted to keep the cost of houses as low as possible, thus providing value for money.

The primary objective should be providing affordable houses for members while profit should only be marginal providing sufficient fund for future developments. Providing high returns/dividend should not be made a priority.

Greater Cooperation Among Cooperatives

- Cooperative Banks and Credit Cooperatives should provide low cost of fund to housing cooperatives or even becoming a partner to the housing cooperatives. This will keep the cost of fund as low as possible. They should also provide housing loans at a lower rate of interest to the house purchasers who are members of the cooperative movement.
- The Insurance Cooperatives could also provide insurance coverage at minimum rate.
- Wherever possible building materials or household goods should be supplied by Cooperatives such as those involved in trading or small/medium scale industries.
- Cooperatives that has a land bank but insufficient fund should be encouraged to undertake housing projects with other cooperatives that has the financial resources and management capability.

Greater Interaction with the Government

Housing development is a time consuming process. For a small housing scheme covering 10 acres that could accommodate about 100 terrace houses, it may take 3 years to design, obtain the necessary approvals from the local Authorities and various Government Department and to build the houses. If the cooperative is dependent on a housing loan, the interest factor generated along the process could be of a substantial amount.

Since the Government and the local authorities and also the utilities companies are involved, frequent interactions and follow ups should be done to facilitate the housing development process. It is quite normal Government and the Authorities giving a priority status, if a housing Cooperative is undertaking a project to address the demand for low income houses.

Hence a close relationship should be fostered between Coopera-

tives and the Authorities. Since the majority of Cooperative Board members are usually prominent members of the community, this would be easier to facilitate such relationship.

Adherence to Cooperative Principles

Cooperative Principles are fundamental to the very existence of all cooperatives. These principles should be transformed into the activities of the cooperatives. The weaknesses and failures of the housing cooperatives were attributed to the divergence from these principles. There is a very fundamental difference between housing cooperatives and other housing developers whether private or public.

Observation on the performance of the Malaysian housing cooperatives disclosed the following:

- * Maximisation or at least optimisation of profits.
- * Issuance of high dividends.
- * Housing prices set at almost market price,.
- * High cost of borrowings.
- * Joint Venture between Cooperatives and Private Developers
- * Low Cost houses are only provided to fulfil legislative requirements.

Of course upon successful implementation of the projects the Cooperatives may make a substantial profit, issue relatively high dividends to members. Some members are able to purchase houses and every party is quiet satisfied.

For those projects that are otherwise, the cooperatives have to pay very high interest cost, no profits are made and even worst the project is abandoned.

In order to avoid the above 2 situations housing cooperatives must review their position and revert back to the fundamentals, i.e. adherence to the cooperative principles.

Conclusion

Probably Housing Cooperatives should ponder the following statement:

- * The very existence of housing cooperatives is to provide Maximum benefits to the members as against Maximum Profit.

- Maximum benefits means providing members, particularly the lower income group decent and affordable houses giving value for money. The assets might be worth more than the purchase price. This can also be interpreted as a form of dividend.
- Housing Cooperatives should provide houses to members only not the open housing market.
- The resources of the cooperatives movement should be put together to provide the necessary requirements. (Cooperation among Cooperatives/Cooperatives resources mobilisation).

Housing Cooperatives should address the above issues which are most important in providing houses for the low income groups.

It is very important that adherence to the above objectives are the Best Actions Housing Cooperative can do for the lower income members, the rest are basically operational and logistical.

SCC's Experience in Supporting Development of Housing Cooperatives*

The Organisation

The SCC/Utan Granser is a Swedish organisation created to assist cooperative movements in developing countries. The organisation was founded in 1958 by the various cooperative organisations in Sweden. They saw this as an important manifestation of international solidarity. The member organisations believe that cooperative solutions will contribute to sustainable economic and democratic development in developing countries as well as in our own country.

Today UG/SCC is supported by eight member organisations: Folksam (insurance), Foreningsbanken (banking), HSB Riksförbund (housing), Kooperativt Förbundet (consumers), Konsumentgillesförbundet (consumers guilds), Lantbrukarnas Riksförbund (farmers), OK (oil consumers) and Riksbyggen (housing). Around half of the population of Sweden are members of one or several of these organisations. All of the cooperative organisations were created in the beginning of 20th century. Today, all of them are influential operators in the Swedish economy and have played an important part in the development of our country into a modern welfare state and to the creation of beneficial solutions for their members.

These cooperative organisations and their members are the resource base on which the activities of UG/SCC rest. Their commitment provides an identity to the activities and is the basis for the contributions to the annual fund raising campaign; the proceeds of which constitute the financial base for the development work carried out by UG/SCC.

* Ms. Kicki Johansson Trodin, Director of Information, Swedish Cooperative Centre.

UG/SCC's Mission Statement

UG/SCC's mission statement is:

“To express solidarity through concrete action to the members, women and men alike, of existing and emerging cooperative organisations and farmer's associations in Asia, Africa and Latin America.” We want to contribute to make it possible for men and women in developing countries to create a better future for themselves through voluntary cooperation. We give a high priority to economic, democratic, ecological and social development. Words we want to use are : *Sustainable Human Development*.

A Changing World

During the past decade most developing countries have experienced economic and political changes with far-reaching implications. These changes place extraordinary demands on the ability of cooperative organisations to adjust to a radically different situation in a short period of time. From a situation where protection by monopoly positions and subsidies were provided by donors or governments, cooperative organisations now face demands on business efficiency even to survive in a competitive market.

In the majority of countries in the Third World the preconditions for a realization of cooperatives ideas have changed notably in a positive direction. The transformation to market economies often results in the emergence of exploitative and inefficient capitalism. The situation resembles that in Sweden in the 1920's. There is a strong need for counterweighing forces which make active participation of men and women in the process of democratization at the local level possible. The introduction of market economy systems and democracy offers the cooperative movements a possibility to regain their original economic function and to serve as a necessary element in the democratization process in society. It is not until recently that the preconditions for the successful development of a cooperative movement began to take shape. Therefore, the historical role of the cooperatives lies ahead.

The great challenge facing the cooperative movements in the Third World is to capture these opportunities. The challenge for UG/SCC is to design support programmes that facilitate the adjustment to changing conditions. The task is demanding. In order to make UG/SCC's support efficient it has to be based on an analysis of facts and

an assessment of the situation and the problems which the cooperative face. The support should be designed to facilitate the efforts of UG/SCC's partners to solve their problems.

The basic idea of Cooperatives

The basic idea of cooperatives is to generate economic benefits under democratic forms. Cooperatives can provide democratic training to their members. In this way the cooperatives can be an important counterweighing force to various forms of concentration of power and totalitarian tendencies.

The cooperative idea is firmly rooted in the concept of popular movements which presuppose a high degree of autonomy from the state. The role of the state should largely be limited to enforcing the cooperative law, and other relevant laws, and to register (and cancel registrations) cooperative organisations. The state should have no influence on the selection of boards or the employment of staff in cooperative organisations. Furthermore, the state should have no operational influence in planning and implementation of the activities of a cooperative.

The SCC shall stress its demand on the autonomous position of a cooperative vis-a-vis the state as a precondition for support. It is particularly important that such demands are made when UG/SCC considers cooperation in a new country.

Target Groups

The target groups for development assistance is:

- existing and potential members of UG/SCC's partner organisations (cooperatives and farmers associations), women and men alike.
- members in sustainable informal and other interest groups which can develop into formal organisations.

UG/SCC is committed to increasing the participation of women at all level and in enhancing their benefits from cooperative activities. It will also make particular efforts to bring youths into cooperative organisations.

The primary societies constitute the basis of a cooperative structure. The ability of these societies to provide relevant and competitive services will determine if potential members consider them to be a meaningful alternative.

Therefore, UG/SCC will focus its support on activities at the primary society level or organisations at regional or national level if they enhance the capacity of the organisations concerned to undertake development work at the grassroots level.

Fields of Activities

Development activities should primarily be selected and designed in response to the needs prevailing in the countries where UG/SCC chooses to work. This means that the activity content will vary between regions and countries as the needs vary. In addition, the activities have to be firmly supported by the Member Organizations of the SCC and should represent their fields of activities and values.

The agriculture sector is the backbone of the economies in a majority of the countries in the Third World, particularly in Africa. Therefore, it follows that the need for cooperative development in this sector is significant. UG/SCC assistance is directed to developing countries in Africa, Asia and Latin America. With this general orientation UG/SCC will strive for a geographical concentration.

A rapid urbanization in developing countries contributes to increase urban poverty suggesting support to activities in areas where UG/SCC has only had a few years experience. In the future support will be increasingly directed to housing, savings and credit, consumer goods retailing, insurances and pre-cooperative activities aimed at creating employment opportunities and income for poor women and men in urban areas.

Housing Cooperatives

Today UG/SCC gives support to housing cooperative organisations in Uruguay and Zimbabwe. We are discussing and preparing for support in Costa Rica and in Srilanka. HSB Riksförbundet and Riksbyggen, the two member organisations in UG/SCC that work with housing, are very involved in the programmes.

Uruguay

Although the population of Uruguay is only increasing at a small rate the population increase in Montevideo and the area 30km around it increased by 51% between 1963 and 1975. The housing deficit is at present estimated to be 120,000 units and affects 40% of the low-income group. In order to meet the current and future demand 13,500

housing units are required every year for the next 30 years.

The housing cooperative sector in Uruguay consists of two different types of cooperatives: FECOVI, the organization that finances building by members savings, and FUCVAM, the organisation that creates buildings by the members own performance. FECOVI consists of 50 cooperatives with a total of 2700 flats. FUCVAM consists of around 300 cooperatives that until today have built around 10,000 flats all over the country.

During the first three years UG/SCC's support to these two organisations concentrated on training and consulting for members. This was between 1988 and 1991. An evaluation showed that both organisations had consolidated their capacity in training and consulting. At the same time it was noticed that FECOVI's cooperatives had not built a flat since 1985 because of the problems with obtaining financing. This was a big problem.

Even during the next three years of support, 1992 - 1995, the needs were concentrated on training and consulting. The need for information to enable the recruitment of new members was stressed. FUCVAM worked towards especially hard exposed youngsters to get them involved in activities. A revolving fund was formed which gave a good opportunity for FECOVI's members to obtain long term loans from cooperative financial institutions instead of from the state controlled lenders. For the period 1992-95 the fund was utilised for the construction of 11 houses for youths.

Another contribution was a revolving fund for FUCVAM's members. This was established to enable them to self-finance a part of the costs of their self help project. It was also hoped to interest the state owned bank, Banco hipotecario De Uruguay, into giving loans to these groups. The fund has made it possible for 42 families to construct their own houses. A further development project which has been started is the planned service centre in cooperation between FUCVAM and FECOVI which will offer services to members of both organisations at competitive terms.

In conclusion it can be said that the support to housing cooperatives during the last 6 years has been important in the consolidation of FUCVAM and FECOVI and their training and consulting programmes. The support for 95/96 is concentrated on the continued planning of the service centre and to increase the existing revolving fund and guaranty fund to enable an increase in the construction of cooperative housing by the use of alternate financing.

Zimbabwe

The population of Zimbabwe is increasing at the rate of 3% per year and in the cities this figure is estimated to be 8.5%. The construction of houses has not held pace with this increase in population and it is estimated that today 1.2 million people do not have their own accommodation. In the cities this problem has led to the establishment of slum dwellings in areas without water or sanitation and the establishment of a system of hiring out rooms at inflated prices to those who are forced by their employment (mainly domestic employees and low paid workers) to live in the cities. According to information 660,000 people are on the government housing waiting list, it is calculated that 84,000 housing units are required every year whereas actual production is only 14,000.

There are in Zimbabwe today approximately 40 housing co-operatives with around 9000 members who have over the years saved nearly SEK 13 million. Of the 40 co-operatives 12 are associated with the work place and the rest have been established because of initiatives in a certain area. Those co-operatives which have successfully completed building projects are those associated with the working place where the employer has guaranteed the finances.

At the end of 1992 a charity organisation, "Housing People of Zimbabwe" (HPZ) was registered. The aim of this organisation was to strengthen the housing co-operative movement in Zimbabwe. The board of HPZ consists of representatives from government and the housing co-operatives, 4 of the members are women. The organisation has mainly been financed by Canadian funding with additional support from a German organisation "Terres des Hommes".

The SCC/Utan Granser and HPZ developed a project document in 1994 and support to the project started in July 1994. A close cooperation with the Swedish housing co-operatives is a major part of the project. Support has been primarily to HPZ's education programme and to the purchase of machinery for the production of bricks and roofing tiles and the purchase of a vehicle. The brick and roof tile machinery will be hired out to those housing co-operatives who want to reduce production costs.

The Future

We all know that one of the important issues for the future is to find beneficial solutions for housing needs. We can see that there are

a lot of good solutions, ideas and experience that the members in housing cooperatives have created in different parts of the world. In the principles of ICA Housing Cooperatives you can read the following: "Pilot projects point the way to our future as illustrations of how common values transcend international borders". To cooperate, to take part in one others experiences and to give support to each other can be the solution for the future. UG/SCC is one partner that together with our members, the Swedish housing cooperatives, will support and take part in developing of good housing in the Third World in the future.

An Overview on JPK and the Cooperative Movement in Malaysia*

1. Introduction

Jabatan Pembangunan Koperasi (JPK), the Department of Cooperative Development Malaysia, was established in July, 1922 to help organise and register cooperative societies under the Cooperative Societies Enactment (FMS Cap.97) of 1922 and has since been also entrusted with the responsibilities of promoting and developing the movement. The Commissioner for Cooperative Development's office, the headquarters of JPK then, was in Taiping, Perak. It was moved to Kuala Lumpur in 1924 and is now located in Wisma Semantan, Jalan Gelenggang.

"The Federated Malay States Posts and Telegraphs Cooperative Thrift and Loan Society Limited" was the first cooperative registered. This 1922 Enactment has been repealed and replaced by the Cooperative Societies Ordinance No: 33/1948. The Cooperative Societies Act 1993 is in force with effect from January, 1994.

In 1973, the Farmers Organisation Authority was formed to look into the affairs of agro-based and rural cooperative, while the Fisheries Development Authority of Malaysia was formed in 1974 to do likewise to fishery-based cooperative in the coastal areas. Urban and other types of cooperatives in Peninsular Malaysia and all types of cooperatives in Sabah and Sarawak were left with JPK.

The actual position of the cooperatives in Peninsular Malaysia during the take-over were as follows:

* Department of Cooperative Development, Malaysia

	Coops (No.)	Members (person)	Capital (RM000,000)	Assets (RM000,000)
LPP	1,502 (58.1%)	165,355 (20.7%)	10.5 (04.1%)	26.9 (4.3%)
LKI	51 (0.20%)	10,000 (1.2%)	0.5 (00.2%)	6.4 (1.1%)
JPK	1,031 (39.9%)	724,850 (78.1%)	245.0 (95.7%)	588.3 (94.6%)
Total	2,584 (100%)	900,205 (100%)	256.1 (100%)	621.6 (100%)

Note: US\$1 = RM 2.50 (at the time of takeover)

This move towards specialisation was to bring about a greater consolidated effort by each of the three agencies to channel its resources towards continued promotion and development of cooperatives in Malaysia. However, cooperatives under all these three agencies, are united under and represented by a national apex organisation known as the National Cooperative Organisation of Malaysia (ANGKASA). Since most of the cooperatives of today are under the JPK, it has always been held responsible for the development of cooperatives in general, especially so with the inclusion of cooperatives from Sabah and Sarawak after the formation of Malaysia in 1963. The development of cooperatives under JPK after the takeover are as follows:

Year	No.of Coops.	Members (Persons)	Capital (RM000,000)	Assets (RM0000,000)
1975	1,016	861,014	339.5	778.3
1981	1,497	1,696,762	713.1	2,389.4
1987	2,088	2,927,000	1,464.0	7,787.0
1993	3,308	3,232,605	1,896.8	6,876.7
1995	3,553	3,863,965	2,601.8	10,562.8

The figures proved that Cooperative Movement expanded rapidly in the 1970's especially after the Department (JPK) had been directed to concentrate only on non-agro-based and non-fishery-based cooperatives.

2. Mission, Objectives and Activities of JPK

The duties and responsibilities of JPK are registration, examination of accounts, inspection and deregistration (liquidation) of cooperative societies. Audit is the responsibility of the cooperatives but the Department assists in the auditing of new and small cooperatives. The Department, through its promotional, guidance, training and advisory services, ensures that the cooperatives are managed effectively, expand and benefit all their members.

- a) Mission : The JPK has the mission of ensuring that the Cooperative Movement's role as an effective and efficient institution within the context of national development is in line with the National Development Policy pertaining to the balanced economic development of caring, prosperous and competitive society, through active collaboration between the Department (of Cooperative Development) and the (Cooperative) Movement.
- b) Objectives: The objectives of the Department include:
 - To assist the Cooperative Movement in creating a resilient and productive society.
 - To ensure that the Cooperative Movement operates in accordance with the legal requirements and the basic cooperative principles and values.
 - To ensure that Cooperatives become self-reliant, sustainable and competitive socio-economic organisations.
 - To support the Cooperative Movement's general contribution towards the welfare of cooperators and achieving social harmony.
 - To plan for the development of trained personnel in the field of Cooperative Development.
 - To improve the quality of management in the Department through integration of Information Technology and application of efficient work systems and processes.
- c) Main Activities
 - Registration of new cooperative societies and amendments of their by-laws.
 - Processing of applications for registration of cooperatives, their by-laws and amendments to cooperative by-

laws and issuing certificates and documents of registration.

Enforcement of the Cooperative Law and monitoring the activities of cooperatives and their compliance to the provisions of the Cooperative Law in:

- i) Loans and Investments
 - ii) Legal Matters like Contravention of the law, Disputes, Liquidation (winding up of deregistered societies), and complaints.
 - iii) Audit and Accounts: Appointment of external auditors, Statutory Audit, Approval of audited accounts, and Dividends exceeding stipulated limits.
- Financial assistance to viable and deserving cooperatives.
 - Processing and approval of loan applications from the JPK Revolving Capital Fund.
 - Extension and training services to cooperatives.
 - i) Organising cooperative extension programmes in the form of educational talks, workshops, seminars and training courses
 - ii) Collaboration with cooperatives (especially ANGKASA), the Cooperative College of Malaysia (MKM) and related agencies.
 - iii) Collaboration with international cooperative organisations.
 - Departmental financial and personnel management including General Administration, Personnel and Services, Financial Management, Staff Training and Discipline.
 - Formulation and upgrading of development programmes for the Department.
 - Extension (education and publicity), financial assistance, infrastructure and amenities, management and monitoring of cooperative activities.
- d) Organisational Structure
- JPK is headed by a Director General who is also appointed the Registrar General of Cooperatives in Malaysia, thus performing both administrative and statutory functions in the supervision of registered cooperatives and also those in the

process of liquidation. He is assisted by two Deputies and 14 State Directors who are also conferred the designation of State Registrars. The Deputy Director General-I deals with Statutory Services whilst the Deputy Director General-II is in-charge of Administration, Finance and Planning. There are 14 state headquarters (in 14 State capital cities) and 88 Regional Offices (in district) providing services to cooperatives throughout the Nation.

3. The Malaysian Government policies in support of the Cooperative Movement

The government through JPK supports the movement in various forms:

a) Cooperative Development

With the background of a positive economic scenario and the encouraging performance of the economy in the last five years and the government's emphasis on better institutional and factor efficiency, the economic review for the planned period recognized the effective institutional role for development by the cooperative movement. The cooperative movement has been acknowledged in the plan review through its ability to mobilise resources of members to upgrade their socio-economic status. The economic review of the planned period noted that the number of cooperatives increased from 3,083 with 3.4 million members in 1991 to 3,553 with 3.8 million members in 1995. The cooperative movement also accumulated a share capital of RM 2.6 billion and total assets of RM 10.5 billion by 1995. The main activities carried out were the provision of credit and loans and consumer goods as well as housing and property development. As a measure to improve the management of cooperative resources for the benefit of members, the three separate cooperative laws for Peninsular Malaysia, Sabah dan Sarawak were consolidated to become the new Cooperative Societies Act, 1993. The Pan Malaysia Act provides a framework for greater transparency and accountability in the management of cooperatives through the institution of internal audit and a more comprehensive reporting by the board of directors to the annual general meeting. The Act also enhanced the regulatory powers of the Department of Cooperative Development.

The recognition of the cooperative as part of the national development efforts in the five year National Development Plan should provide opportunities rather than negative concerns on the

overwhelming success of the market-economy and private sector in the development of the economy. As both a social and economic movement the cooperatives in the country have also equally benefitted in the growing and stable economic environment in terms of expanded economic opportunities.

Total funds approved by the Department in Cooperative borrowings from financial institutions amounted RM 66.25 million in 1995 as compared to RM15.45 million in 1994. In addition to that, the Department itself provided small loans to cooperatives not exceeding RM2 million each loan. These loans approved from a revolving fund managed by the Department came to a total of RM 20.3 million in 1995 which showed an increase of RM 12.6 million over the 1992 total of RM 7.7 million. The vibrant growth of the capital equity market accompanied by strong economic fundamentals have also contributed to a considerable shift of funds from the cooperatives to high yielding stock companies for better investment returns. Major cooperatives have also taken up sizeable amounts of first issue shares of government privatised enterprises.

As of 1994, the total asset of cooperatives stand at RM 9.8 billion with a liquidity ratio of 0.3 and net tangible asset (NTA) of 1.87. With long term liabilities of RM 0.7 billion, the funds and assets available in the cooperative movement would indicate that the movement is very much in a financially healthy position to participate in the growing economic opportunities in the country.

From a total of RM 3.4 billion of members equity funds in the cooperatives, the largest component of the fund is placed under investment and provision of loans to members. Under this category the major activities are short term credit to members which are mainly for consumption loans.*

b) Legislative Reforms

It is indeed a timely action on the part of the government to have considered a review of the cooperative legislation in view of the changing environment for the cooperatives with the following objectives in mind:

- i) The consolidation of three separate cooperative laws into one Pan Malaysian Cooperative Societies Act 1993.
- ii) The strengthening of member sovereignty in the management

* (US\$1 = RM2.50)

of the cooperatives through greater disclosures required at the annual general meetings.

- iii) More explicit provisions pertaining to management accountability.
- iv) Importance of member involvement and member education.

The new Cooperative Societies Act 1993 is primarily aimed towards the creation of a self-reliant and self-regulating cooperative movement through the enhancement of accountability and transparency in its management.

c) Cooperative Management Structure

Part 5 of the Cooperative Societies Act 1993 provides a general pattern of management of cooperatives in Malaysia governing general meetings, compositions and duties of the board and internal audit committee, and the allowances received by them.

d) Cooperative Regulations

In furtherance of the Act a new set of Regulations have been approved by the Minister of Cooperatives to further explain the law. They become effective on the 1st January 1995. Similar emphasis on internal checks and restraints have been provided in the regulations to ensure good management and to enhance member supervision and control.

e) Departmental Administrative Policies towards Cooperatives

The approach in the law towards greater self-regulation by the members rather than relying mainly through external intervention and bureaucratic control, are the distinctive features of the new law. This emphasis is further pursued through the vigorous efforts of the Department in enhancing its extension activities through member education. Various guidelines and publications have been issued by the Department as a concerted effort to increase the knowledge of members on their rights and the use of their rights in the appropriate form and context in the management of the affairs of their cooperatives.

Enhancement of member awareness on matters pertaining to standards of quality to be expected from the management board of their cooperatives will also directly contribute to a higher demand for training opportunities in the Cooperative College as well as training provided by National Cooperative Organisation of Malaysia (ANGKASA)

for a more informed membership. It is towards this direction that the Department has further initiated collaboration not only with the movement, but also with the various organisations related to the development of the cooperatives.

f) Inter - Organisation Support to the Movement

Member awareness in the proper management of their cooperatives and the proper values to be conformed to by their management, was given a further boost through the Registrar General's circular on the Cooperative Clients' Charter which incorporates the pledge on the basic values of the movement tabled at the International Cooperative Alliance Congress in Tokyo, October 1992. In addition, the new Cooperative Societies Act 1993 also incorporated these basic principles of cooperation under Section 2 of the Act which is further strengthened by the clear provisions in the law to provide the Registrar General with the necessary powers to encourage and develop the movement. As a further commitment on the government's part to promote the development of the movement, recognition is also given to well-managed cooperatives to receive "quality awards" based on their application of good cooperative values and good management practices. Recognition is also given to good statutory compliance in the management of the accounts of the cooperatives. These are in addition to the encouragement and awards given by ANGKASA to cooperative leaders in further recognition of their efforts towards more responsible and effective management.

In line with these efforts, consultations are continued to be held with ANGKASA and the Cooperative College towards a more concerted and integrated approach of collaboration with the movement in the following areas:

- i) The enhancement of accountability and transparency in cooperative management structure and practices.
- ii) To provide for an integrated approach in education and extension to members.
- iii) To provide training by illustrations of major malpractices in cooperatives to alert members to be more effective in the supervision of their affairs.
- iv) To prepare special training programmes for school cooperatives, women cooperatives and workers' cooperatives.
- v) To promote programmes not only for members' general

education but also specific programmes to assist cooperatives to introduce quality measures in their management.

The National Development Policy of Malaysia has already acknowledged the importance of a 'caring society' to address the need of the poor, the disadvantaged as well as the low and medium income groups. In the light of the above developments, the Malaysian Government has indeed shown its commitment to the contribution of the third sector and recognised cooperatives as one of the most important institutions of this sector.

4. Programmes and Activities

a) Development Programmes:

Among others the activities include:

- i) Promotion, guidance and organisation of new cooperatives, especially amongst people with limited means and low-income groups like factory workers, cottage industry craftsmen, secondary school children and the like. A total of 125 new cooperatives were registered in 1993, 94 in 1994 and 80 in 1995.
- ii) Supervision and monitoring the operation of 3553 registered cooperatives in Malaysia through reports submitted by JPK officers on the field.
- iii) Statutory audit and comments on audited cooperative accounts, JPK auditors audit the accounts of all cooperatives in Sabah and Sarawak and approximately 60% of the cooperatives in Peninsular Malaysia whilst the rest are audited by private Auditors approved by the Registrar General.

b) Extension and Publicity:

Beside training of JPK personnel, educational and training courses are regularly held for ordinary and Board member of cooperatives. In 1995 about 467 such courses were organised involving RM372,672 and 26,434 participants. Courses are also conducted by the Cooperative College of Malaysia and ANGKASA.

c) Financial Assistance:

JPK provides management and general grants to the tune of one million Malaysian Dollars annually to assist newly registered and deserving cooperatives.

d) Soft Loans:

"The JPK Revolving Capital Fund" was formed to help viable and deserving cooperatives overcome their weak working capital with 'soft loans' as they could not qualify to borrow from established lending institution. Interest rates charged range between 0% and 6% only per annum.

5. Statutory Programmes

These refer to the enforcement of the provision stipulated in the Cooperative Societies Act, 1993:

a) Registration:

Besides registration of new cooperative by-laws, counselling services are also rendered on the amendments proposed by registered cooperatives to their existing by-laws.

b) Regulation and Inspection:

Based on reports submitted by officers on the field to the Director General/Registrar General, certain instances and circumstances require further investigations and inquiries be made on the operation (or non-operation) and irregular or passive activities of some cooperatives. These may result in deregistration of some cooperatives, suspension of Board members and appointment of administrators to manage certain cooperatives until a new Board is elected by the cooperative concerned.

c) Disputes and Arbitration:

Disputes between members and between ordinary members and the Board members may be referred to the Registrar General under Section 82 in the Cooperative Societies Act 1993.

d) Liquidation of Societies:

This refers to the procedures of winding up of cooperative societies subsequent to their being deregistered. During the past three years 26 cooperatives have been deregistered and 328 others have been successfully wound up and gazetted. At the moment a total of 176 cooperatives are in various stages of liquidation.

6. Future Prospects and Activities

Development Programmes:

JPK will continue to promote the formation of cooperatives especially among private sector and factory employees mainly to enable them to have equity participation in their own organisations, and amongst others who are keen to participate in land development projects and create employment and income generating opportunities to youths and rural populace. Consumer cooperation will also be encouraged through additional incentives in the form of capital and store renovation subsidies. Member education programmes and familiarisation courses on Cooperation for ordinary and Board members will be further enhanced.

Statutory Programmes:

Emphasis will be laid on enforcing the stipulations of the Co-operative Act, Rules and By-laws that enable the Registrar General to institute legal proceeding on those who contravene the provisions of the law.

7. Cooperatives Development in Malaysia

The cooperatives today are diversifying into almost all fields of businesses. Besides the popular Thrift and Loan Societies, the trend is now shifting rapidly towards activities which are more multi-purpose in nature, such as consumer, housing, transport, land development, industrial production, banking and insurance. They tend to be strong and efficient with multi-purpose emphasis and are big in terms of memberships, share capital as well as dividends. However in some instances, in their enthusiasm to grow big, some cooperatives have shown some dilution that their commitments in basic cooperative principles which require some external supervision from the Department.

- i) **Credit and Banking Cooperatives:** Credit and Banking forms the backbone of the movement. 457 credit cooperatives indulge in this activity. Cooperative Banking activities are carried out by Bank Rakyat and Bank Persatuan Seberang Perai Berhad.
- ii) **Housing Cooperatives:** As demand for low and medium cost houses increases so has the role of cooperatives in providing these types of houses for their members. There are 120 cooperatives carrying out housing projects, of which 47 are

- housing cooperatives. The cost of houses built by these cooperatives is within the means of members and has been found to be 20% to 30% cheaper than the prevailing market price.
- iii) Consumer Cooperatives: 216 consumer cooperatives and 102 multipurpose cooperatives are involved in this activity. The present trend is going into the Minimarket and Supermarket trade.
 - iv) Land Development Cooperatives: This activity originated from the government's effort to solve the problem faced by the state labourers because of the fragmentation of foreign owned rubber estates by local investors for profit. 58,000 hectares of such estates were bought by these cooperatives. Some also undertake to develop other types of land allotted to them by the government. So far, they have managed to develop 26,000 hectares of their land into oil-palm, rubber and cocoa plantation.
 - v) Insurance Cooperatives: Malaysian Cooperative Insurance Society Limited (MCIS) is the only cooperative dealing with insurance. It is a secondary society with mixed membership: 135 member cooperatives and some 122,000 individual members who are also policy holders. The total value of life policies currently in force is close to RM900 million and monthly premiums received total RM3.5 million.
 - vi) Multipurpose Cooperatives: This type of cooperative activity is gaining popularity. Most of these societies have large memberships and areas of operation, with some even covering the whole nation. Backed by a reasonable amount of capital, they can afford to indulge in credit and banking, housing, consumer, transport, land development and industrial activities in active competition with the public sector.
 - vii) Apex Organisation: The National Cooperative Organisation (ANAGKASA) is the official body that represent the Cooperatives Movement in Malaysia. It has its own publication unit producing periodicals and also other publications devoted to the cooperative movement. Since 1981, The ANGKASA SERVICE BUREAU, has taken over from the Government, the task of collecting payments made by government servant members to their cooperatives through the deduction of their salaries. And lately ANGKASA has started its Pre-audit Service

and Computer Literacy Classes for cooperatives (members).

viii) Cooperative Movement Amongst School Children was introduced with the main aim of inculcating thrift and fostering unity and self-help. The movement gets the full backing of the Ministry of Education. Cooperatives in schools were introduced in 1968 as a pilot project with the formation of Cooperatives in 9 schools. Following the response received and the success of these pioneer school cooperatives, many more such cooperatives were formed. By 1975 there were already more than 100 school cooperatives registered with a membership of more than 30,000 students. A secondary society for the school cooperatives was then formed to cater to the needs of the school cooperatives especially in the supply of school requisites for their members.

The Government provides assistance to school cooperatives in the form of subsidies for management and supply of equipment, e.g. of cash register machines and a set of account books for each school cooperative.

The activities of the school cooperatives depend a lot on the size and situation of the schools, and most of all the initiative of the teachers who are members of the cooperatives.

The development of School Cooperatives since 1975 is as follows:

Year	No. of School Cooperative	Memberships (Persons)	Accumulated Shares (RM)	Turnover (RM)
1975	121	31,380	167,470	749,093
1981	317	147,398	878,662	5,849,905
1987	737	448,584	2,648,992	24,136,215
1993	1,073	937,191	4,426,316	38,528,521
1994*	958	963,063	4,440,340	65,873,881

* *Peninsular Malaysia figures only.*

ix) Cooperatives in Land Development Schemes

Land Development Schemes by the Federal Land Development Authority (FELDA) was introduced soon after independence. Virgin jungles were cleared and replanted with rubber and palm oil, and settlers were put in to work the estates with each family being allotted 10 acres of land.

Consumer cooperatives were introduced to the settlers to retail their daily requirements. But the cooperatives failed due to lack of facilities and also stiff competition from the Perbadanan Naiga FELDA (PNF) - a business arm of the Authority which also deals in the same. When FELDA amended its policies, Cooperatives became a must in every new land scheme, and they were given the monopoly to transport their produce from the estates to the mills and refineries.

There is now close collaboration between JPK and the FELDA officials. FELDA Cooperatives now successfully operates retail stores and minimarkets, petrol kiosks and service station, transport service (lorries, buses and tankers) and also offer other services like credit and the supply of electrical appliances, motorcycles, furniture etc. The cooperatives also undertake to do minor contract works for development project within and outside the land scheme. Latest statistics for the FELDA Cooperatives are as follows:

Year	No. of Coops	Membership	Shares (RM in Million)	Assets (RM in Million)
1987	230	91,981	116.2	42.6
1988	235	92,296	17.7	47.0
1989	237	95,227	18.8	53.5
1990	239	98,000	19.5	54.2
1991	242	105,840	20.5	56.9
1992	277	102,942	22.3	73.5
1993	279	104,078	23.2	75.4
1994	287	105,092	38.2	92.4

Cooperatives in the land schemes are encouraged to form Secondary societies at state levels. These Secondary societies will become agents for their member cooperatives to supply the needs of the settlers, thus ensuring quality goods at reasonable and competitive prices. Members and their children are encouraged to take up vocational course so that they can operate their own service oriented programmes.

- x) The KPD's (District Development Cooperatives) are geared to fostering unity and cooperative spirit amongst people from all walks of life in a district, encouraging them to participate actively in government development projects, thus benefitting them in the form of profits and dividends as well as job opportunities. The concept of KPD is slightly different from the other cooperatives in that it is initiated by the Government and managed jointly by the members as well as the Government.
- xii) KIK's (Cottage Industry Cooperatives) are integrated projects between JPK, JPM (Prime Minister's Department) and other related agencies in the Ministry of National and Rural Development (namely Kemas Community Development Divisions, Mara Council of Trust for Indigenous People, PKKM-Malaysian Handicraft Development Corporation and MKM - the Cooperative College of Malaysia), prompting village handicrafts, making them viable as income generating projects for the village people.

8. Conclusion

- i) Cooperative Movement in Malaysia has been in existence for more than six decades now. Although it started as a credit-based movement, it has now grown into an important instrument for national development. It has also contributed towards restructuring society, and eradicating poverty irrespective of racial origins.
- ii) We believe that the movement will continue to succeed and achieve their objectives for which they were established, wish the closer rapport established in the collaboration efforts between the government and the movement, pursuant to the conclusion of the Ministers' Conference in Jakarta and Colombo as organised by the ICA - ROAP.
- iii) JPK today, is stepping into a challenging phase. With the tremendous growth and development of cooperative movement in Malaysia for the past two decades, the task of supervising its activities has become more challenging and complex. It is therefore the duty of JPK to ensure that there will be no violation of the ideals of cooperation whenever cooperatives enter into any business venture.

- iv) The scope for cooperative expansion is limitless. What better way is there to fostering unity and promote goodwill throughout the world other than through the cooperative movement and its ideals.



A view of the participants attending the Regional Seminar at Kuala Lumpur



Mr. Malte Jonsson addressing the participants flanked by Dr. M.L. Khurana (r) and Mr. K. Parames Varan (l)



Participants at the site of field study visit



Participants during the deliberations of the Regional Seminar



Participants interacting with each other at the venue of the Seminar



Participants during their visit to housing project of NLFCs



The Principal, Cooperative College of Malaysia alongwith a resource person



Mr. Malte Jonsson (l), Mr. Rolf Trodin (centre) alongwith Ms. Kiki Johansson Trodin during the deliberations

PART - 2

Cooperative Housing Movement in India*

Introduction

This paper dealt upon the housing scenario, housing under the Five Year Plans, National Housing Policy, brief history of cooperative housing in India including general growth, organisation, quantitative achievements of cooperative housing, financial resources and other related issues of cooperative housing.

Housing Scenario

India is a South Asian Peninsular country having a population of more than 900 million at present, about three-fourths of which is rural based. For millions of people in India, the desire of owning a house remains only a long cherished dream, unfulfilled largely due to the poor socio-economic conditions prevalent among the masses. The country, as a whole, is confronted with a housing problem of a very high magnitude. Commensurate with the interplay of climatic and geographic diversities, inter-regional socio-economic differences, and differences in the efficacy of state interventions as well as of private, cooperative and corporate sector initiatives, housing conditions of the people vary widely from state to state and from region to region.

In general the house building activity in the country has not kept pace with its population growth. In 1981-91, for instance, the population increased by 25 per cent while the housing stock increased by 23 per cent. The housing shortage in the country in 1985 was estimated by the National Buildings Organisation to be a staggering 24.7 million houses. The estimate was based on the assumption that each household requires a house, that only 'pucca' houses (i.e. those using durable materials for both walls and roof) and

* G.I. Patel, Chairman, National Cooperative Housing Federation of India, New Delhi, and B.B. Sharma, Managing Director, Jammu & Kashmir Cooperative Housing Federation Ltd., Jammu, India

'semi-pucca' houses (i.e. those using durable materials for either roof or walls). 'Kutchi-houses' (i.e. those which though made entirely of non-durable materials are not in such a deteriorated condition as to require complete replacement in the imminent future) constitute usable housing stock in rural areas. The National Buildings Organisation has estimated that housing shortage in the country in 1991 was about 31 million units with break-up of 20.6 million in rural areas and 10.4 million in urban areas.

In the year 2001 the housing shortage is estimated to be at 41.0 million units with break-up of 25.5 million in rural areas and 15.5 million in urban areas. The cities because of industrialization and trade, have given rise to the establishment of towns and mini-cities or urban agglomeration areas and the problem of housing has become more acute there. There has been trend in 'Move to Cities' everywhere in the country. The estimated housing shortage during 1991 and 2001 is presented in Table -1.

Table-1 : Estimated Housing Shortage in India: 1991 and 2001

(Million Nos.)

Items	Rural		Urban		Total	
	1991	2001	1991	2001	1991	2001
Households	113.5	137.0	47.1	72.2	160.6	209.2
Housing Stocks	106.2	127.8	42.6	64.8	148.8	192.6
Usable Housing Stock	92.9	115.5	36.7	56.7	129.6	168.2
Housing Gap	20.6	25.5	10.4	15.5	31.0	41.0

The qualitative and quantitative shortage of housing is compounded by a woeful inadequacy of basic amenities and facilities like drinking water, sanitation, latrines, electricity etc. Only about 5 per cent of the rural households and 67 per cent of the urban households have access to piped water supply. Most of the population thus depend on 'unprotected' sources of water supply like rivers, streams, canals, ponds, wells etc. Similarly about 92 per cent of the households in rural areas and 33 per cent in the urban areas do not have toilet facilities. Overcrowding and congestion is yet another aspect of the deficient housing situation.

On the whole, the housing problem in India is of a very severe magnitude and tremendous efforts have to be made for realization of the social objective of securing adequate and reasonable housing for

all. It is clear that housing, considering its social and economic significance, cannot be left to the mercy of the private corporate sector alone. It is also clear that even though the involvement of the State in financial, technical and all related aspects is necessary, the resources constraints in the State sector make private participation in housing supply not only desirable but, perhaps, even necessary. Over the years, the potential role of cooperative housing sector as a willing and able partner in the national efforts for providing shelter to the people has gained acceptance. In fact, cooperative housing societies have come to be acknowledged as being an organisational form best suited for securing private participation in supply, maintenance and management of housing stock. In India, the cooperative housing sector has grown successfully over the years and now extends to every nook and corner of the country - be it in rural areas or urban areas, hills or plains. The members of housing cooperatives are drawn from every walk of life - artisans, skilled workers, farmers and agriculturists, white-collar workers, doctors, engineers etc. - cutting across the barriers of income, caste, creed, language, region or religion and, in fact, representing a cross-section of Indian masses. This has enabled the cooperative housing sector to make a noticeable impact on the housing situation in the country.

Housing Under the Five Year Plans

Inadequate financial resources has always been an impediment for fulfilling the housing requirements in the country. To accomplish this gigantic task both the public and private sectors require finance and concerted efforts on a large scale. Because of resource constraints, the public sector leaves a large chunk of the efforts on the private sector. An examination of the resources allocation under the Five Year Plans in India indicates that housing has not received its due priority. Investments made under the various Five Year Plans in the housing sector are given in the following Table.

Investment in housing as a proportion to the total Plan investment has declined from 34 per cent in the First Plan to a mere 12 per cent in the Eighth Plan, though in absolute terms the investment volume has gone up.

In addition to the adequacy of finance and low priority given to housing under the Five Year Plans, there are certain critical factors that further compound the problem.

Some of these include the scarcity of developed land, hike in the

Table-2 : Investment in Housing Sector*(Rs. in millions)*

Five Year Plans	Investment in Housing	Total Investment in the Economy	%age of total Plan Investment
First Plan	11,500	33,699	34
Second Plan	13,000	67,500	19
Third Plan	15,500	104,000	15
Fourth Plan	28,000	226,350	12
Fifth Plan	44,360	475,610	09
Sixth Plan	194,910	1,722,100	12
Seventh Plan	314,580	3,145,800	10
Eighth Plan	779,760	6,100,000	12

construction cost, non-availability of building materials and skilled manpower. Added to this is the highest speculative trend in the cost of land in the urban areas. Even people in the middle-income group find it difficult to acquire land at the present cost. The rise in the prices in building materials and wage rates of building labour has been somewhat phenomenal. The uncontrolled urban growth due to migration and other factors has created severe housing and infrastructure problems. The rents have shot up, city centres and commercial and industrial areas have degenerated into slums.

The National Housing Policy

The Global Shelter Strategy adopted by the United Nations in November, 1988, called upon different Governments to take steps for the formulation of National Housing Policies for their countries.

The National Housing Policy for India was tabled in the Parliament in July, 1992 and was later referred to a Standing Committee for consideration. The policy document was approved by the Parliament in August, 1994.

The housing policy aims at enabling the homeless and vulnerable sections to secure affordable shelter. It envisages a major shift in the role of the Government - from that of a builder of houses to facilitator of housing activities. The policy recognizes the role of cooperatives and Non-Governmental Organizations (NGOs) in assisting the under-privileged sections to secure adequate shelter.

The Government has already initiated action on the policy. The Constitution (74) Amendment Act, 1992, provides for more decentralization of powers to urban local bodies. This is bound to give a new impetus to housing and urban development. Other measures include the model rent control legislation, a model apartment ownership bill and a model bill for the regulation of activities of builders/developers. The Constitution (75) Amendment Act, 1994, which came into force from 15th May, 1994, will enable State Governments to set up State level rent tribunals for expeditious disposals of tenancy litigation, and the Public Premises (eviction of unauthorized occupants) Amendment Act, 1993, will enable public authorities to secure summary eviction of unauthorized occupants from public premises.

The Government has also taken concrete step to augment the flow of institutional finance, non-resident Indians (NRI) investment and the Central and State budgetary support in the housing sector. It also accorded various fiscal concessions in regard to custom and excise duty which will encourage entrepreneurs to set up manufacturing units for the production of low-cost building materials by utilizing agro-industrial wastes.

Besides the present pronounced policy of the Government, due recognition has been given in the past to the important role of cooperatives as socially oriented, group organizations operating on a no-profit-no-loss basis for the welfare of their members. With the support of the Government and through tireless individual efforts, cooperative housing has come to stay as a strong, well-rooted movement. This has grown into a significant force and has spread its winds all over India.

Brief History of Cooperative Housing in India

The history and growth of the Cooperative Housing Movement in India has close links with the economic and social development of the country. The Cooperative ideology has come to stay in all developmental aspects of the human society. Cooperative Institutions have emerged as major organizational structures for harnessing human resources and have left their indelible impressions as effective modes for management, production, processing and distribution in all sectors of economic activities.

The origin of the cooperative housing movement in the country dates back to the beginning of the present century. The first cooperative housing society in the country was set up 1909 in the

State of Mysore (now in Karnataka) and was known as the Bangalore Building Cooperative Society. The State of Bombay (now Maharashtra) also took initiative in this field and set-up a non-official body, the Bombay Cooperative Housing Association in 1913. The Cooperative Housing Association did a pioneering job in propagating cooperative housing by publishing leaflets on various aspects of the housing problem and the advantages of cooperative housing. It framed a set of model bye-laws that became a guiding force in the organization of several other primary cooperatives. It was also the first to bring in governmental participation in financial affairs of housing cooperatives.

However, the overall progress of the cooperative housing movement remained quite negligible till the fifties, largely on account of the absence of, on one hand, an adequate organizational set-up within the cooperative housing sector to guide its development and work on the other hand, an effective legal and administrative framework to facilitate and coordinate its functioning. The 1930s and 1940s further more, saw world-wide political and economic upheavals which significantly affected all development, including that of the cooperative housing sector.

There has been continuous growth in the number of societies, their membership and housing construction activities. Since 1959-60 and upto the March, 1995, the number of registered cooperative housing societies in the country has increased manifold from 5,564 to 85,000. The total membership has considerably increased from 0.32 million to 5 millions and their working capital has also gone up tremendously from Rs.550 million to over Rs. 30,000 millions during the same period. The growth of the cooperative housing sector during the last about three and a half decades is given below:

Table-3 : General Growth of Cooperative Housing Movement in India

Year	Number of Societies	No. of Members (in Millions)	Working Capital (Rs. in Millions)
1959-60	5,564	0.32	550
1961-62	7,877	0.46	710
1963-64	9,896	0.62	1140
1965-66	11,778	0.76	1410
1967-68	13,834	0.90	2070
1969-70	16,308	1.11	2240

1971-72	20,234	1.31	5970
1972-73	22,513	1.41	5730
1975-76	27,646	1.74	9420
1976-77	29,516	1.80	10030
1977-78	29,593	1.84	10050
1978-79	31,500	1.90	10500
1979-80	34,052	2.00	11000
1980-81	34,500	2.10	11500
1981-82	35,000	2.20	12000
1982-83	36,000	2.30	12500
1983-84	45,778	2.59	14020
1991-92	70,000	4.50	20000
1992-93	80,000	5.00	30086
1994-95	85,000	5.00	-

Organization of the Cooperative Housing Sector

Over the years, the cooperative housing sector in India has evolved as a well-defined organisational hierarchy comprising primary cooperatives, district federations, state level federations and the National Cooperative Housing Federation of India.

Primry Level

A housing cooperative society is a legally incorporated organized group of people who desire to develop their houses with collective efforts. After registering with the Registrar of Cooperative Societies under the concerned State Cooperative Societies Act, a primary housing cooperative attains legal status as an autonomous institution to undertake business on behalf of its members for housing development. As stated earlier 85,000 such cooperatives are registered across the country.

Housing Cooperatives at the primary level can broadly be classified into four groups.

- Tenant Ownership Housing Societies: Under this category the land is held either on leasehold or freehold basis by societies, and houses are owned by members.
- Tenant Co-Partnership Housing Societies: These housing

societies hold both land and building, either on leasehold or freehold basis and allot the same to their members.

- House Mortgage Societies: Such societies lend money to their members for construction of houses. The members have to make their own arrangements for building their houses. These type of societies are really credit societies.
- House Construction or House Building Societies: Societies of this type spend money on behalf of the members for building the houses, and the houses are handed over to the members when ready and the money spent is recovered as loan.

Although there are various types of housing cooperatives at the base level, but the main aim of all the societies is to provide houses to their members or help the members to construct their housing units by providing financial assistance.

District-level Federations

The district-level cooperative housing federations are involved in assisting primary housing cooperatives of a given district. Such federations exist in the States of Maharashtra, Gujarat and Uttar Pradesh and with the exception of the Mumbai District Cooperative Housing Federation Ltd., Bombay, they are relatively new.

State-level Federations

The State-level apex cooperative housing federations play a significant role in providing financial assistance to primary cooperative housing societies in their respective jurisdiction. They provide guidance on technical matters, help them in procuring building materials and assist them in general coordination and supervision of activities. There are 25 such federations in the country. Details of State Cooperative Housing Federations in brief are given below:

State Cooperative Housing Federations as on March, 1995

1. Total No. of State Apex Housing Federations	25	
2. Share Capital(Total) (Rs. in Million)		Rs. 2,622.2
- Primary Housing Cooperatives	Rs. 1,828.0	
- State Govt.	Rs. 794.2	
3. Houses Constructed (000 Nos)	Rs. 1,282.4	
Under Construction (000 Nos)	388.6	
Total (000 Nos)		1,671.0

4. Loans Borrowed (Total)(Rs. Millions)		Rs.33,228.57
- LIC	Rs. 22,159.82	
- State Govt.	Rs. 1,485.50	
- Floating Debentures	Rs. 1,426.00	
- Deposits from Primary Cooperatives	Rs. 1,298.29	
- HUDCO	Rs. 3,594.59	
- Banks	Rs. 2,890.47	
- Others	Rs. 373.89	
5. - Loans Sanctioned (Rs. million)		Rs. 38,720.62
- Loan Disbursed (Rs. million)		Rs. 34,073.58
6. Membership (Primary Housing Cooperatives)		28,981

National Cooperative Housing Federation of India

The National Cooperative Housing Federation of India (NCHF) is a national organization of the cooperative housing movement in the country and functions under the administrative control of the Ministry of Urban Affairs and Employment, Government of India. This organisation was set up in 1969 on the recommendation of the Working Group on Housing Cooperatives constituted by the Government of India in 1962 to promote, guide, coordinate and help the housing cooperatives in their operations, in the country. The National Cooperative Housing Federation of India, has been vigorously pursuing the cooperative ideology, while convincing and constantly making aware the public of its objectives, organizational activities and achievements in cooperative housing. It has brought out a number of books on various aspects of housing cooperatives for the benefit of housing societies and general public. It regularly brings out a monthly bulletin to disseminate information and knowledge on housing to cooperatives and other concerned.

It also organizes conferences and seminars to propagate the ideals, principles and philosophy of cooperatives and to discuss problems faced by housing societies. It has convened a number of seminars and conferences in the past and a number of such events are likely to take place in future. The NCHF has also set up a Technical Services Cell to provide technical guidance to housing societies. Technical training programmes are also organized in collaboration with HUDCO and other housing organizations for providing technical training to the personnel working in housing societies. It also undertakes research studies on various aspects of housing cooperatives. NCHF has also started covering (insuring) the properties of housing societies against

various perils in collaboration with the United India Insurance Co. It also coordinates the problems and whims of housing cooperatives with the Government of India and the State Governments, so as to focus the attention of policy makers. It is also an important link between the societies and the financial institutions like RBI, GIC, LIC, HUDCO etc. so as to place before them, in the right perspective, the views of the cooperative housing sector.

If we look at all the achievements of the housing cooperatives vis-a-vis the housing shortage, they have yet to play an increasingly important role to reduce the shortage backlog. Nevertheless, they have such potential provided they are given all possible assistance from the government and other governmental housing institutions.

Financial Resources for Primary Housing Cooperatives

Housing cooperatives at primary level in India have very limited sources of finance to depend upon. Following are the sources which a society can tap for raising its funds as generally provided by the bye-laws.

- a) Shares
- b) Deposits and contribution by members towards cost of construction.
- c) Fixed deposits
- d) Loans

(a) Shares :

Every society has to raise its funds by issue of share capital. Only a part of the required capital can be raised by issue of shares. The members of a cooperative housing society depending upon the society for arrangement of required finance to meet the cost of construction of their own dwellings can hardly assist the society in raising enough capital by way of shares. The provisions of the Cooperative Societies Act also prescribe the limit for individual shareholding in a cooperative housing society.

The capacity of a society to borrow funds is governed by the provisions of the Cooperative Societies Act and Rules and by the provisions of its own bye-laws. The provisions of the Cooperative Societies Rules in Maharashtra, Gujarat and Karnataka prohibit a society from raising its funds by way of loans and deposits exceeding ten times its share capital, reserve funds and building funds, minus

accumulated losses. All the cooperative housing societies have, therefore, to raise their funds by way of share capital at least to the extent of 10 per cent of their capital requirement.

(b) Contribution by Members towards Cost of Construction :

Another source of funds by a cooperative housing society is raising a part of its required capital by way of deposits from members. These deposits are generally known as contribution towards the cost of a member's flat or tenement or as down payments. The funds that a cooperative housing society generally can raise by this method are to the extent of 30 to 40 per cent of their total capital requirement. The amount that a member has to deposit as a building fund contribution will depend upon the amount of loan that can be availed of by the societies for such a member. Where a member does not desire to avail of any loan facility, he will have to deposit an amount equal to the cost of his flat or tenement as his building fund contribution. Where the society can get a loan for its members the amount to be deposited will be the amount equal to the difference between the cost of the flat or tenement and the amount of loan to be obtained.

(c) Fixed Deposits :

Cooperative housing societies are empowered under their by-laws to accept fixed deposits from their members. However, very few housing cooperatives can make use of this source for raising funds. In view of the Reserve Bank's restrictions, housing cooperatives are not authorized to raise their funds by accepting deposits from those persons who are not members.

(d) Loans from Apex Housing Federations :

Loans from apex housing federations is a major source of funds to the primary societies. The primary societies raise loans from the apex housing finance societies.

Sources of Finance for State-Level Apex Cooperative Housing Federations

The sources of finance for apex cooperative housing federations are as follows:

- a) Investment in share capital by primary cooperative housing societies, State Governments and other cooperative institutions.
- b) Loans from Government and Life Insurance Corporation of .

India, Housing and Urban Development Corporation, National Housing Bank, Commercial/Cooperative Banks etc.

c) Issue of debentures guaranteed by government.

(a) Share Capital :

Shares are subscribed by the primary societies according to the provision in the bye-laws of the apex housing finance societies. Minimum of one share is required to be purchased by a primary society, at the time of its enrolment. At the time of raising funds they are required to invest in the share capital depending upon the quantum of loan requirements which varies from 5 to 9 per cent.

The State Government also subscribe to the share capital of apex organizations so as to strengthen their financial base. The total share capital of apex housing finance societies is Rs. 2622 million. Out of which Rs. 792 million has been contributed by the Government and Rs. 1,828 million by the primary societies.

(b) Loans from Funding Agencies :

The Life Insurance Corporation of India (LIC), a fully owned Government of India enterprise is the major source of finance for the apex housing federations. It provides loans on the basis of 12 times the paid up share capital, reserve fund and building fund of apex societies. Earlier these loans were advanced on the guarantee of the government and now it is on first floating charge on the assets and properties of apex cooperative housing finance societies. The rate of interest is around 13.5% per annum with a 20 years re-payment period. The LIC has so far advanced Rs. 22159.82 millions to the apex housing federations.

Other institutional sources are Housing and Urban Development Corporation (HUDCO), National Housing Bank(NHB), Cooperative and Commercial Banks etc. HUDCO is an apex techno-financial public sector organization and its main focus is on low income and low cost housing. It has earmarked 10% of its annual sanctions for cooperative housing sector. Housing finance assistance is available to the apex federations and registered primary housing cooperatives for undertaking construction of dwelling units and for purchase of ready built flats/houses for their members. Maximum loan ceiling of HUDCO is Rs. 19,500 for Economically Weaker Section (EWS) to 300,000 for Higher Income Groups (HIG). The rate of interest is varying from 9.5% to 16.5% per annum for the above respective groups and a rebate of 0.5% to 1% on interest rate is allowed for prompt repayment.

The maximum repayment period is 15 years. Though HUDCO is a major financier for housing in India, they are partially involved in the cooperative sector as yet.

The National Housing Bank (NHB) was set-up in July, 1988, as the apex institution for the housing finance sector with its main objectives being the promotion of a healthy housing finance system and providing adequate finance to housing sector in India. NHB operates a Refinance Scheme for housing designed specifically to provide assistance to the State Apex Cooperative Housing Federations in respect of their housing loans to individual through the primary cooperative housing societies. So far an amount of Rs. 1167.8 million has been provided by NHB to the Apex Federations. With effect from 1st August, 1995, the interest rates are as under:

Size of Loan (Rs.000)	Rate of Interest (% per annum) to be charged by	
	NHB	Coop. to beneficiary (exclusive of interest Tax)
<u>For Acquisition/ Construction of new housing units</u>		
Upto 25	10.00	12.00 (maximum)
25 to 200	14.00	15.25 (maximum)
200 to 300	14.50	Cooperative is free to decide
<u>For Upgradation/Major Repairs</u>		
Upto 60	14.50	- do -

The Refinance to the Apex Federations is for a maximum period of 20 years.

The National Housing Bank and the commercial banks have yet not entered the cooperative housing sector effectively. Some of the apex societies have resorted to the issue of debentures. So far the States of Kerala, Delhi, Karnataka and Gujarat have issued debentures and raised an amount of Rs. 1426 million.

The finance mobilized by the apex societies as on 31st March, 1995, stood as Rs. 33228.57 million. Out of this 8.2% is as deposits collected and debentures issued, while the rest (91.8%) was mobilized as loans from different financing agencies as follows:

1. Life Insurance Corporation of India	66.69%
2. Banks	8.70%
3. Housing and Urban Development Corpn.	10.82%
4. State Governments	4.47%
5. Other sources	1.12%
	<u>91.8 %</u>

Cooperative Housing in Rural India

A remarkable achievement of the cooperative housing movement has been that its benefits have reached the less advantaged sections of the society. In particular, cooperative housing has made a significant impact in alleviating the housing problems in rural India and amongst the economically weaker sections of the Indian Society.

As mentioned earlier the rural housing problem in India has both quantitative and qualitative dimensions. The housing shortage in rural areas was estimated at 20.6 million units in 1991. Assuming a very modest cost of Rs. 6,000/- for a rural house, this implies an investment requirement of Rs. 123,600 million.

The rural housing problem has been engaging the attention of the Government for long. As early as 1957, the Village Housing Project Scheme was introduced which provides for the grant of loans for construction and improvement of houses by individuals and cooperatives and upto 31st December, 1978, about 1,00,271 houses have been sanctioned out of which 6,017 houses were completed. The scheme for provision of house sites to landless workers in rural areas was introduced as part of the National Minimum Needs Programme and eighteen States and six Union Territories that are implementing the scheme has altogether been able to allot more than 70 lakh house sites upto 31st August, 1992. The Housing and Urban Development Corporation (HUDCO) has also introduced a scheme to provide loans to agencies nominated by the States for construction of cheap houses whose total cost does not exceed Rs. 6,000/- per unit.

The Cooperative Housing Sector is also making significant contribution in this regard. As on 31.3.1995, about 2500 housing cooperatives were functioning in rural areas of the country. State apex cooperative housing finance societies have taken several measures to make this progress possible and to ensure its further contribution. In the States of Assam, Goa, Haryana, Jammu & Kashmir, Karnataka,

Meghalaya, Punjab, Rajasthan, Tamil Nadu and West Bengal a sizeable number of cooperatives under the apex cooperative housing federations are located in rural areas and contributing significantly to meet the shelter need of the rural poor.

Cooperative Housing for Weaker Section

While it is true that a number of cooperative housing societies have been floated by members from the more affluent sections of the society, it is also true that the cooperative housing sector has enabled several households in the lower income groups to gain access to housing. In fact, most such households could not have been able to construct houses of their own without recourse to cooperative housing as is evident from the fact that with an amount of Rs. 10,000 or Rs. 15,000 no worthwhile house can be built by individual effort, whereas through cooperative action considerable economy can be affected in land development, purchase of building material, technical consultancy, efficient architectural planning and providing of other infrastructure facilities like sewerage, water supply, electricity, approach roads etc. to bring the overall cost of housing down and within the reach of poor families.

Further, it has been observed that Apex Cooperative Housing Federations provide more than 50% of the loans which they obtain from the various financial institutions to the EWS and LIG categories and that 72 per cent of the houses constructed through cooperative housing have benefitted these groups.

Thus, on the whole, the cooperative housing sector is largely for the benefit of the poorer sections. Furthermore, it is encouraging to note that this trend is emerging more strongly over the year. For instance, 62 per cent of the houses constructed in the cooperative housing sector upto 1980 were for lower income groups and economically weaker sections, whereas the corresponding figure was 72 per cent a decade later.

Cooperative Housing and National Development and National Integration

The role of housing development in national development is substantial. On one hand shelter is a basic human need and the creation of mechanisms for provisions of housing to its citizens is a major obligation of the welfare state. On the other hand, housing is an industry in its own right and, as the largest part of the construction

activity sector which is one of the largest employment generating sector of Indian economy, contributing significantly to economic growth.

It is in recognition of this multi-faceted role of housing in national development that substantial state apparatus has been institutionalized for the supply of housing including Development Authorities at the city level and Housing Boards at the federal level, besides housing finance agencies. These effects notwithstanding, large proportion of the population throughout the country have to put up with poor housing conditions and hopelessness. This is because in quantitative terms, the public sector has managed to provide only a meager percentage of the total housing stock and much of the private efforts has either catered to the more affluent minority of the population (as in case of housing supplied by corporate sector developers) or been qualitatively very inferior (as in case of the prolific squattments and the unauthorized colonies developed through illegal land sub-division by small developers). In fact, the only component of the private sector that has effectively supplemented state efforts for catering to comparatively less affluent sections of the society in the supply of good quality housing is the cooperative sector which has, through a vast institutional network at primary, district, state and national levels, supplied some 2 million dwelling units so far.

Housing cooperatives have contributed to national development through housing development in not only quantitative but also qualitative terms. The housing stock created by housing cooperatives is qualitatively superior to that created by other supply sub-systems catering to comparable income groups. Furthermore, inasmuch as the process of housing supply through housing cooperatives involves a high degree of participatory involvement of members, the housing stock created is more responsive to user needs than housing supplied through any other sub-system. A direct consequence of the high degree of user-satisfaction is a total absence of the apathy towards maintenance that is characteristic of most other housing for lower and middle income groups. On the contrary housing cooperatives, besides, generating a sense of responsibility amongst users for post occupancy maintenance, also provide the necessary mechanism for affecting it. The sustained quality of housing environment has long term cost advantages over most other housing types which often deteriorate for want of adequate maintenance and have to be upgraded by substantial cost. This is over and above the one-time cost advantages accruing from the project cost efficiency that housing

cooperative projects typically demonstrate, vis-a-vis the cost of, for instance, comparable public housing projects, on account of the concerted efforts of members to keep overheads to a minimum and to effect economy in construction by other means as well.

The role of housing cooperatives in fostering national integration can be viewed at two level. On one hand, by the very process of participatory involvement through which they supply housing, housing cooperatives can become instrumental in bringing people together and in creating some kind of community cohesion that transcends linguistic, cultural and religious boundaries. On the other hand, by virtue of being community based organizations at the residential level, they have the potential to play a substantial and continuing role in collective educational efforts for improving social values in general and other goal-directed social developmental inputs in particular.

Housing Cooperatives, by fostering intimacy, cohesion and good relationship at the neighbourhood level can create conditions conducive to character building of the younger generation who can then be expected to better handle the onerous responsibilities of nation building in the future. As an extension of this general collective educational role, cooperatives could also pursue more specific educational tasks. An important input in this area would be the implementation of suitably designed and monitored personality development programmes for youth with a view to build leadership qualities. Another area, and one which the National Cooperative Housing Federation of India has already collaborated with the Government of India, is the organizing of family welfare programmes aimed at population control through family planning and better standards of public health. To the extent that a declining value system underlies the emergence of narrow-minded loyalties that have undermined the spirit of nationalism, such a collective educational role geared towards character and value building would directly contribute towards National Integration.

Conclusion

The Cooperative Housing in India is an important sector for the low income housing, slum improvement, social rental housing and rural housing areas which are almost neglected by private agencies due to low profit margins in these areas. However, there are many impediments to its growth and functions, including difficulty in getting land for construction activities, lack of proper training in cooperative

management for the primary cooperative executives, large number of Government regulations in land, legal and planning and such other problems. These problems would be overcome partly as and when government removes these hurdles in obtaining land and allocate more resources to cooperative housing sector.

However, the Government of India on realizing the gigantic nature of housing problem to provide houses to the teeming millions of homeless through public agencies is now following a policy of supporting the housing activities rather than direct provision of housing through public agencies. Recently there has been phenomenal growth in housing finance companies and schemes and this has addressed the fund problems to a large extent. Legal and technical constraints are being slowly removed to help housing cooperatives to bring more initiative in housing sector. Also the National Housing Policy formulated by the Government of India recognizes group based or cooperative activity as the principal form of housing activity in large urban areas and in rural settlements and suggested that the housing cooperatives be encouraged to play a greater role in housing activities through preferential allotment of land and finance.

Keeping with the spirit of ongoing liberalization policies in India, the Government is in the process of liberating housing sector from irrational controls such as Rent Control Act, Urban Land Ceiling Act etc. The noticeable improvements in the housing finance system of the country brought about by the proliferation of housing finance institutions, has received additional boost recently with the interest rates for lending being deregulated by the Reserve Bank of India. Keeping in view the liberalized economic environment the Indian Cooperative Housing Movement must aim to identify the weaknesses of this sector for safeguarding against the threats of competition and also to identify the strengths with an intention to catch' on the new opportunities available.

Housing Worker Cooperatives in Indonesia*

- Performance & Perspectives

1. Introduction

The major goal of Housing Development through worker cooperatives in Indonesia, is to improve the workers welfare, and hence help them increase their work productivity in the industries.

This paper presents the roles of Koperasi Karyawan (Worker Cooperatives) in providing simple houses for the members and the relevant societies. The construction considers the accessibilities (both to work place and near by city), income, preferences of the users. In this regard Worker Cooperatives in the design and development process are driven to match the increasing demand of the low-medium income people, by introducing more competitive services. As the demand is increasing, due to the expansion of industries in the country, the market share of Worker Cooperatives is expected to increase more progressively.

The foundation of Worker Cooperative housing development has laid down the potential and effective demand at the primary worker cooperatives. They are located in the individual companies either private or government enterprises. These primary Worker Cooperatives may have members in the range of 50 to 15000 workers. The number of primary worker cooperatives are extending during the last ten years, due to some domain factors:

- (i) In the Second Long Range Plan (1994 - 2020), industrialization, agro business development, which employ more workers, become significant contribution to the GNP of Indonesia. The roles of workers are linked with the performance of the industrialization process.

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- (ii) The Human Resource Development strategy within the First Five Year Plan of the Long Range Plan (1994-1998) has been explicitly mentioned in the Basic State Policy Guidelines; and the Strategic roles of Worker Cooperatives are in line of this matter, i.e. improve Human Qualification.
- (iii) In the global economy, the firm competitive advantages can be significantly affected by productivity, professionalities, human participation of the workers.

2. Why Firms may also promote Housing for Worker Coops

Within relevant environment of global economy, a firm may have to concentrate to strategic issues of the business. Those non strategic ones, such as supplementary and momentary housing businesses, can be developed by worker cooperatives.

The business housing networking for above between the Firm and Worker Cooperatives can improve "business language" to support the cooperative advantages (i.e. efficiency) of the firm concern. The worker participation within the firm can be developed more optimally, through their involvement within the workers cooperatives.

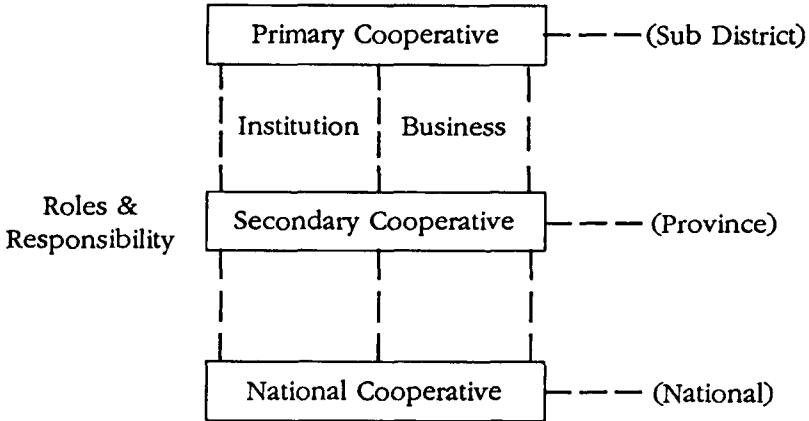
- i) The need for improved productivity will be correlated with their housing support from the firm. However, under the present wage level, the need for housing should be supported through the employee cooperatives.
- ii) Since the firm, should concentrate on strategic issues, the workers cooperatives may have the opportunities, among other, housing construction, to meet the need for housing by workers of the firm concern.
- iii) In handling the housing programme, the workers cooperatives, may develop the cooperatives firm's competitive advantages in supplying the housing needs for the members and the relevant societies. In addition the surplus can be allocated for the workers benefit.

3. The Organizational Structure

The basis of the worker cooperatives is the primary one, operating and establishing for, through the individual members within an enterprise. It covers minimum 20 workers and maximum of thousands workers. Usually the Head of Board of Directors is assisted by Vice-Head, depend on the size of the members, business potential. They are appointed by the Members Yearly Meeting (i.e. Primkopkar).

A number of primary cooperatives, at least five within a province, may open to establish a Secondary Cooperative, developing the interests, promotion, public relations either with firms or local government for the benefit of primary ones (i.e. Puskopkar).

Furthermore at the national level, at least 3 Puskopkar is allowed to establish the representative organization (APEC, National) which is



called Inkopkar. Similar to Puskopkar, Inkopkar may have roles and responsibility for the promotion, guidance, system information, training, public relations with either domestic or foreign institutions for improved performances of the Worker Cooperatives in the country.

The formulation of Blue Print or Basic Policy by the Members Yearly Meeting can be the basis for Board of Directors in developing the Worker Cooperatives Action Plan and its Implementation.

Table 1 : Performance of Worker Coops in Indonesia 1979 - 93

Performance Year	Membership			National APEC	
	Secondary (Puskopkar)	Primary (Primkopkar)	Individual (Members)	Employee	Sales Value
1979	Few	N.A.	N.A.		
1985	5	1700	N.A.		N.A.
					Established
1989	9	4001	2 Million	2122	175 Billion
1990	15	4121	2,235,116	2504	300 Billion
1993	26	6125	2,552,627	3408	865 Billion

Source of Data, INKOPKAR, Jakarta, October 1993

4. Operational Goals

The operational goals of Inkopkar (National Worker Cooperatives) as well as the Secondary and Primary are as follows:

- (i) The business development in Services, Trade, Industry within the framework of increasing business share and the members welfare.
- (ii) To improve the Human Power Qualification in business, technology, management moving towards self-reliance.
- (iii) To develop cooperative network with other cooperatives, the private and government enterprises as well as the government agencies.

The above operational goals are mostly reflection of secondary and primary worker cooperatives mission and the long run goals.

5. Primary Cooperatives

The routine business of Primary Cooperatives may find difficulties for expanded businesses, due to:

- a) the low wage level of the workers may limit their participation to the worker cooperatives,
- b) in relations to point 1, values system of these workers may be inclined to short run - immediate output rather than for longer run perspectives,
- c) due to increased needs or demand by the workers, may force them to access loan from the cooperatives for consumptions rather than investment purposes,
- d) the low income level may also limit their saving capacity within the cooperatives. Hence capital accumulation is also limited,
- e) in one aspect of low saving, on the other hand, the loan repayment may take long time, while the amount of loans are often increasing. That is why the needs for external fund are also demanding.

6. Secondary Worker Cooperatives

(Case of East Java, the most prominence province in view of business, contribution to GNP, growth of industry, cooperatives growth, housing development for the workers, with population about 20 million people).

The members of this Secondary Worker Cooperative, cover, individual primary worker cooperatives may have members in the range of 50 - 15,000 within the private and government enterprises.

The favourable climate for the Secondary Cooperative existed in Indonesia because of the Provincial government policy in promoting the institution and business of the cooperatives, including worker cooperatives, due to particularly of the number one cooperative success for East Java province (i.e. maintaining goodwill of the province, as the indicator of successful development) and the training, courses in management, business for the members and management of the Secondary Workers Cooperatives.

7. The Internal Limitation

- the concerted efforts and time of Board Directors, Supervisor in other firms and primary cooperatives, may limit their roles in implementation in the Secondary Cooperatives. (note: these personnel may have multi managerial roles within different cooperatives, jobs etc.,
- the networking in view of system business information, cooperative efforts, joint business development etc. not yet optimally developed,
- lack of favourable climate or relationship between Worker Cooperatives and the Firm with respect to promotion, opportunities, career development, net working etc.,
- the limitation of financial sources from the members may hinder the business potential to be realized.

8. The Institutional and Business Development

For having similar perception on the roles and responsibility in promoting the primary cooperatives, regular meetings among the Management (i.e. Advisor, particularly Board of Directors) are held weekly. The public relations are also developed through both formal and informal approaches.

The provision of guidance on the organisational system, administration, management, accounting and also direct information for the members. Feedbacks from the latter, is expected to improve the services by Puskopkar and/or Inkopkar as the Secondary and the Apec Organisation of the Worker Cooperatives.

The Business Development includes, the housing development, consumption store and trade, saving and loan, and networking of cooperatives business.

9. Housing Development

a) Puskopkar (Secondary Worker Cooperative in Riau, Northern Part of Sumatera).

- The acreage of the housing complex for the worker cooperatives will be extending within the 150 hectares (1 hectare = 10,000 m square). The first stage construction of 500 units of houses out of 4660 units has been completed by October, 1993.
- From my visit and discussion with the Housing Workers employed by Puskopkar, the following data was presented:
 - (i) The units of houses has been set the design, lay out, standard of the building etc. Puskopkar open contract with the housing workers, having experiences in building the simple houses.
 - (ii) The contract is set in connection with the completion of units of houses and the compensation.
 - (iii) It was reported that during 3 months, 5 worker can accomplish about 12 units. This may vary, 5 workers can complete 2 -3 houses in 2 months. On completion of one unit house, Rp. 1.2 million can be paid for about 5 workers.
 - (iv) Individual workers can earn income about 180 - 200 thousand rupiah per-month. After deducting for the daily consumption, they are able to send part of the income to their family in the village. They mentioned that every 2 - 3 months they visits the family in the rural areas. Sometimes they spend to manage and cultivate the land in their villages during the spare time. Due to economies of operation and access to land, the units of houses can be sold about 30 - 40% below the market prices.
 - (v) Assuming that the above sample representing the number employed for the completion of the houses, the total number employed during 3 months can be:

5 persons for 12 units, then it will be 42×5 persons (i.e. 500 unit/12), so that total number employed about 200 persons. However, due to the material handling and stage development of the project it can last for 2 years or more (for 4660 units). In this regard the same housing workers may work for one year. Hence the number of workers employed may range between 75 - 100 persons for the completion of 500 units houses over the year.

(vi) The multiplier effects of these housing development, can be the following employment.

- the raw materials, particularly using the local contents, such as tile, wood, workers, cement etc; - the overhead of Puskopkar (Secondary Worker Cooperatives) in handling the expanded business, which increase the administrative works, public relation, office equipments (computer, facsimile, phone etc.) and operational personnel. However, the overhead costs is estimated to be less than 12% out of operational costs;
- the provision of transport, consumption, for the housing workers;
- the follow up construction of the houses can be: schools, market and other infrastructures for the workers who will be living in the housing areas. As the profit for the housing construction was marginal, these follow up infrastructures can be new opportunities for Puskopkar business.

b) Puskopkar East Java

Earlier development of the Riau, the pioneer has been taken by Puskopkar in East Java. Due to the acceleration of industries during the last Five Year Development, the potential demand by the workers in East Java has been increasing. The response to supply the housing needs, developed by Puskopkar is with the following performance:

Table-2

Performance Area	Realized up to 1993-94	Six Five Year Plan Target by 1994-99	%
East Java			
1. Gresik - 20 km. (from the capital of province)	600	1,800	33%
2. Sidoarjo - 30 km	Start by Oct. 93	5,000	-
3. Pasuruan - 50 km	Design & operational plan approved	1,500	-
4. Malang - 90 km	Planned	1,500	-
5. Other 9 provinces	20,000	5,500	30
Total Indonesia	±25,000	75,000 units	33%

Source : Inkopkar, Jakarta, October, 1993

Demand for new simple housing by 1993 - 98, ranges between 0.75 - 1.0 million units per year.

Using similar calculation as Riau, the number of employment creation and its multiplier effects can be estimated. However, further studies on "how and the follow up development of the projects" need to be conducted for 2 major purposes:

- First : The business extension can be made possible in the longer run by Worker Cooperatives, if their competitive advantages can be maintained. Even, they are developing in line to meet the changing market (the precondition for PETC, Promoting Employment Through Cooperatives, Gary B. Hansgen, ILO Coop Branch).
- Second : To find out the potentialities of cooperatives and how this can be justified as realistic and can be self-sufficient for the cooperative movement in the future (the dynamic Synergy through Cooperative Entrepreneurship Unit: CEUs).

Taking into account the limited resource capacities of Worker Cooperatives, the Housing Division within the organisation (Primary, Secondary and the National levels) may decide the following actions:

i) Joint Housing Construction:

In this case the Worker Cooperatives Organize the marketing of the houses for the workers. While the private developer can provide the necessary funds, operational plan and the personnel team for the housing construction.

ii) Cooperation with the Financial Institution:

Bank, BTN (Bank Tabungan Negara), the Government Saving Bank, KAI, Koperasi Asuransi Indonesia (Indonesian Cooperative Insurance) and other financial sources.

In this regard the Worker Cooperatives may take position as Developer.

iii) Cooperation with the Financial Institution, and may integrate team personnel as developer and Expertise personnel.

In accessing land for housing development, a developer (inc. Worker Cooperatives) may find out:

- the state land,
- land by private owned then consolidated.
- the transfer of land by the owner (s) in line with Law of Housing No. 4-1992 about Housing (allowing individuals or collective persons to built housing in the legal land).

10. Major Points for Discussion

a) In serving the members' needs for housing, Indonesian Worker Cooperative Alliance (IWCA) considers 3 major factors:

- i) the capability and the preference for housing by the members, taking also into account the environment of the industries they are working;
- ii) in supplying the houses, the locational accessibilities are given major weighting factor in choosing the site plans of the housing complex. In addition, worker cooperatives design competitive advantages with respect to quality-standard and prices rendered members and customers;
- iii) In addition to the above consideration, additional income after housing completion, need to be developed (income generating programme) either through cooperative business, individual or group of them.

- b) In the process of developing such houses, the mission - operational goals is induced through phylosophy.
- Serve better for longer run m - m business perspectives (m - m means management - members relationships). The mission of IWCA may cover three major aspects:
- (i) increase the housing construction for RS & RSS (simple houses and very simple houses respectively) for the next Five Year Plan up to 25 - 30% (from 5 - 7 % by 1993);
 - (ii) improve competitive advantages in view of a (i) and a (ii) above and other services to gain appropriate surplus and welfare of members;
 - (iii) develop qualified personnel, in terms of cooperative culture and business professional.
- c) During the development, however, IWCA may have found both internal and external problems. Internally, the limitation of personnel, capital, access to land certificate appropriate for housing etc. The challenging external factors may include the competition, more appropriate technology, bureaucratic licencing -procedures, social values etc.
- d) In responding to the problems, IWCA has developed the following models, suitable to the internal resources in matching the relevant environment:
- i) Joint venture between IWCA and Private Enterprises, in which the latter may provide the necessary capital technology and the personnel. In this case IWCA, promote the marketing and risks in handling the contracts for housing construction.
 - ii) Cooperation between IWCA and the government Banks, Credit Institution and the other institutions;
 - iii) Cooperation with other institution, such as through Venture Capital and appoint team developer, from IWCA and the partners.
- e) Although the market for housing are tightly competitive, the worker cooperatives may have prospective market share due to the following major factors:
- i) the relationship between the Primary - Secondary Worker Cooperatives, are becoming basic assets in identifying and access to captive markets: the members and the

adjacent customers (within the areas of industries);

- ii) the relationship among Worker Cooperatives may gain advantages in accessing the quality, prices, terms of payment delivery etc. so that promoting better competitive advantages;
- iii) the relationship with government Ministries/Departments, relevant to business agencies, which may facilitate the access to housing development programme through Worker Cooperatives; and
- iv) the emergence of personnel within the Board of Directors and management of IWCA to focus on improved business services for the benefit of the members and the cooperatives (goodwill, surplus, continuity of coop business etc.)

From this housing programme, the workers may feel happier, and access to work places more conveniently, which help them improve their work productivity.

Housing Cooperative Movement in Myanmar*

1. Brief Description about Myanmar

Myanmar is the largest country in the South-east Asia, sharing borders with Bangladesh, India, China, Laos and Thailand. It has a total areas of 676,577 square kilometers with 60% of the area covered by forests. The capital city is Yangon and is the gateway to the country, with a population of approximately 4 million. Its currency is Kyats.

The population of Myanmar was 43.92 million as of 1994-95 estimate. Buddhism is the major religion and 85% of the population are Buddhists and the other religions are Christianity, Hinduism and Islam. Myanmar (Burmese) is the official language and English is the international language of the country. Agriculture is the mainstay of the economy and teak, gems, beans and pulses are exports of the country. It has a rich cultural heritage.

2. Short account of Myanmar Cooperative Movement

Myanmar Cooperative Movement originated in 1905 and is now over 90 years old. A new cooperative law was enacted on 22 December 1992 in accordance with the market oriented economy, which has changed in 1988. The government of Myanmar support for the development of cooperatives and ardent efforts have been assisted for their development. The movement through its apex body, the Central Cooperative Society, joined the International Cooperative Alliance in 1993 and since have actively participated in the international arena of cooperatives.

The cooperative movement of Myanmar has an independent ministry. The Ministry of Cooperatives nurture for the development of the cooperatives with minimum interference of its independence and

* U. Myo Thant, Chairman, Construction Cooperative Syndicate, Yangon and U. San Tun, Chairman, Civil Engineering Construction Cooperative, Yangon.

ensuring their growth and development in accordance with cooperative ideals and principles. The Cooperative Department exercises the statutory functions and have the responsibilities for expansion and development of the cooperative societies. All the cooperatives must be registered with the Cooperative Department.

In 1996 as of 30th January there were more than twenty thousand cooperatives with different purpose and with a total membership of more than five million. Among these cooperatives (12) societies are carrying out construction and some housing projects in Myanmar. But there exists no housing cooperatives. These societies are mostly known as construction cooperatives and they are formed under the new law and are registered with the Cooperative Department. These societies with total of 500 members and paid up share capital of 3.9 million kyats have carried out construction projects and housing projects worth 124.8 million kyats. Out of which more than 109 million kyats were and for housing projects. Cooperatives are also encouraged to undertake housing development projects for their members and become self-sufficient financially.

3. Housing Scenario in Myanmar

Total households in Yangon itself would be around 700,000 by the end of 1996, and it is estimated that annual housing demand will be around 9,000 units. Department of Human Settlements and Housing Development under the Ministry of Construction is responsible for the development of housing sector in the country. But engagement of that department to promote the housing sector as a whole appears to be inadequate. The constraints for the development of housing sector is thus concluded as follows:

- Lack of adequate land distribution system
- Lack of housing financing system
- Lack of supportive measures and
- lack of government initiatives to form housing cooperatives.

A system to support the people requiring financial assistance for housing is yet to be developed in Myanmar. The said department is now emphasising to the nation wide housing and urban development rather than Yangon city development., Most of the construction cooperatives are formed only in Yangon and some major cities. With the growth in population and decreasing man-land ratio in the rural areas and the population movement from the rural areas into urban areas will consequently increase the housing demand.

4. Status of Housing Cooperatives

The Civil Engineering Construction Society since 1986 have dealt with housing units which were constructed in consultation with the housing authorities. Through the government support for the development of cooperatives, formation of **housing** cooperatives was not encouraged. The mentioned construction cooperatives, based on their financial situation have so far constructed dwelling units for a total worth of 44.8 million kyats. It consists of nine structures of different storied buildings with reinforced concrete, housing a total of 140 apartments. These apartments have been sold to the cooperative members as well as to the public. Out of these 140 apartments most of it were sold and only about 15 apartments, lack buyers. The cost of these apartments varies with the minimum price about 0.5 million kyats and the maximum about 2 million kyats. Although cooperatives were encouraged to participate in the development programmes, but these were unable to participate due to financial constraints.

In Myanmar there is no housing shortages, and therefore **there is** no call for Housing Cooperatives. But with the change of economy, the capital city and some major cities are experiencing some kind of housing shortages due to increase in urban population. In addition, the low national income, inadequate infrastructure and low level of technology development, will lead to housing shortages in very near future.

5. Housing Policy and Programmes.

The Government is directly involved in the housing sector and outstanding success have been achieved so far. At present private sector is involving more and more in housing business, in collaboration with the government. The government with the increase in population, have established four new satellite towns and have upgraded some of the township features. The Government with the aim for city development have laid down six programmes which include housing complex, high-rise and commercial buildings, building of apartments in burn-out-areas, and new service apartments. In line with the development of market economy, the city development will further develop into industrial zones which have been located in three places.

6. Conclusion

Although Myanmar Cooperative Movement lacks housing cooper-

atives for the present, the days are numbered for the development in a very near future. But our country has many similarities with neighbouring countries in socio-cultural and in economic conditions. And we fully agree with the recommendations stated in the interim report for sharing of our experience, expertises and resources in housing for our common benefits, socio-economic welfare of the people and better international relations.

The need of the day for our cooperatives is exposure to the outside world. The practices and achievements are valuable insights which can promote inter action among cooperatives and sharing of our experiences. Funding is the crucial part of our movement in our country, and funding from international financial sources and other eligible institutions will be a welcome gesture for the development of housing cooperatives in this region and in Myanmar.

Cooperative Housing Movement in Pakistan*

1. Introduction

The activities of Housing Cooperatives were started in Pakistan as far back as 2nd December, 1919. The number of cooperative societies in the second largest province of the country i.e. Sindh Pakistan is 1,032. The number of other provinces could not be collected due to some administrative reasons but it is estimated that around 2,000 such societies exist in Punjab and about 1500 in N.W.F.P. and 1000 in Baluchistan bringing the total to about 5,532 societies in the country.

Generally, following categories of Cooperative Housing Societies are formed:

- i) Tenant Ownership
- ii) Tenant Co-partnership
- iii) Other Housing Societies

Mostly the pattern of Tenant Ownership Housing Society is adopted in Pakistan, where in societies acquire land, carve out plots, develop and allot to their members on leasehold and members themselves construct their houses.

Most of the societies have provided plots of land with developed infrastructure like roads, water supply, sewage and sewerage, electricity, gas supply and provision of telephones etc. The construction of houses is the option of the members, who usually build the houses according to their own taste and financial capability. A few societies have however, built townships for their members but their number is very limited.

* Bashir A.K. Siddiqui, Chairman, National Housing Foundation and Sindh Government's Employees Cooperative Housing Society, Karachi, Pakistan

2. Construction Cost

The cost of construction has increased enormously in recent times. The cost of a simple cement, concrete, steel reinforced structure is as under. These figures are for low cost housing:

One room sets	US \$ 1818	Rs. 60,000/-
Two room sets	US \$ 3152	Rs. 1,04,000/-
Three room sets	US \$ 4000	Rs. 1,32,000/-
Above three rooms	US \$ 5636	Rs. 1,86,000/-
And for every additional room add per room		Rs. 40,000/-

3. Housing Shortage and Problems

The housing stock in Pakistan is estimated at 12.58 million units comprising 3.55 million units in rural areas and 9.03 million in urban areas. There is an acute housing shortage in Pakistan which has been worked out at 6.25 millions units (1.94 million urban and 4.31 million rural), increasing annually by 0.15 million units which is an alarming situation, and needs to be resolved.

Federal and Provincial Governments have separate Housing Ministries at the Provincial and the Federal level. A number of Housing Projects have been proposed in the 8th Five Year Plan though it is difficult to attain the goals with limited resources.

The cooperatives and private sector have therefore taken up the challenge to supplement the efforts of the Government in letter and spirit.

The housing problem in the cities has aggravated due to increasing rate of urbanization of the rural population and due to rapid industrialization and mechanization of Agriculture the surplus of rural population is migrating to the cities in search of work. This has put a tremendous pressure on infrastructure facilities, of the existing cities.

As against the total shortage of 6.25 Housing Units, the annual housing production is only 0.3 Million Units. Thus the backlog will increase at the rate of 1,50,000 units every year. This problem will further aggravate by 3% per annum, due to population growth.

Thus it will be appreciated that it is only through effective and imaginative cooperative movement, the problem can be tackled with success.

4. Government Support

With the new market economy slogan, the Governments in almost all the countries have taken away or have reduced the support to the Cooperative Societies as they are of the opinion that cooperative movement is the legacy of communistic economy. Hence, there is a need for International Cooperative Alliance (ICA) to have dialogue at the highest level with the Governments to convince them that Cooperative Movement is the only method left to off set the injurious effects and harmful practices which are the necessary result of unbridled market economy.

The preset housing policy of the Government has been designed to provide a house for every shelterless family in the country and it lays down the strategy to solve the housing problems of Pakistan. It lays emphasis on low income housing projects in major cities.

The Government had formulated a programme for construction/ upgradation of 150,000 housing units for the shelterless during 1988. But due to lack of funds and non-availability of land only about 21,700 units have been completed so far. A plan for providing 300,000 housing units has been submitted by the National Housing Authority to the Planning and Development Division for consideration clearance.

5. Housing Finance

The financing facilities in Pakistan for giving House Building loans are as under:

House Building Finance Corporation advances loans from Government side upto 60% of the construction cost to a maximum of Rs. 8,00,000/-. There is a grace period of one year to commence repayment of loan instalments.

City Bank finances also extends the facilities upto 60% of the total cost. Maximum amount to be sanctioned is Rs. 20,00,000 whereas, International Housing Corporation, which is a member of World Bank, advances credit for house building. Their rate of interest at market rates is 17% to 20% per annum and repayment period is 12 years only.

Thus the interest rates range from 15% to 20%. The advance is 60% of the cost of building a house. It will be seen from the above that it is very difficult for low income sector of builders to mobilize resources to build a house.

The cooperative movement in the Housing Sector has to face the problem of finances to carry out these objectives. These problems are common both to developed and developing countries. The developed countries have effectively checked the population growth, but this problem is still eluding the solution in developing countries.

Where 70% of the population of a country lives below poverty level you can well imagine the magnitude of the problem and the difficulty of its solution. Even Japan, a highly developed country has to help out their Housing Cooperative Societies which are facing Financial crisis. This problem can only be solved if the developed countries help the poor countries by way of grants or loans on low interest and on long term basis.

6. Technology Transfer

Besides the technology involved in reducing the cost of building housing units should be transferred to developing countries and also from one developing country to other developing countries. Recently, I saw a programme on Zee T.V. that an Architect in India had reduced the cost of construction to Rs. 86 per sq.ft. as compared to Rs. 300 to 500 per sq.ft., that is being incurred by normal builders. This type of information should be freely exchanged between the Cooperative Housing Societies. Any other information about labour saving devices and material innovations can also be exchanged. The ICA-ROAP can play a very important role in this direction by collecting such information and circulating the same in member countries.

7. Conclusion

The market price of land is rising by leaps and bounds. It is therefore necessary that Government should grant land to cooperatives from the Government owned blocks of land at low cost. The ICA-ROAP can take a lead and approach the Governments to change their policies in this respect in favour of the cooperative movement.

The cooperative movement should also be exempted from Income Tax, Stamp duty, Registration fees and other taxes to encourage the members to acquire plots and to build houses and thus reduce the acute shortage of housing and give an impetus to the cooperative societies to accelerate their activities in the Housing Sector.

Cooperative Housing Movement in the Philippines*

On the basis of our definition of what the housing cooperative (as have been discussed and elaborated by the previous cooperators and speakers), there exist no housing cooperative in Philippine. There are however associations or groups that bind themselves for the eventual end of ownership of housing units but for all intents and purposes they neither operate or act under the existing Philippine Laws as housing cooperatives.

With the exception of a condominium or tenement type buildings, the ownership of a real estate property including all improvements therein, the manner of acquisition, the terms and conditions of financing and mortgage has always been hinge and manifested by the title of the land.

In the Philippines today there is a boom in the property market specially in the middle income housing sector for it's demand and on various industrial and tourist oriented facilities promising a viable speculative investments. The construction of housing units for the low income group have been marred and mired by all the main players:

- a) The Government with inconsistent policies and the usual bureaucracy,
- b) The Developer or Contractor - who does not see any worth while investment on this particular projects, and
- c) The Prospective Homeowner - who either cannot afford the housing units being offered or simply deems the unit as far below the value of his money and totally insufficient for his needs.

As early as 1990, when the official population figure was pegged

* Andre T. Almocera, Chairman and Roger F. Maraya, Director, First Builder's Multi-Purpose Cooperatives, (FBMPC) Philippines.

at 60 million, there already existed a total backlog of 4 million housing units. The government hopes to reduce it by 25% by the year 2001. Then and now these shelter programmes and targets have never been met.

The delivery of a housing unit- regardless of type or cost in the Philippine setting entails the following factors and it's attendant problems and peculiarities:

- 1) Land Acquisition Cost - the high cost of urban land which translates into desirable locations but unaffordable prices and the lack of other moods of acquisition.
- 2) Land Development Cost - not enough understanding of what is sufficient government support in terms of developmental requirements (particularly those that involves ecological or environmental concerns) and financing development cost.
- 3) Labour & Material Cost of Housing Units - homeowner's expect their housing units to be made of concrete and steel (with the 'BAHAY NA BATO' mentality) only to be discouraged to find alternative construction materials which are economically cheaper and structurally sound.
- 4) Management & Administration - which translates into cost when efficient technical, cost and quality inputs are required.
- 5) Financing Cost - the rate and availability of funds and the 'Banks finances those who can afford policy', lack of creative financial arrangements or incentives.
- 6) Taxes, Permits and Documentation - this a concern among cooperatives about governing in consistencies and bureaucracy - in granting tax exemptions to cooperatives at a national level but not implemented on a regional level.
- 7) Sales & Marketing - the cost in selling and promotions or advertising (the brokers & reactors) and all the processing of loans.
- 8) Profit - the profit incentives must be compatible and acceptable in terms of prevailing financing cost and market prices.

Our experience as a primary cooperative-composed of engineers and architects-undertaking housing projects has been both professionally and financially rewarding. Our interest in this seminar is further heightened because we as a cooperative plans to undertake the housing for the low-income group as a business joint venture with:

- a) the government agencies/offices currently tasked to implement the housing programmes, and
- b) with the other cooperatives both primary and federations who in one way or the other has the programmes or provisions that compliments the implementation and delivery of the housing units to the low income groups.

To a certain extent these efforts while cannot be completely called 'Housing Cooperatives', is fastest and viable means or mode of undertaking within the cooperative structure without upsetting existing government programmes and institutions, financing entities and most of all the cultural values, we Filipinos attached to our homes.

The data in Appendix 6.5 (a) shows the relevant answers to the questionnaires received by FBMPC. However, the data collected by FBMPC, due to time constraints and distance factor from national capital region were based on Region VII particularly in Metro Cebu where FBMPC is currently based. For general information, the Philippine Archipelago is divided into 15 regions and Region VII consist of the islands of CEBU, Bohol, Negros and Sequijor.

1. Country Particulars

Country	: Republic of the Philippines
Capital	: Metro Manila
Area	: 300,000 per square meters
Population	: 60,673,206 (as of 1990)
Literacy rate	: Total Literacy
	: Males : 17,050,157
	: Females:17,107,135
International Relations	: Member of the UN, OPEC and ASEAN
Currency	: Peso (P)
	: Exchange (March 1996) US \$ - P 26.191

2. CDA-CEBU Extension Office

Registered & Confirmed Cooperatives as of December 31, 1995 (in Region VII).

Types of Cooperatives	Total	Bohol	Cebu	Neg. Or.	Siquijor
Multi Purpose					
Agricultural	716	299	309	67	41
Non-Agricultural	543	140	358	35	10
Service	20	1	14	4	1
Producers	27	8	14	4	1
Marketing	9	4	3	2	-
Credit	105	26	57	19	3
Consumers	44	7	25	11	1
Consolidation	3	2	1	-	-
Merger	1	-	1	-	-
Hospital	1	-	1	-	-
Coop. Banks	3	1	1	1	-
Area Marketing Coop.	1	1	-	-	-
Federation	12	4	5	2	1
Union	5	1	2	1	1
Total	1,490	494	791	146	59

3. Number of Registered and Confirmed Cooperatives Nationwide as of December, 1994

Type of Cooperatives	Confirmed	Registered	Total
Multi Purpose			
Agricultural	2,205	19,467	21,672
Non-Agricultural	426	5,953	6,379
Credit	1,045	964	2,009
Consumers	272	333	605
Producers	110	356	466
Marketing	147	281	428
Service	177	517	694
Laboratory Coop	0	5	5
Area Marketing Coop	13	0	13
Cooperative Bank	29	10	39
Federation	46	322	368
Union	46	10	56
Grand Total	4,516	28,218	32,734

4. Status of Tenure

i) Tenure Status of Land

Tenure Classifications	Metro CEBU (%)
Legally Purchased	16.5
Leased with Contract	1.5
Rented with verbal Agreement	24.8
Rent Free with Landowner Consent	14.8
Regularized (Previously squatted)	4.8
Squatted	14.8
Others*	22.8

* Respondents claiming to have "Inherited the Property" but have no legal documents of ownership in their names.

ii) Legal Securities:

Homelots in the region are characterized by a low level of legal security of tenure. Only three categories from the survey data are based on legal documents (either title or lease contract) and considered legally secure: "Legally purchased", "Leased with legal contract", and "Regularized". Urban households show a higher level of legal security than rural households, but the percentage in all areas is low with less than a quarter of all households in the region with legal security of tenure. In rural areas tax declaration seems to be sufficient for securing tenure, but it is not accepted as collateral.

iii) Lot Sizes:

1. Median Lot sizes in : Rural & urban areas - 85 sq.m
Median Lot sizes in : Metro Cebu - 72 sq.m
2. Mean Lot sizes in : Rural & urban areas - 50-60 sq.m
Mean Lot sizes in : Metro Cebu - 50 sq.m

iv) Tenure Status of Dwelling Units:

Tenure Classification	Metro Cebu %	Other Urban %	Rural %
Owned	78.8	74.1	85.5
Cooperatively Owned	0.0	0.5	0.5
Tenant of private individual	15.3	2.1	1.5
Tenant of Institution/Govt.	0.0	0.0	0.3
Rent Free	5.0	6.7	3.3
Lease Purchase	0.0	0.7	0.2
Others	1.0	15.9	8.4

5. Housing Types

Housing stock in the region almost consists of single detached units ranging from 84.5% to 99.3%. Only in Metro Cebu have a significant number of Multi-Unit building (as high as 15.5%).

i) Construction Materials Used :

Wood and mixtures of wood with other conventional materials are the most common materials used for walling in the

urban areas, comprising about 57% of the dwelling units. More than a quarter of urban dwelling units, however, use traditional materials such as bamboo, sawali, nipa and cogon for walling. In the rural areas 45% of the dwellings use these traditional materials for walling, with about a quarter using wood and 16% using a mixture of conventional materials. Only a small proportion of dwellings, 9% in urban areas and 5% in rural, have walls made solely of concrete, brick or stone.

ii) Roofing Materials Used:

Most common materials are surprisingly the same with G.I. sheets and nipa/cogon/anahaw with 43.9% to 52.6% wood and tile roofing are not used extensively by 0.2% to 0.7%.

iii) Walling Materials used:

Mixed Concrete/Brick/Stone/Wood	22.3%
Wood	34.2%
Bamboo/Sawali/Nipa/Cogon	26.1%

iv) Floor Area:

1. Median Floor areas in : Rural and Urban Areas = 26-30 sq.m.
Median Floor areas in : Metro Cebu = 50 sq.m
2. Mean Floor areas in : Rural and Urban areas = 35-45 sq.m.
Mean Floor areas in : Metro Cebu = 71 sq.m

v) Household per Dwelling Unit

Area	Household size	Households Dwelling unit	Occupants Dwelling unit
Metro Cebu	5.31	1.04	5.54
Other Urban	5.32	1.03	5.48
Rural	5.20	1.02	5.28

6. Land (Tenure) Requirements/Availability [In hectares]

	Land Requirement	Land Requirement	Land Available for New Housing	
	Tenure Upgrading	for New Housing	At Current Development Rates	Total
Urban Metro CEBU	472	1,974	305	305
1993-1997	151	768	305	
1998-2002	156	559	0	
2003-2007	165	647	0	
Other Urban	282	2075	210	1,328
1993-1997	93	716	70	
1998-2002	93	610	70	
2003-2007	96	749	70	
Rural	1,146	1,430	126	2,833
1993-1997	378	788	42	
1998-2002	378	318	42	
2003-2007	390	324	42	
Region VII	1,900	5,479	641	4,466
1993-1997	622	2,272	417	
1998-2002	627	1,487	112	
2003-2007	651	1,720	112	

7. HDMF, SSS, GSIS Mortgage Financing (1991)

Loans granted in 1991 (p)

Pag - IBIG	54,603,000
SSS	11,040,000
GSIS	5,000,000
Total	<u>70,643,000</u>

8. Source of Housing Finance

Finance Source	Urban Metro CEBU For Houses Built in All Years 1987-91		Other Urban For Houses Built in All years 1987-91		Rural For Houses Built in All years 1987-91	
	%	%	%	%	%	%
Formal (Loans)	3.8	8.0	4.2	4.6	1.0	1.1
Self-Financed	87.3	80.0	90.3	91.5	96.1	96.2
Other Informal	8.9	12.0	5.5	3.9	2.9	2.7

9. Loan Requirements/Availability of Loans from Government Programmes (in P million at constant prices)

	1993-1997	1998-2002	2003-2007	Total
Urban Metro CEBU	8,943	6,719	7,702	23,365
Upgrading	670	691	732	2,092
New Housing	8,274	6,029	6,970	21,272
Other Urban	6,558	5,653	6,847	19,059
Upgrading	454	454	468	1,377
New Housing	6,104	5,199	6,379	17,682
Rural	6,410	3,570	3,658	13,639
Upgrading	1,650	1,650	1,700	5,000
New Housing	4,760	1,920	1,959	8,639
Region VII	21,912	15,943	18,208	56,082
Upgrading	2,774	2,795	2,900	8,469
New Housing	19,138	13,148	15,308	47,594
Available from Govt. Programmes (at current levels)	1,127	1,127	1,127	3,380

**10. Government - Sponsored Production:
Current and Pipeline - 1991 through 1st quarter 1992**

Producing Agency	Socialized Housing(Units)		Core Shelter Units		Lot Tenure Upgrading (Units)		Total Units		Total Area (Has.)	
	Current	Pipeline	Current	Pipeline	Current	Pipeline	Current	Pipeline	Current	Pipeline
NHA	979	1,530	-	-	-	-	979	1530	24,9	55.5
HIGC	-	-	-	-	-	71	-	71	-	0.7
DSWD-CSAP	-	-	62	158	-	-	62	158	0.5	1.3
LGUS	-	-	-	-	41	2,507	41	2,507	0.4	25.1
REGION VII	979	1,530	62	158	41	2,578	1,082	4,266	25.8	82.1

11. Key Housing Agencies in Region VII (CEBU City)

Agency	Key Functions	Other Activities	Extent of Authority
Housing & Urban Development Coordination Council (HUDCC)	-Policy Coordination	-Monitoring -Training -Research	Coordination; recommendatory
National Housing Authority (NHA)	-Production	-CMP Origination -Technical Assistance	Recommendatory for proposed projects; supervisory and implementing for on going projects
Housing and Land Use Regulatory Board (NHMFC)	-Regulatory	-Technical Assistance	Approval of permits, licences, plans, supervisory and implementing for on going projects
National Home Mortgage Finance Corp. (NHMFC)	-Mortgage -Developmental Finance	-Training	Accreditation of Originators; preprocess of CMP documents
Home Insurance and Guarantee Corporation (HIGC)	-Appraisal -Loan Guarantee -Asset Management and Disposition	-Interim finance -CMP Origination -Registration and Regulation of HCAS	Issuance of COCA; Turnover of BLISS assets to LCUs
Home Development Mutual Fund (HDMF)	-Mortgage Finance -Development Finance	-Multi-purpose loans	Housing loan approval upto P 225,000

12. Commercial Subdivision and Condominium/Townhouse Development Current and Pipeline Region VII - 1991 through May 1992

	B.P.220 Units		P.D.957 Units		Total Units	
	Current	Pipeline	Current	Pipeline	Current	Pipeline
Cebu City	88	-	128	107	216	107
Lapulapu City	-	78*	583	-	583	78
Consolacion,Cebu	-	•	196	-	196	-
Mandaue City	-	-	19	-	19	-
Bogo,Cebu	38	-	-	-	38	-
Talisay,Cebu	-	130	51	-	130	51
Minglanilla,Ceby	-	57	184	-	184	57
Naga, Cebu	-	-	-	275	-	275
Region VII	256	186	1110	382	1,366	568

**13. Example of NGO Shelter Production:
On-Going Projects of Pagtambayayong**

Type of Project	Number of Beneficiaries
CMP Projects	745
Unified Lending Program	622
Self-help Housing Projects	164
Joint Venture Projects	989
Construction Services	73

Source: HUDCC RTF - VII

14. House Bill No. 1177

- i) "National Housing Act of 1995"
 - An act creating the Department of Housing, Planning and Urban Development, Defining its powers and functions, appropriating funds therefore, and for other purposes.
- ii) Bill Highlights:
 - Corporations and agencies attached and placed under the control and supervision of the department : NFMCC, HIGC, HDMF, HLURB, PEA
 - Bill abolishes HUDCC and its functions.
 - Support agencies funding : SSS 25%; GSIS 20%; HDMF 70%
 - Additional Powers of HLURB:

1. Cases of squatting on land covered by subdivisions approved by HLURB;
2. Cases of ejectment from residential property covered by Buyer - Financing arrangements with NHMFC;
3. Cases involving disputes between the Landowners and Developers, Bank and Developers.

The Cooperative Housing Movement in Sri Lanka*

1. Introduction

No doubt that basic needs in Sri Lanka include food, shelter, clothes, health and sanitation etc. and area of significance in the context of population pressure and migration from rural to urban, modernisation and urbanization have aggravated such issues.

It is true that there have been cooperative attempts for home ownership during post independence. However, the scale of operations were limited to several areas of the country and activities were confined to collection of rent instalments from their members. The Department of National Housing was able to assist only very few homeless people in town areas.

It was this background that we put forward with a pioneering effort along with several Government Servants in organizing a Housing Cooperative in Kandy Municipality of Sri Lanka, where housing had become an acute problem. We were convinced that a Housing Cooperative could help its members to eliminate many a middleman's profits by buying their lands, building materials and other requirements together and by getting their homes constructed under the supervision of its own executives.

2. Historical Perspective

Clear housing policy initiative can be traced and witnessed during post independent era. A housing fund which administered by a Board was established in 1949 with a view to provide credit facilities to Housing Cooperatives, Housing Construction Associations, and Individuals. Funds were also extended to regionalized local government bodies such as M.C.S., T.C.S. and small and medium scale, income

* H.W. Sirisena, Director, National Cooperative Council of Sri Lanka and J. Weeratunga, President, Galle District Funeral Cooperative Society.

earners for housing construction. It was the year mark in 1953, that a separate Government Department for National Housing Construction was started and the Rents Act was amended in the same year. The Housing Credit Fund was replaced by the National Housing Fund with the Commissioner - NHD - with a view to facilitate small and medium scale income groups, and powers vested with acquisition under requisition for housing construction purposes.

Several housing schemes were initiated in and around the Capital of Sri Lanka in order to resolve population pressure and housing problems. Many of these were middle class government servants. Amongst of these include Bambalapitiya, Anderson and Alwitigala flats of which supported by several government agencies in the constructions such as Colombo M.C.; Departments of National Housing; Public Works, Town and Village Planning and State Engineering Corporation. Subsequently Maligawatta Housing Scheme was especially designed for lower income groups. This process of construction and providing housing schemes up to 1970 had been confined mainly to government sector small and medium income earns but not extended to rural based lower income groups.

However, there had been a considerable increase in housing units as against increasing population. Total housing units were 15,23,695 in 1953 out of which 13,40,359 belonged to rural and estate sector. The rest 1,83,336 belonged to urban sector. The total number of units were 22,17,418 in 1971 out of which 17,96,323 belonged to rural and estate sector. The comparative total growth rate was 49.5% out of which 34.01% for rural and estate sector while 129.7% for urban sector. It is very clear that these developments were not parallel to the population growth in two different sectors.

The strong mandate for the political change in 1970 was reflected in unemployment, acute land shortage for housing and Cost of Living etc. The cabinet portfolio for housing was filled by the Communist Party representative of the Coalition Government in 1970-77. The housing policy package included several changes in the subsector such as transferring house ownership to long term dwellers on lease. Laws pertaining to Housing Assets were enacted by Parliament in 1973.

This process has encouraged the construction of flats and the proper maintenance and Management of Housing Property was regularized by the establishment of the Board of Common Utilities. To resolve problem of rural housing to certain extent it allocated certain amount of lands for village expansion programme. The BMC was

established so that it was able to supply building materials at concessionary rates.

The comparison between 1971-1981 indicates a positive housing development against population growth.

3. The Kandy Vijitha Attam Housing Industrial Cooperative Society Limited

The first formal meeting with a view to form the society was held in 22.12.1968 in Kandy; since then it continued operations for several years without having even a site. We were able to forward the first request for a land to the National Housing Commissioner and subsequently it was in the year 1970 only we were able to undertake the temporary ownership of a land through an acquisitive order. However, it was further delayed in constructing a house due to lack of capital. The Society was registered in the CCD/RCS Department on 21.12.1979.

Locality of the Society's operation is Kandy M.C. area.

4. Objectives

- The Society carried out housing construction to its members in providing common services such as buying, selling, leasing and rent out of lands, providing building materials, lighting, drainage, effecting repairs etc. at a competitive lower cost than that at which each tenant could obtain them individually.
- Assisting to members at all stages being home owners.
- Thrift and Savings; solidarity; self-help and mutual help.
- Creating a common fund, so to aid and help common activities of the society.
- Facilitating health, electricity, water and public road system within the locality of society's operations.
- Improving agricultural activities in the area.
- Obtaining contracts from various agencies and performing as a contractor.
- Processing, packaging, grinding and marketing services.
- Providing consumer household necessities, and sale of furniture etc.
- Providing infrastructure facilities such as education, recreation, health etc.

5. Management Structure

According to the by-laws of the Society, General Body is the supreme legislature which functions in accordance with the Vested powers of C.C.D./R.C.S. The elected Body of Directors consists of 9 members. The elected President from among is functioning as the leader of the Society, and responsible for the efficient Management of the Society. A Secretary and his/her Assistant, a Treasurer and an Internal Auditor are appointed by the Board of Directors.

6. Operations and Achievements

After the registration the Society grew rapidly; eg. volume of turnover size and liquidity etc. Credit facilities were granted, so that low cost houses were built at the rate of Rs. 42020/-. Today, the market value of the same has been estimated at Rs. 7.6 million. This successful achievement gave the birth to the pilot project on housing construction by NHDA in 1985. Discharging the responsibilities being the President of the SANASA movement in the Kandy District multi millions (Rs. 470 million) have been channelled through the SANASA UNION to member societies. The total beneficiaries were 10717. Subsequently this became a leading National Development Programme throughout the country and SANASA Movement managed the entire housing credit scheme in the country.

Further the society was capable to represent at all levels of Cooperative. Federations as well as agencies such as People's Bank Cooperative Advisory Committee.

7. Main Problems

- Lack of federated structure of Cooperative Housing in Sri Lanka.
- Legal provisions must be enacted specifically for the Cooperative Housing; presently there is no such provision.
- Continuity of Government policy initiation in respect of Cooperative Housing.
- Lack of Cooperative Housing Education and Training Facilities.
- Lack of Capital
- Lack of expertise in Cooperative Housing.

8. Expectation from the Seminar

- Strengthening regional and global housing cooperation.
- Familiarisation of Asian Cooperative Housing.
- Contribute to set up Regional Housing Cooperative Committee in ICA.
- Exchange of views in respect of federated structure in the region.
- Studying Malaysian Housing Cooperatives.
- Presentation and discussion of Sri Lanka Housing Cooperative experiences to regional participants.

9. Method of Implementation in Sri Lanka

- Setting up a steering committee at the National level in the NCC in order to review and recommend towards a successful Housing Cooperative Movement.
- Creating a Local Fund in order to promote the activities related to Cooperative Housing Schemes throughout the country.
- Establish a Education and Training apparatus for Housing Cooperation.
- Developing a Regional and International Network in Housing Cooperation.
- Using the Mass Media, awareness programmes for homeless communities throughout the country will be organised.

PART 3

ANNEXURE - I

Inaugural Address by Dr. Nik Mohd. Zain Bin Haji Nik Yusof

**Secretary General, Ministry of Land &
Cooperative Development, Malaysia**

Y. Bhg. Dato' Syed Sidi bin Syed Abdullah Idid, Y.M. Prof. Diraja Ungku A. Aziz, Mr. G. K. Sharma, Regional Director, ICA-ROAP, Mr. Rolf Trodin, Ladies and gentlemen,

In this delightful event, allow me to first of all, welcome all participants from Asia and the Pacific region to Malaysia.

It is a great pleasure for me to be here and able to meet and address such an important gathering.

I would like also to express my appreciation on the initiative taken by the organisers and supporting agencies from this country in convening this forum of consultation and dialogue among cooperative leaders from member organisation of the ICA-ROAP.

Globalisation of economy has always been the key topic of discussion these days, even in the cooperative movement. Globalisation implies linkages of the national economy with international markets, forcing tariffs and trade to be liberalised to ease the road to international trade. Economic liberalisation, deregulation, and privatisation, therefore, have become an imperative for each and every country to partake unless, for political more than economic reasons, a nation state opts to become isolated from the global economic scenario. The fact of the matter is that international influence and impact has become inescapable. The Asia Pacific region is responding to the rise of Globalisation in an unprecedented pace. Astonishing economic growth, along with social dilemmas as a consequence thereof, is currently entering the region.

In view of these changes, there is also a need to recognise the appropriate environments conducive to the growth and strengthening of the cooperative movements in the Asia Pacific region, and for the governments to provide supportive measures, which include the

recognition of cooperatives, a legal environment which have democratic and progressive cooperative legislation, and the enforcement and administration of cooperative laws by committed officials both in the Government and in the movement.

The choice is clear in advocating the relevance of cooperatives to cope with the changing trends and for cooperatives to be part of the global action in addressing basic social and economic issues or be left out of the mainstream of development. It is not only the concern of the cooperative movement to care for the caring society in the pursuit of justice, democracy, the environment and social stability. It is fast becoming a fact of good business policy that even among private enterprises to be concerned on the social implications of business, let alone any government that may wish to continue in the business of good governance.

It is therefore imperative that cooperatives address basic issues relating to their fundamental problems in order to strengthen the internal resilience of cooperatives through member education, greater member awareness, financial and organisational strength. Probably current training activities need to be reviewed and some form of operational research need to be introduced into the day-to-day operation of cooperative activities.

If we look through the decades since the inception of the cooperative movement, it was clear that proper cooperative training and education was lacking. The cooperative movement was brought in with a certain purpose or objective i.e. to overcome indebtedness with the thrift and loan/credit societies. And full concentration was given to these cooperatives for more than 4 decades, until the late 60's. People therefore tend to associate cooperative with credit even until today when almost everybody is supposed to be educated and literate. The root of the problem is of course the lack of understanding of the cooperative principles and concepts.

The second underlining problem is the misconception about the cooperatives and the cooperative movement. The movement began with the need of the poor distressed lot to improve themselves through these self-help organisations and with us in Malaysia the introduction of this concept was to help the needy and the rural poor. This leads to the misconception that a cooperative is a benevolent institution to elevate the social and economic status of the less privileged sections of our society. It was not until the 80's that some people began to realise the other aspects of the cooperative move-

ment, what it is capable of and how it can be used to promote development.

The third but very difficult problem is that which is brought about by human elements, chiefly the attitude of the people inside as well as outside the movement. Most of the cooperative members today are passive, with their couldn't -care-less attitude. They do not know, and also do not want to know their rights and liabilities as members of cooperatives. They are not worried about internal control because they thought that control is the duty of the Government. This is another misconception that has to be put right through education.

The present day society has become very impersonal and materialistic. This is especially so in some big cooperative societies where a cooperative society became a platform for power struggle, power for personal interests. Gone are the moral, values of life in a society, especially the cooperative society. Everything is measured and valued with money, even service to the cooperative. Fixed allowances as well as sitting allowances are provided for every committee member, and those who 'render' services to the cooperative. Gone are the days of 'honorary' services to the cooperatives. Even for attending Annual General Meeting (AGM) members need to be paid.

People today measure success with money and the cooperative society is no exception. Members measure the success of their cooperative with the rate of dividend declared at the end of the financial year. Our cooperative movement has become adulterated with the influence of Corporate Companies, simply because of passive membership: members who do not know, and do not want to know their rights and liabilities. Passive members mean no internal control, and lack of internal control will lead to mismanagement and misappropriation of funds and losses.

Coming back to topic of today's seminar, I can't disagree that housing is the global problem faced by all government. Fortunately in Malaysia, this basic social need has always been given special emphasis by the government in the National Development Plan.

But the presence of cooperative in the industry is relatively insignificant as compared to the private and public sector. Role of cooperatives therefore has to be reassessed especially when 600,000 units of houses need to be built between now and year 2,000.

I agree that government in all countries should pay equal attention if not more to the development of housing cooperatives.

Plans and strategies have to be set and implemented from primary level cooperatives right up to the national and international level.

On top of that, I also feel that new strategies must be created to ensure that existing members are properly organised. Cooperative activities should also be efficiently coordinated according to the cooperative principles and practices.

There should be clear goals to be accomplished, targets to be developed and strategies to be improved for individual and organisational development.

I am confident that the deliberations of this seminar will produce some useful guidelines for us to pursue our objectives for the development of housing cooperatives in this region.

In this era of 'globalisation' and regional grouping, meetings like this ICA Regional Seminar on Housing Cooperatives are most important and very instrumental in enhancing cooperation among cooperatives in the region.

Lastly, I hope that your stay here will be an enjoyable one.

It is my pleasure now to declare this Seminar open.

Thank you.

Programme

March 24, 1996 (Sunday)

Arrival of participants in Kuala Lumpur and Registration.

Stay at Cooperative College of Malaysia, 103, Jalan Templer Petaling Jaya.

7.30 p.m. - 8.30 p.m. : Dinner

March 25, 1996 (Monday)

7.30 am - 8.00 am : Breakfast

8.00 am - 9.00 am : Registration of Participants

9.30 am - 10.30 am : Opening Ceremony

10.30 am - 11.00 am : Tea Break

11.30 am - 12.00 pm : The ICA and its Development Programme in the Region by Mr. Malte Jonsson.

12.00 pm - 12.30 pm : Presentation of the Role of a National Cooperative Housing Organisation by Dr. M.L. Khurana.

12.30 pm - 02.00 pm : Lunch Break

02.00 pm - 02.45 pm : Presentation on ICA Housing Cooperatives: Role & Objectives - Global and Regional Collaboration by Mr. Rolf Trodin.

02.45 pm - 03.30 pm : The Role of Government in Housing the Low Income Groups by Mr. Ahmad Zakki bin Yahya.

03.30 pm - 03.45 pm : Tea Break.

03.45 pm - 05.15 pm : Presentation of Country Papers by Participants (India, Indonesia, Myanmar and Pakistan)

08.00 pm : Dinner hosted by ANGKASA at University of Malaya Guest House.

March 26, 1996 (Tuesday)

- 07.30 am - 08.00 am : Breakfast.
- 09.00 am - 09.45 am : Presentation of Study on Housing Cooperatives in Asia by Dr. M.L. Khurana.
- 09.45 am - 10.30 am : The Development of Housing Cooperatives in Malaysia by Mr. Azizan bin Abdul Ghani.
- 10.30 am - 11.00 am : Tea Break
- 11.00 am - 12.30 pm : What Coops. Can Do to Assist in Overcoming the Problem of Housing for Lower Income Groups by Mr. Ahmad Rosdan bin Abdul Razak.
- 12.30 pm - 02.00 pm : Lunch Break
- 02.00 pm - 03.00 pm : Presentation of country papers by participants (Philippines and Sri Lanka)
- 03.00 pm - 03.30 pm : Tea Break.
- 03.30 pm - 04.30 pm : Open discussion on country papers.
- 08.00 pm : Dinner at Hyatt Regency Saujana, Subang, hosted by the Department of Cooperative Development Department, Malaysia.

March 27, 1996 (Wednesday)

- 07.30 am - 08.00 am : Breakfast
- 09.00 am - 10.30 am : Presentation/Discussion on formation of a Regional Housing Committee for Asia and the Pacific by Mr. Rolf Trodin and Dr. M.L. Khurana
- 10.30 am - 11.00 am : Tea Break
- 11.00 am - 11.45 am : Discussion continued
- 11.45 am - 12.30 pm : SCC's Experience in Supporting Development of Housing Cooperatives by Ms. Kicki Johansson Trodin.
- 12.30 pm - 02.00 pm : Lunch Break
- 02.00 pm - 05.00 pm : Group discussion on specific subjects/reporting.
- : Tea Break

8.00 pm : Dinner at Nelayan Restaurant, Titiwangsa, hosted by the Malaysian Cooperative Insurance Society Ltd. (MCIS).

March 28, 1996 (Thursday)

07.00 am - 07.30 am : Breakfast
07.45 am : Study visit, Cuepacs Housing projects at 12th Mile Cheras
10.30 am - : Study visit, National Land Finance Cooperative Society's (NLFCS) Housing Project at Semenyih
1.00 pm - : Lunch at Kajang Hill Golf Club hosted by NLFCS
3.00 pm - : Study visit, NLFCS's Housing Project at Seremban
8.00 pm : Dinner at Seafood Restaurant, Bangsar, hosted by the Workers Multipurpose Cooperative Society Ltd.

March 29, 1996 (Friday)

07.30 am - 08.00 am : Breakfast
09.00 am - 11.00 am : Workshop on practical collaboration.
11.00 am - 11.30 am : Tea
11.30 am - 12.30 pm : Closing Session/Summing up
12.30 pm : Lunch
Afternoon : Free
08.00 pm : Dinner

March 30, 1996 (Saturday)

07.30 am - 08.00 am : Breakfast
: Departure of participants to their respective countries.
12.00 noon : Lunch for officials of the Seminar at the National Productivity Centre (NPC) Hotel, Petaling Jaya, hosted by ICA-ROAP.

Profile of Organisations

I. CONGRESS OF UNIONS IN THE PUBLIC AND CIVIL SERVICES (CUEPACS), MALAYSIA

Introduction

The CUEPACS (Congress of Unions in the Public and Civil Services) Multi-purpose Cooperative Society was established in 1971. Ever since its establishment its main activity has been in the development of houses for its members.

The Society

The CUEPACS Multi-Purpose Cooperative Society Limited is a Cooperative Society registered under the Cooperative Society Ordinance 1948. The Society was registered on 29 February 1972.

Aims & Objects

The aims & objects of the society are:

- To promote cooperation and self help and mutual aid;
- To encourage thrift and grant loans to members;
- To purchase goods, stores and consumable articles of all kinds and sell to members at local market;
- To build or cause to be built on land purchased or acquired by the society residential houses and/or flats to members or rent or lease such houses and/or flats to members on terms and conditions prescribed under these by-laws and construct buildings that are necessary to provide amenities and facilities to members residing in the houses and/or flats;
- To purchase fully erected buildings with, land from government or any house construction agency, and lease or rent them to members on terms and conditions prescribed under these by-laws;
- To establish retail and whole sale cooperative stores which will provide the necessary family provision and other accessories;

In pursuance of the above objects, the society may:

- Establish retail and whole-sale stores which will provide the necessary family provision and other accessories for sale to members;
- Establish branches or depots for the storage of goods for distribution to the retail and whole-sale stores;
- Acquire land by purchase, mortgage, lease or otherwise in Semenanjung Malaysia (Peninsular Malaysia);
- Own, mortgage, lease, rent or otherwise dispose of land, housing sites, building and all other property, movable or immovable, solely or jointly as may be necessary for the attainment of the objects of the society;
- Establish and maintain social, recreational, educational, public health or medical institutions for the benefit of the members.
- Purchase, rent, hire or take on lease or otherwise acquire such movable and immovable properties as may be required for the purpose of the society;
- Raise funds by the issue of shares and or debentures or by obtaining loans and deposits from Members and Non-members;
- Enter into contract with any party for the purpose of facilitating the operation of the society;
- Do such things necessary and expedient for the attainment of the stated objects of the society in accordance the provisions of these by-laws.

Membership

The membership of the society consist of public and civil services employees.

Paid-Up Shares Capital

The shares in the Koperasi are in units of RM100/- each. Members are required to acquire a minimum of five (5) shares.

Board of Directors

The Board of Directors of the Society consist of fifteen (15) members of the society elected at the Annual General Meeting of the

society. One third or 5 members of the Board retire on rotation at each General Meeting. Retiring members may be re-elected.

Management

Full time of various categories are employed to manage the society.

The establishment cost is kept to the bare minimum wherever possible and whenever necessary the elected officials (Board Members) complement the work of the full time staff.

The services of consultants and related expertise are obtained by service contracts on a project to project basis and professional fees paid for these services (Architect, Civil & Structural Engineers, Mechanical & Electrical Engineers, Quantity Surveyors, Solicitors, etc.) are charged to the project.

Schemes Undertaken and Completed

The following are the housing schemes undertaken and completed:

- i) *Taman Koperasi CUEPACS-Cheras*: This scheme is located at 7 1/2 mile Jalan Cheras (Approximately 12 km from the Federal Capital Kuala Lumpur) on a 28 hectare site consisting of 694 units of various types of dwelling houses was completed in September 1981.
- ii) *Taman Koperasi CUEPACS -Segambut*: This scheme is located in the Federal Capital on a site consisting of 157 units of various type of dwelling houses and eight units of Double Storey Shop houses was completed in September, 1980.
- iii) *Taman Koperasi CUEPACS - Labu Jaya Phase 1 Seremban*: This scheme located in Seremban approximately 65 km south of Kuala Lumpur consists of 70 units of dwelling houses was completed in December 1986.

Current Projects

- i) *Taman Koperasi CUEPACS - Kajang*: This scheme located at 12 1/2 mile Jalan Cheras is the single largest housing scheme undertaken by the society. In this scheme sixty per cent of the units consist of low and medium cost houses. The construction is phased out and major part of the units have been delivered and occupied. The last phase consisting 40

commercial units with medium cost apartments on the upper floors & ground floor being for commercial use.

ii) *Tampin Scheme*: This scheme consists of 30 acres of land zoned for housing. Approval from the Authorities are awaited for the launching of this scheme consisting of:

- 76 units of low cost houses
- 54 units of medium cost houses
- 54 units Double Storey Semi-Detached houses
- 29 Banglow houses
- 18 low cost shops and
- 16 Double Storey Shops

Housing Management Experience

The society has a very stable Board, some of whom have more than a decade's experience in the management of housing projects. The first two projects of about 860 units were started in 1972, immediately after the society's registration. Over the period of more than 20 years work in the field of housing, the Board have developed considerable experience in housing business, namely knowledge in land matters, legal documentation, planning requirements, building by-laws, civil and structural engineering, architecture, quality construction, building materials, sale administration, financing and other matters related to housing.

Consumer Division

In 1994 the Koperasi established it Consumer division. This is the growing area of the Koperasi's operation and contributes substantially to the profit of the society. Currently the Koperasi has 50 outlet throughout the country. Annual turnover for 1996 is expected to be in the region of RM20 million.

II - NATIONAL LAND FINANCE COOPERATIVE SOCIETY LIMITED, MALAYSIA

Introduction

National Land Finance Cooperative Society was registered in 1960. It was started to preserve the employment of rubber estate workers

who were displaced from the large plantation which were sold off by the colonial expatriate owners immediately after the Malayan Independence in 1957. Today the Society has grown and it has over 70,000 members with over 30,000 hectares of rubber, oil palm and coconut estates situated along the west coast of West Malaysia. The Society has acquired extensive expertise in the management of plantation. A tailor-made Management Information System has been developed to manage the estates in an efficient manner.

The cost centres are managed from the central office with an efficient budgetary control system and there is a regular and effective communication system in the areas of agronomic finance and marketing management. The agronomic and agricultural conditions are managed efficiently by its Associate Company, Messrs Plantation Agencies Sdn. Bhd. This consultancy arm apart from managing the Society Estates also manage another 100,000 hectares of plantation land both in Malaysia and Indonesia.

In keeping with its objectives to improve the socio-economic well being of the members, the Board of Directors of National Land Finance Cooperative Society have implemented numerous housing projects for their employees and members. In keeping with the national aspirations, low cost houses is given special emphasis.

Workers House Ownership Scheme

This Society embarked on a pilot Workers House Ownership at Bukit Sidim Estate in 1970. This was the first scheme of its kind in the country and from a meagre 10 units to-date the Society has implemented the House Ownership Scheme on most of its estates. Following the guidelines of the Government's Task Force Recommendations of 1974, it has converted a portion of each estate and built modern semi-detached houses with all the necessary infrastructure. To date a total of 1,300 units have been made available to the workers to purchase. The houses are affordably priced (below RM25,000) and the Society also arranges housing loans at preferential interest rates to its workers.

Members House Owning Democracy

The Society has embarked on a number of commercial housing schemes to allow the members to purchase these houses. A large portion of these schemes are of low-cost houses.

To date, two schemes comprising 490 units have been successfully

completed and handed over to the buyers i.e. Taman Bagan Pasir, Bagan Datoh and Taman NLFCS, Port Dickson. Another project at Taman Bukit Rinching comprises of over 800 units and todate the sales and work progress at the site are well ahead of our projections.

The Society is pleased to have signed the Project Management Agreement with Rhombus Bina Sdn. Bhd. to develop a portion of the Society's property i.e. Seremban Estate where about 2,400 units would be constructed. Some 800 members have registered in 1975 to participate in a land scheme at Seremban Estate. The Society has pleasure to announce that these members are given the first option to purchase houses at Bandar Seremban Selatan and that the Society would give a 5% discount on the sale price to these registered members.

Housing Loan to Members

The Society has decided to introduce a members Housing Loan Scheme for the benefit of its members in the low income bracket. The loans are exclusively for low-cost houses costing RM25,000 and below, The interest rate would be 1% below the ruling bank rates for low-cost housing. Again the object of this scheme is to encourage and assist members to own houses.

Schemes to Assist and to Improve Members

In the Society's efforts to dedicate itself in building a caring Society, it has introduced several schemes to assist and to improve the standard of living of the members.

Firstly, all the workers of the estates belonging to the Society are provided with quality houses and amenities. It also has given them an opportunity to own their houses. Currently, over 1,300 of the workers of the Society estates own their houses on the estates. The members children are all being provided with interest free study loans ranging from RM2,000 to RM5,000 a year to pursue their higher education. Todate over 3,000 students have been assisted with loans over RM5 million. Members are also being encouraged to go into business ventures by providing them loans of between RM5,000 to RM50,000. Todate over 130 members have assisted under this scheme.

The Society has also introduced a scheme to offer loans to members to acquire low-cost houses. Members who are unfortunate to undergo heart or kidney surgeries are being assisted with RM5,000

subsidy. To date 29 such unfortunate members have been assisted with RM5,000 each.

The Society is also currently planning to build a medical centre to provide medical facilities to members and the community at large at a reasonable and affordable cost. The Society has also initiated the formation of an institution to offer technical education.

The Board has also recently introduced further benefits to provide RM1,000 for members who are affected with cancer or have to undergo eye operations. In addition, a monthly stipend of RM50 a month for members who are 70 years of age and have been members of the Society for not less than 15 years are being given.

The objectives of the Society will continue to remain in carrying out the wishes of the majority of members, and serving them as best as the Society could.

III - NATIONAL FEDERATION OF TENANTS' SAVINGS AND BUILDING SOCIETIES (HSB), SWEDEN

What is HSB

HSB is a housing cooperative which was set up in 1923. Its aims include the provision of quality housing for its members. In Sweden one home in ten has been built by HSB. HSB has more than 550,000 members, who belong to the regional HSB societies, each with a democratically elected committee. The regional HSB societies belong to the HSB National Federation, which provides them with services.

Within the area of operation of each regional HSB society, there are a number of housing cooperatives, usually one for each housing estate. The membership of the housing cooperative consists of the residents - i.e. those who have acquired an HSB home in that area. The members elect their own committees and auditors from amongst the local residents. The HSB society also nominates one representative on each committee, in order to facilitate the exchange of information and experience to benefit all in the society.

Join HSB

The first step towards an HSB home is to join HSB. When you join you will become a member of a regional HSB society. This gives you the right to vote and participate in the running of the HSB Cooperative Movement. HSB housing tends to be very sought after, so

many join HSB long before they want a home of their own.

Save with the HSB Savings Bank

Once you are a member you may deposit your savings in the HSB Savings Bank. You will have an important goal for your savings - the deposit, i.e. the down-payment on your very own HSB flat or house built by HSB. The money you put away towards your home will earn you an extra one per cent interest over and above the standard interest rate offered by savings banks.

Choosing your Home

HSB builds homes of all kinds - blocks of flats, terraced and detached houses. All homes built by HSB societies are offered to the members on the waiting list; the rules governing the waiting list may differ a little from one society to another. Sometimes the local authority housing department take a hand in allocating HSB homes.

Once you had chosen your home you will sign a contract and pay the deposit. If you have money in the HSB Savings Bank this will be used for the deposit. If there is not enough money there, the balance will be paid in cash, HSB can help to arrange a loan for the deposit for those who so wish.

Cooperative Housing with Tenant-Ownership

In housing cooperatives the residents themselves decide what their housing costs will be, through their democratically elected committees. The costs will never be more than the amount needed to pay for the administration and management of the houses and the land on the estate. No money will find its way into anybody else's pockets - you get your housing at cost price.

HSB tenant-owner rights give you an unlimited contract for your home. Providing you fulfil your obligations you cannot be given notice to quit. Together with all the other residents in the housing cooperative you own and manage the properties and the land. You will jointly decide on how to use community halls, how to look after the gardens and many other matters.

Your housing is secure - no worries about landlords selling your home, or pulling it down, or making you move. You save up to redecorate and repair your home; a part of your monthly housing cost goes into a repairs fund for your home, and it is up to you to decide

how to use the money. There is another fund for exterior repairs and redecoration; the residents jointly decide how and when to spend that money.

You may alter your home as much as you wish, providing it does no harm to your neighbours, or to the cooperatives as a whole. You may sell your home; it is up to you and the buyer to agree the price between you. The one exception is when the tenant-owner rights have been vested in you through a special contract; different rules then apply.

How to Join

Telephone or visit the HSB society office. You will have to pay an entrance fee, and must buy at least one share in the society, costing no more than SEK 500. Then, as with all other organisations, there is an annual membership subscription, which differs a little from one society to another. All local HSB societies can tell you about available homes and current building programmes.

IV - COOPERATIVE COLLEGE OF MALAYSIA

Background

The Cooperative College of Malaysia is given the full responsibility for cooperative education and training by Parliament. It was set up in 1956 with financial aid from the "Colonial Welfare and Development Fund," and was officially declared open by Mr. B.J. Surridge C.M.G., Adviser on Cooperation to the Secretary of State for the Colonies.

The Government made its contribution by adding extensions to the buildings of the College in 1959, 1964 and 1982. The College was incorporated into a Statutory Body in 1968; and is presently under the Ministry of Land and Cooperative Development.

Council

The College is administered by a Council of 18 members. A member sits on the Council for a period of 2 years. If required a member can be re-elected to be on the Council for a further period of 2 years.

The Council of the Cooperative College consists of:
Secretary-General

Ministry of Land and Coop. Development as Chairman
Director-General
Department of Cooperative Development as Deputy Chairman
Director of the Cooperative College as Secretary

A representative of the Treasury, Four representatives from the Rural Cooperative Movement, Four representatives from the Urban Cooperative Movement, Two representatives from the Ministry of Land and Coop. Development, and Four other members to be nominated by the Minister of Land and Cooperative Development

Staff

The College presently has a total of 90 staff of which 28 are Lecturers.

Finance

Since its establishment the administration of the College has been financed from the Cooperative Education Trust Fund, which was set up with contributions from the net profits of Cooperative Societies. In the beginning this contribution was made on a voluntary basis. However, since its incorporation into a Statutory Body in 1968, cooperative societies are legally required to contribute 2% of their net profits into this Education Trust Fund.

Role of the College

As a cooperative training institute, the College is responsible for providing training and education especially in the field of Cooperative Management to the Cooperative Movement. Among other things the College is responsible for:

- Conducting courses in the field of cooperative studies and such other courses of study where considered appropriate by the College.
- Printing, publishing or helping in the printing and publishing of books related to cooperation or such related matters.
- Carrying out cooperative research and providing advisory service to cooperatives.

Training Programme

The College conducts 'in-service' training programmes for officers

of departments concerned with the Cooperative Movement such as the Department of Cooperative Development, Farmers Organization Authority and Fisheries Development Authority. Training programmes for officers from other Statutory Bodies like RISDA, FELDA and FELCRA are also conducted by the College.

Other than the courses for Cooperative Department and Government Agencies, the College also conducts training and education programmes for board members, staff and members of cooperative societies.

Courses

The kind of courses run by the College are as follows:

Principles & Practises of Cooperation, Cooperative Leadership, Cooperative Administration, Cooperative Law, School Cooperative Management, Malaysian Technical Cooperation Programme (Certificate in Cooperative Management), Cooperative Training Methodology, Cooperative Accounting, Internal Auditing, Financial Management, Management of Consumer Cooperatives, Project Preparation and Appraisal, Staff Management, Office Administration, and Seminars and Workshops.

The duration of its regular programmes range between three days to two weeks. Special request programmes for the Department of Cooperative Development range between two weeks to twelve weeks. The College uses participative training techniques, so that the programmes are more effective. It makes use of case studies, management games, role plays, practical attachments and simulation techniques. At the end of each course, an evaluation of the course is usually carried out. This gives the College feedback from the participants, thereby enabling the College to further improve its programmes.

Application Procedure

Application to follow a course at the College can be made through the three Registrars of Cooperatives in Malaysia i.e.: (i) Director General, Department of Cooperative Development (ii) Director General, Farmers Organization Authority (iii) Director General, Fisheries Development Authority or directly to: (iv) Director Cooperative College of Malaysia.

Expenses

Accommodation and food are provided by the College to all participants sponsored by Cooperative Societies. However, personnels from government agencies and the Cooperative Development Department are charged at cost:

Accommodation	-	RM 15.00 per day
Food	-	RM 8.00 per day
Registration	-	RM 10.00

Facilities at the College

The hostel facilities at the College can accommodate a maximum of 240 participants at any one time. There are eight lecture rooms and a well-equipped library with a collection of 20,000 books for the use of course participants. An air-conditioned auditorium and a multipurpose hall are also available for gatherings and functions.

In addition, for those participants interested in sports, facilities are available for most indoor and outdoor games like badminton, tennis, volleyball, netball, chess, carrom, etc. The College also has 2 buses for the use of students on study visits.

Location

The Cooperative College of Malaysia is situated at Jalan Templer, Petaling Jaya, about 10 km from the city of Kuala Lumpur, the capital of Malaysia.

The full address is:

COOPERATIVE COLLEGE OF MALAYSIA

No. 103, Jalan Templer

46700 Petaling Jaya

Selangor

Tel. : 03-7574911

03-7574205

03-7574136

V - RIKSBYGGEN - THE COOPERATIVE HOUSING UNION OF SWEDEN

The Good Life

Riksbymgen believes in a society in which everyone lives in a good home. But a home is not just a house. Behind good housing there must be people with ideas and know-how. Riksbymgen's origins

are unashamedly idealistic. Good housing is good social policy.

Riksbyggen forms part of the broad Popular Movement in Sweden, taking as its organisational expression the common ownership structures of the movement. In a nutshell, Riksbyggen is not just in it for profit. But, at the same time, efficiency and profitability matter. We have to be economically sound to be able to live by our principles. This economic strength comes from our three principal activities: Development, Estate Management and Energy. 1,500 housing cooperatives are the foundations upon which Riksbyggen is built, each an economic association with its own residential property.

Our members understand about housing because they have the experience and the ideas that make for better homes. And Riksbyggen, through its affiliates, is one of the largest property owners in Sweden. Consequently, we have a broader social responsibility to speak out and formulate housing policy. This we do through a programme we call "The Good Town".

Planning and Building

We like to be there from the start, when the site development is being planned and the buildings designed. Riksbyggen negotiates a development agreement - as a rule on behalf of a housing cooperative - with local authorities in which the framework and requirements of the development are laid down. From these the architects, contractors, landscape gardeners, decorators, plumbers and electricians develop their plans for delivering technically sound and economically viable projects.

Riksbyggen plans and operates commercial property, but the bulk of our planning is in the residential property sector.

Once the planning is completed, our building teams go to work on the project and site management, the supervision and control, the contract negotiations, the feasibility studies, the valuations, loan applications, cost assessments, and the economic appraisals that the housing cooperatives and others need to have done.

Riksbyggen's experience and know-how in building and operating residential property is unique in Sweden. And our various specialist departments are organised to preserve and enhance our skills in investigating, planning, constructing, managing, renovating and rebuilding properties.

People Make Homes

Once the building is finished, it is time for the people to move into their residential flats or houses.

The Swedish "Bostadsratt" system offers people a perpetual right to live in a flat or house owned by a cooperative housing association, a pre-condition being that the tenant-to-be is accepted as a member of the association. It is designed to give tenants the opportunity to make their own decisions and determine the extent to which they wish to give their own time and energy to housing matters, like looking after the gardens or shovelling the snow.

The co-owner then has the right to participate in its deliberations on matters such as budgets, maintenance, improvements and developments. As a result, the co-owners or tenants feel responsible for their apartments and for its surroundings. They may also find themselves getting together around their common interests, be they questions about adult education and exercise facilities or child care and youth clubs.

The new members pay a deposit when first moving in, after which he or she pays a regular fee to cover the association's running costs and expenses such as interests, instalments and service charges for the cleaning and maintenance of the housing association's building and maintenance of the housing association's buildings and grounds. There are no "third parties" or "middle men" making money at the members' expense. Co-owners do however have the right to sell their tenancy rights as personal property on the open market.

Perhaps a cooperative association wishes to make some special provisions, and needs to draw on outside expertise. In such cases, the resources of Riksbyggen are at their disposal. Members can make their voices heard within Riksbyggen through their representatives on the Riksbyggen Council and at the Congress.

Three Housing Forms in Sweden: Apart from "Bostadsratt", Swedish law distinguishes between two other housing forms. One is "Hyresratt" which is the right to use a house or flat as your home through a rental agreement; the other is own home ownership, where the owner is allowed to buy or sell his home providing it is a house standing in its own plot of land. Flats are excluded from this form of housing.

We Look After Our Residents

When somebody moves into their new home, they want everything around them to be coming on stream and working properly, thus the management of a housing estate is important. And to do it well takes time and expertise, both technical and economic. Two thirds of Riksbyggen's employees deal with the management of their estates. These people are well-qualified, and well-organized. Riksbyggen is one of the largest residential property managers in Sweden, servicing 1,500 cooperative housing associations and 50 municipal housing companies which together have more than 220,000 flats.

The degree of Technical Support provided by Riksbyggen depends on what members need and their ability to look after themselves when it comes to cleaning and such like. Its task, as what could be described as "deputy landlord", includes work and personnel management, as well as liaising between itself and both management committees and local tenant-owners. Routine maintenance, keeping things running smoothly and just looking after every thing and purchasing the supplies and services that members need, are all responsibilities embraced by Riksbyggen's employees. And they also involve themselves in work like alterations and extensions. Technical support in many places is provided in the form of "Integrated Property Services" and these are operated by Riksbyggen through a geographically organised administration. This gives lower unit costs per flat by allowing economies in common services and shared equipment. Riksbyggen offers Economic Support to meet the needs of its members: needs which include book keeping, legal work and liaison with the authorities. And local assignments to look after specific properties, ranging from offices and commercial properties to town centres and leisure complexes, have increased as a consequence of Riksbyggen's policy of taking on an active technical and economic support role.

But by emphasising decentralisation and local responsibility, the central organisation and the common support services are deployed both efficiently and in such a way as to enhance the quality of local estate and property management.

Riksbyggen Conserves Energy

Sweden leads the world in energy conservation and Riksbyggen is right up there with the leaders. The key to energy conservation in the future is the small and medium-sized boiler rooms. These are the

norm at Riksbyggen. Production is based on oil, solid fuel, gas, and heat pumps. This together with skilled staff and computer controlled monitoring, allow us to operate a very rational system.

For many years, energy questions have been a key concern at Riksbyggen. We have the experience and the know-how for energy conservation.

The importance of the environmental question: Because Better Housing is what Riksbyggen is all about, conserving energy and caring for the environment come quite naturally. The Ecological Village in Akesta, north of Vasteras, illustrates this. Here, Riksbyggen have "placed" 28 terraced houses "down on the farm". They are better insulated than conventional houses, use warm air heating and wood burning stoves, incorporate Green Home conservatories, and inside employ extensively such materials as brick, wood and ceramics. The grey waste from bathrooms, kitchens and laundry rooms are treated "in the village" as just another self-sufficient common service facility, alongside the village hall with its sauna, basement premises, orchards and green houses. Even chickens, sheep and goats are catered for.

Everyone's Right to a Good Home

Riksbyggen's social function in the housing field is expanding. Work once done by servants and home helps and the like are now becoming the responsibility of Property Services and Estate Social Officers. Residential Services allow, among other things, the elderly and the handicapped to cope with their cleaning and shopping. As a result, they can live in their own apartment longer. And this, in its turn, frees up professional care personnel in society for other tasks.

But making life easier for the elderly does not mean just residential services. It also means new housing and improvements to existing homes to eliminate stairs, increase the toilet areas and deal with other troublesome obstacles.

And these are not the only categories with special needs. Allergies present society with another group of sufferers, for instance, Riksbyggen builds to more stringent standards in order to address this group. Pets may not be permitted, smoking may be banned, grills eliminated and so on.

How to go about obtaining a "Bostadsratt" flat: The best way is to put your savings into the "RiksBoSpar" savings scheme established by Riksbyggen and the Swedish Savings Banks, Sparbanken. This

scheme operates throughout Sweden and is open to everyone. Any flat or house, anywhere in Sweden, built by Riksbyggen for "Bostadsratt" is a home that can be saved up for. The saver joins the local home savers club established by the local branch of Riksbyggen in conjunction with a local Trustees Savings Bank. Then, when a flat comes up, arrangements can then be made to take out a loan for the deposit.

Home Saving with Linked Pension Insurance: Riksbyggen and the Cooperative Insurance Company, Folksam, offers a scheme which allows people to save for a more comfortable old age by linking the residential services flats with pension and life insurance contributions. This savings form has acquired the name "Bonum" and complements the state-run pension scheme. Through Bonum, normal wage earners can save up for either a Riksbyggen flat or house while they are working and ensure their comfort in later years.

Who Owns Riksbyggen?

Riksbyggen is an economic association which through its ownership structure is firmly anchored in the traditions of the Swedish cooperative movement.

Its principal owners are the Cooperative Housing Association and the Building Unions. The ownership composition is as follows :

- Housing Coops.	31.4%
- Swedish Trade Union Confederation	1.3%
- 22 LO Unions	42.4%
- Swedish Saving Banks	1.4%
- Consumers Coop. Society	9.5%
- Worker Representation	0.4%
- Local Associations	8.6%
- Folksam Insurance	5.0%

Membership Organisation

The membership appoints Riksbyggen's Council which meets once a year. The Council appoints the Riksbyggen Board of Directors, approves the organisation's political programmes as it relates to the Housing Sector and draws up the strategic guidelines for Riksbyggen's business activities.

The Managing Director of Riksbyggen is appointed by the Board

of Directors. The Housing Cooperatives jointly appoint their regional delegations to represent their members on the Council, as do the local associations.

Workers representation and the interests of other parties within the cooperative movement are secured by a seventy strong delegation to the Congress and the Council representing local area groups.

National Organisations have direct representation on the Council.

Business Organisation

Approximately 4,000 people work for Riksbyggen, 2,500 of them blue-collar workers. There are 28 district offices from Malmö in the very south of Sweden to Malmberget above the Arctic Circle. This is the foundation upon which the Riksbyggen concern is built.

District Offices have considerable local autonomy with their own Building and Property management.

18 site offices and a number of smaller service bureaus report to the district offices, responsible mainly for estate management.

District Offices provide building and project management, supervise building works and provide inspectors and controllers. Expertise on planning and development, loans, grants and property matters is also available. These together with the resources available from head office enable Riksbyggen to offer a comprehensive service on cost estimates for property valuation and building construction as well as for applications for government housing loans, that are available at a low rate of interest.

Subsidiaries :

i) AoT Arkitektur och Teknik AB

Established at year end 1990-91 through an amalgamation of Riksbyggen's planning and design division with the design department of the Cooperative Society, KF. It is an "Architect Practice with Technical Expertise" in which architects collaborate with other professionals throughout the building phase of a project from concept to final inspection. AoT, one of the biggest in its field in Sweden, has a professional staff of some 365 persons working on assignments from Luleå in the north to Malmö in the south. Most of their work is in Architecture. Building Technology, Installation, Design and Advertising.

ii) *Riksbyggen Fastigheter AB*

Parent Company for the property development concern established in 1989 and embracing about 50 properties in all. The purpose of the company is to own, manage and run Riksbyggen's non-residential property business and that of its close associates.

iii) *Sweden On Line AB*

Cable TV Operating Company with an innovative track record both in programming and in developing low cost technical solutions. The SOL-system utilises an extensive local network through Sweden making it the largest privately owned TV Cable Grid in Europe.

iv) *Public Welfare*

Riksbyggen manages some fifty other municipal housing companies. Besides looking after the properties themselves, we tend to also take responsibility for running companies. We have an ownership share in forty of these companies and normally aim to make them the "Quality Leader" in their particular business.

A Short History

During the depression of the 1930's, unemployment was extremely high in the building industry. At the same time, houses being built were of poor standard and built for profit. There was no public housing policy worth the name. The interests of those who would live in the houses were seldom considered and the plight of the building worker was ignored. With chronic housing shortages, cramped living conditions, and unhealthy surroundings, the trade unions in Göteborg joined together in 1940 and set up their own consulting firm to look into the problem. The result was Riksbyggen, and its mission was to get the building workers back to work building good housing for a nationwide confederation of cooperative housing associations. Security of tenure, participation and community were the goals.

The first Riksbyggen Housing Cooperative was established in Goteborg with 300 flats. Fifty years later there are 1,500 housing associations throughout the length and breadth of the country while Riksbyggen continues to build under the original motto "Good Housing for All".

International

Riksbyggen is an active member of the Housing Committee of the International Cooperative Alliance and also involved in Swedish development assistance to developing countries in the field of cooperative housing.

VI - NATIONAL COOPERATIVE HOUSING FEDERATION OF INDIA

Introduction

The National Cooperative Housing Federation of India (NCHF) is the national level organisation of the Indian Cooperative Housing Movement. It was established in September, 1969 on the recommendations of the 'Working Group on Housing Cooperatives' constituted by the Government of India. The basic thrust of its formation was to have an organisation at the national level which would assume the responsibility of promoting, developing and coordinating the activities of housing cooperatives in the country.

Due to the vigorous efforts made by NCHF with the State Governments/Union Territories Administrations, it has been able to promote 19 apex housing federations raising their number from the earlier 6 to 25. All the state level apex housing federations are members of NCHF.

In the course of its existence, NCHF has taken a number of measures for the organisation and development of housing cooperatives in the country. With the result, about 85,000 housing cooperatives, with a membership of 5 millions are working in the country. While extending the academic support and other necessary help to its member federations for improving their financial, organisational and technical base, it is also helping housing cooperatives on legal, financial, organisational and other professional matters. In addition, it is undertaking research studies, bringing out various publications, providing guidance on various aspects of housing and undertaking general insurance business for housing cooperatives.

What are NCHF's Objectives?

- To provide a common forum for dealing with technical, financial and other practical problems relating to housing cooperatives and to devise ways and means of solving them.

- To propagate and popularise Cooperative Housing Movement on sound cooperative principles and to promote such ideals through publications and periodicals including bulletin and journals and exchange statistics and information relating to cooperative housing.
- To raise funds by borrowing or otherwise.
- To grant loans or advances to members.
- To coordinate and guide the working of housing cooperatives in respect of planning, construction etc. of houses and make available expert advice/services for the purpose.
- To procure, manufacture, stock and supply building materials to its members.
- to promote apex housing federations in those States where such organisations do not exist.

What Services does NCHF Offer?

- Assisting apex housing federations in raising resources from the Life Insurance Corporation of India, National Housing Bank, Housing and Urban Development Corporation and other funding agencies.
- Guiding State Government/Union Territories Administrations in the matter of setting up the apex housing federations.
- Providing a common forum to member federations to examine problems of housing cooperatives and allied matters.
- Conducting research and studies on various issues of housing cooperatives.
- Representing the Indian Cooperative Housing Movement at the national and international forums.
- Assisting Institutes of Cooperative Management in organising courses/programmes on housing cooperatives.
- Providing guidance to apex and primary societies on technical and legal matters.
- Assisting housing cooperatives on general insurance.

What has NCHF's Achieved?

(a) Promotional

- Assisted the State Governments/Union Territories Administrations of Andhra Pradesh, Assam, Bihar, Goa, Haryana, Jammu and Kashmir, Kerala, Madhya Pradesh, Manipur, Meghalaya, Punjab, Rajasthan, Uttar Pradesh, West Bengal, Pondicherry, Chandigarh, Himachal Pradesh, Mizoram and Andaman & Nicobar Islands in the matter of establishing apex housing federations. The NCHF has taken up the issue with the remaining State Governments/Union Territories Administrations, where such organisations do not exist, for setting up the apex housing federations and it hopes that in the near future all the States and Union Territories will have apex housing federations at state level.
- In the recently approved National Housing Policy housing cooperatives have been assigned a vital role for solving the shelter problems of needy, especially of the lower strata of population. This has been done at the request of NCHF.
- The NCHF has assisted the Ministry of Urban Development in drafting a "Model/Separate Chapter" on Cooperative Housing to be included in the State Cooperative Societies Act. This will provide proper legal framework for the efficient functioning of housing cooperatives.
- The NCHF has made pioneering efforts to augment the flow of funds to apex housing federations and taken up several issues with the Government of India and Financial Institutions for adequate and timely flow of funds to housing cooperatives. It has got encouraging response from the number of funding institutions viz. NHB, HUDCO, LIC, Cooperative Banks etc.
- The NCHF has requested the concerned State Governments and Union Territories Administrations to contribute towards the Share Capital of the apex housing federations and also allot annual quota for Government Guaranteed Debentures like they do for Cooperative Land Development Banks and other Public Sector Institutions in order to augment their financial resources which help them in taking loans from LIC etc. With the result the contribution of 21 State Governments was increased considerably.

- The NCHF has requested the concerned State Governments and Union Territories Administrations to grant exemption to housing cooperatives from payment of Stamp Duty and Registration Fee. As a result of that the State of Andhra Pradesh, Assam, Delhi, Goa, Himachal Pradesh, Karnataka, Kerala, Maharashtra, Meghalaya, Orissa, J&K, Pondicherry, Rajasthan, Tamil Nadu and West Bengal exempted housing cooperatives from payment of Stamp Duty and Registration Fees.
- The State Governments have been requested to allot one-third of the land acquired by them and their local authorities for the construction of houses by the housing cooperatives for their members. As a result of that the Government of Madhya Pradesh and Delhi have decided to allot 30% and 40% respectively, of the acquired land to the housing cooperatives.
- NCHF requested the Chief Ministers and Lt. Governors of all the States and Union Territories to constitute a Committee in their respective State/Union Territories to discuss about the enlarged role that can be assigned to housing cooperatives in the coming days. Keeping this in view the State Governments of Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Haryana, Jammu & Kashmir, Kerala, Madhya Pradesh, Orissa, Punjab, Rajasthan, Tamil Nadu, West Bengal, Pondicherry and Union Territory Administration of Andaman & Nicobar Islands have constituted this Committee. NCHF is closely associated with these Committees.
- NCHF serves as a forum to discuss the various national and international issues, problems and policies relating to the housing cooperatives and suggest their solutions.
- NCHF has referred the issue to the Ministry of Urban Development to allot land to housing cooperatives on free hold basis. As a result, the Delhi Development Authority has taken a decision to convert lease hold property into free hold ownership. Similarly in the State of Pondicherry the land is allotted to housing cooperatives on freehold basis.
- Keeping in view the cooperative housing as a priority sector, the Chairman of NCHF has been appointed as a Director on the Board of Directors of National Housing Bank (NHB).

- At the request of NCHF, the Reserve Bank of India has notified that the housing loan upto Rs. 2 lakhs and for repairs of houses upto Rs. 25,000/- granted by the Commercial Banks have been included under priority sector advances.
- At the instance of NCHF, the Planning Commission has constituted a Standing Committee on Housing Finance for 8th Five Year Plan. The Managing Director, NCHF is one of the members of the said Committee.
- The Planning Commission has set up a Working Group on Housing for North Eastern States. The Managing Director, NCHF has been nominated as a member of the Group.
- The Planning Commission, Government of India has set up a Working Group on Urban Housing for the Ninth Five-Year Plan (1997-2002). The Managing Director, NCHF has been nominated as a member of the Group.
- The Expert Group, constituted by the NCHF, has drafted Model Loaning Conditions for advancing loans to housing cooperatives by the Apex Cooperative Housing Federations. The model loaning conditions were considered useful and were adopted by the Apex Federations.
- At the instance of NCHF, the Apex Cooperative Housing Federations, has began to invest their surplus funds in Cooperative Banks, especially Bombay Mercantile Cooperative Banks at higher rate of interest received from other commercial banks, instead of keeping the money idle.
- At the request of NCHF, the United India Insurance Company has reduced the rate of premium from 70 paise to 50 paise per thousand on general insurance of cooperative housing projects. In addition a special discount of 5% is also granted in case the premium for 3 years is paid in lumpsum, there is a further rebate of 25% on total premium.
- With a view to improve the efficiency of apex housing federations and to make them strong enough to face the competitions from the private sector, under the new environment being created in our country on account of liberalisation of the economy, NCHF has decided to computerise their working. NCHF and some of the apex housing federations have since introduced computer system in their working. The remaining apex federations will also install computers in a near future.

- The NCHF has prepared a project for establishment of a Centre for Development of Housing Cooperatives in Asia and Pacific Region. The proposal in principle was accepted by the Ministry of Urban Development, and the Ministry advised NCHF to run the centre for Indian housing movement in the first instance in collaboration with the training centre run by HUDCO.
- NCHF has proposed to conduct certificate/diploma programme for the personnel of Indian cooperative housing sector in collaboration with International Cooperative Training College, Loughborough (UK) as a distant education programme under the financial assistance of British Council. The proposal is under consideration by the Government.
- The International Cooperative Alliance has assigned NCHF to conduct a Study on 'Cooperative Housing in Asia.'

(b) Publications

The NCHF is endeavouring to pursue the progress of housing branch of the Cooperative Movement not only by providing financial assistance and organisational guidance but also through various publications. It brings out important publications which analytically examine cooperative housing policies and programmes, identify problems and suggest solutions for them. The list of the publications are as under:

- * NCHF Bulletin, a monthly bilingual (English-Hindi) devoted to cooperative housing movement.
- * Technical circulars to disseminate the policies and programmes of Government of India, NHB, LIC, HUDCO regarding cooperative housing to member federations.
- * A handbook of Cooperative Housing Statistics.
- * Cooperative Housing in Figures.
- * Organisation and Management of Housing Cooperatives.
- * Cooperative Housing in India
- * You and Your Housing Cooperatives.
- * Tables and Equated Instalment.
- * Legal Problems of Cooperative Housing Societies.
- * Readings in Cooperative Housing.
- * Guide Book for House Builders.

- Supreme Court on Housing Cooperatives.
- Problems of Maintenance of Accounts of Primary-Cooperative Housing Societies.
- Awas Sahkari Sansthaen-Sangathan Aur Prabandh.

(c) *Research and Studies*

The NCHF has developed a Research Cell which periodically undertake research studies on housing cooperatives and allied subjects. The following projects have been initiated/ completed by NCHF:

- A study on the problems of maintenance of accounts of apex cooperative housing finance societies.
- A study on the problems of maintenance of accounts of primary cooperative housing societies.
- A study on the legal problems of the cooperative housing societies in India.
- Distribution of loans among various income groups provided by apex cooperative housing finance societies/ federations.
- Study on the working of Rajasthan State Apex Federation and suggest ways and means for its development and viability.
- A study on the working of the Tamil Nadu Cooperative Housing Federation.
- A study on the working of the Meghalaya State Cooperative Housing Finance Society.
- Study the loaning rules of different Apex Housing Federations and to draft a Model Loaning Conditions so as to maintain certain degree of uniformity in financing pattern and facilitate a realistic pattern of their loaning.
- A study on the working of Building Societies in United Kingdom and Home Loan Associations in United States of America.
- Study the problems of Recovery of Apex Housing Federations.
- Study on National Integration through Housing Cooperatives.

(d) Technical Services Cell

The NCHF has set up a Technical Services Cell to provide technical guidance and services to the apex housing federations and also the primary housing cooperatives. The objectives of the Cell are as under:

- Planning and Designing of Cooperative housing projects.
- Preparing estimates, detailed working drawings and specifications.
- Preparing structural, electrical, sanitary and landscaping plans.
- Supervising the construction work of housing cooperatives.
- Providing guidance in reducing the cost of construction by using local raw material and innovative techniques.
- Interior decoration and furnishing.
- Collaborate with Central and State Governments, Local Authorities, Research Bodies for providing effective services to housing cooperatives on all professional aspects.
- Assisting the cooperatives to prepare loan applications to be submitted to the financing institutions for raising loans.
- Publications of Technical Guidelines.
- Developing Technical skill among the personnel of housing cooperatives.

(e) Training And Research Centre

The NCHF has set up a Training and Research Centre in its premises to provide need based training facilities to the personnel of housing cooperatives on different aspects. A library containing a vast collection of books on cooperative management, accounts, law and other subjects on housing cooperatives has been maintained for upgrading the knowledge of persons of housing cooperatives and also to those who desire to undertake deep study and research work on cooperative housing movement. The following training programmes are being organised regularly:

- Leadership development programme for the elected directors of housing cooperatives.

- Programme on Low Cost Housing Technology.
- Technical Training Programme for the Engineers/Junior Engineers of Housing Cooperatives.
- Orientation programme for the Accountants of housing cooperatives.
- Cooperative training for slum dwellers.
- Programme on Legal issues related to housing cooperatives
- General Programme on the organisation and management of Housing Cooperatives.
- Programme on Computer application
- Programme on General Insurance and Group Insurance for the members of housing cooperatives.

(f) Conferences/Seminars

The NCHF organise once in every two years an All India Cooperative Housing Congress which is the highest forum for reviewing the working and progress of Cooperative Housing Movement. So far eleven Congresses have been organised at different places in country. Apart from Congresses and conferences, the following Seminars/Workshops have also been organised:

- Seminar on Cooperative Housing in India.
- Workshop on Rural Housing through Cooperatives
- Seminars on the Financial Aspects of Housing Cooperatives
- Workshop on General Insurance
- National Seminar on the role of Housing Cooperatives under the new financial setup.
- Workshop on the Refinance Scheme of the National Housing Bank and Housing Cooperatives.
- Seminar on Cooperative for Eastern States
- Seminar on Cooperative Housing for Northern States
- Seminar on Cooperative Housing for Southern States

(g) Member Services

The NCHF has maintained a liaison with United India

Insurance Co. for undertaking the general insurance business of cooperative housing societies in the country. An Insurance Sub-Committee has also been set up to guide the insurance work and also to finalise various new schemes with the United India Insurance Co. so that a uniform cover may be given to housing societies and also to enjoy reduced premium rates against the magnitude and spread of the risk of societies.

The NCHF has started a scheme to deposit the surplus funds of apex housing federations with the Cooperative Banks, for a short period at higher rate of interest in order to avoid any loss to the apex housing federations on the loans obtained by them from the Life Insurance Corporation of India and other sources.

The NCHF on behalf of its member federations frequently take up all those issues and problems which are of a uniform nature and causing concern to the housing sector, like finance, land, legal, etc. with the appropriate authorities for amicable solutions. With a result a number of issues have been settled and facilitated the housing cooperatives to run their activities smoothly.

(b) Coordination

NCHF is maintaining effective coordination with the Ministry of Urban Affairs and Employment, Ministry of Agriculture, Planning Commission, State Governments, Reserve Bank of India, National Housing Bank, Housing and Urban Development Corporation, Life Insurance Corporation of India, General Insurance Corporation of India, National Buildings Organisation, Building Materials and Technology Promotion Council, Central Building Research Institute, National Cooperative Union of India, National Council for Cooperative Training, International Cooperative Alliance and various state level apex cooperative housing federations so as to acquaint itself about their policy decisions and pursuing the matter concerning housing cooperatives with them and to work in a better cooperative manner to provide strength to the Cooperative Housing Movement in the country.

What Have NCHF Members Accomplished?

The member federations of NCHF have made a major contribution in the development of housing cooperatives in the country. These federations have so far disbursed a loan of nearly Rs. 35000 million to the housing cooperatives for construction of dwelling units, which in turn have constructed more than 1.4 million houses in the country and a similar number of houses are under various stages of construction. 72 per cent of the housing units has benefitted EWS and LIG families, 19 per cent has gone to MIG and only 9 percent to HIG category.

As regards over all progress of cooperatives housing movement is concerned, it has grown from strength to strength during the preceding years and presently there are about 85000 housing cooperatives with a membership of 5 million in the country. Out of that, about 29000 housing cooperatives are affiliated with State Apex Cooperative Housing Federations for getting financial assistance. The rest of the cooperatives are those, (i) which have got finances from other sources, viz. HDFC, LIC, Commercial Banks, Private financiers, departmental loaning etc., (ii) which have not yet started construction activities and, (iii) which have repaid their loans fully.

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| Mr. K. Prames Varan | - Vice-President, Cooperative Union of Malaysia |
| Mr. T.S. Nathen | - Director, Cooperative Union of Malaysia |

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| Mrs. Hafeez Zahen @
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| Mrs. Armi Zainuddin | - Cooperative College of Malaysia |
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- Representative - Ministry of Housing and Local Government
- Representative - Ministry of Land and Cooperatives

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- Ms. Azmiah Mat Saad - ANGKASA
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International Cooperative Alliance

Statement on the Cooperative Identity

DEFINITION

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

VALUES

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.

PRINCIPLES

The cooperative principles are guidelines by which cooperatives put their values into practice.

1st Principle : Voluntary and Open Membership

Cooperatives are voluntary organisations, open to all persons 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 organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner.

3rd Principle : Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. 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 cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4th Principle : Autonomy and Independence

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, 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.

ISBN : 92-9054-038-9

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