

ICA HOUSING CO-OPERATIVES

HABITAT II plus 5

Best Practice

Innovative Approaches to Co-operative Solutions
of Housing Problems of the Poor

Case studies from member-organisations

edited by

Hans-H. Münkner



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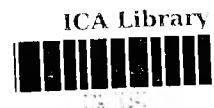
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Preface

In many countries housing co-operatives are an important factor in shelter politics. Government recognise them as relevant partners in order to overcome obstacles in housing supplies. This is especially due to their great achievements in the past, but also to their response the challenges of the future. Therefore shelter politics involve housing co-operatives as partners.

In 1996 the Second UN Conference on Human Settlements held in Istanbul and known as HABITAT II it was decided that all possible efforts should be made to improve the housing situation and the living conditions of the growing number of poor families, living in substandard, illegal and semi-legal shelter, without security of tenure, with low, uncertain and irregular income, poor health due to malnutrition and lack of access to clean water and bad hygienic conditions due to absence of even a minimum of infrastructure.

Such conditions favour insecurity, discrimination and exclusion, political unrest and criminal activities and threaten social stability and peace. Children growing up in such environment are denied access to education and qualification and are deprived of chances and equal opportunities for their further development compared with children growing up in a safer and healthier environment.

In times of rapid and radical economic, social and technological change, age old local knowledge which has been sufficient to secure survival in difficult circumstances, is devaluated in an unprecedented speed. The knowledge of the ancestors is no longer sufficient to generate enough income to meet the basic needs of the rural poor. Poverty forces them to migrate to the urban centres, where they hope to find a better future for themselves and for their children. However, they often end up disillusioned in rapidly growing squatter settlements and slums.

The world co-operative movement has been called upon to show what can be achieved by organised self-help, mutual assistance and international co-operation, supplementing family solidarity by voluntary co-operation based on negotiated solidarity and the co-operative values of equity, equality, caring for others and concern for the community. In co-operatives, individualism is combined with solidarity among members but also with social responsibility beyond the membership group for the less advantaged members of society. They propagate “co-operative individualism” or “altruistic egoism”, taking account of the fact that in our modern time of division of work and highly differentiated social and economic structures, nobody can claim to be able to survive alone, everybody depends in one way or another on the co-operation and solidarity of his/her fellow citizens, neighbours, colleagues and service providers of all kinds. Especially housing co-operatives experience this dependence of the individual on solidarity of neighbours and of the community.

Over more than hundred years, co-operatives have developed special methods and skills to help individuals and families belonging to the low income group to

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break the vicious circle of poverty, lack of shelter and tenure security, isolation, lack of knowledge and capacity, bad health and high vulnerability by organised self-help, if necessary, with aid and advice of self-help promoting agents, who assist in finding access to qualification, loans and employment.

In the present publication, member organisations of ICA Housing offer a survey of the methods, approaches and techniques developed to enable the poor to solve their housing problems: Donor co-ordination, an integrated rather than sectoral approach, forming local partnerships for local development, capacity building for future employment or self-employment, designing special lending techniques for low income borrowers, low cost access to land and construction methods as well as locally produced and easily used building materials.

The case studies show that best practice in housing co-operatives has to include an integrated approach, donor co-ordination, assisted self-help, knowledge sharing among external and local specialists, development of innovative training methods, bridge finance, legal instruments, building materials and construction methods, promotion of income generating activities all specially designed to meet the needs of low income groups, to mobilise local resources and to integrate the disadvantaged, often excluded from mainstream society.

The book is subdivided into 3 parts: A summary of the background of the "HABITAT II plus 5" process and a Synopsis of most common mistakes and best practice, both written by Hans-H. Münkner, who is also the editor of the whole publication. The main part are 12 case studies from Africa (5), Asia (1), Europe (4) and Latin America (2) provided by ICA Housing member organisations, following as much as practicable the same format: case history, main actors, problems and solutions. Some of the cases are illustrated by a selection of photographs.

The use of this manual on best practice of organised self-help in low-cost housing is facilitated by an alphabetical index, a list of useful addresses and some hints for further reading.

It is hoped that this presentation of best practice will contribute to spread the ideas of voluntary co-operation of the poor as a means to improve living conditions by organised self-help among donors, development planners, government officials and all persons responsible for community development, human settlements, social well being and a healthy environment. Encouraging the development of housing co-operatives is a well tested contribution to create better prospects for future generations and to come closer to Kofi Annan's vision of cities without slums.

Jens Heiser

President ICA Housing

The Right and Access to Housing: From Words to Action

Press release

Forum international sur le logement social

Montréal – Québec

April 26, 2001

Social-housing professionals gathering in Montreal and Quebec City from April 23 to 28, 2001 for the International Forum on Social Housing have focussed on the important issue of access to housing for all those in need. For the first time, 136 social-housing professionals from 65 organizations located in 37 countries spread over four continents (Africa, Asia, North America and Europe) have been exchanging views on housing issues, which are becoming increasingly pressing nowadays. The event has been exceptional in that the experts attending have come from the northern and southern hemispheres, Western and Eastern Europe, developing countries, transition countries, and developed countries.

Together, these professionals oversee 30 million rental dwellings and 15 million affordable dwellings for sale. The observations and recommendations of the forum's delegates will serve in drawing up a report to be presented at Habitat II + 5, a conference the UN will hold in New York in June 2001.

Decent housing is included among the rights spelled out by the 1948 Universal Declaration of Human Rights and was confirmed in the final declaration of the Habitat II conference held in Istanbul in 1996. Although housing is a frequently invoked right and many countries have included it in their constitutions, 20% of the world's population (1.2 billion) still don't have access to decent, affordable housing freely chosen by them.

The access to housing for everyone is a fundamental factor for sustainable and social progress around the globe. A right is useless if it cannot be exercised concretely. **For the forum's delegates, the top priority is now access to housing.**

Housing is a prerequisite for exercising other rights such as health, education, employment, citizenship, culture and leisure. In addition, decent housing helps reduce violence, insecurity, drug use, vandalism and crime. Indeed, failure to provide housing end up costing more than investing in proper dwellings for those in need.

As the forum's delegates have observed, social imbalances increased in the 1990s and laws alone cannot ensure fair access to housing. The market is no longer able to accommodate everyone. Hence, it has become necessary to develop strategic public financing over the long term, introduce specially

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adapted land and fiscal policies, and favour a sound organization of private-sector players so as to promote public-private partnership. Public authorities must be mobilized nationally, regionally and locally, as well as internationally (in particular for the development programs defined by the World Bank and the IMF). Furthermore, housing must be integrated into the ranks of investments that structure economic and social life. To these ends, implementing public policies is essential.

Economic growth, together with globalization, cannot resolve the problems completely. Major government intervention, supported by experts in the field, will always be necessary to introduce balancing mechanisms that the market could never achieve alone. Indeed, growth can, in some cases, increase disparity and widen the gap between rich and poor.

It is important for the UN to review the issue of housing rights **every five years** to determine whether headway has been made and to check the progress of housing policies world-wide. Social-housing professionals have also expressed the desire to see the general public attend these deliberations, as was the case in Istanbul. Members of the public often work at the grassroots level and can suggest development solutions that reflect the true needs of communities.

The forum's delegates have concluded that access to decent housing is a major challenge for the international community and that society must tackle the enormous task of properly housing more than a billion people while giving them dignity and power to take part in the democratic life of their community and their country.

List of Abbreviations and Acronyms

AIDS	Acquired Immune Deficiency System
ASA	Assisted Self-help
BMZ	German Federal Ministry for Economic Co-operation and Development
BUCHA	Baltic Union of Co-operative Housing Association
CCA	Canadian Co-operative Association
CDG	Carl-Duisberg-Gesellschaft
CECODHAS	European Committee for Social Housing
CHF	Co-operative Housing Federation, USA
COPE	COPE Affordable Housing non-profit Company, later COPE Housing Association
DCKC	Devanpapuri Chenenetha Karmika Co-operative Society Ltd. (name of local weaver's Co-operative)
DESWOS	German Development Assistance Association for Social Housing
DG	Direction Générale (EU)
EEK	Currency Unit Estonia
EHMA	East Midland Housing Association Ltd., UK
EKL	Estonian Union of Co-operative Housing Associations
f.	Following
FAO	Food and Agriculture Organisation of the United Nations
FENACHE	Federação Nacional de Cooperativas de Habitação
FUNHAVI	Fundación Habitat y Vivienda A.C.
GJMC	Greater Johannesburg Metropolitan Council
GTZ	German Association for Technical Co-operation
HABITAT - UNCHS	United Nations Center for Human Settlements
HIDF	Housing Institutions Development Fund, RSA
HPZ	Housing People of Zimbabwe
HRH	His/Her Royal Highness
ICA	International Co-operative Alliance
IGAPHE	National Institute for the Management and Alienation of State Housing Patrimony
ILO	International Labour Office, Organisation
IMF	International Monetary Fund
IPD	Islanda Partners in Development
KABTEC	Kataayi Appropriate Building Technology Centre
LA	Local authority
MBW	Ministerium für Bildung und Wissenschaft
MCC	Mennonite Central Committee

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Misereor	German catholic church based development and aid organisation
NAFTA	North American Free Trade Agreement
NBBL	Norwegian Federation of Housing Co-operative Associations
NGO	Non-governmental Organisation
NHAG	Namibia Housing Action Group
NHFC	National Housing Finance Corporation, RSA
NORAD	Norwegian Agency for Development Co-operation
NU	Neighbourhood Unit
PASS	Poverty assistance study
PELIP	Housing Company established with Swedish Funds in Eastern Cape, RSA
RGM	Rendimento Mnimo Garantido
RSA	Republic of South Africa
SHF	Social Housing Federation, RSA
SIDUR	Society for Integrated Development in Urban and Rural Areas
SNHA	Sakhezethu NgoManyano Housing Association
TSC	Technical Service Center
UGT	Portuguese Trade Union
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Program
UNIDO	United Nations Organisation for Industrial Development
USAID	United States Agency for International Development
WHO	World Health Organisation

HABITAT II plus 5

Best Practice

Innovative Approaches to Co-operative Solutions of Housing Problems of the Poor

Case studies from ICA Housing member-organisations

Background

by Hans-H. Münkner

HABITAT II stands for Second United Nations Conference on Human Shelter, held in Istanbul/Turkey in 1996.

During this conference it was decided that all member states should review the implementation of the HABITAT Agenda on which the participants of the conference had agreed together with a declaration of a global plan of action known as the “Istanbul Declaration”.

The HABITAT Agenda was adopted together with a global plan of action.

The HABITAT Agenda sets out the goals, principles and commitments for improving the quality of life to accomplish the task of providing adequate shelter for all and of initiating sustainable human settlements development in an urbanising world.

In more precise terms, the HABITAT Agenda calls for developing and implementing:

- Enabling approaches,
- forming partnerships,
- activating participatory mechanisms and
- building capacity (i.e. human resources development).

Taking account of previous experience with conference declarations, the HABITAT Agenda is accompanied by a global plan of action, setting out a process to be followed by member states.

Istanbul plus 5 gives member states an opportunity to report on progress made in their respective country in moving the HABITAT Agenda ahead.

Such reports should contain forward looking, innovative approaches and successes as well as failures and mistakes from which lessons could be learned. They should furthermore disclose gaps in the concept and procedures discovered during implementation.

It was also decided that Non-governmental Organisations (NGOs) – which play a key role in this process – should be given the right to full participation in the special session of the UN General Assembly in June 2001 in New York.

This special session of the UN General Assembly will serve as a 5-year assessment, review and appraisal of progress made in the implementation of the HABITAT Agenda.

Reporting Format

In order to facilitate synthesis and presentation of the reports submitted by member states and to improve policies, revise action plans and mobilise investment resources, the reports should cover the relevant items under 6 major headings:

1. Shelter,
2. Social development and eradication of poverty,
3. Economic development,
4. Governance,
5. International co-operation and
6. Environmental Management

The same format will be followed as much as practicable in this publication.

ICA Response

The response of ICA Housing on the challenges of implementing the HABITAT Agenda and the global plan of action was among other things to organise 5 regional seminars on the promotion of housing co-operatives in Kampala, Uganda (1997), Mexico City, Mexico (1998), Manila, Philippines (1999), Bratislava, Slovakia (2000) and Tallin, Estonia (2001).

At global level, ICA signed a Memorandum of Understanding with UNCHS (HABITAT) in February 2001 in Nairobi, Kenya.

Another Regional seminar is planned for autumn 2001 in Istanbul, Turkey, concentrating on problems in Central and Eastern Europe.

The Role of Co-operatives

Exchange of ideas and professional experience is seen by ICA and its member-organisations as one of their main obligations. During the UN HABITAT II Conference in Istanbul ICA Housing Co-operatives were already involved as a world-wide NGO to present their views in the General Assembly.

Co-operatives are recognised in the HABITAT Agenda as important actors in promoting sustainable human settlements and implementing the HABITAT Agenda, in particular by:

- Elaboration of shelter policies as development partners of government,
- advocating removal of legal and social barriers to equal and equitable access to land, especially for women, other socially weak groups and people with disabilities,
- collaboration with other co-operatives and development partners in promoting integration of marginalised persons and groups and undertaking joint efforts to overcome social and economic discrimination,
- creation of new housing finance mechanisms by removing obstacles for establishment of financial co-operatives, by helping to build a financial basis for urban development by providing financial instruments specifically designed for low income groups and by negotiating donor funding.

Co-operatives were called upon to review and submit their experience, particularly in the areas of establishment of partnerships and the role of civil society. They were asked to monitor and assess success and failure of their programmes and projects and of international co-operation.

Housing is one of the areas in which co-operatives can play a leading role. Housing co-operatives have a long experience in promoting sustainable development and reduction of poverty by providing sustainable livelihood, promoting partnerships and building capacity. However, to achieve this, co-operatives need an enabling environment, appropriate legislation and government policies which recognise the unique character of co-operatives as member-owned and member-controlled self-help organisations which follow their own principles and methods and which need autonomy and independence from government control in order to be successful.

The case studies submitted by member organisations of ICA Housing and presented in this book illustrate the key areas in which conventional programmes and projects need review before effective strategies for the co-operative sector can be adopted.

By presenting these case studies, ICA member organisations share their best practice with all persons and institutions interested in solving the housing problems of the poor by way of promoting assisted self-help. They show that working together the co-operative way can be an effective means of providing shelter to socially and economically weak persons, who are unable to solve their housing problems as individuals.

From an outsider's point of view, it is usually thought that co-operatives help their members, that co-operatives have certain advantages as effective providers

of shelter. This view is also common among government officials, development planners and donors.

However, a closer look reveals that those who see co-operatives and assess their contribution to development in this way risk to overlook the main advantage of co-operative approaches as compared to the usual programmes of top-down development designed by experts for beneficiaries and carried out by transfer of knowledge and funds: **Genuine co-operatives are organisations for voluntary resource mobilisation in self-help groups by the people themselves and for their own benefit.**

Strictly speaking, it is misleading to say that co-operatives have members. It is more correct to say that **members have their co-operatives**. Co-operatives do not help the poor, but by working together, by pooling their resources, by submitting themselves to group discipline and by accepting to combine self-interest and group solidarity, the poor can solve some of their problems by way of organised self-help and mutual aid better than alone. Seen from this angle, the advantages of co-operatives are that they can be an effective form of organisation for the socially and economically weak to find access to shelter and livelihood.

These typically co-operative advantages are set out in some detail in the following chart.

Co-operatives are	
self-help organisations	Co-operatives are self-help and mutual aid groups based on negotiated solidarity , i.e. groups in which individuals agree to work together with others because they understand that their own interest is served best and their goals can be reached only together with others having similar interests and goals.
People centred organisations	In co-operatives, people are in the centre of concern. Meeting the needs and providing services to members comes first, capital is also necessary, however, earning interest on capital is not the main objective.
Voluntary organisations with open membership	Co-operatives are based on voluntary commitment of their members. If membership is meaningful and offers advantages, more persons will join. If membership becomes meaningless, members will withdraw.
Self-managed organisations	Self-administration and member-control are among the main co-operative principles; as self-managed organisations , co-operatives are more transparent and less bureaucratic than anonymous public or private

	welfare and/or support organisations. Co-operatives depend on active participation of their members. They cannot develop if used to serve passive beneficiaries.
Member-owned and member-controlled organisations	Only if members have contributed and pooled their own resources in their co-operative as a joint undertaking it can be said that the co-operative is member-owned . This in turn generates commitment , feeling of responsibility and desire for exercising control usually associated with property or other long term rights.
Democratic and transparent organisations	At grass roots, as community based organisations or groups of people linked together by other common bonds (e.g. workplace, parish). Co-operatives practice the principle of “ one member – one vote ”, elect leaders from among themselves, who are trusted by and accountable to the members and may be dismissed by the members. The co-operative way of voting avoids domination of economic power .
Organisations with a social role	Co-operatives promote social integration of persons otherwise excluded or disadvantaged (e.g. women, young persons, the aged, the handicapped, members of ethnic minorities) by accepting them with equal rights and obligations, building respect for them and giving them access to all services offered by the co-operative and its partners. Integration of the excluded reduces frictions and violence. Discipline, protection and mutual learning in a group are decisive factors in capacity building.
Organisations with an economic role	By forming or joining co-operatives, individuals can pool their resources and benefit from economies of scale and scope , from access to low cost housing and services at affordable conditions . Co-operatives allow to contribute labour (sweat equity), to save even in small amounts, to access financial services specially designed for low-income groups . Co-operatives can reduce their operating cost by counting on voluntary work of their members.
Advocacy groups	Co-operatives practice the principle of co-operation among co-operatives . By forming unions and federations of primary (usually local) co-operatives at regional, national and international levels, they can be powerful representatives of the interests of their members .

	<ul style="list-style-type: none"> • lobby for the recognition of the positive role of co-operatives in solving social and economic problems mainly of the socially and economically weak in government policy and for favourable conditions for their development (policy, legislation, support services). <p>As primarily social and economic organisations, co-operatives follow the principle of political independence, which means that they keep as much as possible away from party politics and concentrate on representing the economic and social interests of their members.</p> <p>According to the internationally recognised principles of the ICA and the Recommendation N° 127 of the ILO (concerning the role of co-operatives in the economic and social development of the developing countries of 1966) co-operatives and government can very well work together as partners in development, provided the unique features of co-operatives, their autonomy and independence as private, member-controlled self-help organisations are respected.</p>
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To sum up this point, co-operatives can play a leading role in solving the housing problems of the poor, because they are a model specially designed for those who want to escape the vicious circle of poverty by taking the initiative to form or join co-operatives together with others to help themselves by way of organised group action and group solidarity.

Co-operatives offer the organisational framework and a set of tested principles and practices, showing

- how housing problems of the poor can be solved,
- how squatters or slum dwellers in illegal and semi-legal settlements can obtain security of tenure (as a precondition for self-improvement of existing dwellings) and
- how they can gain access to information, improve their own lot by their own efforts, e.g. by qualifying for formal or informal employment.

The case studies show, how the process of forming housing co-operatives can be initiated and supported by external promoters working through local NGOs with or without the support of government and how local as well as international networks can be established with the aim of improving the housing and living conditions both in rural and urban areas.

They also illustrate the topical issues to be discussed under the 6 major headings proposed for reporting:

Shelter

Houses and land on which to erect buildings are expensive and investments with a lasting value. To buy or even to rent dwellings is often beyond reach of the low and lowest income groups. This may be one of the reasons why housing policies are often middle-income oriented. The low and lowest income groups are neglected or forgotten, even though they represent a large segment of society.

In order to have their special needs considered in housing policies, the poor have to organise themselves in advocacy organisations or pressure groups, to articulate their needs and to lobby for a housing policy which takes such needs into account.

In shelter policy for the poor there are two particularly difficult issues to be tackled:

To improve the housing situation of the poor often means to offer them some kind of security of tenure as a precondition for their peaceful integration into the community. To do this usually means to **legalise illegal settlements**. This can only be done at the expense of those whose (legally protected) property was invaded. It is known from experience that as soon as squatter settlements are legalised, the former squatters turned land owners may defend their newly acquired rights against other squatters, like the land lords they had fought before. To legalise illegal settlements and to encourage improvement of illegally erected shelter remains a politically sensitive issue. However, tensions can be reduced or avoided, if for example squatters settle on public land (belonging to the city council) or to a trust formed for this purpose like in Kenya.

The second difficult problem is rapid urbanisation mainly caused by **rural-urban migration**. Legalising illegal settlements may turn into a major pull factor, encouraging people to leave the rural areas for presumed greener pastures in the cities. Fear to encourage the influx of more illegal settlers may cause national and local governments to take a firm stand against illegal settlers but also to look for policies for improving the living conditions in rural areas so as to **reduce the pressure of push and pull effects**.

Housing co-operatives are recognised by governments in many countries as important partners in shelter policies. They are seen as organisations which can help to overcome obstacles in housing supply for lower income groups and which reflect demand oriented ideas as expressed by their members. They can help to design gender sensitive development plans which also take account of the needs of other usually disadvantaged groups like the young, the elderly, foreign migrants and the handicapped.

The socially weak and vulnerable groups need assistance in access to land and housing loans. Co-operatives may serve as intermediaries to legalise illegally occupied land, e.g. by acquiring the land and receiving a title of land on which illegal settlers live. In this way co-operatives can give the settlers the security of tenure which is a precondition for self-improvement of existing dwellings.

Co-operatives together with other development partners can provide technical assistance in building design and construction for low cost housing within reach of the poor, develop and provide inexpensive, locally produced building materials, organise markets for second hand building materials, open access to saving for housing schemes and specially designed low cost housing finance and advise on ecologically sound sanitary and infrastructure facilities.

Social development and eradication of poverty

Poverty is not in the first place lack of resources but a state of mind. Accordingly eradication of poverty cannot be brought about by transfer of resources but only by integrated development, capacity building, opening access to information, knowledge, opportunities and markets. In terms of housing policy this means **“building the man/woman before building the house”**.

The case studies illustrate how this can be done by using an integrated development approach and creation of partnerships, networks and relationships, which are known as “multi-stakeholder co-operatives”, “community co-operatives” or “co-operatives of social solidarity”. Such organisations can be described as regional or local development agencies or “partnerships for local development with local resources”.

The phenomenon of **“multi-stakeholder co-operatives”** described in many of the case studies is not only spreading in the South but also in industrialised countries of the North, where they are mainly concerned with fighting mass unemployment. In such organisations, it is the community that takes self-help action, where solutions of pressing problems can neither be expected from the market nor from the state. By bringing together the municipality, locally present NGOs, enterprises, training facilities, religious organisations, informal groupings, the unemployed, slum dwellers and squatters, socially minded professionals and volunteers, all united by the interest in enhancing local development and solving local problems together, it will be possible to mobilise locally available resources to carry out mutually agreed development programmes (in education and training, capacity building, housing, employment, protection of the environment).

By definition, co-operatives practise open membership, which means that they do not exclude the poor and that in fact the socially weak should be motivated in most cases to form their own co-operatives. Co-operatives and their federations can influence housing policies, facilitate access to land, security of tenure and loans with own savings, the savings of co-signers and group guarantees as

collateral. As a matter of principle, women and in particular female household heads and single working mothers are free to join co-operatives or to form their own co-operatives or other self-help groups.

Economic Development

World-wide economic development is characterised by an increasing gap between rich and poor. Unemployment, poverty and exclusion are growing. An increasing number of poor people are getting poorer while the rich are getting richer.

Although the contributions of co-operatives to alleviating poverty are relatively small compared to the huge dimension of the world-wide problem, their contribution is significant, not only because the world co-operative movement is the largest NGO representing 800 million individual members but because they offer a tested model for organised self-help in the economic and social sphere, which can be used by all who are interested.

Most case studies show that housing co-operatives need external support during the initial phase of their development: Government support in terms of a favourable policy and legal framework, community support e.g. in land acquisition and support of development agencies and donor organisations providing training, advice, protection and access to funds.

To establish housing co-operatives of the socially and economically weak, partnerships between the inhabitants of the settlements, the community, local and international NGOs and businesses are required – described earlier as “multi-stakeholder co-operatives”.

When following the integrated approach as the only promising way of achieving sustainable development, housing co-operatives do not only serve their members to provide shelter, but also to build capacity, acquire professional skills and find employment or self-employment. When promoting housing co-operatives and encouraging savings and housing loans, this has to go together with capacity building and promoting income generating activities (as shown in most of the case studies).

Governance

Co-operatives are by definition self-managed organisations. It is important that the management of the affairs of co-operative societies is from the outset the responsibility of the members, otherwise active participation of members cannot be expected. Another characteristic of co-operatives is their democratic structure, which is expressed in various ways: by the rule “one member – one vote”, by decision-making by majority vote, by election of leaders from among the members, accountable to the members and controlled by them.

Active participation of members distinguishes co-operative approaches from welfare and general interest activities, normally directed towards passive beneficiaries. In co-operatives, members are expected to play an active role as decision-makers, co-owners and users of the jointly provided services. Altruistic elements like open membership, indivisible reserves and concern for the community distinguish co-operative approaches from commercial, for-profit activities. Leadership and management in co-operatives has to know these altruistic elements and to respect them in their business policy and day-to-day work together with the basic co-operative values of equity, equality, democracy, honesty, transparency, social responsibility, caring for others, which make co-operative management a special kind of value-led management.

International Co-operation

Co-operation among co-operatives at all levels is one of the co-operative principles and the ICA can serve as a convincing example of international co-operation. Movement to movement assistance, where co-operative organisations of the industrialised North offer technical and financial assistance to co-operative organisations in the South or East, as illustrated by most of the case studies in this publication, are other examples.

International co-operation also includes pooling of efforts and resources of co-operative organisations and other development partners (International Organisations of the UN family (e.g. ILO, FAO, UNIDO, WHO, UNCHS), national technical aid organisations (e.g. GTZ, USAID) and foundations (e.g. CHF, political foundations) in joint programmes and projects.

The reasons for offering external support of housing co-operatives and other housing schemes are various:

- Solidarity with the poor and disadvantaged, compensation for exploitation during colonial times,
- efforts to stabilise regions torn by war and social unrest,
- emergency aid in cases of natural disasters (earthquakes, floods),
- reaction to population pressure and to new economic and social challenges caused by globalisation and increased mobility of information, capital, working places and labour (as shown in the Mexican case study).

The role of development agents and donors in international co-operation are to identify win-win situations where development will result in advantages for all concerned, support pilot projects which show what works, how obstacles to development can be overcome and how local conditions can be improved. External development agents can help to gain access to new ideas, models and answers by way of knowledge sharing. They can demonstrate which local potentials exist for local development. The external development agents are well advised not to underestimate the value of local know-how and customary

methods of problem-solving. Such mistakes can be avoided to a great extent if participatory methods of planning, decision-making, monitoring and evaluation are applied. In case of housing programmes and projects this means that the residents and their elected representatives are included from the outset not only in terms of “yes or no participation” but as equal partners.

There are two ways in which international or bilateral technical aid or donor organisations can operate:

- To establish their own organisations and/or offices in the respective countries in form of a branch or project office, foundation or other NGO or
- Initiate/encourage local co-operatives or NGOs as multi-tier, multi-purpose and/or multi-stakeholder organisations to work as their development partners.

Environmental Management

In housing policies, there has been a shift **from quantity** in the 1950s and 60s, where reconstructing millions of destroyed buildings and housing millions of refugees and displaced persons were the main concern, **to quality**, taking account of social and environmental factors. There is an increasing awareness of the consequences and dangers of a deteriorating environment.

The current trend of massive urbanisation has many negative effects. It causes generation of waste in hitherto unknown quantities, consumption of energy, traffic congestion and pollution.

Urban environmental performance was identified by the UN Economic Commission for Europe as a key contributing factor to quality of human settlements.

To come to grips with these problems calls for an integrated approach to solving the interconnected problems related to housing distribution, employment, transport and infrastructure in (European) cities.

The long term objective of such policies was expressed by the Secretary General of the United Nations, Kofi Annan, at the URBAN 21 International Conference in Berlin in 2000: “Cities without slums”.

Based on the general Statement of Co-operative Identity, adopted by the ICA Centennial Congress in Manchester in 1995, ICA Housing has pronounced its own identity statement which takes account of the particular problems and goals of housing co-operatives.

Housing Co-operatives and the Co-operative Identity

ICA Housing

Definition

A housing co-operative is a legal association formed for the purpose of providing housing to its members on a continuing basis. It is owned and controlled by its members. A co-operative is distinguished from other housing associations by its ownership structure and its commitment to co-operative principles.

Values

Housing co-operatives exist for their members' mutual benefit. They share with other co-operatives the values of individual responsibility, mutual help, democracy, equality, equity and solidarity. They should conduct themselves honestly and openly.

Principles

Open and Voluntary Membership

Co-operative housing should be open to all who can make use of the services provided and are willing and able to accept the responsibility of membership. Accessibility should be encouraged through the active promotion of membership in housing co-operatives to the full community. Member recruitment practices should be free of intentional or inadvertent discrimination by reason of race, colour, sex, language, religion, political opinion, national or social origin, age, family status, birth or disability. A housing co-operative may provide accommodation on a preferential basis as part of a special programme designed to relieve hardship or economic disadvantage of persons or groups so that they may achieve equal opportunities.

Housing co-operatives should work to remove any physical, procedural or other barriers that would limit accessibility and prevent the fair and adequate treatment of all. We are committed to including people with special needs in our movement. The design of our buildings and the organisation of our co-operatives should encourage their occupancy, participation and full social integration.

People must be free to decide voluntarily whether or not co-operative housing responds to their needs. No one should be coerced into joining a co-operative and members should be free to withdraw from occupancy with reasonable notice.

Democratic Control by Members

Ownership of a co-operative should rest with those who use its services. Non-member households should be limited.

Members of housing co-operatives should have equal voting rights; membership should be distributed in a manner that encourages equal participation in the co-operative.

Democratic control of housing co-operatives is enhanced by the full sharing of information and the provision of equal opportunities for involvement.

Control of associations of housing co-operatives should be exercised on a democratic basis as determined by the members of the organisation.

Members' Economic Participation

Members should contribute fairly to the capital of their housing co-operative and equally share the results of its operations. The co-operative should allocate surpluses in such a way that no members gains inappropriately at the expense of another. A portion of the co-operative's capital should be devoted to furthering the co-operative's long term aims. Surpluses may be used for this or any of the following purposes:

- a. developing the business of the co-operative;
- b. providing and improving member services;
- c. rewarding members in proportion to their use of the co-operative;
- d. supporting further development of the co-operative movement.

Commitment to Service

Housing co-operatives should strive to meet their members' needs for affordable, good quality housing, securing of tenure, and safe, secure neighbourhoods. They should provide the best quality service at a fair price.

Housing co-operatives should work to create environments where members give and receive support beyond their shelter needs and treat each other with respect and tolerance.

Autonomy and Independence

Housing co-operatives are independent organisations controlled by their members. If they enter into agreements with governments or other organisations, they should do so freely, on terms that respect their autonomy.

Education, Training and Information

Housing co-operatives should provide their members and employees with education to help them meet their responsibilities, to deepen their commitment and to develop various co-operatives. Housing co-operatives should seek ways of informing young people, opinion leaders and the public at large of the benefits of co-operation.

Co-operation among co-operatives

Solidarity and unity within the co-operative housing movement are promoted through federation of housing co-operatives in organisations from the local to the international level.

Housing co-operatives practice inter-sectoral co-operation through business and membership links with other types of co-operatives and by giving assistance to co-operative development efforts abroad.

Concern for Community and Future Generations

While existing for the purpose of meeting their members' needs, housing co-operatives are part of a larger community and have a certain responsibility to future generations. They should:

- Demonstrate the principles of sustainable human settlements in design, construction and operation of their buildings;
- Contribute to improving the quality of life in their immediate neighbourhood;
- Treat their employees fairly and with respect;
- Uphold principles of social justice in all their affairs;
- Manage their resources wisely over time so that future generations may continue to enjoy the benefit of the housing co-operatives' service;
- Seek the growth of the co-operative housing movement in their own countries and abroad.

Our Future

Respect for the guiding wisdom of the Rochdale principles enables the members to aspire to solidarity and social peace within a broad community of co-operators which radiates outwards from the single co-operative to the international commitments of the world-wide movement.

The achievements and potential of housing co-operatives stand as a challenge to mass misery, lawlessness, and structural changes in the economy of the world. Pilot projects point the way to our future as illustrations of how common values transcend international borders. The basic principle of the United Nations' Charter "Housing is a human right", should direct our efforts to contribute towards a healthier society for future generations.

Synopsis
of frequent mistakes and best practice
in the field of co-operative housing

as shown in the case studies

by

Hans-H. Münkner

Synopsis of frequent mistakes and best practice in the field of co-operative housing as shown in the case studies

Frequent Mistakes	Best Practice
<p>Poverty seen primarily as lack of resources, which can be eradicated by transfer of resources.</p>	<p>Poverty perceived as a complex vicious circle with lack of knowledge resulting in lack of income, inability to cope with a changing environment, with bad health, isolation and insecurity aggravating poverty even further. Hence, poverty eradication requires to build up self-confidence and capacity, opening access to new knowledge, skills, employment, housing loans, shelter, security of tenure, integration into a community, allowing to break the vicious circle, conveying hope and prospects for a better future. Need for an integrated approach.</p>
<p>Sectoral approach Concentration on serviced sites or house construction only or mainly, without linkages to education and qualification of the residents, savings and credit, employment, overlooking or ignoring ecological effects.</p>	<p>Integrated approach Combine qualification and capacity building with saving for housing, access to loans not only for housing but also for income generating activities, training in building construction, using these skills to find employment or self-employment</p>
<p>Concentration on urban development</p>	<p>Giving attention to rural and urban development conscious of the push and pull effects, which can be reduced by improving the living conditions in rural areas</p>
<p>Isolated projects, showing what well equipped foreign experts can achieve (under unrealistic conditions which exclude replicability), lack of active participation of recipients, lack of linkages to other stakeholders.</p>	<p>Long term programmes which may include pilot projects during an experimental phase, advancing at local speed, applying participatory methods which allow mutual learning and knowledge sharing as well as, mobilisation and commitment of local resources, networking.</p>

Frequent Mistakes	Best Practice
Top-down definition of target group , perceiving group members primarily as passive beneficiaries.	Apply open membership approach and the principle of voluntary membership , convince persons to join and to commit their resources if they perceive membership as meaningful, otherwise no active participation can be expected. Include women and disadvantaged persons with equal rights and obligations.
Top-down planning with yes-no participation, working and financing according to approved plan. Blueprint technical copies of models from industrialised countries for use in developing countries.	Flexible planning together with interested local participants during pilot phase, provision for plan adjustments and reaction to local conditions, participatory planning, taking local knowledge, values and norms of behaviour into account. Flexible time frames. Adapted solutions developed with local experts respecting cultural and climatic factors.
Conventional training methods	Specially designed programmes for capacity building, taking account of the needs and restrictions of low income people. Learning by doing during self-construction, functional literacy, capacity building for employment, training on the spot, exposure training for multipliers (visiting successful projects).
Transfer of knowledge (values), models and resources from one country to another.	Development of locally adjusted knowledge by knowledge sharing with local partners who are supposed to commit their own resources to make the programme succeed.
Perception of co-operatives as instruments , as development tools and conduits for channelling aid to the poor.	Perception of co-operatives as self-help organisations formed voluntarily by individuals or groups to improve their own social and economic situation by working together under self-determined rules. Hence the need to build self-help capacity and to encourage readiness for self-help.

Frequent Mistakes	Best Practice
<p>Housing policy for lower middle income groups based on unrealistic assumptions regarding the target group's capacity to make contributions (hours of work for self-construction – sweat equity – repayment of loans).</p>	<p>Housing policy designed to meet the needs of low and lowest income groups, realistic assessment of their limited capacity to make own contributions, with adjustment of time frames to residents' possibilities and needs, integrating disadvantaged persons, avoiding discrimination.</p>
<p>Buy expensive land for low income families leaving no funds for house construction</p>	<p>Long term leasing of land from a trust fund, formed by all members of a housing association or co-operative, conferring individual ownership only of the house to low-income members (solidarity among slum dwellers practised in Kenya).</p>
<p>Use of conventional savings and loan techniques, excluding the low and lowest income groups. Insisting on mortgages as collateral for housing loans.</p>	<p>Specially designed savings and loan schemes for low and lowest income groups, using credit union techniques, co-signers of loans as collateral, other forms of group guarantees.</p>
<p>Use of conventional and/or imported building materials.</p>	<p>Develop special, locally available, low cost building materials. promote their use, encourage local production of such materials by local entrepreneurs as income generating activity (Uganda Case), organise market for second hand building materials.</p>

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Africa

Case 1 “Maruru”, Namibia

Presented by DESWOS, Germany

Donor co-ordination, integrated approach, flexible planning, exposure training, bilateral aid with local NGO as partner, savings combined with revolving fund, focus on women

1. Background and Case History

The German Development Assistance Association for Social Housing, DESWOS, was created in 1969 by housing co-operatives and associations as well as their federations in order to contribute to development aid in developing countries.

The background of DESWOS involvement in this project is a study sponsored by the Ministry for Construction and Housing of North Rhine Westphalia (Germany). The involvement of Carl-Duisberg-Society (CDG) and a planning workshop in Windhoek in 1995 led to a project consisting of complementary activities of CDG, MBW, Misereor and DESWOS, each one acting on their own during the implementation.

The overall aim was to improve the housing and living situation of low income families in Namibia.

The activity of DESWOS was the introduction of a revolving fund to initiate a saving and credit system to finance the construction of 80 houses on the basis of self-help. Repayments of loans are used for follow-up activities.

Although Namibia is rich in natural resources, the black majority of the people is still very poor. The suburban squatter areas and many villages have very bad housing, bad sanitary facilities, high infant mortality, a high rate of AIDS infection and high unemployment.

Banks do not issue housing loans to the poor, because people are unable to repay the loan and its high interest rates. Government programmes for housing – like the “Build Together Loans” – are limited and very often not sufficient to meet the demand. New houses end up half finished, only walls without a roof. Only recently the Namibian government decided to concentrate – within the BT-Loans – on finishing such houses with the remaining funds of the programme.

Self-help is one possible answer to deal with the very low financial budgets available. The idea to create revolving funds - in this project combined with a saving scheme – to continue construction irrespective of external funds appears to be promising but very often does not work. The combination of lending with a saving system led to some positive results within this project. People – mainly women – started saving for all kind of purposes.

Due to high unemployment a certain amount of the housing loan had to be allocated for income generating measures.

2. Main Actors and their Roles

- a. The beneficiaries were about 800 poor families with many children having a monthly irregular income of approximately 100 to 150 US\$, spread over Namibia in several suburban squatter areas and villages. About 40% were single mothers.

The beneficiaries' input was land, savings of about 5% of the housing loan for which they applied (initially 10% were planned) and their physical labour (providing and transporting clay, sand and water, producing blocks and actual construction of the houses).

- b. They were organised in 18 local groups as members of the Namibian NGO "Namibia Housing Action Group" (NHAG).

The self-help groups were responsible for selection of the beneficiaries, managing of the construction and the implementation as well as the administration of the saving and credit systems.

- c. NHAG as the head organisation of these 18 member groups is based in Windhoek. The staff of NHAG consisting of six people (one architect as project co-ordinator, one technician, two field officers and two office workers) was in charge of supervising the whole project in Namibia, organised seminars/workshops, introduced the saving scheme and advised the groups in matters of construction and administration. NHAG also administers - together with a committee elected by the member groups - the revolving fund and its use.
- d. The German Assistance Organisation for Social Housing supported the project, elaborated detailed plans, provided funds, organised the co-financing of the German "Federal Ministry for Economic Co-operation and Development" (BMZ) and provided background information for the saving and credit system.

DESWOS was responsible for the whole project, the planning, implementation and financing.

- e. BMZ as co-financing institution is responsible to the German parliament for spending of public funds for development aid. Its role is to grant funds, to monitor, control and to generally evaluate the project as a whole.

3. Summary of Main Facts and Conditions causing Problems

There are some main factors causing special problems:

- Low and irregular income of people in former townships and squatter areas,
- very poor housing situation,

- bad sanitary conditions,
- no access to bank loans,
- underprivileged situation of the poor as colonial heritage.

4. Approach to solve the Problems and Success Criteria

The approach to solve the problems consists of several basic steps:

- Conducting Seminars and workshops (e.g. in South Africa and Zimbabwe) to improve the qualification of participants in the fields of financial management and construction (e.g. training of 8 key persons of the committee dealing with the saving and credit scheme (Twahangana scheme) and the revolving fund). Repayment of loans were used for follow-up activities.
- Housing loans: the money was administered by the local groups; the families received the loan in kind (i.e. in materials for construction).
- The construction of houses was basically carried out with local materials.
- Small loans were issued for income generating activities of families, mainly in the informal sector. E.g.: 10 to 100 US\$ were used for buying tools (sewing machines, baking equipment, tools and raw material for metal work etc.).

As a whole, the project was very successful.

- Seminars and workshops including exposure training in the neighbouring countries both in the technical and the financial fields were numerous and successful. Know-how acquired by the participants of the training was passed on to the member groups (e.g. to their informal accountants).
- Savings as a condition for a housing loan, which was initially planned to be 10% of the principal, had to be reduced to 5%, because it took too long for the people to save that amount. Yet, the effect of testing the creditworthiness of the borrower before issuing a loan was still accomplished.
- The originally intended number of 80 houses was exceeded by 28 houses with a repayment rate of 90 %.
- About 350 small loans were given to families for income-generating activities mainly in the informal sector. The repayment rate of 70% can be regarded as relatively good because the loans were mainly given as start-up capital for small businesses. First of all, planning, reinvesting or administering the small earnings had to be learned.

The seminars for further education in the fields of revolving funds and credit systems for the key persons proved to be very important, because the partner organisation had no experience in this field.

- The project was backed by Namibian government officials.

In an integrated project like this it appears to be very important to leave room for adjustments of plans, improvements and changes during the implementation phase. Intensive co-operation with the local partner and continuous monitoring are necessary conditions for success.

For further information contact DESWOS, office@deswos.de



Namibia: Providing for a better future. (photo: Deswos)



South Africa: Hundreds of families in Motherwell alone have worked with the SNAH to build new homes. What makes the Motherwell project special, however, is not just the new housing, but the sense of dignity and accomplishment the residents feel having contributed to every phase of the project. Here you see young residents of Port Elisabeth. (photo: CHF)



Throughout the country, nearly 5.5 million people, mostly black South Africans, live in self-constructed urban settlements such as this. (photo: CHF)

In the social preparation phase, participants discussed options for the project design. (photo: CHF)



CHF and the new SNAH housing association offered technical assistance to residents, helped them attain bridge finance, and offered support to them during the construction process. (photo: CHF)



Homeowners directly contributed to the construction of their homes in form of “sweat equity”. (photo: CHF)



The project aimed to build a long-term housing association of residents, maximise housing value through the use of assisted self-help, and provide a means to access the new government's subsidies so people could afford to build. (photo: CHF)

Case 2: Sakhezethu NgoManyano Housing Association, Motherwell Community

Concepts and Practices of CHF's Successful Assisted Self-Help Housing Program for Residents in South Africa

presented by the Co-operative Housing Foundation (CHF), USA

Integrated approach, long term development initiative, donor co-ordination, assisted self-help, bridge finance, innovative low-cost technology, construction methods and materials, low cost alternative to government housing programme reaching the poor, non-political local housing association implementing locally adjusted self-help model, special training methods, knowledge sharing, capacity and community building.

1. Case history, events and conditions contributing to South Africa's housing problem

In 1994, when the new South African government took control and ended the era of apartheid, it promised to deliver better housing to millions of previously disenfranchised poor South Africans. Nearly 54% of the population (majority black South Africans) lives in urban settlements, and an estimated 5.5 million people live in self-constructed informal dwellings. About 1.5 million of these "shacks" exist as remnants of conditions forced upon them during apartheid. Across the country, 3 million people are on a waiting list for housing. South Africa needs to build almost 220,000 homes every year to keep up with population growth.

While the new South African government had allocated serviced housing sites to these low-income residents in 1994, community members were still living in shacks because they couldn't afford the cost of building new houses at the allocated sites. Residents faced obstacles rooted in the country's history: lack of organisational support, technical support, and bridge financing to help them access subsidies, grants, or other finance to begin construction. Their hopes for change had been frustrated.

2. Main actors and their roles

In December 1996, seven very poor Motherwell Neighbourhood Unit 10 community members, representing 544 additional residents in Port Elizabeth, approached CHF/South Africa to help them improve their housing. Actively repressed during the era of apartheid, the Motherwell community members sought out CHF to help them navigate bureaucratic hurdles to home ownership to plan and implement a housing project of their own. They initiated what would become an innovative and highly successful community-based housing project.



To improve their housing situation, residents in Motherwell contributed to every phase of the assisted self-help project. (photo: CHF)



A family stands in front of their new, completed home, using the assisted self-help model. (photo: CHF)

Like many others, the residents in Motherwell had no means to access the one-time housing subsidies provided by government. To lower costs, they decided to build their own houses (use self-help), but soon discovered that they were lacking fundamental skills - organisational skills, technical know-how, and operating finance. Knowing they needed help overcoming these obstacles, they approached CHF's Technical Service Center (TSC), supported by US bilateral assistance, in Port Elizabeth for support and technical assistance in December 1996.

CHF's response included three key components. First, CHF helped residents set up the Sakhezethu NgoManyano Housing Association (SNHA), a community-based and sustainable entity. Second, CHF developed the Assisted Self Help (ASH) model to maximise the housing value. ASH reduced labour and overhead costs and increased community members' direct activity in the project. These steps empowered residents to meet their own needs and avoid housing units in the area built by private developers and contractors - small, often poorly constructed units of rapidly diminishing value. Third, CHF provided bridge finance so that people could afford to build. This helped residents access subsidies made available by the new government.

CHF/South Africa also developed an innovative construction technique to facilitate the housing development. The community chose this non-conventional wire mesh house construction method, dubbed "Homecrete," as the most appropriate for their project. This low-cost construction method made it easy for semi-skilled or unskilled residents to participate in the construction of their own homes.

This project, unique in many respects, is the first assisted self-help housing project in the Eastern Cape. The project actively involved women at each stage, encouraging participation of women, employing women, and including households headed by females. The project also leveraged funding in the form of government subsidies, homeowner sweat equity, and CHF contributions. Provincial and local governments throughout the country now widely support this innovative assisted self-help approach as an alternative delivery mechanism that empowers new homeowners. Many local and international housing experts have visited the project, including the US Ambassador and members of other low-income communities interested in similar projects. The project has also received attention in the media.

3. Analysis and Summary of facts and conditions causing the problem(s)

The government's primary tool to improve accessibility to housing was a subsidy scheme. However, residents found several problems. One of the biggest problems with the current housing delivery system is that the government

subsidy for housing has to cover much more than the mere construction cost of the house. With housing subsidies, residents must pay for:

- Land costs
- Town planning fees
- Land surveying fees
- Geotechnical investigations
- Design and installation of civil services (water, sewer, roads and storm water drainage)
- Sales and conveyancing (title transfer) fees
- Community facilitation
- Project/construction management
- Structural engineer wages (foundation design)
- Starter house construction costs (material, labour, plan approval, service connections)

The amount left for the physical construction of the starter house is about R8,000 to R10,000 - not enough to meet the modest aspirations of eligible community members. Families earning between R1,500 and R3,500 have a remote opportunity to leverage additional resources from private sources, but families earning between R0 - R1,500 (those earning between R0 - R800 in particular) often rely on the subsidy as their sole resource to address their housing needs. Exacerbating these problems, the price of building materials is constantly rising.

In addition, the number and quality of developers venturing into this market is limited. Even if there were enough developers to meet demand, the inherent value of a housing unit built by private developers or contractors is diminishing. Many new developments are too small and/or deteriorate rapidly because of shoddy construction.

Government funding for housing programs is at odds with the housing needed. The South African government allocated approximately R2.8 billion for provincial housing delivery programs for fiscal year 2000/2001. Only R388.8 million is allocated to the Eastern Cape. A very small portion of this amount, approximately R9.7 million will be spent on housing projects in the Port Elizabeth area this fiscal year. The estimated housing backlog in Port Elizabeth amounts to approximately 95,000 houses. The area of Motherwell consists of 12 Neighbourhood Units (NU) totalling approximately 200,000 people - one of the biggest settlements in Port Elizabeth's jurisdiction.

4. Approaches taken to solve the problems.

The SNHA Assisted Self-help Project, which began in January 1997, is located in Motherwell Neighbourhood Units 10 & 11, Port Elizabeth, the largest city in the Eastern Cape Province. The township was initially developed during the 1980s as settlement area to cater for the increasing influx of low- and middle-income African people from both urban and rural villages around the Eastern Cape Province. Almost all of these residents working for new housing live in wood and corrugated iron shacks with soil floors. The average house holds 5.8 people. Women head 45% of the households. Most of the residents are unemployed or are earning less than R1500 per month.

The project was comprised of three components:

First, CHF helped residents set up the Sakhezethu NgoManyano Housing Association (SNHA). The establishment of a housing association may not seem to be of any real significance to many people, but it is quite unique in the Eastern Cape and South Africa. Local politicians and civil societies have dominated African communities with very definite political affiliations for the past 30 years. This situation is still prevalent in almost all previously disadvantaged communities. Politics are ruling almost every aspect of these people's lives. These leaders are dominating all development activities and are often in it for personal or political gain only. The effect of this is that many projects are often delayed or derailed because of conflicts within the community that have nothing to do with the development at hand. Residents are often divided as many have strong emotional ties with the leaders who brought them through the struggle against apartheid. It is thus unique and very adventurous for a group of residents to decide to form their own housing association - for project participants only.

Local political leaders confronted Housing Association leaders about what they perceived as the exclusive nature of the Association, but the SNHA leadership stood firm—membership would be for project participants only. The members, however, managed to establish good relations with the local councillors in their areas and have been able to prove that there is nothing sinister about a non-political organisation working to the realisation of its member's aspirations. This can be regarded as a breakthrough for democracy. People are free to join the housing association and the leadership is democratically elected - based on their leadership skills and dedication to their goals and objectives of the association.

The 550 participants of this housing project are not just a group of people staying in the same geographical area - they chose to become members of the SNHA as they identified with the goals and objectives of the organisation. Their sites are spread throughout the 3 neighbourhood units. The fact that these people are geographically scattered has a positive effect on the rest of the community as they are proving to others that, "you can and should take

responsibility for your own development and that you are rewarded for your efforts.” Approximately 3,656 potential participants live in Motherwell NU 10, 11, and 12.

Second, CHF developed the Assisted Self Help (ASH) model. CHF’s Technical Service Center (TSC), in close co-operation with SNHA, tailored the Assisted Self-help (ASH) model to unblock obstacles in traditional “self-help” housing initiatives. The high cost of construction preparation and the increasingly poor-quality homes built by area developers has made “self-help” housing a logical way for low-income groups to maximise their housing value by reducing labour and overhead costs. While the traditional self-help approach has clear benefits, it can only work where the community has a positive attitude towards their own development. Self-help requires the community to accept responsibility for the project and to become actively involved in the day-to-day management of the development.

The “Assisted” aspect of the ASH model makes this project stand out from other current self-help projects in South Africa, which are seen as individual initiatives because they lack appropriate technical support and bridge financing. Historically disadvantaged communities in South Africa still often display a spirit of “the world owes us” and demand that things be done for them without them making much of an effort to contribute. Residents need initial assistance to ensure adequate design and timely completion of high-quality housing units. The ASH model is centered on group/community-based initiatives, adequate technical and labour assistance, and the provision of bridge financing.

The ASH model comprises the following essential steps:

Step 1

During Community Development/Social Preparation (a step often overlooked in traditional self-help projects) the community itself works to identify its own needs and priorities. The project’s success hinges on community and homeowner involvement in design and implementation. The Motherwell community was involved in every aspect of the project, from the moment the community members first approached CHF/South Africa, during the selection of the ASH model, formation of the housing association, and project design, and throughout project implementation. The success of the project can be directly attributed to the involvement of community.

Step 2

During Technical Preparation, an elected committee from the community collaborates with CHF to do research, costing/analysis, and strategy development, and prepares and submits Provincial Housing Board applications. After a thorough investigation of available housing options, the community decided on an appropriate non-conventional house that consists of a timber frame that supports the reinforced mortar concrete or “homecrete” walls and

corrugated iron roof. This design made it possible for the semi-skilled/unskilled resident to participate in the construction of his/her own home.

Step 3

In Construction/Implementation, a show house is erected, the TSC establishes construction logistics, and provides bridge financing for the construction activities. CHF's approach relies heavily on labour supplied by both family members and semi-skilled labourers from the community. This not only helps maximise the housing value for each recipient but also increases the wealth of the community by creating local employment. CHF viewed this project as a long-term development initiative and an investment in the community. The decision to make use of community construction teams was based on community development impact rather than project cost. Unemployed project participants, rather than small contractors, made up community construction teams. In addition to skills training, CHF helped building team members acquire their own hand tools, enabling them to do home improvement/maintenance work in the community that has earned many participants extra income after project completion.

Step 4

During Post-Construction or "New Initiatives," new homeowners apply for reimbursement, transfer titles, and take part in homeownership workshops. CHF's Technical Services Center facilitates these processes by providing the following technical, financial, and management services. In this final phase, the homeowners are also encouraged to follow up on new initiatives, including educational and environmental ventures.

Third, CHF provided bridge finance in the form of credit. CHF provided bridge finance so that people could afford to build. This facilitated access to the subsidies offered by the new government. The availability of credit in the form of small loans to residents earning less than R3500 per month (often in the informal sector) has always been a major obstacle in housing industry in South Africa. In the first phase of the project, CHF provided bridge financing for construction activities. This approach afforded residents the funds necessary to build - an important way to ease access to government subsidies.

The government issues subsidies on a pro rata basis to all qualifying residents earning between R0 to R3500 per month. These residents provide sweat equity - usually between 4–6% of the total cost of the land & house. CHF provides technical management input (time and know-how) without cost or at a subsidised cost to the project.

CHF found that the PELIP Housing Company, established with the assistance of the Swedish Funds, is the only local company able to facilitate small loans (R1000 to R5000) at reasonable interest rates (prime plus 5%) to be repaid over a period of 3 years or less. CHF thus entered into a joint venture agreement with

PELIP to ensure the availability of credit for qualifying residents. Loans will be made available to second-phase project participants to add value to the starter home and will also be made available to first-phase participants interested in home improvements. This joint venture between CHF and PELIP is the first of its kind in the Eastern Cape and can be regarded as an important pilot project. It is believed that developers will follow this example once the process is properly recorded.

In preparation for phase two of the project, CHF and the SNHA have organised a reduction in selling price for land and services. The Port Elizabeth Municipality reduced these costs from R7131 to R4500 per site. This will have a considerable positive effect on the eventual size of new homes in phase two.

5. Success

Today, through assisted self-help and low-cost technology, a sense of community has been reinforced. The community has completed 145 houses, with 250 more planned, for a total of 395 safe, affordable houses. Community members feel a sense of dignity and accomplishment, and a strong community association is now in place to carry out the next phase. The model has also been replicated in other communities in the Eastern Cape, broadening the impact of the project.

The advantages of the ASH approach have clearly been demonstrated during the implementation of the project. Some examples:

- Informal and on-site skills training enabled building teams to successfully complete 145 houses. An accredited construction course of 3 months has been applied for at the East Cape Training Center. This will not only provide building leaders with the necessary qualifications, but can also be regarded as economic empowerment.
- Through leadership development and community empowerment, the community reduced CHF's initial input (80%) to about 40% by end of the first phase.
- Project participants have increased confidence in their own potential and abilities to leverage the necessary resources to plan and implement a development project of this scale. Community members are now embarking on a second phase of building 250 houses and investigating means to address other community needs - including small business, community facilities development, and environmental projects.
- Homeowners had the opportunity to contribute in construction (sweat equity), adding value to the house and encouraging responsibility for "quality control."

- As participants/members of the housing association identified with the goals and objectives of the project, community ownership increased. As a result, no site security problems or labour-related problems occurred.
- Community construction - people working together to reach their housing needs - encouraged the belief that the community members will also be able to overcome other problems within their community.

In line with CHF's goal of building local capacity to maintain sustainable programs, CHF's Technical Service Center in South Africa has recently been transformed into a legal NGO. The new organisation, named Islanda Partners in Development, is entirely staffed by South Africans and governed by a local board of directors. Islanda Partners in Development is now servicing the Motherwell community to implement the second phase of the project. CHF will continue to offer technical assistance to the new organisation, but has met its goal in that it no longer works day to day on project implementation. IPD offers residents the following services: housing project and construction management, architectural design, environmental consulting, community and economic development, local government support services, training/capacity building/skills transfer, and community education and outreach.

The Sakhezethu NgoManyano housing project has proved that community members can take charge of their own development - in this case, a complicated housing project - given the necessary technical support, administrative support, and bridge financing. As a result, SNHA has applied for another 250 subsidies and facilitation funds to set up a Housing Support Center, which will cater for a community block yard, material store, construction office, sales office, help desk, loan applications/home improvement office. It is expected that 100 people will also apply for small loans to increase the size of their houses. CHF/South Africa has compiled a manual discussing the principles, procedures, etc., for replication purposes in other low-income communities. Residents in several communities are now on their way to a better future, thanks to the capacity-building techniques of the project and their own determination.

The successful implementation/construction of the initial 145 houses jump-started a process of self-improvement/self determination and community building within the SNHA, which is rubbing off in the community. SNHA members gained a lot of confidence during project implementation, and the project motivated them to identify and address various other needs in the community.

Please contact CHF for further information. Web-Site <http://www.chfhq.org> . CHF has produced a video on this model, called "Cooperative Housing Foundation: Assisted Self-Help Approach."

We wish to express appreciation to the US Agency for International Development for initial project support.

Case 3: COPE Affordable Housing Association, Johannesburg

A Co-operative Housing Programme in South Africa

presented by the Norwegian Federation of Co-operative Housing Associations (NBBL)

Movement to movement assistance, home improvement and new flats in inner city, securing tenure for low income groups, revolving fund, group loans, institutional subsidies for co-operatives and housing associations, transformation of NGO into member-based housing association, focus on female headed households, model of mother and daughter housing co-operatives

In 1994 the South African Government asked the Norwegian Government for assistance to introduce the Norwegian model of co-operative housing in South Africa. Subsequently the Norwegian Federation of Co-operative Housing Associations (NBBL) and COPE, a NGO situated in Johannesburg, entered into an agreement on a four years development co-operation (1997 to 2001). The Norwegian Agency for Development Co-operation (NORAD) finances the programme.

Housing policies in post-apartheid

When Nelson Mandela was inaugurated as the President of the Republic of South Africa in 1994, his government declared "Housing the nation" as one of its top priorities. The strategy of the housing sector was presented in the White Paper to the Parliament in December 1994 with the goal to increase housing delivery in order to reach the target of 1 000 000 houses in five years.

According to the Ministry of Housing, the governments housing program have provided or have under construction 992 000 housing units April 1994 - March 2000¹. Of the total number, 322 000 housing units (32%) are in Gauteng province. In spite of this, the housing backlog in South Africa seems to be ever increasing due to an increasing number of new households. Recent figures (Global Report on Human Settlements – 2001) shows that the total number of households in South Africa has grown from 4 million in 1990 to 12 million in 2000. The population of South Africa is 43 million, of which 23 million² or nearly 53% are urban population.

1 Department of Housing's Home page: /www.housing.gov.za/

2 Mid-year population estimate, 1999

Housing Subsidy

The main instrument in South Africa's housing policy has since 1995 been the provision of housing subsidies which are graded according to households' income (see figures below). A new category, "institutional subsidy", was set up in 1996. This allows income-groups up to R 3 500 to have the maximum subsidy of R 18 400 in Co-operative Housing/Housing Association type of projects.

More than half of South African households earns less than R 1250 per month. Almost 75% of South Africa's population are eligible for housing subsidies. In Gauteng province "only" 63% of the population is eligible for housing subsidies.

The Government has also set up National Housing Finance Corporation (NHFC), a financial institution providing loans for social housing. Housing Institutions Development Fund (HIDF) is a division of the National Housing Finance Corporation that provides long-term mortgage loans at reasonable interest rates to emerging Social Housing Institutions. However, the interest rate is still relatively high, about 14-15%.

Co-operation Cope - NBBL

A four years pilot project started in 1997 as a joint program set up by NBBL and Cope Affordable Housing (association incorporated under section 21, a "non-profit" company). Cope was at that time an NGO based on donor-funding assisting poor and low income people on the housing market in inner city of Johannesburg. Cope has later changed it's name to Cope Housing Association reflecting the objectives of the program.

The overall objective is to develop a co-operative housing model for low-income households in South Africa based on the experiences of the Norwegian co-operative housing movement. The Norwegian model is characterised by a two-tiered co-operative system where the 'mother' co-operative is the developer and manager of 'daughter' co-operatives³.

With technical assistance from NBBL, COPE is in the process of transferring itself into a member-based housing association, establishing housing co-operatives and managing housing units for the benefits of its members. The Norwegian support also includes a revolving fund (3,5 million NOK in 1997 and another 10 million NOK in 1999) for the acquisition of land, bridging finance etc and financial support to COPE's administration.

³ In the Norwegian model people in need of housing join the Co-operative Housing Associations with the aim to get a co-op dwelling. The idea has been that when eventually housed in a daughter co-operative, they keep their membership in solidarity with the people still in need, and the mother co-operative undertakes the property management services for the 'daughter' co-operatives.

Housing development and management

Existing buildings

Cope Housing Association is assisting tenants in the inner city of Johannesburg purchasing their rented premises and forming collective housing companies. Currently Cope manages refurbishment and provides property management services for three apartments blocks (Philani Ma Africa, Everest and Hadar Court) with altogether 124 flats. The cost of purchasing and refurbishment are mainly covered by the Government's institutional subsidy for low-income households. By doing this the poorer segment of the income groups are reached, down to R1 000 per household per month.

New housing development

In addition, Cope is taking on new housing development in the inner city of Johannesburg. The Bertram with 53 flats in two and three storey walk-ups was completed in 1999. The building brigades of a NGO called Foundation for Education with Production (FEP), were employed for the construction of the project. This helped to reduce the costs as well as providing training for unemployed youth.

Newtown Housing Co-operative

The Newtown Housing Co-operative with 351 units was completed in September 2000 with 225 two-bedroom and 126 one-bedroom flats. Newtown was the first **registered** housing co-operative in South Africa. The co-operative consists of three storey walk-up buildings built around a series of courtyards and green spaces. In February 2000 Norwegian Prime Minister Kjell Magne Bondevik and the South African Housing Minister Sankie Mtembe-Mahanyele officially opened the project.

Maokeng- People's Housing Process

Cope has also assisted in the development of 110 housing units in Maokeng, Free State, using People's Housing Process and self-help methods whereby residents build their own houses.

Housing projects under development

Cope has several housing projects under development or to be developed in the near future. Early 2001 construction of the Troyeville Housing Co-operative began consisting of 120 units in four-storey walk up buildings. In addition, Cope is in the process of forming the Terrace Road Housing Co-operative and purchasing a number of stands on Terrace Road in Bertrams for another *150 units*.

"Better Buildings Programme"

Cope is also involved in The Greater Johannesburg Metropolitan Council's (GJMC) "Better Buildings Programme" to contribute to the renewal of the inner

city. This includes Eastleigh Court (27 units), Koch Mansions (58 units), Castle Blaney (68 units) and the Voortrekker Building (51 units), the latter being an office building where Cope already has begun the process of refurbishing and converting the building into 51 residential units.

Achievements

Economic sustainable

Cope's aim is cost recovery of its administration through fees for housing development and property management. A main challenge for Cope has been transforming itself from a NGO offering free services to the urban poor into an organisation charging fees for its services. However, Cope is now just over 40% financially self-reliant and the aim is to be 75% self-reliant by 2005.

Housing delivery

Another aim has been that during the project period of four years, around 1000 housing units should be completed, under construction or under planning on secured land for housing development. Cope is fulfilling this aim with already 528 housing units organised in 5 housing co-operatives of which 400 are in new developments. Cope has started construction of another 120 units, and conversion of an office building with 54 units. Further 400 units are under planning, making it altogether 1100 units.

Target group

The target group in the current agreement with NORAD is households with a monthly income ranging from R 1.200 to R 3.500 to, which are households entitled to state housing subsidies. The lowest monthly charges and incomes are found in the refurbished buildings. A household with R.1.000 a month is paying R 285 for a bachelor flat a month. In Newtown, the most recent development project, households earning around R 1.500 a month pay R 710 in monthly charges. However, the average household income is here R 2.800 while the average monthly charges are R 816.

Female-headed households are specially targeted. More than half of the households in Cope's projects are female headed.

Social Housing Foundation (SHF), a organisation set up by the government to promote social housing, have approached NBBL requesting technical assistance in order to build competence in co-op housing and develop five new Co-operative Housing organisations around South Africa.

Solutions for the poor?

Co-operative housing as being developed in South Africa within the formal sector in the inner city of Johannesburg is not for the poor, but for the lower- and middle-income people, people with a regular income, mainly through a steady job.

Cope reaches the income levels of R 1000 per household a month with refurbishment projects of existing building, while it will have to turn to higher income brackets with an income of around R2600 a month for new development. The lowest government salary is R1.200 per month, equal R 2.400 for a joint spouse monthly income.

However, co-operative housing are proving to play an important role in facilitating housing with secure tenure for people in the lower income brackets in the inner city of Johannesburg which otherwise have few choices. Often they have to live far from the city centres and the job-opportunities, in insecure tenure arrangements, garages and rooms in backyards without facilities, like evidences from South Africa shows. (Aftenposten, Bondevik's visit) Through the co-operative they get a group loan which they otherwise would not get individually. The co-operative "onlends" to its members.

Housing co-operatives of moderate size in terms of number of dwellings, where the residents can take an active part in decision-making of the co-operative, are also seen as important learning arenas for democracy building. The co-operative housing movement is to a large extent a model for building democracy from the bottom up.

Co-operative housing, as an in-between model of tenure and full market based ownership model, as being developed by Cope, is proving to be a viable and appropriate model of solving the shelter needs in a development context as well as contributing to a sustainable urban development. South Africa is an important locomotive in a sub-Saharan context and what happens there may influence other countries!

Developer of the Year

In September, Cope received the award from the Institute for Housing in South Africa as the DEVELOPER OF THE YEAR with the following text:

"Cope Housing Association has pioneered the concept of co-operative housing provision in South Africa. By doing so its activities have contributed to the significant regeneration of the Johannesburg inner city, thereby strengthening the social fabric and democratising homeownership."

For more information, see Cope's homepage: www.cope.org.za



COPE's first new development, Bertram Housing Co-operative with 51 units completed in 2000 in the inner city of Johannesburg. (photo: May Sommerfelt)



First residents moving in. (photo: May Sommerfelt)



Uganda: Emmanuel Kateregga Ndawula, Chairperson of the Kataayi Multi Purpose Co-op. (photo: Rooftops Canada)

Case 4: Kataayi Multi-Purpose Co-operative Society , Uganda

Winner of the Dubai International Award for Best Practices to Improve the Living Environment

presented by Rooftops Canada/Abri International, Canada

Movement to movement assistance, donor co-ordination and co-operation, international co-operation, integrated approach, rural, sustainable development, (organic agriculture, education/capacity building, infrastructure improvement), public-private partnership, two tier (village, region) multi-purpose, multi-stakeholder approach, mobilisation of local resources for local development, locally produced building materials, gender focus, integrating war and AIDS victims, orphans, widows.

1. Narrative:

i) Situation before the initiative began

Uganda suffers from endemic poverty, AIDS and the legacy of decades of war. Eighty-eight per cent of the population lives in rural areas and 60 per cent of households live below the poverty line. Masaka District, where Kataayi is based, was one of the worst affected areas in the country. Communities lived in poor quality housing and without access to clean water and sanitation. AIDS has left thousands of young orphans and widows to fend for themselves. It is a region with fertile land but little infrastructure. Households lived at the subsistence level and it was becoming increasingly difficult to survive on their small land holdings with the unpredictable weather patterns that severely compromise yields, rising costs of agricultural inputs and decreasing prices.

ii) Establishment of priorities

Kataayi was originally formed by five village builders. It was incorporated as a co-operative in 1987 and now has 139 members, six working committees and a board of directors. Each committee focuses on a specific priority of the co-operative. The committees are Housing, the Kataayi Appropriate Building Technology Centre (KABTEC), Agriculture/Food, Education, Training, and Orphans. To become a member, one must be committed to sharing information, time, labour and resources with others. Each committee meets monthly and all co-operative members meet together twice a year. Members and committees are continuously assessing community needs and developing long-term integrated strategic plans to optimise self-sufficiency in the region.

iii) Formulation of objectives and strategies

Since 1993, Kataayi's objectives have been to improve the quality of life at the community and household levels through sustainable rural development and to share their successes with other communities throughout Uganda.

The co-operative has developed the following strategies over the years, taking into account local resources and needs. These strategies include:

- Developing sustainable agricultural practices to achieve food security,
- Developing jobs at the cooperative level and income generation at the household level,
- Education and skills training for youth (especially AIDS orphans),
- Developing rural infrastructure (i.e. the construction of roads, irrigation systems),
- Training in appropriate technologies and self-building techniques.

iv) Mobilisation of resources

Sarcee Meadows Housing Cooperative and Rooftops Canada first became acquainted with Kataayi in 1991 when a Sarcee staff member went to Uganda to represent Rooftops at an affordable housing conference. Sarcee and Kataayi have been twinned ever since. Rooftops established a formal partnership with Kataayi the following year. As Rooftops works jointly with CCA's international development department in many countries and CCA had established a credit union program in Uganda, CCA was asked to support the work of Kataayi as well.

Financial resources:

Kataayi has received financial resources in the form of capital grants from the following partners:

- Sarcee Meadows provided funds for a block-making machine (1991)
- Rooftops provided funds for Kataayi to purchase 10 acres of land to cultivate a banana plantation (1993)
- CCA donated funds for a tractor (1996), for the purchase of a maize mill and a pug mill (1998), and for school equipment (chairs, beds, mattresses, desks) and a seven-ton truck (1999)
- The Alberta Community Development Wild Rose Foundation granted funds for the construction of two water tanks, irrigation pipes and the purchase of coffee seedlings (1999)

Kataayi has generated over \$40,000 U.S. in the last three years through the sale of agricultural produce, meat, fish, building materials, tractor rental and technical services. The surplus of this revenue has been enough to purchase a plough, tile-making machine and coffee seedlings, provide small business loans, build infrastructure such as roads and dams and support those in need with food, burial services, hospital fees and school fees. Co-op generated funds also support ongoing operational costs such as the fuel and maintenance of vehicles and administration.



Kataayi Multi Purpose Co-op Community with a Rooftops Canada co-operant.
(photo: Rooftops Canada)



The school that has been built as part of the Kataayi Multi Purpose Co-op.
(photo: Rooftops Canada)

Technical resources:

Kataayi's partners have provided technical assistance in the following areas:

- St. Jude Organic Agriculture Centre provides formal and informal training to Kataayi's members in organic farming methods.
- Rooftops organized two visits for the Kataayi's coordinator to come to Canada to learn organic farming and animal husbandry techniques. Rooftops has also provided training in project management.
- The Mennonite Central Committee provided two volunteers for a two-year placement (a secondary school teacher and an engineer to assist with the implementation of water systems)
- The UNDP Micro-Aids project provided a DDS field worker to help women develop income generating activities for AIDS orphans.
- The Ministry of Agriculture (Uganda) provided local representatives to advise Kataayi on agricultural practices and animal husbandry.

Human resources:

Since the beginning, Kataayi has relied on the hard work of committed volunteers. Human resources in the form of abundant labour have been essential in getting Kataayi's initiatives off the ground. Kataayi members built KABTEC, the primary school and the secondary school (which includes six classrooms, dormitories, staff housing, library) cleared and planted over 100 acres of co-op land, built five demonstration pit latrines and constructed two water tanks. They also built a 10-mile road to cross the river valley which separates the two parishes. Committee members are responsible for strategic planning and project management. Members have become skilled farmers and contractors through their experience over the years, and now provide training to other villages and teach visitors who come to learn about Kataayi's projects.

2. Process**Problems that have been overcome:**

Food shortages have been a critical issue for villagers up until the last few years because of drought, heavy rains, the cost of inputs and decreasing prices. The co-operative has overcome this problem through the adoption of improved agricultural methods. Inter-cropping, terracing, row planting, composting, grass mulching and weeding have resulted in increased yields and food security. Kataayi has encouraged thousands of families to diversify and plant their own gardens using these new practices. Besides the traditional crops of bananas, most households now grow maize, soybeans and a variety of vegetables. Nutritional levels have improved substantially as a result. Kataayi's animal husbandry program – which involves providing a calf to a family in return for one offspring later on – has also enabled families to raise cows, goats and pigs

and chickens. The sale of milk, eggs and meat has helped these families to supplement their income and to increase their intake of dietary protein. These animals also provide the manure. One animal can produce enough manure to fertilise a half-acre of land and double the output at a cheaper cost. As a result, the household has the capacity to produce crops for sale as well as satisfying their own needs.

The vast majority of villagers in the area subsist on very low incomes – less than 200 \$U.S. per year. Kataayi has developed innovative and practical training programs and small loans to respond to the need for income generation, and started co-op businesses to create jobs. KABTEC has been training orphans and local villagers in construction and masonry since 1975. This one-year program has produced highly-skilled builders and contractors who now take on construction contracts and provide technical services to neighboring villages. Last year, KABTEC constructed a factory that now produces tiles, decorative facing bricks and ventilators on a commercial basis and employs three people.

The purchase of a tractor and trailer in 1997 substantially improved the local economy. Four permanent jobs and up to 20 contract people are employed to excavate, load and unload building materials and assist with ploughing when the tractor is rented. The seven ton truck that was purchased in 1999 has also led to greater economic yields. Kataayi is now able to make trips to Kampala Market to sell products at a higher rate than the Masaka Market. Both vehicles have resulted in the co-op being able to expand production and infrastructure more quickly as larger loads of fodder, manure and building materials can be moved at one time.

Kataayi grows maize, mills and sells it as well as milling it for others at a charge. The co-op's dairy and agriculture farm employs three people permanently and many more on a contract basis, depending on the season. Last year, Kataayi started a 25 acre coffee plantation. As coffee is a well-established export in Uganda, prices have remained high and relatively stable compared to other crops. The planting and tending of seedlings has employed 12 people.

3. Purpose and Achievements:

Kataayi is based in the village of Kakunyu in the southern district of Masaka. It was formed as a self-help group in 1973 and became a registered cooperative in 1987. Kakunyu Village is one of 13 villages in Kakunyu Parish. Across the river there are another 15 villages which form Kitanga Parish. Kataayi serves the communities on both sides of the river valley, comprising an area of 10 square kilometres, 28 villages and 60,000 people.

In the early years, Kataayi's mission was to improve housing conditions for poor villagers. Thousands of families now live in homes built with local materials and using Kataayi's construction, brick and tile-making methods. Since 1993, their purpose has expanded significantly. Kataayi is committed to providing

sustainable agriculture, education and skills training programs for youth and adults, building infrastructure and increasing the capacity for villagers to sustain rural livelihoods through the diversification of income and the creation of jobs.

Although the co-op has received capital investments from partners overseas, their most important resource by far is the community itself. Kattayi is a community-based, community-driven co-operative and their remarkable successes would not have been realised without the volunteerism of community members. Through their tireless hard work (time and labour) and ongoing commitment to improving the quality of life in the region, villagers have ensured that Kataayi's initiatives develop to meet community needs.

Kataayi has created several new sources of income for the co-op and households through the introduction of new crops such as maize and soya beans and various vegetables. As well, they started a dairy farm and experimented to find the right breeds in the area. Then they set up a breeding program whereby the coop gives an offspring of a cow, goat or pig to a household and the household later return one to the coop. These initiatives were applied taking long term sustainability into account. This has meant that Kataayi piloted organic farming methods which use manure for fertiliser, mulching, inter-cropping and terracing, zero grazing and agro-forestry. These practices have resulted in a more diversified and stable local economy and the employment of 14 people permanently and dozens contractually.

Kataayi built and operated a primary school from 1994-98 for 100 students. They turned the school into a barn once the government opened a local primary school as part of its new policy to fund universal primary education. In January 1999, Kataayi opened a unique secondary school that teaches an integrated academic, agricultural and trades curriculum. The vast majority of students are AIDS orphans who are also borders at the school. Volunteers made the blocks and tiles and built the complete complex. The objective of this school is to prepare students to become self-employed when they graduate and to be able to build their own houses and grow their own food.

There is a strong gender focus in the co-op's initiatives. Kataayi encourages girls to attend school. Half of the students at the secondary school are young women, which is twice the national average. The co-op provides equal training opportunities for women in construction and agriculture as well as training in sewing and education in nutrition, legal rights and other areas so that they can become more economically productive and live healthier lives.

4. Problems to be solved:

In the next three years, Kataayi needs to increase its income generating activities in order to maintain the expanding operational costs of the new secondary school as enrollment increases. Currently, there are 65 students attending this school (25 first-year and 40 second-year students) and 57 are AIDS orphans who

cannot pay school fees. It is planned that 200 students will be attending the school by 2002. Currently, four teachers are on staff including one Mennonite Central Committee (MCC) volunteer. Students learn agricultural methods through producing their own food on school land. They have also learned building skills through the construction of houses as a component of their course work. Funds are needed to provide electricity to the school and to purchase metalworking and carpentry machines. This will help students acquire skills that will generate income (i.e. wood and metal products can be produced for sale) to subsidise school expenses. Increased revenue is required for Kataayi to provide the necessary infrastructure and enable the school to become self-sufficient in the long-run.

5. Results achieved

Kataayi Multi-Purpose Co-operative has significantly advanced towards its long term goal of improving the quality of life of the 60,000 people living in Kakunyu and Kitanga parishes. Sustainable building technologies and agricultural practices are first tested at the co-op level and then adapted at the household level. Kataayi recognises that it is critical for children in the community, 60 per-cent of the population, to be instructed in these methods in order for these communities to become truly sustainable in the long-run. They are achieving this goal through the development and running of a secondary school that will produce graduates equipped with the necessary skills to sustain rural livelihoods.

Although this initiative is frequently showcased as one of Uganda's greatest rural development success stories, results are not quantitatively measured and monitored on a regular basis. It is obvious that Kataayi has achieved significant and tangible improvements over the years, however they have not yet developed the capacity to document their progress and comprehensively evaluate the impact of their pilot projects. Kataayi could become a prolific case study for villages throughout the country and beyond if their methods and results were to be systematically recorded. With the assistance of Rooftops Canada, the co-op intends to develop systems to document their results over the next two years.

Actual improvement in people's living conditions:

- Over 50,000 people live in homes constructed with Kataayi's building methods.
- Health and nutrition has improved through a diversified diet of vegetables and animal products.
- Incomes have increased through the sale of agricultural products, milk, eggs and meat.
- Youth (especially AIDS orphans) are self-sufficient after participating in training programs and/or attending the secondary school.

- Water is more accessible for the community, animals and for irrigation through the co-op built dams and water tank storage as well as household collection.
- 14 permanent jobs have been created in the co-op and 15-40 per day are employed on contract basis, depending on the season.
- 50 Households have increased their incomes through start-up loans for small businesses from the co-op.
- Improved sanitation through the promotion and development of ventilated pit latrines.
- The elderly and needy are being fed from the food produced on the co-op's land.

6. Changes in attitudes and behavior:

Attitudes towards women:

The community is increasingly recognising the importance of women's roles in community and economic development. Kataayi's education committee has ensured that half of the students at the secondary school are young women -- twice the average enrolment in Uganda. Kataayi is also achieving a gender balance in skills development. Girls as well as boys are being trained in construction, carpentry and agriculture at the school. Women are also employed at the tile-making factory and in Kataayi's agriculture program. Thanks to Kataayi's encouragement and programs, more young women are developing skills and finishing school before they begin to have families.

Attitudes towards community development:

Villagers have developed a deeper awareness and commitment to long-term community development. People are willing to try innovative and sustainable new practices and work collectively for years towards improving conditions in the area. Community members volunteer their time daily towards the extensive agricultural and building efforts of Kataayi. The community has also come together to take responsibility for the survivors of AIDS. Programs have been developed which support orphans and widows, demonstrating that AIDS is viewed as a community issue rather than as an individual tragedy. It is common for community members to leave their land and assets to Kataayi after they die, exemplifying the trust and high regard in which they hold this co-operative.

7. Sustainability

Financial:

Kataayi is playing a leading role in ensuring that the region becomes financially sustainable. Initiatives are interconnected, and surplus revenues are channeled into improving local infrastructure (building roads, dams and water systems), maintaining the secondary school and into revolving loans so that members can

start small businesses. The co-op now generates income from eleven different sources: milk from the dairy farm; a variety of vegetables; staples such as bananas, maize and soybeans; coffee; fish forest products; building materials; construction contracts; the provision of technical services; equipment rental (truck, tractor, maize mill) and the use of the guest house.

Cultural:

Vernacular and cultural education is central to the secondary school curriculum. Kataayi recognises that teaching youth traditions (dance, song, history, religion and crafts) is critical for sustaining rural heritage. Drama performances and cultural festivals are regularly held by Kataayi in support of local culture and tradition.

Social and Economic:

Kataayi's initiatives have greatly improved the quality of life for both men and women in the region. Households now live above the subsistence level, in healthier environments and with greater access to clean water, vegetables and foods rich in protein. Now that food security no longer threaten these communities, people are engaging in training and income generating initiatives to achieve economic sustainability.

Environmental:

For the past 15 years, Kataayi has promoted and demonstrated the use of locally available building materials (sand, clay, soil and stones) for constructing houses. As a result, un-fired soil-stabilised bricks have become widely accepted as low-cost and energy-saving alternatives to fired bricks. Wood conserving kilns for the firing of roof tiles have been introduced to reduce the burning of fuel by 50 per-cent. Thirty-five of these kilns are in use today.

Kataayi's agro-forestry program was established in 1993. Co-operative members have planted fifteen acres with 10,000 trees of varying species. The Housing Committee also encourages community members to inter-crop trees in their plantations at home.

The fertility of the land has improved since the adaptation of sustainable farming practices. Animal husbandry programs use zero-grazing methods which reduce their impact on the land. Animals are kept in pens off the ground and the manure collected is then used to fertilise crops. The adoption of organic farming practices has increased agricultural yields. For instance, maize and soybeans yields have increased by over 200 per cent and costs have decreased now that pesticides are no longer necessary. As a result, the co-operative and households which use organic methods have achieved both financial and environmental sustainability in agriculture.

8. Lessons learned

Through years of trial, error and hard work, Kataayi has learnt much on its own with little input from outside institutions. The three most prominent lessons are:

1. Sustainable practices can be affordable to implement by very low-income people and these practices result in greater economic self-sufficiency.
2. Cooperatives that function with a strong social purpose can benefit thousands of people beyond its official membership and continue to thrive.
3. Continued volunteerism is critical to sustain long-term community development

(i) Kataayi set out to improve the housing of its members. The co-op soon realised that they would have to develop appropriate technologies that use local materials for the housing to be affordable to the people they serve. Kataayi experimented with nearby river clay until they discovered the best consistency for stabilised soil bricks and fired roofing tiles. Thousands of households and schools in the area are now able to build using Kataayi's technology. The introduction of organic agriculture has had an enormous impact on the two parishes. With rising costs of pesticides and other inputs, Kataayi recognised that they had to adopt cheaper farming methods. Kataayi started by raising dairy cows. Faced with the ever-increasing need for pasture, they adopted zero-grazing methods and collected the manure from the animals to fertilise their crops. At the same time, they experimented with new vegetables and staples in order to enrich their diets. What they learnt was that they could double their output using organic methods and lower input costs. This has resulted in increased income through the production of surplus crops for sale. Farmers from villages across the country come to Kataayi to learn for themselves how to achieve higher incomes using these sustainable practices.

(ii). Kataayi became a formal co-operative in 1987. Although their original purpose was to facilitate mutual self-help for members, they never excluded the broader community from the benefits of their experience. Kataayi's purpose is to use the co-op vehicle in order to explore ways of improving the quality of life of rural Ugandans. They share their successes with whomever is interested. The co-op initially built KABTEC and the secondary school for the two parishes and these programs now serve people from across the country. Through word of mouth, formal and informal training, specific lessons have been passed on to thousands throughout Uganda (appropriate technology, construction, organic agriculture, animal husbandry etc.). Once people increase their incomes through the adoption of new methods, they are then able to pay Kataayi for their technical services which adds to the co-operative's income.

(iii). Kataayi Multi-Purpose Co-operative has had a tremendous impact due to countless volunteer hours that are put in by members and the larger community. Volunteer labour has built KABTEC, the primary school, the tile factory and the

secondary school. They also help to clear, plant and tend the co-op's 100 acres of land annually. People give their time, labour, skills and resources to the co-operative and are rest assured that in their time of need, these efforts will be reciprocated. Volunteerism is also encouraged at home and in the schools, ensuring that future community leaders will carry on the co-operative spirit of Kataayi.

9. Transferability

Government support of Kataayi reinforces the likelihood that their work will continue to be show-cased in order to replicate their successes throughout the country. Kataayi attended Habitat II in June 1996 as part of the Ugandan government delegation.

At the regional level, the Masaka District Administration also supports Kataayi's initiatives. They promote Kataayi's construction and masonry methods and encourage people to visit the co-operative and learn from their experience.

Kataayi receives a steady stream of people from across the country that have been instructed by various Ministries to come and study their achievements. A guest house is now up and running to host these visitors. Government delegations also visit Kataayi because it is seen as one of the best examples of rural empowerment and sustainability in the country.

The co-operative's training committee has co-ordinated the visits of farmers and shelter technicians to villages in other regions in the country in order to teach people Kataayi's building methods and agricultural practices. For instance, Kataayi's successes in housing construction have been adopted in Mbarara District in the south, Mbale District in the east, Arua District in the north, Kitgum District in the north and Masindi District in the west.

Kataayi has recently acquired some new land where they are planning to develop a centre for adults from throughout Uganda to come and learn about improving household practices (agro-forestry, animal husbandry, home gardening etc.) Kataayi will train local staff so that this can become a full-time program.

General Information:

1. **Name:** Kataayi Multi-Purpose Co-operative Society
2. **Address:** P.O. Box 560 Masaka, Uganda
Phone: none **Fax:** 256-481-20514
3. **Contact person:** Emmanuel Kateregga-Ndawula
4. **Type of Organization:** Community-based Organization

- 5. Nominating Organization:** Rooftops Canada/Abri International
Address: 2 Berkeley Street, Suite 207, Toronto, Ontario. M5A-2W3
Phone: 416-366-1445 Ext. 241 **Fax:** 416-366-3876
Contact Person: Sarah Power
Type of Organization: Non-governmental Organization

The Partners:

- 1. Ugandan Government**
 Housing and Communications
 P.O. Box 7122 Kampala, Uganda
 Fax: 256-341-342-232
 Contact: Sarah Ibanda, Commissioner of Housing,
 Housing Dept. Ministry of Works
 Type of Organization: Central Government
- 2. Masaka District Administration:**
 Contact: Building Officer
 Type of Organization: Regional Authority
- 3. St. Jude Busense Integrated Organic Agriculture Centre:**
 Kakunyu Village
 Contact: John and Josephine Kizza
 Type of Organization: Community-Based Organization
- 4. Rooftops Canada/Abri International: (see address above)**
- 5. The Canadian Cooperative Association**
 400 - 275 Bank Street, Ottawa, Canada K2P-2L6
 Phone: (613) 238-6711 Fax: (613) 567-0658
 Contact: Lydia Phillips
 Type of Organization: NGO, Co-operative
- 6. Sarcee Meadows Housing Cooperative**
 B50, 4221 Sarcee Road, S.W. Calgary, Alberta T3E-6V9
 Phone: (403)246-2746 Fax: (403) 240-4333
 Contact: Carol Davis
 Type of Organization: Community-Based Organization
- 7. Alberta Community Development Wild Rose Foundation**
 907 Standard Life Centre
 10405 Jasper Avenue
 Edmonton, Alberta T5J-4R7
 Phone: (780) 422-9305 Fax: (780) 427-4155
 Type of Organization: Foundation

8. United Nations Development Program

Contact: Janet Otto

Type of Organization: International Agency

9. Mennonite Central Committee (MCC) (U.S.)

Contact: Peter and Wendy Miller

Type of Organization: Non-Governmental Organization

Kataayi receives support from the following partners:

1. Uganda Government: Political Support
2. Masaka District Administration: Political Support
3. St. Jude Busense Integrated Organic Agriculture Centre: Technical Support
4. Rooftops Canada/Abri International: Financial and Technical Support
5. The Canadian Cooperative Association: Financial Support
6. Sarcee Meadows Housing Cooperative: Financial Support
7. Alberta Community Development Wild Rose Foundation: Financial Support
8. United Nations Development Program: Technical Support
9. Mennonite Central Committee (MCC): Technical Support

Key Data:

1975: Kataayi Appropriate Building Technology Centre (KABTEC) was established

1987: Kataayi became a registered cooperative

1993: Kataayi's activities expanded from housing delivery to include sustainable agriculture.

1997: Opening of the roof tile factory

1999 Opening of the secondary school (Luwaga Memorial Appropriate Technology and Academic Education Centre)

Category of the Best Practice:

- i) **Poverty Eradication:** job creation, income generation, vocational training, access to credit,
- ii) **Children and Youth:** health and nutrition, educational and vocational training, vulnerable groups
- iii) **Economic Development:** training, co-operative opportunities, micro-credit, enterprise development, entrepreneurship

Annual Budget:

Year	Total Budget US\$	Kataayi (in-kind)	Rooftops Canada	Canadian Cooperative Association	Wild Rose Foundation
1995	\$42,000	\$9,000	\$3,000	\$30,000	
1996	\$40,000	\$8,000	\$5,000	\$27,000	
1997	\$61,000	\$27,000	\$4,000	\$30,000	
1998	\$76,000	\$43,000	\$3,000	\$30,000	
1999	\$90,000	\$16,000	\$12,000	\$50,000	\$12,000

Level of Activity: village and regional

Eco System: Tropical/Sub-Tropical

For more information contact Rooftops Canada Foundation, barry@rooftops.ca



Zimbabwe: A housing co-operative that is being developed by Housing People of Zimbabwe under construction. (photo: Rooftops Canada)



A family in front of their new co-op home, developed by Rooftops, Canada's partner, Housing people of Zimbabwe. (photo: Rooftops Canada)

Case 5: Housing People of Zimbabwe (HPZ)

presented by Rooftops/CCA, Canada

National NGO initiated by Rooftops and CCA to promote housing co-operatives, self-help promotion, multi-stakeholder approach, community based organisations, land from communities, co-ordination of donor funds, loans from building societies and savings trust fund, problems caused by poor economic conditions and instability.

Introduction

In Zimbabwe, it is estimated that there is a current housing shortage of 2.2 million units. Ten years ago, Housing People of Zimbabwe was formed to help address the country's housing crisis. The goal of the organisation was to assist low income families to house themselves through housing co-operatives. HPZ was started by Rooftops Canada, the Canadian Co-operative Association and the Cotton Printers Workers Housing Co-operative, the most advanced housing co-op in the country at the time. A local NGO was considered necessary to provide technical and educational support to housing co-ops that were not otherwise able to get past the initial formation stage.

Current housing conditions

Housing People of Zimbabwe has accomplished much in its ten year existence. However, the difficult economic circumstances have exacerbated the housing problems in the country.

In 1997, research undertaken by the Poverty Assessment Study Survey (PASS) and the Civic Forum found that:

- 40 % of urban residents were lodgers,
- 25% of household incomes were spent on rents or house payments,
- urban growth rate of 3.5% resulting in growth of the housing list (a waiting list of applicants for allotment of a house or flat),
- 80% of urban housing need is for low-income groups,
- 25% of urban households earn less than the amount needed to contribute to a housing co-op
- 50% of those in need earn less than the amount needed to afford a building society scheme.

The housing problem has resulted in;

- overcrowding, especially in the high-density areas,
- construction of wooden shacks outside main buildings,

- impaired services; bursts of sewage pipes, uncollected refuse,
- continuous informal settlements in urban areas,
- lengthy waiting lists for housing in all the major urban centres,
- poor health.

The Role of HPZ and successes

HPZ assists co-ops on a fee for service basis through every step of the development process: registration as a co-op, saving the 25% down-payment, design, construction, financing, allocation of land and the setting up of management systems. Currently HPZ works directly with 40 active housing co-operatives that are receiving a variety of technical and training services. HPZ has organised numerous seminars and workshops for housing co-op members and has developed a range of training materials.

HPZ has also played an important role working with key stakeholders to identify blockages in the development process and to help identify solutions. HPZ works closely with local municipalities as well as other government departments and financial institutions. Local authorities are directly responsible for housing though they have few resources. Municipalities have long waiting lists of people needing housing and have some ability to allocate land. HPZ has secured land for co-ops from eight local authorities and is negotiating with others. HPZ was represented on a recent government Task Force that developed a new housing policy. Because of their participation, housing co-ops are noted several times as a viable collective vehicle for the development of good quality affordable housing.

Housing finance continues to be available, although with great difficulty, from Building Societies that combine their own funds with interest-free funds from USAID. HPZ also successfully established a Savings Trust fund which enables co-op members to receive a higher interest rate on their savings. HPZ is investigating Micro-finance programs to augment co-op member savings.

HPZ has also played a role in helping to establish an apex organisation that brings Housing Co-operative Unions and primary societies together. This provides a more organised membership-based structure to the movement and allows for more co-ordination, facilitation and planning for the future of co-operatives by its members.

In its ten year history HPZ has promoted housing co-operatives and helped build affordable housing co-ops for low income families. They have educated the public as well as other stakeholders on the value of the co-operative housing model. Recently the worsening economic conditions in the country has made progress much more difficult. However HPZ continues to seek out solutions that will help continue their work so that all Zimbabweans will have a place to live in dignity.

A survey completed in January 2001, shows the accomplishments of a sample of housing co-ops:

- 351 co-ops nationally with 60% in Harare and Chitungwiza,
- total savings by 160 co-operatives by Oct. 2000 = Z\$98,788,618,
- total amount invested by 160 co-operatives = Z\$85,894,174,
- monthly contributions continue and range from Z\$50 - Z\$5000,
- co-operatives can negotiate a full compliment from LA's,
- LA now has a percentage of land earmarked for co-op allocation,
- unserviced and serviced land are now both available to co-ops,
- of total co-op membership, 50% earn less than Z\$6,500/year,
- since 1993, Building Societies advance funding to co-ops,
- since March 1996, half of six mortgages allocated to housing co-ops have been issued as community mortgages - no defaults,
- 13,841 co-op members in 160 surveyed co-ops,
- stands allocated = 5056 unserviced, 1745 serviced (total 6801),
- 70% of surveyed co-ops have completed at least some units,
- 2,455 members in survey are living in co-op houses.

For more information contact Rooftops Canada Foundation, barry@rooftops.ca



India:
Regular meetings with the prospective participants were essential to discuss and decide the components of the project.
(photo: DESWOS)

Asia

Case 6: Weavers' Housing and Workshed Programme at Chirala, Andhra Pradesh, India

presented by DESWOS

International co-operation, donor co-ordination, integrated approach, small town development, poor craftsmen (coolie weavers) confronted with effects of industrialisation and natural disasters, indebtedness and adverse market conditions, project implementing NGO as promoter of self-help groups and multipurpose co-operative, opening access to government assistance, local plan of action, development of appropriate house design, mobilisation of local resources.

1. Case history

Chirala is a small coastal town of about 75,000 inhabitants at the Bay of Bengal in Andhra Pradesh, India. One of the main occupations of its citizens is handloom weaving for which the area has wide recognition all over India. The art of weaving is inherited from generation to generation and usually performed as a family unit.

In 1990 the town was ravaged by cyclone storms and subsequent floods and the low lying areas, usually inhabited by low caste weavers and lower income groups of weavers, here named as coolie weavers, were inundated. Quite a number of huts and weaving sheds were destroyed by the gales or got submerged, spoiling the handloom set-up and other facilities needed for weaving. These losses were quite substantial for most of the weavers as weaving is the only source of livelihood for the families and most of the other activities are somehow connected to the weaving process. New assets could only be purchased and repairs could only be made against loans, leading to heavy indebtedness, given the small income of the weaving families.

Later in 1991 there was a severe crisis in the textile market due to a glut by machine-woven fabric, which for certain products is a direct competitor to the hand-woven fabric. Furthermore, due to the heavy demand of the motor-loom weavers for yarn to take advantage of export markets, there was a shortage of yarn, leading to a heavy increase in prices for the raw-material. Some of the hand-loom weavers were not able to get the necessary yarn for their production and could thus not work and earn any income. Others, who obtained yarn at high prices, had to reduce their wages to sell the product still at acceptable prices in the market. In both cases this severe crisis led to a situation that the weavers could neither repay their debts nor earn the necessary wages for the survival of their families.

In the case of the coolie weavers, they are those who do not own looms of their own but just receive orders, materials and loans from the master weavers, they were laid off to a large extent as also the master weavers were not in a position to respond to the adverse market conditions. It came to starvation deaths, severe and sometimes deadly diseases as a consequence of hunger and malnutrition and, as the weavers were also psychologically not in a position to bear to see their families starving, to a number of suicides.

2. Main institutional actors of the programme

In the beginning the situation for the weavers, especially the coolie weavers, was quite unorganised and nobody was really overlooking all the problems emerging in the situation of the crisis. A number of weavers, especially those already organised in the co-operative sector, took to the road and staged public events to alarm the general public and the press. They could, at least in the longer run, expect assistance from their federations and the Government. However, the situation was worse for the coolie weavers. Unorganised as they were, they had no institution to resort to.

Accidentally there was a relationship of the Chirala weavers with some weaving industries in Japan, which can be dated back to about 150 years. The Japanese had imported a weaving technique from Chirala now known as "telia", which is a double thread weaving technique using bleeding proof of natural colours for the yarn. The Japanese in this industry came to know about the 1990 cyclone in Chirala and generously offered financial assistance as a relief fund. Initially they intended to construct a cyclone shelter as a preventive measure for perhaps other cyclones to come.

In this situation an Hyderabad (Capital of Andhra Pradesh) based Development NGO named SIDUR (Society for Integrated Development in Urban and Rural Areas) acted as a facilitator in the discussions and negotiations between the weavers and the Japanese donors. SIDUR's Executive Secretary Mr. T.J.P.S. Vardhan happened to hail from Chirala and he personally had experience in working with low-income groups as well as with foreign donors.

The developmental challenge for SIDUR, otherwise working with Dalits (so-called "untouchables" in India) and street children, was the special social and economic situation of coolie weavers who were subjugated under a system of bondage to the master weavers, officially abolished in India since 1982, but in fact still prevailing in disguised forms and not openly debated or questioned.

In a series of meetings the especially neglected coolie weavers decided, that instead of constructing a cyclone shelter, which would be of use in the cyclone periods only, it would be more advisable to go for low-cost housing, at prices affordable for the most affected families of the weavers. This would give protection under harsh climate conditions as well as equip them with an asset

they could use for weaving and living and thus be fully used throughout the year.

They asked SIDUR to get involved in this long term process and to acquire a piece of land of 11 acres from the Japanese donation of 300,000 Rs which should be earmarked for a housing project.

After that the target group again approached SIDUR to be helpful in the realisation of a dream: to get cyclone proof shelters for coolie weavers.

With the help of SIDUR, numerous actors were involved and a lot of liaison work was done. Some of the stakeholders in the programme were contacted only tentatively, others became really contributors to the programme. It was very difficult for SIDUR to estimate and assess the real chances for financial contributions as the target groups had to meet different eligibility criteria for various programmes.

The subsidiarity principle, saying that no component of a programme should be supported if people could either do it by themselves or with the assistance of other existing programmes is difficult to be put into practice. One of the main problems was, that certain programmes of the State Government of Andhra Pradesh or Central Government of India are available “in principle”, but getting “de facto” assistance and that even at the right time, so that there is a smooth project implementation, is quite another chapter. Clearly any people’s organisation that is inexperienced and that does not have personnel to follow-up all the necessary procedures will not succeed to tap these funds – although they are especially earmarked for them. Thus the local NGOs like SIDUR have a fundamental role to play.

3. Main facts and conditions causing the problems of the Weavers’ Community

The coolie weavers’ community, after a first analyses, suffered from a multitude of interrelated problems which they could not solve by themselves:

- a) The 1990 cyclone was devastating and severe, but it only aggravated the employment and income problems of the coolie weavers hitherto covered and silently accepted in the Indian society. The crisis brought to the light what otherwise was hidden in remote worksheds and regarded as individual problems of low-income families.
- b) The coolie weavers were largely disunited, a situation provoked by their low educational standards but even more by their individual ties that linked them to their master weaver. Traditionally they would seek assistance from him rather than go for collective action. This fortified the bondage even more and led to even higher indebtedness.

Compared to other low-income groups, caste groups or ethnic groups it can also be noted that they are highly individualistic which again proved to be a hindrance to collective action.

- c) The Economic conditions and the indebtedness as a consequence led to poor housing conditions, usually putting them up in rented houses, huts or simple sheds, overcrowded and shared by many families with precarious sanitary conditions and almost non-existing infrastructural facilities.
- d) Although possessing the full skills of weaving and allied skills for the weaving process they were not in a position to perform their work independently. Indebtedness and bondage (even with its psychological impact) prevented them to search for alternatives. In that situation neither the handlooms necessary nor the workshops were affordable. Another problem to be addressed was surely the market and skill monopoly of the master weavers, for purchases of raw material as well as for the outlet of the finished product.
- e) An approach to release weavers from the bondage had to observe all these factors at the same time, which was difficult for a single NGO as it required a lot of financial, personnel and lobbying resources at various levels, moreover, as in the beginning SIDUR could not count on the united weavers action but had to deal with a number of individuals seeking rather personal benefits.

4. Problem solving approaches and success criteria

To gain a better insight into the problems of the target group a door to door survey and interviews were conducted. Meetings were held and informal leaders of the weavers were asked to collect information and provide evidence of the situation of the coolie weavers. The working conditions were documented by photographs and a video was shot to inform outsiders about the conditions and present it as attractive information abroad.

From the information collected and the discussion about a viable way of guiding assistance and self-help, the following **priorities** were set:

- a) The initially rather individualistic and divergent interests of the families needed to be brought together. All problems that could be handled better collectively should get an efficient organisational representation. Thus the idea of forming a co-operative for housing and for weaving was born.
- b) The different skills available needed improvement and constant update training. In the longer run especially creative skills to develop weaving designs and business skills for marketing traditional and new products will be needed.

Also the youth needed training that was more efficient than the learning by doing approach usually employed and inherited in the family businesses.

Furthermore, the long term perspective was to reduce the dependency on weaving only, thus ideas should be developed to search for alternative livelihood.

- c) An answer to the indebtedness of the coolie weavers had to be found as it was clear that they would immediately suffer from harassment if they were going to resort to collective action and receive threats like being evicted from their rented accommodations, pressure to repay their debts immediately, etc.

Another problem was the psychological bondage, as the patron-client-pattern was still governing many of the social relationships.

- d) A future problem to be addressed is obviously the marketing system and range of products to be placed on the textile market. To a limited extent the weavers can produce under the co-operative sector which is a governmental organised and supported marketing facility. However, the Government policies to support the textile sector are unreliable and depend much on the lobbying efforts and political pressure. A need is there to discover and conquer unregulated markets, too. Here higher profits are expected as well as a diversification of products may help to minimise the marketing risks.

A **plan of action** was chalked out in close co-operation of the project participants and SIDUR which was comprising:

- Clear cut criteria on the identification and eligibility of the beneficiaries and its procedure. Whereas it was quite easy to collect information on the economic conditions and the social situation, a “soft” criterion on how a family would contribute to the co-operative ideas was much more difficult to assess.
- Approaching Government institutions and their programmes for assistance.
- Training on co-operative principles and formation of a production co-operative for weavers. Here the problem arose that not all beneficiaries were eligible for Government support. Two groups who were traditionally involved in weaving, by caste named as Padmasalis and Devangas, were eligible according to the Government criteria for supporting their co-operatives. They needed of course have a loom and should be active in the trade.
- The problematic target group, although most deserving the assistance, were the Dalit groups (so-called “untouchables”), who do the ancillary works as preparatory service to other weavers, like reeling, preparing the yarn, etc.
- Development of a house design including facilities to install a loom, construction of such houses by self-help or at least by contribution of manual labour.
- Provision and installation of handlooms of improved design and favourable physical working conditions (lighting, ventilation, hygiene, etc.)

- Starting the production and opening of marketing facilities. As the production is concentrated in two colonies now, wholesalers from Chennai (former Madras City in Tamil Nadu) are coming directly to the weavers, inspect the production and place orders. Thus middlemen as the former master weavers are gradually avoided.
- Formation of thrift and credit groups among women to reduce the influence of moneylenders; planning for small loan based inputs to weaving or alternative economic activities.
- Creation of infrastructural facilities for the weavers co-operative and community.

From the beginning it was quite clear that the resources that could be mobilised from the coolie weavers themselves and from SIDUR would not at all be enough to implement a programme of such dimensions and a coverage of 200 families. SIDUR as the project leading NGO was entrusted with the job to search for allies, especially for funding the material inputs of the programme and some of the running costs during the implementation.

5. Achievements

The **achievements** of the project are briefly the following:

There is physical safety as all the houses of the weavers are constructed in a cyclone proof way and there is legal safety of the property as the title deeds are in the name of women.

The economic dependence on the master weavers is abolished or at least reduced (still some old debts have to be repaid), new marketing facilities directly to the wholesaler are emerging but still have to be improved.

To be eligible for certain subsidies three different co-operative societies had to be founded, each under special criteria and for different target groups, which is of course confusing and not just contributing to united action.

Common facilities for community life have been established, their full-fledged functioning still can be improved, as the families have just recently entered the new settlements. There is scope that in the longer run the caste attributed differences will be overcome.

A primary school was established and is run with the help of the Government so that we could gradually reduce child labour, which otherwise is prevalent in the weaving communities. However, it should be noted that still in some families children do attend work as they have to contribute to the family income, but at least this happens after school only.

Women have founded thrift and credit groups independently and thus get access to a local bank. The loans they take are mainly for personal needs as health, clothes or family festivals. However, many women also use the loan for

productive inputs of their trade. Orientation will still be given by SIDUR to open ways for alternative income generating activities to reduce the dependence on weaving.

Generally the development orientation of the weavers has improved, they feel that things are moving in favour of their interest if they act united. However, another impact is that they try to make SIDUR responsible for a number of things which they could also solve by themselves. Four years of project services by SIDUR and their people constantly available have made them a first address for all problems and complaints. The withdrawal of SIDUR still has to be planned. On the other hand the establishment of a local leadership, not as political and opinion leaders but also as working and administrative leadership and services for the whole community (for problems that can not be solved by the co-operatives and voluntary associations) has to be developed.

6. Success Criteria

The **success criteria** can not easily be spelled out although the project has largely achieved what it aimed at.

Prominent in the set-up is surely the role of the project implementing agency SIDUR, who did all round services for the project participants. They took care of organisational and training matters as well as of financial matters, especially in securing the funds from abroad.

Furthermore, they were with their local staff directly involved in the supervising work of the construction process. As no contractors came in they had full control over the construction process, including the people's contributions at various stages of the construction of houses as well as for the community purposes. Thus the idea of "shramadan" (voluntary work given by individuals for community purposes) got reinforced, which is largely a matter of persuasion and organisation.

The experience of people working together on the construction site, which physically brought them together for the first time, also helped to reduce the social distances that are prevalent in a caste-based society. It furthermore showed that people, usually believing that they can perform one skill only (like weaving), can equally do construction work.

An advantage for the financial backing of the project was the co-financing with the European Commission. Although the arrangements and the headings that could be financed are fixed by the project agreement, the partner usually had room to manoeuvre and draw some advances from the budget if other financial contributions came in too late. This flexibility helped to avoid losses and delays which otherwise would have been more.

Of course the financial contributions of the Indian Government and the various subsidy programmes for weavers which could be tapped should also be

mentioned. However, the disadvantage to deal with various institutions and funding opportunities could only be solved with the help of employing a full time agency like SIDUR.

The main institutional actors finally involved to different degrees were:

1. Panchayat of Jandrapeta, which is the local authority and a body for self-governance of villages in India. The weavers and their chosen house site, being part of the jurisdiction of the panchayat, could expect support especially from the former sarpanch Mr. Mohan Rao. He was sympathetic with the project of the weavers as he originates from a weavers community.
2. Department of Industries, Textile and Handlooms of the State Government of Andhra Pradesh.
3. Commissioner of Textiles and Handlooms of the Central Government at Delhi.
4. The district administration, namely the District Collector of Prakasam District, which is the local authority for development works.
5. Weaver´s Service Centre Andhra Pradesh, specialised in training of weavers.
6. DESWOS Deutsche Entwicklungshilfe für soziales Wohnungs- und Siedlungswesen e.V. as partial fund provider for the housing and workshed components in the programme.
7. The European Commission DG VIII as the main funder under the budget line B7 - 6000 for the construction costs and running costs during the project implementation.

For further information contact DESWOS office@dewos.de .



One room had to serve all purposes of the family in the old house: cooking, storage, caring for children, sleeping and production for the weaving process. (photo: DESWOS)



Self-construction of the new houses, contributing labour and using local building material to reduce cost. (photo: DESWOS)



Children are given the chance to attend school. (photo: DESWOS)



A women standing with her children in front of her new house. (photo: DESWOS)



Access to clean water is a major improvement of living conditions. (photo: DESWOS)



Income generating activities in Chirala SIDUR/DESWOS project.
(photo: DESWOS)





Income generating activities
in Chirala SIDUR/DESWOS project.
(photo: DESWOS)





Avoiding waste of material: encircling it with blocks keeps the loose sand together. (photo: DESWOS)



Income earning activities in form of improved agricultural production. (photo: DESWOS)



Board Members of ICA Housing in front of the Estonian Parliament during the Baltic Conference 2001.



Estonia:

Renovated apartments of housing co-operatives.



Europe

Case 7: Co-operative housing movement in Estonia

A success story.

presented by the Estonian Union of Co-operative Housing Associations (EKL)

International co-operation, organised self-help, ownership reform and privatisation of apartment houses in transformation country, real estate market, development of two tier structure of housing co-operatives, goals, tasks, achievements, training, renovation, specially designed housing loans, improving the image of housing co-operatives.

I. Background

After the Second World War Estonia belonged to the Union of Soviet Socialist Republics. According to the ideas of communism there started a mass nationalisation. During the next 50 years there was no real estate owned by private persons, all the land belonged to the state.

In the 1960s the construction of large blocks of flats started and new town quarters came into being. The most active period with respect to dwelling construction was from the 1960s until the end 1980s when about 400 000 new flats were built. Apartment houses, especially those built in the 1960s and 1970s, need renovation and repairs.

The ownership reform and privatisation of dwellings, which started at the beginning of the 1990s, has changed considerably the type of dwelling owners. On January 1st, 1994, 71% of dwelling stock was in the state and municipal ownership. As a result of privatisation, by January 1st, 1998 the proportion of state and municipal dwelling stock decreased to 10 %. Privatisation of dwellings has transformed Estonia into society of owners in housing.

The ownership reform and privatisation of dwellings, which started at the beginning of the 1990s, brought about a large number of dwelling owners and the possibility to purchase and sell dwellings. A real estate market was created.

The number of dwellings that change owners has increased from year to year. The year 1997 when commercial banks fixed a relatively low interest rate on housing loans proved to be especially successful. More than half of dwellings are purchased or sold by using loans. The fall in the real estate market in 1998 was caused by the fact that commercial banks imposed restrictions on loan conditions and the interest rate on housing loans was raised.

II. Problems to be solved

There are three main problems that need solving in Estonia today.

1 Training

The population of Estonia is small –1,5 million, but the amount of people living in housing co-operatives is incredibly high – today they form more than 30 % of the whole population and the percentage can increase up to 70 %.

Today there is a huge amount of people, who need information how to form their living environment in accordance with housing reform. As during last 50 years state has been an owner, private person had not had an opportunity to manage his property.

During last 50 years co-operation was started from above and people do not trust any kind of co-operation. Today there is a need to explain that co-operative administration does not put anybody's private property into danger and that the best living quality will be obtained with co-operation. So the first and the most important task is changing the attitude of people.

So first of all there is a need to explain the dwelling owner the nature of a housing co-operative – that is:

- apartment as private property,
- building as a common property.

2. Renovation

Current situation in housing is mainly connected with problems that result from the after-effects of the soviet housing policy. The practice was to decrease the construction costs from year to year, though the maintenance costs had to be increased consequently, but in fact no additional funds were allocated to run the stock. The majority of houses are in bad state of repair, especially due to poor thermal insulation and technical infrastructure that do not meet the present-day requirements. Apartment buildings, especially those built in the 1960-s and 1970-s, need renovation.

In consequence of the privatisation of dwellings a large proportion of flat-owners have no means to make adequate investments into housing to maintain its current technical quality.

III. The Estonian Union of Co-operative Housing Associations (EKL)

Estonian Union of Co-operative Housing Associations (EKL) was founded on April 17th in 1996 in Rakvere where local co-operatives came together to fight against a local heating monopoly.

The Estonian Union of Co-operative Housing Associations has local offices in 9 Estonian towns – Tallinn, Tartu, Pärnu, Rakvere, Valga, Jõhvi, Põlva, Kuresaare, Türi.

Today EKL has 500 member co-operatives.

The main goals of the Union are:

- giving help on forming a new housing co-operative and managing it,
- organising training for managers of housing co-operatives,
- reflecting the activity and work of its members,
- legal, bookkeeping and technical consulting,
- offering services to the members.

EKL represents its member organisations in the International Co-operative Alliance (ICA Housing). Since 1998, the Union is a member of the co-operative section of CECODHAS, the European Committee for Social Housing. Since 2000 EKL is a member of BUCHA, the Baltic Union of Co-operative Housing Associations.

For solving the main three problems in Estonian co-operative housing sector EKL has started following activities:

1. Training

EKL has worked out a curriculum for the managers of housing co-ops. The curriculum includes 3 modules –

- management of a housing co-op,
- technical issues in a housing co-op,
- legislative background of a housing co-op.

The education department of EKL is also organising information days on burning issues and presentations of different products (renovation materials etc) in co-operation with various companies. More than 4000 managers of housing co-ops participated in the training of EKL in 2000 all over Estonia.

An ongoing consulting activity takes place in 9 offices of EKL.

2. Renovation

EKL has made agreements with different companies who sell building materials and services. Members of EKL can get best prices in these companies.

Until today the loan taking process has been very slow as banks demanded guarantee. As apartments belong to the private property it was hard to find interested people who would give their apartments as guarantee for the whole co-operative.

Today EKL and Hansa Leasing have worked out a loan giving service for housing co-operatives. That means that EKL members can obtain a loan for renovation without guarantee. In 2001 it is planned to loan out 250 million EEK.

In 2001 EKL plans to found a bank for co-operative housing. Today co-ops save ca 100 000 EEK per year for renovation. When summing together the potential number of co-ops the total amount would be 500 million EEK. That amount of money will enable housing co-ops to obtain low interest loans and banking services free of charge.

IV Results

- Estonia has a housing co-operative movement, which is aware of its rights and obligations. The image of a housing co-operative is good.
- EKL is a functioning organisation with ca 500 members. The number of members is increasing rapidly. In January 2001 EKL got 32 new applications. Housing co-operatives have understood the need for an organisation that represents common interests.
- Government and local municipalities have recognised housing co-operatives. EKL employees belong to 5 governmental committees and working groups. Local municipalities are interested in having co-operation projects with EKL.
- EKL is a self-financing organisation. EKL has worked out a list of services – training, consulting, bulk purchasing, bank loans – and has a growing number of members who are clients to these services.

For further information contact ekl@ekyl.ee .

Case 8: Project "Nossa Senhora da Conceição"

presented by FENACHE; Portugal

Special programme for low income groups, integration of ethnic minority into urban society, home improvement by promoting income generating activities, multi-stakeholder co-operative, slum clearing by restoration of historical buildings in inner city.

Target Population

174 families from former Portuguese colonies, mainly Cabo Verde, from which 45% are young men and woman, with the average age of 18, and characterised by long term unemployment.

Fundamental Rights:

Housing - these families lived in clandestine quarters, therefore the re-housing process also included legalisation processes, that will, in future, facilitate their access to social rights, professional qualification, right to work and social support, including the Minimum Guarantee Income (RMG - Rendimento Mínimo Garantido).

Income: The team of Casa Pia provides information and support to the population in how to apply the Minimum Guaranteed Income and national integration programs.

Qualification: Was given in accordance with not only the needs of the neighbourhood but also taking into account personal skills and likes. In this sense the following courses were provided: restoration, sewing, gardening, construction, carpenter, blacksmith, computer courses, nurse, shoemaker, school aid, home aid etc. Professional qualification programs are developed in a working environment. In addition courses in the field of management and marketing, hygiene and safety are provided.

This population lived in precarious working situations, with low incomes and problems with working schedules.

This project as within its different objectives to create and develop local enterprises or services by and for the inhabitants of the neighbourhood.

Employment

19 families helped with the creation and development of 9 small businesses. Besides from this autonomous economic activities, the dynamic of this project also allowed the creation of jobs in the administrative areas, cleaning aids, school aid and kitchen aid. Jobs also were created in other enterprises and services in the fields of social or traditional economy.

Furthermore, the creation of social enterprises able to respond directly to the local needs is also planned.

The jobs created were financed by several measures of support to employment; 32 persons were hired by several enterprises and private services.

Project Co-ordination

Promoter and Manager: Social Security

Executor: Casa Pia de Lisboa

Partner for the creation of social equipment: IGAPHE - National Institute for the management and alienation of the State Housing Patrimony

Other Partners: Health Centres, National Institute for Employment and Qualification and other private qualification institutes, Universities, Civil Protection Services, Municipalities, Private Institutions of Social Solidarity, ONG's and the National Program of Fight against Poverty.

The project was developed in a local partnership with IGAPHE and UGT(one of the Portuguese Trade Unions). By this co-operation the IGAPHE sees one of their enterprises rebuilt and the Trade Union promote one of its qualification courses in the area of management and marketing, and condominium representatives.

Further information on FENACHE fenach@mail.telepac.pt .

Case 9: Successful Self-help in Hawthorn's Experience

presented by the Scottish Federation of Housing Associations, UK

Urban slum clearance by organised self-help, multi-stakeholder co-operative, co-operative pilot scheme using improvement and environmental budgets for home improvement, home ownership as a means to generate commitment and to reduce anti-social behaviour, co-operative as slum landlord, lobbying and media campaign to achieve objectives, development in phases, good leadership, hard policies, creating sense of community.

History

Possil was an inter-war, inner city council estate in Glasgow, known locally as "The Jungle". The area can be summed up in one word - SLUM - and we had all the problems that word implied and more.

A half hearted modernisation programme in the 1980's saw partial central heating installed into the houses, usually three radiators, some maintenance work but no roof repairs, windows etc. After this the estate dropped out of the points system. Residents felt that the area was a dumping ground for anti social tenants and giro drops.

Early in 1984 the new estate manager called a meeting to try and form a resident's association to try and turn the community around. About twenty people turned up and the association came into being. With the help of a local community worker we tried to get much needed repairs and environmental work carried out this was the beginning of a long fight. In June of that year we learnt from Jim Wintour, the director of a local housing association of the plans for setting up a pilot scheme of par value co-operatives. He believed Possil would be an ideal area for the scheme which would use public monies via improvement/environmental budgets to allow tenants to buy, manage and improve run down estates paying £1 for life long membership. It seemed the idea for us and a door to door survey, followed by a public meeting produced 100% support.

The road ahead was long and hard - the Council refused to include us - but we knew we could do it. We approached the local Direct Labour Organisation, who would be threatened by the loss of Council stock. We got their support by agreeing to use them for the start of the Co-operative.

A feasibility study was needed. We got £1,000 loan from the Housing Charitable Trust and £2,000 from Shelter. We advertised for Consultant to help us and were encouraged by the response. Even after we told them we couldn't pay them! The study proved what we had always known we WERE the most deprived area in Glasgow, we had the highest score for social deprivation, unemployment, chest related diseases, vandalism, crime and so on. Our houses were below the tolerable standard as set out in the Housing Scotland Bill.

Armed with these facts the Council were prepared to consider Hawthorn for a place on their pilot study. The Co-operative then began its media campaign both nationally and locally as well as keeping pressure on the city fathers. Politicians were pursued to ensure they did not forget Possil. The residents secured the backing of a building society to top up the grants they would receive. Still the Government held out. 1987 was an election year and finally the Scottish Office relented and agreed to register the Co-operative.

Staff were seconded from Glasgow District Council and the first phase of houses were transferred in 1987 (46 houses). This made the Co-operative unique as all other organisations transferred all the stock at once. Possil was considered to be too high risk to do this.

The transition from a campaigning agency to slum landlord was a tough one. The next two years were to see the liquidation of two contractors, the dismissal of the lead staff member for misappropriation of funds. Major structural problems with the second phase of 68 houses were discovered, which required much of the grant funding being used for this purpose.

A package to save the Co-operative was put in place. Scottish Homes put two advisers on to the Committee, a new lead member of staff was put in, a better grant package was offered. The historic problems of viability and debts were sorted out by taking hard decisions. Local people stuck with things moving forward slowly.

The Co-operative was allowed, phase by phase to buy the rest of the buildings. Latterly these were demolished to make way for new build, back and front door houses. The houses around us have been demolished because they became as unlettable as our original houses.

Today we own 299 houses, 24 of which we hope to demolish in the near future. We are going to build 20 houses this year. The area has changed a great deal. The primary school has been demolished and we are surrounded by vacant ground. Residents are still enthusiastic that the Co-operative succeeds and recognise the changes the Co-operative made.

Key Facts

Acquisition of the houses in phases - retrospectively a good thing. We could not have managed the level of anti social behaviour and problems there would have been taking the whole estate.

Improvements in phases - kept everyone interested in what was happening.

Personalities

Personalities involved were strong and determined. Jim Wintour, then Director of Queens Cross Housing Association. Local residents Marian Wright, Betty Hannah, David McKenzie. Jim Wintour directed the campaign and worked with

residents. The residents talked to neighbours, lobbied politicians and spent a great deal of time working to achieve their goals.

Problems

The problems were those of a large, single class estate of poor quality housing. Residents had no commitment to the area, there was not sense of community. The only thing people wanted was out. Stolen cars whizzed round the area, people broke into their neighbours houses selling the goods round the doors. The design of the estate was poor and meant theft was easy, balconies to the rear of the properties. There was little defensible space. No one called the police and no one stopped anyone committing crimes.

Approaches

The committee and staff after 1989 became more united. Hard line policies were agreed on and implemented. Residents were encouraged to telephone the police. The Co-operative took action against residents who did not wish to better the area. A new positive attitude was injected into the area. Due to the number of voids in the area a great number of new residents were brought in.

For further information contact Scottish Federation of Housing Associations, fax. + 0181 773 888.

Case 10: 5 Studies presented by the East Midlands Housing Association Limited, United Kingdom

Case study 10 (a):

Skills, Training and Regeneration

“STAR” “provides a shining example”

Wellingborough, U.K.

Multi-stakeholder partnership, local development plan, skills, training, regeneration of youth, conversion of former factory into flats, learning by doing, capacity building.

Facilitating the opportunity for disaffected youth to gain skills and opportunities for future employment during the conversion of a former glove factory to flats for rent at affordable rents.

The project achieved by the partnership of the Careers Service, local education college, Chamber of Commerce, Local Municipality and East Midlands Housing Association.

The site, a redundant factory, has been converted to 15 flats by trainees under the guidance of experienced craftsmen. The area has been transformed from one of redundancy to a development that provides both homes and an inspiration to the trainees participating and other young people of the town.

The trainees have secured life skills in addition to the building skills and qualifications.

Partners providing solutions

- | | |
|-----------------------------------|--|
| Careers Service | <ul style="list-style-type: none"> • Interviewing and supporting the trainees through encouragement and conveying values of skills acquired. |
| Local College | <ul style="list-style-type: none"> • Courses and qualifications in building related skills. |
| Chamber of Commerce | <ul style="list-style-type: none"> • Strategic leadership and support • Co-ordination of training resources |
| Local Municipality | <ul style="list-style-type: none"> • Provision of site and support through planning and building regulation process. |
| Wellingborough Borough Council | <ul style="list-style-type: none"> • On completion nominating future residents for flats. |
| East Midlands Housing Association | <ul style="list-style-type: none"> • Project co-ordination • Employer of craftsmen • Long term project finance • Future management |

Recognition

The achievements of the trainees have been recognised by visits from HRH Duke of Kent and by securing for four of the trainees Achievement Awards of which only 34 were issued throughout the United Kingdom.

Further Information:

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Case Studies 10 (b) and 10 (c)

Leicester and Northampton, Middle England

Multi-stakeholder organisation, support for black and minority ethnic associations, self-help promotion by housing association, land transfer from municipality to housing association, replacing run down public flats by new constructions managed for transition period by foundation until housing association can take over, restore reputation of community.

East Midlands Housing Association recognises that by supporting social housing organisations led by the black and minority ethnic community it ensures its services are accessible to all.

The Association has within its residents, families from many minority cultures. These communities are also represented within the Association's governance and staffing structure.

In addition to directly providing homes, EMHA also supports emerging organisations by the planning, design and development of homes for long term ownership and management by ethnic-led organisations.

Two projects are detailed below:

Case Study 10 (b)

Replacing 'eyesore' municipal flats with homes for management by the African Caribbean Community in Leicester

Flats built by the municipality in the late 1960s had become abandoned after a period of rapid decline.

During the later years of their occupation their reputation resulted in their becoming uninhabitable and attracting undesirable individuals to the area.

Their reputation had also contributed to a reduction in value and popularity of the surrounding family houses.

The municipality sought routes to provide alternative tenure within the area.

United Kingdom:

a. Skills training and Renovation Project in Wellingborough.



b. and c. Chairman of Foundation witnessing demolition of 'eyesore' flats.

Partners providing solutions

Leicester City Council	<ul style="list-style-type: none"> • Strategic planning
Local municipality	<ul style="list-style-type: none"> • Land disposal • Future nomination of residents
East Midlands Housing Association	<ul style="list-style-type: none"> • Development project planning, co-ordination and management • Development, finance and capital credit co-ordination • Long term finance until ownership transfer • Owners of social housing before transfer to Foundation Housing Association
Foundation Housing	<ul style="list-style-type: none"> • Ethnic minority-led housing management of homes on behalf of East Midlands HA until ownership obtained. • Long term owners and managers of homes
Bellway Homes	<ul style="list-style-type: none"> • Builder of social housing homes and homes for sale on open market.

The Solution:

The 100 walk-up flats were demolished following land transfer from the municipality. EMHA commissioned the construction of 20 social housing homes – 12 houses and 8 flats built to space standards permitting mobility by the less able.

Upon completion the social housing homes will be managed under agreement by Foundation Housing Association until such time as the Association is financially strong enough to acquire ownership of the homes. Bellway homes have built a further 100 homes for sale within the site.

The existing surrounding properties now have popular modern homes on their doorstep rather than the 'eyesore' flats and the problems they attracted. Property values and demand for the area has been restored.

The area has become an asset for the community rather than an increasing liability.

Recognition

Nick Raynsford – UK Housing Minister

Visit in May 2000 to a project which uses brownfield (previously developed) land and provides alternative forms of tenure and support for emerging ethnic-led organisations. Key elements in the government's housing strategy.

Denny Wehner, Chairman

Foundation Housing Association

“East Midlands Housing continues to provide us with value support towards our independence and viability.”

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Case Study 10 (c)

‘Nazarana’ - providing sheltered accommodation for the minority ethnic community in Northampton.

Sheltered housing for the elderly members of ethnic minority groups, conversion of former factory into flats with services, based on long term lease of housing association.

Research by Gharana Housing Association of Wellingborough revealed that 8% of the population of Northampton were of ethnic minority. However, very few members of that community occupied social housing.

The lack of provision for the elderly was particularly marked.

The Solution

Gharana Housing Association approached EMHA to explore the development of sheltered accommodation within Northampton.

Sheltered housing provides an independent living within a resident's own flat supported by the services of an on-site scheme manager to co-ordinate personal and an emergency response services.

EMHA acquired the site of a former factory close to the town centre. 24 flats together with catering, laundry and common rooms within a private garden were developed.

Gharana acquired a long lease on the project. They employ staff able to converse in the languages of the residents.



b. and c. Integrating ethnic minorities.



d. The future purchase price of the village homes at Wood End Holloway is contained by fixed equity leases.



e. Conversion of Leighton House in Wellingborough to flats.



Meals are provided for residents and for elderly members of the ethnic community surrounding the project.

Partners providing solutions

- | | |
|---|---|
| Gharana Housing Association
Wellingborough | <ul style="list-style-type: none"> • Commissioning initial research. • Design input during development period. • Leasehold management of completed project. • Employment of staff with ethnic languages. • Property letting and management for ethnic elderly residents. |
| East Midlands Housing Association | <ul style="list-style-type: none"> • Project co-ordination and management. • Development finance and capital credit co-ordination. • Training and support for Gharana staff during development process. |
| Northampton Borough Council | <ul style="list-style-type: none"> • Strategic support for credit approval and ethnic housing provision within municipal area. |
| Housing Corporation | <ul style="list-style-type: none"> • Capital credit provider. • Regulation of social housing providers. |

Recognition

Tony Clarke, Member of Parliament, and Lee Mason, Chairman of Housing, Northampton Borough Council, recognised at the opening event the partnership between Gharana Housing and East Midlands Housing which had provided specially designed homes for the ethnic elderly of Northampton.

Further Information:

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Case Study 10 (d)

Supporting the Sustainability of the Small Village Settlements by the Provision of Affordable Homes

Rural development, multi-stakeholder approach, social housing providers acting as intermediaries in real estate market in favour of villagers.

Homes in many villages within England have become unaffordable by members of the local community.

The rise in house prices is frequently driven by commuters moving from towns and cities to the villages to achieve a more stable life style for their families.

In some areas purchase of village homes as weekend or holiday accommodation drives prices above the capacity of local families. Weekend or holiday users of village homes do not use the schools, local stores and transport network, essential for the long-term sustainability of the settlement.

Land and construction costs in small settlements frequently generate higher costs than developments in more urban areas.

The Solution

County based rural social housing providers acquire or develop homes for low cost home ownership or for affordable rents, enabling village families to remain rather than be driven by higher prices to neighbouring towns.

Midlands Rural Housing uses its development expertise to

- Assess the level of demand for affordable accommodation within a village.
- Identify a site that the existing owner would consider disposing of at a less than market value upon the understanding that the homes would be protected for use by the villagers in the long term.
- Commission the development by using the services of East Midlands Housing Association as a development agent.
- Co-ordinate the management by a local county based social housing organisation with the intention of the organisation securing ownership in the long term.

Villagers purchasing one of the new homes built in Holloway, Derbyshire, do so at 80% of the current market value. Peak District Rural Housing Association will own the remaining 20%, ensuring that when the existing home owners wish to sell the sale value will continue to be at 80% of the open market value, providing the opportunity for local families to purchase.

Partners providing Solutions

Midlands Rural Housing

A specialist subsidiary of East Midlands Housing providing support for county based rural social housing organisations.

- Identifies need by village surveys
- Secures sites and local support for small affordable developments.
- Commissions East Midlands Housing to provide development management services.
- Provides housing management and business support services for independent county based rural housing organisations.

Promotion of rural housing issues.

East Midlands Housing Association

- Development, management and finance, capital credit co-ordination.

Warwickshire Rural Housing Association

Northamptonshire Rural Housing Association

Peak District Housing Association

Local independent rural housing organisations located in Warwickshire, Northamptonshire and Derbyshire.

- Governance of social housing within county.
- Ownership and management of small developments of 3 – 12 homes within villages of less than 1,000 homes.
- Contracts management and development services to Midlands Rural Housing.

Promotes and encourages the development of affordable homes.

Recognition

Bishop Paul of Brixworth, Chairman of Northamptonshire Rural Housing recognised the support of Midlands Rural Housing and East Midlands Housing as new homes were developed in the small villages of Holcote and Walgrave in Northamptonshire.

The new Countryside Agency recognised the benefits provided for rural communities and has provided support for a worker to assess the necessity for a similar rural organisation in Leicestershire.

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Case Study 10 (e)

Enabling other organisations to fulfil their objectives

Multi-stakeholder approach, transformation of derelict farmhouses with special architectural features into leasehold ownership for elderly residents by charitable trust in collaboration with housing association and other partners, surrounding pastures as natural reserve and recreation area.

Providing homes specially designed for the elderly at Abington Lodge in Northampton

The David Taylor Housing Trust, a charitable trust, was charged with using the assets of the Trust for the benefit of the residents of Abington, Northampton.

The assets comprised of a derelict farmhouse with special architectural features and the surrounding farm pasture.

The Solution

The David Taylor Trust, working with East Midlands Housing Association, transformed the derelict Abington Lodge into communal facilities, comprising of lounges, conservatory, laundry, kitchen and study for residents of 50 new bungalows, which are available for affordable rent or leasehold ownership.

Leasehold ownership is popular with elderly residents seeking to move from a larger property to a smaller home whilst maintaining their investment by ownership of their home.

The pasture is now a nature reserve, which provides a beautiful setting for the bungalows and the opportunity for local schools to use the pasture and barn for environmental study purposes.

The David Taylor Trust has seen the original asset enhanced and the empty building provide an excellent facility for the enjoyment by the elderly of Abington, fulfilling their Trust.

Partners providing the Solution

The David Taylor Trust

A charitable trust with aims of providing facilities for the elderly of Abington.

East Midlands Housing Association

- Contribution of the land, farmhouse and investment.
- Liaison to achieve adoption of concept by the David Taylor Trust.
- Commission of design, co-ordination of planning and development.

- Marketing of Leasehold properties.
- Liaison with municipality to secure credit approval to support rented bungalows.
- Management of homes for rent.
- Provision of personal and emergency support services for rented and leasehold residents.
- Management of environmental contract for nature reserve.
- Strategic support for the development.
- Nomination of residents for rented bungalows.

Northampton Borough Council

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Latin America

Case 11: Sangolqui, Ecuador

presented by DESWOS, Germany

Integrated approach, donor co-ordination, rural development, assisted self-help, community organisation with local sub-groups, production and use of local building materials, improvement of the situation of indigenous people

1. Background and Case History

Housing is an important factor in people's life in the pretty rough area of Riobamba, because in the middle South of Ecuador temperatures in winter may drop below the freezing point. Yet, most of the indigenous people in the settlements live in shacks which are absolutely inadequate for this kind of climate. The house being a decisive factor in stabilising health and hygiene, the quality of shelter determines the capacity of farmers to do their work. There is a huge lack of sufficient and decent living space for the families. However, the purchasing power of the farmers is very low and does not allow them to improve their housing conditions.

Local indigenous farmer groups have addressed the bishop of Riobamba for help and support in their self-help efforts to repair existing and construct new solid houses in the rural areas.

Recent farmer riots in the area being the last in a series of violent reactions against a currency devaluation clearly underline the importance of continuous support of self-help-activities of the local farmers.

In a political situation of rapidly changing governments, an economically unstable environment and wide spread corruption it is even more evident that only self-help can bring about slow and steady changes to improve living conditions in the rural areas.

The success of housing projects depends on

- low costs for construction,
- education in construction,
- becoming independent of external funds.

Low cost local and traditional building materials are one possible answer to diminish dependencies.

It is intended to encourage the development of small enterprises in the construction sector as a result of educational efforts and experience gained by local people when building their own houses. The income generating effects of such local enterprises will diminish dependencies further.

2. Main Actors and their Roles

- Main actors and beneficiaries were about 100 poor indigenous farm families of four villages in Ecuador. As people in urgent need of help they lacked start-up capital to be able to initiate self help activities. They are organised in local Juntas. Their *input* is the land, the building material and about 100 hours of labour each.
- The local organisations „Junta Indigena y Campesina“ of the areas Alausi, San Gabriel, Sarachupa and Tortoras which addressed the bishop of Riobamba for help and support. They were responsible for the selection of the beneficiaries, the management of construction and the implementation of building activities in the villages including the administration of daily expenses for the implementation.
- The local NGO Sofo-Ecu being in contact with the bishop of Riobamba which submitted a project application to DESWOS as a German NGO. During implementation of the project Sofo-Ecu took over the local responsibility, the technical supervision and the administration of finances. Furthermore Sofo-Ecu was able to provide the professional skills of a Cuban expert on examining soil for possible use as building material.
- The German NGO DESWOS decided to support the local efforts. The project was prepared in detail and DESWOS applied to the European Commission for co-financing.
- DESWOS was responsible for the whole project, the planning, implementation and financing and had to justify the expenses vis-à-vis the donors of funds and the EC as co-financing institution. Regular reports and evaluations are integral parts of such a project.
- The European Commission as co-financing institution had to justify the expenditure of public funds for the development aid vis-à-vis the European Parliament. Its role was to approve funds, to monitor and control and to globally evaluate the project as a whole.

3. Summary of the Main Facts and Conditions causing Problems

There are a number of interrelated reasons for the poor living and housing conditions of the farmers of Sangolqui and other indigenous people living in rural Ecuador:

- The income of small scale farmers is low,
- high inflation makes savings meaningless and further complicates access to bank loans.

- an instable economic and political situation combined with corruption practically excludes long term planning and steady development,
- in a harsh climate, lack of solid houses causes serious problems and health hazards,
- an historically underprivileged situation of indigenous people works as a barrier blocking access to education, information, resources and markets.

4. Approach to solve the Problems and Success Criteria

The approach to solve the problems consists of several basic steps:

- Educational and preparatory courses for construction within a practical project (i.e. community building),
- Examination of soil for possible use as building material,
- Construction of houses with local and traditional materials,
- Construction of new roofs on existing houses by the use of locally produced tiles (micro-concrete-tiles).

As **success criteria** several indicators can be presented:

- Despite political and economic difficulties which caused delays and forced to exceed the planned time schedules, costs remained basically stable.
- Some small enterprises emerged from the self help construction efforts.
- Technical improvements of construction methods were developed successfully (i.e. stabilising the walls at the corners of the houses).
- The local acceptance of the traditional materials grew.
- Most of the building materials bought by the farmers was produced locally by small family firms.
- Houses have been painted and ornamented differently by the habitants; which indicates that the new building techniques and materials have been accepted by the local population.
- Several other local organisations applied for the continuation of the project in a second phase. Improvement of stoves for both heating and cooking came up as an additional goal.

DESWOS and Sofo-Ecu are continuing to work on this project.

For further information contact office@deswos.de

Case 12: Concepts and Practices of CHF's Successful Home Improvement Lending Program for Residents of Ciudad Juárez along the United States/Mexico Border

presented by Co-operative Housing Foundation, USA

Integrated approach, coping with effects of globalisation in informal settlements in free trade area, innovative home improvement lending programme combined with self-help, micro-finance for housing the working poor, multi-stakeholder organisation, solving problems related to inadequate basic infrastructure, pilot project plus long term loan and technical assistance programme, core housing construction, phasing out of foreign donor/adviser, transfer local housing foundation, pull effects, strong links with clients, capacity building, specially designed lending model for low income groups, how to solve problems of informal sales contracts and lack of land titles.

1. Case history/events and conditions important for understanding the problem(s) to be solved

Since 1952, CHF has worked to implement innovative, affordable housing programs using self-help mechanisms. Our Home Improvement Lending Program along the United States/Mexico border offers micro-finance of housing to the working poor, building upon their own initiative and personal investment.

Affordable and adequate shelter remains largely out-of-reach for low-income populations along the US/Mexican border, where informal settlements are proliferating. In Ciudad Juarez, for example, thousands of new residents enter the city each month looking for work in the city that has become known for having the lowest unemployment rate in the country (0.8% in October 2000).

Nearly every major city in the world has experienced periods of rapid economic growth that attracted low-income families seeking employment and a better life. Historically, these families settle into *colonias*, or neighborhoods, or create their own neighborhoods through land invasions, resulting in overcrowded shanty towns and unhealthy slums.

Local governments along the border, overwhelmed by the mass immigration and pressure on basic services, are unable to manage the needs of the new population and it is only over time that the conditions in these neighborhoods can be improved. The lack of government capacity to handle this phenomenon is particularly true in free trade areas where the government has given tax concessions and private business hastily moves to take advantage of new opportunities. Since the signing of the North American Free Trade Agreement (NAFTA) in 1994, an average of 16 new *maquiladoras* (assembly plants) have been established every month in Mexico.

With an inadequate housing supply, new residents must make find their own shelter. Minimal wages mean working families scrape together housing out of any materials they can find or afford. Typical housing for low- and middle-income workers in Juarez is very poor, often consisting of a piecemeal assortment of wooden pallets (from the maquiladora plants), cardboard, tires, and other found objects. These items represent an expense to the family, but add no value to the home. Housing conditions for these families are sorely inadequate and many lack basic infrastructure, such as sewage and potable water, causing serious health, sanitation and environmental problems for both the United States and Mexico. Addressing the productivity, health and quality of life concerns of low-income families along the border will ultimately improve the economic development, sanitation and environmental management in the region.

2. Main actors and their roles

The tremendous need for adequate housing caused by the burgeoning low-income population along the US/Mexico border prompted CHF to begin implementing an innovative home improvement loan program with support from the Ford Foundation. In a pilot project, CHF/Mexico established a revolving loan fund and provided technical assistance to a local organisation, enabling it to integrate the home improvement loan program with its economic development program. The organisation served as the intermediary financing institution, making 50 home improvement loans in the community.

CHF also engaged private sector business partners, such as:

- Cummins Engine Foundation
- Johnson & Johnson
- Eaton Corporation
- Outboard Marine Corporation
- Sumitomo-Contec Corporation

Based on CHF's successful pilot project, the Ford Foundation provided a long-term program-related investment for an expanded loan program in Ciudad Juárez. CHF and non-governmental partners formed a new housing organisation, the *Fundación Habitat y Vivienda A.C. (FUNHAVI)*. CHF provides credit and technical assistance to FUNHAVI, building the organisation's capacity to operate a home improvement credit program and core housing construction program. In the long-term, FUNHAVI will assume CHF's current role, providing supervisory management on lending activities and serving as an advocate for more responsive housing policies and programs.

3. Analysis and summary of facts and conditions causing the problems.

Since 1965, with the creation of the maquiladora law in Mexico to improve economic conditions along the border and with the signing of the 1994 North American Free Trade Agreement, Ciudad Juárez has experienced spectacular growth reflected in various ways. On the Mexico side, it has brought the arrival of a greater number of modern and efficient industries and on the US side, a continuous and growing flow of workers coming from southern Mexico looking for secure employment with a good employer offering the possibility of a brighter future.

In the last decade the population of Ciudad Juárez has nearly doubled to 1.5 million habitants. There are almost 400 assembly plants or maquiladoras with a workforce of 250,000 employees. Unemployment rates are the lowest in the country. During the first six months of the year 2000, 7,000 new jobs were created in the maquiladora industry. Workers earn between US\$100 and \$400 per month. The influx of low-wage workers has created extensive squatter settlements, many of which are insufficiently served with basic utilities and services.

An average of 70 families arrive daily to the city in search of employment. Upon arrival the families settle precariously in poorly equipped rented rooms or with family or friends. With the passing of time and improvement in their economic situation, these families look for opportunities to buy land, with or without city services. The way in which these new arrivals acquire land is through a transfer of ownership, formal or informal sales contracts, government grants or acquisitions, or inheritances from families or others. Very few of these (11-15%) have legal or written titles to the land.

The vast majority of these new settlers begin building their home precariously with discarded materials such as wooden pallets, used tires, cardboard and plastic. These materials have an initial cost for the family, however they do not increase the value of the home. In time, many are able to improve their condition, but the majority of residents do not, due to lack of opportunities and financial resources. The home improvement lending program was started in Ciudad Juárez to respond to this problem.

Many low-income populations along the border do not have access to housing finance due to a lack of credit history or possession of clear land title. Land policies are restrictive, favouring a small handful of landowners, with the high costs of land often making tenure prohibitive for low-income populations. An estimated deficit of 495,000 new housing units for low-income populations exists in the region.



Mexico: Shantytowns dot the countryside along the US/Mexico border.
(photo: CHF)



CHF offers technical assistance to families in the Home Improvement Loan Program in Mexico. (photo: CHF)

In the case of Ciudad Juárez, there were no businesses or government agencies offering home improvement programs and new home construction was either insufficient in supply or beyond the financial capacity of the government. Due to the lack of land title, access to funds through traditional lending institutions and the cost of new homes, the only resources the worker can use to improve their home is through meager savings that are often used on other necessities.

4. Approaches taken to solve the problems

CHF serves as a catalyst for lasting, positive change in developing areas like the US/Mexico border. CHF knows that these residents are capable of solving their own habitat problems, but that they could benefit from technical assistance on construction and access to financial services.

The CHF/Mexico **Home Improvement Lending Program** is a program that educates low-income clients in Ciudad Juarez about credit, offers qualifying customers small loan amounts with rapid repayments, provides technical assistance on the design and budget of the construction, and does not require a land title to guarantee the loan. The Program addresses a huge unattended market for home improvement credit. The key to the *maquiladora* worker situation is that, although their wages are small, they are consistent, which makes them credit-worthy in a program that is designed to respond to their needs.

The benefit of home improvements versus new construction cannot be stressed enough. The Home Improvement Lending Program model allows for smaller loan amounts, resulting in the financial services provider being able to serve more people. It also allows the client to make monthly loan payments that are in line with their payment capacity. Finally, it reduces the risk with each individual client to the financial services provider.

The program operates on these fundamental principles:

- Every person that requests information on financial services is given professional and respectful service
- The borrower is given a clear explanation of how the loan process works, loan parameters and loan conditions
- The borrower receives professional technical assistance on the materials, design and budget of the construction and with this information, makes the decision to pursue or forego a loan.
- The borrower must have a co-signer to the loan with a similar income. This serves as the loan guarantee versus the standard property title.
- The borrower understands the building process and dates for completion.
- The borrower is educated on how they can access subsequent loans to continue to improve their home

- The borrower receives information on the process for handling late payments and prompt payment is emphasised to avoid this problem.

The business-like program model best serves the interest of clients. CHF's home improvement loans are affordable to the low-income target market. The program model respects the borrower's decisions with respect to what they build, how they build, and what type of materials they use. The household may acquire complete, consolidated homes through a series of incremental home improvements, a program that is outlined to accommodate the individual client needs. The financial mechanism covers all aspects that the client desires including the construction process, technical assistance, payment for building materials and payment for skilled construction labour. Typically skilled labour is only used for roofs and electrical hook-ups, and beneficiaries provide the unskilled labour. The loan structure does not involve a mortgage.

5. Success criteria

A number of factors point to the success of the program model. The CHF Home Improvement Loan Program produces quick, tangible results and a 98% repayment rate. Strong relationships with clients are a large reason the program boasts a high repayment rate and so many improved housing conditions. More than US \$3.3 million has been lent since program inception. US \$580,500 has been leveraged from *maquiladoras* and the Inter-American Foundation.

FUNHAVI has become a sustainable and efficient implementer of a cutting edge home improvement lending program that has enabled more than 10,000 low-income Mexican men, women and children to dramatically improve their living conditions, create a safe and healthy residence for their children and provide each family with a solid capital asset.

For countries like Mexico that are hosting a booming *maquiladora* industry, there is a window of opportunity during which they must take advantage of the positive impact this form of foreign investment can have on their economies and general population. There will come a time when the *maquiladora* companies move on due to changing economic conditions. This case study is an example of a program that has adapted to the unique conditions of migrant workers, particularly as it relates to those who work in the *maquiladora* industry and receive a consistent income. Traditional lending programs that don't respond will leave border town slums in the wake of private sector movements like that created by NAFTA.



Typical housing along the US/Mexico border. (photo: CHF)



Mother holds her child as she stands in front of their sturdy home built through a loan from CHF. (photo: CHF)



CHF assists families in Ciudad Juarez through a Home Improvement Loan Program. (photo: CHF)



Families often contribute to the construction of their houses in the Home Improvement Loan Program. (Photo: CHF)

In developing programs like the one described above, border towns will have the opportunity to form healthy communities in which people can live a dignified existence amongst great economic opportunity. When people invest in their home, they make an investment in the community in which they live. Low-income communities must be viewed as an opportunity to foster growth and economic development rather than a problem that must be tolerated in order to take advantage of the opportunities introduced by the private sector. Only in this way will border towns like Ciudad Juárez create the conditions necessary for a society in which they increase their capacity as individuals, communities and governments and decrease their dependence and vulnerability to outside interests.

For further information <http://www.chfhq.org>

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