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Community-based
organisations and housing

Jorge L Arrigone

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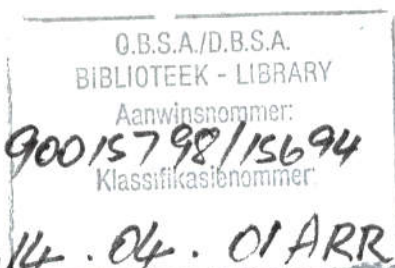
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Preface

The organisation of communities and the establishment of appropriate community-based institutional structures are prerequisites for successfully providing basic services and shelter for low-income groups. This paper seeks to stimulate discussion in this vital area.

Terms like 'community organisation', 'community development', 'community involvement', 'community-based organisation' and 'cooperative' are often used about low-income housing in developing countries, without an understanding of their precise meanings. For instance, it is often believed that 'cooperative housing' is the same as 'collective tenure'. It will surprise some readers to learn that 'cooperative housing' may include the concept of 'individual ownership' and that it is practised in countries with centrally planned economies, mixed economies, and market-driven economies.

Although the formation of community-based organisations working in the housing field has taken different directions in different developing countries, and we should therefore guard against making generalisations, some important common patterns do exist and this paper tries to identify and analyse them. However, this is not a comprehensive study on community-based organisations linked to housing. It should rather be considered as a modest introduction to the subject, which will be expanded on in future with the preparation of additional documents.

This paper was prepared under the aegis of the DBSA Urban Policy Programme. It is hoped that it will assist grass-roots leadership, non-governmental organisations and governments either to establish or to strengthen community-based structures linked to shelter programmes for the lower income groups.

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1. Background

When the United Nations was established member countries reached an agreement that the state was the guardian of the welfare of its people. Housing was seen as one of the vehicles of social upgrading, together with basic education and health care, and governments were urged to take responsibility for it.

In the developing countries, governments began by providing 'conventional' houses through public housing programmes. These programmes, some of which were implemented on a massive scale, were characterised by a lack of community participation. The people for whom the housing was intended participated neither in the decision-making about the type of housing nor in providing labour for its construction.

This 'paternalistic' approach gradually gave way to the 'progressive development' or 'incremental housing' approach, which drew on the skills and resources - mainly the labour - of the very people who needed to be housed. This was the approach of the UN, the World Bank and other development agencies in the 1950s and 1960s.

One of the main features of this way of building or upgrading housing is 'staged development': the infrastructure and sometimes parts of the house are built by a contractor, and the rest of the dwelling is completed by the family.

Family labour can be undertaken on the basis of 'self-help' or 'mutual help'. 'Self-help' is the system by which a family works individually to satisfy its own needs. The family might hire a contractor

to build or upgrade the house, or it might hire and supervise individual labourers, or it might use its own labour. 'Mutual help' is the system by which families work together in groups helping one another.

Under both self-help and mutual help systems the family may receive assistance in the form of finance, building materials or technical advice. This assistance may be provided by private, semi-private or public organisations, or a combination of them. The form of tenure support by agencies like the World Bank is usually individual home-ownership.

Their experience with 'progressive development' led the UN, the World Bank and other agencies to encourage governments to stop providing conventional dwellings and instead develop and implement 'enabling' policies and strategies. Increasingly governments became 'facilitators' in the housing delivery process.

In this new conception of housing, it was the role of the government to make land available, providing it with basic services and whenever possible with a 'starter house', which is an initial shelter that can be added to in stages. There are different kinds of starter house: 'wet core'; 'wet core and roof'; 'core house'; 'core house and roof'; and 'shell house'.

A 'wet core' is a small free-standing room containing a toilet and sometimes a shower and wash-basin. It may also have an outside tap. The wet core is a housing embryo from which a larger dwelling can grow.

A 'wet core and roof' is a wet core and a roof supported by free-standing columns

and covering the full floor area of the proposed house. There are no other walls, but the floor is usually provided. This form of starter house is specifically designed to be completed by the owner according to his or her needs and ability to pay.

A 'core house' is a slightly more developed unit containing a wet core. It is a basic but liveable dwelling designed so that the owner can build on additional space at a later stage without creating lighting and ventilation problems for the initial structure.

The 'core housing' approach was introduced to developing countries by UN missions in the 1950s (Abrams, 1964: 174-181). One of the shortcomings of the aided 'self-help' systems is that the 'self-help' builder has no place to live while he or she builds the house. The 'core housing' approach allows the family to move into the core house right away and then extend the core as time and money allow. Another advantage is that core housing can be created in one mass operation by contract after the basic services have been provided. Finally, core housing is compatible with 'progressive development'. The idea of gradually improving the standard of their housing is common among low-income families and 'core housing' is therefore bound to be more acceptable and affordable to low-income groups than conventional housing programmes.

One of the first 'core housing' projects implemented in South Africa was in the Northern Transvaal, at Siyabuswa, in 1978 (National Building Research Institute, 1987: F4). Loans repayable over a fixed period were made available for building materials for extensions to the 'core

houses'. Some building components were produced on site through labour-intensive operations.

A 'core house and roof' is a combination of a 'core house' and a roof. Again, the roof is usually supported by columns and covers the full floor area of the dwelling unit to be completed.

One of the first low-income housing projects implemented at a national level in Africa using this kind of approach was the 'Roof Loan Scheme' of Ghana in 1954. This project was jointly sponsored by the government of Ghana and the United Nations (UNTAP, 1957 and Abrams, 1964: 182-194). Loans were made available for roofs, doors and windows for a two-room dwelling with a floor area of about 25 square metres. Sanitation facilities for each house were provided in separate structures.

A 'shell house' is a dwelling unit with external walls only and an undivided internal living area. This form of 'starter house' is specifically designed to be internally subdivided and altered by the owner. A 'shell house' usually contains a wet core.

In addition to supplying basic services and starter houses, governments took other actions to facilitate the housing process. They applied legislation in such a way that it guided rather than restricted housing. They developed and supported conventional and non-conventional financial schemes to provide the poor with access to credit and cheap building materials.

Some governments restructured governmental agencies involved in

implementing projects, transforming them into advisory bodies to serve the lowest-income groups. Many supported community-based organisations (CBOs) through grass-roots leadership training and community development programmes. They also supported those non-governmental organisations (NGOs) already involved with communities in need of shelter.

Many developing countries are now reaping the rewards of these initiatives. Many CBOs are now able to promote and manage low-income housing projects by themselves. Indeed, the increasing role of housing-related CBOs, NGOs and the informal sector in housing delivery has been one of the most important trends in developing countries over the last two decades. We have seen more and more joint ventures between CBOs, NGOs and grass-roots support associations to provide services and basic shelter. Public agencies are mainly responsible for providing some of the finance, and for overall control and technical supervision of housing projects. They also coordinate the activities of CBOs, NGOs and public utility companies.

2. Types of CBOs linked to housing

Although they differ from country to country, CBOs linked to housing can be classified broadly according to their membership.

2.1 Civic housing associations

In these associations, membership is related to the place of residence: all the members live in the same neighbourhood,

squatter settlement, village or town. Sometimes the residents of a block of flats which is in need of rehabilitation establish a housing association to deal with the matter.

The main objective of civic housing associations is to procure or facilitate the construction of new housing units, or the extension or upgrading of existing housing units or flats. When these associations enable people to save money for housing purposes on a regular basis according to certain rules and regulations, they may be called 'rotating credit societies', 'credit unions', 'savings and loan associations', 'savings groups' or 'housing savings schemes'. The names vary according to the country or region although their objectives and functions may be similar.

Members of these 'rotating credit societies' may take turns using joint funds to buy building materials or pay labour to build, extend, repair or upgrade their own houses or flats.

Whether the association is registered or not depends on the formality of its structure and on the legal requirements of each country. For a relatively simple task, like helping each other to build or upgrade simple housing structures on individually-owned sites, an informal association without legal registration may be sufficient. By contrast, if an association intends to buy land, provide it with basic services and build houses for each member, it will probably seek the protection provided by legal registration.

Legal registration usually facilitates organisation and the implementation of projects. It may also facilitate applications for funds to relevant government agencies,

NGOs or conventional financial institutions such as commercial banks and building societies.

Some examples of civic housing associations are described in the Appendix.

2.2 Mutual assistance associations

In these associations, membership is related to the place of work: the members are employees of the same industrial or commercial company, municipality or other organisation. In some developing countries CBOs of this type are called 'mutual assistance associations'.

The members have frequent contact at work, and the association tends to provide benefits in addition to those relating to housing. These include financial assistance in emergencies such as hospitalisation, in paying for events such as funerals and weddings, and in purchasing household goods and perishables.

Since these associations provide a broader range of services, their technical and administrative organisation tends to be more complex than that of civic housing associations. It is also more important that they be legally registered, both to protect the members and to allow for government supervision.

Mutual assistance associations are not as common as civic housing associations in developing countries.

2.3 Cooperative housing associations

These associations have an open membership, not necessarily related to either the place of residence or the place of

work. The United Nations Centre for Human Settlements defines a 'cooperative' as 'an association of persons usually of limited means, who have voluntarily joined together to achieve a common economic end through the formation of a democratically controlled business organisation, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking' (UNCHS, 1989: 4).

In a strict sense, most cooperatives are not 'business' associations since a strong social component is always present. But it is correct to emphasise the economic element: a cooperative is more than a social club and needs to be managed in a businesslike way.

Housing cooperatives or cooperative housing associations - the terms are used interchangeably in this paper - have the same aims as civic housing associations.

In most developing countries housing cooperatives must be legally registered under a Housing Cooperative Societies Act or similar legislation. This is intended to protect these associations and to provide a framework for their operation and supervision.

3. Cooperative housing associations: a more detailed description

3.1 Brief historical background in developing countries

Housing cooperatives are not new to developing countries. Although the

cooperative housing movement burgeoned after World War II, some cooperatives have been operating since early this century.

International development agencies such as the International Labour Organisation (ILO) supported the establishment of housing cooperatives as early as 1956. At its Sixth International Conference held in Havana (3-14 September 1956), the ILO adopted a resolution containing a set of recommendations on the cooperative housing movement. The resolution acknowledged the movement's importance as a means of facilitating economic development through creating job opportunities for the lowest income groups.

In the early 1970s the cooperative housing movement in India was the largest in the world, with about 1,2 million members or 0,2 per cent of the total population. Today the movement is proportionately more significant in Chile, where in April 1992 more than 400 000 persons (about 3,3 per cent of a total population of 12 million) were cooperative members.

The movement is generally well organised in South and Central America and has many successful projects to its credit. The governments of Chile, Argentina, Brazil, Uruguay, Colombia, El Salvador and other countries in the region have acknowledged the potential of housing cooperatives and provided them with appropriate legal frameworks, and with technical and financial assistance.

In Africa, with the exception of North Africa, housing cooperatives are of more recent origin. Since the beginning of the 1970s housing cooperatives have been

organised in Tanzania, Kenya, Ghana, Lesotho and Zimbabwe with different degrees of success.

3.2 Basic principles

In most countries housing cooperatives accept a basic set of principles which include the following: voluntary open membership; democratic control of the association; limited share capital; equitable distribution of surpluses; and promotion of cooperative education among members (UNCHS, 1989: 5).

Lewin (1981: 14) explains: 'As a society for the promotion of the economic interests of its members, the housing cooperative is an economic unit or an enterprise. Its operations and viability are determined by general economic rules which apply to any type of corporate body. They are also determined by the social organisation and democratic management peculiar to cooperatives. If these rules, basic assumptions, and organisational framework are not maintained, the housing society will not function as a cooperative. It may survive as a corporate body or a company and may even be an economic success, but it cannot function as a cooperative. Experience in several developing countries has shown that once the cooperative has turned into another type of economic unit, its social goals are neglected'.

The existence of a common goal is fundamental for the success of a cooperative housing association. That goal is shelter - in the form of new housing units or upgrading of existing units - and it is achieved through mutual assistance and joint action.

3.3 Organisation and institutional support

The organisation and development of a cooperative housing project is a complex process. Many skills are required to undertake the different tasks in this process, including:

- complying with legal requirements
- doing the overall project planning
- preparing technical documentation
- managing the construction
- training cooperative members
- procuring and coordinating the project finance.

Once the cooperative is organised it actually becomes a housing development society and requires the skills of a developer. Most housing cooperatives in developing countries do not have all the skills required and external support must therefore be sought. In many developing countries this has given rise to support organisations (usually known as technical service organisations or TSOs) which provide a range of technical services to housing cooperatives. In theory it is desirable that cooperatives own and control the TSOs, but this is seldom the case because of the high levels of management and other skills required.

An important role of the TSOs is to promote the development of an appropriate institutional framework. Various bodies have duties to fulfil in this regard.

The ministry responsible for housing must prepare suitable legislation to allow for the registration and supervision of cooperative housing associations. The ministry must also facilitate the identification, allocation and acquisition of land for cooperatives, and promote the use of low-cost building

technologies and 'mutual help' and 'self-help' systems.

The local authorities must facilitate the servicing of land and the introduction of suitable planning and building regulations.

The housing finance institutions must establish financial mechanisms for cooperatives.

The NGOs must help to organise and provide technical and financial support to cooperatives.

3.4 Technical support

Experience has shown that providing technical assistance and management capacity to cooperative housing programmes tends to be one of the most expensive budget items. This is not surprising if we consider the huge gap that usually exists between the income of professionals and those of low-income groups.

The project's overheads can rarely be afforded by cooperative members and must therefore be subsidised by the public sector or NGOs. In general, the cost of technical assistance can only be borne by low-income families if

- either a governmental TSO or an NGO provides all the services required by the housing cooperative
- a combination of the above two organisations provides the services
- the TSO trains cooperative members to take over most of the administrative and managerial functions required to run the cooperative.

One of the lessons learned from cooperative housing programmes in

developing countries is that cooperatives should be involved only in planning and project management, and that cooperative members should undertake only the simpler construction tasks such as building foundations, walls and roofs. Other functions, such as administering savings programmes and loans, and constructing township engineering services or the more complicated parts of the house, like plumbing and wiring, should be handed to housing financing agencies and building contractors respectively.

However, in some cases cooperative associations are organised to act as non-profit building companies with responsibility for planning, implementing and managing housing projects. These associations usually have the character of closed companies which build houses only for company members. Noteworthy examples of this type of cooperative can be found in the province of Mendoza, Argentina, where a well-structured cooperative housing system is in operation with support from government at the national, provincial and municipal levels.

According to Mendez (1990) the number of active housing cooperatives in Mendoza increased substantially during the 1980s. By the middle of 1990 126 cooperatives had already entered into agreements with the provincial government and various municipalities to organise and implement housing projects throughout the province. A similar number of cooperatives had projects at various stages of preparation. (See also Visagie and McLachlan, 1991: 7 - 10; Arrigone, 1994: 17-19.)

3.5 Types and functions of housing cooperatives

From an economic viewpoint housing cooperatives can be divided into three main categories.

3.5.1 Housing cooperatives focused on consumption

The cooperative members consume a commodity (housing) which is produced by others (building contractors). Sometimes, the cooperative purchases for its members housing units available in the market.

The functional operations of this type of cooperative are usually restricted to planning, promotion, management and administration of construction. Other functions, particularly financing (savings and loans) and construction of infrastructure and buildings, are handed to a housing finance institution, building contractors or skilled builders.

For this type of housing cooperative (and also for the other types described below), private consultants are usually contracted to prepare the technical documents necessary for the construction of infrastructure and dwellings and to supervise the works.

3.5.2 Housing cooperatives focused on consumption and production

The cooperative members consume a commodity (housing) which is totally or partially produced by themselves. The functional operations of this type of cooperative include planning, promotion, management, administration and construction (total or partial). The construction of specialised works such as site infrastructure (water and electrical

reticulation, sewerage and roads) and certain items of house construction, such as plumbing, are often given to subcontractors. The rest of the work is done by cooperative members using self-help methods. The finance function is handed to a housing finance institution.

3.5.3 Integral housing cooperatives

When a cooperative focused on consumption and production includes financing in its functional operations, for example, a savings and loans scheme for the cooperative members, it is known as an 'integral housing cooperative'.

If the cooperative intends to take a long-term loan from a housing bank or a building society to finance construction, the contribution from cooperative members is normally a fixed proportion of the loan. This contribution is usually made through regular savings over a period of time. One of the first things done by the integral housing cooperatives is to begin a regular savings programme for members. Lewin (1981: 92) elaborates: 'It has often been maintained that low-income households are not in a position to save. Although this might be true for the very lowest income groups, the majority of urban households are capable of saving, even if amounts may seem insignificant. The wide distribution of consumer goods such as radios, bicycles, etc. in urban informal settlements offers convincing evidence. ... The prospect of home-ownership can be a powerful incentive for saving, as a house is a social and old-age security as well as a stable source of income.'

3.6 Forms of tenure in cooperative housing

According to the United Nations Centre for Human Settlements: 'The most basic issue is that of individual or collective tenure. The most discussed issue when an individual wants to leave a house or flat concerns the value invested in the property, which, in many cases, will have risen considerably since construction. On the one hand it can be argued that the individual is entitled to the increase in the equity. On the other, many cooperatives see a wider social responsibility to be achieved by creating a housing system outside the speculative housing market.' (UNCHS, 1989).

Housing cooperatives have evolved three basic types of tenure, and each serves different needs. They are individual tenure, mixed tenure and collective tenure.

3.6.1 Individual tenure

In a number of developing countries there are housing cooperatives which, while they assist in providing members with housing units through collective action, also allow units to be owned individually.

Cooperatives which provide separate dwellings such as detached, semi-detached or row houses to their members are particularly suited to the individual form of tenure. However, if two-, three-, or four-storey walk-up apartments or flats in high-rise buildings are provided, individual tenure can also be ensured through a legal system of 'horizontal property' (or 'sectional title' as practised in South Africa). In these cases, a mixed tenure system is necessary (see below).

Cooperatives and financing agencies operating in projects that permit individual tenure can take a number of measures to prevent arbitrary transfers and speculation. For instance, members may have to occupy a unit for a minimum period - usually three to five years - before they can sell it on the open market. There may be exceptions to this rule, for example, when a member is transferred to another place of work.

The housing cooperative is usually disbanded once individual ownership titles have been issued to members, unless other services are to be provided according to the cooperative by-laws.

Individual mortgage bonds are registered in favour of the financing agency providing mortgage loans to cooperative members.

The individual tenure model can be a powerful incentive for cooperative members to extend or upgrade their own houses over time. 'Incremental housing' and 'consolidation' of human settlements in many developing countries provide convincing evidence. ('Consolidation' is the term development organisations use to refer to progressive community upgrading - the process of upgrading informal communities physically, environmentally and socio-economically (Independent Development Trust, 1991: 11, 12).)

3.6.2 Mixed tenure

Housing cooperatives in densely populated urban areas often opt for walk-up apartments (in buildings up to a maximum of four storeys) or high-rise buildings. In either case, a mixed tenure model is usually used. The housing units are individually owned, while the areas in the

building which are for collective use, such as parking for visitors, the lobby, the caretaker's offices, corridors, lifts and staircases, are collectively owned. The legal framework is similar to the 'horizontal property' system used in many countries or to the 'sectional title' system in South Africa.

3.6.3 Collective tenure

In some countries collective tenure is regarded as an integral part of any housing cooperative. In the Scandinavian countries, Canada and the USA a housing cooperative can be defined as 'a community-run organisation, representing a membership from diverse interest groups in the community, which owns and controls housing units to provide and ensure appropriate and affordable housing to the membership, and not with the aim of profiting economically'. The process in these housing cooperatives is based on collective action. The final product, housing units, is collectively owned.

Cooperatives which provide apartments in walk-up buildings and high-rise blocks are particularly suited to collective tenure.

For this tenure model to work, members must be properly instructed on cooperative principles, both prior to the establishment of the cooperative and during its operational life. It is mainly for this reason that cooperatives practising collective tenure have generally been more successful among the working and middle classes in industrialised countries than among low-income groups in developing countries.

According to the United Nations Centre for Human Settlements, 'members cannot sell their houses and, when a member

leaves, transfer of the house is normally to the cooperative which finds a new member to occupy the unit ... As the value of a member's investment in the property will probably have risen over the years an arrangement has to be made to repay the member's investment or equity at the time of transfer. A number of methods are used: a payment at fixed value repays the amount invested plus an added amount which is linked to inflation...The success of fixed value cooperatives depends on the prevailing rate of inflation and the strength of commitment of members and the leadership of the cooperative (which is in fact a reflection of societal norms and values). It is also difficult to maintain this system where cooperatives form a small part of a national housing system controlled largely by market forces.' (UNCHS, 1989: 10).

Under the collective ownership system, security of tenure is ensured through the right to hire or to use the housing unit in perpetuity as long as the head of the household continues to be a cooperative member.

One of the problems of the system is that the cooperative must undertake long term maintenance of the units, and the administrative costs may become a burden. Another is that the system discourages communal 'owners' from investing in home extensions and improvements.

3.7 Some legal aspects

The existence of a legal framework is important to the operation of a housing cooperative in matters such as acquiring

land, procuring construction funds, and determining the rights, duties and liabilities of cooperative members and management. If the cooperative is not legally recognised as a corporate body, it will neither be able to perform adequately, nor will the members be bound by any legal agreement with the cooperative.

The by-laws of housing cooperatives supplement cooperative legislation by regulating those aspects of administration, funding and organisation which have not been sufficiently covered in the law.

However, by-laws alone are not able to secure the viability of a cooperative, nor can they be a substitute for training of members. They constitute only a framework for an efficient development of the cooperative.

By-laws deal with matters such as:

- objectives
- membership
- rights and duties of members
- cooperative funds
- accounting
- management and administration process.

The administration and operation of housing cooperatives are also affected by those laws and regulations concerning:

- land tenure, allocation and registration
- planning, design and building standards
- use of building technologies and materials
- local rates and taxes
- provision of engineering services such as water, sanitation and electricity
- housing finance
- provision of contracts and agreements.

4. Conclusion

The experience with shelter development since the UN Habitat Conference on Human Settlements held in Vancouver in 1976 has led to a gradual but significant shift in thinking on the issues of self-help housing and people's participation in shelter programmes.

In line with the policies of decentralisation, devolution and deregulation increasingly pursued in developing countries (Arrigone, 1994: 17), governments have come to play more of a facilitating than a providing role in low-income housing. Conversely, more and more community-promoted and community-driven low-income housing projects are being implemented. CBOs and NGOs and the informal sector have become prominent features in housing delivery in developing countries over the past two decades.

In the new approach, government supplies only those critical project components which CBOs are unable to provide, such as finance for engineering services and basic shelter, overall project coordination and training. On the other hand, procuring land, contracting consultants to plan land and housing, and supervising the project are the responsibilities of CBOs.

One of the key enabling roles of government is to channel economic and technical resources through CBOs and NGOs. CBOs in developing countries usually lack the institutional capacity and technical expertise to ensure that their members continue cooperating during the crucial stages of project planning, construction and management, and

therefore need constant guidance and training.

South Africa has much to learn from this experience. The government should recognise the people's right to participate in promoting, planning and producing housing and sustainable settlements. The government should also provide support in the form of training and information programmes for grass-roots leadership, appropriate legal frameworks, technical advice, policies and strategies. Finance systems should also be developed which make it possible for CBOs to be considered as credit holders.

People's participation in shelter programmes and self-help housing still encounter considerable obstacles in many developing countries and South Africa is no exception. Most of the obstacles are related to market and government failures in the low-income housing sector.

The market failures are: housing finance does not reach poor families through the conventional system of private banks and building societies; and housing supply is often costly and unresponsive to demand as a result of a lack of investment in bulk infrastructure, and of the monopolies which control available land for residential use and the building industry.

The government failures are: security of land tenure for squatters is often subject to complicated and lengthy procedures; government institutional frameworks are often not responsive to low-income housing developments; and the legal frameworks that would facilitate the establishment and operation of housing-related CBOs and NGOs are inadequate or non-existent.

5. Appendix

Examples of civic housing associations

People's Dialogue on Land and Shelter (PDLS), South Africa

PDLS is a small and promising support system which serves a network of informal settlements throughout South Africa and is managed by the urban poor themselves. The need for such a support system was expressed at a housing conference in Broederstroom in March 1991, which was sponsored by the Southern African Council for Catholic Social Services (Anzorena, 1993a, 1993b).

The PDLS programme is now three years old and supports a network that links up 190 informal settlements country-wide. Although the programme has had little exposure in the wider world, it is well known in the settlements where it has a presence. There are more than 85 housing savings groups in the network. In November 1993 membership stood at a little over 5000. All the work is done by people who live in the same settlements. There is a very strong emphasis on women, who make up about 90 per cent of the savers. There are no minimum or maximum savings amounts. Some of the groups have initiated systems of small loans.

PDLS recognises that very poor people are not able to save enough to cover housing costs on their own. These savings are therefore seen as a community's stake in their own development, to be used to attract development finance from

government and from formal financial institutions. A revolving fund managed by people from the communities has been set up. To date approximately R3,5 million has been secured from a donor source. One savings group has begun its own off-site housing development and will apply to this donor for bridging capital.

A number of regional coordinators were selected from lists of candidates submitted by all groups. These coordinators identified the need to organise and implement a housing training programme.

Members of the existing savings groups are selected to undergo training, which includes shack counting, mapping, sample surveying and house designing. When all the necessary information has been collected, it is analysed by the training team and the results are explained to the relevant communities during public meetings. The results form the basis for formulating a housing action plan to address the most important needs of the community.

The training teams will also help local communities to establish new housing savings groups and to implement the housing action plans jointly prepared with them.

PDLS is a good example of how low-income communities can promote and control their own housing projects, and it deserves government support. It also deserves a more detailed study to assess its value in contemporary South Africa.

(Most of the information in this section was provided by Joel Bolnick, Programme Director of the PDLS).

**Fundacion Hogar de Cristo
(Home of Christ Foundation),
Santiago, Chile**

The Fundacion Hogar de Cristo is an NGO set up in 1958 as a non-profit Foundation help the urban poor (UNCHS, 1992a). Since then the Foundation has delivered over three million square metres of housing to around 200 000 families.

In 1989, the Foundation opened a new housing factory in Santiago, with the capacity to produce 60 prefabricated units per day. Each unit has a floor area of 20 square metres and is made of six prefabricated timber panels which are assembled on site by the family itself. The roofing is made of corrugated asbestos-cement sheets and the floor is a concrete slab built by the family. The latter is not included in the unit cost. The present average cost per unit is US \$250 with a down payment of US \$15 and monthly instalments of about US \$14.

In 1985, the Foundation established a housing savings scheme and since then it has also operated as a building company purchasing and developing land. The main clients continue to be the urban poorest who make use of the housing subsidies provided by the government in order to buy their houses (Arrigone, 1991).

The scheme identifies groups of about 30 homeless families. First, they are informed about the government housing subsidy and the Foundation's aims and operational activities. Then they are asked to open a savings account in a bank. After a six-month period, when they have saved up the minimum amount required to qualify, they formally join the scheme and receive technical assistance. The average floor

area of the houses provided by the Foundation under this scheme is 45 square metres and the average cost is US \$5 300.

The Foundation's schemes prove beyond doubt that through the cooperation between a non-profit NGO, the government, the conventional banking system and the affected families organised in housing associations, practical results can be achieved for the benefit of the lowest income groups.

**Fundacion de la Vivienda Popular
(FVP - Popular Housing
Foundation), Caracas, Venezuela**

The FVP upgraded a squatter settlement in Caracas in 1976 as a demonstration project. It has since grown into a regular programme based on a network of CBOs whose members receive financial and technical assistance to upgrade their settlements. The FVP is a non-profit foundation which receives substantial support from the building industry.

Housing upgrading is undertaken by groups of neighbours interested in improving their dwellings, on condition that they are members of a housing association which has been formally established, and legally registered, and is able to make decisions. This is, in fact, the key element of the programme.

FVP provides an upgrading loan to the housing association and it, in turn, allocates individual loans to its members according to particular needs. The interest rate is about 9 per cent per annum and the repayment period is four years.

FVP believes that the following basic principles must be followed if a housing programme is to be successful: It must be carried out through properly organised and legally registered CBOs, and the community itself should make the decisions and control the activities.

Programme participants should be trained to know their rights and responsibilities as members of a CBO, should be involved in all phases of the programme, and should have access to credit and to cheap basic building materials.

The FVP programme is a good example of collaboration between the private sector (which provides financial support to the Foundation), a non-profit NGO and civic housing associations in need of improving the housing conditions of their members.

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