

C H A P T E R - I

PROBLEM OF HOUSING - STUDY OF CO-OPERATIVE HOUSING

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CHAPTER - I

PROBLEM OF HOUSING - STUDY OF CO-OPERATIVE HOUSING

1.1 INTRODUCTION

One of the basic needs of the people at large is shelter. This can not be easily met by all looking to cost of building of the house, labour charges, cost of material etc., it is not possible for every individual to build a house on his own. The only solution for this is co-operative housing scheme. In this connection the individual will bear only a part of expenditure and rest of the expenditure will be met by the housing society through loan, hence only solution to this problem is co-operative housing. " To-day, housing means the provision of comfortable shelter and surroundings and services as would keep a man healthy and cheerful." ¹ The rapid growth of urbanization increase in population decay of old houses caused higher demand for houses.

Building a house is not now one mans activity, but it is a very complicated task. " He has to depend on expert asistance and services like that of qualified architect and experienced building contractor. He cannot build his house anywhere as he may like. He has to obtain the permission of local authorities before commencing the construction of his house." ²

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1. D.D.Naik, "Housing finance" commerce Pamphlet - 163, Bombay, ed. Vadilal Dagli, July, 1981. P.3
 2. D.D.Naik, "You and your housing co-operative" Bombay, The National Co-operative Housing Federation Ltd., Aug, 1976, ..P.5

1.2 HOUSING AS A COMPLEX PROBLEM

The need for a house is though very important, mostly neglected sphere of the developmental activities of humanity. It is not only in the backward pockets of the world that it is neglected, but even in the advance countries, like U.S.A. and U.K. It is still so neglected and undeveloped a sphere of activity that they too, even to-day face the housing problem and have not evolved a satisfactory technique of solving this problem. " The estimates of the housing shortages, supply and demand have an important impact on policy making in relation to housing problem in any country".³

" Even such highly prosperous countries like the U.S.A. Sweden and Switzerland cannot claim to have solved this problem completely."⁴ There is a widening gap between production and demand for housing. The provision of a suitable shelter is a vital human need. In most developed countries there is a growing tendency of urbanization and by the same more demand from the cities." The problem of housing is more acute in big cities like Bombay, Mexico, Riode Janeiro and Hongkang"⁵

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3. Biswaroop Das, " Housing Estimations in India - A Review" The Indian Journal of Social Work, Bombay, Tata Institute of Social Sciences, Vol. XLIII, No.2, July 1982.P...101
 4. Dr.V.V.Ghanekar, "Co-operative Housing", Poona, Poona University, April,1970. P...2
 5. Ibid., P...2

" The most important single aspect of urban life is the condition of the homes which the city provides for its citizens."⁶ Even in the U.S.A., there is a housing problem. "The American family needs more and better housing than now has available. The reason for the shortage is basically that good housing still is a very expensive commodity; and the average American income is not sufficient to purchase the sort of housing that is considered good by present day standards."⁷ Urbanization creates different problems - crimes, gambling slums, divorce, class-war, traffic, problems, health and welfare, education, vice, diseases etc., These cities face housing problem, which is the basic factor or need of man. Poor and acute housing shortage creates different issues.

" In developing countries a combination of adverse factors exacerbates the shortage more than in advanced countries; among these factors are the rapid increase in population growth, meteoric rates of urbanization and the lack of proper repair and maintenance of existing housing stock. The process of economic development itself contributes to this condition by creating demand for an even greater urban population of skilled and unskilled workers and the relative glamour of the city entices the poor ~~na~~ from the rural area".⁸

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6. J.L.Gillin, C.G.Dittmer, R.J.Colbert, N.M.Kastler, "Social Problems" Bombay, Times of India Press, 2nd Indian reprint 1969, P...255
 7. ibid, P...257
 8. Dr. J.N.Mongia, "Housing in India"commerce pamphlet-173 Bombay ed Vadilal Dagli, May,1982. P..1

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In India, there is a housing shortage. The condition of housing accommodation is miserable. Most of the houses are mudhouses. They are hot in summer, cold in winter and leak in rainy season. A large number of poor people who have to live in big cities like, Calcutta, Bombay, Delhi etc. There are many people who have no accommodation at all. They have to sleep on the roads, pavements, and empty pipes or by the side of any house. Majority of the families live in one roomed and ill-ventilated huts, which are not only crowded but also in-sanitary.

There is a severe housing shortage in India. Though, it is a basic need of man, It has received less attention in India. " The argument usually put forward in defence of low priority for housing is that our resources being limited, they should be first utilised for objectives with higher priority than housing. It is not easy to follow this reasoning because housing needs are no less important than food and clothing."⁹ Housing shortage in India has qualitative and quantitative aspects. The problem has been worsening from year to year. There are various causes of housing shortage in India. The problem also differs from urban

9. H.T. Parekh, " A solution to the housing problem in India" Forum of tree Enterprise, Bombay; M.R. Pai, 14th August, 1976. P...2

area to rural area. " Housing shortage is a gap between the total demand and the total stock of houses. Shortage may arise owing to many reasons, the trend of population growth, internal and external movement of population, changes in families and household structures lack of supply of - sufficient number of residential units because of scarcity of financial and material resources etc, are the most obvious reasons."¹⁰. In the year 1901 total supply of houses was 47.0 millions and in the year 1971 it was 92.4 millions. There is an increase in supply of houses, but at the same population growth took place from 238 millions to 548 millions and in the year 1981, 683.8 millions. There ~~is~~ rise in population since 1921. The present trend gives indication of rise in population up to 1000 million by 2000 A.D. There is contineous tendency of urbanization in India. At present, in 1981 the ratio of urban and rural population is likely to change from 20:80 to 28:72 in 1991. The possibility of the trend towards urbanization acceterating cannot be ruled out and therefore by the end of 2001 A.D. the ratio could be 40:60. After some years of a construction of housing unit it becomes necessary to get it reconstructed. Some changes are essential in the present construction, due to enjoyment of luxurious items and higher standard of living of the upper income bracket people. Higher income, makes man to make the

10. Op.cit, P...9

modification in the house construction. Housing industry is labour intensive. It generates employment. So, in a country like India, housing industry must be developed. The problem of housing is not merely quantitative. It has got qualitative aspect also. The type, size, location, quality construction, differs from city to city and urban and rural India also. In urban area, there are various problems like, congestion, slums, and squatter settlement etc. On the other hand, the rural areas are characterised by the absence of essential services and poor environmental conditions.

In India there is a housing shortage. It differs from state to state. According to N.B.O. the tentative housing shortage estimated 16.00 millions in 1980 to 27.4 millions by the end of 1991. " The United Nations had estimated that for developing countries like India an annual construction rate 8-10 dwellings per thousand population in the next 2-3 decades should be achieved in order to prevent further deterioration of housing situation. It is also estimated that as against the requirement of 5 dwelling units per thousand population per year due to growth of population alone, the current net addition to housing stock is only 2-3 dwellings per thousand per year. The need for improvement in the existing standards and replacement of old stock further adds to the housing shortage".¹¹

11. Ibid., P....6.



In short, we can say, the problem of housing shortage is complicated, crucial, and important and complex. It differs from place to place, state to state and time to time. It has qualitative and quantitative aspects. Government must give top priority to housing in the process of economic development.

1.3 WAYS TO SOLVE HOUSING PROBLEM

" Housing constitutes one of the most universal forms of material culture in human society. It also represents an important element in all capital formation, whether for the individual or for the nation. Housing constitutes the largest single component in the total building effort of any nation. There is also the social aspect. Housing plays a major part in ensuring the continuity of community life. It is the house which gives the family its organization, stability and continuity."¹²

- (1) Private sector - Man tries to solve his problem of house in his own individual capacity. But majority of the people are poor. They can not afford their funds for housing. The higher income bracket or perhaps middle income group people try to solve their housing need. In order to promote housing in private sector tax reliefs, cheap building material, cheap financial facilities should be provided. The Government should encourage the housing motive in private sector.

12. B.Kuppuswamy "Population and society in India, Bombay; Popular Prakashan Private Ltd., 1975. P...68

(2)Public Sector - " In the public sector dwelling are let out to tenants selected because of their housing needs and rent rebates are available if income is inadequate to meet the rents charged. Both approaches ~~at~~ - acknowledge the necessity of some form of housing subsidy."¹³

Since, independence of India, the Government has conceded that the state has to play an important role in housing provision, under the Indian constitution, housing is included in the state list. The assistance is jointly provided by the central and state Governments in view of the colossal size of the housing problem. There are various housing schemes - formulated by the Central Government and implemented by the state Government. They are as follows:-

- (a) Integrated subsidised Housing scheme for industrial workers and Economically weaker sections of the society (1952)
- (b) Low income group Housing scheme (1954)
- (c) Subsidised Housing scheme for plantation workers (1956)
- (d) Slum clearance and improvement scheme (1956)
- (e) Environmental improvement of slum areas (1972)
- (f) Village Housing projects scheme (1957)
- (g) Middle income group housing scheme (1959)
- (h) Rental Housing Scheme for State Government Employees (1959)

13. Dr.J.N.Mongia, "Housing in India" Commerce Pamphlet, 173
Bombay ed.Vadilal Dagli, May,1982. P...8



- (i) Land Acquisition and Development Scheme (1959)
- (j) Provision of House-sites to Landless workers in Rural areas (1971)

Besides, the Central Government has constructed many residential quarters at various important centres for the employees. It is clear that the Central Government has framed several social housing schemes, which are administered and implemented by the various State Governments and the Union territories. Housing Boards play the crucial role in the house construction activity. The Housing and urban Development corporation limited was set up by Government on 25th April, 1970.

Though we, tried ourselves to solve our housing problem, still it remains unsolved due to increase in demand, higher rate of urbanization life-span of houses, etc., So it is necessary for the people, to come together co-operatively and to solve their housing problem by way of housing co-operatives.

1.4 CO-OPERATIVE EFFORT IS ONE OF THE SOLUTION -
CO-OPERATIVE HOUSING.

" Co-operation as a subject has attracted the attention of social reformers, economists, sociologist, politicians, theologians and co-operators alike even since its inception as a form of business organization in the middle of the nineteenth century. Beginning with as an association of

individuals for "self help through mutual aid", the co-operative method is now being increasingly applied to agricultural and industrial production as well as to social welfare and educational activities*.¹⁴

"Group action is also called co-operative action. To co-operate means to work together to achieve a common objective. In other words there is co-operation among the people who have come together for a joint action. Such people come together and form their association which is known as a co-operative society co-operative is defined by the co-operative planning committee as 'co-operation is a form of organization in which persons voluntarily associate together on a basis of equality for the promotion of their economic interests. Those who come together have a common economic aim which they cannot achieve by individual isolated action because of the weakness of the economic position of a large majority of them'. This element of individual weakness is overcome by combination of their resources by making self-help effective through mutual aid and by - strengthening the bonds of moral solidarity among them."¹⁵

" To-day unfortunately housing conditions in the country are extremely unsatisfactory. In India, air and light are free gifts of nature. People have not taken

14. B.K.Sinha, "Co-operatives in India" New Delhi, Committee for Co-operative Training (National Co-operative Union of India) 1969, P...3

15. D.D.Naik, You and Your Housing Co-operatives, Opcit P..7

advantage of these gifts. The city life in India is congested. The development of cities in India is hap-hazard and it resulted into innumerable slums with insanitary huts of flimsy construction and sub-standard houses. The houses are poorly ventilated and over-congested and often lacking essential amenities."¹⁶ "The observations of the working group will indicate that there is an enormous shortage of housing in the country and the problem continues to grow worse from year to year with the growth of urban and Rural population, depreciation of the existing houses and rising building costs and land prices."¹⁷

Building of houses requires a lot of preparation before the real construction starts. It requires land, labour, money building materials and technical know-how. It needs supervision and services of the contractor. The restrictions imposed by the Rent Control Acts and the burden of Estate duty have made investment in housing unattractive. There is a shortage of finance. You, as an individual cannot solve all these problems at your own level up to the mark. So all this weakness of the individual action can be overcome by group action.

16. D.D.Naik, "Co-operative Housing in India" New-Delhi, The National Co-operative Housing Federation Ltd., October, 1971, P...5

17. *ibid.*, P...8

Co-operative action helps you to overcome individual weakness and helps to gain greater strength and speed in all efforts. The problems of men, money, materials, can be solved co-operatively. It provides houses to members. It will create co-operative atmosphere among the members. It cultivates mutual help amongst the members. Housing through co-operative societies can secure proper standards and experience full community life.

In short, " A housing co-operative provides for the joint ownership and operation of a housing project by and for the residents. The main characteristics of housing co-operatives are that it is non-discriminatory in its policy, it is democratically controlled by its members and it is operated on a non-profit and non-speculative basis. Co-operative housing therefore, involves education and training, mobilization of savings, self-help and mutual ~~mutual~~ help. It brings about mutual understanding and the creation of common institutions."¹⁸

1.5

NEED ^{for} OF STUDY

Co-operation is one of the "economic miracles of the last century"¹⁹. Co-operation is based on various principles.

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18. P.E.Weeraman; "co-operative Housing" Readings in Co-op. Housing. (c) International Co-operative Alliance, New-Delhi, Allied Publishers Private Ltd., 1st ed, 1973, P...16.
19. Smith Louis P.F, The Evolution of Agricultural Co-op. Oxford; Basil Blackwell, 1961, P..xi

It is the combination of capitalism and socialism co-operation has spread over in many fields of human development. It is the way of life. However, there may be a gap between theory and practice. So, what is important is how does co-operative housing society work in practice? This study is based on working of housing co-operatives in the city of Kolhapur.

Co-operative housing society is an estate of houses created by the members for the need of members. The persons who are in need of houses come together and form the housing co-operatives. In order to solve, housing problem, co-operative housing societies is the suitable way. Members come together of their own free will to build up a new community. In this new community, the common factor is community and co-operation among themselves. Members co-operate among themselves. " In fulfilling its economic objectives, a housing co-operative provides its members with suitable housing accommodation ^{at} a reasonable cost and ^{an} easy terms of payment. It also creates a new environment of its choice so that the physical, social, economic, and spiritual needs of its members can be best met in the newly created conditions. In this process, it lays out roads, play-grounds, schools, parks, dispensaries, gas stations, market centres and other social amenities."²⁰

20. D.D.Naik, "You and your Housing Co-operative" Opcit,P...93

These ideal conditions may not always exist in practical situations. Members may lack in co-operation from other members. Members are ignorant to understand aims and objectives of housing co-operatives. The authorities of the housing co-operatives think that what is achieved is due to their individual efforts. They give less importance to members. There are various difficulties before the housing co-operatives, organisational, accounts, finance, land and building construction and facilities provided by the society to its members. For the promotion of the society, promoters face of number of difficulties. From members to the management, money to material, co-op. housing society to apex co-operative housing society etc. Members also get benefits as well as problems. These problems are related to finance, construction, the relations among the society members and towards the housing co-operative society. These are the problems of co-operative housing societies.

" Socio-economic aspect of housing problem requires survey and evaluation of assessment to what extent co-operative housing societies are solving in releasing the housing needs of the low income groups and economically weaker sections of the community. Another aspect of this problem is to study to improve the environmental conditions of the members of the housing co-operatives and provision of common services by the housing co-operatives. The economic aspect of the problem requires a closed study of the scheme

of the housing co-operatives in respect of reducing the cost of construction and maintenance of high quality of construction."²¹

In short, it can be said that housing co-operatives gives economic social benefits to the members, but they have to face a number of difficulties. The study of working of housing co-operatives is the need of time. So all these issues call for a scientific investigation.

1.6 OBJECTIVES OF STUDY

The objectives of this study are :--

- (a) To study the problems of co-operative Housing societies in the selected area.
- (b) To study the working of co-operative housing societies in theory and practice.
- (c) To study the role of promoters, members, and co-operative housing societies.
- (d) To offer suggestions for effective working of co-operative Housing societies in order achieve aims and objectives of co-operative Housing societies.

21. Dr.V.B.Lal, "Co-operative Housing Problems and solutions", "Housing Times", Published by the Mumbai District Co-operative Housing Federation Ltd., Vol.XIII, No.12 July,1979

(A) SELECTION OF THE PROBLEM:-

The city of Kolhapur has been known from old times as Varanashi or Kashi of the Deccan. In the history of co-operation it occupies the foremost place. In other words co-operation and Kolhapur are inseparable.

Kolhapur is a district place in state of Maharashtra after the merger of Deccan states in 1949. The former Rajasabeb viz. Chhatrapati Shahu Maharaja laid the foundation of co-operation. He was one of the enlightened rulers. Now a days rate of growth of this city is - remarkable since independence. Kolhapur is a centre of art, music, architecture and education and co-operation also.

After independence new offices and new industries have been opened. The Shivaji University has been - established. A number of highschools and colleges have been set-up. This has created a serious problem of housing. On the eve of independence, the co-operative movement had taken deep roots in the fertile soil of Kolhapur. Naturally the co-operative movement is gathering momentum. The co-operative housing society is one of them.

(B) SAMPLING:

For this study sample method is used. Sampling method, selects for its study only a percentage of the entire population. The percentage which is known as group or sample has a representative character. In the sample survey a few individuals or items are selected from the whole population according to statistical principles of sampling and details are obtained and studied for these to draw inferences regarding the whole universe. According to P.V. Young " A statistical method is a miniature picture or cross section of the entire group or aggregate from which the sample is taken."²²

There were 186 co-operative housing societies in July, 1982 in the register book of Deputy Registrar of Co-operatives. These co-operative housing societies are not of a similar type. They are composed of different types. They are as follows:

- (a) Tenant ownership Housing Societies.
- (b) Tenant ownership housing societies for scheduled castes.
- (c) Tenant ownership housing societies for other backward class.
- (d) Tenant ownership housing societies for Scheduled Tribes and nomadic tribes.

22. K.Singh, Technique and Method of Social Survey, Research and statistics, Lucknow, Prakashan Kendra, 1980, P..73

- (e) Tenant co-partner housing societies.
- (f) House mortgage societies.

For the study stratified sample method is used. In stratified sampling, the whole of universe or group is divided into stratas or sub-groups or items possessing similar characteristics. Then samples are selected by taking equal proportion of items from each group instead of random sampling from the whole universe. Once the whole universe is divided into various groups, certain numbers of items are taken from each group at random. For the selection of the sample from each sub-group, the lottery method is used. In this method a lottery is drawn by writing the numbers of the names of the various units and putting them in a container. They are thoroughly mixed and certain numbers are picked up from the container and those are picked up and taken for the sampling.

There ~~was~~ 186 co-operative housing societies in Kolhapur city. They were sub-divided in to sub-groups. For study, 10% sample is taken from group No.1,2 and 5. There is no sufficient number to 10% sample from the group no.3,4 and 6. So I have taken one society from each group to represent the concerned group. In short, researcher has taken 22 co-operative housing societies from various groups. For the study of members 10% members are selected from each society.

The study is based on empirical research method or survey method. The secondary data is received from the Registrar book of Deputy Registrar of Co-operatives. For the study of members interview schedule method is used. In order to study co-operative housing societies, questionnaire method is used.

(C) SCOPE OF STUDY:

For study, researcher has taken selected co-operative housing societies. The area is limited to the area of Kolhapur Municipal Corporation area. There were 186 co-operative housing societies in Kolhapur city by the end of July, 1982. For study, 22 Co-operative housing societies were taken from the various groups including plot, flat and mortgage type societies.

1.8 SURVEY OF STUDIES ON CO-OPERATIVE HOUSING

The aim of present study, is to study the working of housing co-operatives in Kolhapur city. Prior to this study some studies have been done in the field of co-operative housing.

- (a) Some aspects of co-operative housing societies in Ahemadabad city (1970) by Prof. Mahesh Bhatt, and V.K. Chawala, aims at to study some aspects of Co-operative housing in selected area. The study takes into account the problem of housing shortage

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The authors take in to account the classification of members of housing co-operatives on the basis of caste, age, income, occupation. They emphasise on the problem of land values and cost of construction. In the concluding part they suggest measures to solve the problems.

- (b) Dr.V.V.Ghanekar, submitted his Ph.D. Thesis on Co-operative housing to Poona University (Apr,1970) Dr. Ghanekar deals with problems of Co-operative housing societies in Poona City. It is an empirical research. It is comprehensive study of the problems of co-operative housing. He suggests remedial measures to solve problems of land,finance,construction etc.

In short, up to this time, there was not a single study on Co-operative housing in Kolhapur city. The problems of co-operative housing differ in Kolhapur city. For the present study, the research scholar has taken Kolhapur city as a field of study. He aims to study the working of housing co-operatives in the Kolhapur City.

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