

C H A P T E R - III

HOUSING CO-OPERATIVE-WORLD TO KOLHAPUR

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CHAPTER - III
HOUSING CO-OPERATIVES WORLD TO KOLHAPUR
(Location of sample survey)

3.1 HOUSING CO-OPERATIVES IN THE WORLD:

The need of a house is one of the basic needs of man. The problem of housing is becoming severe from 1914. There is an increasing tendency of population which needs more supply of houses. There is a need to consider the life span of houses and depreciation.

(1) Housing problem had become an acute one after industrial revolution in England. The workers moved from villages to big industrial towns. There is a type of society which merely advances loans to buy or to build houses. It is more or less a credit society. There is another group of society, which builds houses for sale or rent them out to their members. Co-operative housing movement in England like the store movement is the direct out-come of the industrial revolution.

(2) The co-operative housing movement was initiated by trade unionists in the U.S.A. A co-operative housing project with 303 homes was started in 1926 at New York. Government has established a federal housing administration which insures mortgage loans granted to housing co-operatives

up to 90% of the assessed value of the property. The repayment period covered by such insurance may be as long as 40 years.

(3) Sweden is an European country where co-operative housing societies play an important role in the solution of housing problems. The national association of H.S.B. came into existence in 1924. The work of H.S.B. and Riksborgen is satisfactory (national level housing and saving associations). The working of H.S.B. is based on the national association and mother and daughter societies.

(4) The initiative in forming co-operatives as one way of solving the housing shortage came from the working class in Denmark. The worker's housing co-operative society which known by initials A.A.B. came in to existence in 1912. The organisational structure of the Danish Co-operative housing movement like swedish movement has the mother societies and daughter societies.

In short, the co-operative housing movement took speed after the industrial revolution in England and other countries also. In India, Co-operative housing movement started 75 years back.

3.2 HOUSING CO-OPERATIVES IN INDIA.

(A) Progress of co-operative housing in India:-

The Co-operative housing movement in India is about three quarters of century old. The first co-operative housing society was set up in 1909 in Mysore state (now Karnataka). This was followed by the Bombay Co-operative housing Association which was established in the year 1913. After the birth of Co-operative housing in India the movement did not take speed during the first 35 years. It was only from 1950 onwards that co-operative housing began to develop under the influence of the five year plans. There has been a continuous growth in the number of co-operative societies formed and in the number of primary membership.

The statistical statement relating to co-operative movement in India, issued by the Reserve Bank of India for the year 1960-61 indicates that the number of housing co-operatives in India increased more than fourfold from 1842 in 1949-50 to 6458 in 1960-61, with a corresponding increase in their membership from 91500 to 380000. With the help of figures published by National Co-operative housing federation, indicates that there was 16308 housing



Co-operatives in the year 1969-70. That number has gone up to 34500 in the year 1980-81. The number of membership of primary co-operative housing societies has gone up from 11.11 lakhs to 21.00 lakhs. Taking in to consideration the general economic growth of the nation, there was bear an overall increase in the number of societies, membership, working capital and the number of houses constructed by the societies.

(B) Present set-up of Co-operative housing :

There is mainly a two tier structure in the field of co-operative housing. At grass-root level there are primary co-operative housing societies. At apex level there are apex housing finance societies. The National Co-operative Housing Federation Ltd., is a national body of all the state level co-operative housing federation/finance societies.

(1) Co-operative housing societies at primary level can be broadly classified in to the following four groups, (i) Tenant ownership housing societies, (ii) Tenant co-partnership housing societies, (iii) House mortgage societies, (iv) House construction or house building societies.

(2) The apex co-operative housing finance societies/federations play a significant role in providing financial assistance to primary co-operatives in their respective

states. Although their bye-laws provide for co-ordination, supervision and guidance to co-operative housing societies procuring of building materials on "Large scale" providing technical experts to primary societies etc. But most of the apex housing finance societies/Federations activities at present are confined to disbursing loans to their affiliated societies. There are 20 apex societies according to statistical statement relating to the co-operative movement in India, published by R.B.I. at the end of 1977-78.

(3) The National co-operative Housing Federation Ltd., is a national body of all the state level co-operative housing federation finance societies. It was founded in the year 1969 on the recommendations of the "working group on co-operative housing" appointed by the Government of India. The National co-operative housing Federation Ltd., will promote co-operative housing movement and co-ordinate and guide the activities of housing co-operatives in the country. The main objects of the federation are -

- (a) To provide a common forum for dealing with technical, financial, and practical problems relating to co-operative housing and to devise ways and means of solving these problems.

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- (b) To organise apex housing finance societies in those states where such organizations do not exist.
- (c) To organise conferences, conventions, seminars, working groups etc. on the subjects connected with co-operative housing and allied matters.
- (d) To carry on propaganda of co-operative housing movement and for the said purpose to arrange for the publication of periodicals, news bulletins and journals.
- (e) To collect basic data on the working of housing co-operatives in the country and abroad and gradually build up an "Information Bank" for housing co-operatives.
- (f) To build up an expertise for rendering services to the institutions dealing with housing co-operatives."¹

During the short span of its existence, NCHF has undertaken several activities in fulfilment of its expected role. The NCHF has published books and booklets, and reports of seminar etc. The NCHF regularly brings out a monthly bulletin. Organization of the conferences/seminars is one of the legitimate activities of the NCHF. These conferences/seminars

1. D.D.Naik, "You and Your Housing co-operative", Bombay; The National Co-operative housing Federation Ltd., August, 1976, Cover page.

made very valuable recommendations for strengthening the co-operative housing movement. The recommendations were communicated to the concerned ministers in the state and Central Governments. Their implementation is also being pursued. A technical cell is entrusted with the work of preparing model plans and type designs for low cost housing. A legal cell provides legal assistance to apex housing finance societies.

3.3 DEVELOPMENT OF HOUSING CO-OPERATIVES IN MAHARASHTRA

The chief objective of co-operative housing societies is to provide residential accommodation to their members. A large number of co-operative housing societies have come up in the principal cities of Maharashtra mainly because of an acute shortage of housing. The adoption of co-operative method to provide housing is not new in India. The first society formed in Bombay was the Saraswat Co-operative Housing Society Ltd., The movement of co-operative housing did not gather momentum, till 1950.

In the year 1948-49 there were 486 housing societies. The number of housing co-operatives increased up to 984 in the year 1953-54. There were 1060 co-operative societies in 1954-55 raised to 2006 co-operative housing societies in 1957-58. The above development of co-operative housing shows the development of co-operative housing in Bombay state. The co-operative housing movement in Maharashtra has made progress since 1961. There was an overall increase in the number of societies, membership and working capital of the societies. In Maharashtra state there were 1495 housing societies in the year 1960-61. This number increased up to 5031 housing societies in the year 1967-68. The table given on next page shows the overall picture of primary housing co-operatives in Maharashtra State. " This table is taken from the booklet "co-operative movement at a glance in Maharashtra State, 1982."²

2. P.Subrahmanyam, "co-operative movement At a glance in Maharashtra State 1982" Pune, Office of the Commissioner for co-operation and Registrar of Co-operative societies Maharashtra State, 9th Nov, 1982. P...18

T A B L E - 1
PRIMARY HOUSING SOCIETIES

Item	1961	1971	1981	1982 *
Societies	1495	7425	15640	16913
Membership	765	2909	5317	5350
Share capital.	420	1204	2682	2700
Owned funds	538	1527	3206	3250
Borrowings.	1283	7419	21100	24200
Working capital	2504	13143	35081	37500
House and tenements constructed during the year.	32	54	107	110
Societies in profit	696	3138	7242	7300
Amount of profit	6	39	115	160
Societies in loss	442	2693	5291	5280
Amount of loss	4	27	62	60

NOTE:-

- i) Rs. in lakhas,
- ii) Members in hundreds.
- iii) Houses and tenements in hundreds,
- iv) *Figures are provisional.

THE MAHARASHTRA CO-OPERATIVE HOUSING FINANCE SOCIETY LTD.
BOMBAY

(a) The Maharashtra Co-op.housing Finance Society Ltd., Bombay is an apex institution with the entire state of Maharashtra as its area of operation. This institution was registered on 15th August,1960. Its main object is to advance long term loans to its member primary co-operative housing societies. The relevant statistics indicating the position relating to membership financial strength and loaning operations of the institution as on 30-6-1981 is given below. "This table is taken from leaflet published on 6-1-82 by the said institution".³

TABLE-2

TABLE SHOWING THE POSITION AS ON 30-6-81

Items	Position as on 30-6-1981
1. Membership	.. 5144
2. Share capital.	.. Rs. 9.49 crs.
3. Reserve and other funds.	.. Rs. 7.69 crs.
4. Loan from the LIC(outstanding)	.. Rs. 9325 crs.
5. Loans sanctioned to members societies..	Rs. 172.22 crs.
6. Loans disbursed to members societies..	Rs. 130.26 crs.
7. No.of tenements sanctioned.	.. 116551
8. No.of tenements completed.	.. 54308
9. No.of tenements under construction	.. 62243
10. Profits.	.. Rs. 1.26 crs.

3. Leaflet, Published by the Maharashtra Co-operative housing finance society Ltd., Bombay.

(b) Loans are advanced to members co-operative housing societies. The finance corporation takes the security of the mortgage of land and construction. The title to the property to be mortgaged to the society has to be - investigated and certified by the solicitors/Advocates appointed on the panel. Disbursements are made on the basis of valuation reports given by the panel Architects appointed by this society for the purpose, loans are disbursed in four instalments.

(c) The individual limit of loan sanctioned is restricted to 80% of the cost of the tenment/house or 45 times of the beneficiary member or Rs.50,000/- whichever is less. Loans are not sanctioned in respect of individual members of the society whose monthly income exceeds Rs.3000/- or in case of tenements/house costing over Rs. 1,00,000/-. The maximum amount of loan which may be sanctioned to any society shall not exceed Rs.50 lakhs. The present rate of interest charged on loans is 11 $\frac{3}{4}$ % with $\frac{1}{2}$ % rebate on timely repayments. The finance society is working on $\frac{1}{2}$ % ~~in~~ margin which is reduced to $\frac{1}{4}$ % in case of B.C. housing societies. The loans are advanced for a period of 20 years and the repayments are to be made in 80 quarterly equated instalments by the primary societies.

(d) As per decision taken by the state Government loans are being given to the housing co-operatives of backward classes under the PWR-219 scheme. Loans are also granted on concessional terms to societies formed by weaker sections of the community (Whose monthly income is up to Rs.350/-) and persons falling under special categories such as ex-servicemen, freedom fighters and those who are flood affected. The MCHFS is all along maintaining 'A' class in audit. This apex finance society is ideal in India. This society has nine branches. One branch of MCHFS is working at Kolhapur.

3.4 DEVELOPMENT OF HOUSING COOPERATIVES IN KOLHAPUR

The history of growth of Kolhapur is very very old. It can be traced from 6th century. It was capital seat of many dynesties e.g. Bhoj, Adilshah, Rajaram, Shahu. We owe thanks to Shau Raja of Kolhapur for his sincere efforts for the all sided development of Kolhapur. He planned various plans in the fields of irrigation, market places, and new colonies. For example, Laxmipuri Colony, and Rajarampuri Colony were established. As a religious centre, it can be quoted as Kashi of Deccan. In the begining of this century Kolhapur was a congested place. It is

confirmed by the following extract rendered in English.
" Especially the Kotbag is congested. As per 1901 census, the population in this area was more as compared to area. The health condition of these people will not improve if we do not prepare peoples mind to build houses in the area near to the city. For this we should get open land and agricultural land and we should prepare minds of the people to build houses in the area."⁴

The area of Kolhapur corporation is 66.82 sq.K.M. The population is rapidly growing. In 1951, the population was 1.37 lakh. In the year 1971 it was 2.59 lakhs. Within the period of two decades the population has doubled. The population of Kolhapur is 3.40 lakhs according to 1981 census.

Consequently, the demand for accommodation is rising continuously. To meet the demands construction of new houses had become absolutely necessary. Many people got open land and built their houses there e.g. Khasbag, Sakoli, Varuntirth, Belbag, Udyamnagar etc.

The spirit of co-operation in various field is seen. Co-operative Banks were opened in Kolhapur nearly fifty years ago. There were many credit societies in Kolhapur formed by low paid clerk, servants, petty businessmen, and other menials.

4. Kolhapur Nagarpalika; Kolhapur Nagarpalika Shat Sanvantsasika Mahotsva Granth. 1854-1954, P..75

The Chhatrapati of Kolhapur gave impetus to the co-operative movement in the field of credit and banking sector, One leading urban co-operative Bank conducted a seminar of the problems of Urban Co-operative Banks in the year 1971. Interests of consumers were not neglected. There were as many as 61 consumers stores in the Kolhapur district by the end 1981. The following societies can be cited to illustrate this point e.g. Janata Consumer Stores, Varana Bazar in Varnagar. In short we can say that consumer societies are gradually gathering momentum.

The wellknown Shetkari Sahakari Sangh Ltd., occupies the foremost place not only in Kolhapur, but also in India. Its activities are manyfold. Some of them are sale and purchase of agricultural products, Gur, tobacco, oils, cement, steel, medicines, cotton goods, utensils, spare parts of machines etc. It is noteworthy point that servants of the said sangh have formed a housing society of their own.

There are other types of co-operatives working in Kolhapur e.g. labour co-operatives, industrial co-operative, processing co-operatives, dairy co-operatives, irrigation co-operatives, transport co-operatives and co-operative farming societies.

We must give a prominent place to the housing societies which are trying to their best to solve the acute problem of housing. Prior to attaining independence, a housing society was formed in the year 1946. That society is known as Shivaji Housing Society, By the end of July, 82, there were 186 co-operative housing societies.

The various factors that contributed to the growth and formation of housing societies. The various factors can be summed as below, decay of joint family system, growing population, keen desire to have one's own house, rising rents and demand of deposits, lack of repairs to old houses, selfishness of the landlords and friction between the tenants and the owners, and above all inspiring examples of suggestions from Shri. J.P. Naik, and Shri. Shripatrao Bondare. People used to gather together and usual topics for discussion were social, economical and political problems alongwith problem of house side by side domestic problems. All these factors created the inspiration among the people to form the housing society. Persons having fertile brain and boldness came forward and formed housing society.

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