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Chapter II

HISTORY AND DEVELOPMENT OF CO-OPERATIVE HOUSING

2.1 INTRODUCTION

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, these 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." 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 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 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." In the year 1901 total supply of house 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 time population growth took place from 238 millions to 548 millions and in the year 1981, 683.8 millions. There is a 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 accelerating 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 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 shortages".

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

2.2 HOUSING CO-OPERATIVES IN THE WORLD

Housing problem is a universal problem and almost all the countries of the world are suffering from an acute housing shortage. Even such highly prosperous countries like the U.S.A. Sweden and Switzarland can not claim to have solved this problem completely. In 1964 it was estimated that about 20 to 25 percent of the people in the U.S.A. still lived in sub-standard houses. But in the developing countries of Asia, Africa and Latin America the housing problem has been considerably aggravated by what has come to be known as "the population explosion". The phenomenal spurt in coupled with growing industrialisation has worsened the housing situation. The urban population of the developing countries is growing at rates that are almost twice as high as the over all population growth rates. In Asia and Latin America the rate of

growth in urban areas has been estimated to be between 4 to 4.2 percent per year, while the same is only 1.6 percent in Europe.

Because of the unprecedented increase in population the number of person without housing is increasing . A recent United Nations Report on the housing estimated that over 900 millions in Africa, Asia and Latin America are without proper housing. More than 700 millions of these people live in Asia. Besides these there are millions of families who are living in sub-standard houses. The problem of housing is more acute in big cities like Bombay, Mexico, Rio-de-Janeiro and Hong kong.

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 with merely advances loans to buy or to build houses. It is a 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.

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 percent of the assessed value of the property. The repayment period covered by such



insurance may be as long as 40 years.

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 Riksbyggen 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.

The initiative in forming Co-operatives as one way of solving the housing shortage came from the working class in Denmark. The workers housing Co-operative Society which know 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.

2.3 HOUSING CO-OPERATIVES IN INDIA

2.3:1 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 91,500 to 3,80,000 with the help of figures published by National Co-operative Housing Federation, indicates that there are 16,308 housing co-operative in the year 1969-70. That number has gone up to 34,000 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 has been an overall increase in the number of societies, membership, working capital and the number of houses constructed by the societies.

2.3:2 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.
- 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 matter.
- 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 on expertise for rendering services to the institutions dealing with housing co-operatives" ¹

1. D.D.Naik, "You and your Housing Co-operative", Bombay; The National Co-operative Housing Federation Ltd., August, 1976, Cover Page.

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 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.

2.4 DEVELOPMENT OF HOUSING CO-OPERATIVE IN MAHARASHTRA.

The chief objective of co-operative housing societies is to provide residential accommodation for 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 housing 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 this 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, 1992".²

Table - 1
PRIMARY HOUSING SOCIETIES

Item	1961	1971	1981	1991
Societies	1495	7425	15640	33913
Membership.	765	2909	5317	11315
Share capital.	420	1204	2682	5295
Owned funds.	538	1527	3206	7153
Borrowings.	1283	7419	21100	49161
Working capital	2504	13143	35081	97923
House and tenements constructed during the year.	32	54	107	317
Societies in profit.	696	3138	7242	16900
Amount of profit.	6	39	115	688
Societies in loss	442	2693	5291	9245
Amount of loss	4	27	62	702

NOTE : i) Rs. in lakhs,
ii) Members in hundreds.
iii) Houses and tenements in hundreds.

2. P.Subrahmanyam, "Co-operative movement at a glance in Maharashtra State 1992" Pune, Office of the Commissioner for Co-operation and Registrar of Co-operative Societies Maharashtra State, 9th Nov. 1992. P.18.



2.5 CO-OPERATIVE HOUSING IN OSMANABAD CITY

2.5:1 Profiles of Osmanabad City.

1. INTRODUCTION

The objectives for the establishment of the co-operative housing societies are to provide an agency for housing finance and other facilities, a review of housing finance situations and other factors relating to Osmanabad city viz. location, population, climate, cropping pattern and productivity, water resources and irrigation, industrial growth, banking pattern etc. is essential to understand and appraise the working of these co-operative housing societies.

2. LOCATION

Osmanabad is an old town. It is the district head quarter. It is also known as Dharashiv. The town Osmanabad is situated in various valleys of Balaghat. 'Budh caves' and Dharashiv caves are also found in this town.

Osmanabad district lies between 17°35 and 18°40 north latitude and 75°16 and 76°40 east longitude. The Osmanabad district is bounded on the south by part of Solapur district and part of Gulbarga district of Karnataka state. The area of Osmanabad district is 7,48,500 hectares which is 2.30 percent of the area of Maharashtra state and 10.76 percent of Marathwada region. The district consists of 6 blocks viz. Osmanabad, Omerga, Tuljapur, Bhoom, Kallam and Paranda. The major portion of this district is laterite plateau with

average hight of about 600 feet about the sea level.

3. POPULATION

The population of Osmanabad district is 10,29,702. In it there are 5,25,851 males and 5,03,851 females. The rural and urban population is 8,99,514 and 1,30,188 respectively. The population of Scheduled caste and Scheduled tribes is about 1.41 lacks. The growth rate of population in 1981 comparing to the census of 1971 is 10.93 percent. The density of population per Sq.Km. is 137.

4. CLIMATE

Osmanabad district comes under the dry tropical climate subject to extreme. The mean daily maximum temperature in Osmanabad city is 40.7°C and minimum is 13.8°C.

The change from warm season to cold season is important feature of the climate. There are three seasons in the district

- 1) Hot Season - from February to May
- 2) Rainy Season - from June to October
- 3) Winter Season - from November to January.

The district gets rain from south-east manson. The normal rainfall of the district in 1990 is 1020.06 mm.

5. SOIL AND LAND UTILISATION PATTERN

Generally the soils of the Osmanabad district can be devided into three classes viz.

- i) Light Soil (Malran land)
- ii) Madium Black Soil

iii) Black cotten Soil.

The total geographical area of the district is 7,48,500 hectares out of which 2,600 hectares are under forest, 22,300 hectares are under grazing land and pastures, 62,800 hectares under uncultivable land. In the year 1986-87 the net cultivated area in the district worked out to be 6,85,700 hectares.

6. CROPPING PATTERN AND PRODUCTIVITY

Agricultural is the most important sector in this district. The major crops grown in the district are Jawar, Bajra, Paddy, Tur, Sun-flower, Gram, Sugar Cane, Ground-nut, Wheat etc. Jawar is the main crop of this district. There was 30 percent field under Jawar crop in 1986-87. Fruits and vegetables are cultivated in 1926 hectares in 1986-87.

When we compare the production of 1990-91 to the production of 1986-87, it is found that the productivity of food grain is decreased near about an average of 10 percent. The production of Sugercane is also decreased.

7. WATER RESOURCES AND IRRIGATION

In the year 1986-87 there was 1,00,776 hectares field under irrigated area. That is 16.45 percent of the net cropped field. Out of the total irrigated area 33,504 hectares are used for Jawar, 13,315 hectares for Wheat, 8,184 hectares for Sugarcane and 6,897 hectares for Groundnut.

Upto March 91, one big project and 20 medium projects were

completed.

8. INDUSTRIAL GROWTH

The district is industrially backward. There are no large scale industries except two Sugar factories, one at Dhoki in Osmanabad and other at Naldurga in Tuljapur block and one Cotten industry at Tamalwadi in Tuljapur block.

There is only one industrial area at M.I.D.C. Osmanabad. Total area covered by the same comes to 153 hectares, about 44 plots have been covered and 31 plots have been allotted. Some area is in balance for further plotting. As on 30th October 1987 there are 728 provisional and 177 permanant Small Scale Industrial Units have been registered with the district industries centre. In the absence of minerals and infrastructural resources there is very limited scope for industrial development.

9. CREDIT AND BANKING FACILITIES

Adequate credit and banking facilities are necessary for accelerating the pace development. There are 133 branches of the different Banks as on 30th September 1987, out of which 64 branches are of Commercial Banks and Regional Rural Banks. There are 69 branches of Co-operative Banks. The average population served per bank office is 15,793.

10. EDUCATIONAL FACILITIES

Education plays primary role in Socio-economic development. It generates knowledge to product better methods and techniques of

production, distribution and management. At the time of the formation of Osmanabad district, these were extremely poor. However there is remarkable increase in educational institutions during the various plan periods and the situation has changed. The percentage of literate persons to total population has increased upto 36.03 percent.

11. POWER

Osmanabad district has been selected for implementation of intensive electrification scheme under rural electrification programme. According to this scheme the electrification for the entire villages (i.e. 712) in the district have been covered. There are in all nine sub-stations (33 K.V.I.). During the 7th five year plan, additional energy of 45,780 K.W. would be made available for various purpose. Now, the per capita consumption of power was increased.

2.5:2 Situation of Co-operative Housing in Osmanabad City

Osmanabad is remotely southern district place in Maharashtra. Most of the portion of the district falls in the Balaghat ranges. It is about 600 meters above the sea level. Osmanabad, Kallam, Bhoom, Paranda, Omerga and Tuljapur are the 6 talukas in the district. The famous Tulja Bhavani Temple is at Tuljapur. The temple is famous all over Maharashtra as well as in neighbouring states. There are old historical forts at Naldurga and Paranda. Bhairavnaths temple at Sonari in Paranda taluka is very famous. The

Jain temple is at Kuthalgiri.

Ter known as Tagar in the olden days is ancient and historical place nere Osmanabad. Ther are caves to the west of Osmanabad. Osmanabad is district place. It's old name is Dharashiv. There are many educational institutions in an around Osmanabad.

The area of Osmanabad Municipality is 11.20 Sq.Km. The population is rapidly growing. In 1971 the population was 19,000. In the year 1981 it was 39,000. Within the period of two decades the population has doubled. The population of Osmanabad is about 70,000 according to 1991 census.

Since the bifurcation / division of the district into Osmanabad and Latur district, many new offices have been opened in the city. Increase in new office, growth of population and increase in the number of employees, heavy need of accommodation and housing was felt which resulted in the opeining many co-operative Grih-Nirman and Grih-Taran housing societies and in the construction of many houses.

There are other types of co-operatives working in Osmanabad e.g. Labour co-operatives, Industrial co-operatives, Processing co-operatives, Dairy Co-operatives, Irrigation Co-operatives and Transport co-operatives.

We must give a prominent place to the housing societies which are trying to their best to solve the acute problem of housing. The first co-operative housing society was formed in the year 1960. The

society is known as Osmanabad Sahakari Grih-Nirman Sanstha Ltd., Osmanabad. By the end of March, 1992, There were 82 co-operative housing societies in Osmanabad city.

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 landlord's and friction between the tenants and the owners, and above all inspiring examples of suggestions. 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.