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# Co-op Housing: An Effective Approach to Meeting Global Housing Needs

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## Co-op Housing - An Effective Approach to Meeting Global Housing Needs

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As resources for housing services become more scarce, new approaches to co-operative housing are emerging to maximize capital and human investments. In developing economies and emerging democracies in particular, co-operative housing provides a rational and dynamic framework within which public and private resources are brought to bear in a cost effective manner.

For the past 44 years, the Cooperative Housing Foundation (CHF) of the United States has worked at the grassroots, municipal, and national levels and with key elements of civil society to promote co-operative and community development in more than 90 countries worldwide. CHF has built on this experience and on time-tested co-operative principles to develop pragmatic, innovative, private-sector assistance directed at co-operative and economic development, human settlements and planning. CHF's promotion of market-based co-operative development, credit and finance, jobs creation, institution building and policy formulation enables families to live in better, healthier and cleaner environments.

While national policies and systems do provide the necessary framework to improve the delivery of affordable housing, CHF has found that large-scale policy reforms are most effective when accompanied and reinforced by a tangible demonstration of their potential benefits. Co-operatives provide a way to bring about positive and visible change at the grassroots, "consumer" level. Demonstration projects organized around co-operative principles can increase the magnitude of those changes and positively impact the society at large. This philosophy, rooted in the basic tenets of the co-operative movement, has enabled CHF to successfully implement a wide range of activities throughout the world. CHF is currently active in more than 30 countries in Africa, Asia, the Middle East, Central/Eastern Europe and the NIS region, Latin America and the Caribbean. CHF's projects have varied in scope from creating small home-improvement co-operatives in Ecuador and Paraguay, to assisting in such watershed events as helping South African authorities incorporate co-operative housing into the country's new social housing strategy and establishing the first housing co-operatives in Poland to successfully secure commercial US-style mortgages.

In Ecuador and Paraguay, CHF is working to strengthen the role of co-operatives in meeting the shelter needs of low-income families. CHF is providing technical assistance to credit unions and co-operative members in implementing lending programmes.

With this assistance, low-income families are able to build a new house or make significant home improvements.

In South Africa, CHF is helping to introduce co-operative housing to assist the large numbers of South Africans previously disenfranchised and excluded from the formal housing delivery system. The programme is based on community involvement and incorporates co-operative mechanisms which have not been widely used in South Africa. CHF is mobilizing local resources to implement a co-operative housing project in the city of Port Elizabeth which will provide a model for replication throughout the country.

CHF's co-operative development project in Poland provides another kind of model which "activates" policy reform to produce real and replicable results at the local level. Since 1990, CHF has assisted in developing market-oriented, private capacity for housing delivery. All houses are built from the private funds of local co-operative members, supplemented by mortgage credit obtained through the newly implemented housing finance system in Poland. With this activity, CHF is helping to pioneer ways to develop affordable housing and institutional structures that can be adapted to a new economic order in Poland. Since 1994, production of co-operative housing has been replicated at eleven additional sites. The project demonstrates how co-operative housing operates as a viable, housing delivery system.

Due to their universal nature, co-operative values can be readily applied to many types of organizations including condominium associations, non-governmental and community-based organizations. While CHF assists many different groups with diverse needs, all programmes incorporate the co-operative values of self-help, democracy, equality, equity and solidarity. CHF works with women's groups on social and economic empowerment issues; with informal settlements to improve the urban environment through appropriate technology; with low-income families to marshal their resources effectively through incremental building and affordable credit; and with non-governmental organizations to address local needs for shelter and infrastructure.

CHF promotes the development of co-operatives around the world to serve the needs of communities which do not have access to adequate shelter, encouraging self-reliance, democratic principles and private sector involvement. CHF's work is illustrative of how co-operative values and principles can be incorporated into national policies to satisfy the very basic need of adequate shelter for All.

The Cooperative Housing Foundation (CHF) was established in 1952 as a private, nonprofit organization to help low-income families build better housing and communities.

# Co-operatives and Habitat II

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## Co-operatives and Habitat II \*\*\*\*\*

The co-operative movement contributes to the goals of Habitat II by creating key partnerships with governments and all sectors of the civil society in improving environmental, social, economic and political conditions in human settlements.

The Habitat II Draft Global Plan of Action acknowledges the relevance of co-operatives in supporting the goals of creating employment, providing affordable and quality housing, providing access to credit and financial services, promoting social integration and in contributing to the economic and social development of women through their participation in co-operatives.

Housing co-operatives provide communities with access to affordable housing, security of tenure, and quality housing. They contribute to promoting safe and secure communities, control over urban and rural planning and environmental management. Co-operatives demonstrate, through practical application, the principles of democratic governance and individual responsibility.

Housing co-operatives have been able to achieve these objectives in a variety of ways through partnerships with government and the civil society, as illustrated by the following examples:

- \* In Canada, the Co-operative Housing Foundation tackled the problem of domestic violence within housing co-operatives by sensitizing members and working with local governments and women's associations.
- \* The German Housing Co-operative Ludwig-Frank of Mannheim brought together low income families from 15 countries, to work in partnership with the Municipality of Mannheim to restore their block of 400 apartments. The co-operative was honoured with a World Habitat Award in 1992.
- \* In Turkey, the Batikent Project was launched in 1979 by Kent-Koop (Union of Batikent Housing Construction Co-operatives) under the leadership of the Metropolitan Municipality of Ankara. It was the first mass housing project to demonstrate the success of public and private partnerships in the housing field in Turkey. Batikent was a pioneer in bringing low income people together in co-operatives, through the workers' unions or according to their place of work, to decide for themselves about

the type, size and number of units in their housing projects. Housing "by the people and for the people" has had an impact on the housing shortage in Turkey and has kept down the sale and rental prices in the Ankara housing market. Today, 190,000 persons live in 43,000 housing units at Batikent.

Co-operatives also transfer know-how through technical co-operation especially with regards to housing co-operative activities. For example:

- \* In Zambia, the Norwegian housing co-operative movement (NBBL) in collaboration with Human Settlements of Zambia (HUZA), local authorities and Habitat have supported the Bauleni Urban Self-Help Project whose aim was to improve living conditions in Bauleni through support to self-help activities.

Numerous housing co-operatives are also providing movement-to-movement assistance for the formation of housing co-operatives in Latin America, East and Central Europe and Asia.

- \* DESWOS, the German Assistance Association for Social Housing, is active in promoting self-help housing co-operatives in East and Central Europe, Latin America and Asia.
- \* The Cooperative Housing Foundation (CHF) of the United States is also very active in providing assistance to housing co-operatives in Central and Eastern Europe and the Newly Independent States (NIS), Latin America and Asia. The CHF model has integrated basic co-operative principles into a development model that has been singled out by the United Nations Centre for Human Settlement (HABITAT).

In Latin America for example, CHF is spearheading an innovative, hemisphere-wide effort to create regional associations of new associate members of ICA Housing, a sectoral organization of the ICA. Associate members will be recruited from community-based organizations (CBOs), small non-governmental associations (NGOs) and co-operatives which, by virtue of their size, reach or financial situation, do not fit the profile of traditional ICA members. For a modest fee, associate members will be integrated into a global network of co-operative associations. They will access, disseminate and exchange information, lessons learned and best practices. The ICA network will also serve as means of matching international organizations which provide financing and technical assistance with the grassroots organizations in need of such support. As a first step toward this goal, CHF is currently drawing on its extensive relationship with small and medium-sized organizations working in areas as diverse as credit, housing, urban environment and sanitation to conduct a survey of potential ICA Housing associate members. The survey will be key to defining ways in which the ICA Housing may broaden its base and fulfill its mission. By next year, the decentralized ICA regional offices, through collaboration with the ICA Housing, will be able to function as a clearing-house for small co-operatives and association throughout Latin America. The ICA will also significantly increase its awareness and responsiveness to small communities' issues.

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This publication on housing is being printed especially for distribution at Habitat II.

UN press releases and information concerning the conference in

Istanbul will be available on the WWW url:  
<http://www.undp.org/un/habitat/UNCHS>

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# 74th International Co-operative Day Message

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74th International Co-operative Day  
(Saturday, 6 July 1996)  
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Message from the International Co-operative Alliance  
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Co-operatives for Sustainable Development  
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The potential of co-operative enterprises to contribute to the alleviation of poverty through the creation of employment and to satisfy certain of society's needs more effectively than either public or private profit-making enterprises have been widely recognised by the United Nations.

One of the ways in which the UN demonstrated this recognition was by declaring, in 1995, that the International Day of Co-operatives should be celebrated every year by Governments in collaboration with their national co-operative movements. In 1996, as the International Community celebrates the Year for the Eradication of Poverty, the UN will again draw the attention of Governments to the significant contribution of co-operatives to reducing poverty and to the need to form partnerships with the Movement.

Co-operatives have always had an impact in the communities in which they operate. Working at the grassroots level they help to bring about sustainable development in the community by empowering their members. The member movements of the International Co-operative Alliance also act globally through their apex organisation and have thus won increased recognition at the international level for their valuable contribution to the achievement of the economic, social and environmental goals of the United Nations.

Concern for Community, a new Co-operative Principle reflecting the impact co-operatives have in contributing to sustainable development within communities, was added to the guiding principles of the International Co-operative Movement in the new Statement of the Co-operative Identity adopted at the Centennial Congress and General Assembly of the International Co-operative Alliance in September, 1995.

Some of the Co-operative Principles have changed little since the movement began over 150 years ago. The first three Principles: Voluntary and Open Membership, Democratic Member Control, and Member Economic Participation are the foundations on which the modern movement was built. Principle four, Autonomy and Independence, has been proven as a necessary ingredient in societies where governments have formerly used

co-operatives to enforce their own development programmes and economic plans often to the detriment of the co-operative values of self-help and responsibility. Principle five, Education, Training and Information, has been acknowledged as being of primordial importance, not only for the co-operative members and elected representatives, managers and employees, but also for society at large, especially for those who govern societies, for opinion leaders and for the young people who will become the co-operators of tomorrow.

Co-operative Solidarity, or as stated in the sixth Principle of the Statement of Co-operative Identity, Co-operation between Co-operatives, is the potential strength of the international co-operative movement. It is a principle which is becoming increasingly important in the face of the contemporary global economic, social and political trends which societies everywhere are facing.

The International Co-operative Alliance calls upon its more than 760,000,000 members at grassroots level, and also upon co-operative enterprises and organisations at local, regional and national level, to consider not only how to improve their own situation, but also to devote significant energy to promoting new co-operative enterprises in their own and related fields.

The ICA moreover calls upon its member organisations and specialised organisations in the fields of agriculture, banking, consumer co-operation, energy, fisheries, health, housing, insurance, trade, tourism and industrial and artisanal production, as well as its committees working in the fields of communications, human resource development, co-operative research and the promotion of equal opportunities for women in co-operatives, to work together to build a strong, united movement which can help make tomorrow's world a better place for future generations.



# Uruguay Families find Shelter thanks to the Solidarity of Swedish Co-operators

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## Uruguay Families Find Shelter Thanks to the Solidarity of Swedish Co-operators

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Uruguay was once known as the Switzerland of Latin America. It was a rich country and a great place in which to live. But that was a long time ago. The country suffered economic problems which eventually led to a military dictatorship. Uruguay is once again a democracy but there is still much poverty due to unemployment and the galloping inflation of the 1970s and 80s.

There are two co-operative housing federations in Uruguay: Fucvamand Fecovi. Both function effectively on small resources and are dependent on financial aid from other countries such as Sweden. One project they have been able to implement with such aid is a joint venture with Swedish co-operators. The project rehoused a group of families living in a shanty town on a small plot of land between a river and a highway. The shanty town comprised about 100 sheds made of anything on which the people could get their hands. Every spring, the river flooded forcing the families out of these makeshift homes to sleep under bridges or to take refuge in other shanty towns nearby.

For years the authorities declared the town a health hazard and barred the families from taking up residence there. However, they did nothing to rehouse these poor people who had nowhere else to go. As one father of five put it: "We know this is not a suitable place to raise children but we have neither land nor money and the banks are unwilling to help us".

Then the Swedish co-operative housing organisation (HSB) came to the rescue. HSB had decided to put aside SEK 2 per member annually for international solidarity work. With 600,000 members, this meant 1.2 million SEK (about US\$200,000) per annum. In Sweden, there is a system of 80-20 projects. This means that if organisations collect 20% of project money from their members; the government development aid agency will match it with the remaining 80%. HSB works through the Swedish Co-operative Center (SCC). It is an organisation which channels money from all Sweden's co-operative organisations into work with different types of co-operatives in developing countries. By working with SCC the US\$200,000 collected by HSB became a million dollars which was used to rehouse the shanty-town dwellers. Swedish staff and people from Fucvam as well as representatives from the target group met with local authorities and banks and negotiated with the architects, construction material suppliers and others.

The local people formed a co-operative with help and training in co-operative management from HSB, who also transferred their know-how in maintenance and administration. The Swedish organisation paid for architects and building materials while the local municipality agreed to donate a piece of land. With technical training provided by HSB the local people built their own homes and infrastructure starting with a common building to house meeting rooms, a kindergarten and other facilities for the whole community.

While the construction was under way, this building was used as administrative offices, a temporary kindergarten and a kitchen and dining-room for the member workers and their families. When the work is finished they intend to throw a big party and have a lottery to decide which family gets which apartment.

This is an example of a pilot project which shows both the authorities and the local people how co-operatives can successfully help to solve housing problems. In Istanbul during Habitat II, a representative from Fucvam will share his experience with people attending the ICA Housing Seminar.

Rolf Throdin, Chairman, ICA Housing Organisation

# Co-ops Solve Urban Community Problems in West Germany

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July, 1996

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Co-ops Solve Urban Community Problems in West Germany  
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Urban unrest characterized the cities of West Germany in the 1980s. Urban planners had disregarded an integral approach to cities, separating business areas and economic and social centres. The housing market could no longer offer affordable housing at a time when unemployment was rising. The squatter movement grew as housing units which had remained empty due to speculation were occupied. Suburban areas too were facing increasing problems including the rise of juvenile delinquence.

The 1980s was characterized by increasing awareness of ecological problems, intensive resistance to nuclear power stations, and the struggle for democratization. In fact, basic democracy became the focus of the social movements of that time. Existing housing co-operatives were able to consolidate and continue their operations for existing members. However, faced with financial limitations reflecting the overall difficulties of the country, they found themselves unable to meet the increasing need for housing.

However, new co-operatives began to emerge in response to new challenges. One group looked at 'alternative' housing - common property rights and living space, governance of apartment houses with a communal living perspective, i.e. a community based on a wider interpretation of the traditional 2-adults/2-children family. The members of this group also focused attention on how to overcome the separation of paid work, child-education and leisure time. Environmental concerns were given a high priority in forming their housing organizations.

A second group was made up of low-income individuals who formed co-operatives in response to rent-increases, speculative demolition, and the transformation of living areas. They aimed at providing quality, affordable housing, but also had concern for their community. A major focus was contributing to solving social problems.

An example of this type of new co-operative is 'Drachenbau eG' (in English: dragons' burrow) which was founded in Hamburg in the early 1980s. The aims of its members were to live together as good neighbours, to overcome human isolation and to provide housing for a variety of households - single people as well as families. Members put the needs of children and developing solidarity and environmental awareness high on their priority list.

Thanks to movement-to-movement technical assistance and partnership with local government, the co-operative was able

to transform an old factory into an apartment building.

Members participated in the work and were able to contract services through a grant and non-interest loan from the Hamburg government and the support of 'Stattbau', an agency supported by the local government of Hamburg, which supports self-help organizations. This dramatically reduced the cost of rebuilding. The co-operative now operates 24 flats for 85 members in four different buildings.

Basic democracy is the operating rule. Co-operative members take decisions by consensus and each one takes on the role of administrator in turn rather than hiring an outside manager. Business surpluses are not used for new buildings but rather collected in a solidarity fund to assist similar projects.

Drachenaebau eG members point out that their benefits are not only economic, but also social. Children have the possibility of playing in a safe environment. The feeling of community is strong so, for example, if parents are unable to be home when their children return from school, they know they can count on their neighbours. Similarly, members can count on their neighbours to water plants, care for pets, etc. when they travel. Members have also started a food co-operative. Self-administration is an important learning experience for members of the co-operative, particularly for female members who find this experience empowering. Member participation in reconstruction planning has made it possible to ensure high environmental standards on the micro-level. For example, low levels of toxic construction materials are chosen, rain water basins with water recycling engines have replaced costly municipal water, etc.

This is but one example of how co-operatives in partnership with municipalities have been able to respond to the housing needs of people in urban centres.

Anselm Meyer-Antz  
Department of Co-operative Studies  
University of Cologne, Germany.

# Urban Self-help in Zambia

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## Urban Self-help in Zambia \*\*\*\*\*

Up to 1990, Bauleni in S.E. Zambia was an unregulated area where people with poor means had settled. The authorities have since then accepted the settlement, but they have not had the resources to develop any infrastructure or public services. Bad quality housing, poor health conditions, high unemployment, and low income for those lucky enough to have a job, have plagued the area. The residents of Bauleni contacted HUZA\* (Human Settlements of Zambia) for support and in 1990 the Project Urban Self-Help was launched. The main objective was to improve living conditions in Bauleni through support to self-help activities that enabled the residents to develop the area. The project is based on community participation at decision-making level, and the work is organised and carried out through different committees such as Bauleni Residents' Committee, the Health and Water Committee and income generating clubs. Successful achievements have made the area attractive to an extent that the population has more than doubled since the project started.

### Better Houses and Ventilated Pit Latrines

A problem in Bauleni was that houses made of sun-dried clay broke up during the rainy season. Through the project HUZA has introduced new building methods like adding cement in the local clay to strengthen the bricks, and producing rooftiles from local sisal and cement to replace the corrugated ironsheets previously used.

HUZA provides motivation and training in these new building methods, and also cement which people can buy for building their own houses. As a part of the income generating activities HUZA has also trained a group of young men whom the residents can hire to do the work.

A sanitary improvement in the area is the system of pit latrines. When a new house is built, the clay for the bricks is dug out on the plot, sufficient for a round hole, 4-5 m. deep. Here the latrine is built and can be used for about 10 years.

### Improved Nutrition and Health Conditions

Information and education are given on improving the nutrition and health conditions and courses in family-planning and pre-school activities are also arranged. Together with improved types of latrines and better water drainage systems these activities have increased the awareness of nutrition and health issues. However, these efforts still need to be given

priority.

#### Training for Income Generating Activities

In January 1994 the Bauleni Skills Training Centre was opened to provide training and education in different crafts like carpentry, bricklaying and tailoring. This will be the main factor of economic promotion. A revolving fund has also been established to facilitate investments for working groups.

#### Roads, Water Drainage, and Water Supply

The dirt roads have been improved by gravel and a new profile to facilitate the evacuation of water. In order to avoid collection of water and rapid streams during the rainy season, comprehensive drainage has been done. The current water supply is insufficient and a new borehole has been constructed. However, as more than half the population is still without easy access to water, further supply must be a priority.

#### A Better Environment

Efforts are still necessary to upgrade the area and improve the environment. In addition to the water drainage and the sanitary improvements, the planting of trees and organised garbage collection are important activities which will make the area a nicer place in which to live.

NRD/NORCOOP/HUZA

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\*HUZA is a non-governmental organisation founded in 1982 to promote self-help, self-reliance for social and economic development in the field of human settlements. HUZA is funded by the Federation of Norwegian Co-operative Housing and Building Associations (NBBL), the Royal Norwegian Society for Rural Development (NRD/NORCOOP) and a number of European Church organisations. It also receives contributions from local sources.

# ICA Calendar

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ICA CALENDAR  
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4 June 1996

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ICA Housing Board & Plenary, Istanbul, Turkey

6 June 1996

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Seminar on Housing Co-operative\$Development, ICA and the  
Habitat  
Agenda - HABITAT II - Istanbul, Turkey

9-10 June 1996

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ICA Board - Beijing, China

10-14 June 1996

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Regional Assembly Asia/Pacific - Kuala Lumpur, Malaysia

11 June 1996

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ICA Fisheries Committee Execo - Petaling Jaya, Malaysia

11 June 1996

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ICA Global HRD Executive - Kuala Lumpur, Malaysia

12 June 1996

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Asia/Pacific HRD Committee - Kuala Lumpur, Malaysia

28 June 1996

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European Committee of ICBA - Lisbon, Portugal

6 July 1996

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International Co-operative Day/UN International Day of  
Co-operatives Worldwide

15-17 August 1996

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Regional Assembly Africa - Dakar, Senegal

26-29 September 1996

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Research Committee Conference Co-operative Innovation & Change  
Tartu, Estonia

26-27 October 1996

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ICA Board - Budapest, Hungary

29 October 1996

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ICA European Council - Budapest, Hungary

30 October 1996

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Regional Assembly for Europe - Budapest, Hungary

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