



Distr.
LIMITED
E/CN.14/HUS/20
31 October 1977
Original : ENGLISH

UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

ECONOMIC COMMISSION FOR AFRICA

REPORT OF THE SEMINAR FOR THE SOUTHERN AND EASTERN AFRICAN COUNTRIES
ON CO-OPERATIVE AND SELF-HELP HOUSING FOR THE LOWER-INCOME SECTORS.
MASERU, LESOTHO, 30 MAY TO 4 JUNE 1977

Contents

| | <u>Page</u> |
|--|-------------|
| A. ORGANIZATION OF WORK | 1 - 2 |
| B. ACCOUNT OF PROCEEDINGS | 2 -19 |
| C. CONCLUSIONS AND RECOMMENDATIONS | 19 -25 |

SEMINAR FOR THE SOUTHERN AND EASTERN AFRICAN COUNTRIES ON CO-OPERATIVE AND SELF-HELP HOUSING FOR THE LOWER-INCOME SECTORS

A. ORGANIZATION OF WORK

Introduction

1. A seminar for the southern and eastern African countries on co-operative and self-help housing for the lower-income sectors was held in Maseru, Lesotho, from 30 May to 4 June 1977. The Seminar was sponsored and organized jointly by the Economic Commission for Africa (ECA), the United Nations Habitat and Human Settlements Foundation (UNHHSF), the United Nations Environment Programme (UNEP), and the International Co-operative Housing Development Association (ICHD) and was hosted by the Government of Lesotho in co-operation with the Lesotho Low-Cost Housing Company, Ltd. (LEH-COOP). LEH-COOP and its offshoot, the Mohalalito Co-operative Housing Society of Maseru, served as case study examples.

2. The Seminar related to the work programme of ECA, which had made training courses in the establishment and organization of co-operative housing societies and similar institutions a major part of the activity of its Housing, Construction and Physical Planning Section.

Purpose of the Seminar

3. The objective of the Seminar was to work on the basis of the case study on LEH-COOP and the Mohalalito Co-operative Housing Society's pilot project in exploring practical approaches to the development of pilot and/or national co-operative housing and self-help shelter programmes within the eastern and southern African countries invited and to study means of strengthening the co-operative housing programmes initiated. To this end the following programme of work reflecting the curriculum of the seminar was adopted with special emphasis on the following aspects of co-operative and low-cost housing:

- (i) Appropriate legal and organization structure (different types);
- (ii) The organization of a technical service organization (TSO);
- (iii) Community organization and participation of the people in the process of decision-making;
- (iv) The financial aspects of such programmes;
- (v) Co-operative principles;
- (vi) Co-operative education and training;
- (vii) Organization of co-operative self-help projects, including mutual help, aided self-help, etc.;
- (viii) Management of co-operatives;
- (ix) Financial management of TSO, the co-operative, etc.;
- (x) Market considerations

Attendance

4. The Seminar was attended by 35 participants from the following African countries: Botswana, Kenya, Lesotho, Malawi, Mauritius, Swaziland, The United Republic of Tanzania, and Zambia. Due to passport and visa difficulties, the two representatives of Uganda were turned back at Johannesburg. Representatives from the Foundation for Co-operative Housing (FCH), Washington; International Co-operative Alliance (ICA), London, and its regional office at the Moshi, in the United Republic of

Tanzania; The German Development Assistance Association for Social Housing (DESWOS) in Cologne in the Federal Republic of Germany; The East Midlands Building and Social Housing Foundation in the United Kingdom; United States Agency for International Development (USAID); Bouwcentrum in the Netherlands and the Konrad Adenauer Foundation/Africa Co-operative Savings and Credit Association (KAF/ACOSCA) in Nairobi also attended. All the participants were senior officers of government departments and non-governmental organizations dealing with housing co-operatives and engaged in allied activities.

Documentation

5. Documentation was prepared and presented at the Seminar by the sponsoring bodies and the host Government. Country monographs were tabled by representatives of Botswana, Malawi, Mauritius, Swaziland, Tanzania and Zambia.

Audiovisual presentation

6. Some evenings were devoted to audiovisual presentation of material relating to co-operative and self-help housing in some developing countries and to problems of squatter settlements the world over, with examples of what can be done by the people affected given appropriate assistance and guidance to overcome these problems. Field trips were made to LEH-COOP and the site of the Mohalalito Co-operative Housing Society in Maseru where participants held discussions with officials and tenants alike.

B. ACCOUNT OF PROCEEDINGS

Opening of the Seminar

7. The Seminar was opened by Mr. Joba Rampeta, the Minister of Interior. On behalf of the Government of Lesotho, Mr. Rampeta thanked the ECA Executive Secretary for having selected Maseru as the venue for the Seminar. The Minister also thanked the other sponsoring organizations, and the United Nations Resident Representative and his staff for their different roles in the venture. The Minister concluded by expressing the hope that the Seminar would afford its participants an opportunity to observe at firsthand Lesotho's largest low-cost housing scheme in Maseru and its production systems division, which produced building components.

The Co-operative movement in Africa and its potential to meet housing needs

8. In introducing his paper, the representative of the ECA Lusaka Sub-regional Office cautioned against the temptation to assume that housing problems can only be solved by co-operatives. Other formats for meeting housing needs in developing Africa were equally important, and their potential should be explored just as thoroughly. Furthermore, in any search for ways and means of involving people in the provision of housing the fact should be recognized that group activity can quite effectively take place through well co-ordinated individual effort. Individualism was not a vice nor did it prevent co-operation. Self-help, whether thought of in terms of low-income groups or high-income groups, was not synonymous with co-operation; self-help could take place quite independently of co-operation and very successfully. The important thing was to create economic, political and social conditions that would provide incentives for self-help either through individual or co-operative activity.

9. Against the background of the above observations, a brief historical perspective of the co-operative movement in Africa was given followed by a quick look at some of the efforts undertaken by some of the African Governments in providing housing for various income groups in their societies through various forms of co-operation. The role played by the United Nations Economic Commission for Africa in promoting housing co-operatives in the region was also stated.

10. Cases and projects were cited which made it clear that African Governments were very seriously concerned with the problem of housing, particularly in the urban areas, where the problem was reaching phenomenal proportions. A great deal of faith was being placed in co-operative or group activities as offering promising solutions to the problem; in fact, co-operatives had been accorded high priority in many countries. It was, however, very important to give even more serious thought to housing policies and their implementation if realistic housing projects and training exercises were to be devised.

11. Granted that co-operatives had a serious role to play in solving the housing problems facing the African Governments today, the question of what co-operative models to use should be examined seriously and critically. The experience with existing colonial and post-colonial co-operatives in the field of agriculture showed that those models should not be used to solve housing problems. While there was considerable scope for ingenuity in devising suitable co-operative models in housing and other socio-economic fields, it was possible that solutions other than co-operatives were required.

12. The housing problems facing Governments in urban areas must be viewed in the broader context of rural-urban migration and its impact on the overall development planning requirements of countries. Housing problems in urban areas were not likely to be solved if rural development policies were unrealistic.

13. The swing to self-help housing might be used as an excuse to forget about the housing problem, leaving the poor to help themselves without the necessary economic changes which would give them the means to do so. The efficacy of self-help should not be exaggerated; in the slums and squatter areas of African cities, one was dealing more and more with "no-income" groups, a category into which the traditional "low-income" groups have been pushed by inflation and unemployment. Furthermore, self-help need not be legitimized by participation in a co-operative.

14. The participants discussed at length the amount of government control which would advance rather than retard the co-operative movement. It was agreed that restrictive laws enacted by some governments might be responsible for over-enthusiasm in organizing people on the part of some co-operative registrar generals.

Co-operative housing around the world and basic forms for producing results

15. In introducing his paper, the representative of the Foundation for Co-operative Housing (FCH) and the International Co-operative Housing Development Association (ICHDA) stated that ICHDA had been founded in 1966 as an international organization to provide consulting services and technical assistance to developing countries. The founding members had seen that a multinational body of non-profit and co-operative housing associations would contribute to the development of well designed urban and rural shelter programmes in the developing world. Membership in ICHDA had grown from the original six organizations to 19 national members from 13 different countries. Those organizations were national co-operative housing sponsoring organizations within their own country. Since January 1977, ICHDA had moved its principal place of business from Washington to London. It was now housed within the offices of the International Co-operative Alliance (ICA) in London.

16. ICHDA's association with the United Nations dated back to 1968, when it had entered into a Memorandum of Understanding with the United Nations to establish a basis for a more effective working relationship. A similar accord had been signed with the Economic Commission for Africa in 1970 and that accord had served as the basis for co-operation between the two organizations.

17. Most of the world's housing was produced by the private sector. The organized private sector consisted of profit-motivated developers producing standard housing for middle- and upper-income families and non-profit, charitable, religious, labour and co-operative organizations which produced small projects for low-income families. However, it was the unorganized self-help efforts of private individuals that accounted for most of the production of the world's shelter.

18. The point at issue was how best to take advantage of that invaluable human resource and match it against the limited available resources of Governments.

Ability to pay versus shelter costs

19. The main problem restricting improved shelter in developing countries was that income was low and housing costs were high. The proportion of the population unable to afford the cheapest standard housing currently available in various developing countries ranged from 30 to 70 per cent. Because poor people could not afford a standard house, they continued to expand the uncontrolled squatter settlements and slums. The "minimum shelter" approach^{1/} offered an alternative in that poor families could move to a small "shell" or "core" house, which they were able to pay for and then expand and improve over a period of years, as their income increased.

Shelter policy

20. Housing policy must be based upon what the national economy and what those to be housed could afford. The income of the people was the starting-point for housing policy. Design standards, building codes and zoning regulations must all be tailored to that basic fact. Deviating from the basic tenet of affordability and cost recovery meant large public subsidies and exclusion of the poor from housing. It was increasingly clear that reliance on subsidized conventional low-cost housing schemes, particularly in combination with the demolition of squatter settlements, had not only failed to resolve the problem but in fact, had contributed to it. Financial replicability, affordability and cost recovery were fundamental. It was vital for urban planners, housing authorities and public utility managers to base their decision-making process on the income of people and on the need to service those at all income levels, especially the poor.^{2/}

21. In other words, housing subsidies for the upper- and middle-income groups must be ended, and minimum standards of housing and services must come down so that basic requirements were within reach of the poor. Actual construction by individuals or by community organizations, such as building societies and housing co-operatives, must be increased.

^{1/} FCH first proposed this concept a decade ago, and it is now widely accepted as a sine qua non by most development organizations.

^{2/} See Housing the Poor: The Task Ahead in Developing Countries by E.V.K. Jaycox for the World Bank (21 March 1977).

Role of co-operatives in minimum shelter programmes

22. Most of the housing in the world had been produced through self-help efforts, and there must be ways to capitalize on that initiative. It was felt that the co-operative and non-profit housing movement could effectively be used to capture latent energy and ingenuity.

23. The co-operative movement was most effective in supplying shelter services when individual developments or co-operatives were organized into regional or national associations.

24. Co-operatives and home owners associations allowed organized democratic participation in the decision-making process. Such participation was especially important in self-help minimum-shelter projects, where the major responsibility for shelter construction and community improvements should lie with the residents. Through co-operative type organizations, Governments could help to organize the resources of the people living in slums and squatter areas to help them to help themselves. Co-operatives offered better "linkage" between the government housing agency and the individual family. They also offered a way to pass on much of the responsibility for project success to the participants themselves, avoiding the old "patron" system, where poor people expected the Government to act for them because they lacked the organization and resources to help themselves.

25. Co-operatives could help people to accept economic, social and civic responsibilities on an individual and collective basis.

Technical service organizations (TSOs)

26. The extent of the services provided by and the size and importance of technical service organizations (TSOs) or national associations varied from country to country and from organization to organization. Basically, those services normally would include: site selection, land acquisition, physical planning and design, general contracting and construction, financial planning, construction inspection and control, legal services, promotion of savings programmes among members, education, training and organization. Within project management that included: general management, accounting and book-keeping, maintenance, auditing, social aspects of community development, education, training and organization and resales of memberships.

27. TSOs could take various forms depending on the local situation. Co-operative housing organizations were generally thought of being in the private sector, but often non-profit associations had a government component.

Credit for lower-income groups

28. Many developing countries had failed to mobilize the large source of savings represented by private individuals and households. Latin America was an exception to this rule, and there were many examples of successful savings programmes for housing. The problem had been that while savings had been mobilized from diverse income groups, resources were inevitably channelled to middle- and upper-income groups. Traditional credit institutions had not been able to find a way of providing credit to meet the growing needs of the poor. Any successful housing

programme must incorporate a financial mechanism which could mobilize services from the private sector while at the same time remaining flexible and simple enough to make credit available to low-income families. There was a need to seek new and simpler forms of mobilizing credit for low-income groups and disbursing it to them. Co-operative organizations could provide the collective security financial institutions required and perform many of the functions traditionally carried out by financial institutions, such as rent collection.

29. Some participants asked how subsidies on housing, particularly for the lower-income groups could be abolished, especially when they were an important element in Europe and America. The speaker said he believed that in many African countries subsidies were directed to the middle- and upper-income groups; it was only by a proper national housing policy that subsidies could be redirected, as they had been in, for instance, Botswana, where in urban areas the upper- and middle-income groups had been cross-subsidizing low-income groups.

30. As for housing for civil servants, it was never possible to grant subsidies to cover all of them, and the great burden of civil service housing subsidies threatened to reduce the resources available for the lower-income groups. Subsidies created expectations of higher standards; standards should rather be tailored to incomes, and greater thought should be given to approaches like "core-houses" and sites-and-services, which could result in relatively unsubsidized schemes even for the lower-income groups. The following types of subsidy were outlined:

- (i) Land (a form of patrimony in Lesotho);
- (ii) Capital (e.g. infrastructure);
- (iii) Interest rates (often self-defeating as lower interest rates resulted in reduced funds flowing into housing);
- (iv) Education and training for members and technical assistance (it was rarely possible to avoid some form of subsidy in these areas if a project was to be successful).

The role of the United Nations Habitat and Human Settlements Foundation (UNHHSF) in supporting co-operative housing settlements in Africa

31. The representative of UNHHSF introduced a paper on the role of his organization in supporting co-operative housing settlements in Africa, which may be summarized as follows:

The Foundation commenced operations in August 1975. Its terms of reference emphasized the establishment or strengthening of housing finance institutions which would effectively mobilize resources for human settlements. The Foundation was to do this through the provision of technical assistance and seed capital. Priority was given to the least developed countries, and technical assistance would continue to be provided free of charge, and seed capital in the form of very soft loans. To date, the Foundation had processed 39 projects from Latin America, Africa, Europe, the Middle East and Asia. Two of those projects dealt with housing co-operatives. It has also organized a study tour in Asia and a housing finance workshop. Present plans were for a programme of about \$50 million for the period 1978-81.

32. Answering questions on the results of the recent meeting of the Governing Council of UNEP and the Advisory Board of the Foundation, the UNHHSF representative explained that the Board's recommendations had mainly related to the exchange of information and to the utilization of expertise from non-governmental organizations (NGOs)..

33. An example of co-operation with Governments and NGOs was a feasibility study report concerning a co-operative housing project in the Nyanza Province of Kenya. The report was commissioned by the United Nations Habitat and Human Settlements Foundation at the request of the Ministry of Co-operative Development of the Government of Kenya and prepared by a consultant to the Africa Co-operative Savings and Credit Association (ACOSCA). Among other things, the report recommended the establishment of a Housing Co-operative Department in the Ministry of Co-operative Development and estimated the manpower and administrative requirements for achieving that goal.

The links between co-operative housing and self-help housing in achieving effective human settlements

34. The Minister of Education, Sports, Culture and Youth of Lesotho and Chairman, LEH-COOP introduced a paper entitled "An African government links co-operative housing with self-help housing in achieving effective human settlements". He explained that co-operative efforts were part of the Basotho culture, the idea of co-operatives were well entrenched in Lesotho. In order to cope with rapid migration to the urban area, the Government was developing a comprehensive housing policy, establishing a Department of Housing and reforming land tenure. It had also established a building finance corporation to mobilize savings. To ensure that the lower-income groups were adequately served, LEH-COOP had been established and had rekindled the ideas of co-operation and self-help. By self-help, families with modest means were able to provide themselves with decent homes. However, the building of houses was not the primary objective of LEH-COOP, whose aim was to develop the community and to encourage other co-operative activities (in such areas as production and social welfare). LEH-COOP intended to replicate the project under study elsewhere and in particular to develop similar schemes in the rural areas in order to encourage rural people to remain in rural areas. In addition, the production of building materials was being promoted to generate employment and to reduce the migration of labour. Thus, the programme was comprehensive in its approach to human settlements.

35. In the discussion that followed, the question of the subsidization of housing by the Lesotho Government was raised. The feeling was that subsidies were likely to continue but needed to be directed more to the lower-income groups and in particular to the provision of adequate infrastructure.

The Lesotho programme: The technical service organization; the co-operative society and the production systems

36. The Director, the Counterpart Director and the staff of LEH-COOP described the activities of the organizations in the Lesotho programme, explained some of the problems encountered and answered questions.

(a) Background

37. The Lower Income Housing Company (Pty), Ltd., commonly known as LEH-COOP, is a technical service organization (TSO) responsible for promoting the Mohalalitoe Self-Help Low-Cost Housing Co-operative Society, which should be assessed as a pilot project. The Co-operative Society project was the first of its kind in Lesotho, where the demand for low-cost housing was very high as shown in a 1974 feasibility study by Eduardo Galindo. The United Nations Capital Development Fund (UNCDF) had agreed to finance the project consisting of 270 houses. The International Co-operative Housing Development Association (ICHD) had worked through The United Nations Development Programme (UNDP) in providing a Technician to serve as Project Manager. Both LEH-COOP and the Mohalalitoe Self-Help Low-Cost Housing Co-operative had been founded within three months of his arrival.

(b) The technical service organization (TSO)

38. LEH-COOP was structured to perform various duties that are implied in the term "Technical service organization" and had clearly defined objectives which served to guide it in its work. It has a Board of Directors made up of high-level representatives both from Government and the private sector. Their main purpose was to set up policy; hence they met only when policy issues were involved. LEH-COOP was a parastatal organization, and all the projects it promoted were Government projects and therefore the cost of staff salaries, office buildings, vehicles and other running expenses were met by the Government. It had been given enough autonomy to ensure flexibility in certain matters, like the hiring of staff and the general execution of the programme. In fact one of the reasons why the Government had established a technical service organization had been to bypass some of the bureaucracy found in Government ministries in satisfying the urgent need for housing by setting up low-cost housing co-operatives in the country.

(c) The Co-operative Society and its relationship with LEH-COOP

39. The Mohalalitoe Co-operative Housing Society, a self-help State-registered co-operative, was administered by a committee in accordance with the co-operative laws of Lesotho. As a single-mortgage co-operative under the guidance and supervision of LEH-COOP, its members were recruited and trained by the Community and Social Operations Department of LEH-COOP according to certain specific criteria stipulated in the project document.

40. LEH-COOP's role was to develop the co-operative, not only through education but also by supplying all technical inputs in it including a loan in the form of materials. The administrative committee of the Co-operative provided the link between it and LEH-COOP, therefore all binding decisions were discussed with the committee first.

41. The selection criteria developed by LEH-COOP were later refined by the committee; the selection panel comprised three committee members and one community organizer. The co-operative currently housed 63 families, while 94 houses were in different stages of construction. Thirty-eight families had just completed their pre-occupancy training and were ready to start construction. The project was nearing the end of its first phase.

(d) Production systems

42. Production Systems is a self-supporting building components production unit set up to produce blocks, lintels and door- and window-frames at prices competitive with those for goods purchased in South Africa. Production Systems had a surplus capacity which was used to supply products to the open market.

(e) Problems encountered

43. A number of problems had, however, been encountered. Since both organizations had been formed in a relatively short period, the co-operative had been registered before its members were properly trained and ready to face their responsibilities. The results were still being felt despite the continuous educational process.

44. Other problems were that selling the project among some Government ministries often resulted in delays; there was a shortage of building materials owing to the unexpected accelerated speed of construction; delays in securing building materials, most of which came from the Republic of South Africa, brought about conflicts with families who were very impatient; some members refused to use recommended and tested materials. Some of those problems had been solved by the production unit and others by calling on outside assistance when need arose. There was no hesitation about hiring consultants when specialized advice was needed.

(f) Future projects

45. LEH-COOP intended to move to other parts of the country where there was an urgent need for housing. Work had already begun on the second project in Maseru whose 70 houses were to be constructed on a site adjacent to the first project. LEH-COOP would also carry out projects aimed at upgrading existing housing in rural areas and developing industrial service housing in Maputsoe.

Problems of co-operative housing and their solution: A review of experience by LEH-COOP staff

46. In the discussions that followed the visit to the LEH-COOP site, a number of issues were raised:

(a) Size of plots and houses

47. Some participants felt that the houses and the plots might be too small, especially in view of the Basotho tradition of large plots, which could be cultivated. A staff member of LEH-COOP replied that there had to be an adaption to more modest plots in urban areas if infrastructure costs were not to be too high. The size of the plots was about 300 square metres, which was considered large enough to provide a household with a reasonable supply of vegetables (although obviously not cash crops). Question arose as to whether LEH-COOP was right to insist that extensions could be made only when the (modest) core-house had been completed when they would cost more, and it was explained that members with surplus money were encouraged to open bank accounts for future housing needs. Moreover, families were allowed to extend their core-house as soon as they had constructed it. The houses could easily be expanded, at either end, by using an

expansion joint between the two sections (no need to key-in the brick-work) and the blockwork on the original end wall could easily be knocked out to provide access. The only additional cost of extending a house after construction rather than initially was that due to inflated building costs, but inflation would also increase incomes. In that connexion it was remarked that in a self-help housing scheme in Zambia, the authorities insisted on the completion of the core-house from the start but families had the right to build a larger house from the outset if they could afford to.

48. It was stressed that in a co-operative effort it was not possible for each individual to do as he liked. Members had been involved in the selection of the basic design (as a result of which, the original rondavel design had been scrapped). In Lesotho the average family had 4.5 members, so that three rooms was a reasonable start, especially since most families had been living in a single room previously. In addition, families generally preferred to improve the interior of their houses before extending them. Moreover, since the project catered exclusively for the lower-income groups, it had to be realistic about what people could afford; a co-operative dealing with mixed-income groups could allow variation in the size of units.

(b) Layout and community facilities

49. In reply to a question about layout and whether any allowance had been made for later provision of shops, a health centre, play areas, a nursery school and other facilities, it was stressed that, as a co-operative, the Society was not concerned only with house construction, but also with building a community.

50. The resident architect explained that the hexagonal site plan had been developed before he arrived and had been retained. Provision had been made in the plan for a community centre and creche, a shop run perhaps as a consumers' co-operative, football field and other facilities.

(c) Financing

51. On the question of how the TSO was financed, how the single-mortgage was organized and what the interest rate was, it was explained that it was the condition of the grant from UNCDF that the Lesotho Government should contribute to the TSO's running costs. That contribution had amounted to R 62,000 for the first two years and had been extended for a third year. But since the TSO could not count on such allocations for ever, the Production Systems have been developed to provide a source of income for it.

52. On the mortgage question, it was emphasized that different co-operatives had different mortgage systems. It was felt that a single mortgage would be most appropriate for Lesotho. Under a single-mortgage system, a co-operative was treated as a single entity, regardless of how many members it had; money was lent to the co-operative, which in turn extended loans to members. In the case in point, the mortgage was R 260,000, which was divided between the 200 members at R 1,300 each. The TSO was thus not involved in individual collections from members, just with the payment from the Co-operative to the revolving fund. The mortgage repayment was scheduled over a period of 10 years at an interest rate of 7 per cent plus a 2-percent administration fee, which covered the book-keeping costs of the TSO. Repayments amounted to R 16.50 per month for each member.

Water supplies were also metered in bulk rather than individually, thus saving the relevant government department a lot of work. It was emphasized that for many households, secondary sources of income from the co-operative could do much to help meet repayments and pay for later extensions to houses. It was thus important to adapt the particular system to the local situation.

(d) Repayment period

53. A participant raised the problem of repayments; there was the risk of over-organization but also a problem of defaulting (for a variety of reasons); if repayments were allowed at a faster rate, that risk could be avoided and members could save on interest payments.

54. It was pointed out that several members wanted to make payment in advance, but others wanted a longer repayment period. In the end the 10 year repayment period had been adopted as that was the wish of the majority, and prepayments were not allowed; but members were encouraged to put excess income into a savings account which could earn interest and protect them against hard times. One participant thought that seemed a good solution and congratulated the project on a job well done. It was stated that LEH-COOP was not over-organizing people. It could not force people to do things. People had expressed their preference as to the length of the repayment period at the application stage; and on that basis, 10 years had been selected as being the choice of the majority (i.e., it was not just an administrative decision). It was also stressed that since there was a single mortgage to the co-operative, all members had to do the same thing in the end.

55. The senior community organizer said that with more than 80 children on the site, the mothers had wanted to develop a play area, and they had worked together and contributed toward the provision of such an area. They had also formed "cluster committees" to provide a system for child-care within each cluster of houses. With the assistance of the Council of Negro Women, it was hoped to develop that facility further.

56. A Lesotho participant commented that it would have been good for the representatives to see the housing conditions in those parts of town from which members of the Co-operative had come. He added that if the Co-operative allowed repayment at once or expansion of houses at the outset, obviously it would not be meeting the needs of the lowest-income groups. There was great pressure from the middle-income groups (approximately R 150/month) in Maseru to get into the Co-operative. Such people could easily push out the lower income groups if the Co-operative was not careful, and the middle-income group might not be so keen on self-help but prefer to use contractors. If people were allowed a free choice, the range of opinion could be so wide as to make it administratively impossible for the Co-operative to operate.

(e) Subletting

57. A participant raised the problem of subletting. If subletting was not allowed, there could be a problem if a member lost his job or had to go abroad. He also raised the questions of supervision of standards, of how members would be compensated for their labour on transfers and how social services and related facilities were to be financed.

58. In reply it was stated that the by-laws allowed members to sublet for periods of up to three years if they had to be away provided that the tenant was acceptable to the Committee.

59. As far as standards were concerned, it was said that with self-help standards were inevitably lower, but each family could count on up to R 250 worth of skilled labour to do the difficult jobs. The self-help labour input would be quantified as the difference between the cost of building the house using 100 per cent skilled labour (R 800 for labour) and the amount of skilled labour actually used; if all R 250 worth was used, a family's labour input ("sweat equity") was R 550. The "sweat equity" would be repaid to the member on sale (transfer) of the house; i.e., it would be included in the transfer value.

60. The Director of LEH-COOP explained that there were three types of agreement:

- (i) The Agency Agreement which tied the co-operative with the TSO and spelt out the arrangements between them;
- (ii) The Subscription Agreement giving a member the right to belong to the Co-operative;
- (iii) The Occupancy Agreement, giving a member the right to occupy his house.

61. The "transfer value" of a house was set out in these agreements as well as in the by-laws. A member who wanted to withdraw must offer his house first to the Co-operative, which would select someone from its waiting list. If the Co-operative did not find someone within 30 days, the member was allowed to choose an individual who could apply to become a member and take possession of the house if he fulfilled the membership criteria.

62. Where community facilities were concerned, the Co-operative had wanted to build a community centre at the outset; but construction of the houses had fully occupied the labour force. The resources on hand could not be stretched to build a community centre, but it was hoped to raise funds from the local community (e.g. by renting out the football field) to build a centre in the next 3 - 5 years.

(f) The Production Systems

63. More information was requested on the Production Systems, including data on the generation of employment and income and whether the project had been recognized in national policy.

64. It was explained that 55 people were employed by Production Systems, which in Maseru, was making a significant contribution toward relieving the unemployment situation in Maseru (around 30 per cent unemployed), by providing training, apprenticeships and career prospects. Under its Second Five-Year Development Plan, the Government was committed to developing building materials production, and Production Systems was working with the Basuto Economic Development Corporation (BEDCO), which was also concerned with developing the production of building materials.

65. The Chairman told the participants that, as a member of the Tender Board, he was aware that there was a deliberate policy to favour Production Systems to encourage such local enterprises.

(g) Maintenance and life-span of houses

66. On the question of maintenance, it was explained that under the maintenance agreement, LEH-COOP undertook estate management and maintenance. That commitment included such responsibilities as assisting the treasurer of the Co-operative with his bookkeeping, subdividing the water rates bill and maintaining the communal garden areas.

67. In reply to a question about the expected life-span of the houses, it was said that there was no reason why they should not last 50 years especially since weather conditions were not unfavourable in Lesotho, and there was no problem with termites.

(h) Relationship of the project to the Government

68. A participant wanted to know how the project related to the local and central Government, whether there were similar schemes elsewhere in the country and whether members were given a document guaranteeing their rights.

69. The answer was that there was no local government in Lesotho; the project was a Central Government project. Its relationship with the Government was through the Lesotho National Development Corporation (LNDC) and the Ministry of Commerce and Industry and, indirectly, through the Ministry of Interior. The project had a mandate to promote low-cost co-operative housing throughout the country, and proposals concerning Maputsoe in the north and Roma were already under consideration. It was hoped to extend the project to other Districts as well. The members' rights and duties as well as those of the Co-operative were clearly spelled out in the by-laws and the various agreements.

(i) Affiliation

70. An observer from Lesotho asked how an organization he was involved in could become affiliated to LEH-COOP and was informed that, in conjunction with the Housing Corporation, LEH-COOP wanted to develop schemes in all districts, for middle- as well as lower-income groups. There would therefore be some prospects for co-operation in the future.

(j) Insurance

71. In reply to a question about insurance, it was explained that while LEH-COOP was insured against weather damage and similar contingencies, there was as yet no system in Lesotho for providing insurance against mortgage defaults. LEH-COOP hoped to work with the new Building Finance Corporation on that matter.

Financial sources for co-operative and self-help programmes

72. The Regional Housing Adviser in the Office of Housing and Urban Development of the United States Agency for International Development in Nairobi, Kenya described some of the sources of funds which co-operative/self-help programmes might look toward to enable them to carry out their building efforts, stressing the importance which should be attached to this subject.

73. He referred to the staggering statistics of urban growth and the number of housing units needed over the next ten years. Without the necessary funds, those

problems were not going to be solved. A certain amount of funds might be raised from foreign sources, but only a small percentage of what was needed. Therefore, national policies for mobilizing internal funds must assume a central position. It should be clear that the interests of the individual and the interests of the society as a whole might conflict. The individual would prefer easy terms of lending and as much State subsidy as possible. The society, on the other hand, must think not only about the relatively lucky few who are able to take advantage of the subsidies but also about the many others waiting in line who were bound to receive less or nothing at all, depending on the amount of subsidies provided for the initial beneficiaries of programmes.

74. The very first source was, of course, those individuals who wished to embark on a programme. Contributions need not be in money alone; they could equally well be in labour according to some agreed system.

75. There were a number of organizations which were large enough to mobilize considerable resources, although their primary function was not to make loans. That group included pension and provident funds, life insurance companies and labour unions and business firms although the latter two loaned only to their members or employees. In the case of funds and insurance companies, there might be legal restrictions which precluded investment in housing. There might also be reluctance on the part of trustees of funds to invest in low-cost housing, and means would have to be found to provide some kind of security to the lenders, such as a government guaranty. That device had proved effective in making resources available to the housing sector. Of course, a Government might wish to see the funds channelled through a government housing bank. At present labour unions probably did not mobilize enough money to make any of it available to outsiders, but they might be able to assist a group of members in some way. Finally, business companies might well be a source of funds for their own employees and might see it to be in their own interest to assist a group in putting up houses.

76. A second set of sources of funds might be described as the broad banking community, including both private and government institutions. Private commercial banks might not be a viable source. In general, they preferred to lend on a short-term basis and they had little experience in dealing with low-cost housing or co-operatives. Finally, the Government might be encouraging their involvement in other sectors such as agriculture. While they might be a source of short-term construction finance, the problem of long-term financing remained.

77. A third source was the building society. It was true that in many countries building societies had concentrated on middle- and high-income groups rather than on people with lower incomes. Minimum loan amounts and down-payments requirements had effectively limited participation to a minor percentage of the population. A fourth type of institution, which might hold yet greater promise, would be an association of co-operatives which might be able to make surplus funds available or might more easily raise money on behalf of its members than any individual co-operative could. Another possible source would be credit unions.

78. It had been found necessary in a number of countries to break away from reliance on the existing institutions because these institutions simply did not reach, for a variety of reasons, the target group of lower income households. Government intervention, through both the encouragement of the flow of private funds and with direct programmes, had resulted in the creation of housing banks

or authorities which could tap both private and government sources of capital - private through the mobilization of savings of all income classes, guaranty programmes and bond issues of their own, and public through the channelling of various kinds of tax monies through the institution to the shelter sector. It was likely that such institutions, if they existed in a country, held the best promise for the financing of a co-operative/self-help programme.

Foreign sources of finance

79. A number of such agencies existed, including the World Bank group and the African Development Bank. They were generally interested in directing their efforts and funds toward the establishment of sound policies and functioning institutions. As such, they entertained requests from Governments rather than individuals and while the projects undertaken might eventually benefit an individual or co-operative society, that was usually not the major objective.

80. The United States Housing Guaranty Programme, which was administered by the Office of Housing in the Agency for International Development (AID), was a possible source of assistance to a co-operative programme, provided that agreement was reached between a Government and AID on the contents of a shelter programme within the country concerned. What the Guaranty programme did was to make available to a Government or housing institution long-term financing for low-income housing programmes from the United States private sector capital market. The United States Government underwrote those transactions through the provision of a full faith and credit guaranty to a private investor in the United States, which was thus enabled to make funds available on roughly the same terms as a private person in the United States could borrow funds to finance his own home. Those were about the same terms as those on loans made by the World Bank.

81. With 120 projects authorized over the past 15 years totalling something like \$900 million, the United States Housing Guaranty Programme (HGP) was the largest single international programme in the world directed solely toward the shelter sector. In attempting to come to mutual agreement on a programme, AID usually did a shelter sector analysis to determine the existing situation. Within the context of that analysis, AID reviewed with the borrower the type of housing programme to be financed, be it with a national housing authority, national co-operative organization, or some other institution. It was AID policy that shelter resources were only invested in projects benefiting low-income groups, both directly and indirectly. Low-income groups were defined as the poorer half of the urban population of a given country or city.

Organizational structure of low-income housing schemes

82. The representative of the German Development Assistance Association for Social Housing (DESWOS) in Cologne summarized his paper by stating that low-income housing schemes would as a rule require an organizational set-up in order to guarantee both efficiency of operations and minimization of costs. The choice of the organizational structure to be adopted would depend on the scale and complexity of the scheme; on private or public venturing; on the time horizon of the scheme; on social, psychological and cultural considerations; on political, administrative and legal factors; on economic and financial aspects and, of course, on technical considerations. However, the overall motivation was always to serve the needs, desires and capacities of the people concerned. That was why there were so many different organizational concepts for low-income housing schemes, all with advan-

tages and disadvantages, which were worth studying in order to arrive at the most suitable approach to a specific housing problem under given local conditions.

Credit unions as a source of capital for financing housing for the low-income population

83. In his presentation the representative of the Africa Co-operative Savings and Credit Association (ACOSCA) in Nairobi, Kenya, remarked that there were two main short-comings in the existing approaches to housing finance.

- (i) Private financial institutions could not reach the lower income groups as they required full security. Furthermore, they channelled their loans (funds) through only commercial banks, which had equally stringent conditions;
- (ii) Conventional finance institutions were not equipped to meet the needs of the lower-income group.

84. Question thus arose as to how such people could be helped and by whom. It would appear unrealistic to think that co-operatives could solve that burning problem. However, a realistic stand had to be taken. Co-operatives by their nature were geared to help the little man and had a world-wide reputation for helping the neglected masses. Savings and credit co-operative societies (credit unions) might be considered as a possible instrument of financial assistance in the housing sector, however limited that assistance might be.

85. Credit unions had two main objectives:

- (i) To mobilize local savings;
- (ii) To channel back those savings to their members in the form of loans.

86. The credit union movement in Africa was still very young but a time could be envisaged when within the credit union movement large sums of money could be accumulated, giving rise to a real need for investment. At that stage the housing co-operatives could work hand in hand with savings and credit co-operative societies. For example, a credit union that had accumulated large sums on member savings could, under controlled circumstances, provide a source of funds for a housing co-operative in the form of a short-term loan for the initial down-payment required for the development of a housing scheme.

87. It was worth noting that in Africa there already existed savings and credit co-operative societies which were making substantial contributions towards housing development.

88. Various participants asked about the prospect of lower interest rates. It was explained that banks and similar institutions would not lend unless they got a competitive rate of interest. Unless aid agencies or governments subsidized interest, lower rates could not be expected. Since Governments could not afford to subsidize interest for all and aid money was limited, it was important to mobilize domestic savings. Longer repayment periods (e.g., with the Housing Guaranty Programme - 25-30 years) could reduce monthly repayment levels, although long repayment periods were not always acceptable to borrowers and members of co-operatives.

89. There was a need to protect against exchange rate movements which could fall hard on members in a foreign loan, but there was no organization yet to provide such protection.

90. There was also a need to explain the system of interest to low-income families at an early stage. Low-income families were often willing and able to save, and it was important to mobilize those savings for housing, e.g., via the new Building Finance Corporation in Lesotho.

91. Participants suggested that commercial money, like that provided by HGP, was often too expensive for lower-income groups, although it was intended that, with longer repayment periods, the poor could be served with such money; it was a matter of adjusting standards and cutting all forms of cost to develop realistic programmes for the lower-income groups which could work with commercial money.

Co-operative education and training

92. The representative of ICA and ICHDA from London made a statement on co-operative education and training and how lack of education was an important cause of failure of co-operatives. The need for understanding the way in which society operated and the distinction between education (basic concept) and training (imparting skills) were stressed. The content of education should depend upon the local situation, and especially upon the existing knowledge of co-operatives. The speaker gave an outline of a typical education and training programme and emphasized its main elements as being pre-member education; member education; the committee(s) and management training. Methods of training (e.g. small groups, seminars, etc.) were enumerated, and the advisability of using attendance record as a qualification of membership was mentioned. Stress was laid on the importance of developing appropriate aids to education and the possible use of the ICA Co-operative Educational Materials Advisory Service (CEMAS) was advocated. They could be made available upon request through the ICA regional office in Moshi, the United Republic of Tanzania.

The practicalities of mutual or self-help co-operative housing

93. Speaking from his experience in self-help construction in the United Kingdom, the representative of the East Midlands Building and Social Housing Foundation stated that the provision of a family home has always been a first source of motivation to the human race. After food, the most important element in human existence was to have a base from which to work, play and carry out family and community responsibilities.

94. Resources which had to be available if a Co-operative was to get off the ground included: people (artisans), financial support, land, planning and architectural services, materials, and plant.

95. People: Ideally a Co-operative should have as members a nucleus of technicians and artisans skilled in construction industry crafts to provide the know-how and to carry out the necessary training programme required for unskilled members found to have an aptitude for the crafts side of house building. The majority of the members, however, would have to provide the muscle power for the digging, concrete-mixing, carrying and all of the other menial tasks which were so necessary in house construction. It was crucial to the success of a co-operative that all its

members had the same motivation - the desire to obtain a house by playing a full part in a team operation, because that was what Mutual-Help Co-operative Housing entailed. They had to appoint and accept leadership and set up and accept organization; and it was essential to success that people of known ability were in positions of authority.

96. Finance: The people with the greatest need for better housing were the poor, and they were the people who would be attracted to co-operative housing. Their main input would be labour, which, measured in financial terms, should amount to a considerable investment, approximately one third of the total cost. However, question arose as to where the balance of the finance was to come from, and how people with little or no income were to find the means to repay loans received. In the United Kingdom, the Government, through the Housing Corporation, which had come into being in 1961, provided the capital on a loan basis. Co-operatives had been encouraged to produce schemes for co-ownership housing, cost-rent housing and mutual self-help housing, together with schemes to bring about the improvement and modernization of existing houses. Co-operatives were playing an everincreasing role in providing a solution to the nation's housing problems. Whether the loan capital would ever be repaid in full was another question.

97. Land was the basic requirement for the co-operative or the private house builder, usually the initial financial outlay and one that had to be resolved before a project even reached the planning stage. In the United Kingdom vast fortunes had been made by speculators in housing land, resulting in unnecessary and exorbitant increases in the cost of housing. In 1975 the Community Land Act was passed by the British Parliament, followed by the introduction in 1976 of a Land Development Tax. Those measures were designed to take into public ownership and control allocations of land for building, and also to ensure that profits out of building land were returned to the community in general, who, after all, made the development of the land possible, by providing all of the necessary public services: main drainage, sewage disposal, water, gas and electricity. It was wrong that vast fortunes should be made out of a nation's housing needs; surely land could be made available for housing at the cost of providing the basic services.

98. Planning and architectural services: Expertise in planning and architecture had to be available to a co-operative at an early stage in its activities. If it became necessary to go outside the co-operative organization to purchase those services, it would prove to be costly, usually amounting to more than 15 per cent of the total project value. Ideally, the co-operative should have members suitably qualified to provide such services as their contribution to the co-operative. Alternatively, a planning and architectural services organization could be set up to cater for the needs of a number of co-operatives on a shared-cost basis. The fullest consultations had to take place between the members of a co-operative and the services organization at the initial planning stage. The question of design should be thoroughly hammered out between the consumer and the architects before plans were drawn; no one knew better what was required in houses than the people who were to live there. Design should be simple so that houses were comparatively easy to build and should allow for extensions to meet changing family circumstances. Co-operatives have of necessity to be cost-conscious, and designers should bear that in mind.

99. Materials: The choice of the materials to be used in the construction of co-operative houses must be decided at the pre-design stage; the deciding factors have to be considered carefully. Would the materials stand up to the prevailing climate conditions? Would the materials be easily available? Could they be produced

locally? Could the co-operative organize the production itself? and - very important - how much would the materials selected cost?

100. The commonsense approach in planning for requirements in building materials was to make use of locally produced materials, or by establishing a manufacturing capacity, to make use of available raw materials.

101. Plant: It must be accepted that the work would be harder and take longer than it should with limited resources in plant available, but basically, given plenty of labour and with good improvisation, plant requirements would be minimal. It was very important that available plant was utilized to the fullest extent by the careful planning of the building programme. If small tools were made available, the work could proceed. The deciding factor in ensuring the success of the organization was the enthusiasm of the members and work force.

C. CONTRIBUTIONS AND RECOMMENDATIONS

102. Making use of the local co-operative/self-help housing project in Maseru as a basic case study, the participants were divided into three working groups to analyse the Lesotho experience, to examine other methods of approaching the problem and to make recommendations to the Seminar as a whole.

103. The long range objective was to bring forth the most rational means for participants to put a co-operative/self-help housing programme into action upon returning to their countries of origin. The combined work of the three teams was expected to result in a product that would be useful to other countries in their housing efforts for the lower-income groups.

104. The attention of the working groups was focused upon the housing needs of the lower-income sectors of the population. Each team's assignment treated the question whether subsidies should be employed and if so, how. Each team was charged with developing solutions which might progressively diminish the need for subsidies, grants, or government support for co-operative programmes.

105. The working groups focused mainly upon the urban sector, and the technical aspects of planning, architectural design and engineering work were treated only in so far as they relate to self-help functioning and pertinent cost factors having a bearing upon the ability to pay of the target population. Furthermore, team studies were based on the assumption that capacity to pay should normally govern physical solutions and other considerations, such as minimum standards, and subsidies in the implementation of co-operative programmes.

106. After considering the topic assigned to it - "Steps, methods and procedures necessary to establish a viable co-operative housing generating entity or institution" - the members of Team "A" drafted the following resolution for submission to the plenary meeting of the Seminar:

The Seminar for the Southern and Eastern African Countries on Co-operative and Self-help Housing for the Lower-Income Sectors,

Desiring to form a national "parent" or co-operative housing sponsoring entity capable of creating, maintaining and extending housing co-operatives in scale sufficient to make substantial inroads against human settlement injustices,

Suggesting the inclusion of self-help efforts in such efforts as much as is practicable,

Recognizing that the marshalling of internal and external resources for implementation is paramount among several critical issues,

Noting that housing co-operatives may be long-range or even perpetual operational entities capable of persistent and constructive influences upon the life styles of members and need not consist solely in short-range shelter construction programmes,

Assuming that co-operative members are home-owners with a mutual interest and that the co-operative provides them with an opportunity to build up a family asset consistently through equity in the family's home and the right of self-determination in the running of their own home and community subject to the full recognition and observance of the rights of the other members,

1. Recognizes the need to set a national co-operative housing sponsoring body within each country to foster co-operative housing and to provide on-going supervision. In view of the institutional and other differences among the countries of the region the exact form such a sponsoring body will take will vary. It could be part of a government department or a semi-private or entirely private organization. It should be one of a variety of institutions concerned with providing houses to the nationals of each country. If necessary more than one sponsoring body could be formed within one nation to cater for different target groups. The scale of operations of the sponsoring body will depend on the size of the project being supervised. It is, however, necessary to ensure maximum co-ordination between the body and the housing co-operatives.

2. Recommends that the objectives of such a sponsoring body should be based on the objectives of LEH-COOP as found in Lesotho. These objectives include:

- (i) To encourage the organization and operation of housing co-operatives;
- (ii) To provide to the persons or groups interested in the formation of a housing co-operative the services necessary for the achievement of their goals;
- (iii) To manage a co-operative housing revolving fund;
- (iv) To assist in or arrange for land acquisition and to design and supervise dwelling construction whether by contract or self-help or both in all urban projects;

- (v) To provide technical advice to and through the Lesotho Credit Union League in support of rural home improvement loans;
- (vi) To conduct all negotiations and required tendering procedures on behalf of co-operatives for the erection of their housing projects;
- (vii) To provide estate management services, including supervision of maintenance and provision of complete accounting services and such other services as would normally be expected of a co-operative business secretary;
- (viii) To develop and conduct housing co-operative education programmes for the instruction of co-operative members and potential members in their rights and obligations; also to encourage members to organize ancillary projects, activities and groups designed to strengthen the co-operative and the surrounding community;
- (ix) To encourage active or prospective members of housing co-operatives to establish and maintain savings programmes in order to raise the amounts necessary for initial deposits and for improving their dwellings;
- (x) To assist the Lesotho Co-operative Housing Federation in its work for the benefit of housing co-operatives in Lesotho.

In formulating objectives for other African countries some variations will be necessary dependent on peculiar factors within the nation concerned. The manner in which objectives will be realized will depend on the set-up adopted in a country without losing sight of the need for efficient co-ordination.

3. Recommends, with regard to the structure of a sponsoring body, that:

- (i) The essential services within a sponsoring body include management services, financial services, technical services, community development services and research services;
- (ii) Since it may not always be feasible or prudent for a sponsoring body to engage permanently the services of all professionals needed, the aim should be to have a minimum executive unit capable of undertaking more than one function and to call upon specialized services as need arises. The scale of operations will however be a major determinant of the size of the staff to engage;
- (iii) There should be maximum co-ordination between the sponsoring body and the housing co-operatives at both the administrative and the technical level with a view to making co-operatives more and more self-reliant;
- (iv) Whenever possible, the sponsoring body could evolve ultimately into an apex housing co-operative organization.

4. Recommends that the following procedure be adopted in setting up a sponsoring body:

- (i) To undertake a detailed feasibility study;
- (ii) To draw up a detailed project showing how the project will be run and financed both in the short and the long term;
- (iii) To make the sponsoring body part and parcel of the formulation of every project;
- (iv) In implementing a co-operative housing project, to form the sponsoring body, if none exists, before creating any other institution;
- (v) In the initial stages, to fund the sponsoring organization by grants and/or loans since the co-operatives will not at this early stage be in a position to support such a body;

- (vi) Whenever possible to make every effort to see that the sponsoring body is self financing.

5. Recommends the following where sources of funds are concerned:

- (i) That feasibility study and project preparation stages might be financed by UNHCR, UNCDF and UNDP, among other institutions;
(ii) That, for project financing, domestic savings as well as international grants and/or loans should be mobilized to provide adequate funds for both the short- and the long-term needs of projects. International bodies which might be called upon include:

Joint Committee for the Promotion of
Aid to Co-operatives (COPAC)

ICEDA
DESWOS
USAID

The Foundation for Co-operative Housing

The World Bank Group
The African Development Bank
U.K. Overseas Development Fund
Swedish International Development
Authority (SIDA)

- (iii) That in every project great care should be exercised to ensure that the desired capital is available at the right time;
(iv) That repayment of loans should be tailored to the ability to pay of the members of the co-operative and that the need to avoid starving the institutions within the project should be borne in mind. Adequate grace periods should therefore be built into the project.

6. Recommends that every effort be made to ensure that the sponsoring body helps the lower-income groups to receive shelter. This should, however, not preclude sponsoring bodies from providing services to other income groups as well. The focus on the lower-income groups should be promoted by a clear national housing policy in their favour. The sponsoring body should also consider providing decent shelter to the rural masses, who form the bulk of the populations within the region.

7. Recognizes the need for detailed prior research to be undertaken within each country to ensure complete relevance of the project policies to adopt regarding the desired institutions, the production systems, and the organization of housing in each co-operative. Research into the size of the housing shortage should also be undertaken to indicate the magnitude of the problem.

8. Recommends that, where subsidies are concerned, the following considerations be borne in mind:

- (i) In the provision of co-operative housing, every effort should be made to match target incomes with the cost of the housing to reduce the need for subsidies;
(ii) Some form of subsidy is likely to be provided to each co-operative housing project. That subsidy could be used to finance the sponsoring body and to provide infrastructure, land and other inputs;
(iii) The whole question of housing subsidy should receive detailed study in each country to provide guidelines as to appropriate policies.

9. Recommends that when co-operatives are being formed, ways of harnessing self-help should be explored and incorporated within the projects.

107. Team 'B's assignment was to study the formation of a housing co-operative, recognizing legal and organizational flexibilities conducive to adaptation within variable, cultural, economic and political situations. It was guided, however, by established co-operative objectives of self-determination, self-reliance and eventual self-government of the co-operative's affairs in a sound operational manner.

108. After studying the Mohalalito Co-operative project in Maseru, Team B agreed that similar or related schemes might be established in other countries to alleviate the serious housing shortage in urban areas. In fact, it went so far as to suggest that appropriate projects might be extended to rural areas in order to upgrade and improve traditional housing among peasant farmers. The housing co-operative approach will satisfy some housing needs as soon as the necessary land, funds and technical expertise have been provided by a technical services organization (TSO), the Department of Co-operatives or some other governmental agency.

109. Housing shortages exist in most urban areas of Africa, but the various existing organizations have been able to meet only part of the requirements for shelter. The establishment of a housing co-operative on a self-help basis gives people who have been living in squatter camps or other unsatisfactory rental housing an opportunity to provide their own homes and thus to enhance the quality of their life.

110. To promote the establishment of such a co-operative, a meeting of interested parties is arranged by a technical services organization (TSO) or by the Department of Co-operatives. Members may decide to form a housing co-operative under supervision. They draft by-laws and submit them for approval and registration to the Commissioner of Co-operatives or other appropriate body. While the process of registration goes on, training continues on co-operative principles, construction techniques and management.

111. Team 'C's assignment was to study practical means by which a housing co-operative might serve its members through income-producing and employment-generating activities to increase earning power. The self-help construction of homes and the production of building materials were important areas of attention of the group. Methods of extending family resources and deriving great benefit from them, such as through the use of a credit union, a consumer co-operative and practical home economics, plus other forms of employment betterment were included as study topics. The conclusions and recommendations of this group are as follows:

- (a) Before any scheme starts, co-operators and technicians shall be trained in the principles and practice of co-operatives and self-help, a programme should be designed for the development of the scheme and it should be decided whom the project is for;
- (b) There is a need to motivate and instill confidence and then to develop programme providing for continuous training and skills upgrading. Participants must have a central role in shaping and developing the scheme;
- (c) An effort should be made to avoid weakening self-help; support should be given to existing processes and people already in productive activity. A co-operative would be useful in furthering this aim, and other co-operatives should be developed to provide a variety of outlets for self-help;

- (d) Local needs, problems, priorities are of central importance since they affect the balance of use of internal and external resources of materials and skills; training should depend on specific local needs and should result in the development of appropriate methods for meeting them;
- (e) The institutions used must operate in the housing sector and promote the involvement of the lower income group;
- (f) There is a central need to concentrate on income-earning opportunities with a view to improving the capacity of the poorest sectors of the population progressively;
- (g) Attention should be paid to the role of the TSO in supporting self-help by providing technical advice, a flow of materials and expensive capital equipment;
- (h) There must be a range of choice of basic designs for dwellings capable of extension and provision should be made for the modification of the local supply of materials so that it can be controlled in relation to demand; profits from outside sales should be used to promote the self-sufficiency of the TSO, to enable more people to benefit from the scheme, to generate employment, to raise the income of the poorest elements of the population, to bring about innovations in housing construction and materials and to further the development of materials needed by the scheme. The role of import substitution and the development of embryo local industry should be taken into account. Production methods must be co-ordinated to meet local needs; an adequate supply of equipment and manpower depends on the ability to make the best use of local resources and to provide opportunities for skill development. Production is often dictated by foreign standards irrelevant to local conditions, and to make a full range of products available, there is a need to develop local standards of low-income housing and to carry out research in materials, methods and regulations. In this effort support should be given directly to the TSO rather than to individual families to spread benefits across the low-income sector. It is also important that sites be selected on the basis of existing services and employment areas. Moreover, sites for ancillary activities must be conceived as an integral part of scheme and allowing for individual initiative. In addition, there is a need for supplementary inputs in small-scale local production. A Co-operative offers opportunities for further use of local materials produced to meet local needs.
- (i) Training and the promotion of skills in co-operatives and self-help, should be aimed at those without jobs or adequate housing;

112. The Seminar also adopted the following recommendations for follow-up action:
- (a) African governments who have gained sufficient experience in tackling the problems of housing the lower income sectors of their population should share their experience with other countries in Africa by housing seminars and workshops based on actual projects;
 - (b) ECA, UNEP, UNHHSF and ICHDA were called upon to sponsor and implement seminars and workshops in the various African subregions along the lines of the Maseru Seminar on Co-operative and Low-Cost Housing.