

## A framework for the promotion of co-operative housing societies in Ghana

STEPHEN E. OWUSU, MSc MPhil

Faculty of Environmental and Development Studies,  
University of Science and Technology,  
Kumasi, Ghana

### ABSTRACT

The concern of most governments and decision makers, especially in the developing countries like Ghana, is about how to provide and manage adequate and decent housing for the middle and low-income households. The co-operative form of organisation is one of the approaches that have been adopted to meet this requirement in a number of countries. Unfortunately, co-operative housing societies have been in Ghana since 1956 but their contribution to the housing stock has been insignificant. This poor performance can be attributed to the method in which the co-operatives have been established and inadequate institutional arrangements for promoting and supporting them. This paper reviews Ghana's experience and discusses issues and a procedure for promotion and establishment of effective and self-supporting co-operative housing societies in the country.

**Keywords:** developing countries, Ghana, housing, co-operative societies, finance and institutional arrangements.

### INTRODUCTION

The provision of houses and related facilities and services is an evolutionary and participatory process involving interaction between people and institutions. The quantity and quality of housing in any given area are determined by the pat-

tern of growth and characteristics of a population, the resources, planning strategies, institutional framework and management practices.

Housing is a fundamental human need. However, virtually every country has been experiencing housing problems. Unfortunately, the housing problems are particularly acute in the developing countries. The problem facing most governments and decision makers particularly in the developing countries like Ghana, is how to provide and manage adequate and decent housing for the middle and low-income households. The most serious problem in providing housing for these groups is that of money for acquisition of land and building materials, site planning and for expertise in house construction and estate management. The availability of long-term investment capital has a fundamental influence on planning the development of houses and their related facilities and services. The financial constraints can form a barrier beyond which very little or nothing can be done.

In Ghana the financial and the construction materials constraints are the basic problems facing the individual household and the government. These are very acute when one looks at the housing situation for the middle and low-income population.

With a very large deficit in the supply of houses (the accumulated deficit is 250,000 units) and unfavourable economic situation coupled with the decline in real incomes and the general living standards during the past two decades, the provision and management of housing for the growing low-income population in a developing country like Ghana require a mobilization and pooling of resources which have hitherto remained untapped. It is in this respect that the co-operative society approach can be an important tool.

Unfortunately the co-operative housing societies in Ghana have not contributed significantly to mitigating the housing problems as expected. It is therefore the objective of this paper to

appraise the past experience and identify essential issues and make proposals for the promotion and establishment of co-operative housing societies in the country.

The focus of this paper is the co-operative housing societies of Ghana. However, before discussing these in detail, a brief explanation of a co-operative housing society and the types that can be promoted will be made.

#### DEFINITION OF THE CONCEPT AND TYPES OF HOUSING CO-OPERATIVES

The basic unit of the co-operative housing sector is the co-operative society. A co-operative society is a legally incorporated group of individuals, generally of limited means, pursuing an economic purpose in which membership is voluntary and control is democratic. A co-operative housing society is therefore an organization in which groups of people undertake to pool resources together in order to obtain housing to be owned by those who occupy them, either on individual basis or collectively. It is a non-profit organisation.

The basic types of co-operative housing societies are the terminal (or temporary) and permanent societies. This classification is based on the life span of society. Terminal co-operatives usually build single family housing units and wind up when the building construction is completed. As the name implies, permanent co-operatives are just the opposite of the terminal ones, and members of such societies buy shares in proportion to the unit they occupy and they pay monthly contributions. In the case of permanent co-operatives, the members are collectively the tenants as well as the landlords of their properties.

On the basis of the types of activity in which a particular group is engaged, co-operative housing societies can also be classified as consumer and producer co-operatives, and as primary and secondary co-operatives. Consumer societies are management co-operatives while producer societies are usually engaged in building new housing units or buying and renovating existing ones for their members. A primary society is one whose members are individuals while a secondary society is one whose members are primary societies.

#### ORIGIN OF CO-OPERATIVE HOUSING SOCIETIES IN GHANA

Co-operative organisation and methods have long been a common feature of the Ghanaian society. There have been traditional savings and loan associations (termed "susu" in some communities) which provide liquidity for the community and co-operatives which provide labour either for house construction and for farm work. However, formal co-operative activities started in the country in 1928/29 and were centred around the cocoa industry. The first co-operative housing societies were founded in this country in about 1956. These co-operative housing societies were the result of the government's scheme for financing rural housing; that is, the Roof Loan Scheme which was started in 1956. These societies were purposely formed to enable the rural dwellers have access to government sources of finance and to make it easier for the government to identify the beneficiaries in order to prevent default in loan repayment. Until recently the housing co-operatives that were established in the rural areas were organised on the same lines as the former Roof Loan Societies.

The urban co-operative housing movement had its beginning in 1969 when a pilot housing co-operative project was initiated in Community 2 at Tema by the Department of Housing and Planning Research. This project successfully developed into a co-operative society (the Tema Housing Co-operative Society Limited) which was registered in January 1972. The initial success of this project encouraged and actually resulted in the formation and registration of other co-operative societies both in and outside Tema.

The concept of co-operative housing society was promoted vigorously during the Second Republic, 1969 to 1972. Dr. Busia's government created the Department of Rural Housing and Cottage Industries (i.e. the former Department of Rural Development) and initiated the Rural Housing Programme. The responsibility of carrying out research and finding out sound and effective means of promoting and establishing co-operative housing societies in the country was entrusted to the Department of Housing and Planning Research of the University of Science and Technology at Kumasi. The

Department of Housing and Planning Research was also responsible for training the personnel - i.e., the organisers, technical staff and directors - for the Department of Rural Housing and Cottage Industries (DRHCI), which would be in charge of establishing and registering the housing co-operatives throughout the country.

#### INSTITUTIONAL FRAMEWORK FOR THE CO-OPERATIVE HOUSING SECTOR

In terms of ministerial responsibilities, the co-operative housing sector is under the Ministry of Works and Housing. Housing co-operatives are established within the framework of Decree 252 of 1968. This decree covers the procedure for registration of co-operative societies, duties and privileges of the registered societies, rights and liabilities of members of registered societies, methods of handling disputes and the procedure for dissolving a registered society. The pre-requisites for the registration of housing co-operatives are that the proposed society must have

- i. at least 10 members;
- ii. a secretary with a knowledge in accounting;
- iii. a management committee of seven and
- iv. a piece of land on which it intends to build.

The Department of Co-operatives, the Department of Rural Housing and Cottage Industries (of the Ministry of Rural Development and Local Government) and the Department of Housing and Planning Research (of the University of Science and Technology, Kumasi) have been responsible for the establishment, registration, development and operation of the co-operative housing societies. The Ministry of Finance and Economic Planning, the Ministry of Works and Housing, the Tema Development Corporation and the Ghana Co-operative and Builders Association Limited have also been involved in providing financial assistance and other technical services to the co-operatives.

During 1979 and the early part of the 1980s, efforts were made by the Ministry of Works and Housing to establish a machinery for organising co-operative housing societies in the country. With the assistance of the United Nations Habitat Foundation emphasis

was placed on the establishment of a technical services organisation (TSO) to facilitate the development and implementation of a national co-operative housing programme. The preparatory work for this was done, but the T.S.O. was not established.

#### CHARACTERISTICS AND PERFORMANCE OF THE HOUSING CO-OPERATIVES

##### ORGANISATIONAL STRUCTURE OF THE CO-OPERATIVE SOCIETIES

The housing co-operatives of Ghana have been organised as producer societies. All of them have been engaged in the building of new houses and developing communities rather than managing already existing stock of housing. These are also predominantly terminal co-operatives in that they would cease to exist as corporate bodies when the housing development is completed and loans granted for the projects have been paid off. A few of the housing co-operatives such as the Tema Co-operative Housing Society Limited have been organised as permanent societies. The co-operatives organised by the Department of Rural Housing and Cottage Industries (DRHCI) are terminal ones.

As a result of funds provided by the central government and mainly through the activities or initiative of the D.R.H.C.I. a large number of housing co-operatives were organised throughout the country in the 1970s. Quite a good number of them have gone through the whole process of founding and are registered. However, as a result of poor record keeping the exact number of the co-operatives (both registered and proposed) is not known. According to information received from the regional co-operative officers, there were 91 registered and 58 proposed housing co-operatives in the country in 1981. According to the Department of Co-operatives (Head Office, Accra) there were 120 registered housing co-operatives in the country by July 1980. The Ghana Co-operative Housing and Builders Association Limited, Accra, reported that 178 housing co-operatives had registered with it in 1981.

The Co-operatives are empowered to perform the following functions:

- i. to acquire land and dwellings;
- ii. to hold savings for members and

- applicants for membership;
- iii. to borrow money; and
- iv. to negotiate with appropriate agencies for the provision of infra-structural facilities to the co-operative housing areas.

The membership of the housing co-operatives ranges between 10 and 250. Membership status in any of the societies is obtained through application and interviews, and in some cases this is subject to the approval of the members of a co-operative. The two main criteria for admission into a housing co-operative are place of residence and place of work. Eligible persons become members only when they have paid admission fee (which was between £1.00 and £50.00 in 1981), buy one share in the society (which was between £100.00 and £300.00 in 1981), and completes and signs membership and occupancy agreement forms. It is required that a member who intends to resign from a co-operative has to apply and give sufficient notice, usually about 30 days. A member, who resigns, is entitled to all monies he might have contributed towards the cost of a house and the sale of his share to an in-coming member or to the co-operative society.

#### METHODS OF FINANCING PROJECTS

The housing co-operatives have four sources of funds;

- i. contribution of the members in the form of fees, dues and savings;
- ii. purchase of share capital;
- iii. central government funds which are in the form of mortgage loans; and
- iv. voluntary contributions which are made during general meetings.

The main source of funds for housing development in the co-operative housing sector has been the central government. Both the D.R.H.C.I. and the Department of Housing and Planning Research (DHPR) pre-financed the housing projects of the co-operatives with a revolving fund. For example, the central government granted the Tema Housing Co-operative Society a loan of £68,000.00 in 1971 and £100,000.00 in 1974 at an interest rate of 3 per cent and a repayment period of 30 years. In the 1980/81 financial year, the government earmarked £1.5 million for the co-operative housing sector and over half of this

was meant for the Tema Housing Co-operative Society to continue its house construction.

However, some of the co-operatives managed to mobilize funds through members' fees, dues, savings and other contributions. But in most cases these were not invested in housing projects. For example, between 1973 and 1979 the Offinso Co-operative Housing Society mobilized a total of ₵43,865.00, the Technology Housing Co-operative Society had £44,191.44, the Tema Housing Co-operative Society had £38,316.64, and the Abotare Ye Housing Co-operative Society had £44,506.74.

The housing co-operatives have not utilized the mortgage loan facilities of the financial institutions for two main reasons:

- i. because of the approach adopted by the promoting institutions, the co-operatives have not been exposed to exploring sources other than the DRHCI and the Ministry of Works and Housing through DHPR (UST); and
- ii. the financial institutions have not advertised themselves in that respect because they do not have adequate long-term funds to meet the demand.

#### HOUSE BUILDING ACTIVITIES OF THE CO-OPERATIVE SOCIETIES

In the absence of funding by the financial institutions and a reduction in funds from the central government, the housing co-operatives have no sizeable funds for housing projects. This became very clear as from 1986 when the country experienced a sharp increase in house costs due to the adjustment in the rate of exchange of the currency (i.e. cedi). Because of low priority attached to the housing sector as from 1982, there has been a drastic reduction in government financial support to the co-operative housing sector. The result is that the housing projects of the co-operatives have come to a standstill. Of the urban co-operatives supported by D.H.P.R., it is only the Tema Housing Co-operative Society and the Offinso Co-operative Housing Society that have built some houses. The housing co-operatives established by the D.R.H.C.I. have not been able to continue what have been provided with the central government funds.

Between 1974 and 1979 the

D.R.H.C.I. completed 740 houses and had 694 units under construction for the co-operatives it assisted to establish. Similarly between 1971 and 1980 the housing co-operatives under the D.H.P.R. completed 23 houses and 31 others were under construction. On the whole only 763 houses were completed for the co-operative housing sector with what was meant to be a revolving fund. If everything has been completed, the co-operative housing sector will control just about 1,488 houses. Judging from the number of houses built within the sector and the total national housing deficit, it can be concluded that the impact of the housing co-operatives has not been impressive.

This unimpressive performance of the housing co-operatives has led to loss of morale among their members. For example, one of the best organised housing co-operatives is the Abotare Ye Housing Co-operative Society Limited at Tema. This co-operative was established in 1974 with 250 members. By December 1980, this co-operative had only a piece of land (3.5 acres) on which it intended to build houses, ₵4,506.74 in its bank account and the membership had reduced to 116.

The few houses built within the co-operative housing sector have been allocated to some of the members on the basis of need and first come first served principle. The co-operatives organised by the D.R.H.C.I. allocated their houses in the order in which the members paid the 10 per cent deposit of the cost of a house, and the beneficiaries are to repay the remaining cost (in the early part of the 1980s the cost of a basic two-bedroom housing unit was about ₵15,000.00) over a period of 20 years. The Tema Housing Co-operative Society allocated its houses on the basis of need and the beneficiaries pay rent.

#### REASONS FOR THE DECLINE IN ACTIVITIES OF THE CO-OPERATIVE SOCIETIES

As stated above, the housing co-operatives have not made a significant contribution to the country's housing stock. This poor performance of the co-operatives can be attributed to the following factors:

- i. inadequate finance and supply of construction materials for the projects;

- ii. poor guidance and technical assistance; and
- iii. poor understanding and weak commitment on the part of the members to the principles of co-operation.

A study of four housing co-operatives reveals that the housing co-operatives were not established on the right principles. For example, the co-operatives were founded as an alternative to government sponsored housing development and as a means of channelling public funds into the housing sector. Because of this there was no deliberate attempt to explore other and more lasting means of attracting funds into the co-operative housing sector. It appears also that initially people were persuaded to join the co-operatives with the promise that they would soon have houses either to own or to rent. Typical examples of these are the co-operatives organised by the D.R.H.C.I. It is equally a wrong approach on the part of the D.H.P.R. to have promised demonstration houses to the co-operatives; this is a promise it does not have resources to fulfil.

From the way in which the co-operatives have been organised, it appears that one of the main factors which have hindered their proper functioning is the lack of a technical service organisation (TSO). Although the D.H.P.R. and the D.R.H.C.I. have performed the functions of a promoting agency, the two institutions have not established housing co-operatives that could function without continued financial sponsorship by central government.

#### ISSUES AND PROCEDURE FOR PROMOTING AND ESTABLISHING HOUSING CO-OPERATIVES

The establishment and success of a co-operative housing society involves a chain of decisions. The chain starts with a decision to come together into a group, through decisions on a housing project that is appropriate and that the members can afford, to a decision on how to manage the properties resulting from the group effort. The review in the previous sections reveals that this step-by-step approach to establishing co-operative housing societies has not been followed and the involvement of the members in major decisions as well as their commitment to co-operative prin-

ciples have been minimal. This last section of the paper is devoted to discussions of the vital issues and proposals for improving the existing co-operative housing societies and establishing new ones in the country.

#### ESTABLISHING A PROMOTING ORGANISATION

When households or individuals organise themselves into a housing co-operative, in most cases they will not have adequate knowledge to comply with all the requirements of the co-operative law and perform all the functions related to the design of a housing project, construction of houses and their management, unless they are guided, trained and supported initially by a sponsoring agency or organisation. It is in this respect that the need for a well established and adequately staffed and financed promoting agency or technical services organisation (TSO) is paramount in Ghana. A TSO is a non-profit making organisation which has the capability and technical expertise for the promotion of co-operative housing schemes.

Generally, the activities of a co-operative housing society cover the following:

- i. admission and welfare of the members;
- ii. acquisition of land;
- iii. design of houses and the choice of construction materials;
- iv. mobilizing funds for housing projects and other activities of the co-operative;
- v. contracts and construction procedures;
- vi. management issues both before and after the completion of house construction.

In view of these activities, a TSO should be a multidisciplinary group which should include Social Scientists (e.g. Sociologists, Economists, etc.), Co-operative Organisers, Architects, Building Technologists, Planners (especially Physical Planners), Public Health Engineers and advisers on financial issues or Accountants.

Instead of direct involvement in house construction, the TSO should create a condition in which the co-operative will build their own houses through contracting jobs to competent builders and managing the process themselves. The promoting organisation should devote

most of its work to training the co-operative members in various aspects of housing activities so that the group will be self-managed by its own members.

#### TYPES OF HOUSING CO-OPERATIVE TO PROMOTE

Ghana is faced with both a deficit in the supply of houses and deteriorating stock of houses. For the co-operative housing sector to play a significant role in this, a variety of societies will be required. The country does not need only co-operatives that will plan and develop new houses and communities, but also the ones that will take over the management, renovation and maintenance of existing stock of housing so as to offer users safe and wholesome environments and to effect an efficient use of the funds already invested.

Table 1 shows four types of housing co-operatives which can be promoted in the country. Considering the fact that most Ghanaians would like to own their houses and that maintenance of state owned houses has not been good, terminal and multi-purpose types of co-operative should be recommended for individuals who intend to co-operate in the development of new houses. Although these two types of co-operatives appear to suit the aspirations of most Ghanians, they have two important problems:

- i. high capital inputs are required from members and
- ii. the possibility of speculation and sale of houses acquired through a group effort.

Every person has a right to sell his acquired property, but to do this through the co-operative system will mean defeating one of the basic principles. The questions of speculation and sale of properties can be solved through legislation. There should be a legislation against the sale of houses acquired through a co-operative within a certain period. If for some reasons a member should leave a co-operative before a stipulated period, then, since the co-operative might have been dissolved, the property should be sold to the promoting agency or the institution which provided the funds for the project. For this purpose documents on the houses should be prepared in the names of both the co-operative member and the institution which could claim the right to purchase the property should the owner

TABLE 1: OPTION TO POTENTIAL CO-OPERATORS

| Type of Co-operative                | Property ownership  | Problems and issues   |
|-------------------------------------|---|---|
| Terminal Co-operative Society       | Individual ownership of houses  | high capital outlay particularly for the repayment of loans.  |
| Semi-permanent Co-operative Society | All houses will be owned initially by the co-operative society. After they have been fully paid for by the co-operative, the units will be owned by the individual members. | <ol style="list-style-type: none"> <li>1. How to maintain savings for a very long period eg. 20 years?</li> <li>2. What happens when a member resigns?</li> <li>3. What happens when a member dies?</li> </ol>  |
| Permanent Co-operative Society      | Communal ownership of the housing units indefinitely.   | <ol style="list-style-type: none"> <li>1. How to provide the members with accommodation as fast as not to cause frustration?</li> <li>2. What happens when a member resigns?</li> <li>3. What happens to a deceased person's housing unit and investment in the co-operative?</li> </ol>  |
| Multi-purpose Co-operative Society  | Could be on individual or communal ownership depending on the aspirations of the members.   | <ol style="list-style-type: none"> <li>1. Identifying a viable project in which to invest.</li> <li>2. How to mobilise funds for the profit generating project?</li> <li>3. How to maintain the interest of the members during initial years when efforts are on profit making venture rather than house construction?</li> <li>4. What happens to the investment in the economic project after the houses have been completed?</li> <li>5. What happens to the house if a member who resigns or dies?</li> </ol> |

decides to sell it before the stipulated number of years. In such a case the documents on the houses should be kept by the sponsoring institution in order to avoid transactions which will not be brought to its notice.

#### SIZE OF CO-OPERATIVE SOCIETY

What should be the minimum and maximum number of members in a hous-

ing co-operative? In order to mobilize enough funds and tap other resources of its members, it is essential to aim at a size that is not too small to prevent the co-operative from standing on its own and not too large to prevent satisfying their housing needs within a short period. Depending on the type of co-operative adopted, the minimum size should be about 20 persons and the maxi-

mum size should not exceed 100 persons.

#### CAPITAL FOR HOUSING PROJECTS

About 80 per cent of the houses in the urban areas of the country and in most cases 100 per cent of those in the rural areas have been built through private initiative and from personal income sources rather than from mortgage loan facilities of the financial institutions. This is reflected in the incremental development practised throughout the country. This situation has been recognized and it is recommended that the housing co-operatives should be modelled on it. Therefore in promoting housing co-operatives, emphasis should be placed on

- i. mobilization of personal or household savings;
- ii. institutional mortgage loan facilities available for the co-operative housing sector should be granted to individuals within the co-operative system rather than the co-operative society as a corporate body;
- iii. flexible housing projects to allow incremental development according to the financial position of each member of a co-operative society, and
- iv. it should be possible for some members of a particular co-operative society to borrow funds for specific aspects of the housing development process (such as the purchase of land or roofing materials) and for other aspects at other times rather than for the whole housing project at a time.

Experience over the past years has shown that home ownership provide a powerful motivation for household savings. Even low-income households, given the opportunity of owing a house, can mobilize significant financial resources for down payment and modify their expenditure patterns to maintain monthly payments for purposes of expanding and improving their houses. The ability to mobilize small household savings and provide an environment in which they can be invested efficiently can therefore have an important effect on programmes to increase the housing supply and rehabilitate the deteriorated stock of houses. The co-operative form of organisation has an advantage in performing this role and should be properly incorporated into our co-operative housing programme. It is important

therefore that a savings programme should be started at the very beginning of establishing any co-operative society and this should continue throughout its life or until every mortgage loan has been repaid.

As pointed out, the main objective of a co-operative housing society is to provide its members with adequate housing units and community facilities. In Ghana, this objective can be achieved mainly through building new houses and the capital required for this purpose is quite large. The co-operatives cannot meet this demand solely from their own resources (i.e. savings from household incomes), nor will the central government be in a sound financial position to continue funding all co-operative housing projects. In view of this, strong links with the financial institutions for purposes of obtaining mortgage loans is very important. The nature and size of the capital required for housing projects require that links should be established with the specialised institutions such as Social Security and National Insurance Trust, State Insurance Corporation, Bank for Housing and Construction and First Ghana Building Society.

One thing which requires due consideration with regard to housing development capital from the financial institutions is the interest rate. It has been the practice to adopt differential interest rates, with the co-operative sector enjoying lower interest rates of about 3 per cent. This method works quite satisfactorily in countries with high levels of long-term funds. But in the current situation in Ghana where a number of sectors are competing for the limited capital resources of the financial institutions, it does not appear realistic to continue subsidising the co-operative housing sector through lower interest rates on its borrowing.

#### MANAGEMENT OF CONSTRUCTION WORK

Who will carry out the house construction? Will the construction work be given out on contract or carried out by the co-operative members (i.e. through self-help) with only the specialised works such as water supply given out on contract? These are important issues which should be decided upon at the stage of designing a housing project.

Self-help activities are necessary during the life span of a co-operative society. This should therefore be

encouraged, but arranged with great care. In the urban areas self-help or free labour need to be arranged properly and each situation studied carefully before introducing it as it may not function properly because of some inherent problems. The housing co-operatives should be encouraged to adopt a self-management approach instead of the self-help one in the implementation of individual housing projects. Each member in a terminal or multi-purpose co-operative should be allowed to manage the process of building his house within the framework of the co-operative organization. It should be possible for members of each co-operative to identify areas for co-operation and activities which will be better and efficiently tackled by each member acting independently.

#### HOUSING PROJECT COST CALCULATION

A good co-operative housing project should be designed to satisfy the following conditions:

- i. acceptable to the members (i.e. the project should meet their needs and aspirations),
- ii. flexible;
- iii. inexpensive; and
- iv. carried out with durable materials.

With the assistance of a promoting agency, each housing co-operative should decide on a housing project and calculate its cost. In calculating the cost of a project, it is essential that accurate prices are obtained and decisions taken on

- i. land;
- ii. house type or form;
- iii. building materials;
- iv. labour;
- v. infrastructure and services, and
- vi. architectural and other professional services.

#### ALLOCATION OF HOUSING UNITS

The procedure for allocating housing units to members is an important issue in permanent housing co-operatives and even in terminal co-operatives where ownership of the units is not determined until construction is completed. Conflict may arise among members if the allocation procedure is not discussed and agreed upon. It is essential, therefore, that members must discuss and agree on a set of criteria which avoid partiality for this purpose. Methods such as

- i. lottery system;
- ii. first come, first served and

- iii. the order in which deposit for a house are paid can be used in allocating houses.

#### OWNERSHIP AND MANAGEMENT OF CO-OPERATIVE PROPERTIES

Ownership of the housing units should be decided upon and stated in the constitution at the stage of founding the co-operative. In the case of permanent co-operatives a problem may arise when a member dies. The issue which the members should consider is: how should the investment of a deceased member be treated? In permanent co-operatives it should be agreed and incorporated in the constitution that a co-operative housing unit is a property of the member-occupant and may be inherited by his children or next of kin. However, it cannot be sold or exchanged. If on the other hand a successor could not participate in the co-operative scheme, then the investment of the deceased member should be returned according to an agreed system to a successor.

If co-operative properties are occupied on rental basis, the monthly rent charged should reflect management cost in cases where loan obtained for house building has been repaid. Where this is not the case then the rent should cover both loan repayment and management cost. The maintenance of each house should be the responsibility of the member occupant.

#### CONSTITUTION OR BYE-LAWS

The drafting and acceptance of a constitution should form the final stage of the process of forming a housing co-operative. Each constitution should reflect local situations. The promoting agency may have a model constitution, but it is important that this is modified to reflect the aims and aspirations of a particular group of people.

#### TRAINING OF CO-OPERATIVE MEMBERS

Essential preconditions for the success of co-operative housing societies are the knowledge of members in the principles and activities of co-operation, and their rights and responsibilities. These can be achieved through education. An appropriate and practical approach is to train a core of the co-operative members, who in turn will educate the remaining members of their respective societies. In order to achieve the best results, the training

programme should be ran by a T.S.O. for the elected officers of a co-operative society within the first year when a particular society will be in the process of formation. The training programme should cover aspects such as principles of co-operation, management principles, drafting of constitution, book-keeping, contract procedure and fundamentals of construction materials.

### CONCLUSIONS

The co-operative approach is an important means of providing housing for a majority of households who do not have the financial resources to undertake such development projects single handed. However, the co-operative housing societies have contributed very little to the housing stock in the country. This is attributed to the process of establishing the societies, and the absence of a promoting agency (or T.S.O.) and a supporting financial institution.

The method of establishing housing co-operatives as a condition for obtaining government funds is wrong. It is also a wrong approach to make potential co-operators feel that they will obtain a housing unit on an individual or communal ownership basis as soon as they come together into a co-operative society. The right approach should have been to make the potential co-operators understand that they are coming together in order to pool their individual resources into providing housing. The role of a promoting organisation should

be mainly co-operative education and technical assistance, whereas the actual formation of the co-operative society should come from the people who are in need of housing. The management of the process of providing housing should also be by the co-operatives themselves.

It is, however, a fact that a start has been made in establishing a number of housing co-operatives. What is needed now is a well established promoting agency, a committed financial institution and a co-operative education for members so that they should know their rights and responsibilities.

### BIBLIOGRAPHY

1. Owusu, S.E., The Co-operative Approach to Housing Development and Management in Ghana. Dept. of Housing and Planning Research, U.S.T., Kumasi, June 1981.
2. Owusu, S.E., "Housing Co-operatives in Ghana: Problems and Prospects" in Manas Chatterji et al (eds) Spatial Environmental and Resource Policy in the Developing countries. Gower Publishing Company Ltd, Aldershot 1983
3. United Nations, Non-Profit Housing Associations: Organisation, Financing and Structural Integration. New York 1975.
4. World Bank, "Financing Shelter: The Economic Dimension", The Urban Edge Vol. 10 No.9 November 1986.

LIBRARY  
UNIV. OF SCIENCE & TECHNOLOGY  
KUMASI - GHANA