



# COOP Dialogue

Issue 8 - Cooperative Housing: Bridging  
the Urban Divide

Cover Picture: Snapshot of Coop Ville, a sustainable cooperative housing project developed by the Federation of Peoples' Sustainable Development Cooperative (FPSDC) in the Philippines.  
Picture Credit: FPSDC

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# EDITORIAL

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Dear Readers,

Across the globe, a quiet yet powerful movement is transforming how we think about urban housing. As cities stretch at the seams, battling rising costs, environmental degradation, and social exclusion, cooperative housing is emerging as a beacon, offering not only shelter but dignity, democracy, and sustainability. In this eighth edition of Coop Dialogue, we spotlight this transformative potential under the theme “Cooperative Housing: Bridging the Urban Divide.”

We begin with a global overview of cooperative housing as a democratic, people-centered response to urban crises. In India, housing cooperatives backed by legal frameworks and self-redevelopment models are empowering millions. Japan’s Yamagata University Co-op showcases how student-led housing fosters care and mentorship, while Jordan’s Al-Ridwan Cooperative demonstrates how housing can anchor community identity and civic life.

Australia presents a national strategy to mainstream cooperative housing into affordable rental models, while Saudi Arabia outlines an emerging policy vision for cooperative-led urban development. Indonesia’s grassroots housing movements, particularly in Jakarta, offer compelling examples of collective resilience and rights-based housing solutions.

A European study tour to Vienna, Zurich, and Copenhagen reveals how strong policy ecosystems can sustain large-scale cooperative housing sectors, combining affordability with environmental innovation and tenant democracy. Meanwhile, Sri Lanka’s estate housing cooperatives and Kerala’s post-flood CARE Home initiative highlight how cooperatives support the most marginalized with dignity, inclusivity, and sustainability.

Each story in this issue reaffirms a simple truth: housing is not just about structures, but about solidarity. Cooperative housing creates a future where cities are designed by and for the people, rooted in participation, shared responsibility, and mutual support.

As you read through these pages, we hope you will see not only challenges but possibilities. The cooperative housing model is not one-size-fits-all; it is adaptable, scalable, and deeply human. With the right mix of policy support, community organizing, and international collaboration, cooperative housing can shape a future where cities are inclusive, livable, and just for all.

You can read the previous issues at [www.icaap.coop](http://www.icaap.coop).

For feedback and queries, feel free to write to us at [coopdialogue@icaap.coop](mailto:coopdialogue@icaap.coop).

Best wishes,  
Coop Dialogue team

# THE URBAN HOUSING CRISIS: COOPERATIVE SOLUTIONS FOR AFFORDABLE AND SUSTAINABLE LIVING

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*Julie LaPalme, Secretary-General, Cooperative Housing International*

Rapid urbanization is transforming cities at an unprecedented pace, bringing with it complex challenges in housing affordability and availability. As the global urban population is projected to soar to 6.7 billion by 2050, cities will face increased pressure to accommodate growing populations within limited space. The demand for affordable and adequate housing is reaching critical levels, particularly in densely populated urban centers, where market-driven development often leads to rising costs and social inequality. At the same time, urbanization is contributing to environmental degradation, with sprawling cities consuming resources unsustainably and exacerbating climate change.

In response to these escalating challenges, cooperative housing models are emerging as a viable and innovative solution. These models not only provide affordable housing options but also prioritize sustainability, social inclusion, and community well-being. By leveraging shared ownership, collaborative decision-making, and collective resource management, cooperatives create resilient communities that are better equipped to thrive in the face of rapid urbanization.



*Kanungo Cooperative Group Housing Society in Patpar Ganj, Delhi*

This article delves into the heart of the urban housing crisis, offering a comprehensive exploration of how cooperative housing can address the multifaceted issues of affordability, environmental impact, and social cohesion. By highlighting successful cooperative housing initiatives around the world, we explore how these models can be scaled and adapted to diverse urban contexts. Additionally, we will examine the crucial role of policy and governance in supporting cooperative housing and highlight the significant environmental and social benefits of cooperative living, positioning this model as a key player in shaping the cities of tomorrow.

## THE URBAN HOUSING CRISIS: IMPACTS OF RAPID URBANIZATION

Urbanization, while driving economic growth and innovation, has also exacerbated housing shortages and unaffordability. Major cities across the globe, from New York to Nairobi, are grappling with:

1. **Skyrocketing Housing Costs:** In many urban centers, housing prices far outpace income growth, pushing middle- and low-income families into precarious living conditions.
2. **Urban Sprawl and Inequality:** Rapid development often displaces vulnerable communities, perpetuating social inequities. In addition, urban sprawl leads to increased environmental degradation, including habitat destruction, air and water pollution, and the loss of agricultural land.
3. **Overburdened Infrastructure:** Insufficient investment in housing and urban planning strains existing resources, leading to informal settlements and homelessness.

For example, a recent study by the UN-Habitat reveals that over 1.6 billion people live in inadequate housing conditions globally, with about 1 billion residing in slums and informal settlements. Addressing these issues requires innovative approaches that go beyond traditional market-driven solutions, and cooperative housing is emerging as a viable alternative.

### COOPERATIVE HOUSING MODELS: SUCCESS STORIES, CHALLENGES, AND INNOVATIONS

Cooperative housing operates on principles of shared ownership, democratic governance, and affordability. These models empower members to collectively manage and maintain their homes, often prioritizing long-term stability over profit. Notable examples from Asia-Pacific illustrate the potential of this approach:

#### India's Strong Cooperative Housing Movement

India has over 190,000 cooperative housing societies with the largest number (120,000) located in Maharashtra providing affordable housing across income groups. A key factor driving this success includes the [Maharashtra State Cooperative Housing Societies and Apartments Federation](#) for policy advocacy and the [Maharashtra Cooperative Societies Act, 1960](#) ensuring democratic governance, and dispute resolution mechanisms through cooperative courts.

#### Innovations

Innovations in housing cooperatives include the adoption of digital governance platforms for communication, online payments, and grievance redressal, which enhance efficiency and transparency. Many cooperatives are also embracing sustainable housing practices, such as solar energy and rainwater harvesting, to reduce costs and environmental impact. Finally, microfinance and self-financing models reduce reliance on traditional banking and improve housing access for lower-income groups.

#### Challenges

Land acquisition remains a major issue, as rapid urbanization has driven land prices to unaffordable levels, making it difficult for new cooperative housing projects to emerge. In addition, cooperatives must navigate complex regulatory frameworks, including state cooperative laws, land regulations, and municipal policies. Bureaucratic inefficiencies often cause delays in project approvals and funding. Governance remains another hurdle, with many

cooperatives struggling with issues such as mismanagement, corruption, and internal conflicts, which undermine transparency and democratic decision-making. Financial constraints also pose a challenge, as cooperatives find it difficult to secure long-term loans at favorable interest rates, and their reliance on government schemes can lead to financial instability. Lastly, despite the benefits of cooperative housing models, there is limited awareness of their potential, with many people unaware of their rights and opportunities under such frameworks, hindering broader adoption.

### **Thailand**

Housing cooperatives in Thailand play a crucial role in providing affordable housing, especially for low-income communities. Supported by initiatives like the Baan Mankong Program (Secure Housing) and community savings groups, where members pool resources to finance land purchases and housing development. This self-help model, supported by the Community Organizations Development Institute (CODI), has empowered low-income groups to take control of their housing needs without relying solely on external developers.

### **Innovations**

In response to rising land prices, some cooperatives are experimenting with high-density, mixed-use housing developments that incorporate commercial spaces to generate income. Some housing cooperatives in Thailand have begun using digital platforms for governance, financial management, and communication. These tools help improve transparency, member participation, and decision-making efficiency. Several housing cooperatives have embraced green building practices, including the use of local materials, energy-efficient designs, and rainwater harvesting.

### **Challenges**

One of the biggest challenges for housing cooperatives in Thailand is securing affordable land, especially in urban areas like Bangkok. Rapid urbanization and speculative land markets have made it difficult for cooperatives to acquire property without significant financial support. Despite government support for cooperatives, navigating land-use regulations, building permits, and cooperative governance structures can be complex and time-consuming. Some housing cooperatives struggle with securing legal recognition and long-term land tenure.

## **POLICY AND GOVERNANCE: SUPPORTING COOPERATIVE HOUSING INITIATIVES**

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Public policies and urban planning play a pivotal role in scaling cooperative housing. Governments can:

- 1. Provide Land and Funding:** By prioritizing the use of public land for cooperative developments, governments can significantly lower the initial costs of projects, making housing more accessible to a wider range of people. This strategy has been successfully implemented in countries like Austria and Switzerland, where cooperative housing is recognized as a vital component of national housing strategies.

In Austria, for example, public land is leased at reduced rates to housing cooperatives under long-term agreements. This approach ensures that land remains under public control while enabling cooperatives to develop affordable housing without the high financial burden of land acquisition. Similarly, in Switzerland, government policies provide

access to public land and incentivize cooperative housing development by promoting mixed-income communities and sustainable urban planning. In Denmark, rental housing tenants have the right of first refusal over their homes if they organise into a housing cooperative association (and elsbolig forening) to purchase the building where they live.

2. **Facilitate Access to Financing:** Access to affordable and reliable financing is essential for the growth and stability of housing cooperatives. Governments can play a key role by offering tailored financial mechanisms such as government-backed loans, grants, and subsidies. These measures help cooperatives overcome financial barriers by reducing borrowing costs and providing critical funding for development and renovation projects. Tax incentives, such as reduced property taxes or exemptions for cooperative entities, further enhance affordability for members. Examples of these strategies are detailed on CHI's [Financing Cooperative Housing](#) web page.

Additionally, the [Asian Coalition for Community Action](#) (ACCA) supports local organizations through professional exchanges and financial assistance across 165 cities in 19 Asian countries. ACCA's initiatives have led to the development of more sophisticated financial products, such as community-managed savings and loan systems, which empower communities to address their housing needs collectively.

3. **Streamline Regulations:** Simplifying legal frameworks and ensuring cooperative housing is recognized as a viable tenure type are essential steps to fostering its growth globally. [Cooperative Housing International](#) (CHI) and the [International Cooperative Alliance](#) (ICA) are collaborating on the [International Legal Research and Analysis Initiative](#) (ILRAI) to study and document cooperative housing laws across jurisdictions. By understanding governance, financing, taxation, and dispute resolution structures, this research aims to identify best practices and recommend supportive legal frameworks.

## VIENNA'S HOUSING STRATEGY: A CASE STUDY IN ECONOMIC AND SOCIAL IMPACT

Vienna's social housing model is renowned for its effectiveness in providing affordable and high-quality housing to a broad spectrum of residents. Approximately 60% of the city's population resides in municipally owned or subsidized cooperative housing, ensuring a diverse mix of income levels within these communities.

The city's approach includes policies that allocate public land for cooperative housing developments, reducing initial costs and promoting long-term affordability. Additionally, Vienna imposes inclusive income limits on new tenants, allowing a significant portion of the population to qualify for social housing. These measures contribute to vibrant, mixed-income communities that prioritize affordability and quality of life.

Long-term stable housing markets benefit not only individuals but the wider economy as well. In Austria, the [Federation of Limited-Profit Housing Associations](#) (GbV) commissioned [Austrian Institute of Economic Research \(WIFO\)](#) to study their impact on housing costs, purchasing power, and GDP. This [paper](#) summarizes the findings.

## SUSTAINABILITY IN HOUSING: ENVIRONMENTAL BENEFITS AND CHALLENGES

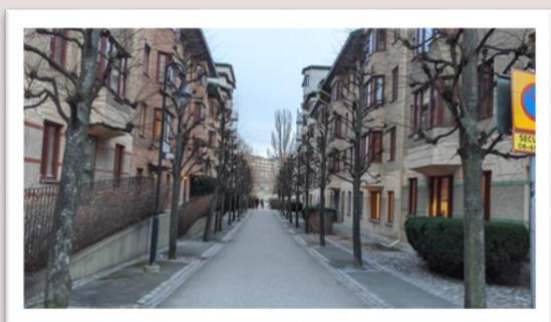
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Cooperative housing aligns closely with the principles of sustainable urban development. Key environmental benefits include:

1. **Efficient Land Use:** Cooperative projects often prioritize compact, mixed-use designs that reduce urban sprawl and conserve green spaces.
2. **Energy Efficiency:** Many cooperatives adopt renewable energy systems, green roofs, and passive design features, reducing carbon footprints.
3. **Shared Resources:** By pooling resources for communal spaces and facilities, cooperatives minimize waste and promote sustainable consumption patterns.

Challenges remain in ensuring that cooperative housing is accessible while maintaining sustainability goals. Innovations in green building technologies and partnerships with environmental organizations are addressing these issues, setting new benchmarks for eco-friendly housing.

Around the world, housing cooperatives are implementing innovative practices such as renewable energy use, water conservation, eco-friendly construction materials, waste reduction, and sustainable mobility. From [energy-efficient buildings](#) in Sweden and [greener coop microgrants](#) in Canada to [water-saving](#) technologies in India, housing cooperatives are pioneering creative solutions to promote responsible living.



*Swedish Cooperatives Focus on Energy-Efficient Buildings and Solar Power*

## WATER-SAVING MEASURES

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Facing severe water shortages, the [Saprem Co-operative Housing Society](#) in Thane, Maharashtra, implemented innovative water-saving measures to become self-sufficient. They conducted a geological survey and dug a borewell, striking water 350 feet below the surface, which they now use for their toilets, providing a 24-hour water supply. To recharge the groundwater, they installed a rainwater harvesting system that collects rainwater from the rooftop and channels it into the borewell. Additionally, they devised a method to collect condensate water from air conditioners, funneling it into a storage pipe fitted with a tap for easy access. This water is used to wash vehicles and water plants, saving over 19,000 liters of water per month during the summer months.

## REDEFINING THE RELATIONSHIP BETWEEN HUMAN HABITATION AND NATURE

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*Sumu Yakushima Housing Cooperative in Japan*

The [Sumu Yakushima Housing Cooperative](#) on Japan's Yakushima Island focuses on positively impacting its natural environment. The project employs a regenerative approach, enhancing the soil by fostering the growth of mycelium and bacteria. The structures are nestled among existing trees and raised above the forest floor, allowing natural air flow from the hills to the sea. Listen to this [Coop Conversations](#) podcast to hear the cooperative's full story.

## WASTE REDUCTION

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Matoshree Pearl Cooperative Housing Society in Mumbai, has implemented a self-sustaining waste management program that converts kitchen waste into organic compost. The society also installed LED lighting, resulting in monthly electricity savings of approximately ₹40,000. Their 'Go Green Campaign,' initiated in 2017, processes 700-800 kg of kitchen waste monthly, producing 60-70 kg of compost.

## COMMUNITY BUILDING THROUGH COOPERATIVES

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One of the most compelling aspects of cooperative housing is its ability to foster social cohesion and empowerment. Cooperative living goes beyond providing shelter; it builds resilient communities through shared ownership and collective decision-making.

A prominent example is the work of the [Asian Coalition for Housing Rights](#) (ACHR), a network of community organizations across Asia addressing urban poverty and slum upgrading. ACHR emphasizes empowering low-income and marginalized urban groups to actively participate in urban development. By supporting the formation and strengthening of grassroots organizations, ACHR facilitates community-driven solutions that enhance social cohesion.

In Thailand, ACHR has assisted low-income communities in negotiating land-sharing or leasing arrangements with authorities and private landowners. This approach enables residents to secure affordable housing while maintaining community bonds, thereby strengthening social cohesion.

## THE ROLE OF EDUCATION AND ADVOCACY

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Education and advocacy are vital to the success of cooperative housing in the Asia-Pacific region. Training programs focus on budgeting, loan management, and savings strategies to ensure financial stability, while legal education helps members understand their rights and regulatory obligations under laws like the Maharashtra Cooperative Societies Act, 1960. Cooperative

societies also emphasize democratic governance and dispute resolution, fostering transparent decision-making. Advocacy efforts further strengthen the sector by influencing government policies and improving access to funding and land. These initiatives help ensure long-term sustainability, self-reliance, while equipping members with essential skills in financial literacy, governance, and conflict resolution.

## SCALING AND ADAPTING COOPERATIVE HOUSING MODELS

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Cooperative housing is not a one-size-fits-all solution, but rather a flexible framework that can be tailored to the specific economic, social, and cultural contexts of various cities. Examining global examples helps us understand the diverse ways in which cooperatives can be structured, financed, and managed, and how these models can be replicated or modified to address the distinct challenges faced by different urban communities.

In cities like New Delhi, Berlin and Vienna, cooperative housing has a long history of providing affordable housing in dense and highly regulated urban environments. These cooperatives often benefit from strong legal frameworks and government support. In these settings, cooperatives have successfully navigated complex regulations and land scarcity by prioritizing long-term affordability and reducing market speculation.



*Erlaaerstraße-Vienna Cooperative and Sainik Cooperative Housing Building Society Ltd. providing affordable housing and building communities.*

Housing cooperatives are helping marginalized communities secure safe and affordable living spaces in cities like Bangkok and Kolkata. These cooperatives often focus on informal settlements, where residents collectively pool resources to improve infrastructure, access financing, and ensure their housing is both affordable and durable.

By studying these diverse examples, we can extract key lessons on how cooperatives can be adapted to different urban contexts. Whether it's navigating complex legal landscapes, incorporating green building practices, leveraging community participation, or securing financial support, successful cooperative initiatives offer valuable blueprints for scaling up and adapting the model to meet local needs. Furthermore, they demonstrate that cooperative housing is not just a niche solution but a scalable approach that can play a central role in shaping the cities of the future.

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## BUILDING COMMUNITIES, NOT JUST HOUSES: AUSTRALIA'S COOPERATIVE HOUSING SECTOR

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In recent years, cooperative housing in Australia has gained recognition among policymakers and received funding and support from both the government and research institutions. The [Australian Cooperative Housing Alliance](#) (ACHA) together with the Business Council of Co-operatives and Mutuals (BCCM) has developed a coherent strategy and advocates for substantial growth of the rental cooperative housing model. The Federal Government's has released a 10-year [National Housing and Homelessness Plan](#), which includes a \$10 billion commitment towards constructing 30,000 new social and affordable housing units over five years. This represents a substantial opportunity for increasing affordable rental housing cooperatives as a solution to address the nation's affordable housing crisis and enhance the well-being of vulnerable populations.



*Dolphin Co-op in Victoria, Australia*

Complementing these policy advancements, academic research has highlighted the potential of housing cooperatives in providing stable and affordable housing solutions. A [study](#) by [Western Sydney University](#) revealed that cooperative housing models could play a crucial role in alleviating Australia's rental crisis, offering residents not only affordability but also a sense of community and shared responsibility. These combined efforts from government bodies, academic institutions, and cooperative organizations underscore a growing recognition of cooperative housing as a viable solution to Australia's housing challenges.

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## CONCLUSION

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The urban housing crisis is one of the most pressing challenges of our time, driven by skyrocketing costs, increasing inequality, and environmental degradation. This crisis demands bold and innovative solutions that address not only affordability but also sustainability and social well-being. Cooperative housing models provide a time-tested and adaptable framework for tackling these issues. By pooling resources and emphasizing shared ownership, cooperatives make housing more accessible while fostering a sense of community and mutual support among residents.

Around the globe, successful cooperative initiatives highlight the potential of this model. For instance, limited-equity cooperatives in the United States provide long-term affordability, while eco-neighborhoods in Geneva integrate green building practices to reduce their environmental footprint. In cities like Barcelona, pioneering projects like La Borda combine affordability with vibrant communal living, proving that cooperative housing can thrive in urban environments.

The success of these models hinges on the synergy between supportive policies, sustainable practices, and community-driven approaches. Governments and policymakers play a critical role by offering funding, land access, and legal frameworks that empower cooperatives to flourish. At the same time, cooperatives themselves champion innovative solutions, such as renewable energy use, shared resources, and participatory decision-making, which enhance both environmental and social resilience.

As urban populations continue to grow and the housing crisis deepens, the cooperative housing movement stands as a powerful beacon of hope. It demonstrates that collective action and shared responsibility can create inclusive, equitable, and resilient communities. By embracing these models, cities can pave the way for a more sustainable and socially just future, where housing is a right and not a privilege.

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# INDIA'S HOUSING COOPERATIVES: POLICY AND GOVERNANCE FOR AFFORDABLE AND SUSTAINABLE LIVING

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Formally began in the early 20<sup>th</sup> century, the cooperative movement in India aimed at addressing rural distress, including indebtedness, and at promoting self-reliance amongst the member peasants. This long-standing tradition of cooperative movement allowed the formation of



*Annual General Meeting of a District Cooperative in Maharashtra*

cooperative credit societies to begin with after the enactment of the Cooperative Societies Act in 1904 under British rule. In post-independent India, the movement expanded into various economic sectors viz. agriculture, dairy, banking, housing, fishery, etc., playing a significant role in the country's development. As per [National Cooperative Database](#), there are 8.42 lakh registered cooperatives in the country as of 25 May 2025, operating in varied sectoral spheres. They exemplify the success of cooperatives in empowering communities and fostering economic growth through collective ownership and democratic management of common resources for collective development. Out of the total registered cooperatives, housing cooperatives account for the highest share, with 23.05 percent. This statistic alone underscores their critical role in addressing the country's growing and substantial affordable housing needs for middle- and lower-income households, especially in urban and semi-urban areas.

Housing is a fundamental human necessity. The highest judiciary of the nation has expanded the scope of Article 21 to include the “*right to shelter*” as a part of the ‘*right to live with dignity*’. Thus, while housing bears constitutional, economic, and social significance, Article 21 of the Indian Constitution places an affirmative obligation upon the State to create enabling frameworks to fulfil this constitutional mandate. While support to rural and housing through empowered local bodies like village panchayats and urban local bodies has been ensured through constitutional provisions made in Article 40 and Article 243G and 243W, Article 43 outlines dimensions of a decent standard of life, of which access to proper housing is an inalienable part. Among the institutional mechanisms adopted to fulfil this constitutional mandate, Housing Cooperatives constitute a democratic and member-driven model that aligns with constitutional ideals and cooperative principles. These democratic member-driven and member-owned entities have tremendous abilities to contribute to organized urban and rural development by not only ensuring affordable modern houses to the poor and needy, but also in drastically curbing the exploitation by private money lenders, developers, etc.

The cooperative model, strengthened by the provisions as contained in the [97<sup>th</sup> Constitutional Amendment Act, 2011](#), has assumed a central place in India's housing landscape. The amendment inserted Part IX-B in the Constitution, granting constitutional status to cooperatives and mandating democratic governance, regular elections, and audit mechanisms. In the context of urbanization, cooperative housing societies (CHS) offer an alternative to profit-oriented private developers, enabling collective ownership, affordability, and community resilience.

This article explores the historical evolution, legal framework, formation, typologies, distribution, and current trends in cooperative housing in India, along with the Government of India's initiatives and policy support.

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## LEGAL AND POLICY LANDSCAPE FOR CHS

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Since independence, India's housing evolved from self-built individual homes to organized group housing and, eventually, into a structured industry backed by private investment and government regulation. Post-1947, urban influx and displacement triggered a housing crisis, prompting policy interventions, the creation of State Housing Boards and [Housing and Urban Development Corporation](#) (HUDCO), and the spread of cooperative housing through the State Cooperative Societies Acts.

The legal framework for cooperative housing societies in India is a blend of Central, State, and sector-specific laws aimed at ensuring regulation, accountability, and protection of members' rights. These societies are primarily governed by State Cooperative Acts, which provide statutory provisions for registration, governance, and member obligations.

To address abuses and regulatory gaps in real estate transactions, several State specific statutes were enacted, beginning with The Maharashtra Ownership Flats Act, 1963 (MOFA), followed by corresponding laws in other states in India such as The Karnataka Apartment Ownership Act 1972, The West Bengal Apartment Ownership Act 1972, The Gujrat Ownership Flats Act 1973, The Uttar Pradesh Ownership Flats Act 1975, The Delhi Apartment Ownership Act 1986, The Andhra Pradesh Apartment (Promotion of Construction and Ownership) Act 1987, etc. These statutes ensure consumer protection by requiring promoters to disclose project details and obtain requisite approvals. They mandated the handover of property titles to a legal entity such as Housing Cooperatives and further support their legal standing in redevelopment initiatives.

The [Real Estate \(Regulation and Development\) Act](#), 2016 (RERA), which aims to regulate builders, ensure timely delivery, and protect allottees, is a key legal reform that governs transparency, accountability and consumer protection in India's real estate sector. While RERA target, primarily, real estate developers, cooperative societies undertaking self-redevelopment or acting as promoters fall within the purview of RERA, necessitating their registration with the authority and compliance. The RERA mandates that a promoter must enable the formation of an association, society, or cooperative society of allottees. This provision empowers the buyers to participate in the management and governance of the property they own, ensuring that their interests are adequately represented.

Ultimately, the choice between an apartment association, housing society, or a cooperative housing society depends on the size, scale, legal considerations, and governance preferences of the project. Other Relevant Statutes are:

- Indian Contract Act, 1872, which governs contracts with contractors and consultants.
- Transfer of Property Act, 1882, which regulates the provisions of transfer of title, conveyance, lease, mortgage, gifts, exchange etc.
- Registration Act, 1908, and Indian Stamp Act, 1899, are followed for registration and collection of stamp duties.
- Income Tax Act, 1962, under which tax liabilities of societies are settled
- Arbitration and Conciliation Act, 1996, which enables dispute resolution without resorting to civil litigation.

Today, there is need to bring in an all-inclusive real estate development in the country, especially in Tier II and III cities. With increased urbanization, the demand for affordable and inclusive housing has upsurged, making collective housing through cooperatives a viable solution. There is also a need to engage these societies in the redevelopment of housing projects, infrastructure upgradations, and adoption of sustainable practices like rainwater harvesting and solar energy.

## FORMATION OF HOUSING ENTITIES

Urban housing challenges in major cities stem from rapid population growth, urbanization, high land and construction costs, limited land availability, and inadequate planning. As a result, many people now reside in multi-storey or high-rise buildings instead of individual homes. These buildings feature shared spaces, such as staircases, lifts, gardens, parking, and clubhouses, which require collective management.

To manage these shared resources, residents form CHS or Apartment Owners' Associations. These democratic entities coordinate investments in shared infrastructure and enhance residents' collective bargaining power with utility providers and local authorities. They are responsible for maintenance, fee collection, dispute resolution, and upholding society rules. The types of CHS and the activities performed are in **Table 1**.

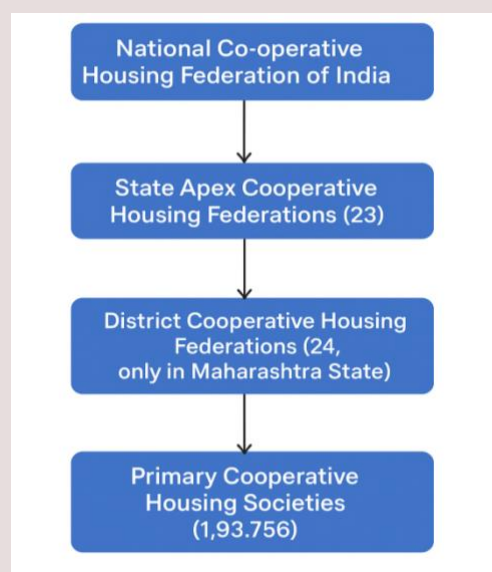
Table 1: CHS by Type		
S. No.	Category	Key Features
1	Tenant-Ownership Housing Cooperatives	<ul style="list-style-type: none"> <li>▪ A society where resident members collectively own the land and building whereas each member or family of that member has exclusive rights to occupy a specific housing units ensuring ownership and affordability.</li> <li>▪ The objective is to allot the plots to its members to construct, the dwelling unit or flats thereon or to allot the dwelling units already constructed and where land is held either on lease-hold or free hold basis by the society and houses are owned or to be owned by the Members.</li> </ul>
2	Tenant Co-Partnership Housing Cooperatives	<ul style="list-style-type: none"> <li>▪ A hybrid model that blends features of cooperative ownership with individual tenancy.</li> <li>▪ A society owns a housing property and members are co-owners.</li> <li>▪ The objective is to allot the flats already constructed or to be constructed to its members and where both land and building or</li> </ul>

		buildings are held either on free-hold or lease-hold basis by the society.
3	Other Housing Co-operative Societies	<ul style="list-style-type: none"> <li>▪ May include House Mortgage Societies, House Construction and Housing Development Societies, etc.</li> <li>▪ While house mortgage societies offer long-term housing loans at lower interest rates and secure loans against mortgages of property or land housing construction societies acquire land from government or private sellers, plan, construct and allocate housing units to its members.</li> <li>▪ Housing development societies are broader housing cooperatives which engage in land development, infrastructure creation and upgradation and housing planning.</li> </ul>

## STRUCTURE OF HOUSING COOPERATIVES IN INDIA

India's cooperative housing sector follows a multi-tiered federal structure (refer to the picture), ensuring grassroots participation and institutional support at higher levels. At the apex is the [National Cooperative Housing Federation of India](#) (NCHF), which was established in 1969 as a national level body to support in policy advocacy, national-level coordination, capacity building and financial facilitation to promote housing cooperatives across the country. There are 23 State Apex Cooperative Housing Federations, which function as state-level intermediaries, coordinating and supporting district and primary-level cooperative housing societies through technical assistance, finance, and training. Only one State - [Maharashtra](#) stands out as the only state with an additional intermediary layer.

India has a robust cooperative housing sector with over 194,136 primary housing cooperatives, supported by a three- or four-tier federal structure that combines democratic governance with decentralized functioning. This framework has contributed significantly to the resilience and outreach of cooperative housing in urban and semi-urban India.



*Structure of Indian Cooperative Housing Societies*

The [distribution of housing cooperatives across Indian states and union territories varies widely](#), shaped by factors such as urbanization, population density, and supportive policies. States like Maharashtra and Gujarat lead the sector, while several northeastern states and smaller Union Territories have limited or no presence of such cooperatives, reflecting regional disparities in housing development.

Interestingly, urbanized regions like Delhi show relatively low cooperative housing numbers, possibly due to alternative housing models or regulatory limitations. This uneven landscape indicates a strong potential for growth in underrepresented regions through targeted policy support and capacity building.

## GOVERNMENT OF INDIA'S PERSPECTIVE AND INITIATIVES

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India witnesses a massive housing shortage, particularly in the lower-income segments of society, due to affordability and availability issues attached to high value urban housing projects. The Government of India recognizes housing cooperatives as vital enablers of affordable, inclusive, and sustainable urban and rural housing. Several national policies and programs support the growth and modernization of cooperative housing, such as the Pradhan Mantri Awas Yojana (PMAY) promotes inclusive urban development with subsidies and incentives for group housing. Cooperative societies are eligible under the Credit-Linked Subsidy Scheme (CLSS) and benefit from schemes administered by the Ministry of Housing and Urban Affairs (MoHUA) and the National Housing Bank (NHB).

Integration of housing cooperatives with PMAY-Urban and State/UT level housing scheme would not only help in recognizing registered housing societies as eligible implementation agencies at the door-step, but will take advantage of direct subsidies, credit linked subsidy scheme, and infrastructure supports. Further, the Ministry of Cooperation supports the sector through capacity building, legal reforms, and fostering cooperative-based urban development models.

The government's push for cooperative housing aligns with its "Housing for All" vision, emphasizing democratic governance, collective ownership, and sustainability. However, nearly 65% of cooperative housing societies are concentrated in Maharashtra, highlighting the need for greater awareness and capacity building in other states.

Maharashtra's success can be attributed to dedicated institutional support and a robust legal provision, specifically, [Section 154-B of the Maharashtra Cooperative Societies Act](#), which provides a separate framework for Cooperative Housing Societies (CHS). Timely land allotment, infrastructure support, and mobilization of both salaried and low-income groups through federations and cooperative finance institutions have also been crucial.

To scale this model nationally, promoting district-level housing federations and amending the RERA Act to mandate registration of cooperative housing projects could foster a more inclusive, community-driven housing ecosystem across India.

## SELF-REDEVELOPMENT: A COOPERATIVE PATH TO AFFORDABLE HOUSING

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Many old CHS buildings have deteriorated beyond economic repair. Redevelopment under the current Development Control Regulations offers members additional space and modern amenities, while developers sell surplus units in the open market.

Self-redevelopment, led and managed by society members themselves, enables them to retain control and share the majority of redevelopment benefits. This approach not only enhances carpet area and infrastructure but also allows any surplus to be used for the collective good.

Affordable Housing through Self-Redevelopment can be promoted by offering incentives such as higher Floor Space Index (FSI), Transferable Development Rights (TDR), premium waivers, and

loan facilitation. Since profit is not the primary motive, self-redevelopment can reduce housing costs by up to 20%, making homes more affordable.

This model strengthens the cooperative movement across States/UTs and supports the vision of “Housing for All” in a sustainable and community-driven manner

## SUSTAINABLE HOUSING COOPERATIVES: DRIVERS OF CLIMATE ACTION

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Housing cooperatives are member-driven institutions that exist to serve collective needs. In the context of growing environmental concerns, they are uniquely placed to champion sustainable living. As recognized under India’s Constitution, the right to a clean environment is integral to the right to life, making sustainable development not just a goal, but a public responsibility. Housing cooperatives can play a vital role by, inter alia, promoting green buildings and energy efficiency; ensuring clean water and sanitation, managing waste and recycling systems, encouraging clean energy use, and supporting eco-friendly infrastructure.

These efforts reduce carbon footprints, improve health outcomes, and build climate-resilient communities. Moreover, cooperatives can benefit economically through the generation of carbon credits, aligning environmental responsibility with financial sustainability.

[India’s Green Credit Programme](#) (2023) is a notable initiative offering market-based incentives for eco-friendly actions. Housing cooperatives, especially in urban and peri-urban areas, are ideal participants given their collective governance structure. Eligible actions include:

- Tree plantation and urban greening,
- Rainwater harvesting and wastewater recycling,
- Solar panels, LED lighting, and efficient appliances,
- Composting and waste-to-energy projects,
- Green building retrofits and support for low-carbon mobility (e.g., EV charging, cycling infrastructure).

To realize this potential, policy support, financing, capacity building, and streamlined regulation are essential. Governments across the Asia-Pacific should enable cooperatives to access green finance, sustainability certifications, and climate incentives, empowering them as key actors in regional climate action.

## CONCLUSION

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Housing cooperatives in India offer a powerful model for inclusive and equitable urban development. Rooted in constitutional values and cooperative principles, they have enabled millions, especially in urban and semi-urban areas, to access secure and affordable housing where market solutions often fall short.

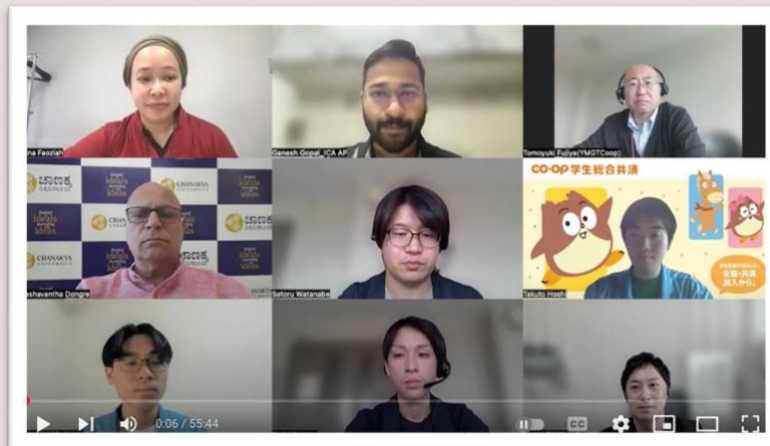
Supported by evolving legal frameworks, State Cooperative Acts, RERA, and redevelopment policies, cooperatives now have greater autonomy, including through innovations like self-

redevelopment. Their role is further reinforced by constitutional principles such as environmental sustainability under Article 21, urging cooperative societies to balance development with ecological responsibility. To maximize their potential, housing cooperatives need the right mix of supportive policies, financial incentives, legal clarity, and community engagement. When integrated with government schemes and aligned with the Sustainable Development Goals, they can serve as transformative agents of social justice and economic empowerment.

For the Asia-Pacific region, India's experience shows that housing cooperatives, if properly enabled, can become scalable models for participatory, affordable, and sustainable urban housing.

# IN CONVERSATION WITH MEMBERS OF YAMAGATA UNIVERSITY CO-OP

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*Watch the full conversation [here](#)*

In this special interview for COOP Dialogue 8, Yamagata University Co-op, affiliated with the National Federation of University Cooperative Associations (NFUCA), shares insights into its student-centered housing model. The conversation highlights how the cooperative addresses the growing challenge of affordable housing for university students in Japan; a concern echoed across the Asia-Pacific region.

With over 11,000 members, Yamagata University Co-op facilitates housing primarily through partnerships with local landlords. While it owns only a small portion of the apartments, it manages several properties, ensuring support from application to tenancy. Students benefit from services like rent guidance, property management, fire insurance, and “Student Life 110”, a 24/7 emergency assistance system.

What sets this model apart is its integration of student leadership. Senior student advisors, many of whom have used the Co-op’s housing services themselves, guide new students in selecting appropriate accommodations, drawing on their own experiences. This peer support eases first-time housing decisions, especially for students unfamiliar with Yamagata’s climate or living independently for the first time. The Co-op’s role extends beyond initial placement. It provides ongoing assistance, gathers student feedback, and negotiates improvements with landlords, such as installing delivery lockers. By centering student needs, the Co-op builds a culture of trust and empowerment.

Professor Yashavantha Dongre, co-secretary of the ICA-AP Committee on Educational Institutions, emphasizes the potential of this model for adaptation in other countries, especially where student housing is a growing concern. Executive Director Naoya Takahashi reinforces the importance of strong university ties and student involvement as key to success. This interview offers a compelling case of cooperative housing in action, one that blends business sustainability with empathy and student voice, making it a replicable model for cooperatives aiming to bridge housing gaps in higher education.

# AL-RIDWAN HOUSING COOPERATIVE: HOW A JORDANIAN NEIGHBORHOOD BUILT MORE THAN JUST HOMES

*Dr. Sameer Barhoumeh, Deputy Regional Director – Cooperative Expert Advance Consulting*

In the district of Naour on the southwestern edge of Amman, Jordan, an inspiring story has quietly been unfolding for over three decades. The Al-Ridwan Housing Cooperative, one of the country's earliest and most successful housing cooperatives, is far more than a collection of homes. It is a powerful example of how a community can come together to shape its own future, transforming lives through cooperation, resilience, and shared vision.

Housing Cooperatives by Governorate — 2024		
Governorate	Number of Cooperatives	%
Amman	90	61%
Balqa	15	10%
Zarqa	14	10%
Jerash	8	5%
Aqaba	6	4%
Irbid	6	4%
Mafraq	3	2%
Madaba	2	1%
Karak	2	1%
Ma'an	1	1%
Tafileh	0	0%
Ajloun	0	0%
Total	147	100%

*Source: Jordan Cooperative Corporation, 2024*

Jordan's rapid urbanization has intensified housing challenges across the country. Rising costs, limited land, and a lack of affordable options have left many families struggling to secure decent homes. Housing cooperatives have emerged as a critical response, offering community-centered solutions. With 147 housing cooperatives nationwide serving over 17,000 members and holding more than 270 million Jordanian Dinars (approx. \$381 million) in assets, they play an increasingly vital role. Yet regional imbalances persist, with some areas like Ajloun and Tafileh still without a single housing cooperative. The Al-Ridwan experience offers lessons not only for Jordan but also for countries

across the region searching for sustainable housing models. To understand the broader context of cooperative housing in Jordan, it's important to look at how housing cooperatives are distributed across the country, revealing both strengths and regional disparities. This distribution highlights the concentration of cooperatives in Amman and points to growth opportunities in underrepresented regions.

## A VISION ROOTED IN COLLECTIVE ACTION

Founded in 1993, the Al-Ridwan Housing Cooperative was born from a simple idea: that by working together, ordinary people could access affordable housing and build a thriving community. Today, the cooperative counts 129 members and operates under a strong democratic governance system, with an elected Administrative Committee, an Audit Committee, and a General Assembly.

Al-Ridwan's achievements are impressive. The cooperative has developed 130 housing units, providing affordable homes for its members. It has built the Al-Ridwan Mosque, now a central gathering point for spiritual and social life, and has donated land for a government school, a public park, and community spaces. A multi-purpose hall, used for weddings, funerals, and local events,

not only brings neighbors together but also generates income to support the cooperative's operations. Financially, the cooperative offers Sharia-compliant Murabaha loans with a seven percent profit margin and has maintained a remarkable one hundred percent repayment rate, reflecting the deep trust and shared responsibility within the community.



*Aerial View of AlRidwan Society in Jordan*

<b>Name</b>	Al-Ridwan Housing Cooperative
<b>Location</b>	Naour, Amman
<b>Year Established</b>	1993
<b>Number of Members</b>	129
<b>Housing Units Built</b>	130
<b>Facilities Developed</b>	Mosque, school land, park, multi-purpose hall
<b>Financial Services</b>	Murabaha loans — 6,000 JOD, 7%
<b>Repayment Rate</b>	100%

*Al- Rodwan Housing Cooperative- Factsheet*

In addition to its physical development, Al-Ridwan offers Sharia-compliant Murabaha loans of 6,000 Jordanian Dinars (approx. \$8,500) with a seven percent profit margin — and it proudly maintains a 100 percent repayment rate, reflecting a deep culture of trust, responsibility, and financial discipline among members. These combined efforts make Al-Ridwan

a standout example of cooperative success and community building in Jordan.

## CHALLENGES ALONG THE WAY

Al-Ridwan's journey has not been without its difficulties. It has encountered a range of challenges that reflect the broader experience of housing cooperatives across Jordan. We have tried to discuss a few of them very briefly as below:

- Delays in collecting equity shares from members have sometimes slowed project timelines and affected the cooperative's ability to plan ahead smoothly.
- Bureaucratic hurdles in licensing and approvals have often caused administrative delays, adding complexity to construction and community development processes.
- Inconsistent financial or administrative commitment from some members has made it harder to maintain daily operations and sustain collective momentum over time.
- Restrictive legal frameworks and policies have limited flexibility, restricting the cooperative's ability to grow, innovate, or adapt to local needs.

- Internal conflicts over management or finances have occasionally created tension within the cooperative, requiring dialogue, negotiation, and collaborative resolution efforts.
- High urban land prices have forced many cooperatives, including Al-Ridwan, to purchase plots outside regulated city zones, which requires significant investment in basic infrastructure before development can proceed.

Yet, Al-Ridwan has consistently met these challenges with determination. Transparent governance, participatory decision-making, and a strong culture of mutual support have allowed the cooperative to navigate obstacles and maintain its momentum. By reinforcing collective responsibility and prioritizing community needs, Al-Ridwan has emerged not just as a provider of housing, but as a model of resilient, people-centered development.

### JORDAN'S COOPERATIVE HOUSING LAW — AT A GLANCE

The Jordan Cooperative Housing Law of 1959, issued under Article 58 of the Cooperation Law No. 17 of 1956, provides the legal foundation for housing cooperatives in the country. It prohibits members from selling, renting, or using their units for commercial purposes without approval (Art. 2) and allows the management committee to sell or rent units in cases of nonpayment, absence, or withdrawal (Arts. 3–4). The law permits mortgaging cooperative property or individual units for necessary repairs with approvals (Art. 5) and restricts unauthorized construction or modifications (Art. 6). Violations can result in nullified agreements (Art. 7) and fines up to twenty dinars (approx. \$28) (Art. 8), while repealing the earlier 1958 law (Art. 9). This legal framework is key to safeguarding the cooperative model in Jordan, balancing individual rights with collective accountability.

### SOCIAL IMPACT BEYOND HOUSING

What sets Al-Ridwan apart is its impact beyond the physical construction of homes. By providing affordable housing within the local area, the cooperative has helped reduce migration pressure on central Amman and alleviated urban congestion. It has preserved the social fabric of Naour, strengthened local identity, and fostered a sense of belonging among residents.

Members of the cooperative not only gain access to affordable housing but also benefit from opportunities for leadership, skills development, and active civic participation. Al-Ridwan has become a living example of how cooperatives can build more inclusive, resilient, and cohesive communities.

### LESSONS FOR JORDAN AND BEYOND

Al-Ridwan's success offers important lessons for Jordan and the broader region. Sharing costs lowers financial barriers to homeownership, while inclusive governance allows people from diverse backgrounds to work together toward common goals. Cooperatives offer spaces where members can develop leadership skills and gain experience in governance and financial management. Looking ahead, there is significant potential to incorporate sustainability measures,

such as green building techniques, renewable energy solutions, and water conservation practices, into cooperative housing models.



*Al-Ridwan Mosque and the Coop*

For the cooperative sector to expand, however, the policy environment must evolve. Jordan needs to improve land access and affordability, offer tax and financial incentives, simplify administrative processes, and encourage the spread of cooperatives into underserved regions. Stronger partnerships between cooperatives and government agencies will be crucial to scaling these successes.

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## A MODEL FOR THE FUTURE

The Al-Ridwan Housing Cooperative is much more than a housing project. It is a powerful reminder of what can happen when ordinary people come together to improve their lives and shape the future of their communities. As Jordan and other countries grapple with the challenges of urbanization, inequality, and environmental sustainability, the story of Al-Ridwan offers inspiration and practical guidance.

At its core, the Al-Ridwan experience shows that housing is not just about buildings. It is about building trust, belonging, opportunity, and resilience. And when communities work together with determination and vision, the results can transform not only neighborhoods but generations.

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# BCCM'S NATIONAL STRATEGY FOR HOUSING COOPERATIVES IN AUSTRALIA

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*Ms Linda Seaborn, Senior Policy Adviser, Business Council of Co-operatives and Mutuals,  
Australia*

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## FRAMING THE HOUSING PROBLEM IN AUSTRALIA

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Australia is facing a shortage of secure and affordable housing, and home ownership rates are steadily declining. Dependence on the private rental market is linked to poverty, especially in retirement years. An increasing number of Australians, including many members of Australian cooperatives and mutuals, are experiencing a growing wealth disparity due to their inability to enter the housing ownership market. Many others face financial and social hardship due to limited access to affordable rental housing.

Australian cooperatives and mutuals have a long tradition of responding to critical needs and market failure. Advocacy work and research by the cooperative and mutual movement over the last decade have increased awareness of the benefits of housing cooperatives and created a more positive environment for the growth of cooperative housing.

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## MAKING A DIFFERENCE IN HOUSING

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### UNDERSTANDING THE PROBLEM

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Australia's traditionally high home-ownership rates have dropped from 73 percent in 1966 to about 66 percent in 2021 and are declining further, especially for younger people. Around 96 per cent of Australia's housing is supplied and traded in the private market, and is either used as owner-residences or for private rentals. The remaining four percent is categorized as social housing, owned by either the government or not-for-profit providers, and only available to people on a low income and in desperate need of housing (at the time of entry to the housing).

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### LEVELS OF SOCIAL HOUSING ARE NOT MEETING DEMAND

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After World War Two, Australian state governments built significant amounts of public housing, which they rented to low- and middle-income households. Over time, many of these were sold cheaply to the current tenants, which benefited the current tenant, but also led to a drastic reduction in affordable rental housing. Since then, there has been a shift away from housing as a right and towards market-based policies, where housing is seen as an investment strongly supported by favorable tax policies. This has reduced the ability of an increasing number of people to access secure and affordable housing and has increased the wealth gap between those who own houses and those who do not.

As the growth in house prices has substantially exceeded the growth in wages, fewer people are able to afford buying their own house, pushing more into the private rental market. The increased demand on private rental where Australia has comparably very weak tenant rights, means that

rental prices has risen sharply, pricing low-income, pensioners, single-income and increasingly lower middle-income households into housing stress. The reliance on a market approach to housing has made Australia particularly unprepared to respond to a housing affordability crisis. We are now facing risks to well-being for an increasing number of people, and to social cohesion nationally.

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## ENVISAGING A SOLUTION

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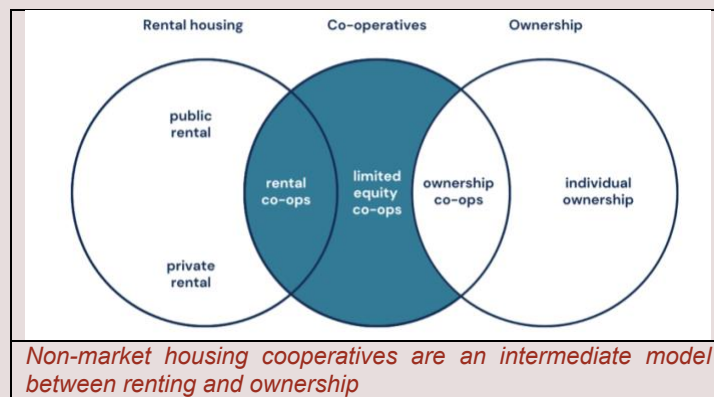
The Australian National Housing Supply and Affordability Council, formed to advise the Commonwealth housing minister, identified in 2024 a need for more non-market housing as 'essential infrastructure'. Australia is missing a class of housing that operates at-cost and is affordable to middle- and low-income households. In many other countries, this niche in the housing system is met by housing co-operatives. The current Australian housing co-op sector makes up less than one per cent of housing, compared to 25-35 per cent in some European cities.



*Emoh Ruo coop, Sydney, Australia*

Housing cooperatives are an intermediate tenure model that sits between ownership and rental, providing the agency to 'rent like you own it'. Cooperative housing is distinguished from private home ownership because it prioritizes housing as a secure and stable accommodation over housing as a tradeable commodity. Rental cooperatives and limited equity cooperatives are excellent models of non-market housing identified by the National Housing Supply and Affordability Council as essential.

Research by Western Sydney University (<http://housingcoopresearch.org.au/>) into the value of cooperative housing found that housing cooperatives provided multiple benefits in addition to offering a stable and secure home. The benefits of living in a cooperative can therefore be profound and life changing, it is associated with positive health, education, and wellbeing outcomes, develops strong social capital and a sense of community. These benefits were not found to the same level for tenants in other forms of social housing managed by community housing providers or public housing estates.



These benefits stem from the unique requirement in housing cooperatives for active participation amongst tenant-members. The more that a tenant-member engages and participates in the running of their own cooperative, the more benefits they report.

Social capital, voice, agency, empowerment, and a sense of belonging increase when cooperatives form around an additional purpose to 'just housing', that is, to address the needs of a specific group or community. As such, housing cooperatives have been formed to meet the shared needs of groups such as students, migrant groups, single parents, Aboriginal communities, women, artists, and LGBTQI+ people. To achieve these benefits, cooperatives utilize a unique model where the co-op is both a member-based organizations and an affordable housing provider. Members are both the housing providers and the housing consumers, making decisions and participating in the day-to-day running of the housing. This community-led model requires more time to develop than a traditional landlord model, as members need to be included in the development process. Housing cooperatives have also often been developed on a smaller scale, with an average size of 25 houses/units in the rental cooperatives (based on the existing sector).

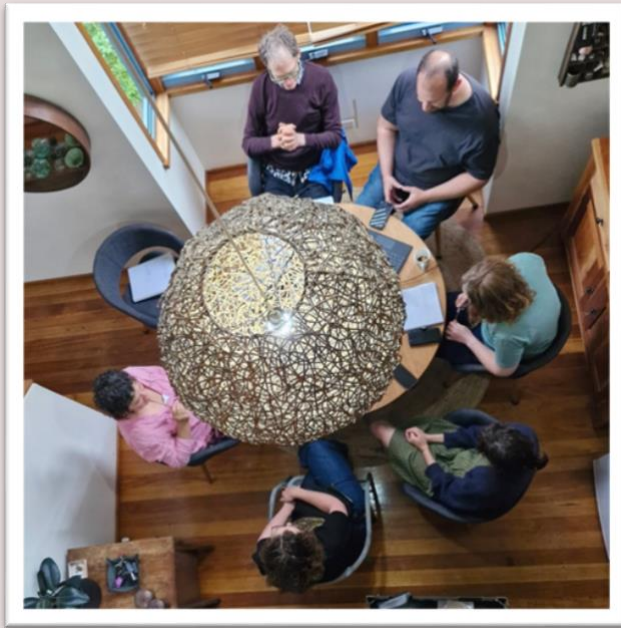
## FINDING INNOVATIONS

### STARTING WITH WHAT WE HAVE

Australia has a housing co-op sector, made up primarily of rental cooperatives and some equity (ownership) cooperatives. The Australian housing co-op sector makes up less than one (1) per cent of housing, compared to 25-35 per cent in some European cities like Copenhagen, Zurich, and Vienna.

The Australian sector comprises of 265 cooperatives, managing 5,827 units of housing between them. Of these, 4,764 or 82 per cent, are in rental cooperatives.

The rental cooperatives were, for the most part, funded by state government programs in the 80-ies and 90-ies. A dedicated budget line for community housing initiatives opened for self-organized groups of people to apply for funds to develop rental housing cooperatives that would be at affordable (subsidized) rent. Equity cooperatives have been established through member funds. While these cooperatives were largely self-managed, in 2012 due to receiving government funding, they came under the National Community Housing legislation.



*Cohousing Coop, Tasmania, Australia*

The largest housing co-op sector in Australia is the common equity rental housing cooperative model, and this is the sector poised to grow. In this model, rental housing co-ops are part of a secondary co-operative that is a registered Community Housing Provider; holds the titles or headleases on the rental properties (the common equity); provides business services to the member co-operatives; and seeks to develop new co-operatives. The different Community Housing Providers that support rental housing cooperatives in four states of Victoria, New South Wales, South Australia and West Australia have come together in the Australian Co-operative Housing Alliance (ACHA) ([www.acha.coop](http://www.acha.coop)).

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## BCCM'S ADVOCACY WORK FOR HOUSING COOPERATIVES

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The Business Council of Co-operatives and Mutuals (BCCM) is the national cross-sector peak body for co-operatives and mutuals (CMEs) in Australia. The last couple of years BCCM has sought to develop a National Strategy for Housing Co-operatives in Australia to advocate for an increase in housing cooperative solutions.

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### IDENTIFYING CHALLENGES

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In the government-funded sector, large projects that can be developed quickly are often preferred. This can be difficult with the need for member involvement inherent in developing housing cooperatives and so business-as-usual tends to lead to funding of social landlord-led projects rather than tenant-led cooperatives. In addition to this, finance is limited for government-funded housing and although funding programs do exist. Criteria for entry to government-funded housing is low-income and while this is an urgent housing need, it also excludes many middle-income households also unable to achieve home ownership.

In addition, the Australian finance market is unfamiliar with housing cooperatives and therefore has no specific products for lending or investment, or mortgage-type loans for co-op shares.

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### NEW IDEAS

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In the search of new ideas, BCCM in 2024 undertook a study tour to explore rental cooperative housing models in Denmark, Switzerland, and Austria for insights applicable to Australia. The tour showed that housing co-operatives can offer millions of Australians sustainable, affordable housing with a sense of ownership. These European models succeed without heavy reliance on government grants, instead using mixed funding—government guarantees, financing mutual

loans, member equity, and solidarity funds. They provide long-term, secure housing for low- and middle-income households. Member contributions range from 2% in Denmark to 7% in Austria, with Vienna's generous eligibility allowing 90% of residents to access co-op housing.

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### HOW COULD THIS WORK IN AUSTRALIA?

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Financial cooperatives and mutuals in Australia have been at the forefront of solutions to previous housing crises, with permanent building societies, terminating building societies and cooperative housing societies assisting households into home ownership through the last two centuries. Financial mutuals are ideally placed to play a role such as that of mutual bank Nykredit in Denmark. Nykredit is key to the housing cooperative ecosystem in Denmark, issuing loans for 88% of the value of the construction of a housing cooperative.

In Denmark, Austria, and Switzerland, the government plays an active role in developing a financial ecosystem around housing cooperatives, such as guaranteeing loans for not-for-profit co-op housing providers (in Denmark) or developing a bond market supporting Nykredit loans which limits liquidity and market risk. Government roles vary in each jurisdiction; in Zurich it includes long-term land leases, and Vienna's model includes direct funding from a designated tax.

Australian housing cooperatives are either rental cooperatives, which requires no or very little member equity (member share price e.g. \$1) and ownership cooperatives where new members typically purchase a membership share from an existing member at market price. The limited equity model where members contribute an affordable share of the equity (e.g. two to seven per cent) has not been developed in Australia yet, although a financial feasibility study of a limited equity model has been completed, and several Australian providers of rental cooperative housing are exploring the possibility of limited equity models.

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### MAKING THIS A REALITY

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The priorities identified by the BCCM to expand the housing co-op sector in Australia are multi-faceted. As a membership-based organisation the BCCM seeks to build beneficial partnerships between our members, including between financial mutuals and housing cooperatives, to facilitate innovation and discover mutual solutions to the Australian housing crisis. Through this co-operation, and informed by research, a model that is suitable for Australian conditions can emerge.

The BCCM has also worked closely with and supported the Australian Cooperative Housing Alliance (ACHA). A key priority is recognition of the housing cooperative model as a distinct, valuable and unique form of housing, and for the sector to grow to at least ten (10) percent of the social housing sector from currently only about one (1) per cent.

Research in 2022 by the Australian Housing and Urban Research Institute (AHURI) showed that older Australians in need of affordable housing preferred the option of housing cooperatives, however this research was only undertaken on a narrow cohort of people (older people in housing need). BCCM therefore seeks to undertake research to assess consumer demand for housing cooperatives, to demonstrate that even though Australia is a nation which has traditionally had a

high rate of home ownership, cooperatives could be a popular choice amongst a broad range of people.

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## POLICIES TO REALIZE THIS POTENTIAL

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The basis for the growth of the housing cooperative sector in the 80-ies and 90-ies was dedicated funding for community and cooperative housing solutions. The BCCM and ACHA are advocating for this funding mechanism to be re-instated in the national housing budgets, to enable growth of the housing cooperative solution to ten percent of the social housing sector.

A key priority for the financial mutuals is development of new financial products ensuring that financing of co-op homes is treated equally favorably as traditional home ownership. Examples of new products include loans backed by bonds and government guarantee of loans.

Housing cooperatives can meet the needs of Australians who are unable to buy a home but want the agency (and some of the responsibility) of ownership. Recognizing and supporting housing cooperatives as a valuable part of the housing landscape will require government to have a policy to enable the development of cooperatives, as they have done in the past.

With the recent published research on housing cooperatives providing evidence of the value, benefits and opportunities of housing cooperative models in Australia and Europe, there is now a solid basis for decision-makers to priorities funding for this housing model.

The sector (BCCM and ACHA) has established a cohesive policy and is working collaboratively to advocate towards decision-makers for improved funding and resources to strengthen the housing cooperative sector.

Effective policy for housing cooperatives requires a financial ecosystem that enables housing cooperatives across the spectrum of affordability from low to middle income households. The establishment of a National Housing Australia Future Fund (HAFF) which seeks to increase supply of affordable housing, provides opportunities for dedicated funds to housing cooperatives to include a target proportion of social housing to be cooperatives, at least ten per cent in the next three years is recommended by ACHA as achievable.

The Australian government's Help to Buy shared equity programs support private ownership which many Australians aspire to. Similar investment in housing cooperatives would support the aspirations of Australians who'd like to live as many in Europe do, with the security and agency of ownership, but a more affordable version. This investment can take a variety of forms – examples include loans, access to land and loan guarantees. Expanding cooperatives requires a mix of all levels of government as well as private (community) finance from the financial mutuals.

These are the components of a policy environment to support affordable, accessible, secure housing cooperatives.

Affordable housing is a bedrock for sustainable, healthy, and happy communities. Housing cooperatives offer a distinct form of housing that offers unique benefits to members and can become a key affordable housing class in Australia with the right policy support.

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# SUSTAINABLE POLICY FRAMEWORKS FOR TRANSITION TOWARDS COOPERATIVE HOUSING MODEL IN SAUDI ARABIA

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Housing has become one of the most important issues facing countries in the Middle East. According to the United Nations, more than 1.1 billion urban dwellers live in slums or in inadequate housing areas. The population of slums is expected to increase in the coming decades in the absence of effective housing policies. The housing issue is not related to the housing itself, but rather to the family seeking to obtain housing that is compatible with the limits of economic capacity and meets the minimum social needs. The Sustainable Development Goals 11.1 emphasizes “ensuring access for all to adequate, safe and affordable housing and basic services and improving livelihoods”. Household income and average housing costs in cities are critical factors in measuring affordability, including understanding variation in the housing market, subsidy programs, and urban legislation.

In Saudi Arabia, the real estate sector is still unable to adopt practical housing solutions that are consistent with the needs of families within the framework of sustainability. Residential neighborhoods are developed through land divisions without allocating areas that take into account social, economic and environmental diversity. Most housing support programs have come as a response to housing demand, especially in major cities such as Riyadh, Jeddah and Dammam. Urban development policies have focused on some major cities, which has contributed to attracting migration and increasing demand for housing. These urban problems may increase in the coming decades in light of the rapid urban transformations witnessed by Saudi cities.

The cooperative model is one of the methods that has proven its efficiency in many countries of the world in the context of achieving affordability. Cooperative housing relies on exploiting community efforts and collective ownership in building affordable housing projects. Cooperative housing is subject to government empowerment policies, whether in the legislative, procedural, or implementation stages. Despite the efforts made to solve housing problems in Saudi Arabia, there are many problems facing the provision of affordable housing within the framework of sustainability due to the limited housing options available to middle and low-income people. Therefore, there is a need to develop policies for the transition towards sustainable cooperative housing in Saudi Arabia.

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## SUSTAINABLE AFFORDABLE HOUSING CONCEPT

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Much literature has addressed affordable housing in the context of sustainability. Yet, providing housing is not a strategic goal, but rather developing housing policies that contribute to achieving social justice, economic opportunities, and an integrated residential environment. Providing housing projects in semi-remote areas far from the city center or job opportunities will not be an effective solution. The broad concept of housing affordability involves improving living standards by supporting the principle of “affordable living”. This concept should take into account indirect

costs. Housing will not be sufficient in the face of high transportation costs, utility costs, and public services.

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## COOPERATIVE HOUSING MODEL

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Cooperative housing is a form of democratic work based on community participation within the framework of government regulation of the housing sector. Cooperative housing relies on collective effort and the sharing economy to develop housing based on shared ownership. Residents of cooperatives do not directly own their housing units; instead, each resident is a shareholder in the corporation, which reduces housing costs. Therefore, the cooperative model helps to transition toward sustainability concepts because it supports community participation, affordability, resource management, self-governance, and collective management.

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## WHY DO WE NEED CO-OPERATIVE HOUSING?

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The importance of the cooperative model comes as one of the tools for the transition to sustainable, affordable housing. However, the success of this cooperative model depends on reforming the procedural, executive and legislative structure of the housing sector.

Housing ownership rates may record high rates, but at the same time they fail to solve the housing crisis, indicating the weakness of the rental real estate market and the increase in financial burdens of mortgage fees that may extend for decades and burden families. Therefore, the home ownership factor is no longer a decisive indicator in measuring the effectiveness of the housing system; rather, it is the ability of this system to create wide and flexible housing options and a real estate market that responds to economic and social diversity within the framework of sustainability. In order to guarantee the right to adequate housing, the housing market should provide sustainable models capable of accommodating all social segments, away from fluctuations in supply and demand. The cooperative model is characterized by four main factors:

- Collective ownership: A collective ownership system that shares in a cooperative, which reduces individual speculation.
- Tenure system: The cooperative owns the property as a right of use through the payment of a monthly fee that covers the costs of construction and maintenance.
- Self-management: Residents manage the housing and share services, including maintenance.
- Cooperative financing: Enhancing collective purchasing power to build housing below market price through multiple financing from cooperatives, government agencies, NGOs, and tax exemptions.

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## MATERIALS AND METHODS

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This article relied on the theoretical approach through an in-depth analysis of the United Nations reports on affordable housing and the concepts of sustainability. The article compared the role of cooperative housing with local efforts in the context of affordable housing. It also relied on the author's own studies, like a study entitled " A Conceptual Framework for the Activation of

Sustainable Cooperative Housing Production in Saudi Arabia (2024)" and "Evaluation of Affordable Housing and Subsidy Programs in Saudi Arabia (2016)".

## COOPERATIVE HOUSING PRODUCTION

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Locally, the cooperative housing concept is still unable to play a significant role in the housing sector. There are challenges facing this model including legislative, legal, funding and community awareness frameworks. The share of housing cooperatives is a small percentage that does not match the size of the housing market in Saudi Arabia. The percentage of housing cooperatives that have provided housing products on the ground does not exceed 0.3% of the total size of cooperatives in other countries [16]. This perception has affected the volume of cooperative housing production and community awareness of its role in the housing sector. The cooperative form is often viewed as a form of charitable housing. Empowering the cooperative sector requires developing the infrastructure of cooperatives to participate in increasing the housing stock in the market. Empowerment mechanisms can include granting available land for development, purchasing cooperative housing units for housing programs, and technical support.

Cooperative housing units are produced by cooperative societies under the supervision of the Ministry of Municipalities and Housing and the Cooperative Societies Council. Cooperative housing production is subject to procedures that lack a clear legislative, executive and procedural framework. Most cooperative products come from the individual efforts of their members. Yet, the effectiveness of housing cooperatives cannot be measured without developing a legal framework that emphasizes their governance and measures their outputs and impact on the housing sector.

Cooperative housing requires financial sustainability, a collective tenure system, expertise, and partnerships. Nevertheless, cooperative housing remains unable to market its products within the framework of subsidy housing programs. Most of the low-income or extremely low-income subsidy programs such as “developmental housing” purchase their housing units from the market without an enabling framework for cooperative housing as a community partner in the housing sector.

Cooperative housing production in Saudi Arabia depends on empowerment and advocacy, whether financial, expertise or grants. Land constitutes 60% of the value of a housing unit, which means that providing land grants to cooperatives can help produce cooperative housing. Although land is available within cities, most of it is owned by real estate companies or the private sector, as the percentage of land in Riyadh is equivalent to 45% of the total land allocated for urban development until 2028. Therefore, land provision can be achieved by allocating a percentage of real estate development land for residential neighborhoods for cooperative housing as an enabling approach.

On the other hand, financial support provided to cooperatives is subject to a series of bureaucratic procedures and requirements that emphasize financial solvency and construction experience. However, most cooperatives lack experience because they rely on community efforts and need support to develop an effective business model. Table 2 summarizes the main challenges facing the cooperative housing model in Saudi Arabia.

**Table 2: The main challenges facing the cooperative housing model in Saudi Arabia**

Level	The main challenges	Policy Framework
Systems and Resources	<ul style="list-style-type: none"> <li>There is no legislation to advocate cooperative housing within the framework of the fair housing market.</li> <li>Lack of flexible urban legislation that encourages cooperative housing model in residential communities.</li> <li>Lack of financial sustainability including the participation of banks and the private sector.</li> <li>There is no clear governance framework to measure the outputs of cooperative housing associations.</li> <li>Shortage of land allocated for housing cooperatives especially in major cities.</li> </ul>	Legislative Framework
Coordination & communication	<ul style="list-style-type: none"> <li>Bureaucratic procedures in establishing new cooperative housing associations.</li> <li>Overlap between the bodies supervising housing cooperatives.</li> <li>There is no clear business model for housing cooperatives associations.</li> <li>Weak communication and exchange of experiences with Arab and international cooperative associations.</li> <li>There is no clear framework for stakeholder engagement.</li> <li>Coordination and exchange of information between partner agencies due to the absence of common databases.</li> <li>Financial support procedures for housing cooperatives association are complex and take a long time.</li> <li>Poor coordination and alliance with international cooperative institutions</li> </ul>	Procedural Framework
Experiences and community	<ul style="list-style-type: none"> <li>Lack of qualified expertise in cooperative housing associations.</li> <li>Lack of innovative sustainable architectural models that meet the needs of the Saudi family</li> <li>Lack of technical expertise in housing cooperatives comparing with contracting companies</li> <li>The lack of clarity in the concept of the cooperative sector as a developmental economic sector.</li> <li>Misconception about housing cooperatives as a type of charitable sector work</li> <li>Lack of research and studies related to the application of the cooperative model and its role in affordable housing.</li> <li>Lack of community awareness about the role of cooperative housing in affordable housing.</li> </ul>	Executive Framework

*Source: Author's own depiction.*

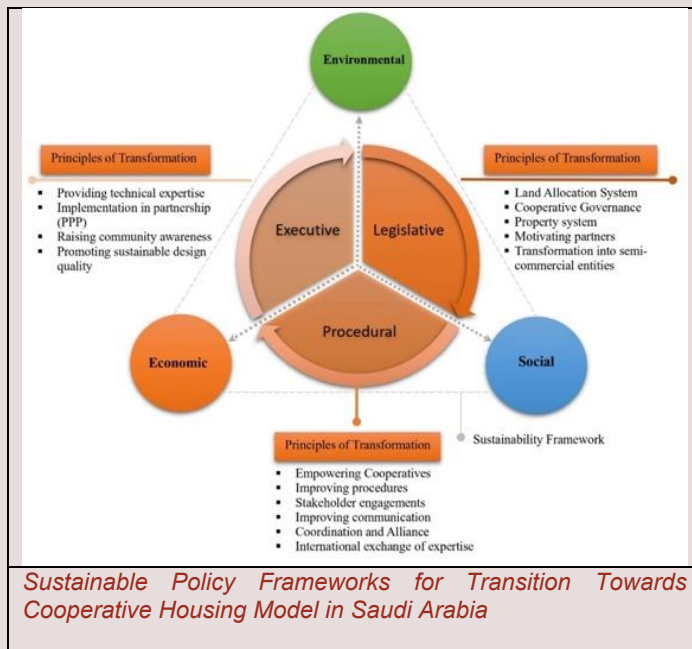
## SUSTAINABLE POLICY FRAMEWORKS

Developing sustainable policies for transformation towards a cooperative housing model in Saudi Arabia is subject to reforming the housing sector's structural framework to enable cooperatives. Cooperative housing is one of the main initiatives in Saudi Vision 2030. Therefore, developing a cooperative model expresses the political will towards the transition to the principles of

sustainable development. Yet, cooperative housing is still unable to produce affordable and sustainable housing projects due to legislative, procedural and executive challenges.

First, the housing market in Saudi Arabia is based on individual ownership. Household ownership reached 63.74% in 2023 [20]. Ownership is often linked to mortgages and withholding fees that families need to pay in the long term. However, with the high prices of housing units and the limited supply of affordable housing, many families are unable to obtain housing or are burdened with mortgage debt for decades. These indicators reveal the limitations of collective and cooperative ownership options. Therefore, the housing market in Saudi Arabia needs to reform the legislative framework for real estate development in residential neighborhoods by allocating land for the construction of housing cooperatives. These policies can help increase the proportion of land within cities and stimulate the establishment of cooperative communities. The legislative framework emphasizes the establishment of legislative rules for the governance of cooperative societies through indicators measuring financial sustainability and the quality of housing products. Legislation should adopt the transformation of cooperatives as quasi-commercial entities so that they are able to compete in the housing market. Moreover, reform of the legislative system should be coupled with the development of legal systems for collective ownership, including stimulating contributions to cooperative affordable housing projects.

Second, the procedural framework addresses reforming the process of establishing cooperatives and the mechanisms for empowering them. This includes facilitating the procedures for establishing cooperative societies and enabling their products to support other housing programs such as development housing. Cooperative work depends on organized collective effort, and this requires the creation of a “business model” that can be evaluated and supports opportunities for communication and exchange of experiences with Arab and international cooperative societies and stakeholder engagement. Moreover, building frameworks for partnership, coordination and alliance with international cooperative institutions.



Third, cooperative housing production is negligible in Saudi Arabia and its contribution to the housing sector is limited. Therefore, the executive policies for cooperative housing should include providing technical expertise in housing cooperatives compared to contracting companies. This can be achieved by transforming cooperatives into semi-commercial entities to be able to compete with contracting and real estate development companies. These policies can also help develop more sustainable designs for cooperative housing. The executive framework should be accompanied by improving the stereotypical image of housing cooperatives by enhancing community awareness of organized collective work

and strengthening the system of protecting real estate property rights (see the picture on the left).

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## CONCLUSION

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This article explores the importance of developing housing alternatives that adapt to the economic capacity of low-income people by empowering cooperatives and reforming the housing sector's infrastructure, including the legislative, procedural and executive framework. Despite the importance of cooperative housing and its contribution of more than 20% of the housing stock in many countries of the world. However, the role of cooperative housing remains limited in Saudi Arabia due to many gaps in the legislative, procedural and executive aspects. Individual housing ownership rates are not an indicator of the success of the housing system because they lead to increased living burdens for families and increased mortgage payments in the long term. Activating cooperative housing is subject to developing the housing sector system in Saudi Arabia towards advocating for the concept of cooperatives as a strategic option in light of the transformations witnessed by major cities. Finally, preparing the infrastructure for the development of housing cooperatives is imperative for their success, including activating community participation, collective management, and awareness of cooperative work as an option for sustainable affordable housing.

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# LEARNING FROM EUROPE'S AFFORDABLE RENTAL HOUSING COOPERATIVE SECTORS

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This article summarizes findings from a study tour undertaken to Denmark, Austria and Switzerland, three countries and especially their capital cities all have large-scale rental housing co-operative sectors that provide secure, affordable and decent housing for up to 20% of their populations.

The report identifies collaborative private-public funding models, tenant democracy supported by strong coop federations, and innovative urban design often implemented through urban design competitions. Denmark's Almene Boliger system, Austria's Vienna Model, and Zurich's extensive co-operative housing sector highlight the benefits of a well-regulated, non-profit approach to housing, ensuring equitable access to affordable housing throughout the city making these cities among the world's most livable cities. Collaborative private/public funding and risk-sharing models ensure a continuous supply of affordable housing, with funding sources being a mix of government building funds, government guarantees, soft loans, tenant equity contributions, and co-operative solidarity funds. Regulatory frameworks in these countries enforce affordability, quality, and sustainability while preventing market speculation. People-centred design, housing innovation such as modular housing can reduce costs, improve energy efficiency, can provide sustainable and socially cohesive communities.

There are valuable lessons also for the Asia Pacific region, with the region's rapid urbanization, climate change, and increased housing costs, it is vital to find affordable and sustainable housing solutions.

## WHY THE STUDY TOUR AND WHAT WE WANTED TO UNDERSTAND

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Housing unaffordability is a global problem, where housing being considered more as a profitable venture for investors than as secure homes for people and families. Australia has historically had high home ownership rates, but rising costs and interest rates have made private ownership increasingly inaccessible, forcing more people into insecure private rentals. The Australian co-operative housing sector comprises less than 1% of housing stock, most being affordable rental housing cooperatives in the social housing sector. Recent research on the sector has shown significant health and social benefits to tenants and offers a solution towards a more inclusive housing system.

Due to the lack of knowledge and many misconceptions around co-operative housing in Australia, the Business Council of Co-operatives and Mutuals in Australia decided to organize a Study Tour to Europe for Australian decision-makers in housing. The tour focused on:

- funding mechanisms and financial frameworks that enabled expansion and maintenance of a large-scale affordable housing cooperative sector.
- institutional support necessary to support tenant's active participation in governance and housing development

- people-centred design, social and environmental housing innovation informed by tenant's needs and demands

In each country, the study tour met with housing cooperative federations, non-profit developers, architects, urban planners, mutual banks, and, not least, housing cooperative office-bearers and tenant members.

## THE SELECTED DESTINATIONS: DENMARK, AUSTRIA AND SWITZERLAND

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*Study tour participants at the Wohnproject Wien complex in Vienna, April 2024. Photo by Beverly Wood.*

The selection of Copenhagen, Vienna and Zurich for the study tour was based on these cities/countries having large scale housing cooperative sectors offering affordable, good quality and secure housing to a substantial part of the population. Definitions of what is considered affordable housing vary; it is either set as a maximum percentage of the tenants' income (Australia and Denmark) or set at cost of development (with no or low profit allowed for developers) and must be considerably lower than market rent.

## THE DANISH MODEL

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Denmark's "Almene Boliger" sector is a key component of social housing, providing affordable, high-quality housing for diverse populations, including low-income households, students, single parents, and the elderly. Unlike Australian public housing, it operates independently of government budgets through a sustainable funding model that secures investments into the sector in perpetuity. While housing estates in the Almene Boliger sector are not registered as housing co-operative, the governance follows cooperative principles with strong tenant democracy, ensuring residents actively participate in governance and strategic decision-making. The sector has strong public support and is viewed as essential for reducing inequality, promoting social mobility, and maintaining housing stability. Accommodating one in every sixth Dane in almost 1 million households, the sector is managed by approximately 550 non-profit housing

associations, overseeing around 8,500 housing estates, with a peak body, the Danish Federation of Almene Boliger (BL), advocating for the sector since 1919.

The sector is strictly regulated to ensure affordability, sustainability, and tenant involvement. Rents must not exceed 25% of income, with further subsidies available for low-income tenants. There are no income restrictions to live in Almene boliger, which must be the only residence. Municipalities can allocate up to 25% of the housing stock for emergency needs. Housing quality is maintained through regulations on construction costs, unit size, and sustainable building practices. Recent initiatives have focused on reducing the sector's carbon footprint, using prefabricated modular housing, implementing energy-efficient designs, recycled materials and housing models that encourage the reuse of old furniture rather than new house-fittings. There is also experimentation with different living arrangements to enhance social cohesion.

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## THE VIENNA MODEL

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Vienna has a century-long tradition of providing affordable housing to its citizens, initially driven by grassroots co-operatives, then supported by large-scale state supported coop development. Vienna has also resisted privatizing its public housing stock and instead expanded it. In total 43% of housing stock is affordable, of which 21% are rental housing cooperatives. The almost 1 million households are managed by 182 limited profit housing associations where rents can maximum be 80% of market rate. The result is that over 50% of Vienna's population lives in subsidized housing, contributing to maintaining social equity and preventing housing market speculation. The city's housing policy is based on long-term planning, stable financing, and fostering social integration, ensuring a mix of low- and middle-income residents across all neighbourhoods.

Vienna's housing policies prioritize tenant security, affordability, and inclusivity, allowing 75% of residents to qualify for limited-profit housing. Eligibility is determined by residency status, citizenship, and income thresholds, with a focus on reducing overcrowding and supporting young people. Tenants enjoy strong legal protections, and dwellings can be inherited by the next generation. Housing is high-quality, mostly unfurnished, and provided at cost price across all districts, reinforcing social cohesion. This has resulted in Vienna being ranked one of the world's most livable cities and demonstrates a successful model of state-supported, tenant-focused urban development.

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## THE SWISS MODEL

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Switzerland has a long history of co-operative housing, dating back to 1892 when the labor movement provided decent housing for workers. Zurich faced economic decline between 1960 and 1990, which led to depopulation, vacant office spaces, and a concentration of low-income households. In response, the city adopted a radical re-urbanization strategy, which included changes in building and zoning codes to convert abandoned office spaces into affordable cooperative housing. This move helped Zurich recover economically and improve its livability. The Swiss constitution mandates the promotion of affordable housing, reinforced by the 2003 Federal Housing Act, ensuring affordable and sustainable housing with tenant participation rights. Cooperative Housing Switzerland follows these principles by providing rental housing without income restrictions, allowing middle-income families to access affordable homes while prioritizing vulnerable groups. Rents for affordable housing cooperatives in Zurich are sometimes 20-50%

lower than market rates. Various innovative housing models, including co-housing, co-living, and collaborative retirement communities, have also emerged under the co-operative housing framework.

Despite its success, non-profit housing construction in Switzerland has declined in recent years due to limited affordable land and increased market-driven construction. Switzerland has a high rental rate, with 61% of homes rented nationally and 90% in Zurich. Of this, 25% of total housing stock is non-profit rental housing, including housing co-operatives. Zurich's affordable housing policy is based on housing as a fundamental right, a social goal, and a public task, with co-operative housing playing a key role in preventing market speculation and supporting economic revitalization. The current goal is to make one-third of rental apartments affordable by 2050, leading to land acquisition efforts and the establishment of an Urban Housing Fund. At the federal and regional levels, planning laws have been adjusted to promote urban density to support affordable housing.

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## FUNDING MODELS TO ENSURE DEVELOPMENT OF THE AFFORDABLE HOUSING SECTOR

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### DENMARK'S UNIQUE PERPETUALLY REPLENISHED AFFORDABLE HOUSING FUNDING MODEL

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Denmark's Almene Boliger housing system is supported by a funding model that is replenished in perpetuity, a system protected by legislation for affordable rental housing and which is independent of national budget allocations. This resilient system has been built up over time to ensure long-term collaboration and risk-sharing between private, government, non-profit developers, and tenant stakeholders. Two national funds; The National Building Fund ([Landsbyggefonden](#)) replenished by small levy on tenant's rent, supports new construction, renovations, and retrofitting, and the Danish Construction Defects Fund ([Byggeskadefonden](#)), funded by a levy on new developments, which monitors housing quality and provides funds to repair structural defects in housing complexes to substantial for tenants to cover within their maintenance budgets.

Construction of new housing is funded through a risk-sharing model involving commercial banks, municipal contributions, and tenant equity, with the state providing loan guarantees and subsidies to bridge affordability gaps. These mechanisms have enabled Denmark to maintain a self-sustaining, high-quality affordable housing sector. Debt and government subsidies are repaid through tenant rents the first 40 years, while the subsequent period tenant rent is used to replenish the National Building Fund, the Housing Association and the individual housing estate with equal parts. This ensures funding for new projects and maintenance.

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### VIENNA'S UNIQUE LAND AND PLANNING SYSTEMS AND TAX LEVY TO FINANCE NEW AFFORDABLE HOUSING

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Austria's Limited-Profit Housing Associations (LPHA) ensure affordability through tax breaks, subsidies, and reinvestment mandates, enabling high-quality, cost-based rental housing. A key element of Vienna's strategy is access to affordable land, facilitated by Wohnfonds Wien, which

acquires land for social housing and counters speculation. In 2018, Vienna introduced a Subsidized Housing zoning category, requiring two-thirds of new housing in these zones to be affordable, capping land prices and maintaining social diversity. LPHA funding is secured through a fixed share of income tax (0.5% of gross income), supplemented by public and commercial loans, tenant equity, and construction grants. Despite substantial housing subsidies, Austria's public expenditure on housing remains lower than the EU average. Federal and provincial legislation regulate subsidies and require non-profit developers to charge rents based only on costs, ensuring long-term affordability and reinvestment in new housing projects.

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## SWITZERLAND AND ZURICH'S UNIQUE COLLABORATIVE AND RISK-SHARING FUNDING MODEL

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Zurich, government support includes long-term land lease agreements at low interest rates, ensuring affordable land for non-profit housing. Tenants pay cost-based rents, and a solidarity fund supports those struggling with payments. Co-operatives also offer communal spaces and rental facilities for social services. Unlike social housing, Swiss co-operatives do not provide welfare services but facilitate affordable living through a collaborative financial system.

Funding for non-profit housing is supported by a revolving fund offering low-interest loans for construction, renovation, and land acquisition. The Bond-Issuing Co-operative (BIC) secures favourable capital rates through government-backed bonds, while a Confederation countersecurity guarantees up to 90% of investment. Additional funding comes from cantonal rental assistance and land provisions. The Swiss Federation of Housing Co-operatives administers these financial mechanisms, reinforcing a self-sustaining, multi-level funding approach that integrates government, private, and solidarity-based finance to expand affordable housing development.

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## PEOPLE-CENTERED HOUSING INNOVATION FOR ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFIT

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The study tour observed a strong emphasis on innovation in housing design focusing on social and environmental impacts. This responds both to dual-purpose nature of member-based housing models, where housing should meet member expectations around economic, environmental, and social impact as well as adhere to architectural quality and performance standards required for public subsidies or government-owned land access.

When non-profit or limited-profit developers receive subsidies or favourable land access, authorities must ensure accountability in construction costs. Additionally, projects must align with global and national sustainability targets. Efforts focus on reducing carbon footprint, increasing common and non-car spaces to improve well-being for residents and increasing vegetation and trees for air and temperature improvements in the urban space. In housing renovation, retrofitting measures are undertaken to improve accessibility for aging and less mobile residents while enhancing energy efficiency.

Each country demonstrated distinct approaches to design innovation to meet environmental, social, and economic policy targets. Denmark's Almene Boliger sector prioritizes cost reduction,

carbon footprint minimization, and social cohesion. Housing associations collaborate with developers and architects to create new designs.

In Austria and Switzerland, innovation aligns with sustainable development goals through architecture competitions that incorporate rigorous design and cost criteria. Ensuring member economic benefits is key to maintaining perpetual housing affordability.

Design innovations lower individual investment costs by incorporating shared amenities such as play-grounds, laundry facilities, workshops, communal libraries, guest apartments, and community kitchens. Many co-operatives allocate space for commercial use within their buildings. These areas accommodate community cafés, offices, meeting rooms for hire, and guest accommodations, fostering job opportunities and entrepreneurship among co-operative members. Social benefits extend beyond affordability. Safe outdoor spaces for children, gardens, and playgrounds foster community connections. Innovative design strategies promote social cohesion by integrating "accidental spaces" such as wider balconies and stairways that encourage daily encounters. Shared spaces for exchanging clothes, toys, and goods further strengthen community ties.

The experimental and innovative housing designs, as shown above, are regulated according to strict building codes for all government-supported affordable housing sectors to ensure alignment with global and national Sustainable Development Goals (SDGs). In addition, strong member and community advocacy drives efforts to minimize carbon footprints and waste, improve social cohesion, and community benefits.

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## CONCLUSION

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The study tour showed that having large-scale affordable rental housing cooperative sectors, which are not focused primarily on profit maximization, are at the forefront of design innovation and become leaders in sustainable building innovation.

They also provide secure, long-term and decent housing for large parts of the especially the urban populations. Cities where affordable housing is distributed throughout every suburb like in Vienna, creates livable and thriving cities, with a mix of people with diverse social backgrounds.

The study recommends developing collaborative funding models to increase the affordable housing cooperative sector and to enhance tenant participation and rights. Additionally, people-centered urban planning and architectural innovation, such as modular housing can reduce costs while at the same time provide sustainable and socially cohesive communities.

The insights from the Study Tour report provide essential facts to inform policy and funding mechanisms for the promotion of co-operative housing as a viable solution to Australia's housing challenges.

There are valuable lessons also for the Asia Pacific region, with rapid urbanization, climate change, and increased housing costs, it is vital to find affordable and sustainable housing solutions for the future.

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Note: The study tour and the report were funded and developed jointly by the Business Council of Co-operatives and Mutuals (BCCM), the Griffith Centre for Systems Innovation (GCSI), and the Australian Housing Cooperative Alliance (ACHA).

# EMPOWERING PLANTATION COMMUNITIES: A CASE STUDY OF ESTATE WORKERS HOUSING COOPERATIVE FEDERATIONS IN SRI LANKA

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## UNDERSTANDING SOCIO-ECONOMIC MARGINALIZATION IN SRI LANKA'S ESTATE SECTOR

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The estate sector in Sri Lanka, particularly among tea plantation communities, has long suffered from socio-economic marginalization. Estate workers, predominantly of Tamil origin and largely women, have endured inadequate living standards, poor access to social services, and systemic economic exploitation. Despite national development progress, rural and estate areas lag significantly behind in infrastructure, education, and health outcomes. The formation of the Estate Workers Housing Cooperative Federations (EWHCs) marks a transformative community-driven approach to address these disparities. This paper examines the establishment, operational dynamics, and outcomes of EWHCs, demonstrating how cooperative models can promote inclusive development, gender equality, and environmental sustainability.

The housing crisis in Sri Lanka's estate sector is deeply rooted in the country's colonial past and the persistent marginalization of plantation communities. Originating during British colonial rule, the plantation economy was built on the labor of Indian Tamil workers brought to Sri Lanka under exploitative conditions. These communities were historically excluded from mainstream economic and social development, and decades of systemic neglect have resulted in entrenched poverty, limited mobility, and inadequate access to basic services.

Traditionally, estate workers lived in "line rooms", long, narrow housing units designed to accommodate multiple families in confined quarters. These structures, often built more than a century ago, are characterized by poor ventilation, minimal natural light, lack of sanitation, and shared outdoor toilet facilities. Such overcrowded and unhygienic conditions have had lasting implications on the health of children and women. Many estate settlements lack access to piped water, and waste is frequently disposed of in open areas, leading to both environmental degradation and increased incidence of disease.

## ENVIRONMENTAL VULNERABILITIES AND DEGRADATION

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In recent years, environmental hazards have further exacerbated the vulnerabilities of these communities. The deterioration of sustainable agricultural practices—once a hallmark of the country's tea industry—has been accelerated by financial constraints and climate change. Tea estates, operating under tight budgets and declining market competitiveness, have reduced

investments in soil conservation and eco-friendly land management. As a result, landslides have become increasingly common in hilly plantation areas, posing direct threats to life and property.

The liberal use of agrochemicals in both tea and surrounding vegetable cultivations has polluted water sources, degraded soil quality, and compromised air quality. Harmful substances have been detected in drinking water used by estate households, which affects not only the local residents but also downstream communities dependent on these water sources. The lack of a structured waste management infrastructure has led to widespread dumping of non-biodegradable waste, compounding the region's ecological stress.

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## ECONOMIC EXPLOITATION AND FINANCIAL INSECURITY

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Economically, estate workers remain one of the most disadvantaged groups in Sri Lanka. Their income sources are often mono-dimensional, primarily dependent on daily wage labor in the plantations, which is vulnerable to market volatility and seasonal fluctuations. Furthermore, the absence of proper marketing infrastructure has left small-scale estate farmers, who grow vegetables on limited plots, exposed to exploitation by private traders. These middlemen buy produce at minimal prices while selling agricultural inputs at inflated rates, leaving workers trapped in cycles of debt and disempowerment.

Access to credit has traditionally been limited to informal financial institutions, including moneylenders and microfinance agencies, many of which charge exorbitant interest rates. Some microfinance organizations in estate areas have been found to charge interest rates exceeding 24%, placing enormous pressure on already struggling families. Jewelry pawning, borrowing from unregulated lenders, and accumulating unsustainable debt have become normalized coping mechanisms, undermining long-term financial stability.

Socially, estate workers, especially women, face systemic barriers to empowerment. Women comprise the majority of the estate labor force and are essential contributors to the country's tea export economy. Despite their critical role, they continue to face gender-based discrimination, lack access to leadership roles, and have minimal control over household finances or communal decision-making processes. In many cases, women carry the double burden of wage labor and unpaid domestic responsibilities, resulting in chronic stress and diminished quality of life.

Children in estate communities also face severe developmental disadvantages. Limited access to early childhood education, under-resourced schools, high malnutrition rates, and exposure to hazardous living environments threaten their physical and cognitive development. Issues such as child abuse, neglect, and exposure to drugs have been reported at alarming rates, and there is a lack of community-level structures to safeguard child rights.

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## BEGINNING OF COOPERATIVE HOUSING APPROACH FOR ESTATE WORKERS

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In response to this complex matrix of challenges, the PALM Foundation, an established grassroots development organization, has taken a holistic and participatory approach to community empowerment. Since 1989, PALM has worked in central Sri Lanka, focusing on poverty alleviation through inclusive, gender-sensitive, and rights-based strategies. In partnership

with the international development organization We Effect, the foundation launched a strategic initiative to establish community-based Estate Workers Housing Cooperatives (EWHCs). These cooperatives aim to improve housing conditions, promote financial inclusion, and strengthen the social fabric of plantation communities through collective action, cooperative governance, and sustainable development principles.



*Housing units at Ragalla Estate in Sri Lanka*

This initiative not only addresses immediate needs such as housing and credit access but also lays the foundation for long-term socio-economic transformation. By centering the voices of estate workers, particularly women, and integrating environmental, economic, and social components, the cooperative model offers a replicable framework for development in other marginalized rural contexts.

These intersecting social, economic, and environmental challenges necessitated a holistic response. The PALM Foundation, with support from We Effect, developed a cooperative-led model to address these pressing needs systematically. A summary of the key issues and the cooperative-based responses is provided in Table 1.

**Table 3: Tackling Structural Challenges through Cooperative Models**

Key Challenge	Description	Response via Cooperatives
Substandard Housing	Overcrowded line rooms with poor ventilation, sanitation, and privacy.	Development of democratically managed housing cooperatives focused on sustainable living conditions.
Environmental Degradation	Landslides, pollution from agrochemicals, poor waste management.	Eco-friendly home gardens, community forests, and waste reduction initiatives through cooperative planning.
Limited Financial Inclusion	Reliance on high-interest loans, lack of savings habits, and informal credit systems.	Access to low-interest credit, improved savings mechanisms, and financial literacy programs led by cooperatives.
Market Exploitation	Estate farmers face low prices for produce and high costs for inputs.	Cooperative-run marketing systems, super coop shops, and collective bargaining models.
Gender Inequality	Women face dual roles, limited access to decision-making, and control over resources.	Promotion of women leadership in cooperatives; 54.6% of BOD positions held by women.

Child Welfare & Education Gaps	Poor access to education, high malnutrition, exposure to abuse and drugs.	Child protection awareness programs and better access to early education and health services through community support.
Lack of Social Infrastructure	Absence of organized community structures and civic participation.	Formation of federated cooperative bodies for self-governance and collective action.

This study is based entirely on secondary data provided by We Effect and its implementing partner, the PALM Foundation. It draws from internal project assessments, reports, and monitoring documents related to the Estate Workers Housing Cooperatives (EWHCs).

The analysis focuses on cooperatives in seven tea plantations, later expanded into a district-level federation in Nuwara Eliya. Quantitative data such as membership growth, financial performance, and women's leadership were analyzed alongside qualitative insights from community testimonials and stakeholder feedback.

## GOVERNANCE AND MANAGEMENT

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The governance structure of EWHCs emphasizes democratic participation and capacity building. Monthly meetings, annual general assemblies, and consistent audits ensure accountability and transparency. The Department of Cooperative Development and the Plantation Housing Development Trust (PHDT) provide oversight and technical assistance. Governance reforms have significantly increased women's participation, with female representation in leadership roles rising from 10% to 60%.

The formation of a regional cooperative federation in 2016 marked a significant milestone, enhancing advocacy capacity and unifying 67 cooperatives under a single umbrella organization. This structure facilitates the standardization of practices, knowledge sharing, and policy engagement.

## TECHNOLOGICAL INTEGRATION

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The EWHCs have adopted a web-based accounting system to streamline financial management. This technological shift has improved transparency, tracking of member savings, and access to affordable credit schemes. Computerized billing systems in super coop shops, along with the establishment of two ICT training centers, have further enhanced digital literacy and operational efficiency. Technological donations, including cooling machines and food processing equipment, have bolstered cooperative-run businesses such as dairy production, community kitchens, and dehydrated goods, adding to income diversification and food security.

## FINANCIAL AND SOCIAL IMPACT

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Membership in housing cooperatives has expanded to 2,879 active participants, representing a 59.5% engagement rate. Member savings have significantly increased, reducing dependence on

informal lending. Cooperative-led ventures now generate income, with profits reaching LKR 670,000 (\$2,230) and a reserve fund under development.

Beyond financial outcomes, social services have improved. Cooperatives have enhanced access to government programs and created job opportunities for 75–100 unemployed women. Awareness of cooperative principles and community solidarity has grown, fostering a culture of mutual support and collective progress.

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## GENDER AND ENVIRONMENTAL RESILIENCE

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The integration of gender equality into the cooperative model has yielded substantial gains. Women now comprise 54.6% of Board of Director positions and 47.2% of divisional committee roles. This shift has not only empowered women economically but also fostered more inclusive decision-making processes.

On the environmental front, EWHCs have initiated eco-friendly home gardens, fruit orchards, and community-managed forests. These initiatives contribute to local food systems, promote sustainable agriculture, and mitigate environmental degradation.

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## GROWTH METRICS AND FEDERATION PERFORMANCE (2014–2024)

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The progress of the Estate Workers Housing Cooperative Federations over the past decade underscores the model's effectiveness in mobilizing community resources and institutional development. The federation began in 2014 with a modest base of 30 housing societies and approximately 10,500 members. By 2024, these numbers had increased substantially, with 67 housing societies and 36,000 members actively participating across the Nuwara Eliya and Hatton regions.

This remarkable growth is matched by the federation's financial performance. Since its inception:

- Share Capital rose from LKR 0 to LKR 2,000,000 (\$6,670)
- Authorized Capital reached LKR 4,500,000 (\$15,000)
- The annual profit for the federation stood at LKR 670,000 (\$2,230)

Although turnover and reserve fund data were not available at the time of this report, these financial indicators suggest a steady trajectory toward institutional sustainability. The increase in membership and capital contributions reflects enhanced community trust and engagement. Moreover, the growth of cooperative societies in new regions illustrates the model's scalability and adaptability to different plantation communities.

Despite notable successes, EWHCs face several challenges. Expansion to additional districts requires policy-level approval and resource allocation from PHDT and other governmental entities. Many cooperatives lack adequate management skills, and some remain inactive.

To address these issues, the PALM Foundation has established a district-level umbrella organization to support ongoing capacity development. Strategic linkages with the Department of Cooperative Development and PHDT have also been reinforced. Monitoring responsibilities are now shared between estate management and PHDT, institutionalizing oversight and support.

## CONCLUSION

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The establishment and evolution of Estate Workers Housing Cooperative Federations in Sri Lanka exemplify how community-led, gender-sensitive, and environmentally conscious cooperatives can transform the socio-economic landscape of marginalized populations. Supported by organizations like the PALM Foundation and We Effect, EWHCs have significantly improved housing, financial inclusion, and women's empowerment in plantation regions. Despite ongoing challenges, the cooperative model stands as a powerful tool for inclusive development and resilience building. Scaling and replicating this approach require continued policy support, resource mobilization, and institutional strengthening.

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# COOPERATIVE HOUSING IN INDONESIA: TACKLING THE HOUSING BACKLOG WITH COMMUNITY-LED SOLUTIONS

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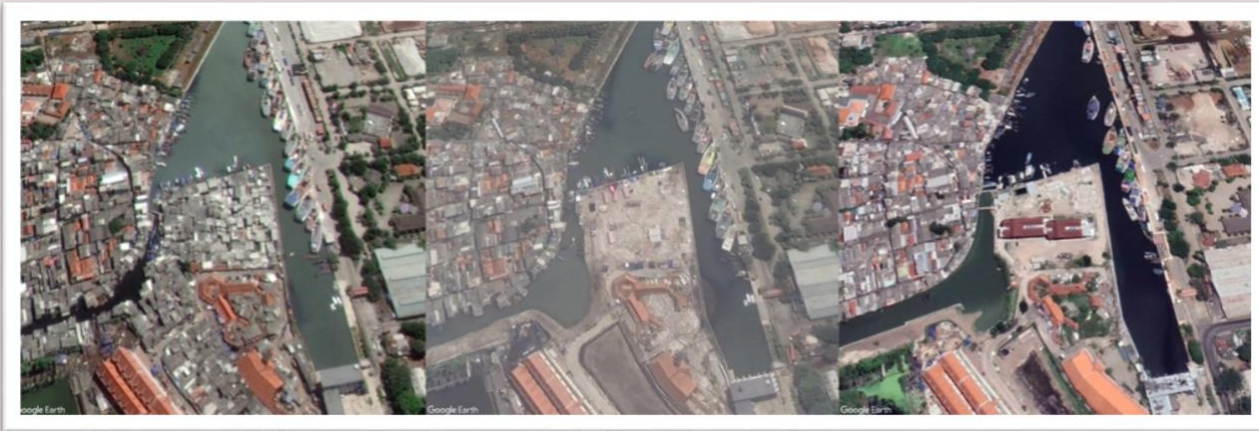
Indonesia, as one of the world's largest archipelagic and rapidly urbanizing nations, faces major housing challenges. Over the past five years, the housing sector has contributed 14–16% of GDP (\$151.5–184.8 billion), created 13.8 million jobs (10.2% of total), added 9.3% to national tax revenues (\$11.9 billion), and generated \$5.9 billion in regional income. Yet despite its economic importance, the sector faces a housing backlog of 9.9 million units, with about 29.6 million people living in inadequate conditions. The shortage is most acute in cities like Jakarta, Surabaya, and Medan, where rising land prices, speculative real estate, and private-sector dominance marginalize low- and middle-income households.

While the government has introduced subsidies, land allotments, and tax incentives, these measures have yet to bridge the affordable housing gap, particularly for marginalized and underserved communities. As a result, interest is growing in alternatives like housing cooperatives, which complement state efforts by improving access and community empowerment.

## STATE OF HOUSING COOPERATIVES IN INDONESIA

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In Indonesia, housing cooperatives remain underdeveloped, largely due to the absence of policy integration at the national level and limited legal frameworks for cooperative land tenure and financing. While some employee cooperatives provide housing loans for members, these initiatives have had only limited reach and success.



*Satellite imagery of Kampung Akwarium from March 2016 (pre-eviction) to July 2016 (post-eviction) and April 2022 (post-construction). Picture credit: Google-Earth-scaled*

Nonetheless, promising pilot projects have emerged. Organizations such as the Urban Poor Consortium (UPC), the Rujak Center for Urban Studies, and ARKOM (Community Architects) have championed cooperative housing initiatives. Notable examples include Koperasi Kampung Aquarium and Koperasi Kampung Tongkol (developed by UPC), as well as self-managed cooperatives for social activists established by the Rujak Center. ARKOM has pioneered mutual-aid housing cooperatives that emphasize collective ownership and community-led development. These cooperatives operate on a non-profit basis, prioritizing the well-being of their members. By emphasizing collective management and democratic decision-making, they help ensure long-term affordability and guard against speculative real estate practices.

## THE CHALLENGES OF AFFORDABLE HOUSING

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Low-income families in Indonesia face growing challenges in securing adequate housing, reinforcing poverty cycles. Minimum-wage workers often cannot afford even subsidized apartments or meet mortgage requirements. Many affordable housing projects are managed by profit-driven developers who prioritize cost-cutting, often resulting in substandard construction. In some cases, low-income urban communities are displaced to make way for luxury developments, further entrenching social inequality. Indonesia's young population, projected to comprise 70% of the total demographic by 2030, is also squeezed by stagnant wages and escalating land and housing prices, making homeownership increasingly unattainable.

## HOUSING COOPERATIVES: A SUSTAINABLE ALTERNATIVE

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Since the 1960s, countries such as the United States, Canada, Germany, and Switzerland have successfully implemented cooperative housing models. Some countries emphasize rental-based cooperative housing (e.g., Germany, Canada, and Switzerland), while others adopt ownership-based models (e.g., Sweden, Norway, and the United States). The United Kingdom has developed a co-ownership system, whereas Uruguay and several Latin American countries emphasize mutual-aid cooperative housing.

Despite different approaches, all these models share a common goal: ensuring that housing remains accessible, affordable, and community driven. Unlike these countries, Indonesia has historically focused on state-subsidized or commercially developed housing, with little institutional support for cooperative housing models. As a result, the cooperative housing sector remains underdeveloped and largely informal.

Housing cooperatives bring multiple benefits beyond affordability. They contribute to infrastructure development, promote environmental sustainability, and strengthen community bonds. Many housing cooperatives initially receive government support through funding schemes, low-interest loans, land grants, and technical assistance. Once established, they often become self-sufficient, reducing the government's financial burden in the long term. Cooperative housing communities also integrate other services, such as consumer cooperatives, insurance cooperatives, and funeral cooperatives. Residents democratically elect their management committees, ensuring that governance remains transparent, inclusive, and accountable. This participatory model fosters a strong sense of social responsibility and cohesion among residents.

## CASE STUDY: LEARNING FROM KAMPUNG AKUARIUM'S HOUSING TRANSFORMATION

Kampung Aquarium in North Jakarta stands as a landmark example of cooperative-led housing transformation, earning both national and international recognition for its inclusive and community-driven approach. Once an informal settlement forcibly demolished in 2016, its residents chose not to disappear, they organized, formed the Koperasi Aquarium Bangkit Mandiri, and worked with NGOs such as the Urban Poor Consortium (UPC), the Urban Poor Network (JRMK), and the Rujak Center for Urban Studies to reclaim their right to housing.



*The Kampung Aquarium apartments on the site of the former slum of the same name.  
Credit-Peter Yeung*

Through a collaborative process involving participatory design, political negotiation, and community-led governance, they developed Kampung Susun Aquarium, a mid-rise cooperative housing complex with 240 apartment units, communal gardens, small businesses, and social spaces. The cooperative oversees management and has launched income-generating initiatives, such as laundry services, catering, kiosks, and water refills — strengthening both livelihoods and collective resilience.

Notably, in 2023 Kampung Aquarium was awarded the Asia Pacific Housing Innovation Award (Civil Society Housing Category) by the Asia Pacific Housing Forum, selected from among international entries by 20 judges. The project also received an Honorable Mention for the Sustainable Consumption and Production Innovation Award from Switch Asia. These recognitions affirm that Kampung Aquarium's model, rooted in human rights, collaborative governance, and innovative licensing mechanisms like SP3L, is a global example of housing innovation.



*Celebration of the Habitat Award reception for the Kampung Aquarium Housing Cooperative, Jakarta, in 2024*

The Kampung Aquarium experience shows how housing cooperatives can move beyond providing shelter to advancing social inclusion, economic empowerment, and urban resilience. It highlights the importance of collective action, inclusive governance, and public-private partnership in tackling the challenges of affordable housing, not just in Indonesia, but across the Global South.

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## REGULATORY AND STRUCTURAL CHALLENGES

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Despite its potential, the housing cooperative model in Indonesia faces significant challenges, including:

- **Limited Public Awareness:** Many Indonesians are unfamiliar with the concept of housing cooperatives, often associating cooperatives only with savings-and-loans or consumer cooperatives.
- **Regulatory Barriers:** Government policies have yet to fully integrate cooperative housing into national development plans. Issues such as unclear legal frameworks for land tenure, limited financing eligibility, and lack of coordination between housing and cooperative agencies remain key obstacles.
- **Internal Governance Issues:** Many pilot cooperative housing projects struggle with organizational planning, financial management, and legal compliance. While democratic principles are embraced, cooperative governance structures often require strengthening to ensure transparency and sustainability.

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## RECOMMENDATIONS FOR POLICY AND IMPLEMENTATION

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To advance the housing cooperative model in Indonesia and unlock its full potential, a multi-layered and context-sensitive approach is needed. The following recommendations address key institutional, financial, social, and governance challenges:

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### FORMAL POLICY INTEGRATION AND LEGAL RECOGNITION

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While Indonesia has strong cooperative laws in general, housing cooperatives lack a clear and supportive legal framework. National development plans, such as the RPJMN (National Medium-Term Development Plan), should explicitly recognize housing cooperatives as an affordable housing mechanism. This should be followed by sector-specific regulations that clarify:

- land tenure rights for cooperatives
- access to public and social housing funds
- streamlined licensing and permitting for cooperative-led projects.

Importantly, the Ministry of Public Works and Housing (Kementerian PUPR) and the Ministry of Cooperatives and SMEs (Kementerian Koperasi dan UKM) must develop joint guidelines to avoid jurisdictional silos that often paralyze implementation.

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### FINANCING MODELS BEYOND SUBSIDIES

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Affordable, long-term financing remains one of the biggest barriers to scaling cooperative housing. Beyond direct subsidies, the government and state-owned financial institutions (e.g., BTN, Bank Mandiri) should develop dedicated financial products for cooperatives, such as:

- long-term, low-interest mortgages with cooperative guarantee
- blended finance instruments that combine public, private, and philanthropic capital
- access to Indonesia's Housing Finance Liquidity Facility (FLPP) for cooperatives.

Municipalities can also play a critical role by offering land on long-term leases or land trusts, which would lower entry costs and reduce displacement risks.

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## CAPACITY BUILDING AND INSTITUTIONAL SUPPORT

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Cooperative housing requires more than just funds - it needs a foundation of knowledge, skills, and trust. To strengthen cooperative capacity, stakeholders should:

- Develop national training curricula on cooperative housing management, adapted for local governments, cooperative leaders, and residents
- Establish technical support hubs at the provincial or municipal level to assist with planning, construction, governance, and conflict resolution
- Encourage universities, such as Universitas Gadjah Mada or Institut Teknologi Bandung, to partner in applied research and pilot evaluation.
- Give special attention to women, youth, and informal workers, who are often underrepresented in leadership roles within cooperatives.

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## STRENGTHENING GOVERNANCE, ACCOUNTABILITY, AND SOCIAL INCLUSION

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Weak internal governance has been a challenge in several Indonesian cooperative sectors, including savings-and-loans. Housing cooperatives need clear and enforceable rules on:

- transparent budgeting and financial reporting
- fair and participatory decision-making;
- mechanisms for resolving disputes among members.
- social inclusion principles - ensuring participation of women, youth, informal workers, persons with disabilities, and marginalized groups - is critical to avoid reproducing existing inequalities within cooperatives.

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## CREATING AN ENABLING ECOSYSTEM THROUGH PARTNERSHIPS

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To scale up housing cooperatives, the government should foster cross-sector partnerships that strengthen cooperative housing ecosystems. This includes:

- partnering with NGOs and social enterprises (such as UPC, JRMK, ARKOM) to provide community organizing, technical design, and social facilitation specifically for cooperative housing projects;
- collaborating with private developers to allocate part of mixed-use or mixed-income projects for cooperative-managed housing units;
- engaging universities and research institutes to develop pilot programs, document best practices, and evaluate impacts of cooperative housing models; and
- working with international agencies and cooperative networks to bring in technical expertise, peer learning, and catalytic funding for cooperative initiatives.
- designing to directly benefit housing cooperatives - not just general affordable housing programs - ensuring they receive tailored support, resources, and visibility.

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## CONCLUSION

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Housing cooperatives offer a sustainable, community-driven solution to Indonesia's housing crisis. By emphasizing collective ownership, democratic governance, and non-profit management, they ensure long-term affordability, social stability, and resilience.

While challenges remain, proactive policy support, public awareness campaigns, and financial incentives can help establish housing cooperatives as a central component of Indonesia's housing sector. As the nation works toward its sustainable development goals and more inclusive urban futures, cooperative housing stands as one of the most promising pathways to delivering affordable and decent housing for all.

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# CARE HOME: A KERALA COOPERATIVE MODEL FOR REHABILITATION DURING FLOOD DISASTERS

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Kerala has always been at the forefront of creating sustainable development models. Many such models are based on a partnership between the Government and the People. The century-old cooperative movement in Kerala has played a monumental role in creating such development models, and CARE home is one among them.



*A CARE Home in Kerala*

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## KERALA FLOOD OF 2018

The southern Indian State of Kerala witnessed a major natural disaster in August 2018. The massive disaster caused by unexpected rains, subsequent floods, and landslides claimed the lives of 453 people. The livelihood of lakhs of people was destroyed. In addition to the destruction of infrastructure such as roads and bridges, an estimated 17,067 houses were destroyed, and more than three lakh houses were partially destroyed.

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## A COOPERATIVE INITIATIVE TO REBUILD KERALA

The cooperative sector intervened in the most exemplary way in the relief work. The government took up the biggest task of rehabilitating the affected people and put in place an action plan for the reconstruction of post-flood Kerala. The cooperative sector, which encompasses all the pulses of the State, did not stay away from the task. With the support of more than 16,000 cooperative societies in the state, the Registrar of Cooperative Societies (RCS), the regulatory body of the cooperative sector in Kerala, formulated a project called CARE Kerala project to build safe houses for families who lost their homes in floods and landslides. The first phase of the project aims to build 2000 houses with the participation of primary cooperative societies.

## STRENGTH OF COOPERATIVES OF KERALA

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*Care Flat Complex at Trissur*

The Cooperatives Department regulates the activities of over 16,000 cooperative societies in the State. These societies have a wide network of activities especially in the areas of agricultural credit, distribution of consumer goods and agricultural produce, agro-processing, health, social services, culture & sports, education including professional education, housing, SC/ST sector, women and youth development, coir, fisheries, handloom, milk production, industry, and khadi cooperative societies.

They have achieved remarkable growth and served the people in diverse economic activities based on their strong democratic legal framework and a comprehensive cooperative policy. No one in Kerala remains untouched by the impact of cooperative societies.

## INSTITUTIONAL STRUCTURE

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The CARE Home Scheme has a clearly defined implementation strategy and institutional structure. A State Level Advisory Committee, chaired by the Honorable Minister for Cooperation and a State Level Project Implementation Unit (PIU) headed by the Secretary, the Department of Cooperation, were constituted at the State level. There are Implementation Committees in each district headed by the District Collector. In addition, a Technical Advisory Committee headed by the Chairman of the Uralungal Labour Contract Society (ULCCS), a District Nodal Officer, and a Resource Group were constituted in each district to lead the implementation of the scheme. Each activity was carried out under the strict monitoring of these committees.

## IMPLEMENTATION STRATEGY

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Committees were formed at the grassroot levels to ensure efficient and timely completion of the house construction. The project was implemented through a cooperative society approved by the PIU. To ensure public participation and transparency, the responsibility for the construction of each house was assigned to a local cooperative society. Beneficiary committees were formed at the implementing agency level, with the Chairman of the selected cooperative society heading the committee. An officer of the cooperative department was also made responsible in the implementation of the project. Civil engineering students from engineering colleges in the state were also made part of the project; two students were continuously provided with the service in each house until the work was completed.

The foundation stone of these houses were laid on December 2, 2018, and the handing over of the house keys to the 2000th beneficiaries was held on July 4, 2020. As of now, 2093 houses were constructed and handed over to beneficiaries against a target of 2,000 houses.

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## FUNDING

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Funds were raised within a very short span of time. Over 2,500 cooperative societies and employees from 14 districts magnanimously contributed funds to the project. This project was conceived with an allocation of roughly Rs. 5,00,000 (\$6,000) per house; Rs. 4,00,000 (\$4,800) from the Cooperative Department mobilized through contributions from cooperatives and the balance amount of Rs. 1,00,000 (\$1,200) from the State Disaster Response Funds. The total amount collected for this project is Rs. 88,17,02,311 (\$10.58 million), and the funds utilized for the construction of 2,091 houses in the first stage were Rs. 87,63,84,572 (\$10.51 million).

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## BENEFICIARIES

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The beneficiary group selection involved an assortment of factors - cultural, religious, occupational, economic, demographic, and educational backgrounds. Among the beneficiaries of this project, 61.17% were from below the poverty line with 24.62% from the Scheduled Caste/Tribe families. The largest number of beneficiaries are in the Grama Panchayats. CARE Home Project has completed the construction of 2,000 houses in 131 blocks in 14 districts, 4 municipal corporations, 31 municipalities, and 424 Grama Panchayaths across the State. The houses were constructed across rural, urban, and semi-urban areas, with projects ranging from the flood-prone lowlands of Kuttanad to the highlands of Idukki and Wayanad, where landslides and rockfalls have further intensified the devastation caused by floods. 91.34% of the houses are in rural areas. In 90% of cases, the new houses have been constructed at the original location of the beneficiaries' former homes.

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## THE UNIQUENESS OF THE PROJECT

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*Care Homes Flat Complex T Kanner*

Kerala has long prioritized housing as a key area of development. To ensure housing for all, the government has designed and implemented a range of dedicated housing schemes. CARE Home is a different and innovative project for the integration of housing with livelihood support service within a short span of time.

The success of the project is due to the collective and unified efforts of all the stakeholders - beneficiaries, cooperative department, cooperative societies, committees (advisory, action, monitoring, technical), teacher, engineering students, architects, and site supervisors. The humanitarian approach of the cooperative sector is visible in the project. "All for all and all" was the ideology behind the scheme. The project has become a model of how a government program can be implemented with complete social commitment. Employees of the Cooperative Department contributed to this effort in various ways, most notably through their physical involvement on the ground. Their dedication builds on the exemplary service rendered by the Department during the floods. It also stands as a strong rebuttal to those who claim that government officials shy away from social responsibility.

A unique approach was followed in house designs. New methods were adopted to meet the needs of the beneficiary and to meet the challenges of the site. Suitable houses were provided to special

sections including those with limited land. The coordinated efforts of the department and the cooperative culture, which believes in the welfare of the community, made the CARE Home housing project successful.

## INNOVATIONS

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- The flexibility and adaptability of the project made it possible to build safe and comfortable houses in different terrains.
- The designs can be adapted to the specific requirements of the location and from the perspective of eco-friendly housing.
- Technological innovations have helped the project. Light-structured houses built on pillars, two-storied houses on the side of the valley on very small plots, etc.
- It has been able to include the needs of specific groups and age groups.
- Integration of government activities.
- The participation and services of various departments of Kerala such as Revenue, Local Self Government Department, Disaster Management, Collegiate and Technical Education, PWD, NGOs, Cooperative Institutions, and the general public.
- A method of accumulating social capital for development.
- Transparency in the management of funds.
- Selection of beneficiaries.
- Cooperative effort of bureaucracy.

## ENVIRONMENT-FRIENDLY APPROACH

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### *Flood-Resistant House*

materials, be it rubble for the foundation, cement blocks for the walls, or old door frames and windows. In many cases, old wooden roof materials—rafters and purlins—have been converted into furniture in their homes. Many of them have been provided with solar-powered emergency lights to help with power outages and general lighting.

The houses constructed under the CARE Home project are built with a sustainable environmental perspective. Only in exceptional cases where the land was unstable due to the nature of the terrain and soil characteristics, the houses were built almost on the same site. In flood-prone areas like Kuttanad, the houses were built on high structures as the entire house was below sea level and there was a constant threat of flooding. More than sixty to seventy percent of the beneficiaries were poor, as a result of which most of them had to rely on firewood and similar inefficient fuel sources. The new houses were provided with LPG connections, thus reducing the carbon footprint of each house. Many of the houses built on existing land have tried to use recycled building

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## THIS IS A MODEL THAT CAN BE USED ELSEWHERE

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This development model can be adapted in similar situations such as for poverty alleviation, disaster resistance, and rehabilitation. The method of mobilizing social capital for development is a better option than obtaining a specific fund for this purpose from the government or individuals, which is time-consuming and, in some cases, discriminatory. The collective transformation can bring about amazing results where people join hands in helping their fellow human beings with the meager funds they have. For the cooperative movement taking the lead. The transparency that this project had in fund management and beneficiary selection can be made a project parameter in developing future projects. The cooperative effort of the bureaucracy in removing legal hurdles promptly is also a key point of this project.

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## FUTURE PLANS

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Although it was designed for those who lost their homes in the floods, it is not just a one-off project. It is being transformed into a larger project that encompasses comprehensive housing development. In the first phase, these houses were built for those who owned their land or those who were given land. However, many people in Kerala do not own their own homes, and a plan has been designed to bring them all under one roof by building apartment complexes across Kerala. Two apartment complexes have been built in Thrissur and Kannur district. This is a big step towards achieving the eleventh goal of the UN SDGs on sustainable cities and communities.

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## NEW COOPERATIVE HOUSING SCHEME

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The model developed by the cooperative sector through the care home has inspired a new visionary housing scheme. The Kerala Budget 2025 announced a new cooperative housing scheme for the middle class across the state. The scheme aims to build at least 1 lakh houses in residential complexes for the middle-income group, including Government employees, in towns and cities in the next two years. Rs 20 crore has been allocated in the budget. The local self-government, cooperatives, and housing departments will jointly prepare a detailed plan. Such a scheme is being announced through the cooperative sector in addition to the housing schemes currently being implemented by the government in Kerala.

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## CONCLUSION

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The neoliberal economy is pushing the marginalized people to the vagaries of the market. Even natural disasters are becoming a big market. This is where the CARE Home project stands out. In an era where everything is left to the market, there are some hopes of resistance against it. The cooperative movement in Kerala presented a compelling model, showcasing how locally rooted institutions can effectively harness social capital to carry out disaster relief and recovery efforts.

The CARE Home project brings to life the words of Nobel laureate Rabindranath Tagore, written in 1939: 'The only way to a true relationship is when the will of individuals comes together.'

## REFERENCES:

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- Government of Kerala. (2020, March 16). Evaluation report on CARE Home Project. Department of Cooperation. <https://cooperation.kerala.gov.in/wp-content/uploads/2020/07/Evaluation-Report-on-CARe-Home-Project-16.03.2020.pdf>
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# CALL FOR ARTICLES: COOP DIALOGUE 9

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## **Theme – Cooperatives Build a Better World: Stories of Action**

The International Cooperative Alliance Asia and Pacific (ICA-AP) invites submissions for the upcoming COOP Dialogue 9, a special edition of the bi-annual regional publication. This issue celebrates the United Nations' International Year of Cooperatives 2025 (IYC 2025) and the global theme: Cooperatives Build a Better World.

As cooperatives across the Asia-Pacific confront complex challenges, from climate change and economic disruption to digitization and demographic shifts, this issue aims to spotlight bold, people-centred action. It is a moment to reflect, but also to inspire: How are cooperatives building the better world we want to see?

We welcome original contributions from ICA-AP members, cooperatives, and sectoral bodies that document lived experiences, innovations, and impact. This issue will showcase *"Stories of Action"* under five key themes:

### **1. Bold Innovations for the Future**

How are cooperatives leading change in sustainability, technology, food systems, and the future of work? We're looking for new models, digital tools, and forward-thinking practices that challenge the status quo.

### **2. People-Powered Change**

Stories of transformation led by youth, women, and workers, not just as beneficiaries, but as leaders, innovators, and entrepreneurs reshaping cooperative landscapes.

### **3. Cooperative Identity in Action**

How do cooperatives live out democracy, equity, education, and solidarity in practice? Share everyday examples where cooperative values make a visible difference.

### **4. Rising from the Margins**

Experiences from indigenous, informal, or underrepresented communities that use the cooperative model to reclaim dignity, voice, and self-reliance.

### **5. Local Roots, Global Reach**

Stories of resilience, inter-cooperative collaboration, and grassroots solutions that scaled up to influence policy, networks, or regional discourse. We welcome a variety of formats, including feature articles, case studies, personal narratives, interviews, or photo stories.

## Submission Guidelines:

- **Submission of Interest and Abstract:** Please submit the title and a 300-word abstract by 15 July 2025.
- **Complete Written Material:** Submit your complete articles (1,500 to 2,000 words excluding references) along with pictures in .jpg/ .jpeg/ .png formats (size between 500 Kb and 5 Mb) by 30 September 2025. The relevant pictures should be placed in the article with proper captions and submitted separately as well. Articles can also include graphics, tables, and graphs for illustration purposes and hyperlinks to additional information, documents, or videos.
- **Complete Videos:** Submit videos of 3-5 minutes (in .mp4 format, max size 500 Mb) by 30 September 2025.
- **Language:** English
- **Format:** Word file only, edited videos, or photo stories
- **Originality:** Authors are encouraged to submit original articles, videos, and photo stories to avoid copyright issues.

For any queries, please contact the COOP Dialogue team at [coopdialogue@icaap.coop](mailto:coopdialogue@icaap.coop).

Join us in celebrating and amplifying how cooperatives in Asia-Pacific are shaping a better world.



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