CHAPTER - 1

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The modern state, as it has developed in the West, is a welfare state. The journey from a negative state to the positive one has been a very long one and, in the process, has evolved a state that is more than a mere individualistic or a police state, and one that is supposed to look after the welfare of its citizens. The welfare state is a modernized, urbanized, and politically and economically advanced state, one that serves more than it commands, owes more than it owns.

The first section of this chapter traces the evolution of the welfare from the days following the medieval European times in the West.

In the second section, national development is described as a major task of the welfare state and the major processes, through which it has achieved, are outlined.

1.1 The Evolution of the Modern Welfare State

1.1.1 The Classic Liberal State (16th to the early 19th Centuries)

The modern age may rightly be said to have begun during the 15th-16th centuries when, as an outcome of movements such as the renaissance, reformation and enlightenment, all rising in the West, there emerged a new type of society, a new type of
individual and a new type of state, each a product of forces working down and deep in medieval roots.

The society that came to be built upon the roots of the medieval society was one that was wedded to the comforts of 'this' world rather than to those of the 'other' world and loved amenities and facilities and benefits accruing from more and more property (Berki, 1977)¹.

The type of individual that emerged was a capitalistically oriented one, more egoistic and selfish than moralistic and ethical, the master of his own person, possessive by nature, and a lover of what he possessed or would possess as a matter of right or law (Macpherson, 1972; & Sabine 1973)².

The state that emerged out of the ruins of the medieval society was a state of the 'policeman' that would perform only the most essential functions necessary for protecting the lives, property and rights of individuals.

This theory of state, the classical liberal theory, was intensely individualistic and envisaged a type of 'negative' state somewhat grudgingly accepted, as a 'necessary evil' (Sabine, 1973)³.

The classical liberal theory of state was essentially individualistic in as much as it assumed:

(i) that all social progress depends on the unhampered initiative of the individual,

(ii) that there was no hostility whatsoever between the interest of the individual and the interest of the community, and
(iii) that the individual was the focus of all groups and associations which, in fact, were made by and for the individual, and to that extent, the individual was the end and all associations he made, including the state, merely the means.

The classical liberal state was essentially a ‘negative’ state inasmuch as:

(i) the state had only negative functions or protecting individuals and their interests, and

(ii) the individual was regarded as being more important than the state which was perceived as being created by the individual for its very existence and as having limited functions and, therefore, limited powers.

The state was viewed as a necessary evil, necessary for protecting individuals from foreign aggression, and evil because one, political power was strictly suspected as something standing against individual freedom and, two, the state was thought as an evil institutions which curbed the rights and liberties of the people. The guiding principle of the classical liberal theory of state, thus, was “maximum possible individual freedom and minimum possible state action” and the slogan of the period was “that Government is best that governs the least” (Sabine, 1973)4.

The major protagonists of the classical liberal theory of state were John Locke (1632-1704), Adam Smith (1723-1790) and
Jeremy Bentham (1748-1832). John Locke, as the forerunner of the classical liberal theory of state, for instance, asserted that the chief end of individuals in uniting into a commonwealth was the protection of the property of people. Adam Smith, an economist, regarded the state as necessary for doing things that the individual could not do by himself and assigned to the state the duties of protecting the society from violence and invasion, of protecting every member of the society from the injustice and oppression of every other member by establishing a framework for administering justice, and of maintaining such public works and public institutions as are unlikely to be pursued at private initiative on account of their non-profitability.

Jeremy Bentham advocated the non-interventionist type of state that should not go beyond “the greatest happiness of the greatest numbers”, which he maintained was the principle that should both prompt and restrict state activities. Bentham was of the view that “maximum enjoyment can be attained only by leaving the individual to pursue his own maximum enjoyment in his own way... except security and freedom, all other functions are to be considered non-agenda on the part of the Government” (Bowring, 1843). He based his argument on two premises: one, any interference on the part of the Government was essentially the wealth of the individuals taken together and to increase this wealth was the concern of the individual who could bestow more time and attention to preserve and increase his/her portion of this wealth and, two any interference on the part of the Government was inconducive as it would hamper the freedom of the individual.
On the whole, the major task of the classical liberal state was to do itself little and to permit the individual to do more. But, as distrust of political power came to be increasingly evident, provision for security against the abuse of power became the more important task of the state. James Mill, for instance, wrote that “all the difficult questions of Government relate to the means of restraining those in whose hands are lodged the powers necessary for the protection of all from making a bad use of them” (Baker, 1937). In similar vein Thomas Paine wrote that “society is produced by our wants, and Government by our wickedness”, and Godwin regarded Government as “the perennial cause of the vices of mankind” (Runciman, 1975).

### 1.1.2 Positive Liberalism (Second half of the 19th Century)

The whole thrust of the classical liberal theory had been on the fact that the state was a human institution created by individuals for purposes generally not attainable on individual basis and essentially as a means for the end of individual welfare. As an ideology, liberalism, as it arose and developed, had been and, in fact, is, the political philosophy of propertied classes. It thus mirrored the needs, interests and aspirations of the rising commercial classes. That the classical liberal state was a state of the propertied class was a fact that had emerged from the type of economy and society that was developing at the time.

The Industrial Revolution was bound to create a new type of society, a new type of individual and, therefore, a new type of state. It created a class of manufacturers, traders, men of property who wanted freedom of trade within the country as well
as with other countries whose slogans were 'laissez-faire' or 'laissez aller'. As against men of land, there arose men of industry, the capitalists of the future. Alongwith the manufacturers, traders and factory owners there also arose the workers, the labourers and the wage earners, mostly coming from the countryside. New industrial towns and cities sprang up and the industrial society threw up, alongside the fading and waning agricultural landlords, classes of factory owners, of traders, of bankers, of businessmen, in the process emancipating the peasantry. The new type of state was not to be absolute, monolithic and fully centralized. As the emerging commercial classes came to wield increasing influence in the political set-up, methods of election, though discriminatory and restrictive, had their genesis and the net result was the beginning of the constitutional state (Laski, 1962)\(^8\).

Infiltrating into every sphere of life, steadily strengthening its grip on the affairs of the society, the new capitalist class came to control both economy and politics. The wealth that was expected to be the wealth of the nation came to be the wealth of individual owners of capital, while long hours of work, low wages and unsatisfactory living conditions put the working classes in a disadvantaged position. Thus it was that the laissez faire approach created, on the one hand, a capitalist class that grew richer day by day and, on the other hand, a class of workers which grew poorer and more exploited.

As some of the basic classical liberal assumptions, such as that politics and economics are independent, that in the good of the individual lay the good of the society, that the distribution of
wealth into wages, rent and profit, though unequal, was not entirely unjustified, and that capitalistic production was free from economic crises, came to be proved wrong, a number of political philosophers began to appreciate the profound inadequacies of the premises of laissez faire and the individualistic negative and non-interventionist state and argue in favour of a state that could protect the weaker sections of the society.

The situation thus obtaining in the latter half of the 19th century was one of a choice between two possible courses: one, that liberalism be revised to meet the requirements of the working classes or, two, the working classes not remain liberal. As the former option was accepted, the period of positive liberalism set in, and a re-definition of the nature and functions of the state came-up in the works of scholars such as John Stuart Mill (1806-1873) and T.H.Green (1836-1882).

Mill regarded the state as the result of man’s will rather than the product of his self-interest. He was convinced that a measure of Government action was indispensable if utility was to be maximized. As such, he considered the state as a positive institution, necessary for the development of man’s personality. Mill went a long way in revising the early liberal doctrine of non-interference and, generally speaking, distinguished two broad categories of state functions: authoritative and optional. According to him, the Government, through its authoritative functions, could direct individuals to do or prevent them from doing certain things and, through its optional functions, give
advice or render information for setting-up certain agencies or open schools, hospitals, etc. (Kramnick, 1969).  

T.H. Green gave an idealistic revision to the classical liberal theory of state. He was convinced that the early liberalism was an ad-hoc liberalism and that its premise of laissez faire provided a weak and unsound formation for a liberal theory. He was of the view that genuine liberalism should be guided by a moral principle and, therefore, placed the idea of general good or human well-being at the centre of liberalism. Harmony between the self-interest of the individual and the broader interest of the society was the central theme of his philosophy. He argued that freedom was as much a social concept as an individual one, referring to the quality of the society as much as it referred to the quality of the individual, and that the function of the state should, therefore, be to support the existence of free society. He emphasized on the mutual relationship between the individual and the community, arguing that the self was, in fact, a social self and that the basis of Government had to be consent and not force. From the premises that will was the basis and welfare the function of the state, Green concluded that the quintessential role of the state was one of creating and maintaining conditions of living conducive to morality and general welfare, to help the individual realize the idea of self-realization as a member of the society by removing external hindrance that impede this realization. So he considered, the role of the state as extremely positive. The general principle that “the function of the state is to hinder the hindrances” gave ample scope for the state interference (Sabine, 1973). If, for instance, illiteracy,
ignorance, poverty, and inadequate housing and sanitation were hindrances that made life difficult, it was the function of the state to remove them. Accordingly, Green advocated state intervention to enforce compulsory education and prohibition, state control over health and housing, and legislation to regulate the conditions of the working classes, wages and hours of work. This insistence that it was the function of the state to provide conditions for good life, Green laid the foundations for the liberal welfare state of the 20th century.

1.1.3 The Liberal Welfare State (The 20th Century)

During the twentieth century, liberal philosophy came to be increasingly associated with equality of opportunities. Whereas the last quarter of the nineteenth century had witnessed the emergence of the principle of the harmony between individual and social interests, the first quarter of the twentieth century saw capitalism adjusting itself to the cause of socialism and socialism coming close to the cause of capitalism in a process, not of abandonment of one for the other, but of adjustment with each other.

The West came to accept the essential ethos of socialism insofar as they were in tune with the principle of the welfare state, and the socialist countries came to accept the fundamental conception of liberty.

The new mood was reflected in the writings of scholars such as Harold Laski, R.M. MacIver, J.M. Keynes, Hubert Henderson, Phillip Kerr, Franklin Roosevelt, and John Galbraith.
Laski, for instance, although he inherited the liberal tradition, was highly influenced by the socialistic view prevailing during those days. According to him, the character and nature of society were determined by forces such as the rise of property of the working classes and of class consciousness that was generated by the industrial revolution, and the concept of laissez faire needed to be revised and broadened to include the emerging economic realities. Like Green, Laski (1973) believed the state to be an organization that could enable the realization of social good on the largest possible scale, while protecting the interest of individuals as citizens. He was convinced that enlightened self-interest and open competition alone could not establish a well ordered society. He wrote:

“Laissez faire as a systematic principle ended with the outbreak of the First World War in 1914 ... The problem in the modern state is not whether Government intervention is desirable. The truth is that the intervention is essential and the problem is simply of methods whereby it can bear maximum fruit. For, to leave to the unfettered lay of economic forces the supply of those needs by the satisfaction of which we live is to maintain a society empty of all moral principles and such a society more surely moves to disaster than at any other period in history”.

Laski (1973) was of the view that with the availability of voting rights to more and more people, the intervention of the state was becoming an instrument of general welfare on the largest possible scale. For the functions of the state, he advocated:
“defence and police, the control over industry, social legislation including functions so far-reaching as education and insurance against sickness and unemployment, the encouragement of scientific research, the operation of a system of currency, the power of taxation, the definition of the terms upon which individuals may associate for various purposes, the maintenance of a system of courts in which the state's own legal principles will be given effect”.

Maclver (1966) a liberal and an advocate of the welfare state, held that the role of the state was “that of protection of order and of furtherance of the common interest within the limits of its means”. He held that the task of the state was to establish an external social order, not for the sake of order but for the sake of social protection and conservation and development in the fields of protection. He suggests that the state should ensure to the whole community minimum standards of decent living in respect of wage rates, employment, upbringing of children, prevention of destitution, provision of housing, etc, and that, in the field of conservation and development, the state promote and regulate physical conditions such as hygiene requirements, housing, recreation, etc.

Kaynes, Roosevelt, Galbaraith and others, in true liberal tradition have argued that the functions of the state be increased to accommodate capitalism to the changing realities. They did not hesitate to suggest regulation of capitalism and welfare measures for improving the lot of the individual.
1.2 The Welfare State, National Development and Cooperatives

1.2.1 The Welfare State and National Development

On the whole, the functions of the welfare state, as viewed by a host of political philosophers, represent a tremendous increase over those associated with the classical liberal state, especially so in the area of social developmental fields. In fact, the Welfare State has been defined as "a state which has assumed public responsibility for the provision of basic economic and social necessities to its inhabitants (Roberts, 1971)". The philosophical justification of the Welfare State rests on the idea that society as a whole is responsible for the well-being of its members and that circumstances of poverty, sickness, old age, unemployment, illiteracy or disablement are not necessarily marks of individual moral failure.

One of the first states to take the path of Welfarism was Germany where the foundation of the Welfare State was laid down by Bismarck's administration with a programme of social insurance. In England the Welfare State resulted from the legislation of the Asquith Administration (1908-16), especially the National Insurance Act, 1911, the Education Act, 1944 and the programmes, based on the Beveridge report (1942), of the Labour Government of 1945-51. In the United States of America the idea of the Welfare state originated from the New Deal Legislation of President Roosevelt (1933-45), and the welfare programmes of President Kennedy (1961-63) and President Johnson (1963-69). A large part of the domestic programmes of later presidents were based on welfare state principles. In its
more through going form the welfare state provides state aid for the individual in almost all phases of his life – ‘from the cradle to the grave’ – as exemplified in The Netherlands and the Social Democratic Governments of the Scandinavian countries (Encyclopaedia Britanica, Vol.27)\(^\text{15}\). Many less developed countries have the establishment of some form of welfare state as their goal. But as no system is free of problems, there are certain principle problems in the administration of welfare state such as:

(i) determining the desirable level of provision of services by the state;

(ii) ensuring that the system of personal benefits and contribution meets the needs of individuals and families while at the same time offering sufficient incentives for production work;

(iii) ensuring efficiency in the operation of state monopolies and bureaucracies;

(iv) and the equitable provision of resources to finance the services over and above the contribution of direct beneficiaries.

Generally speaking, the welfare state provides education, a minimum standard of medical services, unemployment and disability payments, old age pensions, poverty relief payments and family allowances. These services are financed by some combination of fees, payments on the insurance principle and general taxation (Roberts, 1971)\(^\text{16}\). In socialist countries, the
socialist state also covers employment and administration of consumer prices.

National development is the central concern of the welfare state and essentially implies a process of social change whereby less developed societies acquire characteristics common to more developed ones. It is a multi-dimensional and dynamic concept in which economic, political, demographic, social, technological and cultural factors all interact.

1.2.2 Processes of National Development

National Integration, Modernization, Urbanization

A process that is closely related to the process of national development in the essentially pluralistic societies of today is that of national integration which includes, and even extends beyond, political integration.

A society is deemed to be plural “if it is culturally diverse and if its cultural sections are organized into cohesive political sections”. “Politically organized cultural sections, communally based political parties, the partitioning of major social organizations (e.g. labour unions) into culturally homogenous sub-groups, and political appeal emphasizing primordial sentiments serve as unambiguous indicators of the plural society” (Rabushka and Shepsle, 1972)17.

In other words, a pluralistic society is one that is characterized by the following:

(i) diverse cultural and ethnic groups politically linked into one unit;
(ii) tendencies, among the heterogeneous sub-groups, to express themselves into their own communal political units or parties for the promotion of their representative interests;

(iii) a feeling of oneness and unity within the cultural units of the sub-groups; and

(iv) outside the cultural groups, separate social, besides cultural, identities.

The elements of social tension are, as a matter of course, attendant to heterogeneous pluralistic societies. Even the most developed societies are not free of ethnic conflicts, as demonstrated by the disintegration of the USSR in 1991 and the ethnic rioting in the USA in April, 1992. Research, observations and studies have revealed the situation to be more problematic in the developing societies which, typically, are politically inexperienced, economically backward, and socially conflictualistic on account of their being of diversified character.

The solutions to the problems of developing pluralistic societies lie in political integration to help people evolve feelings of oneness, unity, solidarity and cohesion, besides economic modernization to help them to achieve a stable economy. Thus viewed, development in the context of such societies, connotes 'nation-building' in the sense of building national unity and national identity, besides 'state-building' in the sense of building state infrastructure (Ghurye, 1968).18

Political integration is a part of national integration and in a narrow sense, implies "the shifting of loyalties to the newly
created centre" (Rothschild, 1979). It refers to the creation of a political institution – an administrative and multi-channeled linkage between the centre and the periphery. In this narrow sense, political integration does not include social, cultural or economic elements. However, in the context of developing societies, these elements are crucial and when, through them, national identity is achieved, a society may claim to have attained national integration (Bombwall, 1985).

National integration is a "psychological and educational process, involving the development of a feeling of unity, solidarity and cohesion in the hearts of the people, a sense of common citizenship (destiny) and feeling of loyalty to the nation" (Ghurye, 1968). It implies "unification and consolidation of a community with the objective of ensuring the well-being of largest number of its members, also developing its distinctive personality to make its own contribution to mankind (Siddique, 1971)."

As part of national integration, political integration may be defined as the state of cohesion which exists in a political community, as demonstrated by a high degree of mutual political interaction among the members of that community, based on consent rather than coercion.

While distinguishable from other aspects of social integration, such as economic and religious, through the emphasis on political interaction as its basis, political integration is, nevertheless closely associated with them and is, in fact, part of the requisite function of integration which occurs in a social system. The degree of integration of a community is related to
several factors including the dominance of the political system of
the community over the sub-cultures within it, the efficacy of the
political institutions and processes in meeting expectations, the
ease and frequency of political communication among the
members of the community, etc.

National development can also be achieved through several other
processes such as education, employment generation, popula-
tion control, strengthening of the democratic political
process, etc. The most significant of these is modernization. In
fact, modernization is the hard core of the development process.
It involves economic transformation through industrialization,
and urbanization is its natural corollary.

The term 'modernization', in fact, is often used as a close
synonym for 'development', but is usually preferred on the
grounds that it avoids presuppositions of 'improvement' and
technological views of the modernization process inherent in the
concept of development. In the context of developing societies,
these concepts are closely related to each other and such
societies accordingly have to attain modernization and
development.

Modernization may be defined as:

"the process of social change which involves economic
advancement, specialization of political roles, the pursuit of
'rationality' in policy formulation, technological development,
and fundamental alterations in social patterns (e.g.
urbanization, social and geographic mobility, the formation of
secondary groupings, educational advancement), all of which
enables a society based primarily on traditional values and institutions to assume the characteristics of developed or modern societies (i.e. societies with highly complex, specialized and industrialized economic systems, advanced technologies, bureaucratized political institutions, etc.)" (Roberts, 1971)\textsuperscript{23}.

Historically, modernization is the process of the change towards those types of social, economic and political systems that have developed from the 17\textsuperscript{th} to the 19\textsuperscript{th} century in Western Europe from feudal states with strong urban centres and in the United States of America through a process of colonization, and have spread during the 19\textsuperscript{th} and 20\textsuperscript{th} centuries to the South American, Asian and African countries (Eirenstadt, 1969)\textsuperscript{24}.

**Modernization as a Process:**

Modernization is a continuous and open ended process. Historically, the span of time over which it has occurred must be measured in centuries. Modernization, as a process, entails several dimensions including economic, cultural and political. In the economic sphere, modernization implies the development of industrial systems based on high levels of technology, and the professionalisation of human resources and various aspects of economic activities such as production, consumption and marketing. In a wider connotation, economic modernization also includes provision of shelter and other basic necessities of life to people. In the cultural sphere, modernization connotes improvement of cultural values in religion, philosophy, science and education, keeping in view the goals of progress and happiness for all. In the political sphere, modernization implies majority participation in politics, shared political ideologies,
general consensus, linkages between the rulers and the ruled and between the city and the country, and the integration of citizen into the common political process (Weiner)\textsuperscript{25}. As an index of political development, modernization relates to the ensembling of the structural and cultural changes in the political system of modernizing societies.

The overall process of modernization refers to change in all institutional spheres resulting from man's expanding knowledge of and control over his environment. The process of modernization can, therefore, be viewed as an interminable interplay among the process of differentiation, the imperatives, and the capacity of a political system. Thus modernization, politically termed, is the progressive acquisition of the consciously sought and qualitatively new and enhanced political capacity as manifested in:

(i) effective institutionalization, and
(ii) continuous flexibility to set and achieve new goals. (Coleman)\textsuperscript{26}.

The sub-processes of modernization have been stated as:

(a) Economic Growth: Modernization involves a continuous expansion of the Gross National Product and produces a more diversified economy.

(b) Growth of Science and Technology: Modernization involves advancement of science and spread of new technologies.

(c) Secularization:
It involves the decline of the role of religion in social and political affairs.

(d) Growth of the Modern State:

Modernization involves increase in the state’s capabilities and development in bureaucratic administration.

(e) Growth of Nationalism:

It involves spread and intensification of the sentiment that all the people in a certain territory belong to one nation.

(f) Democratization

Modernization involves decline of status inequality, growth of egalitarian claims in law and politics, demands for broader participation, and increased social mobility.

Since the dawn of the 20th Century, the Western nations have experienced rapid economic growth and national development through modernization. The Western model of development has been adopted by the number of developing countries. In the latter, however, the modernization process has been slow and far from smooth. There are generally two faces of modernity. One is dynamic, forward looking, progressive, promising unprecedented abundance, freedom and fulfillment. The other shows the dark side of modernity, the problems that modernity brings in. Thus social progress is matched by social pathology. Thus, the historic achievement of becoming able to feed a large population
brings with it crowding, pollution and environmental destruction.

The pace of modernization in developing countries is constrained by a number of typical factors. Firstly, these countries are economically backward on account, largely, of being overly dependent on agriculture even as the means and tools for agriculture are inadequate, and of lacking industrial technology and financial capital for diversifying their primary economic base. Secondly, unlike the developed countries that are coming close to achieving zero population growth rates, developing countries have rapidly increasing populations and as economic growth cannot keep pace with the population growth, conditions of poverty continue to persist. Thirdly, developing societies are traditional societies and the general lack of strong political processes, of popular involvement, and of education and awareness amongst the people, all make for backward looking attitudes that act as deterrents to substantive development.

This problematic situation is further confounded by the juxtaposition, against the above mentioned inherent constraints of developing societies, of problems emanating as a by-product of the very process of their modernization.

The most notable of these problems are those relating to urbanization which is a natural corollary to modernization.

**Urbanization as a Process**

Urbanization may be defined as the process in which rural areas are transformed into urban areas, the process through which the
country comes to have towns, the process by which towns rise and grow (Srivastava, 1989)\textsuperscript{27}. It is a process which reveals itself through temporal, spatial and sectoral changes in the demographic, social, economic, technological and environmental aspects of life in a given society. These changes manifest themselves in the increasing concentration of population in human settlements larger than villages, in the increasing involvement of the people in secondary and tertiary production functions, and in the progressive adoption of certain social traits which are atypical of rural societies (Chernuliam, 1984)\textsuperscript{28}.

On the whole, whereas in developed countries, urbanization is more of a qualitative phenomenon with fairly uniform levels of modernization making for ubiquitous rural-urban lifestyles that keep city-ward migration to a minimum, in developing countries, urbanization is more of a quantitative phenomenon obtaining from the massive, mainly job seeking, migration of people from the countryside to the cities.

A typical outcome is the emergence of over-sized primate cities which account for large proportions of the national urban population and which demonstrate acute problems of health, sanitation, dwelling houses, transport and communication. (Anderson, 1972)\textsuperscript{29}. Continuing stress on civic infrastructure in urban centres in developing countries makes for the perpetuation and persistence of slum conditions in them. Besides this, a number of other social and environmental problems are associated with industrialization and urbanization in developing countries, making the modernization process, which is already slower, even more difficult.
National Development and Cooperatives

The development process, in developing pluralistic societies, besides being slow on account of typical characteristics of economic backwardness, rising population, political weaknesses, etc, is rendered even more problematic on account of certain by-products of the processes of industrialization and urbanization as well as of ethnic conflicts and fissiparous tendencies, which the societies and the state cannot easily cope with. These multifarious problems require careful addressing if the development process is to be smooth. In this context, the role of community participation in securing smooth and sustainable development is gaining increasing recognition.

It is widely accepted that community involvement in the selection, design and implementation of development programmes has often been the first step in the acceptance of change, leading to the adoption of new and improved techniques of production, ways of consumption, styles of living, etc. Furthermore, local institutions such as cooperatives and occupation-based associations have obvious political advantages for coping with administrative difficulties in, especially, reaching the poor.

Cooperatives are essentially an organized form of community action and can be major vehicles for development in its widest sense of social upliftment, economic growth, cultural progress and environmental sustainability.

The word ‘cooperation’ derives from the Latin word ‘co’operari’ and, in its ordinary sense, means working together. A
cooperative may be defined, in general terms, as a form of organization in which people associate voluntarily and on equal basis to achieve their own economic betterment. Cooperation has been defined by H. Calvert as "a form of organization in which persons voluntarily associate together as human beings on the basis of equality for the promotion of the economic interests of themselves". It combines in itself the good points of capitalistic as well as socialistic forms of organization.

Mr. C. R. Fay, defined a cooperative society as 'an association for the purpose of joint trading originating among the weak and conducted always in a unselfish spirit on such terms that all who are prepared to assume the duties of membership may share its rewards in proportion to the degree in which they make use of the association'. The International Labour Office has defined cooperation as:

"an association of persons, usually of limited means, who have voluntarily joined together to achieve a common economic end and through the formation of a democratically controlled business organization, making equitable contribution to the capital required and accepting a fair share of risks and benefits of the undertaking". (Naik & Bhawani, 1980).

The Cooperative Planning Committee (The Saraiya Committee) appointed by the Government of India in 1945 submitted that:

"Cooperation is a form of organization in which persons voluntarily associate together on a basis of equality for the promotion of their economic interests. Those who come together have a common economic aim which they cannot achieve by individual, isolated action because of the weakness of the
economic position of a large majority of them. This element of individual weaknesses is overcome by pooling their resources, by making self-help effective through mutual aid, and by strengthening the bonds of moral solidarity between them”.

The Encyclopaedia of Social Work in India regards cooperation as one of the most important agencies for promoting economic and social welfare. It helps to transform the social order voluntarily and, in the process, builds up the moral and material strength of the people.

In the broadest sense, cooperation can be defined as a voluntary association in a joint undertaking for mutual benefit (Goel & Goel, 1979)\textsuperscript{32}. At another level, cooperation can be viewed as a vast movement which promotes voluntary associations of individuals having common needs for the achievement of their common economic ends (Bedi, 1977)\textsuperscript{33}.

Essentially, people cooperate with each other for the fulfillment of their objectives, coming together either through the urge of cooperation or through the urge of insecurity. These are the positive and indicative aspects of cooperation.

Housing cooperatives, being a prime organ of the cooperative movement, have played a substantial role and can further foster rapid and sustainable development in the country. The multi-level institutional network of the cooperative housing system in the country can gear itself to meet the challenges generated by rapid modernization, industrialization and urbanization. One of the biggest problem India faces today is the problem of the
growth of slums and squatter settlements. Slums have been the result of the unplanned urbanization in India. To tackle this problem, interventions at various levels through implementation of various plans and programmes have been made but the results are not fruitful or rather the interventions have failed miserably. At this juncture it is essential to see how during the process of urbanization, cities and slums grew simultaneously. Though it is over-debated and over researched area of study, but to give a solution to this problem through the medium of housing cooperatives, discussion on growth of cities and slums is inevitable and essential. The next chapter, therefore, deals with the evolution of cities and slums.

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