

## **INCREMENTAL HOUSING AND HOUSING TRANSFORMATION OF THE POOR IN KARNATAKA : PROBLEMS AND PROSPECTS**

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### **ABSTRACT**

*Social housing schemes have historically played a very significant role in alleviating the housing poverty in the rural and urban areas of the country and in realising the dreams of houseless poor families at the national and sub-national levels. With the national and state governments' financial commitments for the implementation of the social housing schemes, additional housing stock has been created and thereby the housing deprivation has been minimised, especially in the rural areas of the country. These schemes have contributed for the increase in the housing stock in the pucca and semi-pucca streams and thereby the incidence of the dilapidated units has been brought down substantially. Also these schemes have been successful in bringing about housing comforts as well as increased access to housing amenities like household electricity, sanitation, drinking water and drainage. Besides, a good number of beneficiary families have successfully undertaken a few economic activities and have enhanced their family income to some extent. Despite these positive impacts on the poorer sections, the functioning of the social housing schemes has been bogged down by a number of problems from panchayat, beneficiary and village corners. Inadequacy of housing benefits, prevalence of corruption, various costs involved in receiving the housing benefits and use of the external influence are some of the problems identified. This paper, after having considered all these issues in greater detail based on an empirical research in Karnataka, suggests alternatives for better administration of the social housing schemes.*

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## Introduction

Incremental housing refers to overall improvement in the housing and living conditions among the beneficiary families under various social housing schemes. To be specific, it is a situation in which the beneficiary families experience a better housing structure or transformation of the families' dwelling from deficient housing units to better structured units, on account of receiving the housing benefits. With the incremental housing, the families would have overcome the insecurity feeling they were facing in the deficient housing. It is a situation that provides improved space for the family members thereby experiencing privacy within the housing environment. Further, being the recipient of the housing benefit, the families have been experiencing increased access to basic housing amenities like the household drinking water, sanitation, electricity and drainage connection. In other words, the beneficiary families with the changing circumstances would have minimised these deprivations. Finally, incremental housing may lead to the use of their housing units for undertaking some economic activities by the beneficiary families and would have led to improvement in employment and income of their households.

Ever since Independence, Indian Government is committed to the development of the housing sector to ensure housing facility to the houseless people and has particularly engaged itself to meet this critical basic need for the poorer sections, as they cannot afford it by themselves or can obtain from the private sector and the market. Social housing schemes are one of the prominent interventions of the national government, which have been introduced from the very First Five Year Plan in the country to meet the housing needs of the vulnerable groups, both in the rural and urban areas (Mahadeva, 1994). The social housing schemes (like Subsidised Industrial

Housing, Low Income Group Housing, Middle Income Group Housing, Rental Housing Scheme, Village Housing Project Scheme, Plantation Labour Housing Scheme and Rural House Sites Scheme) introduced by the national government were implemented by the state governments till early nineties. With the declaration of the year 1987 as the "International Year of the Shelter for the Homeless" by the United Nations Assembly and after enacting the first National Housing Policy in 1987 in the country, state governments have started playing their own role for the development of housing sector at the sub-national level. In fact, the National Housing and Habitat Policy-1998 has been a milestone in clearly defining the role of the state governments in the development of housing sector (Gol, 1998). These initiatives paved ways for laying a strong foundation at the sub-national level to meet the housing needs of the various sections, particularly the poorer sections by the state itself, by introducing their own social housing schemes, in addition to the implementation of the national schemes.

Karnataka is one of the prominent States in south India to have committed itself to meet the housing needs of the houseless families, particularly of the poorer sections, weaker sections and socially distanced sections (Mahadeva, 2004). In fact, of the five different social housing schemes in vogue for meeting the housing requirement of the various vulnerable groups, four have been introduced by the State government with its own public policy and financial commitment, since early nineties. Setting up of a specialised institution for the administration of housing benefits under the social housing schemes and financing these schemes on a continuum basis have been the testimony for the sustainable concern of the State. Correspondingly, these schemes have also lived up to their own goals and mission, by and large, in giving the

homestead rights to the targeted beneficiaries and in meeting the housing needs of the poorer sections. However, there have been a number of misconceptions on the working of these schemes, in terms of covering the genuine beneficiaries, financing commitment of the state and on the impact of the social housing schemes on the housing stock and on the beneficiary families, with regard to housing security, incremental housing, increasing access to housing amenities, improvement in the family conditions, corruption in the administration and other problems etc. These misconceptions have come to the fore from many corners of the society, mainly on account of the fact that there are hardly any empirical research studies on the social housing schemes, either at the national or sub-national level. More so, in the case of Karnataka, empirical research on the functioning and impact on the social housing schemes are altogether absent. Therefore, addressing these issues, particularly on the misconceptions about the social housing schemes in the State is the main purpose of the paper, which is based on an empirical research study.

The principal objectives of the paper are: (a) to study the role of the State in terms of the administrative and financial commitments towards the social housing schemes; (b) to assess the impact of the existing social housing schemes in terms of the housing stock created and residential sites distributed in the State; (c) to examine the impact of the social housing schemes on the beneficiary families in regard to the incremental housing, access to basic housing amenities, new economic activities undertaken and family income; (d) to analyse the various problems encountered by the beneficiaries in receiving the housing benefits under the social housing schemes; and (e) to offer various policy alternatives for making the social housing schemes more effective, in terms of attaining the goals and achieving

better results. This study was conducted in twenty taluks, including the nine identified as backward by the High Power Committee (HPCFRRI, 2002), spread into eleven districts of the State and used both secondary and primary data for the analysis. Primary data were collected through a specially designed and tested questionnaire from 1,632 beneficiaries, covering the representative samples from all the five social housing schemes implemented in the study area. Secondary data were collected from various official documents, maintained by the Rajiv Gandhi Rural Housing Corporation (RGRHC), a nodal agency for the administration of the social housing schemes in the State.

### **The State Intervention**

The role of the State government in regard to the administration of the social housing schemes can be captured under three different domains viz, (a) Social Housing Schemes (in terms of the core purpose, target group, financial assistance available); (b) institutional arrangement-RGRHC; and (c) public expenditure on the social housing schemes. Since the success of any public intervention largely depends on political commitment, these three parameters have been analysed, as they roughly refer to the political will of the State.

*Social Housing Schemes* : By design of the social housing schemes, the State government has been intending to achieve two important ends of the poorer sections. First, provide residential site, which is one of the critical inputs of housing, for the families of poorer sections who want to construct their houses but are not prepared to do so immediately. This strategy would give opportunity to these families to prepare themselves and to plan their house construction. Two of the schemes (Rural Ashraya Residential Sites Scheme and Urban Ashraya Scheme) have been designed to

**Table 1: An Overview of Social Housing Schemes in Karnataka**

Schemes and their contents	Rural Ashraya Residential Sites Scheme	Rural Ashraya Housing Scheme	Ambedkar Housing Scheme	Urban Ashraya Scheme	Indira Awaas Yojana
Origin	State Government	State Government	State Government	State Government	Central Government
Year of Introduction	1991-92	1992-93	1995-96	1991-92	1996 (independent)
Core Purpose	Residential Sites Distribution	Financial Assistance for House Construction	Financial Assistance for House Construction	Residential Sites Distribution	Financial Assistance for House Construction & Upgradation of Dilapidated Houses
Target Group	Rural Poor Families & Economically Weaker Sections	Scheduled Caste/ Scheduled Tribe & General Category families, with income below ₹ 11,800	Scheduled Caste/ Scheduled Tribe families, with income below ₹ 11,800	Urban Poor & Economically Weaker Sections, Excepting Bangalore City	Scheduled Caste/ Scheduled Tribe & Freed Bonded Labourers. Non-SC/ST Poor families, up to 40 per cent.
Financial Assistance	Free of Cost	₹ 40,000 (₹ 20,000 each subsidy and loans to general) & wholly subsidy for SC/ST Families	₹ 40,000 Subsidy	₹ 25,000 wholly loan	Subsidy ₹ 40,000 for SC/ST & ₹ 25,000 Loans for others

distribute residential sites to the poor families and economically weaker sections in rural and urban areas (excluding the Bangalore City) of the State. It may be noted that the residential sites are distributed free of cost for the rural beneficiaries. Secondly, distribution of financial assistance for the houseless families owning residential sites for house construction is the other strategy of the State. While doing so, there are no guidelines prohibiting/barring distribution of financial assistance for the reconstruction of the existing houses by the beneficiaries and therefore, distribution of financial assistance for reconstruction of the existing is also widely practised. Two schemes (Rural Ashraya Housing Scheme and Ambedkar Housing Scheme) are exclusively intended to provide financial assistance for house construction for their respective target group. Scheduled caste and scheduled tribe families being the major constituents in the total housing shortage of the State (Mahadeva, 2008a), the beneficiaries of these communities get full financial assistance in the form of subsidy under the schemes. A notable feature of Indira Awaas Yojana, a Centrally sponsored scheme, is that it earmarks financial assistance up to 20 per cent of the total allocation for upgradation of the houses and ₹ 10,000 subsidy for individual beneficiaries.

*Institutional Arrangement* : One of the better reflections of the housing administration is to establish Rajiv Gandhi Rural Housing Corporation Limited (RGRHCL) in the year 2000 to implement all the social housing programmes for the economically weaker sections and for the special occupational categories in rural and urban areas in the State of Karnataka with greater efficiencies in building housing infrastructure in the State. The main objectives of the RGRHCL are to (a) provide affordable housing for Economically Weaker Sections (EWS) in the State; (b) promote partnership with Gram Panchayat and NGOs in rural areas; (c) provide choice to

people in housing design, materials and technologies through self-help; (d) promote cost-effective building technologies in rural areas through Nirmithi Kendras; (e) raise resources and ensure recirculation of the funds; and (f) promote sustainable housing programme through encouraging beneficiaries to save for housing and repay housing loans. The RGRHCL has three main strategies to achieve its objectives viz, (a) implementing social housing schemes with self-help method, involving the beneficiaries; (b) enabling smooth flow of funds for the implementation of the social housing schemes; (c) organising manufacture or bulk procurement of cost-effective building materials; and (d) recovering the loans from the beneficiaries through a beneficiary-friendly mechanism. RGRHCL has been designated as a nodal agency for implementation of the social housing schemes in the State in general and the rural areas in particular.

*Public Expenditure on Social Housing Schemes* : The problem of housing of the poorer sections cannot be solved by mere designing a range of social housing schemes but by financing them by public source. In fact, the success of the social housing schemes entirely depends upon financing them by the State to the extent that the higher the public expenditure on social housing schemes, the more the housing stock created and more beneficial for the beneficiaries. It can be even said that the commitment of the State for housing the poorer sections is better judged by the public expenditure towards the same. In this regard, public expenditure on the social housing schemes has not only constantly increased in the State during the decade from 2001-02, but is also spent to the tune of ₹ 4677.02 crore during the period (Table 2). Interestingly, a total expenditure of ₹ 3646.18 crore (78 per cent) has been incurred on the State-owned social housing schemes and the

**Table 2 : Public Expenditure on Social Housing Schemes in Karnataka  
2001-02 to 2009-10 (Rupees in Crore)**

Year	Social Housing Schemes in Rural and Urban Areas				
	Rural Ashraya	Rural Ambedkar	Indira Awaas Yojana	Urban Ashraya	Total
2001-02	143.59* (55.97)	35.24 (13.73)	The scheme was	77.75 (30.30)	256.58
2001-02	273.77 (65.31)	52.98 (12.67)	not implemented	91.80 (21.92)	418.55
2002-03	230.53 (71.85)	36.83 (11.48)	by RGRHCL during	53.50 (16.67)	320.86
2003-04	217.49 (75.46)	32.55 (11.29)	the years.	38.17 (13.25)	288.21
2004-05	174.76 (61.74)	18.11 (06.39)	59.73 (21.11)	30.46 (10.76)	283.06
2005-06	156.01 (49.82)	13.01 (04.15)	121.50 (38.80)	22.64 (07.23)	313.16
2006-07	255.90 (63.73)	13.47 (03.35)	118.07 (29.40)	14.08 (03.52)	401.52
2007-08	617.15 (83.04)	23.26 (03.13)	99.14 (13.34)	3.63 (00.49)	743.18
2008-09	558.69 (62.08)	36.34 (04.04)	299.11 (33.24)	5.79 (00.64)	899.93
2009-10**	373.04 (49.61)	38.11 (05.07)	333.29 (44.32)	7.53 (01.00)	751.97
Total	3,000.93(64.16)	299.90 (06.41)	1,030.84 (22.05)	345.35 (7.38)	4677.02

Note: Figures in the parentheses indicate percentages to the total.

\* includes the amount spent under the scheme Neralina Bhagya.

\*\* Figures are up to January 2010.

Source : RGRHCL, Bangalore.

rest of ₹1030.84 crore (22 per cent) on the Centrally sponsored scheme. With this, the average housing expenditure works out at ₹ 467.70 crore; this has increased from ₹ 256.58 crore in 2001-02 to ₹ 751.97 crore in 2009-10. While doing so, greater impetus has been accorded to the development of housing in rural areas, with a total expenditure of 92.38 per cent and the same is justifiable considering the highest magnitude of the incidence of housing shortage in rural areas of the State. Further, across the various social housing schemes, given the coverage of the

beneficiaries, Rural Ashraya scheme accounted for over 64 per cent of the total expenditure (₹ 3000.93 crore), on an average ₹ 300 crore every year. Further, one of the significant features of the scheme has been that the public expenditure incurred is enhanced by more than two and a half fold from ₹ 143.59 crore in 2001-02 to ₹ 373.04 crore in 2009-10 in nominal terms. However, in the relative terms, the percentage share in expenditure has fallen from almost 56 in 2001-02 to 50 in 2009-10. Indira Awaas Yojana (IAY), the second largest scheme implemented in



the State has got a total expenditure of ₹ 1030.84 crore in a span of six years or ₹ 171.81 crore per year. But, unlike the Rural Ashraya scheme, expenditure on the IAY has increased in both absolute and relative terms from ₹ 59.73 crore (21 per cent) in 2004-05 to ₹ 333.29 crore (over 44 per cent) in 2009-10. In the case of Rural Ambedkar Housing Scheme, the total expenditure incurred was only around ₹ 300 crore and the relative share of the scheme is drastically reduced from 14 per cent to only 5 per cent during the review period. Finally, under the Urban Ashraya scheme, a total expenditure of ₹ 345.35 crore has been incurred and it comes to ₹ 34.53 crore per annum or only 7.38 per cent of the total expenditure. The irony is that the scheme was the second largest in 2001-02 with a total expenditure of ₹ 77.75 crore or 30.30 per cent, but it lost its importance with a total expenditure of only ₹ 7.53 crore or just 1 per cent in the total expenditure.

### Impact Assessment

The impact of the social housing schemes can be better judged initially by the number of houses constructed and the residential sites distributed in the State during the period of assessment, as they mirror the political commitment of the State. Secondly, nothing should undermine the importance of the social housing schemes, as long as they contribute to overall improvement of welfare of the target group. This can be better reflected with regard to improvement in quality stock, promotion of housing privacy, improvement in housing amenities and better prospects for household economic activities, as detailed below.

*Houses Constructed* : Creation of housing stock and thereby solving the housing problem of the vulnerable sections are the twin objectives of the social housing schemes.

**Table 3 : Houses Constructed under the Social Housing Schemes in Karnataka - 2001-02 to 2009-10 (Figures in Lakhs)**

Year	Houses Constructed under Social Housing Schemes				
	Rural Ashraya	Urban Ashraya	Ambedkar (Rural + Urban)	Indira Awaas Yojana	Total
2000-01	71,794	26,074	17,619+ 5,634	27,785	1,48,906
2001-02	1,36,886	34,274	29,547+3,058	29,096	2,38,861
2002-03	1,25,267	20,020	20,142+1,727	28,910	1,96,066
2003-04	1,08,747	17,966	17,395+1,121	33,886	1,79,115
2004-05	87,382	11,905	9,405+351	29,866	1,38,909
2005-06	78,005	8,961	6,507+118	48,601	1,42,310
2006-07	1,13,676	5,488	6,736+182	47,226	1,73,490
2007-08	2,27,858	1,452	11,628+ -	39,656	2,80,594
2008-09	1,92,858	2,317	13,430+ -	45,786	2,54,391
2009-10**	89,000	2,701	9,352+ -	NA	1,01,053
<b>Total</b>	<b>12,31,473(66.43)</b>	<b>1,31,158(07.08)</b>	<b>1,41,761+12,191 (08.31)</b>	<b>3,30,812(17.85)</b>	<b>18,53,695</b>

\*\*Till November 2009.

Source : Economic Surveys - 2001-02, 2005-06 & 2008-09, Department of Economics and Statistics, Government of Karnataka.

From this perspective, house construction has been given greater impetus in the rural areas under the social housing schemes in the State. This is largely on account of the pressing need for construction of housing units to meet the immediate needs of the target people. Secondly, the people seeking housing benefits under social schemes largely prefer financial assistance for housing units on priority basis. Thirdly, implementing agencies prefer to provide financial assistance for house construction, as it does not involve land acquisition process and the related administrative delays. Over and above, availability of suitable land in the close vicinity of the existing rural settlements and development of the residential infrastructure like roads, drainage, water supply, electricity and others have turned out to be a serious challenge. Fourthly, in order to discourage the residential site allottees from resorting to disposal of their sites, distribution of financial assistance is encouraged mostly. With this backdrop, it is evident from Table 3 that a total number of 18, 53, 695 houses have been constructed in the State under various social housing schemes, on an average of 1, 85, 369 houses every year during 2001-02 to 2009-10. As is reflected already in the housing expenditure, the housing stock created in the State has largely depended upon the expenditure incurred under each of the schemes. Rural Ashraya has been playing a very significant role in the creation of housing stock with 12.31 lakh units and has a major share of over 66 per cent. During the period under assessment, 1, 23, 147 housing units have been constructed under the scheme. The other scheme, which has significantly contributed to the creation of housing stock is IAY with over 3.30 lakh units or around 18 per cent of the total stock. This is followed by Ambedkar Housing Scheme (AHS) with 1, 53, 952 units in rural and urban areas and Urban Ashraya (UA) with over 7 per cent contribution in the State. But, one of the disappointing

observations is the significant erosion of the importance in the implementation of AHS and UA in the recent years. The house construction under AHS, which was 17,619 units in 2001-02 came down to 9,352 units in 2009-10 and its non-implementation in the urban areas since 2007-08 is a serious concern, as the incidence of families of the target group facing housing problem is growing immensely. The case of the UA is the same. The number of housing units constructed under the UA has drastically fallen from 26,074 to just 2,701 during the period under reference.

*Distribution of Residential Sites:* Notwithstanding the advantages associated with construction of housing units, distribution of residential sites is an essential requirement for such families that are newly formed, separated from joint families, homeless widows, migrated and other vulnerable groups belonging to poverty group in rural and urban areas to initiate the process of house construction. In reality, the actual process of house construction commences with the residential sites and moreover, enthusiasm on the part of the poor houseless families is more, if they own residential sites. Despite the fact that residential site is the foremost critical requirement for house construction, distribution of residential sites to various target groups under the social housing schemes has not progressed the way it was expected in the State, as compared to house construction. It can be discerned from Table 4 that only 1.16 lakh residential sites have been distributed in the State in the last ten years. Also, it is disappointing to note that there has been a declining trend in the distribution of residential sites both in rural and urban areas, respectively from 13,000 to 1,097 and 2,994 to 908 during the period of assessment. Especially, residential site distribution in urban areas under the Urban Ashraya Scheme has been historically far less than in the rural areas, which needs rethinking to realise the dream



**Table 4 : Residential Sites Distributed for the Poor in Karnataka - 2001-02 to 2009-10**

Year	Residential Sites Distributed		
	Rural Ashraya Residential Sites	Urban Ashraya Residential Sites	Total
2000-01	13,000	2,994	15,994
2001-02	19,784	18,267	38,051
2002-03	21,397	1,526	22,923
2003-04	7,392	3,826	11,218
2004-05	4,762	2,379	7,141
2005-06	6,814	3,160	9,974
2006-07	2,280	3,566	5,846
2007-08	1,191	2,066	3,257
2008-09	139	139	278
2009-10**	1,097	908	2,005
Total	77,856	38,831	1,16,687

\*\*Till November 2008.

Source : Economic Surveys- 2001-02, 2005-06 & 2008-09, Department of Economics and Statistics, Government of Karnataka.

of the urban poor. Given the dynamics involved in the process of residential site acquisition like suitability and affordability and but for the scheme, it would have been next to impossible for the poor people to acquire residential site in urban areas.

*Quality Improvement:* Quality of housing is one of the important aspects, which reflects both on the overall living standard of the people and the importance attached to the development of housing in any society. Development of the standard housing units, which is weather proof, is expected to be the ideal situation for all the families (Habitat, 1996). It is an even more sufficient condition if the poor families live in the all-weather

structures or in the housing units that provide safe dwelling during all seasons in a year and provide safe housing. It is believed that only pucca housing structure constructed out of the standard building materials fulfills this requirement in rural and urban areas. It is also argued that in rural areas, semi-pucca housing units constructed with standard building materials either for walls or for the roof also ensures safe dwelling but with time to time intervention for their improvement (Rao, 1988). Kutcha housing units on the other hand, are not considered safe for living and do not ensure safety for the families round the year. It is attributed further that such housing units may collapse, especially during the rainy season on account of their poor construction thereby families dwelling there would always be under housing threats.

From these perspectives, it is important to note that the existing social housing schemes in the State have brought respite among the beneficiary families in bringing an overall improvement in the housing situation. It is observed that housing condition in the study area has especially improved after receiving the housing benefit (Table 5), in terms of the changing stock of the housing units. The kutcha housing units, which were the predominant dwelling stock of the beneficiaries, have reduced their population once the poor families have received the new housing benefits. As a result, there has been a significant decline in the kutcha housing stock from 64 per cent to less than one per cent. In other words, people who have received the housing benefits have transformed from the kutcha housing stock to the improved structure. This transformation has largely occurred among the OBC, general and ST beneficiaries, although almost 2 per cent of the SC beneficiaries have been continuing to dwell in the kutcha stock. Secondly, there has been a conspicuous increase in the semi-pucca housing stock by over three folds from 23 per

**Table 5: Housing Increment across Social Groups (Percentage)**

Social Groups	Pucca		Semi-Pucca		Kutcha	
	Old	New	Old	New	Old	New
SC	13.58	26.32	25.00	71.85	61.42	1.82
ST	11.21	17.67	12.50	81.90	76.29	0.43
OBC	12.50	6.25	25.00	93.75	62.50	0.00
General	12.50	24.84	25.00	74.84	62.50	0.32
All	12.74	24.12	23.05	74.93	64.22	0.94

**Housing Space by Social Group**

	Old Houses			New Houses		
	One Room	Two Room	>Two Room	One Room	Two Room	>Two Room
SC	58.3	30.3	11.4	21.8	60.4	17.9
ST	60.7	31.0	8.3	19.4	64.7	15.9
OBC	47.1	47.1	5.9	11.8	64.7	23.5
General	48.9	36.2	14.9	13.3	62.7	24.0
All	54.5	33.1	12.4	17.7	62.1	20.2

Source: Field Data.

cent to around 75 per cent and as a result a major housing transformation occurred to a major extent among the OBC families with 94 per cent of them living in them, followed by ST families (82 per cent), general (75 per cent) and SC families (72 per cent). Thirdly, the best of all the housing transformation is the increasing number of families living in the pucca structure (all-weather units) in the sense that pucca housing units have almost doubled their stock in the study area from 13 per cent to over 24 per cent. Interestingly, the transformation to all-weather units has been a reality among all the social groups, excepting the OBC beneficiaries because of the formation of nucleus families in large numbers. SC and general category families have transformed to the pucca housing stock

in large numbers, as compared to the other two categories.

Housing transformation can also be reflected by providing additional comforts in terms of privacy to the family members and particularly to the newly wedded couple, aged couple and children. Having more number of rooms within the housing structure is one of the established requirements for providing privacy to the family members. It is noteworthy that new housing units constructed by the beneficiaries under the social housing schemes have facilitated the families to increase the number of rooms in their housing units and to have facilitated themselves living in comfort. The housing units with two rooms have increased to 62 per cent from 33 per

cent and more than two-room units to 20 per cent from 12 per cent. These two increases have brought down the housing units with only single room units from 55 per cent to around 18 per cent, as can be seen in the Table. Across the social group also, there is a significant change in the number of rooms within the housing units of the ST, OBC and General categories. However, in the case of the SC families, two-room housing units are slightly lower than the average. If more than 62 per cent of the families belonging to ST, OBC and the general categories are living in the two-rooms housing units, SC families have accounted to only 60 per cent in the study area. What is further interesting is to note that the number of housing units with more than two rooms increased from 8.3 to 15.9 per cent. In the case of ST households, this increase is very high from 5.9 to 23.5 per cent. In the case of the SC and general category families,

the increase is from 11.4 to 17.9 per cent and 14.9 to 24 per cent, respectively. Consequent upon the significant increase, the housing units with only one room have drastically reduced from 58.3 to 21.8 per cent, with more than the average number of families belonging to SC and ST categories continue to dwell in the single room housing units in large numbers.

*Housing Services Improvement* : The other important indicator of the housing transformation is the improvement in the provision of housing amenities or housing services namely, access to drinking water, sanitation, drainage and electricity within the housing units. A comparison of the household amenities before and after receiving the housing benefits indicates that there is a substantial increase in their provisions, especially in the case of household electricity, although there is a very long way to go in

**Table 6 : Access to Housing Amenities across the Social Groups (Percentage)**

Social Groups	Electricity	Sanitation	Sources of Water Facility				Drainage
			Piped	Stand Pump	Well	Other	
Before the Housing Benefits Received							
SC	63.08	2.15	33.79	48.10	0.52	17.59	15.07
ST	48.71	1.29	24.00	52.89	1.78	21.33	9.05
OBC	37.50	0.00	37.50	43.75	18.75	0.00	6.25
General	67.72	4.11	35.29	42.52	2.18	20.00	11.08
All	62.53	2.83	32.91	46.47	1.62	19.00	12.33
After the Housing Benefits Received							
SC	91.96	27.52	40.44	41.81	0.34	17.41	24.16
ST	92.67	30.17	32.46	43.86	1.75	21.93	15.15
OBC	93.75	26.67	37.50	37.50	25.00	0.00	13.33
General	95.99	36.10	50.17	30.85	1.69	17.29	23.08
All	93.80	31.59	43.17	37.54	1.41	17.89	22.17

Source: Field Data.

providing these facilities for the poorer sections (Table 6). Of all the housing amenities, social housing schemes have facilitated the beneficiaries to have electricity connection to their housing units to the extent of over 94 per cent, as against only 62.53 per cent previously. Similarly, in the case of the household sanitation, the achievement is eye catching in the sense that there has been a ten-fold increase from 3 per cent to almost 32 per cent. However, in the case of the household drainage and drinking water connections, the progress achieved was only tardy. In other words, only 22 and 43 per cent of the beneficiaries have had connection for household sanitation and drinking water within their housing units. What is further impressive is that the increase in the provision of the housing services has been a reality across all social groups but with a little of variation between them. A positive development among the beneficiaries is that there has been a drop in dependence on 'other' sources of drinking water, which are available only outside the residential houses. Owing to the increase in the availability of drinking water connection within the residential units, the dependence on stand pump has been dropped by 8.93 points from 46.47 to 37.53 per cent, wells from 1.62 to 1.41 per cent and the other sources from 19.00 to 17.89 per cent in the study area.

*New Economic Activities* : The new houses constructed have also facilitated the inmates to undertake a few new economic activities, which have further paved the way for increasing income of the families. In other words, the new housing units have been used not only for dwelling, but also as a place for economic activities by a few beneficiaries, if not by all. It is found that these economic activities have facilitated them to get employment and augment the family income. Excepting the OBC beneficiaries, all the others have undertaken a few economic activities, especially petty business like tailoring and

grocery shops. A few have also been able to rear livestock in the new housing environment. Surprisingly, for a few, housing units with social identity have also facilitated to undertake driver's job. Interestingly, these economic activities have contributed for augmenting the family income and per capita income of the beneficiary families. It has been worked out that there has been an increase in the family income from ₹ 30,168 to ₹ 32,201 and per capita income from ₹ 6,015 to ₹ 7,289. Thus, the family income has gone up by ₹ 2,033 and per capita by ₹ 1,274. These increases in income are on account of savings of the housing cost, which were in the form of rent and service charges. But at the same time, it needs to be noticed that the increase after owning new housing units has not been a feature across the social groups. Excepting the general category families, all the others have continued to register family income much below the average family income. It is also true in the case of per capita income, more so in the case of SC/ST families. Finally, on ascertaining the number of economic activities undertaken by a few beneficiaries (21.38 per cent), economic incapacities like lack of initial/seed capital and skills have been attributed as the major reasons by a large majority of the beneficiary families. Even more disappointing is that none of the beneficiary families was aware of "Productive Housing in Rural Areas", a scheme to provide a composite loan for housing as well as for production, designed by the National Housing Bank (NHB, 2006).

### **Problems of the Social Housing**

With an understanding of the role of the State and the impact of the social housing schemes in the State, let us turn our discussion towards the problems confronted by the beneficiaries in achieving success. The first and foremost problem of the social housing schemes is inadequate financial assistance for house construction. The present unit cost of

the financial assistance up to ₹ 25,000 to ₹ 40,000 is said to be grossly inadequate, as compared to growing construction cost, if one were to use fairly decent building materials, like burnt brick, cement and steel. The unit cost fixed under these schemes is inadequate, even if one uses the locally available building materials for house construction. This concern

was expressed by 77 per cent belonging to all the segments of the beneficiaries and is argued that it is next to impossible to construct a decent housing unit. The amount is inadequate, especially for the provision for all the housing amenities like drinking water, sanitation and electricity connection (Table 7). Under the existing support mechanism, most

**Table 7 : Problems Associated with Social Housing Schemes**

Problems by Social Group	Scheduled Caste	Scheduled Tribe	Other Backward Community	General Category	Total
1. Total Sample Beneficiaries	666	252	17	697	1632
2. Inadequacy of Benefit	597	232	16	623	1468
% in the Total	76.72	87.07	68.75	73.68	76.98
Additional Amount	597	232	16	623	1468
Less than ₹ 20,000	23.40	27.50	31.20	17.10	21.40
₹ 20,000 to 50,000	56.30	51.80	43.80	49.60	52.60
₹ 50,000 to 1,00,000	18.10	19.10	25.00	26.00	21.70
₹ 1,00,000 & Above	2.20	1.60	0.00	7.30	4.20
Source of Financing	597	232	16	623	1468
Own Savings	21.27	37.93	43.75	45.43	34.40
Disposal of Assets	16.42	27.59	12.50	4.49	13.08
Loans from SHGs	52.09	9.05	37.50	42.22	40.94
Moneylenders	10.22	25.43	6.25	7.86	11.58
3. Extent of Corruption	228	97	119	215	659
% in the Total	34.60	14.72	18.06	32.63	40.38
4. Cost of Housing Benefit					
Application & Documentation	100.00	99.60	100.00	100.00	1631
Employment & Wage Loss	90.24	67.86	93.75	54.09	1164
Bribe at Panchayat Level	31.83	39.29	52.94	48.64	659
Others	4.05	5.16	41.18	7.75	101
5. Use of External Influence	312	137	10	447	936
% in the Total	46.85	54.36	58.82	64.13	57.35
Panchayat Member	296	130	8	425	859

Source : Perceptions as obtained by the beneficiaries on the social housing schemes from the study area.

beneficiaries have either constructed half-housing units and provided facilities or constructed full unit without providing amenities within their housing units. It can be noted from the Table that SC/ST beneficiaries have in large numbers felt the brunt of being inadequately financed. Although the total unit cost of construction varies, a majority of the beneficiaries have invested almost an amount, which is over and above the unit cost fixed by the government. Further, the inadequate financing has prompted the beneficiaries to finance additionally by their own means, which is ranging from ₹20,000 to over ₹1 lakh. It is very clear that over half of the beneficiaries have financed between ₹ 20,000 and ₹ 50,000, by 22 per cent in the range of ₹ 50,000 to 1 lakh and over 21 per cent less than ₹ 20,000. Interestingly, a good number of beneficiaries have also financed over ₹1 lakh for constructing their housing units. It goes without saying that these beneficiaries made provisions for all the housing amenities, which are not included in the unit cost under the social housing schemes. Further, what is significant to note is the source of additional financing of housing units by the beneficiaries. A majority of the beneficiaries have financed their unmet housing cost from the loans raised from the Self-Help Groups (SHGs) followed by their own savings. A surprising fact is that none of the beneficiaries borrowed assistance from the traditional commercial and housing financial markets (Mahadeva, 2008b & 2009) like the scheduled commercial banks, credit cooperative societies and others. But, inadequate financing of the housing project by the government has also compelled the beneficiaries to dispose a few household assets like sheep, goat and other milch animals and to borrow from the high-cost lending or the doorstep moneylender in the rural areas. In fact, the incidence of asset disposal and high cost borrowing is more among the SC/ST beneficiaries.

Secondly, prevalence of corruption in the administration of social housing schemes has been a common problem. If inadequate cost hurts the beneficiary families on the one side, pilferages in the unit cost of financial assistance did hurt on the other side. Over 40 per cent of the beneficiaries have been affected by the problem of corruption, which in turn resulted in stalling the house construction and in many cases the construction has been downsized. Thirdly, acquiring housing benefits under the social housing schemes involves a number of costs, including employment and sometimes wage losses. It was narrated that once the selection of beneficiaries is finalised, panchayat members and officials collect money from them towards various charges. Application and documentation is one of the important charges being collected and almost every beneficiary incurred this expenditure in the range of ₹ 1500-2000 per beneficiary. However, incurring such a huge expense towards application and documentation would not ensure automatically the housing benefit, but a follow-up has to be done by the beneficiary and every time the beneficiary comes to follow up, they lose employment and related wage, besides incurring opportunity charges. It is indicated that over two-thirds of the beneficiaries opined that in the process of obtaining housing benefit, they would have lost employment and the related wage to the extent of ₹1000-1300 per beneficiary. What is even more disappointing is the bribe that is being paid by the beneficiaries for the members and the officials involved in the administration of housing benefits. Over 40 per cent of the beneficiaries reported to have paid bribe to the extent of ₹ 2000-3000 per head to get the housing benefits.

Finally, even after payment of bribe, housing benefit is not guaranteed, unless one uses political influence at local level. This only brings to the fore that being houseless and



payment of bribe would not qualify the families to get housing benefits under social housing schemes. Also, distribution of housing benefits depends upon the proximity that the houseless families maintain with the people's representatives and officials at the panchayat level. In other words, people's representatives and officials play a significant role in the distribution of housing benefits under the social housing schemes for more than half of the beneficiaries. It is found that about 57 per cent of the beneficiaries used political influence to get the housing benefits and to expedite the process of housing benefit distribution. Gram Panchayat members are the major source of the influence in the distribution of housing benefits. In this regard, it is being maintained that panchayat members do have a major say in the distribution of the housing benefits only to ensure that needy and genuine beneficiaries are not deprived of these benefits. It is also admitted that in the process of distribution of the housing benefits, the concern of the other members of the people's representatives has also been accommodated.

### **Some Alternative Policy Options**

Housing is an important indicator to assess the position of an individual in a society, and the society at large reflects on itself how it has developed by housing infrastructure, especially for the poorer sections. In fact, a good housing environment mirrors the priority that a society has given to construction of houses for the poorer sections of society. These expectations prompt the society and the government to accord priority for developing a better housing environment to the houseless families of poorer sections and facilitate them to construct decent housing units for dwelling to protect themselves and their belongings. Also, it should be noted that such environment facilitates a better access to all the housing amenities like households connected with drinking water, sanitation, drainage and

electricity. Thus, it is indeed necessary that poor families in the State are ensured with such housing environment and the facilities without any encumbrances or problems, not only to alleviate housing deprivation but also to mainstream them to better living conditions, especially in rural areas. Keeping these in view, the following policy implications are presented for effective administration of the housing benefits under the social housing schemes.

First, there is every need to assess the housing needs of the poor families, once in every five-year plan period in the State to design and evolve housing strategies for the development. The local government at the grossroot level in urban and rural areas should be made responsible to prepare the list of prospective housing benefit seekers, including the newly wedded and separated couple from the joint families in regular intervals. This approach clearly gives an appropriate scenario of housing requirements of the houseless individuals and families and to put an end to *ad hoc* approach, besides minimising overlapping. This approach will also lead to better administration of housing benefits, in terms of planning, resource mobilisation, allocation and its application. While preparing the list of prospective housing benefit seekers, local bodies should include all the social groups of all the communities and then to separate the list of the aspirants into poor and non-poor category and while administering the housing benefit, the beneficiaries should be selected from the muster register. The beneficiary initially chosen from the muster list should be placed before the gram sabha meetings of the panchayats and the objections from the fellow villagers should be invited confidentially and the finalisation of the list of beneficiaries be announced. If there are any further objections, cross-checking of such prospective beneficiaries should be done, preferably by the officials other than the

panchayats. It is necessary to avoid encroachment of the benefits meant for the poorer sections by the non-poor families.

Secondly, the present financial commitment of the State towards social housing development should be stepped up for many genuine reasons. If housing sector gets the higher public resource allocation by the State, it will facilitate increasing the number of beneficiaries, to meet the uncovered and deprived houseless families, especially in the rural areas and urban slums. Further, the present unit cost of housing fixed under the social housing schemes is disproportionately low and by and large, the poorer section families are unable to meet the spiraling rise in the construction cost of housing. Keeping this critical economic inability of the poorer sections to meet the total cost of housing, there is every need and reason to enhance the unit cost of housing substantially under the social housing schemes. The other benefit of increasing unit cost of housing would release the beneficiaries from the door-step and high-cost moneylenders besides desisting them from disposing their household assets for financing the unmet cost of housing. Therefore, it would be appropriate, if the State government enhances the unit cost of housing to ₹ one lakh per beneficiary. This will certainly meet many ends like meeting the total cost of construction, besides developing charges of household amenities. In this regard, the present effort of the State to enhance the unit cost of housing to ₹ 60,000 under the modified rural housing scheme (GoK, 2010) needs reconsideration to further enhance the same to ₹ 1,00,000. Also, as a strategy of promoting beneficiary contribution, there is every necessity to promote thrift for housing activities through beneficiary-SHG-bank linkage, which will bring about the financial inclusion of the houseless families in the State.

Thirdly, having established a trend towards the replacement of dilapidated housing units and increasing housing comfort in the State under the social housing scheme, the target of the State must be to increase the stock of the all-weather or standard housing units, especially in the rural areas. The present thrust must be continued until the rural housing scenario is changed entirely to replace the dilapidated/deficient housing units. In order to do so, there shall be a special drive against the dilapidated housing units and to convert all the semi-pucca or sub-standard housing units into pucca or standard housing units. Similarly, there shall be a drive to convert all the existing single-room housing units into double or more than double-room units. This can be realised by giving additional impetus for replacement of dilapidated units as well as for extension of the housing units in the years to come. Simultaneously, while undertaking the drive, the State should also ensure to provide all the housing amenities inside the housing units, given the existing deficiency in the development of housing amenities. Upscaling the achievement in the sanitation front is also a need of the hour by integrating the cost of the development into the total cost of the housing unit, in order to eradicate open defecation practices in rural areas.

Fourthly, in view of the fact that residential site is one of the critical inputs of meeting housing need, houseless individuals and families plan for house construction only when this end is met. Therefore, allotment of residential sites for the houseless families should also be given equal priority in the housing development administration. This would facilitate the newly formed but siteless families to plan for their housing development activity. In order to encourage distribution of residential sites in rural areas, people-friendly organisations and people's initiatives should be encouraged with the possible support from

the State to identify and develop the government land in the close vicinity of the villages.

Fifthly, there should be every effort to promote employment and income generating activities within the housing units constructed under the social housing schemes in the State. The economic activities not only diversify the idle family members to employ themselves but also encourage acquiring new skills and upgradation of the existing skills. The other advantage is that the economic activities supplement the family income. Keeping the good intention of improving the incomes of the poorer sections, undertaking economic activities should be made mandatory for all the beneficiaries of the social housing schemes. As far as possible, the State should evolve strategy of productive housing scheme on the lines of the National Housing Bank. Also, these beneficiaries need to be given an initial financial support to undertake economic activities within their houses. This would not only facilitate the beneficiaries in the long run to minimise the dependence on the State but also help them to finance their future needs.

Sixthly, it is extremely important to control and avoid the increasing menace of

corruption in the administration of housing benefits at the lower level under the social housing schemes. Although, payment of financial assistance through bank accounts makes sense to some extent, it does not ensure corruption-free mechanism. Therefore, the State can explore the possibility of involving Land Army and *Nirmithi Kendras* to undertake construction of housing units for the beneficiaries under the social housing schemes with the close involvement of the beneficiaries at every stage of the construction. This method, though not a corruption-free, will certainly bring down the menace to a large extent.

In sum, the implementation authorities should be exposed to the social message (homestead right and housing security) that the State is carrying through the social housing schemes. The authorities should be made to implement these schemes to their fullest potential, in terms of the target evolved and the financial resources allotted under them and be made accountable for the total administration of housing benefit under each of the housing schemes.

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