

## **A Study On Sociological Analysis Of Rural Housing Programmes In Karnataka**

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### **Abstract**

Recent years have witnessed phenomenal growth in the housing sector especially in terms of increased flow of institutional finance resulting in increase in supply of housing stock in the country. However, bulk of this increase has taken place in urban areas. This has been enabled by fiscal concessions including income tax extended through budgetary measures of the Government. The benefits of the liberalized policies and fiscal concessions in the housing sector have, however, not percolated to the rural areas. Through average annual growth in lending for housing during the last three years is around 40%, a major portion of these lending's are confined to urban areas, with less than 15% of the total housing loan disbursements flowing to the rural areas.

**Keywords :** Rural Housing, Socio-Economic Development, Rural Development etc.

### **Background**

Housing for the shelter less poor is measured a significant element of the essential lowest services. For the allocation of sites to construct houses, there are good number of programmes for the shelter less deprived in urban and rural areas and for support to the economically deprived classes for house building and substitute of thatched roof by remedy method. Housing for the shelter less poor is considered an important component of the package of basic minimum services. There are programmes for the distribution of house sites for the shelter less poor in rural and urban areas and for assistance to the economically weaker sections for house construction and replacement of thatched roof by rehabilitation.

Housing is one of the basic needs of human beings along with food and clothing. It has, in fact, multifaceted significance in terms of economic well-being, human development socio-cultural progress, individual behavior and political stability. Deprivation of decent housing for human settlement has, thus, serious socio-economic and political implications. Ever since the declaration of the year 1987 as International year for Shelter for the Homeless, there has been an increasing concern to address various facets of housing deprivation. The development and provision of quality housing has become the priority in both policy formulation and its implementation in most of the developing countries. In India, the objective of the National Housing and Habitat policy is to provide shelter to all, especially to the poor and the deprived.

The government of India announced a National Housing and Habitat Policy in the year 1998 which aimed at providing housing for all and facilitating the construction of 20 lakh additional housing units (13 lakh in rural areas and 7 lakh in urban areas) annually, with emphasis on extending benefits to the poor and the deprived. An action plan had also been prepared. But the action plan more or less remained on paper. The action plan had the following components (1) Conversion of unserviceable kutcha houses in India Awaas Yojana (2) Pradhan Mantri Gramodaya Yojana – Gramin Awaas (3) Credit- cum – Subsidy Scheme for Rural Housing (4) Samagra Awaas Yojana (5) Innovative Stream for Rural Housing and habitat Development (6) Rural Building Centres (7) Enhancement of equity contribution by the Ministry of Rural Development and Habitat. If we critically assess and evaluate these programmes, we come to the conclusion that no visible or tangible impact has been made in solving the rural housing problem. The approach of the government was declared to be an enabling one leading to mobilization of the full potential and resources of all actors in the shelter, production and improvement process. It was also stated that the government shall act as the facilitator and shall put people at the centre. Unfortunately, the Government has neither acted as a facilitator nor put people at the centre. Instead, the private sector was allowed to be the main actor and the rural poor have been almost totally excluded. The private housing finance companies look for people having consumption surplus and ability for capital mobilization.

### **Statement of the Problem**

Housing activity provides impetus to economic growth. Whenever the economy is facing recession, the investment in housing sector has the potential to kick-start the economy for growth. Housing sector has both forward and backward linkages, Because of its forward and backward linkages; even a small initiative in housing will propel multiplier effect in the economy through the generation of employment and demand in recession hit core sectors. Housing and infrastructure can substantially drive the economy by creating additional employment, raising demand and improving the spending capacity of the people through a chain of linkage effects. The main reason is, the investment in housing increases income levels of the people having low income, who normally have high Marginal Propensity to Consume (MPC). This high MPC gives rise to demand for consumption goods, which result in higher Gross Domestic Product (GDP) by 0.78 due to multiplier effect, which clearly shows that housing investment significantly contributes to economic development. A study by Indian Institute

of Management, Ahmedabad, (IIMA) commissioned by Housing and Urban Development Corporation (HUDCO) to evaluate the impact of investment in the housing sector on GDP and employment has found that the housing sector ranks third among the major sectors in terms of the direct, indirect and induced effects on all sectors in terms of the direct, indirect and induced effects on all sectors of the economy (GOI, 2002).

The economic development, which is closely associated with industrialization and urbanization, has resulted in the rapid growth of cities in developing countries and acute shortages of housing in urban areas. According to the UN estimates, the urban population in Less Developed Countries (LDC's) was about 275 million in 1950, in the year 2000, it reached to 2.1 billion. The rapid pace of urbanization has had serious implications on demand for housing. The demand for housing has increased phenomenally not only in quantitative terms but also in qualitative terms. Along with the rapid spread of urbanization is also accompanied the prolific growth of huge slums and shantytowns. The slum settlements, without any basic amenities, today represent over one-third of the urban population in developing countries. Given the phenomenon of massive and historically unprecedented movements of people from rural areas to burgeoning cities, the critical issue that needs to be addressed particularly in developing countries is the provision of the basic amenities for human settlement.

Like other developing countries, India too is not an exception to this seriously growing human concern. India's population has already reached an incredible figure of 1.02 billion. During the period between 1961 and 2001, the urban population increased from 79 million to 285 million, almost 3.6 times. According to Census data, 23 per cent of the urban population still lives in slums (Census, 2001). The estimate of slum dwellers for 2001 was 40.6 million.

Recognizing the critical importance of human settlement in developing countries, the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights have recognized the right to housing as a human right.

Lack of tenurial rights, speculative land market, inflexible housing finance system, inappropriate planning and building regulations, ignorance about the cost and energy effective construction technologies and lack of institutional framework for supporting the poor are some of the hurdles in tackling the rural housing problem. The withdrawal of the state from social sectors is also a major policy deviation that hinders the enabling and facilitating role. Hence to know the present conditions of housing and the role of housing schemes in enhancing the conditions of weaker sections the study needs much importance.

### **Objectives of the Study**

The study is mainly based on the following objectives;

1. To examine the acute shortage of housing specifically with regard to socially deprived sections of the state.
2. To examine the different government policies with regard to public housing programmes.
3. To evaluate achievement of the state public housing programmes with regard to their physical and financial achievements.
4. To study the impact of housing development schemes on weaker sections of the society in the study area
5. To suggest certain measures to improve housing programmes in the state.

### **Hypotheses of the Study**

The following hypotheses have been framed in the present study;

1. The progress of housing programmes in the state of Karnataka is satisfactory.
2. The State of Karnataka has utilized funds of the centrally sponsored schemes to achieve the physical and financial targets.
3. Housing programmes have been raised the social status of the weaker sections of the society.

### **Sources of Data**

The data is collected mainly from secondary sources. The secondary has been collected from the education-related publications, government department publications and non-governmental organization publications. Secondary data will be collected and processed by some other agencies on the subject of housing finance. All sources are listed in the Bibliography. Some of the sources of secondary data are:

- various publications of central, state and local governments, RBI Bulletins
- existing literature and data in websites
- various publications of national institutions like ISEC, NIRD
- other sources like books, magazines, newspapers, reports, articles, seminar papers published by universities and research institutions.
- Housing Department, Bangalore.

- RDPR Department, Bangalore
- EPW and Kurukshetra.

### **Review of Empirical Studies**

Nair, Tara. S (1999) in her commentary 'Housing: the Missing Concerns' has pointed out that the unfortunate part of India housing scenario is the financial imprudence of the political leaderships in the country. She argues that the real gainers of the budgetary sops offered by the government are the urban middle class, middle-income housing projects and housing finance institutions; not the poor who really need housing finance.

Harvard University (HMF Report) (2000) has reviewed HMF initiatives of various countries in Asia, Latin America and Africa. The report has highlighted remarkable growth of HMF initiatives worldwide in the last two decades. It gives background information for those involved in (or planning to enter into) HMF activities.

Manoj (2004) in his paper 'Dynamics of Housing Finance in India' has systematically traced the growth and development of the housing finance in India. The significance of housing to the economy, prospects of the industry, the risk factors and challenges to housing finance (along with suitable remedial strategies) are explained. It has been suggested that models like 'Grameen Bank' of Bangladesh should pick up in India also for faster and inclusive housing development.

IFPRI (Research Paper) (2004) has pointed out that for scaling up 'Kudumbashree' the poverty alleviation programme of Government of Kerala, an enabling environment (viz., decentralization and concurrent devolution of finance) are essential.

National Urban Housing and Habitat Policy 2007 (NUHHP), is the Official Policy on urban housing and habitat of the Ministry of Housing and Urban Poverty Alleviation, Govt. of India. It gives a detailed account of the status of urban housing in India, the problem of housing shortage etc. NUHHP seeks to promote sustainable habitat in the country and delineates specific areas of action and an action plan towards achieving 'Housing for All' – its ultimate goal.

IFMR (Research Report on HMF in India) (2007) discusses the potential of HMF in providing housing finance to the poor and also the risk factors involved in it. Using a demand assessment made at an MFI named ASP (based in Andhra Pradesh, India) the paper discusses as to how an MFI can design an HMF product as per the client's socio-economic status.

Manoj (2008) in his paper, "Learning from Cross Country Experiences in Housing: A Microfinance Approach" gives an overview of inclusive housing finance systems of various countries (like Social housing, public housing etc.,). Based on global experiences and the Indian realities, the HMF model that is relevant in India is suggested.

Beacon for Hope (Research Report on HMF in Ghana) (2008) has observed that HMF has significant capacity to speed up incremental building process and shortening the time for housing development. The impact of this new product at present has been observed to be abysmal because of the risk-averse nature of the suppliers.

### **Research gap**

The above studies pertaining to the housing programmes reveals that multilateral funding agencies, donor agencies, and the central government funds most of its major and medium projects. So far as participation in the housing development is concerned, most of the studies indicate that involvement of the real poor in the housing is minimal. So far, researchers about housing programmes in Karnataka have conducted no research studies. In order to fill this research gap, the present study is undertaken.

### **Major Findings of the Study**

The major findings of the present study are as follows:

- The study indicates that out of 300 sample respondents 105 (53%) availed the benefit through the State Run Housing Policies, 52 of them increase the benefit through Indira Awaas Yojana (IAY), 23 of them gain the benefit through Bharat Nirman and 20 of them increase the benefit through VAMBAY scheme.
- It is found from the study that out of the 300 sample respondents preponderance of the respondents are under the state run housing policies, 54 are under the Indira Awas Yojana, 24 are in Bharath Nirman and 24 are under the Vambay in the study area.
- The study indicates that out of 300 sample respondents the majority (39%) of the beneficiary were selected apply Random and Income Basis and almost 32 percent were chosen apply income basis and the residual were selected applying community basis,

need basis, income and community basis and Random and society basis.

- Nearly two-third of the beneficiaries said that the procedures are cut down and highly simplified but almost one-fourth of them said that the procedures are difficult and highly difficult.
- The study clearly indicates that out of 300 sample respondents in the study area 32% of the respondents are having semi pucca houses, where as 26% of the respondents are obtained pucca houses, 23.2% of the respondents are accessible for luxury houses and 6.8% of the sample respondents are having serviceable houses in the study area. It is very interesting to note that about 11.8% of the respondents are having unserviceable kucha houses; it indicates clearly their status in the society. Hence, it is opined that government should come forward to safeguard the interest of those community; it is the need of the hour.
- The study indicates that out of 300 sample respondents in the study area 205 respondents are having lowest level plinth area of houses, 54 respondents houses are low level plinth area, 40 respondents houses comes under the category of medium level and only 23 sample respondents houses are high level plinth area in the study area. This study indicates that out of 300 sample respondents only 23 respondents are accessible for high level plinth area houses, remaining 277 sample respondents are living in badly maintained and very small plinth area houses.

### Suggestions

- Rural housing programmes have been criticized on several grounds. In general, sufficient fund is not available to meet the demand in rural areas and many a time funds are released without looking into expenditure pattern. These programmes are structured and implemented without any effective linkages with the on-going housing scheme on the one hand and rural development schemes on the other. Finance is provided through these schemes for a new house and in all cases a ready-made house is given to the beneficiaries.
- Many of these schemes are implemented through contractors which does not allow the beneficiary to participate in the construction and related activities. As a result houses usually do not provide adequate air and light, protection from rain and heat. Technology and material remained urban as brick and cement are usually used while people use locally available materials other than bricks and cement for their own construction. When local material like, Mud, agricultural waste, bamboo, palm trees are used people's participation is quite high.
- Housing restoration and up gradation forms an integral part of any housing programme. Revitalization of old houses not only saves scarce financial resources but also provides housing in a comparatively shorter of time and in user-friendly location.
- Financial requirement is also different as type of housing cost of material used varies from urban to rural housing. Finance is more important as agriculture remains the main source of income, which does not match with the procedure followed by the formal financial institutions. As villagers do not have regular income, it is not easy to calculate the affordability of household income. The standard procedure of loan sanctioning and mode of repayment is not suitable in the rural context. So, calculation of financial requirement along with process and repayment has to be reformulated so that it can take care of rural situation.

### Conclusion

Housing was often seen as a social welfare and not a development activity and as such the government's intervention was very less until 1980s. After 1980s the Government of India began to interfere in the housing sector by designing various policies and scheme. Further, the Central Government have given full power to areas but centers of employment.

This is precisely why people concentrate on and around metropolitan cities and not rural areas Housing the state governments and union territories to formulate its own housing Policies and schemes suitable to the local needs. A number a rural housing programmes have been undertaken by central government for weaker sections of the population. Among these, Village Housing Project Scheme, Minimum Needs Programme, Indian Awas yozana, The Prime Minister Awas Yozana and Jawahar Rozgar Yozana are very prominent. The programmes were started with laudable objectives such as providing Shelter to all the poor, provision of house sites, and providing health and congenial atmosphere to live in, but in practice the picture becomes very bleak.

For instance, under the House sites to Land Less Workers Programme the sites allotted the beneficiaries are very congested. The localities were not provided with any basic amenities like drinking, toilet, electricity and drainage etc., Further the colonies have been situated far away from the villages which added a new set of problems to the beneficiaries. They have not been provided with any economic support schemes although it was included as a part housing policy.

This indicates that the programme has been a half-hearted attempt. Hence there is a need to reconsider the whole housing policy and reacted so that the poor can better avail the benefits of a welfare programme like housing. The main loophole in the Indira Awas Yojana is the does not give any consideration to the fact people tend to concentrate not around housing. Further the government went on formulating different schemes for different types of houseless based on their caste, occupation and poverty instead of strengthening, the implementation process of the existing ones. In our country, the caste

system and communalism are very deep and higher caste people would not like to stay with lower caste people even though the cost of the house is low. This requires a lot of education and to change the present situation, it will take pretty long time.

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