

Urban Housing in India: Status, Emerging Issues and Trends

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Abstract:

Urbanization and growth of urban population has put urban infrastructure and services under severe stress. Infrastructure development has a key role in economic growth and development. The urban centres have emerged as engine of growth. However, urban India presents a grim scenario with regard to availability of infrastructure. The escalating demand for basic services in urban areas is resulting in a serious deterioration of service quality across housing, transport, health-care, power, water supply, sanitation and education. The urban infrastructure development schemes – JNNURM, UIDSSMT and IHSDP have shown the new path of infrastructure development and its maintenance since the schemes are reforms oriented and seek public private-partnership, community participation, resource mobilization and focus on augmenting efficiency of urban local bodies.

Keywords:

Urbanization; population; Infrastructure; development; JNNURM; UIDSSMT; IHSDP

Urban India is undergoing a transition in terms of physical, demographic, and socio-economic diversity. The cities are expected to perform efficiently in keeping with the emerging demands for employment, commerce, trade, industry and other services. India's urban population in 2001 was 286.1 million, which was 27.8 per cent of the total population. The process of urbanization in India is marked by increasing concentration of population in larger cities. In 2001, 68.7 per cent of total urban population was reported to be living in Class I cities (above one lakh population). The shares of medium and small towns in total population were reported to be 21.9 per cent and 9.4 per cent, respectively. The number and proportion of cities with population of million plus has grown significantly in recent decades. The number of million plus cities was reported 12 in 1981 with 26.8 per cent share of the total urban population, the number of such

cities has increased to 35 in 2001 with 37 per cent share of total urban population. The growth of Indian workforce is also marked by urbanization. About one third total workforce resided in urban areas in 2001. Significantly 19.3 million jobs, constituting 79 per cent of total new jobs, were generated in urban areas. This shows the growing importance of urban areas in terms of economic growth and development. However, it has also demanded additional houses. In view of the fact that 50 per cent of India's population is force - casted to be living by 2041, it is necessary to develop in 640 towns and cities however new integrated townships. In 2001 42.58 – million slum dwellers constituting 23.10 per cent f the population living slum population was recorded only in larger towns and cities. (Table -1).

Table 1

Slum Population in Selected States

States	Number of Cities/Town Reporting Slums	Total Urban Population	Population of Cities/Town Reporting Slums	Total Slum Population	Percentage of Slum Population	
					Urban Population of States	Population of Cities/Town Reporting Slums
Haryana	22	6115304	4296670	1420407	23.2	33.1
Punjab	27	8262511	5660268	1159561	14.0	20.5
Himachal Pradesh	Not Reported Slum Population in 2001 Census					
Jammu & Kashmir	5	2516638	1446148	268513	10.7	18.6
Rajasthan	26	13214375	7668508	1294106	9.8	16.9
Uttarakhand	6	2179074	1010188	195470	9.0	19.3
Uttar Pradesh	69	34539582	21256870	4395276	12.7	20.7
Delhi	16	12905780	11277586	2029755	15.7	18.0
India	640	283741818	184352421	42578185	15.0	23.1

Source: Census of India, 2001

However, estimates of TCPO (2001) estimating urban slum population at 61.8 million in 2001 are normally being used. The proportion of slum population to total population of

cities/towns having slums was recorded highest in Haryana (33.1 per cent) followed by Uttar Pradesh (20.7 per cent).

Urban Poverty in India is gradually increasing both in absolute terms and proportion. In 1999-2000, 67.0 million urban population was reported to be living below poverty line which has increased to 80.78 million population in 2004-05. Similarly, the proportion of below poverty line households has risen from 23.62 per cent in 1999-2000 to 25.7 per cent in 2004-2005. During 2004-05 highest poverty level was recorded in Uttarakhand (36.5 per cent) followed by Rajasthan (32.9 per cent). It was recorded least in Himachal Pradesh (3.4 per cent). However, Uttar Pradesh alone accounted for about 18 per cent of urban poor to total urban poor of India in 1999-2000. The proportion has fallen down in 2004-05. However, there is no significant decline in the poverty ratio in the state during the said periods (Table – 2).

Table 2

Urban Poverty in Selected States

States	No. of Persons (Lakh)		Percentage	
	1999-2000	2004-05	1999-2000	2004-05
Uttar Pradesh	117.88	117.03	30.89	30.6
Haryana	5.39	10.60	9.99	15.01
Punjab	4.29	6.50	5.75	7.1
Himachal Pradesh	0.29	0.22	4.63	3.4
Jammu & Kashmir	0.49	2.19	1.98	7.9
Rajasthan	26.78	47.51	19.85	32.9
Uttarakhand	-	8.85	-	36.5
Delhi	11.42	22.30	9.42	15.2
India	670.07	807.96	23.62	25.7

Source: Planning Commission, Govt. of India

Housing is an important aspect of living of human beings. It is referred to as a composite of land and built structure. The housing is defined on the basis of appropriate materials, technology, and well developed land with clear titles. Keeping in view the concept, housing may be divided into two broad categories viz. formal housing and informal housing. The differences in formal and informal housing, to some extent are reflected in the nature of housing stock

differentiated by materials, quality of construction and durability. Apart from, the quality of house, whether it has been provided with basic infrastructure like water supply, electricity while sanitation is another important indicator. Besides, a good measure of habitable condition in the housing unit is the number of rooms per person, which is reflected in the number of rooms per household and the household size. Moreover, tenure status of housing unit, depending on level and composition of economy, provides some sense of ownership. During 2001, 53.69 million households were reported and 1.25 million households had no exclusive rooms. The medium numbers of rooms were reported to be only 2 (Table -3).

Table 3

Distribution of Households by and Medium Number of Rooms in Urban India

States	Total No. of Households	No. of Enclusive Rooms	Medium Number of Rooms
Uttar Pradesh	5170527	83621	2
Haryana	1075179	14203	2
Punjab	1489694	11792	2
Himachal Pradesh	143113	2110	2
Jammu & Kashmir	390411	8436	2
Rajasthan	2185591	21688	2
Uttarakhand	390164	2494	2
Delhi	2384621	20908	2
India	53692376	1247948	2

Source: Planning Commission, Govt. of India

As housing constitutes an important element of human life. It has potential to contribute to a rise in national income. It also accelerates the pace of development. Investments in housing have a multiplier effect on income and employment. The construction sector provides employment to 16 per cent of the workforce. It is growing at the rate of 7 per cent. As per the CSO estimates, housing sector's contribution to GDP for the period 2003-04 was 4.5 per cent at

national and 3.13 per cent in urban areas. In view of the substantial use of housing materials, construction activity has a multiplier effect on industrial demand for these items.

Growth of housing stock in India is shown in table – 4. During 2001, 55.8 million households were reported; however, housing stock was found only 50.95 dwelling units. There has been modest growth (38.0 per cent) in number of households during 1980's, and 1990's. This is significantly below the figure of 54 per cent recorded during 1990's. Similarly, the growth rate of housing stock during 1980's, (40.36 per cent) and 1990's (29.64 per cent) has been recorded low than the growth of housing stock during 1970's (51.35 per cent). The decadal growth rate in pacca housing has come down from 53.30 per cent and 64.68 per cent during 1970's, and 1980's, to 38.20 per cent only during 1990's. During 2001, 9.01 per cent houses were lying vacant, but these were not available for residential purposes for weaker sections of society.

Table 4

Growth in Housing Stock in India

(Million)

Year	Households	Total Housing Stock				
		Houseless Population	Total	Pucca	Semi Pucca	Katcha (Sericable)
1961	14.9	0.19	13.30	6.44	4.9	1.96
1971	19.1	0.47	18.5	11.8	4.35	2.35
1981	29.3	0.62	28.0	18.09	6.8	3.11
1991	40.7	0.72	39.3	29.79	6.21	3.3
2001	55.8	0.79	50.95	41.17	8.08	1.7

Source: Planning Commission, Govt. of India

The number of households during 2007 worked out to be 66.3 million. The distribution of households estimated at the beginning of 2007 among the various categories is shown in Table -5. It is estimated that 21.81 million households are from 44 categories which only 16.92 million house holds are from MIG and HIG categories. Thus only one fourth households are belonging to higher and lower income groups and 75 per cent households are from lower and weaker sections of society.

Table 5

Distribution of Households by MPCE Class

(Million)

MPCE Class (Rs)	Household Size	% of Households	Estimated No. of Households (Million) as on 2007
0-300	6.1	1.3	0.86
300-350	6.5	1.5	0.99
350-425	6.0	4.0	2.65
425-500	5.7	5.2	3.45
500-575	5.6	6.1	4.04
575-665	5.4	7.3	4.84
665-775	5.3	9.7	6.43
775-915	4.7	10.3	6.83
915-1120	4.3	12.5	8.29
1120-1500	3.9	15.7	10.41
1500-1925	3.4	9.4	6.23
1925+	2.9	16.9	11.20
Total No. of Households	4.40	100.00	66.30

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

The data provided by NSS in its 58th Round (July-December 2002) may be used for estimating the housing stock according to the type of dwelling units. The data shows that EWS, LPG, MIG and HIG have about 50 per cent, 80 per cent, 92 per cent and 98 per cent pacca dwelling units, respectively while about 10 per cent, 2 per cent, households in EWS and LIG category respectively will have kachha houses. Significantly, households from LIG and EWS categories have higher level of congestion since they have limited size and space of housing or dwelling unit.

The obsolescence factor is very important in housing. The housing or dwelling unit aged 80 years or more is classified as obsolescence. The 2001 census has provided the estimates of

households living in dilapidated dwelling units. The percentage figure of the households living in such units is 3.60 per cent. NSSO in its 58th Record (2002) has also provided the estimates of number of households living in the house by age and condition of house (Table -6). Only 42 per cent households were living in satisfactory dwelling units while 47 per cent households were reported to be living in good condition dwelling units. Thus, 11 per cent households were found living in bad condition dwelling units. Importantly, 21 per cent households living in 80 and above years aged dwelling units were reported bad condition of housing.

Table 6

Percentage of Households by Age and Conditions

(Percentage)

Age of House (years)	Good	Satisfactory	Bad	Proportion of Bad Houses
<1	1.2	0.5	0.3	15.0
1-5	4.8	2.0	0.9	11.7
5-10	12.5	7.4	1.6	7.4
10-20	16.1	13.2	2.8	8.7
20-40	9.3	11.9	3.0	12.4
40-60	2.4	4.3	1.3	16.25
60-80	0.6	1.4	0.4	16.7
80+	0.5	1.0	0.4	21.0
Total No. of Households	47.4	41.7	10.7	10.7

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

The source of drinking water in urban houses is shown in Table – 7. About 69 per cent urban households were having tap water supply while 16 per cent households had hand pump water. The proportion of households having unsafe sources of drinking water was also reported to be significant. This was reported high in case of Uttar Pradesh, Rajasthan and Punjab. The safe sources of drinking water were found more pronouncing in hilly states.

Table 7

Distribution of Households by Source of Drinking Water in Urban Areas

States	Total No. of Households	Tap	Hand Pump	Tube Well	Well	Tank, Pond, Lake	River, Cannal
Uttar Pradesh	5170527	2819597 (54.53)	2119603 (40.99)	84384 (1.63)	100139 (1.94)	5285 (0.10)	1378 (0.03)
Haryana	1075179	770634 (71.67)	242042 (22.51)	33625 (3.13)	8901 (0.83)	2484 (0.23)	871 (0.08)
Punjab	1499694	995301 (66.37)	438630 (29.25)	39107 (2.61)	3310 (0.22)	348 (0.22)	406 (0.03)
Himachal Pradesh	143113	134349 (93.88)	3431 (2.39)	1111 (0.78)	1170 (0.82)	423 (0.29)	33 (0.02)
Jammu & Kashmir	390411	341691 (87.52)	26842 (6.87)	5052 (1.29)	4534 (1.16)	1452 (0.37)	5538 (1.42)
Rajasthan	2185591	1751159 (80.12)	224802 (10.29)	68034 (3.11)	88859 (4.06)	13575 (0.62)	1504 (0.07)
Uttarakhand	390164	321040 (82.28)	57987 (14.86)	2408 (0.62)	950 (0.25)	791 (0.20)	1231 (0.31)
Delhi	2384621	1836723 (77.02)	420178 (17.62)	74050 (3.10)	407 (0.02)	14209 (8.59)	102 (0.00)
India	53692376	36865072 (68.61)	8719445 (16.24)	2746106 (5.11)	4140284 (7.71)	167175 (0.31)	102995 (0.19)

Source: Census Report, 2001

About one-fourth urban population in 2001 had no latrine facility in their houses. It was recorded high in Rajasthan and Himachal Pradesh. More than half of the households had water

closet latrine while 14 per cent households had pit latrine. The proportion of pit latrine households was recorded high in Uttar Pradesh while water closet latrines were found high in Himachal Pradesh and Punjab (Table – 8).

Table 8

Distribution of Households by Availability of Toilet in Urban Areas in Selected States

States	Pit Latrine	Water Closet	Other Latrine	No Latrine
Uttar Pradesh	934442 (18.07)	1653335 (31.98)	1549079 (29.96)	1033671 (19.91)
Haryana	284714 (26.48)	333210 (30.99)	249377 (23.19)	207887 (19.33)
Punjab	305813 (20.39)	692949 (46.21)	290145 (19.35)	200787 (13.39)
Himachal Pradesh	17166 (11.99)	71153 (49.71)	22197 (15.51)	32597 (22.78)
Jammu & Kashmir	78751 (20.17)	103602 (26.54)	156815 (40.17)	51243 (13.13)
Rajasthan	397910 (18.21)	886868 (40.58)	378726 (17.33)	522087 (23.89)
Uttarakhand	104258 (26.72)	159255 (40.82)	75478 (19.35)	51173 (13.11)
Delhi	362087 (15.18)	1129239 (47.36)	393275 (16.49)	500020 (20.10)
India	7840189 (14.02)	24761392 (51.15)	6979859 (12.99)	14110936 (26.28)

Source: Census Report, 2001

Interestingly about 22 per cent households had no drainage facility in their houses in 2001. It was found more pronouncing in Jammu & Kashmir and Rajasthan. Only 34 per cent urban

households had closed drainage in their houses. It was recorded again high in Delhi followed by Punjab (Table 9).

Table 9

Distribution of Households by Type of Connectivity for Waste Water Outlet in Urban Areas

States	Closed Drainage	Open Drainage	No Drainage
Uttar Pradesh	1368308 (26.46)	3408110 (65.91)	394109 (07.62)
Haryana	376438 (35.01)	574086 (53.39)	124655 (11.59)
Punjab	669867 (44.67)	667452 (44.51)	152375 (10.16)
Himachal Pradesh	62278 (43.52)	60909 (42.56)	19926 (13.92)
Jammu & Kashmir	99644 (25.52)	219858 (56.31)	70909 (18.16)
Rajasthan	527198 (24.12)	1225513 (56.07)	432880 (19.81)
Uttarakhand	110656 (28.36)	233637 (59.88)	45871 (11.76)
Delhi	1232435 (51.68)	938447 (39.35)	213739 (09.72)
India	18523082 (34.49)	23284582 (43.37)	11884712 (22.13)

Source: Census Report, 2001

The housing requirement during the XIth Plan period has been worked out by utilizing the rate of growth on various parameters as has been applied for arriving at the housing shortage as on 2007 assuming that the rates will not change drastically during the 5 years. Thus, the housing shortage will be 24.71 million. The housing shortage during the XIth Plan Period (2007-12)

including the backlog can be computed as 26.54 million. Housing shortage has been reported highest in larger states such as Uttar Pradesh, Delhi, Rajasthan and Punjab (Table – 10).

Table 10

Urban Housing Shortage in Selected States

(Million)

States	2001	2007
Uttar Pradesh	1.04	2.38
Haryana	0.21	0.52
Himachal Pradesh	0.01	0.06
Jammu & Kashmir	0.07	0.18
Punjab	0.21	0.69
Rajasthan	0.30	1.00
Uttarakhand	0.08	0.18
Delhi	0.53	1.13
India	10.56	24.71

Source: National Building Organisation

About 99 per cent of housing shortage of 24.7 million at the end of the 10th Plan pertained to the Economically Weaker Sections (EWS) and Low Income Groups (LIG) sectors. Given the fact that 26.7 percent of the total poor in the country live in urban areas the issues of affordability critical significance. Non-affordability of housing by economically weaker sections in urban areas is directly linked with the magnitude of urban poverty. The urban poor have low affordability of housing but also have limited access to basic service and housing amenities. According to 2001 census, there is a 9 per cent deficiency in drinking water, 26 per cent in toilets and 23 per cent in drainage. It is quite understandable that most of this shortage pertains to slums.

A National Housing and Habitat Policy 1998 was evolved in 1998, taking into account the development in shelter and related issues. The long term goal of the policy was to eradicate homelessness, to improve the housing conditions of the inadequately housed and to provide a

minimum level of basic services and amenities to all. It recognized that the magnitude of the housing stock need the involvement of various stakeholding agencies, including community and private sector. The Policy envisaged a major shift to Government's role to act as a facilitator than as a service provider. The housing sector has witnessed several changes since the formulation of National Policy in 1998. The Policy could not able to fully overcome the housing shortage, particularly for the EWS and low income groups. The changed economic and policy environment also demanded for up dating of housing policy document. The Ministry of Housing and Urban Poverty Alleviation, Government of India has introduced draft National Urban Housing and Habitat Policy, 2007.

The Policy envisages to use the perspective of Regional Planning as brought out in the 74th Amendment Act as vital determinant of systematic urban planning. The core focus of the policy is provision of "Affordable Housing for All with special emphasis on vulnerable sections of society such as Scheduled Castes, Scheduled Tribes, Backward Classes, Minorities and the urban poor. The Policy also focuses on legal and regulatory reforms for ULB's and development authorities besides integration of urban infrastructure development programmes and schemes. It is also highlighted in the Policy document that Central Government will encourage and support the states to prepare a state urban Housing and Habitat Policy and also a state Urban Housing and Habitat Action Plan.

The policies of urban development and housing in India have come a long way since 1950. In the First Five Year Plan (1951-56), the emphasis was given on institution building and on construction of houses for government employees and weaker sections. The Ministry of Works & Housing was constituted and National Building Organization and Town & Country Planning Organization was set up. A large proportion of the plan outlay was spent on rehabilitation of the refugees from Pakistan and on building the new city of Chandigarh. An Industrial Housing Scheme was also introduced.

In the Second Plan (1956-61), the scope of housing programme for the poor was expanded. The Industrial Housing Scheme was widened to cover all the workers. Rural Housing, Slum Clearance and Sweepers Housing like new schemes were introduced. Town & Country Planning Legislations were enacted in many states and necessary organizations were also set up for preparation of Master Plans for important towns and cities.

In the Third Plan (1961-66), emphasis was given for housing of low income groups. A scheme was introduced in 1959 to give loans to state governments for acquisition and development of land in order to make available building sites in sufficient numbers. Master Plans

for major cities were prepared while state capitals of Gandhi Nagar and Bhubaneswar were developed.

The Fourth Plan (1969-74) stressed the need to prevent further growth of population in large cities and need for decongestion or dispersal of population. This was envisaged to be achieved by creation of smaller towns and by planning the spatial location of economic activity. Housing and Urban Development Corporation (HUDCO) was established to finance the remunerative housing and urban development programmes, promising a quick turnover. A scheme for Environmental Improvement of Slums was undertaken in the central sector with a view to provide a minimum level of services and amenities in selected 20 cities with a population of 8 lakh and above.

The Fifth Plan (1974-79) reiterated the policies of the preceding Plans to promote smaller towns in new urban centres, in order to ease the increasing pressure on urbanization. A Task Force was set up for development of small and medium towns. The Urban Land (Ceiling and Regulation) Act was enacted to prevent concentration of land holding in urban areas and to make available urban land for construction of houses for the middle and low income groups.

The Sixth Plan (1980-85) emphasized on integrated provision of services along with shelter, particularly for poor. The Integrated Development of Small and Medium Towns (IDSMT) was launched in towns with population below one lakh for provision of roads, pavements, minor civic works, bus stands, markets, shopping complex etc.

The Seventh Plan (1985-90) stressed on the need to entrust major responsibility of housing construction on the private sector. A three fold role was assigned to the public sector, namely mobilization for resources for housing for subsidized housing for the poor and acquisition and development of land. The National Housing Bank was set up to expand the base of housing finance. NBO was reconstituted and a new organization called Building Material Technology Promotion Council (BMTPC) was set up for promoting commercial production of innovative building materials. In the plan period, Urban Basic Services for the Poor (UBSP) was also launched.

Eighth Plan (1992-97) for the first time explicitly recognized the role and importance of urban sector for the national economy. The Urban Poverty Alleviation programme named Nehru Rozgar Yojana was launched during the plan period. The plan stressed on building gap between demand and supply of infrastructure services and improvement of city environment through upgradation of squatter settlements and slums.

Ninth Plan (197-2002) stressed on development of urban areas as economically efficient, socially equitable and environmentally sustainable entities. It also focused on accelerated,

development of housing, particularly for poor and disadvantaged class. It also highlighted on development and upgradation of urban infrastructure services to meet the needs of growing population and also promoting, accessibility and affordability of the poor to housing and basic services.

The Tenth Plan (2002-07) has been the milestone in development of urban areas and housing sector. Government of India for the first time introduced JNNURM in selected 63 cities of India with massive Central out lay of Rs. 50,000 crores for 7 years in 2005, in order to strengthen urban local government and developing infrastructural services. The Mission comprises of two sub-missions namely Urban Infrastructure and Governance, and Basic Services to Urban Poor. In order to complement this activity in smaller and non- towns/cities, the centrally supported schemes of IHSDPC (merger of VAMBAY and NSDP) were introduced. The schemes also envisage implementation of reforms measures besides extending funding support for basic services and shelter development that benefit the poor in urban slums.

In accordance with National Housing and Habitat Policy, 1998 which focused on improving the housing condition for urban areas revisions were felt necessary in order to face the emerging challenges. Accordingly, Ministry of Housing Urban Poverty Alleviation, Government of India revised the Housing Policy in 2007 which called for inclusive growth and development of cities through accelerating the pace of development of housing and related infrastructure. In view of National Housing and Habitat Policy, 1998 which focussed on housing for all as a priority area, the two million housing programme was launched during 1998-99. This was a loan based scheme, which envisaged facilitating construction of 20 lakh additional units every year. HUDOC Housing Finance Institutions, Public sector Banks, and Cooperative sector were the main stakeholding agencies of the programme. The physical and financial progress of the programme in urban areas is shown in Table – 11.

Table 11

Details of Two Million Housing Programme in Urban India

Year	HUDCO		Housing Finance Institutions & PSB's		Cooperative Sector	
	Dwelling Units	Amount (Rs. Crore) Sanctioned	Institution Dwelling Units	Amount (Rs. Crore) Sanctioned	Dwelling Units	Amount (Rs. Crore) Sanctioned
1998-99	430399	1193.35	193671	6123.05	174944	1205.88
1999-2000	460218	1159.11	226495	5639.39	88218	1240.86
2000-01	470881	578.87	333736	8871.66	80899	1367.72
2001-02	401078	450.48	458615	12870.12	73659	1392.90
2002-03	459969	2792.91	637091	19148.71	73461	1287.09
2003-04	427455	685.77	621331	22491.35	89948	1538.93
2004-05	254885	1055.52	434675	21016.98	71280	1782.16
2005-06	86378	480.83	134601	8637.35	-	-
Total	2991263	8396.84	3040215	104798.61	652409	9815.54

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

During 1998-99 to 2005-06, HUDCO, HFI's, PSB's and cooperative sector constructed about 6.68 million dwelling units in urban areas which required the investment of Rs. 1230109 million. During Xth Plan period, the programme sanction of dwelling units was reported slightly higher than the targets. Overall, 3.62 million units were sanctioned with the investment of Rs. 94701.56 crores (Table -12).

Table 12

Physical and Financial Progress under Two Million Housing Scheme

Organisation	Target for DU's Minimum Areas (2002-07)	Progress Reporting (2002-07)	Sanctions	
			DU's in Urban Areas	Amount (Rs-Crores)
HUDCO	20,00,000	31 st May, 2006	1330271	5307.34
		2002-06		
HFI's & Public Sector Bank	Total	31 st March, 2006	2010174	84786.04
	HFI's	Do	1010,015	50610.46
	Public Sector Banks	Do	10,00159	34175.58
		2002-05		
Corporate Sector (Urban)	500,000	31 st March, 2006	280413	4608.18
Total	3500,000	-	3620858	94701.56

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

Government of India had launched VAMBAY scheme in 2001 with a view to ameliorating the conditions of urban slum dwellers living below poverty line that do not possess adequate shelter. The scheme had the primary objective to facilitate the construction and upgradation of the dwelling units for the slum dwellers and to provide health and enabling environment through community toilets under Nirmal Bharat Ahiyan, a component of the scheme under the scheme, 50 per cent subsidy was provided by Government of India while the balance was to be borne by the state government with ceiling costs of dwelling units and toilet. During 2001-02 to 2005-06 0.44 million units were sanctioned with allocation of Rs. 1093.93 crores (table 13) with the launch of JNNURM, the VAMBAY scheme has been discontinued. It has been merged in IHSDP.

Table 13

Details of VAMBAY Scheme

Year	Allocation (Rs. Lakh)	Subsidy Released (Rs. Lakh)	No. of Dwelling Units for Construction/ Upgradation	No. of Toilet Seats for Construction
2001-02	6900.00	7356.00	25280	4212
2002-03	25685.01	21835.03	105444	21398
2003-04	23850.00	23538.00	108172	3170
2004-05	28058.00	26935.69	112143	35086
2005-06	24900.00	16713.42	91330	1420
India	109393.01	96378.14	442369	65286

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

The Government has introduced Interest subsidy to provide an interest subsidy of 5 per cent for annum for a period of 5 years only to commercial lenders for lending to the EWS (monthly income upto Rs. 3300) and LIG (monthly income ranging in between Rs. 3301 to Rs. 7300) segments of the urban poor. Interest subsidy is expected to leverage market funds to flow into housing for poor. An aggregate amount of Rs. 560 crores per annum as interest subsidy has been proposed by the working group on Housing in 11th Five Year Plan, however Rs. 1218.36 crores were allocated in 11th Plan for the scheme. Loan disbursement during X Plan was expected around Rs. 3.60 lakh crores (Table-14). Thus, institutional credit towards urban housing is found to be low.

Table 14

Loan Disbursement during XIth Plan

Institutions	Total Housing Loan Disbursement (Rs. Crore)					
	2002-03	2003-04	2004-05	2005-06 (P)	2006-07 (P)	2007-08
Commercial Banks	23553	32816	50398	60,000	67000	77000
HFC's	17832	20862	26000	29500	32500	37500
Cooperative Institutions	642	623	421	500	500	500
India	42027	45301	76819	90,000	100,000	115000

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

The investment requirement to cover the shortage at the beginning of XIth Plan is given in Table -15. The total requirement of funds for meeting the housing shortage at the beginning of the Plan works out to be Rs. 1471.95.0 crores out of it, Rs. 42961 crores would be required for metropolitan cities only. The investment requirement for new additional urban housing alone during the XIth Plan is expected to be Rs. 214123.1 (Table – 16).

Table 15

**Investment Required to cover Housing Shortage at the
beginning of XIth Plan**

(Million)

Category		Other Urban Areas (62%)			Million Plus Metro (37.8%)			Grand Total of Fund Required (Rs. Million)
		Total Housing Units	Unit Cost Rs./Hsg/Unit	Total Investment (Million Rs.)	Housing Units	Unit Cost Rs./Hsg/Unit	Investment (Rs. Million)	
Housing for Shelterless Households	7.47	4.65	78000	362700	2.82	97500	274950	637650
Relieving Congestion	12.67	7.88	40,000	315200	4.79	50000	239500	554700
Upgradation of Kutcha House	2.18	1.36	35000	47600	0.82	43750	35875	83475
Replacement of Obsolete Houses	2.39	1.49	75000	111750	0.90	93750	84375	196125
Total	24.71	15.37	-	565539	9.34	-	429610	1471950

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

Table 16

Categorywise Investment Required to Cover Housing Requirements at the Beginning of XIth Plan

(Hsg Units in Million)

Category		Other Urban Areas (62%)			Million Plus Metro (37.8%)			Grand Total of Fund Required (Rs. Million)
	Total Housing Units	Housing Units	Unit Cost Rs./Hsg/Unit	Total Investment	Housing Units	Unit Cost Rs./Hsg/Unit	Investment (Rs. Million)	
EWS								
Shelter Upgradation	0.32	0.20	78000	15000	0.12	97500	11700	27300
Sites & Services	0.32	0.20	35000	7000	0.12	43750	5250	12250
Skeletal Housing	0.64	0.40	57000	22800	0.24	71250	17100	39900
Plotted Housing	1.29	0.80	10,0000	80,000	0.49	125000	61250	141250
LIG	2.28	1.42	160000	227200	0.86	20,0000	172000	399200
MIG	0.66	0.41	965000	395896	0.25	1207000	301750	697646
HIG	0.48	0.30	1448400	434520	0.18	1810500	325800	760410
Semi Pucca Upgradation	0.89	0.55	50000	27500	0.34	62500	21250	48750
Kutcha Upgradation	0.38	0.24	35000	8400	0.14	43750	6125	14525
Total New Housing	07.26	4.52	-		2.74	-	-	2141s231

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

In view of the prevailing housing scenario in India, Action Plan for state governments is imperative to face the emerging challenges and meeting out the housing requirement of weaker sections of society. Most of the state governments have not-formulate Urban Housing Policy and Action Plan. No doubt Uttar Pradesh has State Policy for Housing, however, it needs to be thoroughly revised in the present context and changing economic and policy environment.

The following action points would be undertaken by state government in consultation with ULBs.

- Preparing the State Urban Housing and Habitat Policy
- Enhancing suitable flow of financial resources to potential EWS/LIG beneficiaries for housing and habitat development projects
- Preparing medium and long-term strategies for tackling problems related to housing amenities
- Promoting decentralized production and availability of local building materials
- Preparing and updating Master Plans alongwith Zonal Plans, Metro Plans, Regional Plans by respective agencies
- Promoting balanced regional inclusive and in situ development of cities and towns
- Reviewing the legal and policy framework for simplification and rationalization with a view to boost housing and supporting infrastructure
- Enabling urban local bodies for taking up regulatory and development functions
- Promoting public-private partnership initiatives for undertaking housing and infrastructure projects
- Encouraging cooperative housing societies, employees, associations and organizations, NGO's, CBO's and Parastatals in microfinance for housing development
- Facilitating capacity building of construction workers, for ensuring disaster risk resistance buildings
- Ensuring 20-25 per cent developed land or houses for EWS/LIG by development agencies. Also providing optional utilization of land by innovative special relaxation of Floor Area Ratio (FAR) for ensuring that 20-25 per cent of FAR are reserved for weaker sections units.

Actionable points for ULBs in consultation with stakeholding as follows:

- Developing capacity at the local level to design and take up inner city development scheme, slum upgradation projects etc.

- Implementation of central and state sector schemes pertaining to housing and infrastructure at the local body level with appropriate provision for EWS and LIG beneficiaries
- Enforcement of regulatory measures for planned development in an effective manner.
- Checking the growth of unauthorized constructions, extensions of existing properties and commercialization of residential areas.
- Ensuring that Development Plans, Master Plans and Zonal Plans are made and updated regularly so that adequate provisions are made for slum dwellers and urban poor
- Identifying city specific housing shortages and preparing city plans for housing development
- Promoting planning and development of industrial estates alongwith appropriate labour housing colonies
- Incorporating provisions of model building bye-laws prepared by Town & Country Planning Organisation and National Building Code in their respective building bye-laws.
- Promoting Residential Welfare Associations for specified operation and maintenance of services creating healthy environment, ensuring safety and security etc.
- Promoting public-private partnership initiatives for housing development, delivery of housing services and conservation of natural and historical heritage.

The Action Plan of National Urban Housing and Habitat Policy 2007 include the following points:

- The Central Government will encourage and support the states to prepare a State urban Housing and Habitat Policy and also Action Plan
- Action Plans of states will focus on accelerated flow of funds for housing and infrastructure. The states should encourage promotion of planned and balanced regional growth, creation of sustainable employment opportunities, protection of weaker sections and public private partnership.
- State Plan and Action Plan will provide a road map pertaining to institutional, legal, regulatory, and financial initiatives in relation to (i) supply of land, (ii) modification of Acts/Bye laws, (iii) promotion of cost effective building materials and technologies; (iv) infrastructure development; (v) slum development.
- State Policy and Action Plan also focus on concrete steps for motivating, guiding and encouraging a participatory approach involving all stakeholders
- A monitoring framework at the state level should be set up to periodically review the implementation of the policy and concomitant Action Plan.

- Cities will prepare to 20 years perspective plans in forms of City Development Plans which will take into account of housing and infrastructure.
- A High Level Monitoring Committee at the Central level would be set up to periodically review the implementation of National Urban Housing and Habitat Policy, 2007.

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