

Housing

Introduction

Mahatma Gandhi is often quoted as having said, "India lives in villages". That statement is as true today as it was more than 60 years ago. Nearly 70 per cent of India's 1.2 billion plus population still lives in villages. According to National Family Health Survey, conducted in 2000, only 19% of the rural population lives in Pucca (Permanent) houses, while the remaining live in Kaccha (Weak) and Semi-Pucca (Semi – Permanent) houses mostly with mud walls and thatched roofs. Eighty per cent of the houses in villages do not have toilet facility. The 2001 Census estimated that 40 per cent of rural houses do not have separate kitchen.

Housing shortage in the year 2001 stands at 148.6 lakh houses in the country and for 2007 at 159 lakhs houses. In the Eleventh Plan, the focus was given targeting the poorest of the poor, while targeting the remaining housing shortage with other interventions. The Bharat Niravan Programme taken up by the Govt. of India recognized and accorded high priority to the need to end shelterlessness. It was proposed to target of constructing 150 lakhs houses in the country under Indira Awas Yojana (IAY) to be covered in 5 years during the 11th plan at the rate of 30 lakhs houses per year.

The Housing an Urban Development Corporation (HUDCO), the premier housing finance agency in the country had structured its loaning policy such that the flow of loans to different income groups in population according to the distribution of income. Andhra Pradesh state is one of the largest beneficiates of flow of funds for Economically weaker section (EWS) housing from the HUDCO, after establishment of the A.P. State Housing corporation (APSHCL).

Andhra Pradesh has been a pioneer in implementing the concept of 'shelter for all' especially in implementing housing schemes meant for various categories of poorer sections. Under Weaker Section Housing Programme, so far 97,73,000 houses were constructed for the poor since inception upto 2010, of which 89,90,349 units in the rural areas and 7,82,651 houses in the urban areas. The state has taken up a massive housing scheme for the poor, under the novel scheme 'INDIRAMMA', since 2006-07 onwards with a coverage of nearly 65 lakhs houses both in rural and urban areas, covering around 60,000 habitations in the state, within a period of three years.

Andhra Pradesh state has implemented massive housing programmes taken up for the poor during the last few decades. Weaker Section Housing Corporation in the state was set up with a view to provide housing to rural and urban poor. This policy is in consonance with the norm of UN, ESCAP, Human Settlements "Access to safe and healthy shelter and basic services", was recognised as essential to a persons' physical, psychological, social and economic well being and should be a fundamental part of our urgent actions". The objective of the 'Habitat agenda is to achieve adequate shelter for all especially the deprived urban and rural poor'. Experience the world over has established that the optimal way of ensuring cost effectiveness in social housing is through construction on self - help and mutual help basis. Accordingly, the government has been insisting upon active and physical participation of the beneficiaries in the process of construction. The economic status of the weaker sections is such that, even the cost effective housing would not be in the easy reach of the poorest of the poor, despite huge efforts from the government to help the poor, advancing loans and providing subsidies.

Housing Policy

HOUSING is a state subject. The Union Government is, however, responsible for the formulation of policy with regard to programme and approaches for effective implementation for social housing schemes, particularly those pertaining to weaker sections of the society. A comprehensive Housing and Habitat Policy, 1998 was formulated to address the issues of sustainable development infrastructure and for strong public private partnership for shelter delivery. The objectives of the policy are to create surpluses in housing stock by creating an enabling environment and facilitate construction of two million additional dwelling units each year. It also seeks to ensure that housing, along with supporting services is treated as priority sector at par with infrastructure.

The Government would provide fiscal concessions, carry out legal and regulatory reforms and create an enabling environment. The problems of housing shortage compounded with the population explosion has also been addressed by this policy. This document clearly identifies the respective roles of the Central Government, the State Government, local authorities, financial institutions, research standardisation and technical institutions. However, since housing is a state subject, State Governments have to play the primary role in formulating specific action

plans and programmes suited to local needs and conditions duly involving local bodies and citizen groups. The Government has identified 'Housing for All' as a priority areas, with particular emphasis on the needs of vulnerable groups. It is proposed to facilitate construction of 20 lakh additional units every year, with emphasis on Economically Weaker Section (EWS) and Low Income Groups (LIG) of the population as also the SC/ST and other vulnerable groups. Out of 20 lakh additional houses, seven lakh houses are to be constructed in urban areas and the remaining 13 lakh in rural areas.

NATIONAL URBAN HOUSING & HABITAT POLICY, 2007

Shelter is one of the basic human needs just next to food and clothing. The need for a National Housing and Habitat Policy emerges from the growing requirements of shelter and related infrastructure in the country. These requirements are growing due to the rapid pace of urbanization, increased migration from rural to urban centres in search of livelihood, mis-match between demand and supply of sites and services and dwelling units at affordable cost and the inability of new and poor urban settlers to access formal land markets in urban areas due to the high cost and their lower income, leading to non-inclusive cities and towns and thus a non-sustainable situation. Hence, the policy of National Housing and Habitat in the country was reviewed to ensure equitable supply of land, shelter and services at affordable prices to all sections.

As per the recommendations of the Working Group on Housing for the 11th Plan, the total shortage of dwelling units at the beginning of 11th Plan period i.e. 2007 is 24.71 million. The total shortage during the Plan period (2007-12) including the backlog will be 26.53 million.

The Ministry of Housing and Urban Poverty Alleviation has updated the National Housing and Habitat Policy, 1998. The new National Urban Housing and Habitat Policy, 2007 (NUHHP-2007), has been finalised in consultation with all concerned and laid in the Parliament on 07.12.2007. The new Policy is aimed to provide housing and other basic infrastructure to economically weaker sections, low income groups and other sections of the society at affordable cost.

The salient points of NUHHP, 2007 are:-

- Focus of the Policy is on **Affordable Urban Housing for All** with special emphasis on the urban poor.

- Role of Housing and provision of basic services to the urban poor has been integrated into the objectives of the Jawaharlal Nehru Urban Renewal Mission (JNNURM)
- Special emphasis has been laid on Scheduled Castes/ Tribes / Backward Classes / Minorities, empowerment of Women within the ambit of the urban poor.
- The Policy focuses on a symbiotic development of rural and urban areas in line with the objectives of the 74th Constitution Amendment Act.
- Within the goal of **Affordable Housing for All** emphasis has been laid on urban planning, increased supply of land, use of spatial incentives like additional Floor Area Ratio (FAR), Transferable Development Rights, increased flow of funds, healthy environment, effective solid waste management and use of renewal sources of energy.
- Encouraging Integrated Townships and Special Economic Zones, 10-15% of land in every new public/private housing projects or 20-25% FAR, whichever is greater to be reserved for EWS/LIG Housing through appropriate spatial incentives.
- Private Sector to be permitted land assembly within the purview of Master Plans. Action Plans for urban slum dwellers and special package for cooperative housing, labour housing and employees housing is to be prepared.
- States to be advised to develop 10 years perspective plan for housing of EWS/ LIG.
- Policy gives primacy to provision of shelter to urban poor at their present location or near their work place.
- Approach will be *in-situ* slum rehabilitation. Relocation will be considered only in specific cases.
- Micro finance institutions to be promoted at state level to expedite flow of finances to urban poor.
- Model municipal laws to be prepared by the Central Government.
- Detailed city maps to be prepared based on GIS, aerial survey and ground verification.
- Use of proven cost effective technology and building materials to be encouraged.
- Development of mass rapid transit system at sub-regional level envisaged.
- Green cover for cities to be encouraged for balanced ecological development.
- All States to be encouraged to develop a "Habitat Infrastructure Action Plan" for all cities with a population of over one lakh.

Weaker Section Housing in A.P.

In Andhra Pradesh, the Weaker Section Housing Programme was started in full scale in 1979 after the establishment of the Director of Weaker Section Housing Programme, initially to encourage beneficiaries who were allotted house sites by acquisition of private lands on a large scale which were lying vacant till then. The sites and services programme was initiated to encourage construction of houses in all vacant sites. The permanent housing programme was also simultaneously launched in a few villages in every district with the assistance from General Insurance Company. Director Weaker Section Housing was subsequently transformed into AP State Housing Corporations Ltd. (APSHCL). The Corporation constructed 9.7 million houses for the weaker sections since inception up to September 2010. It ranked first in the country in the implementation of housing for the poor in the rural areas in particular.

Further, Government of Andhra Pradesh launched 'INDIRAMMA' (Integrated Novel Development in Rural Areas & Model municipal areas). INDIRAMMA the flagship is programme of Andhra Pradesh to deliver a package of nine services like housing pensions, drinking water, roads, elementary education, electricity ICDS, health and sanitation to the rural poor. Housing is the most important component of INDIRAMMA. Its aim is to construct 49 lakh rural houses and 13 lakhs urban houses with in a period of 3 years INDIRAMMA aims to achieve a slum free and hut free Andhra Pradesh in 3 years. Above all, INDIRAMMA advocated 'Saturation' concept of 'shelter to all'.

INDIRAMMA programme was launched in 2006. It aimed to cover 1/3 of the state every year. It is a plan to cover more than 60,000 habitations. Even when it fell short of the designed targets, it is certainly no mean achievement to construct more than 30 lakhs houses in 3 years, surpassing the targets and allotments of any state so far done. Even if there were some deficiencies and irregularities, they have to be counted as some aberrations in a colossal programme of the size of 62 lakh houses. Now, the plans shall be to complete the programme at the earliest and make it a success.

The cornerstone of weaker section housing programme has been the participation of the people. The programme does not envisage the beneficiaries to be passive recipients. The beneficiaries shall construct their own houses on self – help and mutual help basis, while receiving technical and financial support from the department. In fact, the unit cost of the housing units are such that unless there is active physical participation and also additional

financial inputs from the beneficiaries it would remain unworkable leading to unfinished house. INDIRAMMA programme is conceived as an integrated programme of over – all development providing basic service for the urban and rural poor.

The Planning Department has entrusted the present study on “Evaluation of Housing Programme for the poor, with special reference to ‘Indiramma’ in Andhra Pradesh, to the Indian Institute of Economics. The following are the objectives of the study:-

Housing for the Poor: Weaker Section Housing

According to the last census conducted in India in 2011, Andhra Pradesh has 20,010,344 houses of which 15,030,641 are rural houses (75.1%) and 49,79,703(24.9%) are urban houses. Of them, 59.1 per cent are good houses and 37 per cent are livable houses. About 3.9 per cent are dilapidated houses. The housing of the poor are still single room, with poor housing stock. Although India has been facing the problem of housing shortage for a long time, the increase in housing stock in recent decades has been more than that in the number of households. Table 2.1 portrays some salient data regarding the housing situation in India at the 1991 Census.

Approximately 40% of households were in single room tenements; about 30% lived in two-room units. Only about 15% of households had four or more rooms. Table 2 shows the percentage break-up of households by the number of rooms occupied.

Table1: Distribution of Households by Number of Rooms Occupied-(Percent)

	1971	1981	1991
One Room			
Rural	73.1	44.3	40.8
Urban	50.0	45.8	39.6
Two Room			
Rural	28.5	28.9	30.6
Urban	27.0	27.8	30.4
Three Room			
Rural	12.1	12.3	13.5
Urban	11.4	12.2	14.8
Four Room			
Rural	12.0	12.1	14.0
Urban	11.4	12.1	14.7
No Exclusive and Unspecified Rooms			
Rural	0.1	2.4	1.1
Urban	0.2	2.1	0.5

Source: Government of India – National Buildings Organization, Ministry of Urban Affairs & Employment: Prominent Facts on Housing 1997.

Housing Shortage

Housing shortage is estimated in terms of excess households over houses including houseless households, congestion (number of married couples requiring separate room/house), replacement/up gradation of kutcha/unserviceable kutcha houses and obsolescence/replacement of old houses. Table 2.2 shows the components of housing shortage in the country. The housing shortage has been reduced from 7.57 percent in 1997 to only 6.64 in 2001.

Table 2: Projected Housing Shortage in India's Urban Areas, 1997-2001
(Million Units)

Item	1997	1998	1999	2000	2001
Pucca	40.08	42.13	44.29	46.56	48.94
Semi-pucca	6.65	6.73	6.81	6.88	6.97
Kutcha	3.35	3.38	3.40	3.43	3.45
Households (No.)	50.09	51.85	53.68	55.56	57.52
Housing Shortage	7.57	7.36	7.18	6.93	6.64

Source: Ministry of Urban Affairs & Employment 1996. Report of the Working Group on Urban Housing for the Ninth Five-year Plan. Government of India, Delhi.

Note: The housing shortage estimates also account for congestion and obsolescence of existing units

India's National Report for Habitat II Conference in Istanbul estimates that by 2021, the country would face a housing shortage of 44.9 million units and that the investment required for tackling this shortage over a period of 25 years at 1991 prices would be of the order of Rs.6580 billion. The Ninth Plan Working Group of the Government of India, Ministry of Urban Affairs & Employment estimated the new housing/old housing up gradation requirement at 16.76 million units for the 9th Plan period (1997-2002). About 70% of the units are estimated to be required for the urban poor/economically weaker sections of society while about 20% is for low-income groups. About 10% of the urban requirement is for addressing the middle and higher income group segments. It is estimated that for urban housing alone, the total requirement of investment would be of the order of Rs.1213.7 billion for 1997-2002 to address the housing

shortage of 7.57 million, upgradation of 0.32 million semi-pucca Economically Weaker Sections (EWS) units and the additional construction of 8.67 million units. The total requirement of funds for urban and rural housing put together for 1997-2002 was estimated to be of the order of Rs.1500 billion (see Table 2.3). Against this amount, about Rs.520 billion is likely to be available if the past trends of housing finance are assumed to continue.

Table 3: Investment Requirement for Housing: Ninth Five Year Plan (1997-2002)

Segment	No of Units to be Constructed (Million)	Fund Requirement (Rs. Billion)	Likely Availability
Rural	162.5	290	180
Urban	176.6	1,214	340
Total	330.1	1,504	520

Source: Government of India, Ministry of Urban Affairs & Employment: Ninth Plan Working Group on Housing (1996)

Distribution of households as per Census 2001 figures, predominantly by Roof, Wall and Floor are shown in the following tables viz 2.4, 2.5, and 2.6.

Table.4 : Distribution of Households Living In Census Houses By Predominant Material of Roof

		Total	%	Rural	%	Urban	%
	Material of roof						
1.	Total	16,849,857	100.	2,676,218	100.0	4,173,639	100.0
2.	Grass, Thatch, Bamboo, Wood, Mud, etc.	5,390,224	32.0	4,843,195	38.2	547,029	13.1
3.	Plastic, Polythene	45,034	0.3	24,539	0.2	20,495	0.5
4.	Tiles	4,297,850	25.5	3,723,106	29.4	574,744	13.8
5.	Slate	160,044	0.9	129,256	1.0	30,788	0.7
6.	G.I., Metal, Asbestos sheets	1,272,234	7.6	590,168	4.7	682,066	16.3
7.	Brick	60,778	0.4	32,220	0.3	28,558	0.7
8.	Stone	678,033	4.0	589,501	4.7	88,532	2.1
9.	Concrete	4,805,916	28.5	2,644,156	20.9	2,161,760	51.8
10.	Any other material	139,744	0.8	100,077	0.8	39,667	1.0

Source: Census of India 2001

Table 5 : Distribution of Households Living In Census Houses By Predominant Material of Wall

		Total	%	Rural	%	Urban	%
	Material of roof						
1.	Total	16,849,857	100.0	12,676,218	100.0	4,173,639	100.0
2.	Grass, Thatch, Bamboo, Wood, Mud, etc.	1,331,765	7.9	1,173,908	9.3	157,857	3.8
3.	Plastic, Polythene	37,906	0.2	27,214	0.2	10,692	0.3
4.	Tiles	4,671,543	27.7	4,123,377	32.5	548,166	13.1
5.	Slate	137,348	0.8	118,135	0.9	19,213	0.5
6.	G.I., Metal, Asbestos sheets	102,774	0.6	54,907	0.4	47,867	1.1
7.	Brick	7,960,067	47.2	5,125,423	40.4	2,834,644	67.9
8.	Stone	2,047,545	12.2	1,762,097	13.9	285,448	6.8
9.	Concrete	507,739	3.0	251,198	2.0	256,541	6.1
10.	Any other material	53,170	0.3	39,959	0.3	13,211	0.3

Source: Census of India 2001

Table 6: Distribution of Households Living In Census Houses By Predominant Material of floor

		Total	%	Rural	%	Urban	%
	Material of roof						
1.	Total	16,849,857	100.0	12,676,218	100.0	4,173,639	100.0
2.	Mud	7,125,475	42.3	6,694,324	52.8	431,151	10.3
3.	Wood, Bamboo	17,233	0.1	12,723	0.1	4,510	0.1
4.	Brick	107,708	0.6	83,719	0.7	23,989	0.6
5.	Stone	5,261,110	31.2	3,265,374	25.8	1,995,736	47.8
6.	Cement	3,793,235	22.5	2,508,564	19.8	1,284,671	30.8
7.	Mosaic, Floor Tiles	462,683	2.7	72,158	0.6	390,525	9.4
8.	Any other material	82,413	0.5	39,356	0.3	43,057	1.0

Source: Census of India 2001

Shortage in Civic infrastructure

In addition to shortage in housing, India is faced with the problem of inadequate civic services. The coverage in terms of organised sewerage systems ranges from 35% in small towns to 75% in large cities. According to estimates prepared by the Ministry of Urban Affairs and Employment, Government of India, only about 50% of the urban population had access to sanitation facilities in 1997-98. Approximately one third of the urban centres are not covered by proper drainage systems; storm-water drainage facilities are estimated to cover no more than 66% of the urban population. The National Sample Survey Organization (NSSO) 44th round Survey (1988-89)

reveals that 31.08% of the urban population does not possess any latrine/toilet facility. Only 66% of the urbanites have access to toilet facilities within their premises. Out of those urban residents having toilets, only 39.06% have a flush system, 37.49% a septic tank system and the rest service latrines. As estimated under the Low Cost Sanitation Programme of the Government of India, there are about 3.3 million dry latrines yet to be converted into water-borne toilets in the towns with a population of less than 500,000.

It is estimated that 28% of the urban population do not have access to refuse collection and disposal services. A study in 1989 shows that the solid wastes collection efficiency (solid wastes collected as percentage of solid wastes generated) ranged from 82.8% in 6 metropolitan cities to 63.5% in 19 cities with population ranging from 0.1 to 1 million, 55.5% in 6 towns with population between 50,000 and 100,000 and 50.0% in 5 towns with population between 20,000 and 50,000.

Approach to Housing Development

After independence, housing was accorded a relatively low priority in the national development programme in India, presumably with the objective of keeping it basically a private sector activity. The low budgetary support given to the housing sector is evident from the fact that the First Five Year Plan of India allocated 7.4% of the total plan resources for housing; the share of housing in the subsequent plan resources ranged between 1.2% and 4.9%. The governmental agencies, however, played a strong supporting role for the provision of housing for the poorer sections of society, including allocation of land. Over the years there has been a gradual shift in the role of the Government from a 'provider' to a 'facilitator', ensuring access to developed land, basic services, building materials, technology, construction skills and finance so that housing can be undertaken as a people's programme. The facilitating approach aims at fostering strong public-private partnerships with the provision of appropriate incentives to the private sector, promotion of housing finance institutions, propagation of alternate building materials and technologies and extension of support to NGOs, CBOs, co-operatives and the private sector.

The Government of India and State Governments have adopted a two-pronged approach to housing development for the poor in the past, i. e., sites and services and permanent housing. Under sites and services, basic infrastructure facilities like drinking water, internal roads, approach roads, drainage, community toilet, etc., were provided to develop layouts. The

beneficiaries were also given construction assistance for erecting a small shelter. The permanent housing programme, which has replaced sites and services, was initially confined to those beneficiaries who could avail loan facility. Later, several modifications have come up in the programme to address the housing needs of different target groups. The broad elements of the approach of the Government of India to tackle the problem of housing the poor are: special programmes/targeted subsidy to the poor and vulnerable groups, loan assistance to governmental agencies/beneficiaries at below-market interest rate for housing and at normal rate for infrastructure through the Housing and Urban Development Corporation (HUDCO), creation of housing assets as part of employment and income generation programmes, promotion of cost-effective and eco-friendly building materials and technologies and creation of an enabling environment for private sector initiative. Indira Awas Yojana (IAY) is an example of housing for targeted groups in rural areas through employment creation.

Indira Awas Yojana (IAY)

Indira Awas Yojana (IAY) intends to assist certain vulnerable target groups in housing activities. The programme applies to categories such as Scheduled Caste (SC)/Scheduled Tribe (ST) households who are victims of social atrocities, SC/ST households headed by widows and unmarried women, SC/ST households affected by flood, fire accident, earthquake, cyclone and similar natural calamities, freed bonded labourers, families/widows of personnel from defense services/para-military forces killed in action, ex-servicemen and retired members of para-military forces, persons displaced on account of developmental projects, nomadic, semi-nomadic and de-notified tribals and families with disabled members, subject to the conditions that these households belong to below poverty line category. As per the Government of India guidelines, IAY houses are being allotted in the name of the female member of family or alternatively in the joint name of both wife and husband. The programme is fully subsidized by the Government of India. **Housing Programmes: Unit Costs** The contents and unit costs adopted for various types of housing programmes differ between States and have been revised from time to time. Table 8 depicts the latest unit costs adopted by the State of Andhra Pradesh for the programmes implemented by it.

Housing and Urban Development Corporation(HUDCO)

The Housing and Urban Development Corporation (HUDCO) was established as a fully-owned enterprise of the Government of India in 1970 with an equity base of Rs.20 million to function as

a national techno-financial institution to promote housing and urban development. The objectives of HUDCO include the following:

- To finance and undertake housing and urban development programmes in urban and rural areas;
- To finance and undertake either wholly or partly, the setting up of new towns or satellite towns covering infrastructure needs in urban and rural areas;
- To finance and undertake the setting up of building material industries;
- To provide consultancy services for projects of housing and urban development within the country and abroad.

At present HUDCO has an authorized capital base of Rs.12.50 billion (\$297 million), paid-up equity of Rs.8.98 billion (\$213 million), reserve of Rs.5.75 billion (\$136 million) and net worth of Rs.14.83 billion (\$349 million). The total borrowings by HUDCO stand at Rs.121.68 billion (\$2897 million). Thus the debt-equity ratio of HUDCO works out to 7.77.

The key activities of HUDCO include:

- Lending for housing programmes through various schemes such as urban housing, rural housing, staff rental housing, cooperative housing, working women's housing, housing schemes through NGOs and CBOs and housing through private builders;
- Lending for urban infrastructure, including land acquisition for projects, integrated land acquisition and development, city level infrastructure - water supply (rehabilitation, augmentation, new source development/transmission projects), sanitation (rehabilitation, augmentation, new sewerage and drainage projects, conversion of dry latrines, construction of individual and community toilets), solid waste management (collection, conveyance, treatment and disposal, energy recovery), transportation (roads, bridges, rail and road transport terminals, airports, ports), etc., social infrastructure (health, education, parks, playgrounds), commercial infrastructure (shopping centres, commercial complexes, office complexes), and integrated area development/new township projects, etc.;
- Consultancy services in the field of housing, township development and infrastructure development;
- Promotion of Building Centres for technology transfer and support to building material industries; and

- Training in human settlements and technical assistance to borrowing agencies.

The borrowers of HUDCO are: State Urban Infrastructure Finance and Development Corporations, Water Supply and Sewerage Boards, Urban Development Authorities, State Housing Boards, National Capital Region Planning Board (NCRPB), New Town Development Agencies like City and Industrial Development Corporation (CIDCO), Mumbai, Municipal Corporations/Municipalities, Improvement Trusts, and private companies and agencies.

Since its inception, HUDCO has so far sanctioned 14821 projects with a project cost of Rs.48.51 billion (\$11.54 billion). The amount of loan sanctioned is Rs.31.66 billion (\$7.53 billion) against which Rs.17.82 billion (\$4.24 billion) is already released. Housing loans approved amount to Rs.19.42 billion (\$4.6 billion) against which Rs.12.30 billion (\$2.9 billion) has been disbursed. HUDCO has so far contributed to the development of 10.14 million dwelling units and 4.7 million low-cost sanitation units. HUDCO's infrastructure financing portfolio is growing at a phenomenal rate. During the last 10 years HUDCO has sanctioned Rs.12.24 billion (\$2.9 billion) for infrastructure projects covering water supply, sewerage, drainage, solid waste management, low cost sanitation, etc. HUDCO's operations extend over 1,760 towns and thousands of villages in the country.

Cost-effective & Eco-friendly Technologies

Building materials account for about 60% of basic inputs in any housing programme and their costs can go as much as 75% of the cost of a house for low-income groups. There is a growing concern that persisting shortage of cost-effective building materials for the vast majority of population is a serious impediment to improving the housing conditions of the people. While popular traditional materials are short in supply, high demand for them has resulted in their high prices and taking them out of the reach of the poor. Most of the new alternate materials developed in recent past are cost-effective and environment-friendly. But they are yet to be translated into marketable products for mass application. Excepting cement and steel, all other materials required for housing are likely to have constraints of supply.

Keeping the above aspects in view, the Government of India and State Governments have been promoting research in the fields housing and construction activities. This has led to a number of new alternative building materials and techniques aimed at reducing the cost of house construction and improving the performance of conventional building materials and techniques.

Energy-efficient manufacturing processes and use of renewable raw material resources of wastes and byproducts of industry, agriculture and forestry, etc., have resulted in Cost-Effective and Eco-Friendly (CEEF) products. As it was seen that the use of CEEF building materials and techniques was hampered by the general lack of understanding on part of beneficiaries due to ignorance and illiteracy, the Government has initiated a massive programme of demonstration, education and counseling for the poor. Rural masons are considered as the “rural housing engineers” by the beneficiaries and therefore, care is being taken to train and motivate masons in addition to beneficiaries.

Building Centres Movement

Recognizing that the propagation and extension of new cost-effective, energy-efficient and eco-friendly building technologies to the grassroots level require a focused approach, a Centrally-sponsored scheme for setting up a national network of Building Centres (Nirmithi Kendras) was initiated in different States. Over 350 such centres have already become fully operational. These Building Centres are promoting use of cost-effective building materials based on locally available raw materials and wastes. They provide a variety of services such as practical demonstration and propagation of new technologies, training of artisans, entrepreneurs and small contractors, counseling of householders and production of low-cost materials and components to meet the local housing construction needs. A large number of centres are also undertaking construction of housing projects and other public buildings. HUDCO provides funding support to Building Centres for setting up production units of new building materials and components. To encourage Building Centres in technology extension activities, the Government of India has exempted the levy of excise duty on materials and components produced by these Centres. The training to entrepreneurs in several States has led to setting up of their production units for low-cost building materials and components to cater to the local needs.

ANDHRA PRADESH MODEL: SELF-HELP & MUTUAL HELP

In Andhra Pradesh, the Weaker Section Housing Programme was started in full scale in 1979 after the establishment of the Director of Weaker Section Housing Programme, initially to encourage beneficiaries who were allotted house sites by acquisition of private lands on a large scale which were lying vacant for longer times. The sites and services programme was initiated to encourage construction of houses in all vacant sites. The permanent housing programme was

also simultaneously launched in a few villages in every district with the assistance from General Insurance Company. Director Weaker Section Housing was subsequently transformed into AP State Housing Corporations Ltd. (APSHCL). The Corporation constructed 9.7 million houses for the weaker sections since inception up to September 2010. It ranked first in the country in the implementation of housing for the poor in the rural areas in particular.

A statement showing year –wise construction of permanent houses at state level is shown at Annexure-I. The Corporation has constructed about 9.77 million houses up to September 2010 out of which 8.9 million are in rural areas. It ranked first in the country in the implementation of housing for the poor in rural areas from the year 1991–92 onwards. Households with an annual income of Rs.18,000 or less are eligible for sanction of houses under various schemes. 50% of the houses are earmarked for Scheduled Castes and Scheduled Tribes, 33% for Backward Castes, 7% for Minorities and the remaining 10% for other Economically Weaker Sections. The funding of the housing programme includes subsidy from the Government and loan from various financial institutions for the repayment of which the Government stands guarantee irrespective of the ultimate recovery from the beneficiaries. Loans are mobilized from HUDCO, Life Insurance Corporation, General Insurance Corporation and Commercial Banks.

A statement showing year-wise construction of houses under weaker section housing programme in the state, is shown at Annexure- I.

The basic concepts and features based on which the entire Weaker Sections Housing Programme is being implemented in the State of Andhra Pradesh are:

- “Self-help and Mutual help” by the beneficiaries and their full participation in decision-making and implementation, consequently resulting in their capacity building.
- The concept of “Core House” which is easily expandable depending upon the improvement in the economic position of the beneficiary and his need. The adequacy of the accommodation is not relevant and it does not come in the way of implementation of the housing programme. The issue of adequacy of subsidy-cum-loan assistance is also irrelevant as the Government gives only a fixed financial assistance to the beneficiary;
- Cost-Effective and Eco-Friendly (CEEF) building materials and construction technologies;

Principal Bank Branch System (PBBS) in handling of finances. Amount due to the beneficiary is directly credited to individual bank accounts of beneficiaries. One bank is designated as the nodal or principal bank for each scheme. The nodal bank promotes banking habit and thrift and credit among