

**Report of the 11th
Five Year Plan
(2007-12) Working
Group on Urban
Housing with Focus
on Slums**



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REPORT OF THE SUB GROUP ON HOUSING

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CHAPTER-I

HOUSING SCENARIO

1.1 Background and Preamble

Urban India is undergoing a transition in terms of physical form, demographic profile and socio-economic diversity. The important role of cities in national economic process and their global linkages demand more attention for their development, than being hitherto given. Cities are expected to perform efficiently in keeping with emerging demands for employment, commerce, trade, industry and other services. Cities have to attract investments for improving their efficiencies by way of upto date infrastructure, improved governance and affordable housing/ living with modern amenities. Urban renewal of Indian cities has been initiated to achieve the objectives.

According to census of India, the urban population in the country as on 1st March 2001, was 286 million. This constituted 27.8% of the total population of 1028 millions. The net addition of population in urban areas during the decade 1991-2001 was about 68 million. The slum census, 2001 in towns with more than 50,000 population, numbering 607, reported 40.606 million slum dwellers which amounted to 22.76% of the population living in those 607 towns/cities. This implies, nearly one out of every four persons reside in slums in our cities & towns. Slums generally lack basic infrastructure, housing, social amenities and this has implications on health and productivity of the people living in such areas. This also has serious implications for future generation of people residing in such areas.

It may be mentioned that Census 2001 while estimating slum population has left out towns having population less than 50,000. The exercise of estimating slum population in towns having population between 20,000 and 50,000 is currently being undertaken by RGI. Meanwhile estimates of TCPO (2001) estimating urban slum population at 61.8 million in 2001 are normally being used.

The decadal growth rate of urban population in India is significantly higher than rural population, being 23.9 & 20.0 during 1981-1991 and 21.4 & 18.0 during 1991-2001 respectively. Average annual rate of change (AARC) of total population in India during 2000-2005 is estimated at 1.41% with 2.81% for urban and 0.82% for rural sectors (Source: Draft NHHP 2006). AARC for urban areas during 2025-30 will increase to 2.25% whereas the AARC for rural population will decline to (-)0.40% showing a clear shift of population from rural to urban.

Future planning and development of new cities, as well as correcting the existing situation require a detailed understanding of the current situation. Many of the slums are located on marginal lands and some of the lands might have been left vacant for an unidentified future use. Supply of serviced land to urban poor is also highly limited vis-a-vis the quantum of urban poor living in our cities. Hence for solving slum problem in our cities (in terms of their physical conditions) land supply for this group/section of people has to be enhanced. Besides an attempt should be made to integrate and mainstream slum communities in order to enhance the overall productivity of the cities. Also more intense use of land in big cities measured in terms of FAR/FSI is inevitable to accommodate growing demand for institutional and commercial uses besides housing.

1.2 Housing Condition in Urban Areas

As per Planning Commission estimates for the 10th Plan beginning in 2002, the urban housing backlog was 8.8 million dwelling units and the total requirement was 22.44 million dwelling units. According to the report of the Technical Group on Estimation of Housing Shortage constituted in the context of preparing 11th Five Year Plan document, housing shortage as on 2007 is estimated to be around 24.71 million and the housing shortage during the plan period (2007-2012) including the backlog was estimated as 26.53 million. Most of the housing shortage is for EWS and LIG Sections which does not seem to be getting translated into economic demand due to lower affordability by the poor. A sizeable number of this requirement leads to squatting and slums.

Following data sourced from NSS report No.486 (58th Round) highlights the qualitative aspects:

- The average household size in urban areas is 4.47 and 67% dwelling units are pucca structures.
- Only 20% of dwelling units in slum areas had a plinth area exceeding 50 sq.m. On an average, an urban household occupied 37 sq. m. and per capita floor area in urban slums is about 4.6 sq. m.
- Nearly 11% of housing structures in urban areas are in bad condition requiring repair and renovation.

From the above, it is seen that, existing dwelling units in urban areas require substantial improvements.

1.3 Revision of National Housing and Habitat Policy 1998

A National Housing & Habitat Policy (NHHP) was evolved in 1988, taking into account the development on National and International scene on Shelter and related issues at that time. The policy document outlining the strategy under the 8th Plan was endorsed by Parliament in 1994. The long-term goal of the NHHP was to eradicate houselessness, 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 agencies including Government at different levels, the Cooperative Sector, the community and the private sector. The policy envisaged a major shift in Government's role to act more as a facilitator than as a provider. The Policy provided for review and modification in the light of changing scenario in the housing sector as and when needed.

After a thorough review, the National Housing & Habitat Policy, 1998 was formulated to address the issues of sustainable development, infrastructure development and for strong public private partnerships for shelter delivery; and was approved and laid before Parliament on 29.7.1998. The objectives of the policy are to create surpluses in housing stock and facilitate construction of two million dwelling units each year in pursuance of National Agenda for Governance. It also seeks to ensure that housing along with supporting services is treated as a priority sector at par with infrastructure.

The housing sector has witnessed several changes since the formulation of National Housing & Habitat Policy (NHHP) 1998, which has necessitated to review and revise the Policy. The efforts initiated as part of this and the earlier policy document of 1994 has not been able to fully overcome the housing shortage situation particularly for the EWS and low income groups. Further, there has been a number of changes in the overall economic and policy environment relating to industry and commerce that have implications on housing sector. To streamline and augment housing development particularly for urban poor in the new emerging context, an updated housing policy document has been prepared by the Ministry of Urban Housing and Poverty Alleviation. The objectives of the proposed policy inter-alia provides for the following:

- (i) Accelerating the pace of development of housing and related infrastructure
- (ii) Creating adequate and affordable housing stock both on rental and ownership basis.
- (iii) encouraging state governments/Department authorities to periodically update their Master Plans and Zoning Plans which should inter-alia adequately provide for the poor/service providers.
- (iv) Facilitating accelerated supply of serviced land and housing with particular focus on EWS and LIG categories and taking into account the need for development of supporting infrastructure and basic services to all categories.
- (v) facilitating upgradation of infrastructure of towns and cities and to make these comparable to the needs of the times.
- (vi) ensuring that all dwelling units have easy access to basic sanitation facilities and drinking water
- (vii) promoting larger flow of funds to meet the requirements of housing and infrastructure using innovating tools.
- (viii) Providing quality and cost effective housing options to the citizens, especially the vulnerable group and the poor.
- (ix) Using technology for modernizing the housing sector to increase energy and cost efficiency, productivity and quality. Technology would be particularly harnessed to meet the housing needs of the poor. The concept of 'green' and 'intelligent' buildings would be put in place. Technology would also be

disseminated for prevention and mitigation of the effects of natural disasters on buildings, e.g. in case of earthquakes, floods, cyclones, etc.

- (x) Guiding urban and rural settlements so that a planned and balanced growth is achieved with the help of innovative methods leading to in-situ urbanization.
- (xi) developing cities and towns in a manner which provide for a healthy environment, increased use of renewable energy sources and pollution free atmosphere with a concern for solid waste disposal, drainages, etc.
- (xii) using the housing sector to generate more employment and achieve skill upgradation in housing and building activity, which continue to depend on unskilled and low wage employment to a large extent.
- (xiii) removing legal, financial and administrative barriers for facilitating access to tenure, land, finance and technology
- (xiv) shifting to a demand driven approach and from a subsidy based housing schemes to cost recovery-cum-subsidy schemes for housing through a proactive financing policy including through micro-finance and self-help group programmes.
- (xv) Facilitating, restructuring and empowering the institutions at state and local government level to mobilize land. Further aims at planning and financing for housing and basic amenities.
- (xvi) Forging strong partnerships between private, public and cooperative sectors to enhance the capacity to deliver in every sphere of housing and urban infrastructure
- (xvii) meeting the special needs of ST/ST/disabled/slum dwellers, elderly, women, street vendors and other weaker and vulnerable sections of the society
- (xviii) involving disabled, vulnerable sections of the society, women and weaker sections of formulation, design and implementation of the housing schemes.
- (xix) Protecting and promoting our cultural heritage, architecture, and traditional skills.
- (xx) establishing a Management Information System in the housing sector

The draft National Urban Housing and Habitat Policy (2006) is currently under finalization. The main policy directions and strategies included in this draft policy are

incorporated in this working group report in relevant sections. To promulgate the draft National Urban Housing and Habitat Policy 2006, a Task Force has been constituted under the Chairpersonship of Secretary, Urban employment and Poverty Alleviation on 27.1.2005 representing members from Planning Commission, Ministry of Finance & Others Ministries/Departments/State Governments and Financial and other Institutions dealing with housing sectors. The terms of reference of the Task Force are:-

- (i) to review the existing National Urban Housing & Habitat Policy, suggest changes and draft a new policy
- (ii) to review the existing schemes, policies, guidelines, laws, bye-laws and rules and regulations at the Central/State levels in the housing and habitat sector and suggest revision of these in the light of the proposed revised Housing Policy and
- (iii) To recommend the broad parameters on the lines of which the model laws, bye-laws, rules and regulations of the Central/State level may be drafted to boost the housing activities and to remove legal impediments in achieving goals of the proposed policy.

1.4 Launching of JNNURM

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) has been launched by Government of India from December, 2005 for an initial period of seven years with a central outlay of Rupees 50,000 crores. 63 cities including 35 cities with Million + population, are designated to be eligible for investment under this Mission based on the priorities indicated by the State Governments. All the State Capitals of North Eastern States and other cities including cities of religious and tourist importance have been included in the overall list of 63 cities. The Mission aims to provide incentives to the cities included in this Mission for undertaking institutional, structural and fiscal reforms, necessary to improve service delivery systems that are sustainable, enhance local economic performance, and bring about transparency and accountability in the functioning of municipal governments. Augmentation of infrastructure and implementation of reform measures under this Mission would support housing delivery systems and is likely to generate additional demand for quality housing in our cities.

The Mission comprises two sub-missions namely: Sub-Mission for Urban Infrastructure and Governance; and Sub-Mission for Basic Services to the Urban Poor. The main thrust of the Sub-mission for Basic Services to the Urban Poor (BSUP) will be on integrated development of slums through projects for providing shelter, basic services and other related civic amenities with a view to providing utilities to the urban poor. To compliment this activity in smaller non-mission towns, the centrally supported scheme of Integrated Housing and Slum Development Programme (IHSDP) has been launched. These schemes of BSUP and IHSDP will replace the earlier launched schemes of Valmiki Ambedkar Awas Yojana (VAMBAY) and National Slum Development Programme (NSDP). The schemes also envisage implementation of reform measures besides extending funding support for basic services and shelter development that benefit the poor in urban slums.

The Mission and its sub-components are expected to promote sustainable & inclusive city development and at the same time integrating the housing & related infrastructure development for the poor keeping in mind the 7 point charter for the poor – land tenure, affordable housing, water, sanitation, health, education & social security. The institutional and financial reforms envisaged as part of the mission is structured to support this objective. The Mission seeks to transform the urban centres from a non-conforming state to a conforming state & hence rectifying the inadequate urban planning of the past.

1.5 Housing and National Economic Development

Housing, besides being a very basic requirement, holds the key to accelerate the pace of development. Investments in housing like any other industry, have a multiplier effect on income and employment. It is estimated that overall employment generation in the economy due to additional investment in the housing/construction is eight times the direct

employment¹. The construction sector provides employment to 16% of the work force (absolute number 146 lakh-1997). It is growing at the rate of 7%. Out of this, the housing sector alone accounts for 85.5lakh workers. However, nearly 55% of them are in the unskilled category². Skill upgradation would result in higher income for the workers. Housing provides employment to a cross-section of people which importantly include poor. Housing also provide opportunities for home-based economic activities. At the same time, adequate housing also decides the health status of occupants. Therefore, on account of health and income considerations, housing is a very important tool to alleviate poverty and generate employment.

Housing also has a direct impact on steel and cement industry, which accounts for considerable contributions to the national economy. Housing also contributes substantially to the services sector of the economy, which leads to generation of employment. Other significant aspect of housing development is its potential to generate employment for a wide section of population with varying degrees of skills and education.

¹ HUDCO sponsored study on "Impact of Investment in the Housing Sector on DGP and Employment in the Indian Economy", IIM Ahmedabad, July 2000

² National Housing & Habitat Policy 1998

CHAPTER-II

EFFORTS DURING TENTH PLAN PERIOD FOR AUGMENTING HOUSING DELIVERY

2.1 Background

Considerable efforts have been made during this Plan period to enlarge the resource base and initiate innovative institutional mechanisms to augment the housing delivery in urban areas. Focused efforts have also been made to cover the poor and vulnerable groups of the society to enable them to access basic shelter related services. Various attempts have also been made to streamline and modify the earlier programme initiatives by taking into consideration the feedback received from stakeholders. Fiscal concessions coupled with legislative measures have been initiated to encourage increased investments in housing by individuals and the corporates.

Despite many Policy measures and initiatives, the coverage of urban poor with the intended benefit of adequate shelter and access to basic services is not achieved to the desired extent. Further, market forces supported by upward trends in the economic growth have contributed to increasing pressure on urban land. This situation needs to be addressed in future policy initiatives.

2.2 Government Housing Initiatives

The present policy of the Government lays stress on an enabling approach by the State wherein Government agencies are expected to act as facilitators by extending the infrastructure required for housing initiatives by individuals, private sector and cooperatives. The role of Central Government focuses on facilitating the State Governments to bring in the required institutional reforms and introduce legislative measures to augment housing delivery by State Agencies and the Private Sector and also hasten the process of bringing into market large parcels of serviced urban land. With the introduction of reforms in the banking sector, considerable improvement has been made in enlarging the access to finance for housing by individual families and also through cooperatives as well as private developers.

A brief review of important housing programme initiated or continued in the Tenth Plan period is made here.

2.2.1 Two Million Housing Programme (2MHP)

In accordance with the National Housing & Habitat Policy, 1998 which focused on Housing for All as a priority area, (with particular stress on the needs of the Economically Weaker sections and Low Income Group categories), the Two Million Housing Programme was launched during 1998-99. This was a loan based scheme, which envisages facilitating construction of 20 lakh additional units every year (7 lakh DUs in Urban areas, 13 lakh DUs in Rural areas). HUDCO is to meet the target of 4 lakh dwelling units in Urban areas and 6 lakh dwelling units in Rural areas annually. The target of 2 lakh dwelling units in Urban areas is to be met by Housing Finance Institutions (HFIs) recognized by the National Housing Bank and public Sector Banks and the balance 1 lakh dwelling units in urban areas by the Co-operative Sector.

In this context, it is pertinent to note that the Reserve Bank of India requires commercial banks to lend 3 per cent of the incremental deposits of the commercial banks to be deployed to priority sector lending including financing housing by individuals and others including cooperatives and private sector. Besides, RBI also reckons investments made by banks in the bonds issued by HUDCO under priority sector lending.

The physical and financial progress of the 2 MHP during Tenth Five Year Plan in urban areas is as under:

Organization	TARGET for DUs in Urban Areas (Five Years 2002-07)		Progress Reporting period	SANCTIONS	
				(DUs in Urban Areas)	Amount (Rs in crores)
HUDCO	20,00,000		2002-2007 (upto 31.5.2006)	13,30,271	5,307.34
HFIs & Pubic Sector Bank	Total	10,00,000	2002-2006(upto 31.3.2006)	20,10,174	84,786.04
	HFIs			10,10,015	50,610.46

	Public Sector Banks			10,00,159	34,175.58
Cooperative Sector(Urban)		5,00,000	2002-2005 (upto 31.3.2005)	2,80,413	4,608.18
Total		35,00,000		36,20,858	94,701.56

Physical targets in terms of dwelling units has been achieved and even exceeded by one lakh dwelling units. In the course of monitoring the progress and achievements, following issues have been noticed:

- HUDCO and Co-operative sector have contributed less than their target
- HFIs and Public sector Banks have contributed substantially to achieve the physical target.
- Even though HUDCO surpassed the targets in the first two years of the plan period but in subsequent years, the sanctions declined. Unlike banks/HFIs, most of the target groups of HUDCO are the EWS/LIG which need housing the most. The reasons for this decline is however attributed to the difficulties faced by State Housing Agencies in getting the required Government guarantee for raising funds for EWS/LIG housing and also due to shortfall in recoveries from the beneficiaries (EWS/LIG). Further with the launching of Centrally Sponsored Schemes like VAMBAY & ACA scheme of JNNURM which have a grant component, the role of HUDCO's institutional project finance/loan has declined.

The housing finance sector has also undergone considerable change during this period, wherein private housing finance institutions and banks are able to meet the demand for home loan financing by groups or sections of population who can afford the housing loans offered by these institutions. However, it is noted that most of the clients of HFIs/Banks under retail home loans belong to MIG/HIG categories and housing loan finance still remains unaffordable in a large way to the EWS/LIG sections.

2.2.2 Valmiki Ambedkar Awas Yojana(VAMBAY)

Government of India launched this scheme as a centrally supported scheme with inbuilt subsidy for undertaking construction of dwelling units and sanitation units specially focused for slum dwellers who are economically below the poverty line and belong to socially disadvantaged group. The progress of scheme is reported here :

Year	Allocation (Rs. in Lakhs)	GOI subsidy released (Rs. in Lakhs)	GOI subsidy refunded (Rs. in Lakhs)	Net Releases (3-4) (Rs. in Lakhs)	No. of DUs sanctioned for construction/upgradation	No. of Toilet seats sanctioned for construction
1	2	3	4	5	6	7
2001-02	6900.00	7356.000	488.650	6867.350	25280	4212
2002-03	25685.01	21835.030	2505.745	19329.285	105444	21398
2003-04	23850.00	23538.000	20.000	23517.950	108172	3170
2004-05	28058.00	26935.688	0.000	26935.688	112143	35086
2005-06	24900.00	16713.420	0.000	16713.420	91330	1420
Total	109393.01	96378.138	3014.445	93363.693	442369	65286

(Source : MoHUPA)

In terms of the scheme structure, VAMBAY scheme proved to be more successful than Two Million Housing Programme (2MHP, since it had a grant component of 50%, thus making houses affordable to the poor. The advantages are also in terms of targeting the urban poor and EWS as the major urban housing shortage is in EWS and LIG categories. With the launching of JNNURM, the VAMBAY scheme has been discontinued. However, the elements of this scheme have been incorporated in JNNURM and there is a need to step up efforts in order to meet the housing needs of EWS families and slum dwellers.

2.3 National Housing Bank (NHB)

The National Housing Bank (NHB) was established in July 1988 under an Act of the Parliament to function as a principal agency to promote housing finance institutions and

to provide financial and other support to such institutions. As the Apex level financial institution for housing sector in the country, the important roles performed by NHB include-(i) promotion and development of housing finance institutions on sound and healthy lines; (ii) regulation and supervision of housing finance companies in the matter of acceptance of deposits; and (iii) provide refinance facilities to retail lending institutions in order to speed up house construction activity and augmenting housing stock in the country. In addition, NHB also has a window for direct lending to public agencies such as State Level Housing Boards and Area Development Authorities for large scale housing projects, slum redevelopment projects and other special projects such as housing for earthquake and cyclone victims.

The size-wise disbursement of housing loans by Housing Finance Companies (HFCs) which are regulated by NHB is reported here:-

Table 5.5: Size-wise Disbursement of Housing Loans by HFCs (To be updated in consultation with NHB)

Size of Housing Loan (Rs.)			
	2002-2003	2003-2004	2004-2005
Less than 50,000	15.72 (0.2%)	16.26 (0.2%)	34.81 (0.2%)
50,001 – 1,00,000	147.80 (1.7%)	507.82 (4.8%)	1208.59 (7.11%)
1,00,001 – 3,00,000	2675.61 (30.5%)	2409.62 (22.7%)	3335.09 (19.6%)
3,00,001 – 5,00,000	2164.48 (24.7%)	2358.98 (22.2%)	4064.69 (23.89%)
5,00,001 – 10,00,000	2023.90 (23.0%)	2652.84 (25.0%)	2565.76 (15.08%)
Above Rs. 10,00,000	1749.89 (19.9%)	2663.94 (25.1%)	5804.08 (34.12%)
Total	8777.40 (100%)	10609.50 (100%)	17013.02 (100%)

Annual Returns submitted by 20 major HFCs to NHB excluding HUDCO

It is seen from the above table that only 0.2% of housing loans extended by HFCs are of value less than Rs 50,000/- and about 7% of housing loans is of value between Rs 50,000-Rs 1,00,000/-. More than 73% of housing loans extended by HFCs is of value exceeding Rs 3 lakh and about 93% of value exceed if Rs. 1 lakh. This highlights the need to evolve a system or a scheme for financing housing loans on a large scale for the lower income groups whose affordability for housing loans falls in the range below Rs 3 lakhs, as over 90% of the housing shortage is on account of EWS/LIG.

2.4 Housing And Urban Development Corporation Ltd(HUDCO)

The Housing and Urban Development Corporation Ltd. (HUDCO) is the premier National techno-financing Institution in the field of housing and urban development, established by the Government of India in 1970. Started with an equity base of Rs 2 crores, today the authorized capital is Rs. 2500 crores with a paid up capital of Rs 2,001.90 crores, and a net-worth of Rs 3,588.55 crores (provisional). Significantly, HUDCO's housing operations have a major social orientation with HUDCO having a clear-cut social mandate to provide financial support for affordable shelter to the EWS/LIG/ categories.

HUDCO's housing portfolio covers a wide range of target groups spread all over the country both in urban and rural areas. HUDCO lays emphasis on affordable housing and demand orientation to ensure full cost recovery and has adopted project lending approach wherein each housing project that is financed is examined for financial viability. HUDCO makes all out efforts to reach the ultimate beneficiaries through State Parastatals, Development Authorities, Local Bodies, Cooperatives, Private Sector agencies, special designated agencies and others. HUDCO also has individual home loan financing outfit in many cities besides the State Capitals where its Regional Offices are located. HUDCO's operations and lending terms for housing are directly linked to market conditions at which the funds are mobilized and as such, housing and shelter programmes that have an element of subsidy is taken up only where State or Central Government provides such additional support. In this framework of lending operations,

institutional reforms within intermediary agencies undertaking housing development activities is desirable to give a boost to the operations of HUDCO. Further, it is important to note here that the approach and emphasis adopted by HUDCO through its project lending activities has hitherto resulted in developing affordable housing for all sections of the society and it is all the more necessary to strengthen this approach and needs to be promoted further.

Despite various limitations imposed on account of the above framework of its operations, HUDCO has been able to respond positively to meet the housing needs in emergency situations of natural calamities such as earthquake, cyclone, floods, sea-erosion, etc. HUDCO has extended assistance for rehabilitation for the victims of earthquake in different States. Similarly, for flood affected and the recent Tsunami affected persons in the coastal regions of the country, assistance has been extended in collaboration with State Governments and special Central assistance.

During the 11th Plan period, HUDCO proposes to extend a larger quantum of assistance for supporting the housing and urban development requirements both in urban and rural areas. The proposals envisage a total sanction of Rs 74,596 crores during the 11th Plan period for both its housing and urban development programmes. Of the same, an amount of Rs 14,919 crores have been tentatively identified for its housing operations. Similarly, of the total amount of Rs 27,820 crores proposed to be disbursed during the 11th Plan, an amount of Rs 5,564 crores (releases/disbursements) is anticipated for its housing programme.

2.5 Cooperative Housing

The Cooperative Housing Movement is receiving support over consecutive Five Year Plans and a strong institutional framework is getting evolved within the Cooperative Movement. In States where Cooperative Acts and Rules were not enacted, the Acts and Rules of other States were extended and adopted. With the introduction of these rules and regulations, the registration of primary cooperative housing societies has been made easy. Along with this, State level apex cooperative housing federations have also been formed. These provisions have helped the primary cooperative societies in securing finance for construction of

houses. The number of primary housing cooperatives, which was 5564 in 1959-60, has increased to 92,000 in 2004-2005 with a membership of 66 lakhs. The number of State level Apex Cooperative Housing Federations has increased to 25 (source Report of the Task Force on Cooperative Housing {Third Draft} 2005).

The performance of housing cooperatives is highly influenced by the quantum of funds available to them. The total funds mobilized by various apex federations upto 31st March, 2005 stood as Rs 8767.67 crores. Out of this, 3.7% is by way of deposits collected and debentures issued by State Level Apex Cooperatives, while the rest (96.3%) was mobilized as loans from different financing agencies as follows:

(i)	Life Insurance Corporation of India	38.4%
(ii)	National Housing Bank	9.6%
(iii)	Commercial and Cooperative Banks	23.4%
(iv)	Housing and Urban Development Corporation	18.0%
(v)	State Governments	2.8%
(vi)	Other Sources	4.1%

		96.3%

During the first three years of 10th Five Year Plan i.e. 2002-03, 2003-04 and 2004-05, the Apex Cooperative Housing Federations could raise an amount of Rs.1774.43 crore from various funding agencies like LIC, NHB, HUDCO, Commercial and Cooperative Banks and other sources.

The Apex Federations disbursed loans of the order of Rs.1685.71 crore to their primary housing cooperatives as well as individual members for the construction/financing of 1,26,071 housing units during the first three years of 10th Five Year Plan. The year-wise details are given below:-

Table: Details of Loan Disbursement and Number of Housing Units Financed by Apex Federations during 2002-2003 to 2004-2005

Year	Disbursement (Rs in crore)	No. of Housing Units Constructed/Financed
2002-03	641.48	32481

2003-04	623.08	33165
2004-05	421.15	60425
Total	1685.71	126071

The housing units generated through Housing Cooperatives mostly cater to the needs of middle and high income groups in cities and lower income groups in rural areas (with a few exceptions). The main constraint faced by Cooperative Housing Movement is allotment of serviced land for construction of housing units by the Primary Cooperatives. Except in a few States, where the Cooperative Housing Movement is active, in others severe constraints are faced in respect of acquiring serviced land. Cooperatives are not in a position to bid for land at market prices like private developers and depend mainly on public agencies and State Governments for allocation of serviced land at predetermined/controlled prices. This allocation is becoming increasingly scarce, thus shaking the cooperative movement. A policy intervention may be required.

Recently, the National Cooperative Housing Federation initiated a dialogue for organising multi-purpose cooperatives for urban poor and slum dwellers to improve their living conditions. A concept paper has been circulated to State Governments and Union Territory Administrations for taking appropriate steps to set up multi-purpose cooperatives for slum dwellers in the respective States and UTs.

2.6 Private Sector Housing

Right from the first Five Year Plan, the role of private sector including efforts by the individual families in fulfilling the housing needs is well recognized. Of late, lowering of bank rates has resulted in easy access to funds for housing by individuals and consequently also provided a boost to real estate development by the private sector. However, most of the housing units generated by the private sector caters to the upper income households and both financial institutions and developers chase the MIG/HIG sections. As a result of these developments, there is a considerable development of higher standard housing particularly in big cities wherein multinational and corporates are expanding their business.

It is, however, felt necessary to evolve institutional frameworks and policy interventions/best practices wherein the private sector is able to contribute to the housing needs for different cross-sections of the population including EWS/LIG. Joint sector projects attempted in a few cities as well as slum redevelopment projects taken up in Mumbai has set a trend and these need to be replicated widely. Some of the housing projects that deserve a mention in this context include : (i) Gujarat Ambuja Housing Project jointly undertaken with West Bengal Housing Board at Kolkata wherein housing is provided for both EWS/LIG and MIG/HIG, others; (ii) SRA Projects taken up in the important cities of Mumbai and Pune wherein slum re-housing is taken up with cross subsidies generated by providing housing for MIG and HIG ; (iii) Integrated Housing Townships taken up by Karnataka Housing Board as joint venture projects in collaboration with private companies in the vicinity of Bangalore and other major towns in the State of Karnataka provides housing for both EWS/LIG as well as to the higher income groups.

Institutions such as National Real Estate Development Council (NAREDCO) and the Confederation of Real Estate Developers Association of India (CREDAI) are playing an important role in regulating the activities of the Private Developers by accrediting them and also by rating such Institutions based on their experience, capacities and turnovers. NAREDCO, established in the year 1998 is the apex national self-regulatory body representing all spheres of enterprises engaged in various aspects of real estate development. These include land development, layout, planning, construction of residential, commercial and institutional buildings/complexes, development of townships, provision of urban infrastructure (roads, electricity, drainage, sewerage, water supply) and social infrastructure (recreational, educational and medical facilities). The other allied fields include architecture, town planning, supply of building materials, estate finance insurance, estate marketing and brokerage.

CREDAI is an apex organization of promoters and builders with around 3000 members of state and local associations of builders and developers presently from thirteen states

covering more than 80% of real estate development activities in India It is established with a vision to unite developers and builders under one banner and provide them a platform where they can express themselves and share their concerns and thus derive solutions

Chapter-III

Housing Requirement Projections for XIth Plan (2007-2012)

3.1 Data on Housing Stock

The Housing and Building statistics are necessary for the formulation, execution and evaluation of housing policies and building programmes which constitute an integral part of the overall social and economic plans of the country. At the central level, the National Buildings Organisation (NBO), which is an attached office under Ministry of Housing and Urban Poverty Alleviation, is the Organisation which collects, maintains and disseminate the authentic data on housing and related infrastructure statistics. It also caters to the need of the planners, policy makers and researchers in the field of housing statistics. The housing and building statistics are also necessary for the purpose of national accounts. In the context of National Housing Policy, the availability of varied details has become all the more important.

The data on urban households and housing stock from various Population Censuses are presented in the table given below. It may be noted that the decadal growth rate in the number of households has been modest 38 per cent only during eighties and nineties. This is significantly below the figure of 54 per cent recorded during seventies. The decline in the growth during the past two decades can be attributed to deceleration in the rate of urbanization, which was phenomenally high during seventies, the corresponding rate being 48 per cent.

Census Year	Households (Mn.)	Total Housing Stock (Mn)	Pucca (Mn)	Semi-Pucca (Mn)	Kutchha Servicable (Mn)
1961	14.9	13.30	6.44	4.90	1.96
1971	19.1	18.50	11.80	4.35	2.35
1981	29.3	28.00	18.09	6.80	3.11
1991	40.7	39.30	29.79	6.21	3.30
2001	55.8	50.95	41.17	8.08	1.70

The decadal growth rate in pucca housing has come down from 53.30 per cent and 64.68 per cent during seventies and eighties to 38.20 per cent only during nineties. As far as

semi pucca and kutcha houses are concerned, the growth rates were very high during seventies, similar to that of the pucca houses, the rates being 56 per cent and 32 per cent respectively. The absolute number of semi pucca houses came down by 0.59 million units during 1981-1991 while it registered a jump of 1.87 million i.e. 30.11% in the following decade. Interestingly the growth in kutcha dwelling units was as low as 6 per cent during eighties while the number came down to fifty per cent during 1991-01. In case we decide to combine semi pucca and kutcha houses, the growth rate has gone down from 48 per cent during 1971-81 to (-) 4.0 per cent during 1981-91 and then to 2.8 per cent during 1991-01. It is possible to argue that a large number of kutcha houses have been converted into (or reported as) semi pucca houses during 1991-2001 which would explain the spurt in the growth of semi pucca houses compared to the previous decade. The decline in the number of kutcha houses is also attributed to that.

It has also been noted that as per the Census of India, 2001, 9.01% of census houses are lying vacant. These vacant houses are not available for residential purposes and may not be accessible for the EWS and LIG category of households.

Taking all these factors into consideration, it is evident that the growth in the total housing stock during the 1991-2001 decade is much less than the preceding two decades. This could be due to limited withdrawal of public agencies like Housing Boards, and Development Authorities from house construction activities. The fiscal benefits provided in the housing sector during the last 5 to 10 years do not seem to have led to a boost in housing activities. The drastic reduction in the number of kutcha houses may be due to the impact of various housing schemes such as VAMBAY etc. being implemented by the Central Govt

3.2 Findings and Recommendations of Technical Group on Estimation of Housing Shortage

A Technical Group was constituted by the Ministry of Housing and Urban Poverty Alleviation to review the methodology adopted by the 9th and 10th Plan Working Groups on Urban Housing for estimation of housing shortage and further evolve a more sustainable and viable methodology to estimate the requirements and needs for urban

housing at National and State level. The Technical Group identified following limitations in the methodology adopted by the 9th and 10th Plan Working Groups:-

- (a) The methodology utilizing the exponential regression line of the type $\text{Log } Y = a + rT$ adopted by the 9th plan group to estimate the housing shortage suffers from the serious flaws such as
 - (i) A uniform rate is applied for all regions/states of the country. Thus, the regional and size class variation in the level of housing activity is not taken into consideration.
 - (ii) In computing the growth rate, the regression model gives equal weight to the data of the distant past as to the recent past. The growth rates of the sixties or seventies may not be of great significance in projecting construction of dwelling units during the first seven years of the twenty first century. The growth experience of the recent past, say of the nineties, may be much more relevant in this context. Ideally one should adopt a method which assigns higher weightage to the data of recent years compared to that of earlier years in a time series analysis.
- (b) If the methodology adopted by the 9th Plan Working Group is adopted, housing shortage for 2007 works out to be negative which means there is surplus housing in the country; - this is contrary to the empirical evidence.

In view of the above, the working group for 11th Plan has estimated the housing needs and shortage based on the recommendations and suggestions received from the Technical Group which is further elaborated here:

Estimation of Households:

Based on the data from previous censuses of India it is observed that the percentage growth in the number of households for the period 1971-1981, 1981-1991 and 1991-2001 is 53.43%, 38.91% and 37.10% respectively. Thus, for estimation of the number of households, if the period relating to 1971-81 or earlier is taken into account, the

projection of households is likely to be erroneous. We may consider the data relating to recent past say nineties rather than the period of last 30 or 40 years.

The number of households at the beginning of the 11th plan period i.e. 2007 works out to be 67.4 million utilizing the exponential growth function based on the Population Census data of 1991-2001. The implicit assumption here is that the number of households will grow exponentially (as is generally assumed in case of population) at the same rate as observed during the nineties. There is an alternate method of estimating the number of households in 2007. The Registrar General and Census Commissioner, India (RGI) has projected the urban population for the year 2002-2026. As per this projection, the total urban population in country will be 328.49 million in 2007. Assuming that the household size will remain constant at 5.1 over the period of time from 2001 to 2007, the estimated number of urban households will be 64.41 million. It may be noted that the implicit growth rate behind the computations is a growth rate of 2.34 per cent per annum which is on the lower side as per the assessments made by various research agencies and researchers. It would be more appropriate to take the rate to be 2.50 per cent as opposed to that of 2.73 per cent noted during nineties. This would give urban population figure of 331.5 million by 2007. Assuming the size of urban households to come down from 5.1 to 5.0, their number can be computed as 66.3 million. The decline in the size of household in urban areas can be justified in view of the fact that the household size has come down from 5.35 in 1991 to 5.1 in 2001. The figure of 66.3 million has therefore been taken as the basis for the calculations here.

To have a basic idea of the division of households among the various categories i.e. EWS, LIG, MIG and HIG, the data on percentage of households by MPCE classes on the basis of NSS 60th round (Jan.-Jun 2004) (NSS report No. 505) may be used. The distribution of households estimated i.e. 66.3 million at the beginning of 2007 among the various categories will be as follows

MPCE Class (Rs.)	Household Size	% of households	Estimated No. of Households (Mn.) 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 Hhs.	4.40		66.30

The household expenditure on durable goods incurred by the households in a MPCE class may be considered as appropriate proxy variable for its saving rate. The ratio of expenditure incurred on durable goods by the households in the lowest expenditure class i.e. 0 – 300 to the expenditure incurred on durable goods by the households in the highest class i.e. 1925+ is 0.011:1. The saving in the EWS category can therefore be taken as zero which is corroborated by a large number of studies based on secondary and primary data. The savings ratio for EWS & LIG thus work out to be 0%, & 17.54% respectively. By taking the expected savings of the households, income levels for different expenditure classes can be worked out. Based on the income criteria, it is now possible to work out a new classification system for the households to place these under EWS, LIG, MIG and HIG categories. One would note that the households with income less than Rs. 3300/- per month are classified as EWS, between Rs. 3301/- and Rs. 7300/- as LIG; between Rs. 7301 and Rs. 14500/- as MIG and above Rs. 14501/- as HIG, and the distribution of households will be as shown in the Table below:

Monthly household income (Rs.)	Estimated no. of households (Mn).
0 –3300 (EWS)	21.81
3301 - 7300 (LIG)	27.57
7301 – 14500 (MIG)	16.92
14501 and above (HIG)	
Total No. of Households (Mn)	66.30

Estimation of Housing Stock:

For estimation of housing stock in the year 2007, simple exponential growth rate in housing stock has been computed for the nineties using the data from Population Census. The growth rate of 3.2 per cent per annum for pucca houses, thus computed, has been taken as valid for the next six years for projection purposes. The estimated number of pucca housing stock thus works out to be 49.99 million in 2007. The growth rate for this combined category (semi pucca and serviceable kutcha) is noted to be 0.28 per annum during the nineties. Using this, it is estimated that the total number of semi pucca and serviceable kutcha houses would be 9.94 in 2007, giving the total housing stock to the tune of 59.93 million.

The NSSO in its report No. 488 has also estimated that 7.17 million constructions have been completed during the last 5 years (1997-2002). This implies that about 1.45 million constructions have been completed and added to the existing housing stock every year, based on the assumption of constant addition in housing stock in each year. The annual exponential growth rate in the housing stock thus comes to about 2.63 per cent in the acceptable housing stock during nineties. This is much on the higher side since the figure for katcha does not exclude the unserviceable katcha. Once that figure is taken out in the calculations, the growth rate will be less than even what is noted from the Census data for the nineties.

One may note that the growth rate in housing stock used in our calculations is much less than the regression growth rate estimated based on the Census data during 1971-1991. It has been noted above that the experience of the seventies and eighties may not be of much help in making projections for the present decade in this century. The rate is slightly below the rate noted for pucca or even total houses during nineties. The CSO data on income from housing sector may be cited to support this perspective and the implicit assumption.

As per the CSO estimates, housing sector's contribution to GDP for the period 2003-04 is 4.5% (for urban areas 3.13%) at current prices. It may also be observed that this

proportion has remained more or less constant at 4.5% over the period of time. This indicates that the investment in housing sector has not been made to the extent it can eradicate housing shortage in the country. It is well recognized that much of the investment in housing sector has been restricted to residential pucca units which has been made mostly by the affluent section of society except a small portion attributable to Government run schemes.

CONTRIBUTION OF HOUSING TO NATIONAL INCOME

(Rs. Crore)

Year	GDP of Dwellings (At current prices)			GDP at Factor Cost	% of Total GDP to GDP at Factor Cost
	Rural	Urban	Total		
1993-94	18917	24590	43507	781345	5.6
1994-95	19896	27310	47206	917058	5.1
1995-96	20620	30279	50899	1073271	4.7
1996-97	21759	33621	55380	1243546	4.5
1997-98	22853	36863	59716	1390148	4.3
1998-99	24770	42798	67568	1598127	4.2
1999-00	27287	50277	77564	1761838	4.4
2000-01	29731	57528	87259	1902999	4.6
2001-02	31907	65076	96983	2081474	4.7
2002-03	33659	71860	105519	2254888	4.7
2003-04	35300	78770	114070	2519785	4.5
At 1993-94 prices					
1993-94	18917	24590	43507	781345	5.6
1994-95	19270	25436	44706	838031	5.3
1995-96	19647	26311	45958	899563	5.1
1996-97	20033	27219	47252	970083	4.9
1997-98	20430	28155	48585	1016595	4.8
1998-99	20717	29123	49840	1082747	4.6
1999-00	21099	30127	51226	1148367	4.5
2000-01	21486	31164	52650	1198592	4.4
2001-02	21874	32238	54112	1267945	4.3
2002-03	22269	33344	55613	1318362	4.2
2003-04	22669	34489	57158	1430548	4.0

To have the estimates of housing stock for EWS, LIG, MIG and HIG respectively, the data provided by NSS in its 58th Round (July-Dec., 2002) (Report No. 488) may be used. As per the NSS estimates the percentage of pucca and kutcha dwellings by MPCE is

MPCE Class (Rs.)	Percentage of Dwelling Units		
	Pucca	Semi Pucca	Kutcha
0-300	48	41	11
300-350	48	38	14
350-425	54	39	7
425-500	59	32	9
500-575	65	29	6
575-665	69	28	3
665-775	75	23	2
775-915	81	17	2
915-1120	87	12	1
1120-1500	91	9	0
1500-1925	93	7	0
1925 +	98	2	0
All	77	20	3

The above data shows that households in category EWS, LIG, MIG and HIG have approximately 50%, 80%, 92% and 98% pucca dwelling units respectively while approximately 10%, 2% households in EWS and LIG category respectively will have kutcha houses. Thus it is evident that all the households in the MIG and HIG category have either pucca or semi pucca houses. Thus it can easily be said that the housing shortage or the requirements of housing is for EWS and LIG sections of the society only need addition housing units and rest of the sections of society will be taken care of by the market forces.

Indeed, the percentage of pucca houses is 80.8 only as per Census of 2001, the semi pucca and serviceable kutcha accounting for the remaining 19.2 per cent. However, as per NSSO, semi pucca and kutcha account for 24.7 per cent of the incremental housing during the five years of the present decade. In case we take serviceable kutcha to constitute only 3.33 per cent of acceptable housing stock, the number of serviceable kutcha constructed during 2001-07 would be 0.30 million only. The total housing stock in 2007 would then be 58.83 million giving a growth rate of 2.39 only which is realistic. This is less than what has been observed from the Census data viz. 2.59 per cent. This appears reasonable if one accepts the proposition that the declining trend in house construction as noted during nineties would continue in the subsequent years.

The NSSO Report further reveals that of the total constructions, 73.64% were pucca, 12.41 were semi pucca and the rest were kutchra (includes non serviceable) structures. The growth rate in pucca houses then would work out to be 2.41 which is less than what was noted during nineties (3.29 per cent) per cent. Thus, it is estimated that total number of housing units by 2007 will be 58.83 million out of which 47.49 million will be pucca dwelling units, 9.16 million will be semi pucca and 2.18 million will be kutchra units.

Estimation of Congestion Factor:

The 9th Plan Working Group and the 10th Plan Working Group observed the congestion factor as the percentage of households in which each married couple does not have a separate room to live. With this definition, the congestion factor on the basis of Census of India, 2001 comes out to be 3.52%. This definition of congestion does not consider a situation wherein a couple is sharing a room with a person of age 10+ as undesirable or a reflective of congestion. When a household living in a house with only one living room has one couple, it would not be considered to be a "congested" situation. In fact, no question regarding couples sharing rooms with adult members is asked from the respondents while conducting the population census. The question asked from the respondents during the house listing operations of census pertain to the number of couples in the households and number of rooms available in the dwelling unit. Thus this definition fails in capturing real congestion by ignoring the privacy factor. The working group thought of exploring the other methods and sources of data for an appropriate estimation of the congestion factor.

Indeed, the congestion factor can be worked out by utilizing the data on household size and the average number of room available to every household by MPCE. Larger the household size in comparison to the availability of room, larger will be the congestion factor. The data on household size by MPCE is available from NSS 60th Round (Jan – Jun 2004) (Report No. 505) and Average number of room available by MPCE is available from NSS 58th Round (July – Dec 2002) (Report No. 488). The data shows as follows:

MPCE Class (Rs.)	Average Household Size	Average No. of Rooms Available
0-300	6.1	3.07
300-350	6.5	2.40
350-425	6.0	2.48
425-500	5.7	2.70
500-575	5.6	2.64
575-665	5.4	2.90
665-775	5.3	2.96
775-915	4.7	3.06
915-1120	4.3	3.25
1120-1500	3.9	3.80
1500-1925	3.4	4.00
1925+	2.9	4.72

The data reveals that the higher is the expenditure class, lower is the household size and larger is the number of rooms available. This is understandable as the households in higher expenditure classes tend to have only the nuclei families while the EWS and LIG families have joint family system. One can note in the table that the households in high expenditure class have larger number of rooms than the couples or even the family members. They have surplus housing at their disposal. Congestion factor, however, is severe at the lower expenditure classes. In the EWS and LIG groups a high congestion factor can be inferred from the fact that the number of family members is much larger than the number of rooms. On the other hand, the congestion factor is non existent for average households in MIG and HIG categories, since the number of rooms available, after catering to the married couples within the household, is larger than the number of other family members.

Importantly, in the 58th round survey a specific question was asked if each married couple had a separate room in the house, disregarding if children under the age of 10 shared the room with the couple. The results¹ show that even in homes with only one married couple, as many as a quarter of the households did not have a separate room. In the slums as many as 44 per cent of the homes, with at least one married couple, did not have separate room for the married couple.

¹ NSS Report No. 489, Household amenities and other Characteristics, May 2005

Based on the data from the 58th round NSS survey, the total number of couples not having a separate room was computed for households with different numbers of couples, living in houses with varying room numbers. It was estimated that 22.94% of all couples do not have a separate room to live in. As the average number of couples per households is 1.20, one can convert the couples into households by assuming the figure to be constant across expenditure classes. This would give us the figure of 19.11% of the households having congestion problem.

Estimation of Obsolescence factor:

The Obsolescence factor has been defined by the 9th Plan Working Group as the percentage of households living in the dwelling units aged 80 years or more. These units are deemed to be unfit for habitation. The value of the obsolescence factor has been calculated on the basis of NSSO data. The Census of India, 2001, for the first time, has provided the estimates of the households living in dilapidated dwelling units. The percentage figure of the households living such units is 3.60%. The NSSO in its 58th round (July – Dec 2002) (Report No. 488) has also provided the estimates of number of households living in the house by age and condition of house, as mentioned below:

Percentage of Households by age and condition of house

Age of the House	Condition of House		
	Good	Satisfactory	Bad
< 1	1.2	0.5	0.3 (15)
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)
All Ages	47.4	41.7	10.7(10.7)

Note: The figures in the brackets show the percentage of dwelling units perceived to be in bad conditions to the total units in a given age category.

From the above data, if only the households living in dwelling units that are older than 80 years are taken to be having obsolescence problem, one would believe that only 1.9 % of

the households suffer due to it. The data, however, clearly reveals that a substantial percentage of households in each age specific category report living in bad conditions, the figures range from 7 to 21 per cent. Indeed the percentages of bad housing reported by households living in dwelling units aged between 40 and 60 years or even less than one year category are only marginally less than the 80 + category.

The dwelling units which are acknowledged to be bad but are of less than 40 years of age would mainly be in slums and belonging to serviceable or non serviceable kutcha category. This category of dwelling units does not form a part of the acceptable housing stock in urban areas and thus are excluded from the purview of calculation of housing shortage. Therefore, the percentage of households living in bad houses aged between 40 and 80 years along with percentage of households living in dwelling units aged 80 years or more have been added to compute the obsolescence factor. This percentage comes out to be 3.60%.

Estimation of Housing Shortage as on 2007:

Utilizing the alternate estimates of the congestion and obsolescence factors as mentioned above, housing shortage has been estimated as on 2007 as follows:

	As on 2007
1. Households (Mn)	66.30
2. Housing Stock (Mn)	58.83
2.1 Pucca	47.49
2.2 Semi Pucca	09.16
2.3 Kutcha	02.18
3. Excess of HHs over Housing Stock (Mn) (1 - 2)	07.47
4. Congestion factor (%)	19.11
4.1 Congestion in Hhs. (Mn)	12.67
5. Obsolescence factor (%)	3.60
5.1 Obsolescence in Hhs. (Mn)	02.39
6. Upgradation of Kutcha (Mn) (2.3)	02.18
7. Total Housing Shortage (3+4.1+5.1+6)	24.71

Distribution of Housing Shortage among the Socio-economic category:

The National Sample Survey Organisation in its Report No. 488 (58th Round, July - Dec. 2002) has estimated that out of the total urban households, 3.24% of the households are

living in kutcha houses. The data on percentage of households by type of structure and area type for each MPCE as per NSS 58th Round, 2002 (Report No. 488) is as follows:

Slum+Squatter Settlement Areas				
MPCE (Rs.)	Slum Area			Estd. No. of HHs.(000)
	Pucca	Semi Pucca	Katcha	
1	2	3	4	5
0-300	28.9	50.4	20.6	282
300-350	43.7	38.5	17.8	407
350-425	49.8	40.9	9.3	733
425-500	55.9	29.7	14.4	412
500-575	64.7	25.7	9.6	968
575-665	69.7	26.5	3.8	633
665-775	77.6	17.8	4.6	830
775-915	77.8	19.9	2.3	592
915-1120	79.3	17.7	3.0	624
1120-1500	91.8	6.2	2.0	389
1500-1925	82.2	17.2	0.6	190
1925+	90.9	8.6	0.5	55
N.R.	52.9	8.1	38.9	4
All Classes	66.8	25.7	7.5	6119

Non Slum Areas				
MPCE (Rs.)	Non Slum Area			Estd. No. of HHs.(000)
	Pucca	Semi Pucca	Katcha	
1	2	3	4	5
0-300	52.3	38.8	8.9	1145
300-350	49.1	37.7	13.2	1665
350-425	54.9	38.1	6.9	3487
425-500	59.4	33.2	7.5	1978
500-575	65.1	29.7	5.3	5876
575-665	68.3	28.3	3.4	4633
665-775	75.0	23.3	1.6	5573
775-915	81.2	16.6	2.1	5250
915-1120	87.5	12.1	0.4	6847
1120-1500	90.5	9.1	0.2	6273
1500-1925	93.4	6.2	0.4	4588
1925+	98.3	1.7	0.0	4927
N.R.	84.6	9.2	6.2	98
All Classes	78.0	19.2	2.8	52340

MPCE (Rs.)	Slum Area			Non Slum Area			All Areas Estd. No. of HHs.(000)
	Pucca	Semi Pucca	Katcha	Pucca	Semi Pucca	Katcha	
1	2	3	4	5	6	7	8
0-300	5.7	10.0	4.1	42.0	31.1	7.1	1428
300-350	8.6	7.6	3.5	39.4	30.3	10.7	2073
350-425	8.6	7.1	1.6	45.4	31.5	5.7	4221
425-500	9.6	5.1	2.5	49.1	27.4	6.2	2390
500-575	9.2	3.6	1.4	55.9	25.5	4.5	6844
575-665	8.4	3.2	0.4	60.1	24.9	3.0	5266
665-775	10.1	2.3	0.6	65.3	20.3	1.4	6403
775-915	7.9	2.0	0.3	73.0	15.0	1.9	5841
915-1120	6.6	1.5	0.2	80.2	11.1	0.4	7471
1120-1500	5.4	0.4	0.1	85.2	8.6	0.2	6663
1500-1925	3.3	0.7	0.0	89.7	5.9	0.3	4778
1925+	1.0	0.1	0.0	97.2	1.7	0.0	4984
N.R.	2.0	0.3	1.5	81.4	8.9	6.0	102
All Classes	7.0	2.7	0.7	69.8	17.2	2.5	58463

The share of households who are living in kutchha houses belonging to EWS category to the total number of households living in kutchha houses works out to be 88.13%. The corresponding figures for LIG is 11.69% and MIG and HIG taken together constitute 0.18%. The total housing shortage can now be distributed amongst the categories by taking this to be collinear with the percentages of households living in kutchha houses, as mentioned above. Therefore the category wise housing shortage will be as follows:

Category	Housing shortage in Mn. as on 2007
EWS	21.78
LIG	2.89
MIG	0.04
HIG	
Total	24.71

Housing requirement during the 11th Plan Period (2007-2012):

The housing requirement during the 11th Plan period has been worked out by utilizing the rate of growths 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 year

period of the plan. Therefore, the estimates of households, housing stock etc. as on 2012 will be:

	As on 2012
1. Housing Shortage as on 2007 (Mn)	24.71
2. Households (Mn)	75.01
3. Pucca Houses (Mn)	53.49
4. Semi Pucca Houses (Mn)	10.05
5. Katcha Houses (Mn.)	2.56
6. Addition to households (Mn.)	8.71
7. Addition to housing stock	7.27
8. Upgradation of Katcha Houses (Mn.)	0.38
10. Additional requirement (Mn.) (6-7+8)	1.82
11. Total requirement (Mn.)	26.53

Thus it is clear that, taking the business as usual scenario, the total shortage of dwelling unit at the beginning of the 11th Plan Period i.e. 2007 will be 24.71 million. The housing shortage during the plan period (2007-2012) including the backlog can then be computed as 26.53 million.

Distribution of estimated Housing Shortage as on 2007 amongst the States:

The estimated housing shortage has been divided amongst the States on the basis of the proportion of the number of households in the urban areas of State to the total number of households in the urban India as per the Census of India, 2001. The distribution of the housing shortage amongst the States as on 2007 is as follows:

State/UTs	(million) Housing Shortage
Andhra Pradesh	1.95
Arunachal Pradesh	0.02
Assam	0.31
Bihar	0.59
Chhatisgarh	0.36
Goa	0.07
Gujarat	1.66
Haryana	0.52
Himachal Pradesh	0.06
Jammu & Kashmir	0.18
Jharkhand	0.47
Karnataka	1.63

Kerala	0.76
Madhya Pradesh	1.29
Maharashtra	3.72
Manipur	0.05
Meghalaya	0.04
Mizoram	0.04
Nagaland	0.03
Orissa	0.50
Punjab	0.69
Rajasthan	1.00
Sikkim	0.01
Tamil Nadu	2.82
Tripura	0.06
Uttaranchal	0.18
Uttar Pradesh	2.38
West Bengal	2.04
A & N Islands	0.01
Chandigarh	0.08
Dadra & Nagar Haveli	0.01
Daman & Diu	0.01
Delhi	1.13
Lakshadweep	0.00
Pondicherry	0.06
All India	24.71

Reasons for variation in estimates of housing shortages vis-à-vis the 10th plan Working Group:

- The results of Census of India, 2001 relating to the housing and housing amenities were not available at the time the estimates of housing shortages were being worked out by the 10th Plan Working Group on Urban Housing. Understandably, therefore, the latter had arrived at the projections by utilizing the data from the Census of India for the period 1961-1991.
- The estimates for housing parameters for the period 2002-2007 i.e. 10th plan period arrived at by utilizing the data pertaining the earlier decades i.e. 1961-1991 are statistically not acceptable.
- In the present case, the more recent information available from Population Census as well as NSS has been used in projecting the housing scenario.

- Greater weightage has been given to the trend observed during 1991-2001 rather than to that of the earlier decades.
- Information on socio economic characteristics of households living in different types of houses available from NSS has been utilized in understanding the trends as also in projecting these into future.
- A different methodology and data set have been adopted to arrive at the estimation of congestions in the households.
- The 10th Plan Working Group had defined the concept of congestion and obsolescence in a limited manner which does not capture the reality on the ground.
- In the present case, an attempt has been made to define the concepts in a socially and empirically satisfactory manner by taking into consideration the housing situations as reflected through the latest publications of national level statistical agencies.
- While arriving at the total requirement of dwelling units at the beginning of the 10th plan period, a very important factor i.e. increase in the number of households was left outside the purview of the calculations.
- In the present exercise, this has been taken into account to project the total requirement of dwelling units at the end of the 11th plan period.

Conclusions:

The following conclusions have been made by the Technical Group:

1. That the housing shortage as on 2007 is 24.71 million and the total requirement of housing during the 11th Five Year Plan period (2007-2012) will be 26.53 million.

2. Due to time constraint, the Group could not delve upon the issues relating to the finances available to households and its repayment capacity of the housing loans which also affects the affordability of the better housing units by the households.
3. That a detailed study be given to NBO to study the requirements of housing, both in rural and urban India, which may take into account various other issues which may be identified crucial for the study.
4. That the NBO needs to be strengthened suitably, both by manpower and machines, for better coordination between the Central and State Govt. Organisations engaged in collection and dissemination of housing statistics. The technical manpower may be outsourced from open market as suggested by Deptt. Of Expenditure, Min. of Finance in its restructuring of NBO.
5. NBO also needs to be strengthened to discharge its duties as the nodal organization in the field of Housing Statistics to meet the requirements of planners and policy framers by means of creating a national resource and warehousing centre in housing statistics.

The definitions adopted by the Technical Group:

Household: A group of persons normally living together and taking food from a common kitchen constituted a household. The members of a household might or might not be related by blood to one another.

Dwelling Unit: A accommodation availed of by a household for its residential purposes. It might be entire structure or a part thereof or consist of more than one structure.

Pucca: A structure whose walls and roof were made of pucca material such as cement, concrete, oven burnt bricks, hollow cement/ash bricks, stone, stone blocks, metals, asbestos cement, wood, plywood etc.

Katcha structure: The structure whose wall and roof, both, are made of non pucca material.

Unserviceable Katcha: Unserviceable katcha structure is the structure with thatched walls and thatched roof.

Serviceable Katcha: A katcha structure other than the unserviceable katcha is serviceable katcha.

Semi-pucca: A structure which could not be classified as a pucca or a katcha structure as per definition is semi-pucca. Such structure had either the wall or the roof, but not both, made of pucca material.

Living Room: A room with floor area of at least 4 square metre, a height of at least 2 metres from the floor to the highest point in the ceiling and used for the living purpose. A bedroom, sitting room, prayer room, dining room, servant room meeting the size criterion, are considered as living room. A room used in common for living purpose and as kitchen or store was also considered as living room.

Obsolescence factor: Percentage of households living in the dwelling units having age 40-80 years and are in bad condition and percentage of households living in all structures aged 80+ years, irrespective of condition of structure, taken together is taken as obsolescence factor for the purpose of the report.

The Ninth Plan Working Group on Urban Housing had adopted the obsolescence factor as “percentage of households living in 80+ years old dwelling units”

Congestion factor: Percentage of households in which atleast one couple is not having a separate room to live in. This includes the households in which couples are sharing the room with 10+ age member of the household.

The Ninth Plan Working Group on Urban Housing had adopted the factor as “percentage of married couples require separate room/house”.

Couple: All married couples in a households irrespective of their ages. A man with two wives in a household constituted two married couples. But a woman with two husbands in a household formed a single couple.

3.3 INVESTMENT REQUIRED

Investment requirements for XI Plan

For estimating the investment requirements for XI Plan, we have made different **assumptions** on unit cost of construction of houses **in million plus cities and other urban areas**. The details of unit cost of houses for different categories of housing and the investment requirement are discussed in the following sub-sections.

Apportioning of requirement among different income groups:

The construction of semi-pucca houses during the plan period has been assumed to be in the EWS category. The maximum requirement for new pucca construction has been assumed to be for the EWS and LIG categories constituting 81 percent of the new housing requirement, **which also include the additional housing shortage of 1.82 million during the 11th plan period**, whereas MIG and HIG categories would account for the rest 19 percent. The distribution of the housing requirement adopted for estimating the investment needs is as in the given Table.

Income wise distribution of Housing Requirement			
(in millions)			
Sl No.	Category	Basis of Assumption	Total Housing Units
1	Pucca Housing		6.00
	(a) EWS	EWS New - 43% of Pucca	2.58
	(i) Shelter upgration	12.5% EWS New	0.32
	(ii) Sites & Services	12.5% EWS New	0.32
	(iii) Skeletal Housing	25% EWS New	0.64
	(iv) Plotted Housing	50% EWS New	1.29
	(b) LIG	LIG New - 38% of Pucca	2.28
	(c) MIG	MIG New - 11% of Pucca	0.66
	(d) HIG	HIG New - 8% of Pucca	0.48
2	Semi-Pucca upgradation	EWS	0.89
3	Kutchra upgradation	EWS	0.38
TOTAL NEW HOUSING (1+2+3)			7.27

(i) Unit cost of houses in urban areas.

For calculating the cost of housing units, the costs have been assumed as per expected market prices in the million plus metropolitan cities at the beginning of the plan period. The cost of construction in million plus metropolitan cities has been assumed to be 25 percent more than the cost of the unit in other urban areas. The unit cost adopted for the million plus metro cities is tabulated in given table. The market prices of basic building materials have been on the increase during the post-recession period including the past year and the current fiscal year. The unit cost of

Dwelling Units has been taken as per the adopted norms by Xth plan document plus increasing building construction costs index (as per CIDC data) approximately to increase in cost of Dwelling Units.

Unit costs of Construction adopted for Million-plus Metropolitan cities		
Category	Basis of Assumption	Unit Cost in Rs./Hsg Unit
EWS		
1	Housing for Shelterless	78% of EWS(P)
2	Shelter Upgradation	35% of EWS(P)
3	Serviced sites + Cash Loan	57% of EWS(P)
4	Complete EWS	EWS(P)
	LIG	LIG(P)
	MIG	MIG(P)
	HIG	HIG(P)
	Cost of upgradation of kutcha to semipucca	35% of EWS(P)
	Cost of upgradation of semipucca to pucca	50% of EWS(P)
	Cost of adding additional room relieving congestion	40% of EWS(P)
	Cost of repairs/renewal or obsolete houses.	75% of EWS(P)

The unit cost in million plus metros has been taken as equivalent to Rs. 1,25,000 for EWS and Rs. 2,00,000 for LIG.

(ii) Investment Requirement for Urban Housing

Based on the projections and the estimated unit costs, the investment requirement to cover the shortage at the beginning of the XI Plan is given in Table. The total requirement of funds for meeting the housing shortage at the beginning of the XI Plan (i.e. 2007) works out to be **Rs. 147195.0 crores.**

Investment required to cover Housing Shortage at the beginning of XI Plan

(Hsg units in millions)								
Category	Total Hsg Units	Other Urban Areas (62.2%)			Million Plus Metro (37.8%)			Grand Total of Fund Requirement (Rs. Millions)
		Hsg Units	Unit Cost in Rs./Hsg Unit	Total Inv. (Rs. Million)	Hsg Units	Unit Cost in Rs./Hsg Unit	Total Inv. (Rs.)	
Housing for the shelterless households	7.47	4.65	78,000	362700	2.82	97,500	274950	637650
Relieving Congestion	12.67	7.88	40000	315200	4.79	50,000	239500	554700
Upgradation of Kutcha	2.18	1.36	35,000	47600	0.82	43,750	35875	83475
Replacement of Obsolete houses	2.39	1.49	75,000	111,750	0.90	93,750	84,375	196125
Total	24.71	15.37		565539	9.34		429610	1471950

The fund required for meeting the additional (New) housing units during the XI plan period is estimated in Table

Investment Required to cover Housing Requirements at the beginning of the Xith Plan								
(Hsg. Units in millions)								
Category	Total hsg units	Other urban areas (62.2%)			Million plus Metro (37.8%)			Grand Total Fund requirement
EWS		Hsg units	Unit Cost	Total investment	Hsg units	Unit Cost	Total investment	
Shelter Upgradation	0.32	0.20	78000	15600	0.12	97,500	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	100000	80000	0.49	125000	61250	141250
LIG	2.28	1.42	160000	227200	0.86	200000	172000	399200
MIG	0.66	0.41	965600	395896	0.25	1207000	301750	697646

HIG	0.48	0.30	1448400	434520	0.18	1810500	325890	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	7.26	4.52			2.74			2141231

As can be seen from Table, the investment requirement for new additional urban housing alone during the XIth Plan period including the pucca, the upgradation of semi-pucca and kutcha housing units is Rs.214123.1 crores.

The total fund requirement in the urban housing sector for the XIth Plan period is estimated to be Rs.361318.1 crores. The summary of investment requirements for XI Plan period is indicated below

Scenario	Investment Requirement (in Rs. crores)
Housing Shortage at the beginning of XI Plan Period	147195.0
New additions to the housing stock during the XI Plan Period including the additional housing shortage during the plan period.	214123.1
Total Housing Requirement for the XI Plan Period	361318.1

The estimation of housing shortage has been done by the Technical Group set up by the Ministry of Housing & Urban Poverty Alleviation, Govt. of India. The total investment requirement would be in the order of Rs. 361318.1 crores consisting of Rs. 147195.0 crores required for mitigating housing shortage at the beginning of the XI plan and Rs. 214123.1 crores for new additions during the XI Plan period.

3.4 FLOW OF FUNDS FOR HOUSING FROM FORMAL SECTOR INSTITUTIONS

This chapter examines the flow of funds for housing sector during the X plan period and estimates the expected flow of funds to the urban housing sector from the formal sector institutions for the XI plan period. The chapter also describes FDI in housing, avenues of resource mobilisation, credit deployment for housing and related activities, promotion of public private partnership in housing, strengthening housing co-operatives, setting up of risk fund, involvement of SHGs, NGOs and MFIs and role of state and local governments.

Flow of Funds during Xth Plan

During the 10th Plan period, the total urban housing requirement was 22.44 million units for which the investment requirement was more than Rs. 4.27 lakh crores. Of this total fund requirement more than 50% was the expected contribution from the formal sector institutions including banks, housing finance companies, other financial institutions and budgetary allocations.

From the available data it is observed that the banks, housing finance companies, and cooperative sector institutions had disbursed an amount of Rs. 1.73 lakh crores during the period 2002-05. It is expected that these primary lending institutions will provide a further amount of Rs. 1.90 lakh crores during 2005-07 (assuming the same rate of growth as of the last few years). Accordingly, it is expected that the overall contribution of these three institutions i.e. banks, HFCs and cooperative sector institutions, would be around Rs. 3.60 lakh crores during the 10th plan period 2002-07 as shown in Table given below:

LOAN DISBURSEMENT DURING Xth PLAN

Institutions	Total Housing Loan Disbursements (Rs. in crore)				
	2002-03	2003-04	2004-05	2005-06 (P)	2006-07(P)
Commercial Banks	23,553	32,816	50,398	60,000	67,000
HFCs	17,832	20,862	26,000	29,500	32,500
Co-op.	642	623	421	500	500

Institutions					
Total	42,027	45,301	76,819	90,000	1,00,000

From the various indicative reports like flow of credit for rural housing under various ongoing schemes like Golden Jubilee Rural Housing Finance Scheme, it is observed that approx. 15% of the above mentioned institutional credit is flowing towards rural housing. Therefore, it is estimated that about Rs.3.0 lakh crores of institutional credit would be flowing towards urban housing during the 10th Plan period i.e. 2002-07.

Expected flow of credit during 11th Plan 2007-12

As per the estimates the urban housing shortage at the beginning of the 11th Plan period is 24.71 million units. In addition to this, it is expected that 7.27 million units will be constructed during the plan period. The total funds required to meet the total construction of the dwelling units during the 11th Plan period will be around Rs. 3.61 lakh crores.

In view of the current economic and monetary scenario it is expected that the housing finance disbursements by banks, HFCs and cooperative sector institutions would grow at a rate of about 15% per annum during the 11th plan period. Taking this into account, it is estimated that the flow of credit disbursement from these institutions would be about 7.75 lakh crores (gross flow of funds) during 2007-12 as shown in Table below. Assuming the flow of credit to increase to 25% for rural housing during 11th plan period, it is estimated that about Rs. 5.80 lakh crores would be the credit flow towards urban housing.

It may be pointed out that these projected fund flow figures include multiple counting and resale of properties, in the sense that cross-funding/ bulk borrowing is involved among the various institutions. It is therefore, assumed that the net flow of funds to the housing sector from formal sector institutions would be 50% of the gross flow of funds, for construction of new houses, given in the Table. This comes to approximately Rs.2.90 lakh crores, which is 80% of the total investment requirements for urban housing for the 11th Plan.

EXPECTED FLOW OF FUNDS

Institutions	Expected Total Housing Loan Disbursements (Rs. in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Commercial Banks	77,000	88,000	102,000	117,000	135,000
HFCs	37,500	43,500	49,500	57,500	66,500
Co-op. Institutions	500	500	500	500	500
Gross Flow of Fund Total Housing	115,000	132,000	152,000	175,000	201,000
Gross Fund Flow for Urban Housing	86,250	99,000	114,000	131,250	150,750
Net Fund Flow for Urban Housing (50% of Gross Urban Housing)	43,125	49,500	57,000	65,625	75,375
Net Fund Flow for Urban Housing for the 11 th Plan period	2,90,625				

FDI in Housing

Govt. of India has permitted 100% FDI for development of township including housing, built up infrastructure and construction development projects, subject to minimum capitalisation, minimum land/built up area etc. However, to encourage FDI from more and more companies, there is a need to minimise the procedural delays in sanctions and approvals of the projects.

Resource Mobilisation

The housing sector requires huge investment to tackle the housing shortage in the country over the next five years period upto 2012. Resources need to be mobilised through the domestic as well as the international markets. In order to do so, a multi-pronged strategy and multi institutional approach must be adopted to tap retail and bulk savings/surpluses from households, communities and institutions

including international market. In view of the long-term tenor of housing funds, it is imperative to build and sustain the confidence and interest of depositors and investors in the housing sector. This will provide stability to the housing finance system with core funding coming from household/community's savings.

3.5 LEGISLATIVE REFORMS AND FISCAL CONCESSIONS

Measures required to promote larger flow of funds:

It is suggested that some corrective measures are required to promote larger flow of funds to accelerate supply of housing to a cross-section of households. These corrective measures cover three specific broad areas of action such as (1) Legislative and Regulatory Actions, (2) Expansion of Housing Finance and (3) Outreach Related actions.

LEGISLATIVE AND REGULATORY ACTIONS

There is a need to make investments in housing safe, liquid and attractive with reasonable returns. The investment in housing include a range of safety barriers covering implication of Rent Control Laws, Lease conditions, other regulations and bye-laws and tax provisions. The return on investment is currently significantly low as compared to market rate of return. Aimed at improved access to accommodation, efforts should be made to make sale and purchase of houses as liquid as sale and purchase of cars. Therefore, a range of legislative and regulatory actions are required which may inter-alia include:

- (a) Residential mobility is fairly low in India, particularly among low and middle income groups. In this regard, barriers in the frequent sale and purchase of house should be removed which require special attention towards rationalization of taxes and stamp duty. Fiscal impediments on investments should be removed. In this regard,

specific concessions and incentives should be given in the form of (a) rationalization of Stamp duty on housing transaction and registration through reduction to a reasonable level (b) exemption from capital gains tax on sale of house and (c) tax exemption for investments in housing.

- (b) Higher Returns in rental housing should be encouraged to avoid speculation and hoarding. There is also a need to leverage a large chunk of houses which are kept vacant by the house-owners due to various reasons. This will require couple of initiatives aimed at promoting rental housing which will take care of safety, liquidity on investments and assure good return.

Safety

A range of actions are required to promote safety on investment in housing and minimize risk thereon:

- a) Re-possession of house on agreed date should be made mandatory without legal recourse. In this regard, Rent Control Act should be amended;
- b) Rental housing should be encouraged so as to meet housing needs of those who cannot currently afford a house at desirable location;
- c) Pre-approval and excessive regulations limit free competition in the market. Therefore, cumbersome regulatory procedures for housing should be made simple and user friendly.
- d) The projects which earn carbon credit should be encouraged and given fiscal incentives.

Liquidity

A range of actions are required to improve liquidity in housing sector:

- (i) Depreciation allowance of 50% be allowed on investment made by employers in housing projects for employees.
- (ii) Tax at source from gross rental income be brought down from the present level of 15% to 7.5% in case of Individuals & HUF and from 20% to 10% in other cases.
- (iii) Deduction for irrecoverable rent accounted for in earlier years may be provided under Section 24 of the I.T Act.
- (iv) Lease conditions imposed by local bodies should be relaxed so that transfer of property be made easier.

Returns

The actions required to ensure adequate return on investment in housing include :

- (i) Property tax rate should be the same irrespective of the use of property such as self occupied, rented or vacant. Rebate (vacancy remission) on vacant house should be withdrawn to discourage non-productive use of national assets.
- (ii) Rental income should be tax-free for atleast women, senior citizens and physically handicapped;
- (iii) Income from renting of properties should be taxed at flat rate of 10% for first five years in case of all new constructions, except for categories mentioned at point (ii) for which case it should be free.
- (iv) To improve effective rate of return from renting, deduction from rental income under Section 24 be increased from 30% to 50%.

EXPANSION OF HOUSING FINANCE

Liquidity of housing finance with a particular reference to EWS, Low Income Group and Middle Income Group households has to be improved so that financial institutions are in a position to supply requisite funds. In this regard, Securitization, External Commercial Borrowings, FDI (Foreign Direct Investment) and creation of HIT (Housing Investment Trust), or REIT (Real Estate Investment Trust) and REMF (Real Estate Mutual Fund) etc. require special attention as follows:-

Development of Secondary Mortgage Market

- (i) Recognizing the role of Securitization as a source of funding, initiatives for developing the secondary mortgage market have already been taken by the National Housing Bank (NHB). Further, necessary measures should be undertaken by NHB to strengthen and develop a sound and sustainable Secondary Mortgage Market. The Government should also provide a conducive and supportive fiscal and regulatory framework for banks and other participants to actively engage in Residential Mortgage Backed Securitization (RMBS) transactions.

Promotion of Foreign Direct Investment

- (ii) Foreign Direct Investments, Investment from Non Resident Indians and Persons of Indian Origin should be encouraged in housing and real estate and infrastructure sectors with a level playing field between foreign investors/NRIs/PIOs and domestic investors. FIIs may be allowed to invest in RMBS (Residential Mortgage Backed Securities) issues as this would connect the housing sector with the international capital market and would facilitate cross-border transactions. Special efforts are needed to simplify procedures pertaining to FDI to avoid delays.

External Commercial Borrowings

- (iii) In view of the limited domestic institutional capacity to fund fully the investment requirements, HFCs may be allowed to raise External Commercial Borrowings (ECBs) from the international markets. This would enlarge resource base for housing sector as also bring in international stake holding.

Housing Investment Trusts

- (iv) "Housing Investment Trusts (HIT)" may be allowed to be set up to serve as mutual fund for real estate development. It is well recognized that the HITs pool-in retail funds and allow individuals with small amounts of cash to take advantage of returns available from the buoyant housing and real estate market. Larger funds would thus become available for investment in housing related projects by the HITs.

Formation of Joint Venture

- (v) All Financial Institutions shall be encouraged to fund joint ventures to augment supply of funds for development of housing. This would inter-alia result in easing of constraints on the supply side.

Real Estate Exchange

- (vi) Real estate should be promoted for trading in derivatives and mutual funds.

Fiscal Incentives

- (vii) Section 80C (xvi) (a) of Income Tax Act may be amended to permit benefit to all public companies in public or private sector. This will enable private sector HFCs to continue to attract households and community retail savings for investment in housing.

- (viii) To encourage primary lending institutions (PLIs) to enhance credit flow to poor/EWS in urban and slum settlements, Government may consider complete tax exemption of profit derived from the business of long term housing finance for the weaker segments of the population.

OUTREACH RELATED ACTIONS

Outreach of formal housing finance is largely confined to middle and high income groups of households which also include a large number of borrowers for speculative demand. Although there is further scope for expansion of formal finance to middle and high income households, the requirements of EWS and LIG need special attention. Formal supply of housing needs to address this segment which is currently attended by Public Sector policies and programmes only. In this context, scope for real estate development on social housing with the involvement of all stakeholders is significantly wide. Specific actions in this regard should include :-

Supply of Serviced Land

- (i) There is a need to facilitate supply of adequate serviced land at affordable prices and to encourage development ahead of demand, the Public-Private Participation should be encouraged by earmarking adequate area of development in advance, taking into account future growth of cities by adopting the town planning schemes as applied in Gujarat, Maharashtra, etc.

Housing Upgradation and Retrofitting

- (ii) Special products need to be designed to extend loan finance for retrofitting and housing upgradation. A majority of backlog in the beginning of XI Plan period belong to the category which needs retrofitting and upgradation. The current flow of funds in this

activity is fairly small. Special schemes need to be devised for funding retrofitting and housing upgradation.

- (iii) Cost effective material for retrofitting and housing upgradation should be developed, taking into account the optimum use of local material.

Equitable Access to Housing Finance

- (iv) There is a pressing need for improving the "availability" and "affordability" of housing loans for the home seekers in the EWS segment. A dedicated Fund called the 'National Shelter Fund' (NSF) with an initial contribution from the Government may be created under the aegis of NHB and HUDCO to provide financial support to primary lending institutions to address the housing requirement of the EWS. This will go a long way in meeting the housing needs of the poor/EWS segment of the population on an on-going basis.
- (v) A vast segment of the population in the urban areas is currently not being served by the formal credit institutions for the reason that they are perceived as higher risk. This segment accounts for a sizeable portion of housing shortage in the country. To enable the primary lending institutions (PLIs) to lend to these people, it is recommended to create a "Risk Fund" with an initial corpus of Rs 500 crore (to be contributed by the government) under the aegis of NHB and HUDCO. Modalities need to be worked out including suitable premium on credit risk insurance.
- (vi) The current method of credit appraisal does not make the segments of the vast population in the lower middle and low income population eligible for finance. There is a need to conduct pilot

projects on the financing and delivery model, so as to scale up successful attempts.

- (vii) Micro-financing especially for the poor residing in Urban Slums and Squatter Settlements should be encouraged. In this context, Micro-credit for housing should be given a strong impetus to ensure that formal financing channels are able to reach credit to the otherwise non-eligible segments of households who do not satisfy the norms for formal sector lending.
- (viii) Micro-Finance Institutions (MFIs) may be promoted at State level to expedite the flow of formal finance to urban poor. In this regard, suitable mechanisms should be evolved to develop simplified norms for prudential rating and provide wholesale finance to MFIs.

Partnerships for Housing Projects

- (ix) Government may consider encouraging Public-Private Partnership (P-P-P) for undertaking Integrated Housing Projects. For Projects with provision of at least 10-15% of the land and 20-25% of the houses for economically weaker sections (EWS) and lower income groups (LIG) appropriate tax incentives may be considered to attract private sector participation.

Strengthening of Housing Cooperatives

- (x) Housing Cooperatives need to be strengthened by providing further incentives and also the provision should be made to include low income housing through cooperatives in a suitable manner taking into account affordability and equity.

EMERGING INNOVATIONS

Special Economic Zone (SEZ)

- (xi) Scope for housing as integrated residential complex within SEZ and nearby suburban areas should be fully explored and planned to meet the housing requirements of households connected to various activities of SEZ.

Additional FSI

- (xii) Pooling of land with provision for additional FSI for high rise developments in core city area at major cities should be incentivised through specific schemes and programmes to be taken up as part of urban renewal strategy.
- (xiii) Cities are Centres of economic activity and engines of economic growth. Therefore, commercial and economic activities such as malls, industrial estates, mixed land use, etc. should be an integral part of housing development in a city.

Urban Extension

- (xiv) Urban Extensions should be developed among larger cities in a planned manner giving suitable provision of housing and related activities.
- (xv) Expansion of city limits should be based on long term requirements of land. There is no dearth of land and proper planning and smooth acquisition process is needed. By the year 2050, only 3.5% of land area would be needed to accommodate entire urban population.

Additional Space for Non-residential Activity

- (xvi) Adequate supply of non-residential space among residential clusters should be ensured to minimize the conversion of

residential use into commercial and income generating activities. It will have negative or artificial scarcity and speculative prices.

The initiatives as above will go a long way to liberate housing market from speculative demand and increase supply for genuine buyers and tenants. At the same time, availability of funds for investments including retrofitting and upgradation shall also increase.

3.6 Mechanism for data collection/collation/maintenance for housing and role of National Buildings Organisation (NBO).

The National Buildings Organisation was established by the Government of India in 1954 as an attached office under the control of the then Ministry of Urban Development for technology transfer and experimentation and dissemination of housing statistics. The Government examined the need for restructuring the organization in the context of the long term policy of technology transfer within the framework of National Housing Policy and the increased need of the information system for Housing Policy. It was observed that the functions of NBO in the technology side were required to be transferred to a more flexible and autonomous institution, while NBO's socio-economic and statistical functions needed to be emphasized and expanded.

In view of above and having regard to the requirements under National Housing Policy to strengthen the Management Information System (MIS) and various other socio-economic and statistical functions connected with housing and building activities, the National Buildings Organization was restructured with effect from 25th August, 1992 and then again restructured in March 2006.

The major functions of the restructured NBO are as follows:-

- (a) To collect, collate, validate, analyse, disseminate and publish the housing and building construction statistics.
- (b) To organize training programmes for the officers and staff of the State Govts. engaged in collection and dissemination of housing and building construction statistics.
- (c) To create and manage a documentation centre relating to housing, poverty, slums and infrastructure related statistics.
- (d) To coordinate with all the State Govts./ Research Institutions/ UNCHS/ International Bodies etc.
- (e) To conduct regular short-term sample surveys in various pockets o the country.
- (f) To undertake special Socio-Economic studies evaluating the impact of the plans, policies and programmes in the filed of housing and infrastructure.

NBO is the only organization in the Government of India which is responsible for developing an authentic and reliable database on housing and building statistics. The statistics collected and disseminated by NBO is not only used in policy formulation but is also used by various research organizations in the filed of housing. The information disseminated by NBO is also used and taken by international agencies as the authentic official statistics.

NBO being the nodal agency in respect of housing statistics at the central level not only coordinates with State Governments but also guides the State.

It is also proposed to make NBO, the hub of all the statistical information relating to Urban Development, housing, slums, urban poverty and the development in the urban sector due to implementation of JNNURM. The data relating to all these sectors, will

flow to NBO directly and will work as the resource centre for the data users, planners, policy makers and the stakeholders.

The Ministry of Housing and Urban Poverty Allevation, on the recommendations of National Statistical Commission constituted a Technical Advisory Committee (TAC) on Construction Statistics under the Chairmanship of Addl. Director General, National Accounts Division, CSO with a view to review:

- i) The current status of construction statistics, identifying data gaps in relation with the requirements of National Accounts,
- ii) Conceptual issues, methodological problems and organizational difficulties in collection of current building construction statistics.
- iii) Viable system of regular collection and compilation of current building construction statistics including review of the existing schedules and annexure.

TAC submitted report to the Government of India in June 2006. The TAC reviewed the present system of data collection on construction statistics both from public and private sector including the data collection on number of building permits issued and completion certificates issued and suggested various measures not only to streamline but also to strengthen the data collection system and data delivery system to the planners and policy makers without time lag.

As per the recommendations of the TAC and the advise of the Deptt. of Expenditure in the Ministry of Finance on restructuring of NBO, some of the activities have already been outsourced, the training of the state govt. officials who are engaged in data collection are being organized on regular basis. During the year 2006-07, so far 3 training camps have been organized in the states of Nagaland, Pondicherry and Goa. It is also expected to organize one more training camp in the State of Bihar in the month of January, 2007. Efforts are also being made to make the public aware through electronic

and print media about the importance of housing and building construction statistics being collected by NBO.

It is also planned to improve the capacity building of the State Dtes. Of Economics and Statistics by linking all the State Dtes. Of Economics and Statistics and Municipalities with the NBO so that the data could be transmitted to NBO server without time lag and to make efficient and successful, the need to develop the customized software at both the ends is necessary. **It is estimated that the total expected expenditure involved in the exercise for the period 2007-2012 will be 75 crores.**

The annual activities of NBO are included in the Annual Report of the Ministry of Urban Employment & Poverty Alleviation.

Chapter-IV

NEW SCHEMES/PROPOSALS

Interest Subsidy Scheme for Housing the Urban Poor - A Concept Note

4.1. Background

As per Census 2001, 28% of the population live in urban areas. As per estimates (Vision 2020), more than 35% of the population will be in urban areas by 2020. As per draft report of Working Group on Urban Housing for 11th Plan (May 2006), nearly 32% of the population will be living in urban areas by 2012. The increased urbanisation has led to pressure on the available land and infrastructure and as a result, the housing conditions have deteriorated resulting in increased number of slums and squatter settlements.

As per draft report of Working Group on Urban Housing for 11th Plan, the total housing shortage at the beginning of the 11th plan i.e. in 2007 would be about 24.71 million units. Of this, over 99% would be for EWS and LIG segments. As per HUDCO, the total investment requirement for urban units would be Rs.5.8 lakh crores approximately during the 11th Plan period of which, 50% is expected to be contributed by the formal sector institutions.

Housing is the largest component of wealth leading to asset building, old age security, women empowerment and sound collateral for various finances (fulcrum around which other financial services can be provided by market players). Besides promoting financial stability and economic resilience, it has multiplier effect on income and employment generation having forward and backward linkages with 250 ancillary industries. Therefore, housing the urban

poor has become both urgent and important in the era of increasing and inexorable urbanisation.

The draft report of the revisited National Housing and Habitat Policy, 2006 lays emphasis on increasing the institutional finance for housing for poor and its accessibility at affordable rates. One of the millennium goals is also to remove slums and squatter settlements as also to improve the habitat conditions of the poor and low income segments.

4.2 Proposal for Interest Subsidy

The proposal is to provide an interest subsidy of 5% per annum for a period of 5 years only to commercial lenders for lending to the EWS (monthly family income upto Rs.3300) and LIG (monthly family income ranging between Rs. 3301-Rs.7300) segments of the urban areas. 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 is proposed for 5 years. New borrowers in each year will have to be provided interest subsidy for 5 years, beginning the year in which the loan was given. Thus, the end to end maturity for the Scheme will for a period of 9 years and total interest subsidy funds will need to be Rs.14,000 crores, with peak requirement of Rs.2,800 crores in the 5th year i.e. Rs.14,000 crores for the 11th Plan period and upto the year 2015-16 of the 12th Plan period as shown below. This Scheme will run in parallel with JNURM which inter-alia addresses the housing needs of the slum and squatter settlements only.

Total Interest Subsidy requirement for construction of 5 million houses for EWS and LIG segments financed during the next 9 years (2007-16) = Rs.14,000 crore

Interest subsidy Funds requirement during 11th Plan : Rs. 8,400 crores

2007-08 = Rs. 560 crore

2008-09	= Rs. 1120 crore
2009-10	= Rs. 1680 crore
2010-11	= Rs. 2240 crore
2011-12	= Rs. 2800 crore
Total (2007-12)	= Rs. 8400 crore

Interest subsidy Funds requirement during 12th Plan : Rs. 5,600 crores

2012-13	= Rs. 2240 crore
2013-14	= Rs. 1680 crore
2014-15	= Rs. 1120 crore
2015-16	= Rs. 560 crore
Total (2012-16)	= Rs. 5600 crore

4.3. Salient Feature of Interest subsidy Scheme

- Interest subsidy will be available to EWS (monthly family income upto Rs. 3300) and LIG (monthly family income of Rs. 3301 – Rs.7300) segments only.
- Maximum loan amount shall be restricted to Rs. 80,000 for EWS category and Rs. 1.50 lakh for LIG category.
- Interest subsidy of 5% p.a. on market rate of interest for a limited period of 5 Years only to ensure that the installment will be less than 20% of the beneficiary's monthly family income.
- It is presumed that beneficiary will endeavour to increase his monthly income by about 10% p.a. and therefore, Interest subsidy shall be withdrawn after 5 years.
- With increased monthly income, the beneficiary will graduate to pay normal EMI for next 10 years. The expected installment will be less than 20% of the beneficiary's monthly family income.
- With interest subsidy for a period of max. 5 years, about 5 million houses can be built in 5 years.

- The Institutional Finance to the extent of Rs. 57,500 crores would be catalysed. This will also lead to boost in national employment & income..

4.4. Need for interest subsidy

The case for interest subsidy essentially rests on the grounds of affordability, leveraging of funds from market and larger coverage.

a. Affordability

- An EWS persons with average monthly income of Rs.3000 cannot service a housing loan of even Rs. 80,000 at the current market rates. In the first place, these segments by and large, are bypassed by mainstream banks and HFCs. A few pockets of financing do exist which are more by the nature of demonstration. If housing credit from institutional sources like banks, HFCs etc., for EWS and LIG segments has to be scaled up, there is no option but to tap market related finances and at the same time make it affordable for EWS and LIG borrowers. This can be achieved through an interest subsidy mechanism which is not permanent but only for the initial few years, a reasonable period of 5 years, by which the affordability of EWS and LIG borrowers is expected to improve.
- Thus for a EWS borrower with average monthly income of Rs.3000, a Rs.80,000 loan say for a house value of Rs.1.00 lakh, for a period of 15 years at interest rate of 11% p.a. will result in EMI of Rs. 909 i.e. about 30.30% of monthly income, which is clearly unaffordable. With interest subsidy of 5% p.a. for a period of 5 years, the EMI will be reduced to less 20% (19.8%) of the monthly income which is affordable.
- Similarly, for a LIG borrower with average monthly income of Rs.6500, a Rs. 1.50 lakh loan say for a house value of Rs.2.0 lakhs, for a period of 15 years at interest rate of 11% p.a. will result in EMI of Rs. 1705 i.e. about 26.23% of monthly income, which is clearly unaffordable. With interest

subsidy of 5% p.a. for a period of 5 years, the EMI will be reduced to $\leq 20\%$ (18.7%) of the monthly income which is affordable.

- Thus, the interest subsidy makes modest housing purchases/upgradation affordable in urban areas.

b. Leveraging of funds

- Currently, EWS/LIG segments are provided financial assistance by state agencies with limited budgetary finances and occasionally by banks, HFCs etc. on limited scale. To make a dent in housing which has a huge requirement of about 26.53 million units (99% of which is for EWS/LIG segments) during 2007-12, it is necessary to catalyse institutional finance especially for EWS and LIG segments. Interest subsidy will enable the lenders to get market related return on the perceived higher risk on lending to these segments while at the same time, it will make housing loans affordable for EWS/LIG segments, as seen from the above examples.
- Assuming interest subsidy of Rs. 560 crores p.a. for 5 years (interest subsidy of 5% p.a. for 5 years period only) for an average loan size of Rs. 1.15 lakhs (average of Rs. 80,000 for EWS and Rs. 1.50 lakhs for LIG), a total of 10.00 lakh houses can be build annually. Institutional financing of Rs.11,500 crores per annum would flow into the segment, which would almost entirely be additional. This would be about 14% of the total annual housing loan disbursals by banks and HFCs for the year 2005-06. Thus, during the 5 year period (2007-12), with interest subsidy of Rs.560 crores p.a. for 5 years period on year to year basis for the housing loans sanctioned to 5 million EWS and LIG families, institutional finance of more than Rs. 57,500 crores could be channelised for housing for EWS and LIG categories.

c. Larger Coverage

- A total of 10.0 lakh houses per annum with Rs.560 crores subsidy p.a. for 5 years could be built for EWS and LIG categories, assuming average cost of construction of a house of Rs.1.50 lakh approximately (*average of cost of construction of EWS house as Rs. 1.00 lakh and for LIG as Rs.2.00 lakh*). Obviously, if the average value of the houses are lower, more number of houses can be covered. During the 5 year period i.e. 2007-12, nearly 50.00 lakh additional houses could be built for EWS/LIG segments, with interest subsidy mechanism. The Scheme alone would result in reducing the housing shortage in the category in EWS and LIG by about 22.50% which may be considered as a significant achievement.

4.5 Operational Modalities

- The proposed scheme will be launched under the aegis of Ministry of Housing and Urban Poverty Alleviation (MH&UPA) which will implement the Interest Subsidy Scheme, including review and monitoring of the outcome of the Scheme.
- MH&UPA will set up an Inter Ministerial Steering Committee (IMSC) under the Chairpersonship of Secretary, MH&UPA and members drawn from Planning Commission, MoF, RBI, NHB, HUDCO, major lenders and two independent eminent personalities on urban development.
- NHB and HUDCO will be the Nodal Agencies (NA) for disbursement of the subsidy and monitoring the progress.
- NHB will be the NA in respect of scheduled banks, housing finance companies (HFCs), (other than HUDCO), Micro Finance Institutions (MFIs). HUDCO will be nodal agency for direct loans made by itself, State

Govt. agencies, apex Co-operative Housing Societies and other institutions as may be notified by MH&UPA.

- Subsidy will be available to all primary lending institutions (PLIs) as may be approved by I.M.S.C.
- NHB and HUDCO will monitor the Scheme by interfacing with the PLIs and report the progress to IMSC.
- Funds will be earmarked by the Ministry on annual basis for the purpose of interest subsidy, say Rs.560 crores in the first year of the 11th Plan and as mentioned at page 2 of this note, in the subsequent years upto 2015-16.
- Disbursement of subsidy amount will be made by the Ministry to NAs at the beginning of each quarter out of which the NAs will disburse to PLIs.
- The IMSC will formulate and issue guidelines for use of subsidy amount by the NAs and also introduce a reporting mechanism.
- MH&UPA and NAs will conduct awareness workshops in different centres in the country.
- To meet the administrative expenses of NAs, a certain amount out of the subsidy allocation may be allowed to be retained by the NAs (which may be finalised in due course).
- The NAs will obtain utilization certificates, other details required for ensuring due implementation of the Scheme and monitor the actual disbursement of subsidy to beneficiaries.
- Periodic independent evaluation will be got done by MH&UPA.
- PLIs will identify the beneficiary families in accordance with the income norms applicable for weaker sections of the society.
- PLIs will levy interest rate on the housing loan as per their respective operational policies and risk perception.

- Cost of the house and loan entitlement to be linked with the maximum carpet area prescribed for beneficiaries.
- The disbursement of interest subsidy to ultimate beneficiaries will be the responsibility of PLIs after ensuring proper utilization of earlier interest subsidy, if any, released to them.
- PLIs will also carry out the inspection of the houses on regular basis and the interest subsidy disbursement would start after completion and occupation of the house.
- In case of default by the EWS/LIG borrowers leading to classification of the loan as a Non-Performing Asset (NPA) by the PLIs, interest subsidy will immediately cease and will be resumed only when the irregularity is rectified and the loan becomes a 'standard' asset.
- MIS information collected by PLI will be passed on to NA for onward transmission to the Ministry.

4.6. Conclusion

The requirement for housing the urban poor is huge with an estimated 24.67million housing units shortfall for EWS/LIG segments during the XI plan period (99% of the total urban housing requirements of 24.71 million). The corresponding investment requirement is estimated at Rs. 5.8 lakh crores of which the formal sector's share is estimated at 50% i.e. Rs. 2.9 lakh crores. The State agencies and HUDCO are currently the only finance providers to this segment to a limited extent. If the housing problem for urban poor has to be addressed significantly, there is no option but to tap the mainstream housing finance system comprising banks and housing finance companies. This is possible if the commercial lenders are allowed to secure return related to the risk perception and at the same time, loans are made affordable for the EWS/LIG borrowers. This can be done through an interest subsidy of 5% p.a. on the

housing loan given by primary lenders to EWS/LIG borrowers for a period of 5 years only after which the subsidy will be withdrawn. It is reasonably presumed that the family income will increase in 5 years time to be able to service the loans without subsidy. An interest subsidy of Rs. 560 crores p.a. on loan granted in 5 years for the first years of the respective loan period will required to be provided. Thus the total interest subsidy amount would be Rs. 14,000 crores spread over 9 years, as the loans granted in the fifth year of the scheme would need to be provided interest subsidy for 5 years.

The case for interest subsidy rests essentially on the grounds of affordability, leveraging the market for funds and wider coverage. With this Scheme, it is estimated that Rs. 57,500 crores would flow from the institutional finance system to EWS/LIG housing for a period of 5 years. The annual flow represents approximately 14% of the total housing finance disbursements in 2005-06. Total number of houses that would come up would be 5.00 million houses (*assuming average house value of Rs. 1.50 lakh and average loan size of Rs. 1.15 lakh*), which represents approximately 22.50% of the housing shortage in the EWS/LIG segment. The estimated institutional finance of Rs 57,500 crores and houses of 5.00 million represent additionality to the system.

CHAPTER – V

FUTURE STRATEGIES

The housing shortage during the 10th plan was assessed by the Planning Commission at 22.44 million dwelling units. The Technical Group set up to assess the extent of housing shortage has assessed the housing shortage at the beginning of 11th plan period at 24.71 million units. As per the Technical Group, 99% of this shortage accounts for EWS/LIG. The total requirements of the dwelling units during the entire period of 11th plan (2007-2012) will be 26.53 million. As against the assessment of 22.44 million dwelling units shortage during the 10th plan, achievement in sanctions by HUDCO, Cooperative sector and banks/HFIs has been 3.6 million for the period 2002-03 to 2005-06.

The major constraints in the way of making more significant progress to solve the housing problems for EWS/LIG section of society are i) non recovery of loans from the beneficiaries, ii) non availability of government guarantee to the lending institution in respect of the EWS/LIG in the absence of land tenure rights and iii) non affordability. Thus the formal lending scheme by banks/HFIs has made only a marginal dent in solving the housing shortage.

To augment the efforts, the Jawahar Lal Nehru Urban Renewal Mission (JNNURM) with the submission of IHSDP and BSUP was launched with the aim to provide housing to the urban poor/slum dwellers. Under JNNURM which is a grant based scheme with nominal contribution from beneficiary, it is proposed to construct 1-2 lakh housing units per year (say 1 million during 11th plan period) which constitutes only 1% of the total housing shortage at the beginning of the 11th plan period and is only a tip of the iceberg. Thus other measures would also be necessary.

Among the options, Budget neutral Public Private Partnership schemes can be implemented by the State Govts. in collaboration with private developers where the State Govts' contribution would be land (already under slums) as a resource free to the project which will be given to a private developer alongwith additional Floor Area Ratio (FAR)

and/or Transferable Development Rights (TDR). This will enable the private developer to build commercial space on the slum land which will cross subsidize the houses for the poor.

The proposed National Housing and Habitat Policy, 2006 proposes to keep 10-15% of land in each new colony (private/public) reserved for EWS/LIG, which will be given to them at controlled rates.

It is also proposed to construct the 5 million houses for EWS/LIG to supplement the efforts of HUDCO, HFIs/banks and JNNURM with the help of a proposed new scheme which seeks to provide a 5% interest subsidy to the EWS/LIG section of society for a period of 5 years so that the EMIs become affordable & payable and will be within the affordable limits with EMI to income ratio becoming less than 20%. This scheme is being examined for implementation. Any such scheme should be so tailored to take care of the backlog of shortage of houses in maximum 3 five year plan periods.

Efforts of creating of housing stock through loans from HFIs/Bank/HUDCO will continue.

Secondary Mortgage Market may be created/encouraged and FIIs may be allowed to invest in RMBS to invite the flow of funds in the housing sector.

Real Estate Investment Trust (REIT) may be set up to serve as the mutual fund for development of housing sector.

ULCRA repeal by States would be necessary for encouraging land assembly and will be monitored through JNNURM reforms.

Rental housing will be made more attractive. Rent Control Act is sought to be rationalized and made equitable to balance the interest of landlord and lessee. This too would be monitored through JNNURM reforms.

Microfinance for construction of housing would be encouraged.

CHAPTER – VI

PROMOTING COST-EFFECTIVE CONSTRUCTION TECHNIQUES AND DISASTER MITIGATION

National Housing and Habitat Policy (1998) and the Govts. policy visualizes promotion of appropriate building materials and region-specific construction techniques as an integral component of demand management strategy to meet the need of cost-effective, affordable and acceptable housing for families in different economic brackets living in varying geo-climatic regions. Housing demand is built of requirement of new houses, upgradation of existing ones and replacement of old dilapidated stock. Retrofitting and strengthening of non-engineered houses in natural hazard prone areas making them resistant to earthquakes, cyclones, floods, landslides etc. is yet another important component for improving the housing stock quantitatively and qualitatively. Planned growth of housing stock call for integrating housing finance with appropriate construction technology, availability of affordable building materials, periodic upgradation and retrofitting of walls and roofs for poor sections' housing against forces of natural disasters. Human resource development and training at institutional and enterprise levels also merit emphasis under demand management strategy.

The facilitating measures solicited include the establishment of appropriate standards for validation, certification and evaluation, extension of adequate fiscal concessions and creation of awareness and acceptance through ardent dissemination. An equally increasing concern has been provision of housing which are affordable to the people at large. Efforts made by Building Materials and Technology Promotion Council through an integrated approach involving simultaneous action for standardisation, creating awareness, promotion through governmental recognition in terms of policy support and fiscal incentives have certainly enhanced acceptability and have demonstrated the efficacy of an integrated system of technology transfer. The concerned user groups now appear ready and willing to adopt most of the non-conventional innovative building materials/products after their durability, reliability and comparative economics has been convincingly established. Rather than the absence of alternative building materials and technologies which are acceptable and affordable, it is the absence

of a grass-root level mechanism for technology transfer, which has been the major hindrance in the process of facilitation. It is at this juncture that the building centres step in as an effective mechanism for transfer of technology at the grass root level.

6.1 INSTITUTIONAL MECHANISM FOR TECHNOLOGY TRANSFER:

6.1.1 Building Materials and Technology Promotion Council (BMTPC)

The Building Materials & Technology Promotion Council (BMTPC) was established in June 1990, under the aegis of erstwhile Ministry of Urban Development and now Ministry of Housing & Urban Poverty Alleviation, Govt. of India as an apex level organisation with the prime objective of bridging gap between the laboratory development and large scale field application of cost effective, environment-friendly and energy-efficient innovative building materials and technologies.

The objectives of BMPTC are to develop & promote innovative and cost effective building material and construction technologies; to develop and promote appropriate and energy efficient materials using renewable raw material resources like wastes, natural fibres etc.; extending a special thrust on building materials from agricultural & industrial waste tough R&D; to develop and promote disaster resistant construction technologies for regions prone to earth-quakes, cyclones and floods; advice on fiscal concessions for waste based material & technology; evaluation and standardization of new construction materials; and giving technical advice to the Ministry of Housing & Urban Poverty Alleviation.

In pursuance of its objective to operationalise an integrated approach to technology transfer in housing and building sector, efforts of BMTPC for promoting innovative technologies, over the period have amply demonstrated potential and possibilities for commercialisation and large scale adoption of innovative building materials and construction techniques developed within and outside the country. New products and techniques have been standardised and commercial production has commenced in several cases. Some of the new production processes developed by the

R&D organisations earlier have been upscaled and disseminated to entrepreneurs for commercialisation.

A major achievement is the preparation of Vulnerability Atlas of India for formulating pre-disaster mitigation plans and establishing Techno-legal regime in disaster prone States. This Atlas has been revised in digitized format with latest data. As an extension of the Vulnerability Atlas, the Council has brought out the Landslide Hazard Zonation Atlas of India. BMTPC has also formulated guidelines for construction of safer and durable houses to withstand earthquake/cyclone etc.

6.1.2 BMTPC's Action Areas during 11th Five Year Plan Period

Recognising that technology as a social sub-system is the main force behind development and a key driver of competition, it has been possible to identify major constraints in the large scale promotion of non-conventional building materials. Consequent to economic liberalisation policies an increasing tendency is being noted in the domestic entrepreneurs bringing in technologies from abroad thereby further marginalising the competitive edge of home-grown technologies. While promotion of available building material technologies from within the country will be a continuing effort, the Council now proposes to focus on the following Ten strategic areas during the 11th Plan:

- i) Selection and evaluation of materials and processes.
- ii) Upscaling and modernisation of home-grown production technologies
- iii) Selection, evaluation and establishing economics of emerging methods of construction
- iv) Economy and efficiency in housing/building construction projects
- v) Strengthening technology dissemination and demonstration capabilities.
- vi) Training and skill upgradation including entrepreneurship development.
- vii) Field level applications of innovative building materials and construction technologies in mass housing projects.
- viii) Use of bamboo in housing and building construction
- ix) Vulnerability reduction, risk assessment and disaster resistant construction.

x) Technology Transfer

The total estimated requirement of funds for BMTPC during the 11th Plan is Rs. 55.19 crores.

6.1.3 Technology transfer is only possible through a combination of varied efforts at several levels. The building centre movement represents one of the most significant efforts for technology transfer of appropriate construction technologies. However, at policy level too, some of the issues to be tackled to remove bottlenecks in the widespread adoption of alternate technologies include:

- In order to enable increased reach of information on the innovative, cost effective, and affordable building materials and technologies, It is proposed to promote HUDCO HAAT as Building Technology Exposition and Housing Guidance Centres through HUDCO in all State Capital cities with the active assistance of the State Governments and the BMTPC. This would involve a grant requirement of Rs.15 crores with a cost of Rs. 50 lakhs for each HUDCO HAAT.
- Till few years ago, non listing of the new technologies in Indian Standards was generally quoted as main reason hindering their adoption in schedules of housing agencies. Now the Bureau of Indian Standards have designated proper Standards and Codes of Practice to cover most of new Items. Still large number of public construction agencies still to adopt new technologies have not adopted these in their building works and have not incorporated new items in the departmental schedules of specifications and rates to permit their use in tender documents.
- These alternative materials like flyash based bricks/blocks, simple prefab systems for slabs/roofing, ferrocement components, wood substitutes, bamboo based products are being commercially produced and have been utilised in large number of private sector projects and also in several public housing schemes. Such

projects have demonstrated well that atleast 15 to 25% economy in overall construction cost can be achieved besides improving speed of construction.

- Most public construction agencies perhaps do not have a practice to examine cost-effectiveness of different options while designing the building projects, as the “planning”, “structural design” and “preparation of specifications” are dealt in separate sections of the agency. Unless It is an integral process where specifications are considered during the planning and design stages, it is difficult o achieve economy by using new materials and construction techniques. This calls for efforts for disseminating information on new technologies amongst the contractors and design as well as supervisory staff of construction agencies. What is actually desired is that the Departmental Design Cells should involve themselves, in assessing the cost-effectiveness for different options of materials and techniques to arrive at the most cost-efficient option that should be duly certified by the Design Cell indicating the comparative values particularly in the cases of large building projects involving buildings repetitive nature.
- The BMTPC has formulated detailed specifications on the selected technologies which stand proven and can be incorporated in the schedules of specifications by State PWDs, housing agencies, development authorities etc. The CPWD has taken a lead and several of these have been incorporated in their schedules of specifications. Besides, the housing agencies in few States have also incorporated the new items in their schedules and contract documents. It is, therefore, suggested that the State Governments may constitute a Technical Group to examine the various new building materials and construction techniques which are suitable for their States and induct the same in the schedule of specifications and rates so that tender/contract documents may automatically include the various options. This would enable agencies to reduce the cost of construction.
- It is seen that the existing building bye-laws and regulations (which were mostly drafted long-long back) in many States inhibit use of innovative building

materials, construction techniques in the design and construction of buildings. The Technical Group if constituted at the State level may be entrusted with the task of examining the existing bye-laws and regulations with a view to update them and to introduce modifications wherever necessary to permit the use of new building materials and construction techniques.

- The Indian Standards brought out by Bureau of Indian Standards and guidelines brought out by A&D institutions and BMTPC are recommendatory and not mandatory. In order to make structural safety aspects mandatory in our future building projects; it is, therefore, essential that Building Bye-laws and Development Control Rules are suitably amended to incorporate use of disaster-resistant construction features as mandatory provision in design and construction of buildings.
- It is seen that construction cost of houses varies widely. The wide variation in cost of construction under public housing call for introspection of funding pattern adopted by financial agencies in the reasons leading to variation in cost. There appears to be a strong need for looking into appraisal systems in housing projects being funded by different institutions and the Government.

6.2 THE BUILDING CENTRE MOVEMENT:

(a) The Technology Transfer Instrument at the Grass-root level

A major impediment to the application of the fruits of these research efforts at field level has been the lack of an effective technology transfer mechanism. The pioneering lead-towards bridging this gulf was taken through the establishment of a "Nirmithi Kendra" in Kollam district of Kerala State (India) in August 1986. The Government of India, Ministry of Urban Development and Poverty Alleviation, had launched the programme for the establishment of a National Network of Building Centres in 1988, implemented with the organizational and logistic support provided by HUDCO, envisaging at least one building centre in every district of the country, With the flexible Organizational pattern, approved Educational Engineering Institutions, Housing Agencies, NGOs/CBOs,

Charitable Trusts, professional entrepreneurs etc. have all come forward. It is heartening to note that the total number of Building Centres in the country today (2006) stands at 655.

The Building centres function as the grass root level mechanism serving the major objectives of transfer of technology from 'lab to 'land'; skill upgradation and training to the artisans (masons, carpenters, bar-benders, plumbers, electricians, etc.); production and marketing of various cost effective components using local resources and sales outlets; employment generation through construction work using the relevant technologies in housing and building programmes; and, housing guidance, information and counseling centre for the local population on cost effective technologies.

(b) Impact of the Building Centre Movement

1. Cost Reduction

The Building Centre movement has been able to demonstrate cost reduction of 15% to 40% as against conventional methods of construction in construction of houses for all income categories, and a wide range of private and semi public buildings.

2. Employment Generation

The building centre movement has been effective in the employment generation., wherein the masons trained by the building centres have reported enhanced living standards and earning abilities. Women, who are at the lowest rung of the informal construction work are being given training in masonry and production of building components by the building centres, enhancing their earning capacity besides imparting confidence and skill.

3. Skill Upgradation and Training

At grass-root level, human resources have been built up by imparting skills through training grants. At the managerial levels, intensive capacity building efforts, partly subsidised by HUDCO, both at the level of project managers and master masons, has been carried out. These Building Centres have trained over 2.96 lath construction

artisans. Over 871 project managers have been trained at HSMI, New Delhi, and the Zonal training centre, Chennai.

4. Promotion of Local and Appropriate Technologies

A widespread network of 655 building centres (including 78 Rural Building Centres) is able to lay more emphasis on locally a building materials and traditional technologies besides incorporating improvements and up gradation on the basis of inputs from BMTPC and R&D institutions.

5. Taking Technologies from 'Lab to Land'

Various seminars, workshops and demonstrations involving R&D institutions through a vast network of building centres set-up at grass root level makes the technologies reach from lab to land. The major impact and contribution of use of these technologies has been made in social land community buildings such as Village Offices, Primary Health Centres, Anganwadis, Balwadis, Kalyanamandapams, Mangal Karyalayas, Baratghars, Community Centres, Operation Black Board School Buildings etc. Building Centres have executed construction work amounting to Rs. 794 crores so far.

(c) Continuance of Building Centre Movement:

The Building Centre scheme was discontinued in the Xth plan. It is sought to revive the scheme and provide support to opening of new Building Centres in the Country.

6.3 PREVENTING LOSS OF HOUSING STOCK AND ACCESS TO HOUSING DUE TO NATURAL DISASTERS

About 59% of the land area of the country is vulnerable to disasters on account of earthquakes, 8.4% of area is vulnerable to cyclonic wind and storm surges and 4.9% of are is vulnerable to flood damage. The country loses roughly 1% (12 lakh houses) of the national housing stock on account of these calamities. On an average, natural calamities claim 3000 lives annually, besides loss of income and unemployment in the affected regions. No amount of human ingenuity and effort can help to eliminate occurrence of natural disasters, but human misery and economic losses can be reduced substantially by

advance planning, preparedness and by taking appropriate mitigation measures. A proactive strategy, therefore, has to be adopted to minimize expenditure and socio economic losses. The strategy would include providing easy access to low cost-finance for undertaking retrofitting of houses in the identified districts which lie in severe hazard prone areas (Zone V & IV of Seismic Zoning Map) and cyclone prone zones (as per IS 875 (3)1987).

This scheme would be location specific and the first phase would cover only 145 districts where the threat of damage is highest on account of multi-hazard proneness. The houses belonging to EWS and LIG categories are mostly non-engineered and are highly vulnerable to the hazards like earthquakes and cyclones. According to an estimate, these houses can be strengthened and retrofitted at an average cost of 10% of the cost of construction of a new house. In nut-shell, it is possible to save these EWS and LIG non-engineered houses at a nominal cost of 10% of the new house. The scheme, therefore, would save on huge losses incurred every year in repair and reconstruction of housing stock in such vulnerable areas.

It is planned, that for the financial assistance for retrofitting of vulnerable housing stock, the Central Govt. would provide 20% of the cost for a EWS beneficiary and 10% for an LIG beneficiary. The interest on loan component would be 8% per annum which would come down slightly when once the subsidy component is included in the loan package.

Following would be the broad budgetary provisions required for the subsidy:

Year	Rs. in Crore	Houses to be retrofitted per year
2007-2008	45	3,00,000
2008-2009	63	4,20,000
2009-2010	81	5,40,000
Total	189	12,60,000

With this subsidy support the scheme will be implemented by HUDCO and BMTPC in conjunction with State Govts. Local bodies Panchayats. Technical support by way of

guidelines for disaster resistant and retrofitting of houses will also be provided by Building Materials & Technology Promotion Council (BMTPC) under the Ministry of Urban Development & Poverty Alleviation. This would be a techno-financing package for giving maximum priority to the areas which have faced natural hazards. In the recent past, hands-on-assistance to households will be given through Building Centres spread all over the country. In addition new Building Centres will be established and strengthened by HUDCO and BMTPC. These Building Centres will actually demonstrate retrofitting technologies relevant to the specific disaster prone area. The scheme will have substantial demonstration effect and motivate the uncovered categories also to resort to timely retrofitting of houses.

6.3.1 The major actions in the area of increased disaster resistance of dwellings and settlements which need to be given thrust during the Plan period should include:

1. As extension of the Vulnerability Atlas large scale hazard maps in disaster prone States for developing of appropriate disaster reduction measures in the districts and the states. Funds may be allocated for including such disaster reduction projects in the 11th Five Year Plan.
2. Promoting disaster knowledge networking between related institutions and related agencies.
3. In view of the huge amounts involved in the retrofitting exercise if all the existing buildings are considered for retrofitting, it will be necessary to prioritize the buildings to be taken up. The prioritisation could be based on the following parameters:
 - a. Severity of the hazard - the most severe zones taken first, the other zones in decreasing severity.
 - b. Social buildings such as schools, health centres, and water supply be taken at high priority in view of their post disaster use as shelters and essential services.
 - c. Housing and other buildings of economic activities. The whole exercise may be planned over a period of 15 to 20 years, the top priority buildings to be taken up in the 11th Five Year Plan.

- d. The private buildings and those in private sector may be encouraged to be retrofitted through awareness programme and a system of incentives, reduced insurance premium etc.

CHAPTER-VII

THE WAY AHEAD : POLICY AND PROGRAMME INTERVENTIONS FOR SUSTAINABLE HOUSING DEVELOPMENT IN URBAN AREAS

7.0 Emerging Reforms Framework

The Economic Survey 2006-07 released by the Finance Ministry indicates that Indian economy is projected to grow at 8.1% in 2005-06. The survey envisages modest inflation and faster development of physical infrastructure. The industry and services is expected to propel overall growth of the economy through industrial resurgence driven by manufacturing and construction sectors. Broad-based Services sector growth and continued reduction in the incidence of poverty is projected. The survey projects virtuous cycle of growth and savings to continue for some years to come and as such the survey recommends speedy provision of quality infrastructure through appropriate policy stimulus.

The ongoing reform framework initiated a decade earlier has given boost to the growth of the economy and the Economic Survey quoted above indicates the future directions. Considerable emphasis is laid on housing and construction sector to contribute to the economy as a whole. The Housing and Habitat Policy 1998 which is under revision is structured in this framework.

A number of initiatives have been identified below that would promote increased housing delivery in urban areas, as well as promote the sector as an instrument of urban poverty alleviation/eradication.

7.1 Initiatives to Increase Supply of Developed Urban Land

Inadequate availability of serviced land in urban areas is a major constraining factor to take up housing projects especially for the poor. Some of the possible interventions are discussed below:

- (i) Streamlining Land Acquisition Procedures: Public agencies would continue to undertake land acquisition for housing and urban services along with more feasible alternatives like land sharing and land pooling arrangements, particularly in the urban fringes, through public and private initiatives with appropriate statutory support. Statutory cover to land acquisition for private builders for housing and urban infrastructure may also be considered subject to guidelines. Special courts may be set up to deal with Land Acquisition disputes expeditiously. The methodology of land acquisition should be reworked to ensure equitable compensation in cash or kind to the original land owner including giving part of land, giving of Transferable Development Rights (TDRs) which can be sold, besides rehabilitation measures. In this context, it is also pertinent to evolve and popularize a uniform or common unit of measuring land (example : Square Meters) to facilitate easy computation throughout the country.
- (ii) Land banking: Reservation of land in larger layouts and in higher income group colonies for weaker sections housing and service population that cater to the needs of the higher income families would generate land availability for undertaking weaker sections housing. Earmarking such parcels of land in the housing estates developed by private developers would obviate the development of future slums in the vicinity of such neighbourhoods. The National Urban Housing and Habitat Policy 2006 suggests earmarking 10-15% of land in housing colonies both public/private, whereby nearly 20-25% of dwelling units could be constructed for EWS/LIG category. This is likely to check the fresh growth of slums in and around cities.

In the above framework, a suitable model of cross subsidization should be adopted to make the shelter for EWS and LIG affordable. As far as possible, houses for the EWS/LIG should be in the shape of a property planned colony with individual attached toilets and consisting of at least two rooms, and the EWS/LIG sections should be given land tenure rights on the shelter. The houses created for EWS/LIG by cross subsidy from MIG/HIG by the private sector could

be given, if need be to the government to be sold to the poor in a transparent manner and at controlled prices so that they reach the target population. Some restrictions on resale of plots/houses are to be suitably incorporated to avoid resale and speculation, and the plots/houses going into the hands of non-EWS/LIG which would otherwise revert the problem to square one.

(iii) Land pooling and Land readjustment schemes implemented as part of Town Planning Schemes in the States of Gujarat and Maharashtra could be considered for wider replication and adoption to obviate the need for long drawn acquisition procedures.

(iv) Re-densification and Re-assignment of land in central city areas within the framework of overall City Development Plan needs to be pursued to augment supply of serviced land for housing in general and for EWS/LIG housing in particular. It is felt that in many cities, vast areas of land is leased out on long term basis which could be considered for re-densification and re-assignment. Additional FAR in core areas of the city could achieve urban renewal & beautification by building skywards & leaving vast tracts of greens in between.

In the light of above, it is important to mention that development of urban land in all cities and towns should be rationalized for achieving optimum densities in keeping in mind the trend of urbanization and increasing pressure on urban land.

7.2 Viability Gap Funding

Considering the huge shortfalls in housing and basic infrastructure specially in the case of economically weaker sections and low income groups, special financing and funding arrangements are to be evolved to support such housing and infrastructure projects. In this context, the concept of 'Viability Gap Funding' by government funds is proposed to make such housing and infrastructure projects that serve the EWS and LIG groups financially viable and affordable to the beneficiaries in order to bridge the gap between affordable levels of charges and repayments vis-à-vis financially viable/required charges and repayments. The projects that could be covered under this type of funding may

include social housing schemes, sewerage, drainage and water supply schemes/projects. The duration for such funding is to be restricted till user charges are enhanced or till such time the projects become financially viable on their own feet.

The concept of 'Viability Gap Funding' is well justified considering that cities as a whole generate economic growth & employment and contribute substantially to the GDP of the country. Contributors to this process include unorganised urban poor employed in informal sector and indirectly employed by the formal sector. Thus, this concept needs to be articulated through project proposals that are considered under various schemes and programmes being taken up during the 11th Plan period. The guidelines of Ministry of Finance on Viability Gap Funding may require amendment to include these sectors.

7.3 Rental Housing Initiatives

Development of **rental housing in urban areas** needs to be promoted through enabling legislative and administrative measures to serve a wide cross section of population in need of such housing during their stay in cities. Working women, students, professionals, workers in industries and trades and others require affordable rental housing. Modulating extreme interests of owners and tenants through legislative measures would enhance rental housing construction activity. In this regard, Model Rent Control Act needs to be advocated extensively by various States with suitable variations to suit local requirements. Public Housing Institutions, Corporate Bodies, Religious Bodies, Educational Institutions and Private Sector agencies could be encouraged through fiscal incentives and soft loans to take up rental housing of specific groups coming under their coverage and focus. Rental housing has also to be made commercially viable either by fiscal incentives or otherwise in order to encourage this sector to develop, as at present, investment for the rental purpose does not give adequate returns.

7.4 Integrated City Planning and Development Norms

There is a felt need to rationalize city planning and development approaches as also development norms to keep pace with the fast changing demand for quality housing and

infrastructure in line with changes in city's economy and livelihood potential. There is need to promote integrated housing and work areas with support facilities to reduce travel time and expenses. Self-contained and integrated high-density townships with rapid transport connections to the existing core areas and other institutional, commercial, recreational and other areas is considered as one of the options in the rapidly changing urban scenario of many cities. There is a need to integrate affordable housing in considerable portions of land in such new developments. Development of such townships offers wide scope for implementing innovative projects with varying institutional framework of public private participation, cost effective design and technology adoption for building and infrastructure that are put to various uses.

7.5 Legislative initiatives and fiscal incentives

Rationalization of stamp duty and computerization of registration of property transfer which has been debated and recommended in earlier policy documents needs to be implemented on priority to facilitate transparency and speed in transactions relating to housing. This would also facilitate proper and accurate documentation of ownership records, which in due course would also facilitate resource mobilisation through taxes and other charges. The reduction in stamp duty will lead to larger number of transactions getting recorded and also housing stock becoming more of a liquid asset which is transferable at lesser cost.

7.6 Popularizing Sustainable Resource Management Practices

Increasingly, access to basic resources such as potable water, clean air and pollution free environment are being recognized as essential ingredients for improved quality of life and living. Measures such as rain water harvesting, aquifer recharging and waste water recycling at city and neighbourhood level promote sustainable resource management. Use of solar energy for domestic water heating and installation of passive solar system that reduces consumption of electrical power are other important resource conservation

measures. For incorporating these measures, housing units require suitable modifications and new developments should be planned by taking these measures into consideration.

Chennai City has taken initiatives in this regard by prescribing technical parameters for rain water harvesting and has made it mandatory for obtaining building permission. Similar initiatives are also being taken up in Delhi. These measures should be strengthened and promoted further.

7.7 Promoting Housing Safety Measures

Development of Disaster Resistant housing is increasingly recognized as an important concern in the light of periodic natural disasters such as earthquake, floods, Tsunami, etc. occurring in different parts of the country in recent times. A number of cities are incorporating the new Building Codes as part of their existing regulations and building bye-laws enforced by Local Bodies and other Planning Agencies.

Towards ensuring disaster resistant housing, a strong techno-financing regime needs to be put in place through which only the construction projects that incorporate disaster resistant construction practices would be facilitated with access to funds from HFIs. The Vulnerability Atlas of India prepared by the Ministry of Housing and Urban Poverty Alleviation through the BMTPC has already identified the disaster prone areas with the nature and intensity of the effects in various States. The Atlas presents details at the district level. Utilizing the same, it is necessary to evolve an operation strategy and a programme for strengthening and retrofitting of housing stock in vulnerable stock in vulnerable areas threatened by natural disasters.

7.8 Enhanced role for housing cooperatives during 11th Plan Period 2007-2012

To encourage the housing efforts by the cooperatives during the 11th Five Year Plan augmenting financial flows to cooperative sector, preference for land allotment to cooperatives, permitting the Cooperative Housing Federations to acquire land, recommending the State Government to adopt model law on housing cooperatives prepared by NCHF and enhancing the share capital contributions to apex housing

federations by Financial Institutions and State Governments and further reducing the interest rates on loans extended to housing cooperatives would facilitate and promote housing cooperative movement in the country.

Table : Loan Requirements and Construction targets for Housing Cooperatives during the 11th Plan

Year	Loan requirement from Govt. Agencies	Contribution by Housing Coops.	No. of houses to be Constructed/ Financed
2007-08	850	850	85,000
2008-09	925	925	92,500
2009-10	1000	1000	1,00,000
2010-11	1075	1075	1,07,500
2011-12	1150	1150	1,15,000
Total :	5000	5000	5,00,000

Thus the total house construction by the housing cooperatives would be involving an amount to the tune of around Rs 10,000 crore during the 11th Five Year Plan period. At a modest estimate of providing an average loan of say Rs 1,00,000 per unit, it will be possible for housing cooperatives to construct/finance about 5 lakh houses in different parts of the country.

In order to meet these targets, the financial institutions like LIC, NHB and HUDCO should have to suitably enhance their allocation to housing cooperatives.

SECTION - B

CHAPTER- VIII

Urban Slums – Overview

8.1 Slum Population and its growth

It has been observed that the most disadvantaged section of society or the rural population which migrate to urban areas in search of employment or better conditions of living find no place to live in and end up in squatter settlements or in the unhygienic housing clusters in cities. These clusters having insufficient facilities of hygiene, toilets, drinking water, sanitation etc. are termed as slums. During the last few years the growth of slums in the urban areas specially the big cities has become a major problem for the planners and policy makers. To have an idea of problems of slums, the planners and policy makers should have the appropriate data.

The data on urban slums is available from Registrar General and Census Commissioner, India (RGI) and National Sample Survey Organisation (NSSO). The RGI had tried to collect the slum data for the first time in Census of India, 2001 and has provided the information in respect of the cities having urban population of 50,000 or more. Recently, Registrar General's Office has been requested to undertake Census of Slums in the cities/towns of size 20,000-50,0000. The NSSO conducts quinquennially the sample survey on Slums in India as a part of its exercise on collection of data on housing conditions. NSSO had conducted two such surveys in 1993 and 2002 and have provided the results. Apart from these, TCPO has also estimated the slum population for 2001 on the basis of the 1991 census data.

According to NSSO, the total number of urban slums have gone down from 56311 in 1993 to 51688 in 2002. 36% of urban slums were "declared slums" in 1993 while 50.6% of urban slums have been declared as "notified slums" in 2002. 43.92% of households living in slums were found to be living in declared slums in 1993 while in 2002 65.1% of households living in slums were in notified slums. The total number of households living in slums have increased from 5.93 million in 1993 to 8.23 million in 2002. The NSS survey in 2002 have also found that 35% of slums exist on private land while the 63% of slums are on public land at All India level.

As per the Census of India, 2001, 640 towns spread over 26 States/UTs have reported existence of slums. It is reported that 42.6 million people consisting of 8.2 million households are living in slums of these towns. Nine States/UTs have not identified any slums. It is a coincidence that both NSSO in 2002 and Census of India, 2001 found that every seventh person in the urban India is a slum dweller. The Census of India has also identified that 17.4% (7.4 million) Scheduled Castes and 2.4% (1.00 million) Scheduled Tribes live in the identified slums in India. The proportion of Scheduled Castes in Slums is higher than the proportion of Scheduled Castes in non slum areas (10.8%) and urban areas (11.8%) of the country.

CHAPTER-IX

SCHEMES TO IMPROVE SLUMS –PROGRESS AND FEEDBACK

9.0 To promote integrated city development and to enable the people living in slums to gain access to basic services such as potable water, sanitation, health and educational facilities, a number of schemes and programmes have been launched from time to time. Land and housing being a State subject, Central Government's role in improving slums in the country is more by way of facilitation by providing financial resources and establishing legal/administrative framework for undertaking various activities that benefit slum dwellers. In addition, Central Government has also played an important role in channelising funds and technical assistance received from International and bilateral agencies to various State Governments and local agencies. The strategies and priorities for improving slums is evolving over time and new initiatives are tailored based on the experiences gained by implementing many schemes launched over previous plan periods. In this light, the progress of schemes that are ongoing are discussed here in order to enable the Working Group to formulate its views and recommendations from the 11th Plan.

9.1 Environmental Improvement of Urban Slums (EIUS)

Since 1974, the scheme has been made as an integral component of Minimum Needs Programme and has been transferred to State sector. The per capital ceiling cost permitted under the IEUS scheme since 1972 is given as under:

1972 (3 rd Year of 4 th Plan)	:	Rs 120
1978 (3 rd Year of 5 th Plan)	:	Rs 150
1.4 1984 (Last Year of 6 th Plan)	:	Rs 250
1.4 1985 (1 st Year of 7 th Plan)	:	Rs 300
1.4.1991 (Annual Plan)	:	Rs 525
1.4.1995 (4 th Year of 8 th Plan)	:	Rs 800

Components of water supply, drainage, community latrines and baths, widening and paving of lanes and street lighting are taken up under this scheme to improve the

environmental conditions in slums. State Governments have not been able to provide funds for this scheme and as such improvement and upgradation work in slums is not taken up widely under this scheme.

9.2 National Slum Development Programme(NSDP)

To improve the situation of lack of improvement activities in urban slums under EIUS, Government of India introduced the National Slum Development Programme as an additional Central assistance scheme with the objective to upgrade urban slums. Major components/activities under NSDP include:

- (i) Provision of physical amenities like water supply, storm water drains, community bath, widening and paving of existing lanes, sewers, community latrines, street lights, etc.
- (ii) Community Infrastructure : Provision of Community centres to be used for preschool education, non-formal education, adult education, recreational activities etc.
- (iii) Community Primary Health Care Centre Buildings : With support of Registered Medical Practitioners/Government Doctors in the State/NGOs/CBO/Philanthropic Associations to man these centres.
- (iv) Social Amenities : Pre-school education, non-formal education, adult education, maternity, child health and Primary health care including immunization etc.
- (v) Provision for Shelter : Not less than 10% of the allocation to States under this assistance to be utilized for construction and/or upgradation of houses for the urban poor.

Under this component, States are required to work out their specific schemes for housing construction/up-gradation which shall not be an entirely subsidy based scheme but the funding shall contain a loan component as well. It was also expected that the scheme would make adequate provision for achieving convergence between different Sectoral and departmental programmes so as to achieve the social sector goals similar to those envisaged in this scheme.

Since inception, the amounts allocated and released to the States and UTs under this programme is indicated below:-

Sl. No.	Year	Amount allocated (Rs in crores)	Amount Released. (Rs. in crores.)
1	1996-97	250.01	250.01
2.	1997-98	330.00	290.99

3.	1998-99	350.00	351.63
4.	1999-2000	385.08	384.96
5	2000-2001	365.81	247.34
6	2001-2002	385.00	282.40
7	2002-2003	365.00	333.44
8	2003-2004	364.00	335.08
9	2004-2005	700.00	613.78
	Total	3494.90	3089.63

(Source : MoHUPA Website)

NSDP has since been discontinued from the financial year 2005-06.

As reported by the States/UTs, since the inception of the programme and upto 30-6-2006 out of the total funds of **Rs.3089.63** crores released by the Central Government, an amount of **Rs. 2466.34 crores** has been spent and about **4.58 crores** of slum dwellers have benefited from this programme..

The scheme did not have much emphasis on housing component even though it included provision for housing upgradation. In the absence of well-defined scheme structure for recovering cost of infrastructure provisions under the scheme, the agencies who have implemented this scheme operated it more as a total subsidy scheme. Other major shortcomings observed include - funds not reaching the local bodies and targeted poor, meagre budget allocations vis-à-vis slum population, institutional weaknesses to bring about convergence of resources and efforts envisaged in the scheme.

9.3 Integrated Low Cost Sanitation Scheme (ILCS)

Background of ILCS:

- From 1980-81:- initially started through the Ministry of Home Affairs & later through Ministry of Social Justice & Empowerment.
- From 1989-90:- Transferred to Ministry of Urban Development & Poverty Alleviation
- From 2003-04:- Transferred to Ministry of Urban Employment & Poverty Alleviation / Ministry of Housing & Urban Poverty Alleviation

Components of integrated Low Cost Sanitation Scheme (ILCS)

- The scheme envisages conversion of dry latrines into low cost twin pit sanitary latrines and construction of new individual toilets where none exists.
- The scheme has been taken up on a 'whole town basis' meaning thereby all sections of population of the town (HIG, MIG, LIG & EWS) are presently covered by the ILCS guidelines.
- The scheme is being operated through the Housing and Urban Development Corporation (HUDCO) by providing a mix of subsidy from the Central Government and loan from the HUDCO.
- Demand driven scheme and hence no state allocation/ targets are fixed.

Pattern of Assistance:

The HUDCO is providing loan and a mix of subsidy from the Central Government in a synchronised manner as per the following financing pattern.

Category	Subsidy	Loan	Beneficiary contribution
EWS	45%	50%	5%
LIG	25%	60%	15%
MIG/HIG	Nil	75%	25%

The present unit cost for different categories of sanitary latrines is as follows:-

5	user unit	Rs.4000.00
10	user unit	Rs.6000.00
15	user unit	Rs.7000.00

Cumulative Financial & Physical Progress* upto (30/09/2006)

(a) Financial Progress

- Total Release : Rs. 297.67 crores
- Total UCs Pending : Rs. 48.52 crores

➤ % of UCs Pending : 17%

(b) Physical Progress

- Total no. of Dry Latrines ** yet to be converted : 6 lakhs (approx.)
- Total no. of manual scavengers yet to be liberated under the scheme : 47108
- No. of Dry Latrines Converted/ New Units Constructed : 21.71 lakhs
- Total constructions/ conversions in progress : 1.39 lakhs
- No. of scavengers liberated : 52829

* Source: HUDCO

** as reported by the some State/UT Governments in the prescribed performa, some States/UT at different points of time and in some cases the source of the data is as old as 1989 NSSO report.

Details of Budget Allocation and Expenditure during 10th Five year Plan under ILCS.

The details of Budget Allocation and Expenditure incurred during 10th Five year Plan under ILCS are as under:-

(Rs. In Crores)

Year	B.E	R.E	Actual Expenditure
2002-03	30.00	4.80	4.80
2003-04	30.00	4.80	4.80
2004-05	30.00	30.00	20.00
2005-06	30.00	5.00	2.00
2006-07	30.00	30.00	30.00*

*:- Rs. 3.00 crores was re-appropriated and released to RGI for carrying out the survey on slums in the country. The Coordination Committee under the chairmanship of Secretary (HUPA) in its meeting held on 6-12-2006 sanctioned Rs.27.00 to the States of Uttar Pradesh.

Constraints

- In the absence of subsidy for super-structure portion, the units are seldom completed and remain unutilized.
- Poor loan recovery from individuals. State Governments are reluctant to provide Government guarantee for securing HUDCO loan.
- The Scheme is confined to the urban areas of the country and that to for the towns with population of less than 5 lakhs.
- Even the subsidy being provided to the EWS families is only 45% which is much on the lower side for the beneficiaries of the weaker section of the society which makes the scheme less demanding.

Remedial Action / Present Status

EFC memo on revision of exiting guidelines of the ILCS scheme after incorporating the suggestions of the State Governments, Planning commission, was prepared. **The EFC meeting under the chairmanship of Secretary (Expenditure) was held on 17-7-2006.**

After detailed deliberations, EFC approved the proposed modifications in the Integrated Low Cost Sanitation Scheme subject to some conditions/observations.

Action Taken/ Proposed to be taken By the Ministry

- (i) On 5th July 2006, Prime Minister took a meeting on abolition of manual scavenging which was attended by Smt Meira Kumar, Hon'ble Minister of Social Justice and Empowerment, Kumari Selja, Hon'ble Minister of State (I/c) of Housing and Urban Poverty Alleviation and chairperson of National Commission of Safai Karamcharis. Hon'ble Prime Minister

directed that a consultant should be engaged for preparing an evaluation study /impact report of Integrated Low Cost Sanitation Scheme in the Country.

- (ii) The Expression of Interest (EOIs) from nationally/internationally reputed consultancy organizations and Socio Economic research institutes, having sound technical and financial capabilities to conduct the impact report/ evaluation study of Integrated Low Cost Sanitation Scheme is already under consideration.
- (iii) In the meanwhile, Cabinet Secretary took a review meeting of Committee of Secretaries on 8th September, 2006. After detailed deliberations, it was, interalia, recommended that Ministry of Housing and Urban Poverty Alleviation will make a clear assessment of the requirements of the projects after a State-wise review with the State Governments regarding the number of existing dry latrines so that a follow up action may be initiated under the Integrated Low Cost Sanitation Scheme. The programme will be implemented simultaneously in all the states with the revised guideline of the ILCS scheme which is under consideration.

In connection with the direction of Cabinet Secretariat, the following actions have been taken by Ministry of HUPA:-

- (i) A meeting of representative from State / UT Governments under the chairmanship of Secretary (HUPA) was held on 12th and 13th October 2006 to review the efforts to abolish the dry latrines from urban areas of the country. The State/UT Governments were impressed upon to give top most priority to end the menace within the set deadline. The State/UT Governments were also requested to furnish the detailed magnitude of the problem and the fund requirements under the proposed revised guidelines urgently to enable the Ministry to prepare the Cabinet Note.
- (ii) The Ministry has received the requisite information in the prescribed performa from only 18 States/UTs so far. The information is still awaited from rest of the States/UTs. **The Cabinet Note is being prepared on the basis of available data as provided by the States and 1989 NSSO report.**

9.4 Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

As earlier mentioned in the report, this Mission (JNNURM) has been launched by Government of India from December, 2005 for an initial period of seven years with a central outlay of Rupees 50,000 crores. 63 cities having million plus population, are designated to be eligible for investment under this Mission based on the priorities indicated by the State Governments.

9.5 Basic Services to the Urban Poor (BSUP)

This Sub-mission of JNNURM focuses on integrated development of slums through projects that provide shelter, basic services and other related civic amenities to the urban poor. To compliment this activity in smaller non-mission towns, the centrally supported scheme of Integrated Housing and Slum Development Programme (IHSDP) has been launched. This scheme will replace the earlier launched schemes of Valmiki Ambedkar Awas Yojana (VAMBAY) and National Slum Development Programme (NSDP). The target Group under the scheme is slum dwellers from all sections of the community through a cluster approach and allocation of funds will be on the basis of States' urban slum population to total urban population in the country. States in turn may allocate to Town's/Cities basing on similar formula. However, funds will be provided only those towns and cities where elections to local bodies have been held and elected bodies are in position. The State Governments may prioritise the towns and cities on the basis of their felt-need by taking into account existing infrastructure, cities with concentration with slum population and such other criteria.

Scheme linked Urban Reform Measures

The scheme envisages implementation of reform measures besides extending funding support for basic services and shelter development that benefit the poor in urban slums. The main thrust areas of reforms under the scheme is to bring about improvement in urban governance so that Urban Local Bodies (ULBs) and parastatal agencies become financially sound with enhanced credit rating and ability to access market capital for undertaking new programmes and expansion of services. In this improved environment,

public-private participation models for provisioning of various services would also become feasible. To achieve the objective, State Governments, Urban Local Bodies and parastatal agencies will be required to accept implementation of an agenda of reforms. The proposed reforms shall broadly fall into two categories vis (i) Mandatory Reforms; and (ii) Optional Reforms. The Mandatory Reforms prescribed under the scheme include:

at Urban Local Body (ULB) level

- (i) Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies.
- (ii) Introduction of system of e-governance using IT applications like GIS and MIS for various services provided by ULBs
- (iii) Reform of property tax with GIS, so that it becomes major source of revenue for Urban Local Bodies (ULBs) and arrangements for its effective implementation so that collection efficiency reaches at least 85% within **the Mission period.**
- (iv) Levy of reasonable user charges by ULBs/Parastatals with the objective that full cost of operation and maintenance is collected within **the Mission period.** However, cities/towns in North East and other special category States may recover at least 50% of operation and maintenance charges initially. These cities/towns should graduate to full O&M cost recovery in a phased manner.
- (v) Internal earmarking within local body budgets for basic services to the urban poor.
- (vi) Provision of basic services to urban poor including security of tenure of affordable prices, improved housing, water supply, sanitation and ensuring delivery of other already existing universal services of the government for education, health and social security.

at State level

- (i) Implementation of decentralization measures as envisaged in Seventy Fourth Constitutional Amendment. States should ensure meaningful

association/engagement of ULBs in planning function of Parastatals as well as delivery of services to the citizens.

- (ii) Rationalization of Stamp Duty to bring it down to no more than 5% within *the Mission period*.
- (iii) Enactment of community participation law to institutionalize citizen participation and introducing the concept of the Area Sabha in urban areas.
- (iv) Assigning or associating elected ULBs into "city planning function" over a period of five years, transferring all special agencies that deliver civic services in urban areas and creating accountability platforms for all urban civic service providers in transition.

The components for assistance under the scheme include all slum improvement/upgradation/relocation project components including upgradation/construction of houses and Infrastructural facilities. The cost of land is to be borne by State governments or ULBs with a few exceptions in hilly areas of North East, Himachal Pradesh, J&K and Uttaranchal. The ceiling cost for is Rs 80,000/- per dwelling unit and minimum floor area should be not less than 25 sq.ft with preferably two rooms and kitchen. A minimum of 12% of the dwelling cost is prescribed as beneficiary contribution and sharing of funds would be in the ratio of 80 : 20 between Central Government and State Government/ULBs/Parastatals. The Central government funds are released as 'Central Assistance (Grant)' and will go directly to the Nodal agencies identified by the State Government as additional Central assistance. The scheme has a provision to grant additional 10% of central assistance as incentive for adoption of innovative approaches and adoption of proven/appropriate technologies for IEC, for training and capacity building relating to project/scheme for preparation of DPRs and for bringing about efficiency in the projects.

The project under the scheme is appraised first at the level of State level nodal agency followed by State Level Coordination Committee and subsequently sanctioned by Central Sanctioning Committee based on the recommendations of State Nodal agencies and also of the State Level Coordination Committee.

The Optional Reforms prescribed under the scheme include :

- (i) Repeal of Urban Ceiling and Regulation Act
- (ii) Amendment of Rent Control Laws balancing the interest of landlords and tenants.
- (iii) Enactment of Public Disclosure Law to ensure preparation of medium-term fiscal plan of ULBs and release of quarterly performance information to all stakeholders.
- (iv) Revision of bye-laws to streamline the approval process for construction of buildings, development of sites, etc.
- (v) Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.
- (vi) Introduction of Property Title Certification System in ULBs.
- (vii) Earmarking at least 20-23% of developed land in all housing projects (both Public and Private Agencies), for EWS/LIG category with a system of cross subsidization.
- (viii) Introduction of computerized process of registration of land and property
- (ix) Revision of bye-laws to make rain water harvesting mandatory in all buildings to come up in future and for adoption of water conservation measures.
- (x) Bye-laws on reuse of recycled water.
- (xi) Administrative reforms, i.e. reduction in establishment by bringing out voluntary retirement schemes, non-filling of posts falling vacant due to retirement, etc. and achieving specified milestones in this regard.
- (xii) Structural reforms
- (xiii) Encouraging Public-Private partnership.

State/ULBs will be required to implement the Mandatory Reforms and Optional Reforms within the Mission period. The States/ULBs need to choose at least two Optional Reforms each year for implementation. The details of reforms which have already been implemented and/or proposed to be taken up should be included in the detailed project reports.

CHAPTER X
POLICY MEASURES AND STRATEGIES FOR ADDRESSING
PROBLEM OF SLUMS

10.6 Even though slum problems in our cities are on the rise, considerable efforts made earlier, has addressed this problem to a varying degree of success. The scheme of environmental improvement of urban slums and urban basic services programme, both supported by Central and State Governments have been implemented in most of the towns and cities of the country. Besides, citywide programmes initiated with support from international agencies in the States of Andhra Pradesh, Tamil Nadu as well as city specific initiatives in Kolkata, Mumbai, Indore, Kanpur, Ahmedabad and others have provided very useful feedback and learning lessons. Slums and informal settlements are concomitant developments of urbanization, world over. The process of making our cities 'slum-free' is linked to overall economic development processes. Slum settlements should be improved and redeveloped to support this process.

The approach and emphasis of all the policy measures evolved so far in the country highlights the need for adopting an integrated participatory approach wherein slum dwellers stakes in the process of improvement is enhanced by various interventions. Even though, it is emphasized to levy user charges for the services delivered and also for upkeep and maintenance, the inherent need to subsidize keeping in view the affordability levels as well as operational considerations is recognized and incorporated in various programmes that are evolved from time to time. Further, the Ministry of Housing and Urban Poverty Alleviation earlier in 2001 has prepared a Draft Policy document outlining the important policy and strategic interventions to deal with the problem of slums in the country. Some of the measures that are required to be pursued and strengthened further for integrated slum development are outlined here.

10.1 Creating and Updating Database on Slums

For undertaking sustained improvement and integration of slums systematically, creating database on slums and updating it at regular intervals is essential. Creating such a database at city level by linking with other city level information would be very useful. Use of Geographic Information Systems (GIS) would help in planning physical interventions and also prepare investment plans in a coordinated manner by taking into consideration overall development plan for the city as a whole. Technical support would be needed for creating such a database to start with. Deploying qualified staff in agencies dealing with this activity and training the existing manpower on the use of GIS based information systems should be taken up to initiate this activity. Often, it is observed that the database compiled in many cities as part of city development planning activity and also as part of project funding activities by International Donor agencies have become outdated. Creating a GIS based information system for the city as a whole and updating it regularly would be beneficial for overall development planning activity in cities including slums. It is therefore necessary to converge the resources and efforts to achieve desirable results in this direction.

10.7 Citywide perspective and integrated Slum Development Plans.

The City Development agencies, in particular, the Urban Local Bodies (ULBs) should work towards formulation of an integrated Municipal Development Plan to ensure adequate and sustainable level of infrastructure and services for all the residents of the city/town concerned so that these are planned and delivered in an equitable manner. In order to achieve this objective, it will be necessary to identify the capital and recurrent requirements and costs for the city as a whole (eg bulk water supply) as well as at specific wards and neighbourhood level within the city. The plan should also prioritize ways and means of narrowing the gap between the better serviced and less or well serviced areas (slums) within the city. Such integrated plan incorporates the future perspectives and vision as well

as proposals made under statutory Master Plan/Development Plan, special plans/schemes by different departments of the State and Central Government. Integrated Slum Development Plans should be prepared by linking future development of cities with the existing slums and need/requirement of urban poor in future. Such an integrated City Development plan is envisaged in the JNNURM and this is to be pursued vigorously. The need for convergence of resources and institutional efforts while implementing such integrated Slum Development Plans is crucial in metro cities and this requires special attention.

10.8 Slum improvement in the context of 74^h CAA. Participation process to include communities, civil society and elected representatives

Urban Local Bodies should work in collaboration with all other stakeholders to enhance the impact of slum development and improvement activity by building the capacities of the poor and empowering them to improve their own living conditions. Besides, the local bodies should take a lead role to coordinate the activities of State Parastatals such as Slum Boards, Housing Boards, Water and Drainage Boards and also City Development Authorities working in cities.

Community structures established under SJSRY as also Community groups organized and effectively working with the help of NGOs and other community organizations should be integrated and involved in the process of planning and service delivery in slums. The Community Development Cell/Wing working in each local body should establish liaison with such community groups and establish networking practices and procedures for undertaking different activities that helps in mobilizing the slum communities and also facilitate delivery of services with full cooperation and participation of slum communities. Good examples of such networking is seen in the cities of Pune and Ahmedabad. It is observed that sustained efforts in this direction helps to launch successful integrated housing and infrastructure projects with inbuilt mechanisms for recovery of costs and also for maintenance and management of infrastructure provided.

Elected representatives could play an important facilitative role in the process of slum development in cities by way of articulating the felt needs and priorities of the communities they represent and also by bringing about convergence of resources at their command. They can also articulate the concerns of the city as a whole and particular communities at higher decision-making levels to bring in additional resources for various activities.

10.9 Augmenting and facilitating access to serviced land for slum dwellers

There is a need to reserve 10-15% of land in every urban development project to be set apart for undertaking EWS and LIG housing as also re-housing site for slum dwellers in the city. This would enable continuous supply of serviced land for slum dwellers housing. There is a need to ensure that registrants for such housing development should be from slums in the city, particularly those earmarked for re-housing. Development agencies could also consider allotting serviced land on preferential basis for societies formed by slum dwellers with suitable checks to facilitate slum dwellers to take their own initiatives for improved housing. Experiences from the Urban Community Development Office (UCDO) working as part of National Housing Authority, Bangkok that facilitates slum dwellers to gain access to serviced land for voluntary relocation by providing access to credit and institutional support can be usefully adopted in India also. Similar efforts in procuring access to serviced land by slum dwellers, made by Voluntary Agencies such as SPARC, Mumbai and National Slum Dwellers Federation through negotiated resettlement in Mumbai also needs replication in different cities.

As part of redevelopment process, the service levels and built spaces for informal settlements should be upgraded to be at par with other neighbourhoods in the city. This implies that standard for slum redevelopment varies with State and City in particular. It is desirable to evolve specific guidelines (State & City specific)

before undertaking a redevelopment programme for slums. Provisions for a range of plot/house options to accommodate varying needs would be desirable. Innovative designs and layout patterns such as cluster planning (see Indian Standards: Requirements of cluster planning for Housing – Guide; IS 13727 : 1993) which maximize the use of common open spaces are to be encouraged. There should be flexibility for dwelling units to expand incrementally in keeping with family's changing requirements and economic situation (IS-8888).

10.10 Granting Tenure Security for slum dwellers

Formally recognizing the existence of slums by way of enlisting or notifying the slums enables the slum dwellers a great degree of security as recognized citizens of the city/town. Issue of Ration Cards or other forms of identity has hitherto enabled the slum dwellers to enjoy a certain degree of de-facto tenure security. Millennium Development Goals enlists tenure security as an important target. It is desirable to establish a system of annual or any other periodic enumeration and listing of slums by city authorities to continuously update the information required for planning the future requirements for environmental services and other interventions.

Granting formal tenure status by way of pattas or other legal or semi-legal documents requires detailed examination of land ownership, permissible land use and consent of the land owner. Besides, it is also desirable to prepare a functional layout plan with provisions for facilities and amenities as well as earmarking residential plots.

Taking into consideration the above observations on the desirability of granting security of tenure and at the same time, detailed deliberations required to take the process to its logical conclusion, it is felt that various steps and strategies outlined in the draft National Slum Policy document earlier prepared in 2001 by the then Ministry of Urban Development and Poverty Alleviation, Department of Urban

Employment and Poverty Alleviation may be discussed afresh to prepare a detailed policy initiative in this regard.

10.11 'In-situ' upgradation and resettlement options for slum improvement

As a principle, redevelopment of slums 'in-situ' is desirable in comparison to relocation and rehabilitation, considering the disturbances to livelihood and dislocation of existing linkages. However, considering the dangerous locations involving health hazards and safety of the slum dwellers themselves, where the slums exist at present, such locations become unacceptable for in-situ redevelopment. Besides, certain other parameters of larger public interest may demand relocation and rehabilitation. The guiding principles for relocation and resettlement wherever resorted to should take into account the following:

- a. Alternatives to resettlement should be fully explored before any decision is taken to move people
- b. Relocation distances should be minimized to reduce the impact on livelihoods
- c. Resident dwellers must be provided with some choice of alternative sites and where feasible, an alternative rehabilitation package
- d. All resettlement sites should be adequately serviced and provision should be made for public transportation prior to settlement.
- e. The livelihoods of affected people must be sufficiently compensated within a fixed period.
- f. Participation of primary stakeholders, particularly women, in planning and decision making is a pre-requisite for any resettlement process.
- g. Women's particular needs and constraints must be specifically addressed
- h. Any urban development project that leads to the involuntary resettlement of communities must make provision to cover the costs of R&R.

All stages of resettlement process including the transition and follow-up periods should be closely monitored and supervised by the agency responsible together with community representatives.

10.12 Partnership Programme for Infrastructure and Social Development – Slum Networking Programme, Ahmedabad

(Source : Write-up submitted to HSMI in December, 2005 by Ahmedabad Municipal Corporation for the Dubai International Award for Best Practices)

The objective of the ongoing Slum Networking Project in the city of Ahmedabad is transformation of the urban environment through a unique partnership between the Ahmedabad Municipal Corporation, (AMC), non-governmental organizations (NGOs) and communities. The approach for provision of a package of basic infrastructure services at the household and slum level in an affordable and sustainable way has evolved since it was first introduced in Ahmedabad as a partnership project with the Private Sector in 1995.

The services include household connections for water supply and drainage, individual toilets, and slum level storm water drainage, paving of internal roads and street lighting. Thus, the project aims at providing access to water and sanitation to the households living in slums and chawls of Ahmedabad. All partners contribute towards implementation of this partnership project, though AMC bears about eighty percent of the cost of the physical infrastructure. The remaining twenty percent is contributed by the households participating in the project. The NGOs, whose activities include motivating the residents to participate in the project, facilitate collection of savings for contributing towards the households' contribution to AMC and implement other community development activities and development interventions in the area, are paid a lump-sum of Rupees One Thousand per household for part of the costs the activities by AMC and mobilize other resources for the rest. As of December 2005, **28 projects** benefiting **24,340 people** have been completed and **13 projects** benefiting **19,175 people** is in advanced stage of completion. Additional **7 projects** benefiting **5,920 people** are proposed for infrastructure development in year 2005 – 2006. AMC plans to provide physical infrastructure in **120 slum communities** covering nearly **24,368 households** in next 5 years.

In Ahmedabad, SNP is undertaken only in those slums where all slum households arrive at a consensus for contributing a proportion of the implementation costs (Rs 2000) for getting household level water supply, sewerage and drainage connections. NGOs partner with AMC for generating awareness about the project and in motivating all slum residents to agree to participate in the project. This task is quite difficult because simultaneously, other government schemes enable slums residents to access community level services at no cost. The well-off households in the slums often have illegal connections and hence participation in the programme is not a priority for them. SNP in Ahmedabad has therefore been designed to provide a package of infrastructure services in consultation with communities/ CBOs, NGO and the private sector. From its inception, SNP was designed to ensure that NGO partners directly provided or enabled access of communities to health and education services. The partnerships with the private sector have not grown substantially while AMC's partnership with NGOs for implementation of SNP has evolved substantially since the implementation of a pilot project in Sanjay Nagar in 1996-97.

10.8 Involving private sector and using land as a resource for housing and shelter development for slum dwellers

The Slum Re-development scheme initiated in Mumbai, Pune and other major cities of Maharashtra State capitalizes on market value for land occupied in prime locations of the city by the slum dwellers. By enhancing the Floor Space Index (FSI), the land is put to more intensive high-density use whereby apart from accommodating all the slum dwellers in multi-storied tenements, additional floor space is created for allotting the same to middle and high income groups. The slum dwellers dwellings are subsidized through cross subsidies generated by marketing the flats for middle and higher income groups at ongoing market rates. This model has worked fairly successfully in many locations in Mumbai city and there is potential to replicate this concept in other metro cities of the country where land values are high and there is demand for middle and high income groups.

The private developers have succeeded in implementing such projects by bringing in initial investments required and also by deploying aggressive marketing skills. However, with fluctuations in the real estate market, private developers have been seeking additional institutional finances for undertaking this kind of development. It is also felt that, for replication in other cities, it may not be necessary to subsidise the slum dwellers dwellings fully as has been practiced in the case of Maharashtra. In fact, taking reasonable contribution from slum dwellers in keeping with their affordability levels may obviate the need for additional support through institutional finance for successful implementing such schemes.

a) Integrated Planning Development to avoid Future slums:

Efforts should be made to undertake integrated physical development by earmarking the land and built spaces for service personnel who provide valuable services. They contribute substantially to sustain productive life styles in an ever increasing scenario of nuclear families in urban areas. Families of service personnel require adequate health care, training and educational support as also protection through safety nets to take care of contingent situations. Community as a whole can support such a system, which would otherwise become unviable at individual family level. Senior citizens at community level could be actively associated to operate such a system. Undertaking such integrated development and loading its costs to overall development obviate demand for establishment of slums in the vicinity of new residential neighborhoods.

b) Granting Tenurial Rights

Granting tenurial rights to slum dwellers motivates them to improve and consolidate the housing investment potentials latent in them. However, granting tenure without an approved layout plan, regularization and equalization of plots and a well established procedure will be counter productive. It is also desirable to charge a predetermined fee or charges for such transfer of rights in order to build

in their stakes. Group tenure, collective tenure and cooperative tenure possibilities may also be explored to evolve proper development and resolve the conflicts that may arise in the process.

10.9 Affordable and sustainable services delivery for slum dwellers

The Provision of physical infrastructure, components such as water supply, drainage, sanitation, improved access, electricity, etc. should support the ultimate objective of improved quality of life. The evidence from existing slum improvement projects clearly shows that an improved physical environment greatly facilitates the integration of the settlement in the wider urban area and at the same time, contributes to improved livelihoods and health and well being of the community.

The guiding principles should include community-based approach with active involvement of slum dwellers at every stage of design, implementation and maintenance of assets created. Communities should be encouraged to contribute land and resources to help establish community centres and to promote the collection of user charges. There is a need to target women and children directly in the design and implementation and also social and economic services. It is to be recognized that involving the women in the community helps to sustain investment decisions relating to infrastructure. Where possible the delivery of basic services such as water, sanitation and electricity should be provided on an individual household basis which will help in better maintenance as also facilitate recovery of user charges. Experiences of contracting out some of the civil works such as paving, construction of community centres and public utilities to community organisations has shown positive results in terms of strengthening community involvement and building up the stakes in the process of improvement and consolidation of the settlement.

Improved access to social services such as health, education and credit facilities helps to build up capacities of the poor and empowering them to improve their own living conditions and quality of life. The community should be mobilised to create demand for preventing health services such as immunization and continuing health care for infants, women and disabled. Establishing a network of community health workers/volunteers at city level could facilitate the process of health promotion activity. NGOs who are already working in these functional areas should be involved and their support enlisted to enlarge the coverage and avoid duplication. Establishing formal partnership with Private Medical practitioners and Philanthropic organisations would provide greater outreach of services at low cost. Introducing health insurance scheme in conjunction with the saving and credit components/efforts of ongoing schemes would facilitate access to curative health care for low-income families especially those living in slums.

SECTION – C

CHAPTER – XI

URBAN POVERTY

11.1 INTRODUCTION

1. Population Growth in Urban Areas

According to the 2001 Census approximately 28 % of the total population in India lives in urban areas. A study report on the future population projection sponsored by the National Commission on Population mentions that the population of India is expected to increase from 1027.9 million in 2001 to 1400 million in 2026 i.e. an increase of 36% at the rate of 1.2% annually. However, the urban population in the country which is 28% in 2001 is expected to increase to 38% by 2026. The urban growth would account for over two-thirds (67%) of total population increase by 2026. In absolute terms, out of the total population increase of 371 million during 2001-2026 in the country, the share of increase in urban population is expected to be 249 million. A significant proportion of the urban population, which is poor, (around 23.6 % of the urban population lives below the poverty line), is economically active, working in the informal sector like vending, home-based economic activities or manual labour services. Since most of the cities are unable to meet the growing needs for basic facilities such as clean drinking water, sanitation facilities, garbage disposal, electricity and transportation facilities, these poor end up living in slums where their living and working conditions lack basic infrastructure facilities making their life vulnerable.

Housing is a major problem for the urban poor. A vast majority of the urban poor lives in tenements, which are appalling and dangerous to live in. Most civic and other authorities do not recognize slums and therefore the people residing there may not have access to basic civic facilities. The main asset of the urban poor is their capacity to sell

their labour and most urban centres provide ample opportunities for the poor for wage employment in addition to their self-employment. Though opportunities may be available to individuals to offer their services, they may not possess adequate skills to work in the manufacturing and service industries. A large proportion of the poor are absorbed in the un-organized sector as casual unskilled labour working for meager wages with no social security and others are home-based workers as self employed, engaged mainly in self owned small enterprises and activities. They have few assets to own. Social network is poor as the population has a tendency to migrate in search of jobs and shelter.

2. Estimation of Urban Poverty

The Planning Commission has been estimating the incidence of poverty at national and state level using the methodology contained in the report of the Expert Group on Estimation of Proportion and Number of Poor (Lakdawala Committee) and applying it to consumption expenditure data from the large sample surveys on consumer expenditure, conducted periodically by the National Sample Survey Organisation (NSSO). Poverty estimates for the years 1973-74, 1977-78, 1983-84, 1987-88, 1993-94 and 1999-2000 have been made available by the NSSO till now.

The latest available data is from the 55th Round of NSSO survey (1999-2000) covering the period July 1999 to June 2000. Two sets of different distributions of consumer expenditure from the 55th Round have been reported because of experimenting with the method of data collection. In the earlier large scale surveys, the NSSO estimated monthly per capita consumption expenditure on the basis of responses using a 30-day recall period though data were collected for some of the non-food items using reference periods of both 30 days and 365 days from the same household. In the 55th round, consumption expenditure on clothing, footwear, medical (institutional) and durable goods were collected by using a 365-day recall period. In the case of all other non-food items, the 30-days recall period was used as earlier. The data regarding consumption of food items were collected by using two different reference periods of last 30 days and last 7 days from the same household in that order. The two sets of data so collected were tabulated and the corresponding distributions of persons by monthly per capita consumption expenditure were included in the report, though the data based on 7 days

reference period for the food items were collected only for investigating the suitability of the shorter reference period. Since both consumer expenditure distributions have been published, the Planning Commission has estimated poverty from both distributions reported by the NSSO, using the accepted methodology. State specific poverty lines have been estimated using the original state specific poverty lines identified by the Lakdawala Committee and updating them to 1999-2000 prices using the Consumer Price Index for Agricultural Labourers (CPIAL) for rural households and the Consumer Price Index of Industrial Workers (CPIIW) for urban households. These Poverty lines are given at **Annexure-I**. The poverty lines have then been used in conjunction with each of the two consumption distributions, to estimate the percentage of people below the poverty line (poverty ratio) for each state. As in the past several estimates have been made for rural and urban areas for each state, which are then combined into a state level estimate.

The consumer expenditure data of the 55th Round on a 30 day recall basis yields a poverty ratio for 1999-2000 of 27.09% in rural areas, 23.62% in urban areas and 26.10% for the country as a whole in 1999-2000 (**Annexure-II**). The corresponding figures from the 7-day recall period are 24.02% in rural areas, 21.59% in urban areas and 23.33% for the country as a whole (**Annexure-III**).

Although the 7-day estimates used in Annexure-III have been made available by the NSSO, for the present, the 30-day estimates as provided in **Annexure-II** are being used as the appropriate estimates of poverty. The change in methodology regarding the measurement of durable consumer goods from 30-day recall period in earlier large sample surveys to a 365-day recall period in the 55th Round implies that the 30-day estimate for 1999-2000 (**Annexure-II**) may not be fully comparable with the earlier estimates. This must be kept in view while assessing the trends of poverty over time. The next estimate of Poverty will be based on the results of 61st Round of NSSO Survey, which is yet to be published.

11.2 EVOLUTION OF URBAN POVERTY ALLEVIATION PROGRAMMES

1. History of Urban Poverty eradication in India

The issues of poverty reduction have dominated the course of economic planning in India since inception. The subsequent plans over the last twenty years while explicitly recognizing the integral link between rapid economic growth and reduction in poverty, incorporated poverty removal as a major objective of the Plan. The programmes related to poverty reduction has remained an important goal of urban policy in India.

The first formal attempt to experiment with community development approach in cities was the Urban Community Development (UCD) pilot project which was started in 1958 and followed by a series of UCD pilot projects based on an area-oriented approach. Subsequently, Environmental Improvement of Urban Slums (EIUS) was identified as a basic need of slum population in the Fifth Five Year Plan and consequently, the Scheme of EIUS was started in 1972 at the Central level to provide basic physical facilities to urban poor like safe drinking water, sewerage, storm water drains, community baths and latrines, street lighting, etc. This Scheme was later on transferred to State Governments for onward implementation in 1974.

Subsequently, in the Seventh Five Year Plan (1985-90) first conscious attempt was made to directly address urban poverty issues. Thus, in the very beginning of the Seventh Plan, Government of India had decided to expand the programme of Urban Basic Services (UBS) implemented during 1981-84 with collaboration of the UNICEF in 42 towns, to 168 towns. The UBS aimed at catering to the basic physical and social needs of the Urban Poor with a view to improving their living conditions.

Consequently, as a follow up of the recommendations made by the National Commission on Urbanization (NCU), the first major comprehensive intervention at addressing the issues of growing incidence of poverty in urban areas, was started in 1989, when the Government of India adopted a four pronged strategy comprising (a) employment creation for low income communities through promotion of micro enterprises and public works; (b) housing and shelter upgradation; (c) social development planning with special focus on development of children and women; and (d) environmental upgradation of slums. Based on the above mentioned strategy, the

Government launched two schemes for the betterment of urban poor, namely, (i) The Nehru Rozgar Yojana (NRY) launched in 1989; to cater to the economic needs of the urban poor by providing them employment opportunities through skill upgradation and assistance by setting up their own micro enterprises; and (ii) the Urban Basic Services for the Poor (UBSP) which was a modified UBS Programme, started in 1990. The UBSP Programme envisaged fostering community structures comprising urban poor for ensuring their effective participation in their developmental activities.

The Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) for improving the quality of life of urban poor by creating a facilitating environment for them through community based planning and implementation was launched in 1995. The objective of the scheme was effective achievement of social sector goals, community empowerment, employment generation and environmental improvement. The programme was applicable to 345 Class II towns and 79 specifically identified district headquarters and hill areas.

It may be observed that the NRY, UBSP and the PMI UPEP were launched at different times having overlapping features. The PMIUPEP incorporated within itself, all the Components of UBSP as also the self-employment, physical infrastructure creation component and the shelter upgradation components of NRY. However, the PMI UPEP applied only to Class II urban agglomerations whereas NRY applied to all other towns and the UBSP applied to selected towns only. There were some dissimilarities between these Programmes as well. The NRY and PMIUPEP, because the latter was launched six years after the former, differed widely on vital ingredients such as, definition of "family", amount of available subsidies, amount of loan both for self-employment as well as for the shelter upgradation components. The abysmally low allocations for these programmes to States and Urban Local Bodies ensured that these programmes got the minimum priority both in the State Governments as well as with the Urban Local Bodies.

2. Launching of Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

A high level Committee was set up in February 1997, under the chairmanship of *Prof. S. R. Hashim*, then Member, Planning Commission to "Review and Rationalise Programme of Poverty Alleviation and Employment Generation". Members of the Committee were Secretary to Prime Minister, Secretary (Expenditure), Secretary (SSI), Secretary (REPA) and Advisor (RD), Planning Commission. The Committee examined in detail various poverty alleviation schemes (both urban & rural) of Government of India and submitted its report to PMO in April 1997. PMO forwarded the Hashim Committee Report to concerned Ministries for consideration and follow up action. At that time there were three Urban Poverty Alleviation Programme for the urban poor, namely Nehru Rozgar Yojana (NRY), Urban basic Services for the Poor (UBSP) and Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP). The main recommendation of the Hashim Committee regarding these Programmes were as follows:

- (i). The Self-Employment Component of NRY and PMIUPEP be combined or merged together so as to have single self-employment programme applicable to all urban areas in the country.
- (ii). A separate wage employment programme to be introduced which would apply to all urban centres with a population upto 5 lakhs.
- (iii). As regards, the shelter and housing upgradation component, it was recommended that either a separate scheme be drafted for this purpose or this component be merged with the National Slum Development Programme (NSDP)/Basic Services Programme.

Subsequently, as per the recommendations of the Hashim Committee Report, all the three Urban Poverty Alleviation Schemes, namely Nehru Rozgar Yojana (NRY), Urban Basic Services for the Poor (UBSP) and Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) were subsumed in a new scheme namely Swarna Jayanti Shahari Rozgar Yojana (SJSRY), which was launched with effect from 1.12.97.

The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) is primarily an employment generation programme for the urban poor and the salient features of this programme are as under:

- (i) It seeks to provide gainful employment to the urban unemployed or underemployed through encouraging the setting up of self-employment ventures through the Urban Self Employment Programme (USEP) and has a provision of wage employment through the Urban Wage Employment Programme (UWEP)
- (ii) It also relies on creation of suitable community structures and delivery of inputs through the medium of urban local bodies and such community structures.
- (iii) The SJSRY is funded on a 75:25 basis between Centre and the States.
- (iv) The Programme targets urban poor, being as those living below the urban poverty line, as defined from time to time.
- (v) The Programme is applicable to all urban towns in India.

11.3. CRITICAL REVIEW OF SWARNA JAYANTI SHAHARI ROZGAR YOJANA

1. Financial and Physical Progress under SJSRY

The Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) is being implemented in the country through State/UT Governments and their designated agencies. The unspent funds left over from the earlier old Urban Poverty Alleviation Schemes of NRY, UBSP and PMIUPEP, as on 1.12.1997, became the opening balance for the SJSRY. Subsequently, Central funds were released to the States/UTs from 1997-1998 under SJSRY. Year-wise central release of funds under SJSRY from 1997-98 onwards is as under:

(Rs. in cores)

1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
98.63	158.47	118.77	85.13	38.31	100.92	100.74	122.01	155.88

It is pertinent from the above that, since its inception, total funds released under SJSRY upto 2005-06 are Rs. 978.86 Crore. After adding to it the unspent balance (Central Share) of Rs. 251.82 Crore, available from old UPA Programmes of NRY, UBSP and PMIUPEP, the total amount becomes Rs. 1230.68 Crore.

During the current financial year i.e. 2006-07 an amount of Rs. 250.00 Crore has been allocated for the Scheme. Out of this Rs. 236.11 Crore has been earmarked for releasing to the States/UTs for the implementation of the Swarna Jayanti Shahari Rozgar Yojana (SJSRY). As on 31.07.2006, an amount of Rs. 50.72 crore have been released during 2006-07 to States/UTs for the implementation of SJSRY.

Physical cumulative progress as per the Quarterly progress Reports received upto 31.07.2006 by the States/UTs under different components is as under: -

1. Urban Self Employment Programme (USEP)

1 (a)	Number of people given skill development training	866688
1 (b)	Number of Thrift & Credit Societies formed	158193
1 (c)	Number of DWCUA Groups formed	46257
1 (d)	Number of people assisted to set up individual micro enterprises	671794
1 (e)	Number of women assisted to set up micro enterprises (DWCUA Group enterprises).	174786
1 (f)	Total Number of beneficiaries assisted to set up micro enterprises = (1(d) + 1(e))	846580

2. Urban Wage Employment Programme (UWEP)

Number of man-days of work generated 592.36 lakhs

3. Assistance for Community Structures

Number of beneficiaries covered 337.40 lakhs

2. Targets and achievements during the Tenth Plan

Earlier during the Ninth Five Year Plan, no physical targets were fixed under Swarna Jayanti Shahari Rozgar Yojana (SJSRY), and the States/UTs were left to decide their own targets keeping in view the demand at local level as well as availability of funds under the Scheme. However, this appeared to be a major de-motivating factor for the effective implementation of the Scheme. As the allocation under the Scheme was also very little so as to make any effective dent in the urban poverty scenario in the country, the issue of fixing physical targets was not considered. However, later on as the allocations under the Scheme increased in subsequent years, Ministry of Housing & Urban Poverty Alleviation considered the fixing of targets in at least major self-employment components such as assistance for setting up micro-enterprises as well as providing skill training.

Subsequently, for the Tenth Plan, at the National level, physical targets of assisting 4 lakhs urban poor for setting up individual/group micro-enterprises and imparting skill training to 5 lakhs urban poor during the entire Tenth Plan period were fixed. On annual basis, this converts into assisting 80000 urban poor for micro-enterprises and 100000 urban poor for skill training.

During the first four years of the Tenth Five Year Plan, it has been observed that so far 4,50,949 urban poor has been assisted for setting up micro-enterprises and 4,89,737 urban poor has been provided skill training. Thus the targets set up under the Scheme for the Tenth Plan are fully achievable.

3. Bottlenecks encountered in the implementation of SJSRY

During the course of implementation of the Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY), several bottlenecks were observed for effective implementation of the Scheme. Some of the major hindrances, as manifested by the implementing agencies, are as under:

- (i). Project ceiling of Rs. 50000/- for individual projects is too less. This must be increased.

- (ii). There should not be any educational qualification limit criteria for beneficiaries under Urban Self Employment Programme (USEP).
- (iii). The minimum number of women for the DWCUA Groups should be reduced from 10.
- (iv). The funding pattern of 75:25 must be revised as some States like from NER find it difficult to provide the matching State share.
- (v). There is no scope for the innovative /special projects under the Scheme guidelines.
- (vi). There is no provision for financial support for Self-Help Group formation activities.
- (vii). There is no regular dedicated cadre of functionaries for the implementation of the Scheme. Most of the officials are on contract basis or on deputation from other departments and therefore there is no motivation/incentive for better performance.
- (viii). The ceiling on per capita skill training cost is too low to cover the modern and efficient training in modern upcoming trades like computers etc.
- (ix). The budget allocation for the Scheme is too low. Keeping in view the ceilings fixed for the A&OE/IEC expenditure as percentage of allocation, the situation becomes more alarming.
- (x). Authentic data regarding BPL population is not available. Updated BPL survey has not been done in many States/UT.
- (xi). Lack of cooperation from banks is a major impediment in the Self-employment programme.
- (xii). The awareness about the Scheme in masses is much lacking.
- (xiii). Sensitization of functionaries, Bankers, NGOs is required towards the problems of urban poor.
- (xiv). Lack of clarity in the Guidelines regarding expenditure on community empowerment activities is awesome.
- (xv). There is lack of proper marketing support for the products of the enterprises set up under the Scheme.

4. Critical Evaluation of SJSRY

During the initial days of the implementation, the Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was evaluated concurrently in 2001-2002 in 7 States namely Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan, West Bengal, Uttar Pradesh and Maharashtra. Later on in 2005-2006, a comprehensive evaluation of the Scheme on all India basis was carried out through Human Settlement & Management Institute (HSMI), New Delhi. The major findings of the evaluation study carried out by HSMI are as under:

- (i). Good impact in facilitating employment is observed in all the States.
- (ii). Majority of the beneficiaries who were imparted skill training fall under the age group of 18-30 years.
- (iii). Loan approval by banks in majority of cases in South and East India took lesser time than in the North and West India.
- (iv). A good percentage of beneficiaries are having a decent earning from the SJSRY activities.
- (v). Women groups market their products on their own and do not require any middleman for marketing except in some of the East and North eastern States where majority of groups require middlemen for marketing.
- (vi). The formation of DWCUA groups has had a positive impact on the women members as their desire and confidence for getting self-employed has increased. This has led to increase in income and savings thereby improving their health, education and social prestige.
- (vii). Thrift and Credit Societies (T&CS) are very active in organizing Health camps, in providing assistance in making ration cards and in getting local children into primary schools enrolled. These have also been very effective in terms of promoting small savings and petty business, promoting group solidarity, resolving social and family discords and facilitating children's education.
- (viii). Majority of the wage labourers under Urban Wage Employment Programme (UWEP) component of the Scheme are employed for less than 3 months on an average and non-sustainable employment keeps them in BPL status.
- (ix). Bank officials highlighted, inter-alia, inadequate skill training, wrong choice of projects, non-viability of the projects, lack of adequate publicity as the major reasons for non achievement of physical targets by some of the States.

11.4 GOVERNMENT INITIATIVES

1. UNDP Project – National Strategy for Urban Poor

Ministry of Housing & Urban Poverty Alleviation, in collaboration with the United Nations Development Programme (UNDP), is implementing a project “National Strategy for Urban Poor (NSUP)” since November 2003. The project has following six broad outcomes:

- (i). Enhanced capacity at National level for the analysis of the urban poor livelihood issues.
- (ii). An all-India network on urban poor livelihoods to serve as a forum for dialogue and support between community and NGO activists and for knowledge networking/consensus building.
- (iii). Technical and financial support for innovative and promising livelihood initiatives broadened and deepened.
- (iv). Action based research to inform and improve the policy framework both at the Centre and State levels with direct bearing on urban poor livelihoods and living conditions.
- (v). A comprehensive review and capacity (institutional/civil society) analysis of urban poor livelihoods in NCR particularly relating to living, working and social security concerns of the poor in the urban informal sector.
- (vi). Targeted support to 21 community associations and NGOs to promote urban poor concerns and ground interventions to address multiple vulnerabilities.

Since its commencement in November 2003, the project has succeeded in establishing a network of institutions engaged in poverty reduction initiatives. These institutions are carrying out activities that fall in three broad areas as follows:

- Policy research inputs to formulate National Strategy for the Urban Poor.

- Action research inputs – validation of best practices and innovative initiatives on urban poverty and livelihoods to seek alternative approaches and solutions.
- Drawing policy lessons based on community level pilots in six thematic areas through support to 21 NGOs in Delhi with a focus on human poverty and formulation of location specific action plans.

Details of the major activities undertaken as part of the GOI-UNDP Project are as under:

- (i). A National Resource Centre (NRC) has been set up at YASHADA, Pune in collaboration with AILSG, Mumbai, to work as an information centre for all urban poverty related issues at ULB/State/National levels.
- (ii). A Newsletter on Urban Poverty has been launched by the AILSG, Mumbai to focus on thematic and sectoral issues.
- (iii). A GIS based MIS system is being formulated by the National Resource Centre (NRC).
- (iv). Urban Poverty and livelihood profiles covering some representative States and cities are under preparation.
- (v). Register of innovations and documentation of innovative practices being compiled by NRC.
- (vi). Entrepreneurship Development Institute of India (EDII), Ahmedabad has been associated as one of the partners to formulate strategy for entrepreneurship development of the urban poor.
- (vii). National Institute of Urban Affairs (NIUA), New Delhi has been associated as the implementing agency for community based six pilot projects, which are aimed at improving livelihoods and living conditions at six sites in NCT of Delhi in partnership with 21 NGOs and the NCT of Delhi Government.

- (viii). The UNDP Project has been converged to provide support in policy planning for urban poverty and in the effective implementation of the JNNURM.
- (ix). SEWA, Ahmedabad, an NGO, was associated in the documentation of best practices in slum development for some of the States.
- (x). Jawaharlal Nehru University (JNU), New Delhi, and Institute of Economic Growth (IEG), New Delhi have been associated in the preparation of theme papers/reports on multi-dimensions of urban poverty including livelihoods, migration, gender issues, basic amenities, shelter etc.

The GOI-UNDP Project is likely to bring out country paper on urban poverty as the final outcome of the project by the end of December 2007.

2. Task Force on Micro-Credit

Ministry of Housing & Urban Poverty Alleviation set up a Task Force under the chairmanship of Secretary (Housing & Urban Poverty Alleviation), with the objective to evolve formulations for a viable micro-credit mechanism for the urban poor/informal sector. The Task Force comprised members from the various Government organizations including Reserve bank of India (RBI), representatives from Nationalized banks, NABARD, SIDBI, other financial institutions / rating agencies such as HDFC, ICICI, ICRA and Non-Governmental organizations such as SEWA, DHAN Foundation, Dr. Reddy's Foundation and Sa-Dhan.

The Task Force has since submitted its Report to the Ministry and it is under consideration. It is expected that this report will be a major milestone in setting up of a viable mechanism for delivery of micro-credit / micro-finance to the urban poor in the country.

3. National Policy on Urban Street Vendors

The total number of street vendors in the country is estimated at around 1 crore. Urban vending is not only a source of employment but provide 'affordable' services to the majority of urban population. The National Policy for Urban Street vendors (NPUSV), formulated by the Ministry of Housing & Urban Poverty Alleviation, defines vendor as a person who offers goods or services for sale to the public without having a permanent built-up structure but with a temporary static structure or mobile stall (or head load). The Policy was circulated by the Ministry to State/UT Governments with request to suitable and appropriate adoption in overall interest of the urban street vendors, with or without any change, to suit local conditions and also respecting any court decisions which may impinge on the issue. The overarching objective of the Policy is to provide and promote a supportive environment for earning livelihoods to the street vendors, as well as ensure absence of congestion and maintenance of hygiene in public spaces and streets. The objective of the policy is to provide legal protection, facilities, regulatory framework, self compliance, promote organization of street vendors, create participatory mechanism for vendors, rehabilitation of child vendors and also to create social security and provide financial services to them.

4. Task Force on Urban Poverty

Ministry has set up a Task Force on Urban Poverty under the chairmanship of Secretary (Housing & Urban Poverty Alleviation) comprising members from the Planning Commission, representatives from selected States, representatives from Ministries of Finance, Health, Banking, Human Resource Development, representatives from the Private Sector, NGOs, academic institutions and other stakeholders. The terms of reference of the Task Force comprise, inter-alia, an in-depth systematic and comprehensive assessment and analysis of the issues relating to urban poverty and suggesting strategies/policies at the National level to alleviate urban poverty in the country.

5. Setting up of National Core Group on Urban Poverty

Ministry has set up a National Core Group on Urban Poverty under the chairmanship of Secretary (Housing & Urban Poverty Alleviation) comprising distinguished members from the prominent NGOs and other stakeholders to look into the

issues of urban poverty alleviation specially with reference to the role of civil society in the formulation of the strategies/policies at the National level to alleviate urban poverty in the country.

6. Task Force on Land Tenure

Ministry has set up a Task Force on Land Tenure under the chairmanship of Secretary (Housing & Urban Poverty Alleviation) comprising members from the selected States, representatives from NGOs and other stakeholders. The terms of reference of the Task Force comprise, inter-alia, an in-depth systematic and comprehensive assessment and analysis of the issues relating to security of land tenure for the urban poor/slum dwellers specially with reference to provide them appropriate environment for facilitating micro-credit to cater to their consumer and housing needs.

11.5 RECOMMENDATIONS – FUTURE STRATEGIES

1. Mission Approach

There is a need to address the issue of urban poverty alleviation in a systematic, scientific and a time-bound manner by adopting the Mission approach as is being done in Kerala through the Kudumbashree Model. The approach has to be target oriented with specific focus on the primary issues relating to urban poverty such as skill upgradation, entrepreneurship development, wage employment etc. The convergence of service delivery to the urban poor through various Central and State Government programmes targeting the urban poor needs hardly any emphasis.

2. Earmarking of Budget for the Urban Poor by the Urban Local Bodies

The 74th Constitutional Amendment Act envisages that the functions of urban poverty alleviation and improvement of slums and their upgradation including the provisioning of urban basic amenities to the poor are among the key functions of the municipalities. Therefore, ULBs have to compulsorily provide appropriate provisions in their Budget to cater to the needs of the urban poor and develop separate P-Budget – Budget for the Poor. ULBs have to follow a convergence approach in formulating the

service delivery to the urban poor by optimum utilisation of both financial and manpower resources available in various Central and State sector schemes and programmes.

3. BPL Survey and identification of Urban Poor

BPL survey needs to be carried out in the cities/towns to identify the actual urban poor population and the data needs to be collected and the process for identification of the urban poor needs to be transparent by putting the data on public display/website. Once the BPL survey completed, BPL cards should be issued to the urban poor giving their complete profiles and also making them aware of the benefits that accrue to them from the various Central/State programmes. The card should be of multi-utility value and it may be used for all other Departments avoiding the overlapping and duplicity.

The Definition of BPL should also be rationalized and it should be city specific correlating with the specific conditions of the urban poor prevailing in that area. For this purpose relevant poverty index/parameters must be developed which should be easily comprehensible to the general public. These parameters also need to be made public before the same are applied for the Urban BPL survey.

4. Placing a proper Implementation and Monitoring infrastructure at the Central/State/ULB level

Any urban poverty alleviation programme without adequate manpower for its implementation is doomed to fail. Therefore, there is absolute necessity of having Urban Poverty Alleviation Cells at the ULB/District/State level with dedicated manpower for the effective implementation of the urban poverty alleviation programmes. This would require adequate budgeting for Administration and Other Expenses (A&OE) at all these implementation levels.

5. Capacity Building and sensitization

Even if the manpower is provided at various levels for implementation of the poverty alleviation programmes, but they do not have the capability, capacity and sensitivity to the effectively implement such social sector programmes, it will be of no use. Therefore, there is a need to build the capacity of the project functionaries at various

levels in the State and Central as also of other stakeholders including representatives of NGOs, FIs, Banking institutions, Training Institutes etc.

Both institutional capacity and human resource capacity at the ULB and State level need to be strengthened. It is proposed to launch a National Programme on Capacity Building for Urban Poverty Reduction.

6. Preparation of Urban Poverty Reduction Plans (UPRP) and its implementation

The city specific urban poverty reduction plans need to be prepared by the ULBs and the demands for funds from the State and Centre has to be made by them instead of making allocations and releases of funds in a routine manner. In other words, the fund release has to be demand driven and based on the City specific urban poverty reduction plans.

7. Facilitating access to Micro-Finance for the urban poor

The urban poor form part of the informal sector and the access to micro-finance in the formal system is not easily available to them. There is, therefore, a need to formulate a viable micro-finance mechanism for them so that they do not fall prey to the moneylenders who charge exorbitant rates of interest from them to fulfill their consumer and housing needs.

8. Health and Social Security networks for the urban poor

The Urban poor are the most vulnerable sections of the society. In so far as the delivery of health services is concerned, it is almost negligible and they are left to fend themselves. Therefore, there is a need to work out a comprehensive health and accidental insurance for the entire urban poor population as a special package to resolve the health related issues. There is also a need to develop social security network for this most vulnerable section specially the single women, widows, aged, disabled, weaker and minority sections of the society.

9. Skill development of urban poor to develop human resource

There is a need to have more focus on the skill upgradation of the urban poor to improve their “employability” and to facilitate their employment. Skill development has to be correlated to the demands of the industry and service sector in and around the city. For this purpose, periodic labour market surveys have to be carried out in collaboration with the private sector by professionally competent organisations/NGOs so as to devise appropriate training modules for building skills in the relevant disciplines, where the demand exists or is projected. This exercise is likely to lead to a pool of human capital, which can be appropriately utilized in the contemporary labour market.

10. National Poverty Reduction Fund – involvement of private sector/NGOs etc.

There is a need to have a dedicated fund at the National level in the form of National Poverty Reduction Fund to cater to the multi-dimensional needs of the urban poor. The contribution from the private sector, public sector, NGOs, International Organisations, bilateral funding and corporate sector can be pooled for this Fund. Suitable Tax concessions can be offered for contribution to this Fund. The administration of this Fund may be assigned to the Ministry of Housing & Urban Poverty Alleviation.

11. Security of Land Tenure to the urban poor

The access to Micro-finance has a direct correlation to the land title. In the absence of the land title with the urban poor, who normally reside in slums, the access to micro-finance by the formal banking system is denied. Therefore, there is a need to provide security of land tenure to the urban poor so as to make them bankable in so far as their consumer and housing upgradation/construction needs are concerned. In other words, the title has to be mortgagable to work as collateral to access credit.

12. National Resource Centre on Urban Poverty at the Ministry for a repository of data on urban poverty related issues

A National Resource Centre is required to be set up at the National level in Ministry of Housing & Urban Poverty Alleviation, to have a complete data bank on all urban poverty related issues. This Centre will work as a knowledge hub and network with the other stakeholders including State Governments, International Agencies, prominent NGOs, Academic and Training Institutions and other Centres of excellence. Proper

networking with the State level implementing agencies should also be made and MIS should be developed on all urban poverty alleviation programmes.

13. Enhancement of Budgetary Resources for the Urban Poverty Alleviation Programmes

Taking into consideration the fact that the 23.62% of the urban population is Below Poverty Line (BPL), the allocation of Budget to deal effectively on the issues relating to urban poverty need to be substantially enhanced. A meagre budget of Rs. 541 Crore in the Tenth Five Year Plan for the SJSRY, the only urban poverty alleviation programme of the Government of India catering to the urban poor population of 6.71 crore was hardly sufficient to make any visible dent on the urban poverty. The proposed demand driven Mission approach during the Eleventh Five Year Plan for the SJSRY will require at least **Rs. 10700 crore** (for the entire Plan period) to inter-alia, to build a human capital of 10 million skilled urban poor in the next five years to cater to the growing demands of the labour market in the new economy.

14. Pro-Poor Governance & Inclusive Cities

The Constitution 74th Amendment Act 1992 envisaged that the functions of urban poverty alleviation, slum upgradation and basic amenities to the poor belong to the legitimate domain of elected urban local bodies. There has been a reluctance on the part of ULBs to "own" these functions. There is a need for reforms in urban governance so as to work with a vision of slum-free cities and poverty eradication, with the poor being involved in policy-making, planning, budgeting, design, implementation, monitoring and evaluation of urban sector programmes. They should be made partners in civic development and be involved in social audit of various programmes. There is also a need for focusing on resource mobilization for urban poverty reduction at ULB and State level.

15. Focus on Small and Medium Towns

There is evidence that the conditions of the urban poor in small and medium towns are worse than those in large cities and rural areas. In the spirit of the concept of PURA (provision of urban amenities in rural areas), there is a need to focus on slum upgradation, poverty alleviation, employability and skill development for the poor in selected small and medium

Table-1
State-Specific Poverty Lines in 1999-2000
 (Rs. per capita per month)

No.	State	Rural	Urban
1	Andhra Pradesh	262.94	457.40
2	Assam	365.43	343.99
3	Bihar	333.07	379.78
4	Gujarat	318.94	474.41
5	Haryana	362.81	420.20
6	Himachal Pradesh	367.45	420.20
7	Karnataka	309.59	511.44
8	Kerala	374.79	477.06
9	Madhya Pradesh	311.34	481.65
10	Maharashtra	318.63	539.71
11	Orissa	323.92	473.12
12	Punjab	362.68	388.15
13	Rajasthan	344.03	465.92
14	Tamil Nadu	307.64	475.60
15	Uttar Pradesh	336.88	416.29
16	West Bengal	350.17	409.22
17	Delhi	362.68	505.45
	All India#	327.58	454.11

The poverty line(implicit) at all-India level is worked out from the expenditure class-wise distribution of persons and the poverty ratio at all-India level. The poverty ratio at all-India level is obtained as the weighted average of the state-wise poverty ratio.

towns including District Headquarter towns and other important urban settlements. There is a strong case for improving rural-urban linkages by focusing on special innovative project packages including agricultural marketing, agro-processing and home-based and small scale industries in small and medium towns. Further, the entrepreneurship base of the poor in these towns must be systematically promoted through entrepreneurship development programmes.

Table 2: Number and Percentage of Population Below Poverty Line
by States - 1999-2000 (30-day Recall period)

No.	States/U.T.'s	Rural		Urban		Combined	
		No. of Persons (Lakhs)	% of Persons	No. of Persons (Lakhs)	% of Persons	No. of Persons (Lakhs)	% of Persons
1.	Andhra Pradesh	58.13	11.05	60.88	26.63	119.01	15.77
2.	Arunachal Pradesh	3.80	40.04	0.18	7.47	3.98	33.47
3.	Assam	92.17	40.04	2.38	7.47	94.55	35.09
4.	Bihar	376.51	44.30	49.13	32.91	425.64	42.60
5.	Goa	0.11	1.35	0.59	7.52	0.70	4.40
6.	Gujarat	39.80	13.17	28.09	15.59	67.89	14.07
7.	Haryana	11.94	8.27	5.39	9.99	17.34	8.74
8.	Himachal Pradesh	4.84	7.94	0.29	4.63	5.12	7.63
9.	Jammu & Kashmir	2.97	3.97	0.49	1.98	3.46	3.48
10.	Karnataka	59.91	17.38	44.49	25.25	104.40	20.04
11.	Kerala	20.97	9.38	20.07	20.27	41.04	12.72
12.	Madhya Pradesh	217.32	37.06	81.22	38.44	298.54	37.43
13.	Maharashtra	125.12	23.72	102.87	26.81	227.99	25.02
14.	Manipur	6.53	40.04	0.66	7.47	7.19	28.54
15.	Meghalaya	7.89	40.04	0.34	7.47	8.23	33.87
16.	Mizoram	1.40	40.04	0.45	7.47	1.85	19.47
17.	Nagaland	5.21	40.04	0.28	7.47	5.49	32.67
18.	Orissa	143.69	48.01	25.40	42.83	169.09	47.15
19.	Punjab	10.20	6.35	4.29	5.75	14.49	6.16
20.	Rajasthan	55.06	13.74	26.78	19.85	81.83	15.28
21.	Sikkim	2.00	40.04	0.04	7.47	2.05	36.55
22.	Tamil Nadu	80.51	20.55	49.97	22.11	130.48	21.12
23.	Tripura	12.53	40.04	0.49	7.47	13.02	34.44
24.	Uttar Pradesh	412.01	31.22	117.88	30.89	529.89	31.15
25.	West Bengal	180.11	31.85	33.38	14.86	213.49	27.02
26.	A & N Island	0.58	20.55	0.24	22.11	0.82	20.99
27.	Chandigarh	0.06	5.75	0.45	5.75	0.51	5.75
28.	Dadra & Nagar Hav	0.30	17.57	0.03	13.52	0.33	17.14
29.	Daman & Diu	0.01	1.35	0.05	7.52	0.06	4.44
30.	Delhi	0.07	0.40	11.42	9.42	11.49	8.23
31.	Lakshadweep	0.03	9.38	0.08	20.27	0.11	15.60
32.	Pondicherry	0.64	20.55	1.77	22.11	2.41	21.67
	All India	1932.43	27.09	670.07	23.62	2602.50	26.10

Notes to Table-2

1. Poverty Ratio of Assam is used for Sikkim, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
2. Poverty Line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa.
3. Poverty Line of Himachal Pradesh and expenditure distribution of Jammu & Kashmir is used to estimate poverty ratio of Jammu & Kashmir.
4. Poverty Ratio of Tamil Nadu is used for Pondicherry and A & N Island.
5. Urban Poverty Ratio of Punjab used for both rural and urban poverty of Chandigarh.
6. Poverty Line of Maharashtra and expenditure distribution of Dadra & Nagar Haveli is used to estimate poverty ratio of Dadra & Nagar Haveli.
7. Poverty Ratio of Goa is used for Daman & Diu.
8. Poverty Ratio of Kerala is used for Lakshadweep.
9. Urban Poverty Ratio of Rajasthan may be treated as tentative.

Table 3: Number and Percentage of Population Below Poverty Line
by States - 1999-2000 (7-day Recall Period)

No.	States/U.T.'s	Rural		Urban		Combined	
		No. of Persons (Lakhs)	% of Persons	No. of Persons (Lakhs)	% of Persons	No. of Persons (Lakhs)	% of Persons
1.	Andhra Pradesh	48.14	9.15	55.96	24.48	104.10	13.79
2.	Arunachal Pradesh	3.23	34.00	0.15	6.29	3.38	28.41
3.	Assam	78.27	34.00	2.00	6.29	80.27	30.64
4.	Bihar	322.96	38.00	43.64	29.23	366.60	36.69
5.	Goa	0.23	2.80	0.40	5.03	0.62	3.90
6.	Gujarat	36.87	12.20	24.80	13.76	61.66	12.78
7.	Haryana	11.13	7.71	4.33	8.02	15.46	7.79
8.	Himachal Pradesh	4.63	7.61	0.24	3.95	4.88	7.27
9.	Jammu & Kashmir	3.10	4.14	0.42	1.70	3.52	3.53
10.	Karnataka	47.02	13.64	39.35	22.33	86.36	16.58
11.	Kerala	18.20	8.14	17.73	17.91	35.93	11.14
12.	Madhya Pradesh	202.78	34.58	74.93	35.46	277.70	34.81
13.	Maharashtra	109.25	20.71	96.81	25.23	206.05	22.61
14.	Manipur	5.54	34.00	0.56	6.29	6.10	24.21
15.	Meghalaya	6.70	34.00	0.29	6.29	6.99	28.75
16.	Mizoram	1.19	34.00	0.38	6.29	1.57	16.50
17.	Nagaland	4.42	34.00	0.24	6.29	4.66	27.73
18.	Orissa	131.63	43.98	23.92	40.33	155.55	43.38
19.	Punjab	8.53	5.31	4.03	5.40	12.56	5.34
20.	Rajasthan	48.97	12.22	25.36	18.80	74.33	13.88
21.	Sikkim	1.70	34.00	0.04	6.29	1.74	31.03
22.	Tamil Nadu	73.19	18.68	45.81	20.27	119.00	19.26
23.	Tripura	10.64	34.00	0.41	6.29	11.05	29.24
24.	Uttar Pradesh	379.41	28.75	110.82	29.04	490.23	28.82
25.	West Bengal	154.04	27.24	31.06	13.83	185.10	23.43
26.	A & N Island	0.52	18.68	0.22	20.27	0.75	19.13
27.	Chandigarh	0.06	5.40	0.42	5.40	0.48	5.40
28.	Daadra & Nagar Hav	0.26	15.31	0.02	10.89	0.28	14.84
29.	Daman & Diu	0.02	2.80	0.04	5.03	0.05	3.92
30.	Delhi	0.12	0.63	6.52	5.38	6.64	4.75
31.	Lakshadweep	0.02	8.14	0.07	17.91	0.10	13.72
32.	Pondicherry	0.58	18.68	1.62	20.27	2.20	19.83
	All India	1713.35	24.02	612.57	21.59	2325.92	23.33

NB: - Notes are same as in Table-2.

