CHAPTER - VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSIONS

Summary

Traditional rural dwelling are constantly under threat from powerful environment forces such as cyclones, heavy rain and flood, as well as fire, damage from sunrays, creeping damp and termites. Even thieves pose danger to the house and inhabitants. If thatch is not maintained properly, it will cause leakage of roofs. Mud walls are easily damaged or destroyed; rapid rain, in particular erodes their base, window and door frames are often and easily damaged by termites. Posts supporting the roof in direct contact with the ground tend not to last very long. Given the poor conditions of the rural houses, it is necessary that the government has to play a significant role in the provision of housing to the rural houseless masses and the State and the Central governments have implemented polices benefiting these rural groups. In the present study it is attempted to appraise the Central government sponsored Rural housing scheme namely the Indira Awaz Yojana and the Tamilnadu state government run Rural housing scheme, Chief Minister’s namely the Solar Power Green Housing Scheme in the context of Kanyakumari district, a district which has the unique feature of having a high level of literacy, but a moderate level of
district income with the highest share from agriculture contributing to the
district’s income. Housing condition is an important indicator of economic
and social evaluation of a society. The housing condition of a large
percentage of Indian population in towns and villages reflect the lack of
availability of houses at affordable rate.

There are four main factors primarily responsible for the problem in
India. These are rapid increase in population, inadequate addition to
housing stock, rising prices of land and construction materials and
inadequate investment in housing. The 2011 Census report further indicates
that about 40.82% of the total of 112 million rural households remains in
one-room tenements, 30.65% in two-room houses and 13.51% in
three-room units or more. In terms of roof type, the percentage of houses
having grass, straw and Coconut/ palmyra leaves is about 33%, mud and
unburnt bricks 6.05% and tents 4.22%. Apart from this, in terms of quality
of walling, 47.27% of the total households have grass and straw walls and
about 4% have tent and cloth walls. Nearly 70% of the rural houses are
either unserviceable kutcha (9%) or serviceable kutcha (25%) or of
semi-pucca (35%) category. Over 90% of the rural houses have no
provision for toilet. This suggests that there is a clear correlation between
poverty and housing: a poor person either does not have a house or lives in
an unserviceable kutcha house.
Thus the problem of housing is a chronic one, especially in a state like Tamilnadu which is one of the densely populated states in India. Having understood the importance of providing a decent shelter, the Central and State governments extend various housing schemes to the rural poor and the deprived sections of the society. Mention may be made with regard to the centrally sponsored Indira Awaz Yojana and the State owned rural scheme namely, Chief Ministers’ Solar Power Green Housing Scheme. On the one hand, the physical allocation is said to have not matched with the increasing demand for houses in the rural areas and performance of a housing scheme cannot be measured just in terms of the quantitative expansion of houses as the quality of the house is a major determinant of housing. Based on this view, in the present study it is attempted to make an economic analysis of the rural housing scheme in the district of Kanyakumari, a district which has one of the highest level of poverty with least district income but with the highest per capita domestic income and which has a share of SC population equivalent to the State average.

Based on the above views, the objectives framed for the study were: 1) to identify and compare the progress of rural housing Scheme in India and Tamilnadu, 2) to study and compare the relative performance of rural housing scheme among the districts of Tamilnadu, 3) to identify the socio economic status of the sample beneficiaries of rural housing scheme in the
district of Kanniyakumari, 4) to trace out the opinion of the beneficiaries on
the quality of housing, 5) to understand the level of satisfaction of the
beneficiaries on the process of housing construction and 6) to identify the
factors determining the preference for house construction under Rural
housing scheme.

To study the performance of the Central and State housing schemes,
the data pertaining to physical and financial targets and outlay, allocation,
number of houses constructed at the all India level, State level and by
districts, the Reports of the planning Commission, the unpublished records
of the State Gram Panchayats. District Rural Development Agencies, the
websites of DRDA, Tamilnadu government were referred and the relevant
data were collected from these sources. Apart from these, Books, Theses,
Reports, Journals and Periodicals relating to the subject were also referred
to.

In the collection of primary data, as the first step, the number and the
names of blocks where the rural housing schemes are implemented were
identified. In the district, it was understood that there are two major Rural
Housing Schemes implemented. It was found that with regard to Indira
Awaz Yojana there were 1756 houses constructed in the year 2012-13 which
are distributed across the nine blocks. To have representativeness, twenty per
cent of the houses have been selected from each of the blocks. Similarly, in
the case of the Green Housing Scheme, the number of houses constructed in each of the blocks is also collected from the Rural Development’s and Panchayat Raj Department’s unpublished records the number of houses constructed in each of the blocks was identified as 903. From this also, twenty per cent of the houses were selected. From the Hand Book of Statistics of Tamilnadu, the number of panchayats in each block was identified. From this, 50 per cent of the panchayats were selected. Given the number of panchayatas, each of the selected panchayat officials were met and the number of houses constructed in each of the selected panchayats with the addresses of the beneficiaries were obtained. From these lists, the proposed number of samples were distributed proportionately among the constructed houses in each panchayats. The selected 533 sample beneficiaries were met, the required information were collected with the help of a pre-tested questionnaire. Thus the study involved the use of multistage stratified random sampling technique.

**Major Findings of the Study**

The housing scenario in Tamil Nadu compared with that’s in all India is found as under:

1) The percentage of permanent houses has been declining over a period of time in the case of both at the all India level and at the State level.

2) In the case of both rural and urban areas, permanent houses constitute the highest share. District wise, while in the urban areas,
Chennai has the highest share of permanent houses, in the rural areas, Coimbatore has the highest share of permanent houses. Overall, Chennai has the highest share of permanent houses.

3) The proportion of owned house in the state of Tamilnadu is far lower when compared to the all India average.

4) The proportion of the households having four members and below are found to be higher in the case of the state of Tamilnadu, while the proportion of five and above member families are found to be higher in the case of the all India level, indicating the state having lower average family size.

5) The proportion of Census respondents having various types of assets is higher in the case of the state of Tamilnadu than the national average.

6) A majority of the Census respondents in the case of Tamilnadu view that the condition of their house is good and this proportion is higher than the all India average.

7) A majority of the Census houses in the case of both Tamilnadu and at all India have concrete roofing and the proportion of this type of roofing is higher in the case of the state of Tamilnadu when compared to the all India average.
A review of performance of the Major Housing Schemes – Indira Awaas Yojand and Chief Minister’s Solar power Green housing scheme over a period reveals the following:

1) The fund allocated, fund released and the fund utilized for the IAY programme have increased significantly during the period 1985-86 to 2009 – 10; however the fund utilized fell short of the fund allocated and fund released during the entire period.

2) While Bihar and Rajasthan - the less developed states - have received the highest allocation in the above period, Tamil Nadu was relegated to the 11th and 13th position, indicating the lesser importance given to the state under I.A.Y. Scheme.

3) Within the states, districts which are less developed like Krishnagiri have received the highest priority in terms of the number of houses constructed under the schemes of IAY. Kanyakumari the study Area – received less than two percent of the houses constructed.

4) Within the Kanyakumari district it is found that among the nine blocks Munchirai has received the highest priority.

5) The community wise counting of the beneficiaries shows that while 40-33 percent of the CMSPGHS beneficiaries belong to the most backward class, 35-23 percent of the IAY are scheduled class people. This means that the two schemes, provide thrust to different communities.
6) Those from the rural areas form the major portion (73.36%) of the respondents, However, 40.33 % percent of the beneficiaries of CMSPGHS are of urban origin. This means that urban people are also interested in getting the benefits of a basically Rural housing scheme.

7) Where the nuclear type of family is idealized, the demand for and thereby the supply of houses are bound to rise. Among the respondents also 55-53 percent have nuclear families.

8) It is the quality of the house that respondents owned earlier, that prompts to have a new one offered by the public scheme. Two third of the houses owned earlier are thatched ones (76.80 percent). In the case of CMSPGHS beneficiaries, only less than four percent were concrete roofed. Similarly 88.95 percent of the CMSPGHS beneficiaries had only one room houses previously.

**Hypothesis tested:**

**Hypothesis – I**

1. There is no association between the gender of the respondent beneficiaries and their housing schemes.

**Association between the Gender and Housing Scheme**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Sex</th>
<th>G H No.</th>
<th>IAY No.</th>
<th>Total No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Male</td>
<td>47</td>
<td>197</td>
<td>244</td>
</tr>
<tr>
<td>2.</td>
<td>Female</td>
<td>134</td>
<td>155</td>
<td>289</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>181</strong></td>
<td><strong>352</strong></td>
<td><strong>533</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Computed from Primary Data.
Given the differences in the sex of beneficiaries between the two schemes, it is attempted to examine whether there is any association between the two schemes in terms of sex. For this purpose, the chi square test has been attempted. The Null Hypothesis framed for this purpose is ‘there is no association between the two schemes in terms of the sex of the beneficiaries”. The table value for one degree of freedom and at five percent level of significance is 3.84. The calculated value for the observed frequencies provided in the table is 43.34. A comparison of the calculated value with that of the table value indicates that the calculated value is greater than the table value and hence the Null Hypothesis that “there is no association between the two schemes in terms of the sex of the beneficiaries “has been rejected. Thus from the analysis it can be concluded that there is an association between the two schemes in terms of sex of the beneficiaries.
II. There is no association between their monthly income and their housing scheme as to the beneficiaries

Association Between Sample Respondents By Monthly Income And Their Housing Schemes

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Income (in Rs.)</th>
<th>G H No.</th>
<th>IAY No.</th>
<th>Total No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Less than 3000</td>
<td>48</td>
<td>108</td>
<td>120</td>
</tr>
<tr>
<td>2.</td>
<td>3000-4000</td>
<td>31</td>
<td>141</td>
<td>172</td>
</tr>
<tr>
<td>3.</td>
<td>4000-5000</td>
<td>29</td>
<td>41</td>
<td>70</td>
</tr>
<tr>
<td>4.</td>
<td>5000-6000</td>
<td>21</td>
<td>38</td>
<td>99</td>
</tr>
<tr>
<td>5.</td>
<td>Above 6000</td>
<td>48</td>
<td>24</td>
<td>72</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td><strong>181</strong></td>
<td><strong>352</strong></td>
<td><strong>533</strong></td>
</tr>
</tbody>
</table>

Source: Computed from Primary Data.

The monthly income of the sample respondents differ between the two schemes in terms of their share in the income distribution. Given this difference, in the present paragraph it is attempted to find out the association between the two schemes in terms of the distribution of income of the sample beneficiaries. For this purpose, the chi square test has been attempted. The Null Hypothesis framed for this purpose is ‘there is no association between the two schemes in terms of the distribution of income of the sample beneficiaries.’. The table value for four degree of freedom and at five per cent level of significance is 9.49. The calculated value for the observed frequencies provided in the table is 62.24. A comparison of the calculated value with that of the table value indicates that the calculated value is greater than the table value and hence the Null
Hypothesis has been rejected. Thus from the analysis it can be concluded that between the two schemes the share in the distribution of income is important. Otherwise there is an association between the monthly income of the households and their type of housing scheme as beneficiaries.

Hypothesis III

“Out of the way influences political moves and bribes are exercised in order to get the benefits of public housing schemes”.

Only 6.9 percent of the respondents report (vide Table 6.29) that they have not gone out of the way: 38.09 confess about political influences and another 31.33 percent mention about the bribes they offered to the officials. It is also found that while political influence handled by 34.25 percent of CMSPGHS beneficiaries, bribes were offered by 29.83 percent of the former 32.10 percent of the latter beneficiaries. The chi square test applied to find out whether there is any significant differences between the two schemes in terms of the nature of influences exerted in the allotment of houses to the beneficiaries. The Null hypothesis formed for this purpose was rejected as the table value for five degree freedom and at 5 percent value for the observed frequencies provided in the table was 25.61.

On the above grounds hypothesis II stands substantiated.
Hypothesis IV

“Making it Mandatory to the beneficiaries of a public housing scheme, to have an own house – plot is a road block for the scheme”.

It is found (vide table 6.45) that only 5.82 percent of the sample respondents had ancestral property over which houses are built using the opportunity by the public housing scheme. The rest had to purchase land for construction of houses. Here it is pertinent to note that in the case of IAY, 90.91 percent of the sample respondents had just purchased plots to avail the housing offer. When it is remembered that which in the case of CMSPGHS, the Mandatory stipulation is there, in the case of IAY, the scheme itself provides a maximum of Rs.20000 to purchase a house- site. It is by Utilizing the fund provided by the scheme, that a very large proportion of the beneficiaries of IAY had satisfied the mandatory provision and thereby the benefits of the scheme as well. [Incidentally this facts brings to the fore, the need for state financing not only of construction, but also for acquiring housing plots).

On these facts, Hypothesis III is substantiated.

Hypothesis V

“The two major public housing schemes (the IAY and SPHGS) cater the felt need of the people and are able to help the targeted poor houseless people”.
In the process of testing this hypothesis (vide table 6.46) the levels of annual income of the sample respondents (Rs51575.51) and the annual household income required for a five members family in Rural Tamil Nadu (Rs.52800) were arrived at. The two are compared; it was found that there is a gap of Rs. 1224.47. This finding prompts to conclude that the beneficiaries are in fact below poverty line.

When the analysis is extended, it is found that the Rs.1224.47 gap expands to Rs.19113.30 in the care of CMSPGHS beneficiaries and shrinks to Rs.870.27 in the case of IAY beneficiaries. The reason for this differences is that though both the schemes aim at helping the poor, the objective of CMSPGHS is to help exclusively the rural poor, the IAY target at particular sections at the poor the schedule casts and tribes, freed bonded labourers, widows, and disable whose income may be better than the beneficiaries who are below the poverty line.

These facts substantiate Hypothesis V.

Hypothesis VI

Public housing schemes help to raise the general standard of housing in the Community.

The aim of the state in providing housing facilities to the public cannot be limited with arranging for some sort of shelter, the aim is to assure a convenient and comfortable life to the household. The present
survey also finds that 72.23 percent of the sample respondents reporting the availability of sanitation facilities in and around their homes (vide table 6.41). A still large percentage (90.24) reports that latrine facilities are available within the home itself (vide table 6.42) regarding the availability of drinking water facilities, 9.06 have it with in their houses (Vide table 6.40) similarly 72.86 percent avail electricity connection (vide table 6.39). It is also gathered that the location of houses is also convenient to lead a good life 42.59 percent of in house are located with in less than one kilometers distance from a (vide table 6.43) market place. Regarding the location of educational institutions, 12.95 percent of the respondents have the facility within a distance of less than two kilometers and 47.84 percent. Within a distance of 2.4 Kilometers (vide Table 6.44). It shall also be noted that compared with the whole lot and the beneficiaries of IAY, the higher percentage of beneficiaries of GMS avail of the facilities of environmental sanitation (98.34).

**Suggestions of the Study**

Based on the analysis of the secondary and primary data, the following suggestions emerge:

1. From the analysis of the secondary data it could be observed that the number of houses constructed in the rural areas under both the central and the state government schemes are far lesser than the
demand for houses in such places. This means, the overall rate of increase in the number of houses constructed under the rural housing scheme (the supply) is far lower than the rate of increase in the demand for houses. As indicated earlier, the Working Group on Rural Housing for the 11th Five Year Plan estimated the total rural housing shortage during 2007-12 at 47.43 million houses. Of these 42.69 million or 90 per cent of the total shortage pertains to BPL families. It is a matter of grave concern that this is the case even in advanced states like Tamilnadu. Hence, an increase in the supply of houses can help to match the demand for houses which, in the long run would result in the number of houseless household to nil. Another positive impact of such a policy of increasing the number of house construction under the scheme is that it would also help to reduce the heavy migration on urban areas in a place like the district of Kanniyakumari which is becoming one of the fast urbanizing districts in the state.

2. In the Indira Awaz Yojana scheme, provisions are there that if the beneficiaries’ desire, government departments can provide technical assistance or arrange for coordinated supply of raw materials like cement, bricks etc., but it is not innate in the scheme itself. As funds are routed through District Rural Development
Agencies (DRDAs), they can contact specialized institutions for innovative technology, material, designs and methods of constructing or upgrading houses to durable and disaster-resistant lodgings. Also State governments may give guidance on cost effective environment friendly technologies, material and designs for rural houses. However, these schemes are meant for the rural poor and the socially deprived segments of the societies, their level of education is too low to understand the various provisions available, hence, initially awareness can be created to these proposed beneficiaries and guidance can be extended on the various technological aspect of the house construction.

3. What is perhaps required is the creation of a demand for the technologies developed by research organizations. Of course the technologies should be worthy and should meet the required standards and contribute towards the purpose of providing low-cost and sustainable dwellings. The government can easily create such a market through the instrument of "Public Procurement" which has been practically overlooked over the years.

4. As per the IAY guidelines, the houses are to be constructed by the beneficiaries including decisions on the type of house to be constructed and the selection of construction material. There is no
mandatory specification of material or houses and this does not encourage any sort of linkage between the technology developers and technology users i.e. the IAY beneficiaries. The government may ensure the public procurement by linking it with publicly funded housing schemes like IAY and the task may be entrusted to the State Housing Boards or to registered private housing associations. These organizations/associations should be made to adhere to certain procurement criteria that are fixed by the Ministry of Rural Development and the State governments.

5. Creation of demand through public procurement will push enterprises into taking up ventures in low-cost innovative building materials, which in turn will push the R&D institutes to be more innovative. This will further lead to increased R&D investment and mobilization of resource, including Foreign Direct Investment (FDI). The developed products will be pulled, in turn, through the public procurement system.

6. There is a need to ensure the standard of the building materials and technologies, because most low-cost technologies do not meet BIS criteria - a reason for their non-acceptance in government construction. In the field, appropriateness of many of the technologies has been questioned on grounds of cultural
acceptability. For example, in Orissa the tribes have not occupied IAY houses because they are hot and too small and the rules do not allow construction of 'traditional houses' using thatch, wood, mud and local materials. There is also a problem of certifying durability as per PWD code. As a result, even government buildings are not constructed using the low-cost technologies. Actually, technologies are not so location specific and are few in numbers and perhaps achievements in low-cost technologies are not really so great. Also contractors for obvious reasons are not enthusiastic. What is lacking is a new technology based business model for executing the proposed 'push and pull' strategy.

7. The Government needs to ensure adequate availability of land for housing and infrastructure by computerization of land records, use of Geographical Information Systems, efficient dispute redressal mechanisms and implementation of master plans. Local Bodies should identify specific area for development of affordable housing in the locality with a master plan and should develop them within a planned schedule.

8. Making affordable housing a viable business model can motivate private real estate developers to participate actively and aggressively in this segment. The Government can direct private
developers in the affordable housing segment by allowing them access to cheaper land, awarding higher FSI, reduction in the number and the time taken for approvals, assisting with infrastructure development, easier home loans and interest rate and tax subsidies.

9. Providing incentives which can reduce the construction cost for developers would not only make the project viable for developers but also make it affordable for the government. This is because construction costs drive the pricing in case of affordable housing units. Some of the measures which could help in reduction of construction costs are as follows:

10. Single window approval for projects: Delays in the project approvals result in substantial cost overruns. Hence a single window approach will help the developers reduce delays and costs.

11. Subsidize construction costs: In order to reduce construction cost, the Government should provide exemption on taxes and duties on construction materials; provide subsidy to developers for R&D in new low cost materials and technologies; can lower the cost of borrowing for development of affordable housing projects by granting guarantee on the loans etc. The Government can provide exemption from sales tax and reduction in stamp duty.
12. Fundamental innovations are required in the traditional mortgage-lending model which could enable the informal salaried and self-employed population, who belong to the LIG and EWS segments, in availing housing loans. The Government could encourage effective financing through micro mortgages by utilizing the reach of Self-Help Groups (SHGs) and other innovative financing mechanisms. This would ensure that housing finance is available to large sections of LIG and EWS populations. Flexible payment mechanisms should be put into place considering the fact that households in LIG typically have variable income flows.

13. The Government could look at alternate sources for meeting long-term financing needs by granting infrastructure status to the housing sector. Such move would attract funds from insurance companies, which are mandated to invest 15 percent of their funds in social and infrastructure sector (as per IRDA regulations).

14. The Central government will explore the possibility of obtaining global funds at low interest rates to help reduce cost of funding for affordable housing. The Union Minister of Road Transport and Highways, Nitin Gadkari, said this while addressing the 12th National Convention of the developers body NAREDCO. He pointed out that the high cost of funding is an implement of
affordable housing. It is for the government to work our ways to reduce rates of interest, at leas for the low cost housing sector. The developer community should concentrate on making houses affordable for the poor by working on reduced margins. Gagkari said developers could also look at recycling waste, employing locally available material and technology, and using pre-cast slabs to reduce the cost of construction.

15. Only 15 lakh houses are created/renovated annually through IAY which is much less than the expected as the base housing shortage is 148.33 lakh plus the incremental shortage of around 9 lakh per annum.

16. Beneficiaries should be selected without the influence of any person.

17. Even the recently enhanced unit cost is not sufficient for constructing a basic minimum house.

18. Quite interestingly, some states like Kerala have three ceilings of assistance - Rs. 35,000 and Rs. 50,000 (SC category) and Rs. 75,000 (ST category). There are also certain notable features of the State run schemes which are worth mentioning; like Andhra Pradesh follows the Principal Bank Branch System (PBBS) in handling of finances and release of funds to the beneficiaries.
Hence, in the state owned rural housing schemes also, a two to three ceiling assistance can be extended with the increasing gap between the supply and demand for housing such a ceiling would help to bring the lower middle and middle level middle income group to the housing net.

**Conclusion**

In our country (as in all developing counties) all roads lead to poverty alleviation.

The poor are houseless they have no land or capital to be spared for acquiring an own house.

This invites schemes from outside that enable the poor to gain an own house.

Three schemes are in operation in the study district in Tamil Nadu - the Indira Awass Yojana, Green Housing Scheme and Samathuvapuram.

Of the three, the aim of the third one is to cultivate caste equality (and not necessarily poverty alleviation).

It is possible to conclude from a review of the Indira Awass Yojana and Green Housing Scheme, that they cater to the felt needs of the people and are able to help the targeted poor-houseless poor – to have an own house, besides helping to raise the general standard of housing in the community.