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Rural Housing: Indira Awas Yojana

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Rural Housing: Indira Awas Yojana

1. INTRODUCTION

Housing is one of the basic requirements for the survival of human beings. Ownership of a house provides significant economic security and social status for a citizen in the society. The identity and social recognition associated with ownership of a house provides an individual with immense confidence to get involved into many social activities. Stable, affordable and accessible housing is directly and indirectly linked to human well-being. One can easily understand the socio-economic status of a family just by watching physical attributes of their housing. Good housing and its surroundings indicate the standard of living of the family, it provides facilities for education, recreation and many other facets of life. A person deprived of this basic need faces all odds of life and remains discriminated and marginalized in the society. Housing contributes significantly towards the configuration of cultured human existence.

Around one third of the human populations in urban as well as rural areas in the country are deprived of adequate housing facilities. Out of the estimated 200 million families in India, approximately 65 to 70 million families do not have adequate housing facilities. They are not able to procure a house for want of financial resources. The situation of the Scheduled Tribes, Scheduled Castes and the other socially and economically backward class families is worst affected by poor housing conditions. Hence, fulfilling the need for rural housing and tackling housing shortage particularly for the poorest is an important task to be undertaken as part of the poverty alleviation efforts of the government¹.

2. RURAL HOUSING STATISTICS AND IMPLICATIONS

The core issue to be addressed by the National Rural Housing Policy is how to create and maintain the quality of permanent assets. Identification of target demography continues to incite debate and varied opinions came from policy experts, economists and social scientists from different backgrounds. Since a long period, rural

¹ India. Planning Commission, Evaluation Study of Indira Awas Yojana 2013, p. 1

housing has been one of the neglected sectors in rural infrastructure development and literature reveals that till date less study has been conducted so far on rural housing except by the government institutions.

3. RURAL HOUSING: QUANTITATIVE ANALYSIS

The total number of census houses have increased from 24.9 crore (2001) to 33.1 crore (2011) which around 33 per cent higher than 2001 housing stock. The data reveals that rural housing stock has increased by 23 per cent which is quite less in contrast to 54 per cent increase in urban sector. It envisages both qualitative and quantitative improvement in rural housing sector. Empirical evidences show that better rural housing always has a positive correlation with creation of wealth and raises productivity in the rural sector in particular and hence augments social welfare too.

Variation in the Number of Census Houses – India 2001 and 2011 (in Crores)

Census House (in Crores)	Total			Rural		
	2001	2011	Variation %	2001	2011	Variation %
Number of census houses	24.9	33.1	32.8	17.8	22.1	24.3
Occupied census houses	23.3	30.6	31.3	16.8	20.7	23.1
Used as residence	17.9	23.6	31.7	12.9	16.0	23.9
Used as residence-cum-other use	0.8	0.9	8.8	0.6	0.6	3.3
Housing stock	18.7	24.5	30.7	13.5	16.6	23.0

Source: Census 2011, Government of India

There's been a sharp rise in the decadal growth rates recorded in the number of census rural houses (24.3 per cent), occupied census houses (23.1 per cent) and those being occupied and used as residence (23.9 per cent) between 2001 and 2011. The rural housing stock itself has recorded an increase of 23 per cent between 2001 and 2011. Still the concomitant rise in population overall and schemes like Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) which (enshrine the right to work as a fundamental right) aim to restore much of migrant rural population back to their place of domicile, the need for having a focused rural housing strategy is

one which continues to provide challenge to the policy makers. Hence, just provision of shelter to house less households is not enough but it should be continuous and sustainable too.

4. RURAL HOUSING: QUALITATIVE ANALYSIS

The issue of identifying quality barriers and delivery of service is one of the major aspects of rural housing of the current scenario. Rural house always suffered on qualitative ground than quantitative but recent study on Census-2011 reveals that there is a substantial improvement in housing quality with respect to material used for roof, wall, floor etc.

Rural Households by Material of Roof – India 2001 and 2011 (in percentage)

Material used	2001	2011	Change
Grass/Thatch/Bamboo/Wood/Mud	27.7	20.0	-7.7
Tiles	37.6	28.7	-8.9
Handmade tiles	NA	18.3	-
Machine made tiles	NA	10.4	-
G.I./Metal/Asbestos Sheets	9.8	15.9	6.1
Concrete	11.0	18.3	7.3
Others	14.0	17.1	3.1
Source: Census 2011, Government of India			

If we compare the decadal variation (in %) as regards to types of material used for roof in which total number of houses built, we find the evidence of improvement in quality in terms of existing infrastructure. For instance, houses with one of grass/thatch/bamboo/wood/mud as roof building material have decreased by 7.7 per cent between 2001 and 2011 while houses as roof materials have decreased by 8.9 per cent during the same period. Contrary to the above, the use of G.I./Metal/Asbestos sheets have increased by 6.1 per cent whereas concrete has spiked to 7.3 per cent in its material use.

**Rural Households by material of Wall-India
2001 and 2011 (in percentage)**

Material used	2001	2011	Change
Grass/Thatch/Bamboo	12.6	11.9	-0.7
Mud/Un-burnt bricks	39.7	30.5	-9.2
Stone	10.5	13.6	3.1
Packed with mortar	NA	10.0	NA
Not packed with mortar	NA	3.6	NA
Burnt brick	34.2	40.0	5.8
Others	3.0	3.9	0.9
Source: Census 2011, Government of India			

Meanwhile, in terms of material used for walls of house, grass/thatch/bamboo remains as the favourable choice while the use of mud or un-burnt bricks have fallen by 9.2 per cent in terms of decadal percentage between 2001 and 2011 indicating its decline in use as a material for wall of the house. On the other hand, uses of stone and burnt bricks have recorded an increase by 3.1 per cent and 5.8 per cent respectively during that period, clearly indicating qualitative improvement in wall by material used.

**Rural Households by Material of Floor - India
2001 and 2011 (in percentage)**

Material used	2001	2011	Change
Mud	72.3	62.6	-9.7
Stone	4.5	6.2	1.7
Cement	18.0	24.2	6.2
Mosaic/Floor tiles	2.2	3.7	1.5
Others	3.0	3.2	0.2
Source: Census 2011, Government of India			

If we appraise material by floor, cement usage has increased considerably by 6.2 per cent during 2001 and 2011 whereas mud being the least choice of the people as material by floor fall drastically by 9.7 per cent during the decade. The preference of cement and mosaic over mud as a material for floor signifies quality improvement in rural housing.

However, housing alone cannot support sustainable rural development unless supported by basic amenities like, drinking water, sanitation, garbage disposal etc. The recent data confirms that provision for bathroom and toilet/latrines is a serious concern in the rural housing sector. This can be understood by analyzing the tables given below:

The qualitative assessment of dwelling units not only depends upon the types of material used for roof, floor and wall but also depends upon the provision of basic amenities like bathroom and toilet facilities etc.

Households having bathing facility within the premises – 2011 India (in percentage)

	Having bathing facility within premises		
	Have facility		Does not have facility
	Bathroom	Enclosure without roof	
Rural	25.4	19.7	55.0
Urban	77.5	9.5	13.0
Total	42.0	16.4	41.6
Source: Census 2011, Government of India			

Households having toilet facility India: 2001 and 2011 (in percentage)

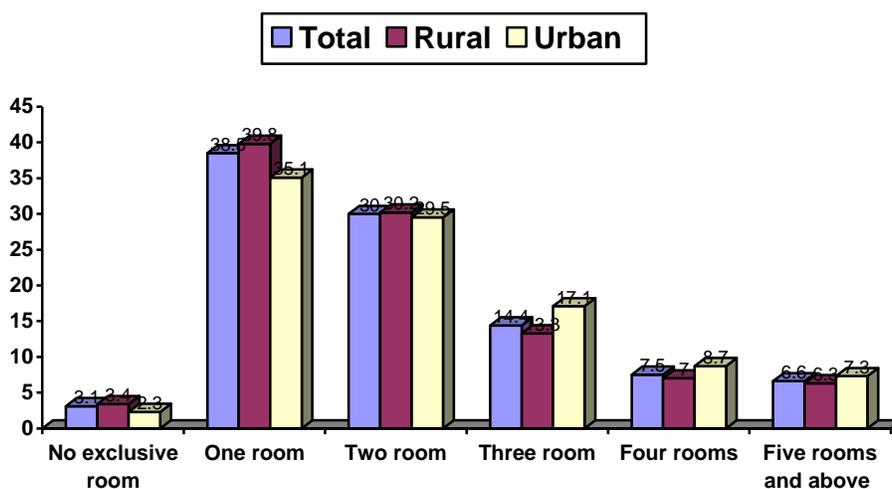
	Having bathing facility within premises		Does not have toilet facility within the premises	
	2001	2011	2001	2011
Total	36.4	46.9	63.6	53.0
Rural	21.9	30.7	78.1	69.3
Urban	73.7	81.4	26.3	18.6
Rural-Urban difference	51.8	50.7	-51.8	-50.7
Source: Census 2011, Government of India				

The table reveals that 55 per cent of rural households do not have bathroom facility within their premises. Similarly 69.3 per cent rural households do not have toilet facility within their premises. It clearly shows the unhygienic peripheral environment as people openly defecate in the rural area. Although open defecation has come down

from 78.1 per cent in 2001 to 69.3 per cent in 2011, still there is a serious call for public provisioning for bathroom and toilet facilities in the rural areas.

Another measure which indicates quality in terms of area of the house relative to the needs of a large average family, the current distribution of households in rural areas in terms of total number rooms is most dense for one or two room houses with a respective share of 39.8 per cent and 30.2 per cent, constituting a net lion share of 70 per cent of the houses overall. The point of neglect or attention should be focused at house with no exclusive room which have share of 3.4 per cent, which indicates a high degree of congestion effects on rural households in particular².

Distribution of Households by Number of Rooms



Source: Census 2011, Government of India

5. INDIRA AWAAS YOJANA (IAY)

The Constitution of India places rural housing in the domain of State Governments and the Panchayati Raj Institutions. The Central Government has been implementing IAY as part of the enabling approach to shelter for all, taking cognizance of the fact that rural housing is one of the major anti-poverty measures for the marginalised. The Indira Awaas Yojana (IAY), is a flagship scheme of the Ministry of

² Rural Housing: The Core of Rural Infrastructure by Dr. Amiya Mohapatra, Kurukshetra, October 2012, p. 37-39,

Rural Development to provide houses to the Below Poverty Line (BPL) families in the rural areas³.

The genesis of the Indira Awaas Yojana (IAY) can be traced to the programmes of rural employment, which began in the early 1980s. Construction of houses was one of the major activity under the National Rural Employment Programme (NREP), and the Rural Landless Employment Guarantee Programme (RLEGP), which began in 1980 and 1983 respectively. There was, however, no uniform policy for rural housing in the States. For instance, some States permitted only part of the construction cost to be borne from NREP/RLEGP funds and the balance was met by beneficiaries from their savings or loans obtained by them. On the other hand, others permitted the entire expenditure borne from NREP/ RLEGP funds. Further, while some States allowed construction of only new dwellings, others permitted renovation of existing houses of beneficiaries. As per announcement made by the Government of India in June 1985, a part of the RLEGP fund was earmarked for the construction of houses for SCs/STs and freed bonded labourers. As a result, Indira Awaas Yojana (IAY) was launched as a sub-scheme of RLEGP during 1985-86. The IAY, thereafter, continued as a sub-scheme of Jawahar Rozgar Yojana (JRY) since its launch in April, 1989. 6% of the total JRY funds were allocated for implementation of IAY. The scope of IAY was extended to cover below poverty line Non-Scheduled Castes/ Scheduled Tribes families in the rural areas from the year 1993-94,. Simultaneously, the allocation of funds for implementing the scheme was raised from 6% to 10% of the total resources available under JRY at the national level, subject to the condition that the benefits to Non-Scheduled Castes/Scheduled Tribes poor should not exceed 4% of the total JRY allocation. The IAY was de-linked from JRY and made an independent scheme with effect from 1 January 1996⁴.

Salient Features of Indira Awaas Yojana (IAY)

The Objective of Indira Awaas Yojana is primarily to help construction of dwelling units by members of Scheduled Castes/Scheduled Tribes, freed bonded labourers and also non - SC/ST rural poor below the poverty line. It had a definite pattern of funding to

³ *op.cit.*, Planning Commission 2013, p. (i)

⁴ Ministry of Rural Development, Annual Report 2012-13, pp. 67-68

maintain transparency in all the dealings associated with the project and also had a definite gender perspective. All the basic units of Local administration such as Grama Sabhas, Village Panchayats, Zilla Panchayats and DRDA are actively involved in the implementation of the Programme.

The target groups for houses under the IAY are below poverty line households living in the rural areas belonging to Scheduled Castes/Scheduled Tribes, Freed Bonded Labourers and non-SC/ST BPL rural households, widows and next of kin to defense personnel/paramilitary forces killed in action residing in rural areas (irrespective of their income criteria), ex-servicemen and retired members of paramilitary forces fulfilling the other conditions. The funding of IAY is shared between the Centre and States in the ratio of 75:25. In the case of UTs, entire funds of IAY are provided by the Centre. However, in the case of North Eastern States, the funding pattern has been revised and at present is in the ratio of 90:10.

The criteria for allocation of IAY funds to the States & UTs involves assigning 75 per cent weight-age to housing shortage and 25% to poverty ratio. The allocation amongst districts is based on 75% weight age to housing shortage and 25% weight age to SC/ST component. Further, 60% of the IAY allocation is meant for benefiting SC/ST families, 3% for physically handicapped and 15% for minorities. Also the IAY houses are expected to be invariably allotted in the name of women. 5% of the central allocation can be utilized for meeting exigencies arising out of natural calamities and other emergent situations like riot, arson, fire, rehabilitation and others.

In order to introduce transparency in the selection of beneficiaries permanent IAY waitlists have to be prepared gram panchayat wise by the States/UTs. These lists contain the names of deserving BPL families who need IAY houses in order of their poverty status based on the BPL list 2002. Gram Sabhas select the beneficiaries from the list of eligible BPL households/Permanent IAY Waitlist wherever it has been prepared.

Construction of an IAY house is the sole responsibility of the beneficiary. Engagement of contractors is prohibited and no specific type, design has been stipulated for an IAY house. However, sanitary latrine and smokeless chullah are

required to be constructed along with each IAY house. For construction of a sanitary latrine, in addition to financial assistance provided under IAY, the beneficiary can avail of financial assistance as admissible under the Total Sanitation Campaign (TSC)⁵.

Unit Assistance for Construction and Upgradation of IAY Houses

The financial assistance provided for new construction in the form of full grant is Rs. 70,000/- per unit for plain areas and Rs. 75,000/- for hilly/difficult areas. Further, an IAY beneficiary can avail top-up loan upto Rs. 20,000/- under the Differential Rate of Interest (DRI Scheme) from any Nationalized Bank at an interest rate of 4 per cent per annum.

The assistance for upgradation of unserviceable kutcha house to pucca/semi pucca houses is Rs. 15,000/-. Upto 20 per cent of the total funds can be utilized for upgradation of existing kutcha house and towards subsidy for construction of houses under credit-cum-subsidy scheme⁶.

Performance of Indira Awas Yojana

The government is making all efforts to bring down the housing shortage in the rural areas of the country and the size of the scheme has increased substantially in recent years. The budgetary outlay for rural Housing has been enhanced from Rs.1991 crore in 2001-02 with a physical target of construction of 12.94 lakh houses to Rs.11075.00 crore in 2012-13 for construction of 30.10 lakh houses.

Performance during the current Year (2012-13)

Financial Performance (as on 31.1.2013)	
Total Outlay for Rural Housing	Rs.11075 crore
Central Budget for IAY	Rs.10513.20 crore
Central releases	Rs.5655.37 crore
Total Available Funds (including OB State share)	Rs. 13531.38 crore
Utilization of funds	Rs.8647.99 crore
Percentage of Utilization	63.91%
Source: India, Ministry of Rural Development, Annual Report, 2012-13, p.72	

⁵ *op.cit.*, Planning Commission, 2013, p. 4

⁶ http://iay.nic.in/netiay/more_2.html

Performance over the last 10 years⁷

(Rs. in lakhs)

Year	Central Allocation	Central Release	Utilization	Target (No. of houses)	Houses constructed/completed
2002-03	165640.00	162852.86	279496.46	13.14 lakh	15.49 lakh
2003-04	187050.00	187107.78	258009.69	14.84 lakh	13.61 lakh
2004-05	246067.00	288310.02	326208.64	15.62 lakh	15.21 lakh
2005-06	273240.00	273822.58	365409.05	14.41 lakh	15.52 lakh
2006-07	290753.00	290753.06	425342.45	15.33 lakh	14.98 lakh
2007-08	403270.00	388237.01	546454.30	21.27 lakh	19.92 lakh
2008-09	564577.00	879579.39	834834.33	21.27 lakh	21.34 lakh
2009-10	849470.00	863573.99	1329236.40	40.52 lakh	33.86 lakh
2010-11	1005370.00	1013945.40	1346572.75	29.08 lakh	27.15 lakh
2011-12	949120.00	986477.80	1292632.74	27.26 lakh	24.71 lakh

Source: Ministry of Rural Development, Annual Report 2012-13, p. 70

6. BHARAT NIRMAN PROGRAMME

Rural Housing is one of the six components of Bharat Nirman Programme. Under Bharat Nirman Programme Phase-I, 60 lakh houses were envisaged to be constructed under Indira Awaas Yojana all over the country during the four years i.e. from 2005-06 to 2008-2009. Against this target, 71.76 lakh houses were constructed with an expenditure of \$ 21720.39 crore.

The Year-wise details of physical achievements under Bharat Nirman (Phase-I) are given below:

Year	Target (in lakh)	Houses constructed (in lakh)	Expenditure(\$ in crore)
2005-06	14.41	15.52	3654.09
2006-07	15.33	14.98	4253.42
2007-08	21.27	19.92	5464.64
2008-09	21.27	21.34	8348.34
Total	72.28	71.76	21720.39

Source: Ministry of Rural Development, Annual Report 2012-13, p. 72

⁷ *op.cit.*, Annual Report 2012-13, p. 70

The target under phase-II "Bharat Nirman Programme" is for construction of 120 lakh houses over a period of five years starting from 2009-10. During the first three years of the Bharat Nirman Programme Period-Phase-II, approx. 85.72 lakh houses have been constructed. The year-wise breakup is given below⁸:

Year	Target (in lakh)	Houses constructed (in lakh)	Expenditure (\$ in crore)
2009-10	40.52	33.86	13292.46
2010-11	29.09	27.15	13406.51
2011-12	27.27	24.71	12926.33
Total	96.88	85.72	39625.30
Source: Ministry of Rural Development, Annual Report 2012-13, p. 72			

7. HOMESTEAD SCHEME

The scheme was launched on 24th August, 2009 as part of IAY, for providing homestead sites to those rural BPL households whose names are included in the Permanent IAY Waitlists but who do not have house site. Funds amounting to \$ 10,000 are provided under the Homestead scheme. Government has decided to enhance the unit assistance in the scheme from \$ 10,000 to \$ 20,000 w.e.f 1.4.2013. This amount is to be shared by the Centre and the State in the ratio of 50:50.

Since inception of the scheme, funds amounting to \$ 347.47 crore have been released to States namely Bihar, Andhra Pradesh, Karnataka, Kerala, Rajasthan, Sikkim, Uttar Pradesh, Maharashtra, for purchase of land and \$ 1395.06 crore have been released to Karnataka, Gujarat, Rajasthan, Tripura, Jharkhand, Chhattisgarh, Odisha, Madhya Pradesh, Maharashtra and West Bengal as incentive for additional houses for providing homestead sites⁹.

CONCLUSION

The emphasis of rural housing should be more and more on inclusiveness and on quality improvement. When a poor man owns a house, it helps in giving him a self-identity. Housing sector has positive impact on overall standard of living of the rural

⁸ *Ibid*, p. 72

⁹ *Ibid*, p. 73

people. There is also serious need to build a market based inclusive and sustainable housing finance system. The provision of shelter and hence the roof to every rural poor has been and will continue to be a major component of the poverty alleviation measures of the Government in times to come. Consequently the Ministry of Rural Development has hiked its target to double the construction of houses for the rural poor from 60 lakh to 1.20 crore housing units during the period of 2009-2012.

