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Impact of Indira Aawas Yojana on rural housing

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Abstract

Housing is a societal requirement and adequate shelter for each and every household is a fundamental pre-requisite for an inclusive living. Along with housing, requirements of proper habitat and congenial environment are also important for sustainable development of social collectiveness. An incomplete house cannot provide the socio-psychological edge which aims at. IAY was provided to state to expedite habitat development as well as instilling confidence in the people living in the state. On such counts, lots remain to be achieved by the studied state of Bihar.

Keywords: BPL Families, Indira Aawas Yojana, Pradhan Mantri Aawas Yojana-Gramin, Rural Housing

Introduction

Housing is universally recognised as a basic human need. Reducing rural housing shortage and improving the quality of housing especially for the poor is an important component of the poverty alleviation strategy of the Government. The rural housing scheme Indira Aawas Yojana (IAY) implemented by Ministry of Rural Development, aimed at providing houses to families below poverty line (BPL) in rural areas has since inception provided assistance for construction of 360 lakh houses, incurring a total expenditure of Rs. 1,06,798.93 crore.

Public housing programme in the country started with the rehabilitation of refugees immediately after independence. In 1957, as a part of the Community Development Movement (CDM) a Village Housing Programme (VHP) was introduced providing loans to individuals and cooperatives, of upto Rs. 5,000/- per units. Specific focus on rural housing in India, has its origin in the wage employment programmes of National Rural Employment Programme (NREP-1980), and Rural Landless Employment Guarantee Programme (RLEGP-1983), by allowing construction of houses under these programmes for SC/STs and freed bonded labourers.

A full-fledged rural housing programme Indira Aawas Yojana (IAY) was later launched in June, 1985 as a sub-scheme of RLEGP, with earmarking of funds, for the construction of houses for SCs/STs and freed bonded labourers. When Jawahar Rozgar Yojana (JRY) was launched in April, 1989, 6% of the funds were allocated to housing for SCs/STs and freed bonded labourers. In 1993-94, the coverage was extended to Non-SC/ST families, by increasing the earmarked fund for housing under JRY to 10%. The additional 4% was to be used for non-SC/ST category of beneficiaries.

Indira Aawas Yojana (IAY) was made an independent programme with effect from 1st January 1996 aimed at addressing housing needs of the Below Poverty Line (BPL) households. After more than 30 years of its implementation, although IAY addressed the rural housing shortage, in view of the limited scope of coverage

under the programme there were still considerable gaps in rural housing.

Government is committed to provide "Housing for All" by 2022 to fulfil the Government's commitment and address the gaps in rural housing. IAY has been re-structured as Pradhan Mantri Aawas Yojana-Gramin (PMAY-G) w.e.f. 1st April, 2016 by the Government.

Housing in Rural Areas: Intervention Under IAY

IAY, the flagship rural housing scheme for BPL families has been in operation since May 1985, first as sub-scheme of Jawahar Rozgar Yojana (JRY) and later as an independent scheme since January, 1996. It is a 100% grant based scheme. It is the largest scheme in the country to provide financial assistance to rural BPL families for construction of dwelling units. Many state governments are also supplementing this effort and have launched their own housing scheme. Some state governments have taken the initiative to plan for eradication of house lessness within a definite time frame. The Indiramma scheme of Andhra Pradesh and similar schemes in Tamil Nadu and Kerala are examples in this direction.

Prior to IAY becoming an independent scheme, specific housing scheme for the rural poor in India was almost generic and there was no uniform policy for rural housing in the states. Although in early 1980s, construction of houses for the poor was initiated under the National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP), having no uniform policy prescription, the states had their own approach in operationalising these programmes. It was noted that some states had permitted only part of the cost of construction to be borne from these two programme funds and balance amount was met by beneficiaries out of their own savings or loans obtained by them. Some states allowed construction of only new dwellings while others permitted renovation of existing houses of beneficiaries. However, IAY heralded new vistas not only

fulfilling the need for housing for rural poor but also tackling housing shortage particularly for the poorest comprehensively. IAY was initially funded on cost-sharing basis between the GoI and the states in the ratio of 80:20 which was later revised to 75:25 from 1st April, 1999. In the case of north eastern states, the funding pattern was revised in the ratio of 90:10. The criteria for allocation of IAY funds to the states and UTs involve assigning 75% weightage to housing shortage and 25% weightage to Scheduled Caste (SC)/Scheduled Tribe (ST) component. Further, 60% of the IAY allocation is meant for benefiting SC/ST families, 15% for minorities, 3% for physically handicapped and a maximum of 40% are utilized for non SC/ST/BPL rural households. IAY houses are invariably allotted in the name of women and 5% of the IAY allocation is permitted to be utilized to meet the expenses arising out of natural calamities and emergent situations such as rehabilitation in case of riot, arson, fire etc.

In the initial years, the selection of beneficiaries was made in the gram sabha from the BPL list. Subsequently, in order to introduce transparency, GP was "Permanent Wait List" is prepared from among the deserving BPL families needing houses. Gram Sabhas select beneficiaries from the said list to prioritize financial assistance under IAY in their respective GPs. Since there are different Geographical regions in the country, the ceiling of assistance per house is provided differently. For hilly and difficult areas, level of assistance under the IAY is higher than the level of assistance in the plain areas. The ceiling of assistance for new construction in LWE affected districts was fixed as Rs. 35,000/- till 1st April, 2010 and Rs. 48,500/- thereafter. It may be noted that the present unit cost prevalent in LWE districts is Rs. 75,000/-. Additionally, a beneficiary can borrow a top up loan up to Rs. 20,000/- from any nationalized bank at 4% under the DRI scheme. Financial assistance for upgradation of Kutcha houses under IAY is fixed as Rs. 15,000/- per unit. Convergence of other centrally sponsored schemes is also prioritized with IAY especially the SBM for construction of sanitary latrine and RGGVY for free electricity.

Performance of IAY: Indian Scenario

The Ministry of Rural Development conducts periodic evaluation to monitor the performance and obtain feedback on ground reality by commissioning studies through different organisations. However, indepth analysis of beneficiary contribution to the success and failure of the programme implementation is not dealt with adequately. The study taken up by the National Institute of Rural Development, Hyderabad (2008) at National level for comparative analysis of the implementation of IAY programme and to draw conclusion for its policy implication in 10 major states viz. AP, Tamil Nadu, Karnataka, Maharashtra, Rajasthan, Haryana, UP, Bihar, West Bengal and Odisha reveals that

- In the matter of selection of beneficiaries, among SC/STs the SC's have got weightage over the ST population. Therefore, in order that ST's get a fair deal in house allotment, the total allocation should be delinked and should be made for each category separately.
- The average family size of the IAY beneficiaries across the country is 5.4. The family size is 7.4 in case of Bihar for which the present norm of 200 sft house is observed inadequate.
- The largest number of beneficiaries for IAY house were found to be agriculture and non-agriculture labour who together comprise 80.7 per cent of the total allotment.
- The IAY houses were allotted primarily to the ultra poor households which comprise 35.4 per cent of the total allocation with household income of less than Rs. 4,000. Very poor categories with Rs. 4,000-Rs. 8,000 income group constitute additional 23.2 per cent of the population.
- Though Gram Sabha played a critical role in the selection process of IAY beneficiaries, there are evidences of Gram Sabha being superseded by the Panchayat president and official intervention both at block and district levels.
- With regard to possession of ancestral house, 71.4 per cent of beneficiaries reported to have primarily kutcha unserviceable hoise prior to allocation of the IAY house.
- Though the Gram Sabha is crucial for proper selection of IAY beneficiaries, it is observed that the meetings were organised without giving proper advance notice. In majority cases, the advance notice was only of two days and publicity was also not adequately made.
- Major methods of publicity were circulation by notice board and oral communication which adversely affect the attendance in the Gram Sabha and consequent dissatisfaction for selection process by non-beneficiaries.
- IAY house grants were paid to the beneficiaries in instalments ranging from 2 or more than 4. The number of instalments varies from state to state. In some states like Orissa, Karnataka etc; construction of basement before release of first instalment of IAY assistance was insisted upon, adversely affects the selection of the poorest of the poor.
- On the whole, 72.7 per cent of beneficiaries reported to have received the full amount of each instalment released. Their number is highest with respect to West Bengal and Maharashtra.
- The average time for construction of IAY house was reported between 7-9 months. Only in 11 per cent of houses construction took more than one year.
- Though beneficiaries were not required to visit block/district offices with regard to release of IAY assistance, invariably in all states it was observed that they made several visits. Consequently, there was reported loss of mandays and extra cost of nearly Rs. 500 incurred by the beneficiary.
- In spite of clear instructions that IAY houses should be allotted in the name of female member, only 66.7 per cent of houses were reported to be allotted in the name of the female member and 2.7 per cent jointly in the names of wife and husband. In Tamil Nadu, all 100 per cent houses were allotted in the name of female member whereas in West Bengal only 27 per cent were allotted to women beneficiaries.
- House registration was observed in case of 86.9 per cent of the total beneficiaries. The IAY house was constructed primarily in the own house plot of the beneficiary in the main habitation. This constitutes 79.1 per cent of the total houses constructed. This was primarily due to recent emphasis for selection of beneficiaries who purchased own house plots.
- Majority of the IAY beneficiaries deviated from the norm of 200 sft built-p area, while 57.3 per cent, exceeded the

recommended built-up area, 6.3 per cent constructed the house in less than the recommended area.

- In case of Odisha, 43 per cent of beneficiaries constructed houses in less area.
- The primary reason given for exceeding the norm of 200 sft house was the inadequacy of accommodation for socio-cultural and economic pursuit of the beneficiaries.
- While the present allocation of Rs. 25,000 in plain and Rs. 27,500 in difficult area for IAY house construction was reported inadequate, invariably beneficiaries have incurred extra expenditure.
- Above 50 per cent of beneficiaries reported having spent additional amount of over Rs. 6,000 for the IAY house. The beneficiaries mobilised extra investment from various sources primarily by utilising their own savings, mortgaging or sale of their own resources and from money-lenders. Other notable sources reported were loan from neighbours, friends and well-wishers.
- Formal source of lending from bank was reported only in case of 0.9 per cent.
- While under the scheme the beneficiaries are free to design and construct their own house, in most cases across the country it is observed that type designs were recommended.
- The IAY houses are supposed to be constructed by the beneficiaries themselves with local mason and available housing material. However, in actual practice, it was observed that there was extensive use of costly inputs like cement, brick and steel in IAY house construction.
- Use of appropriate low cost technology in house construction was negligible.
- The houses constructed in Orissa and Maharashtra have taken precaution for disaster resistance, though the houses constructed in other states are pucca structured and can withstand common disasters like flood and cyclone, there was lack of awareness about the disaster resistance among majority of the IAY house beneficiaries.
- The status of houses possession was overwhelmingly high with 100 per cent house possession reported in respect of Maharashtra and Odisha. The reported number of non-possession of houses was high in Andhra Pradesh.
- A large majority of 77 per cent of IAY beneficiaries constructed additional accommodation to the original house for meeting the socio-economic needs. Most of the extra constructions i.e. 58.2 per cent are of temporary kutcha type.
- Only 34.7 per cent of IAY beneficiaries reported for incurring extra expenditure for proper maintenance of the house constructed. The major maintenance related to roof repairs and white washing.
- With regard to further scope for expansion of the house, only 68.3 per cent responded for future expansion.
- Since most of the houses were constructed in the main village, there was no major difficulty for accessing the basic social services by IAY beneficiaries.
- Though sanitary latrine and smokeless chullah are the mandatory requirements in the IAY house construction, both these provisions were ignored by the beneficiaries in most of the states. Wherever sanitary latrine and smokeless chullah were constructed, their use was negligible.

- With regard to the fairness of the selection process, it is observed to be largely fair as over 50 per cent on non-beneficiaries have given opinion on the selection process as fair. Only 18.5 per cent of non-beneficiaries reported selection as unfair.
- Corruption practice is a sensitive issue on which it was difficult to get proper response from the actual beneficiaries. However, with regard to the opinion of non-beneficiaries, it is observed that 52 per cent of non-beneficiaries perceived the existence of irregularities. In most of the cases, financial irregularity was perceived at block level.
- Above 35 per cent of non-beneficiaries were of the opinion that the IAY house was allotted to the most deserving beneficiaries.
- The IAY house construction quality was largely very good or good, as reported by both the beneficiaries and non-beneficiaries.

Keeping in view, the observations and findings of the study, the main recommendations have been mentioned below

- In the last two decades, 24.8 million new IAY were constructed primarily for SC and ST population which is nearly 50 per cent of the SC/ST households in rural India. As per field observation, difficulties were experienced for identifying houseless beneficiaries in some states particularly from SC/ST households. Therefore, there is a need for considering to delimit the house allocation to SC/STs and the primary criterion should be the general economic condition of the household.
- In the matter of allocation, the SC/STs may be separated and clear separate allocation may be made to the SC/STs individually against the present joint allocation.
- The present recommended house space of 200 sft were observed inadequate for a normal family size of 5 and above in rural India since the poor households are engaged in some type of secondary economic activities like keeping of animal or artisan activity.
- Most of the beneficiaries constructed extra kutcha accommodation. The minimum space requirement was observed as 350 sft. The present norm of 200 sft built-up area may need suitable modification. The present allocation of Rs. 25,000 and Rs. 27,500 for house construction needs suitable upward modification.
- With regard to implementation of the IAY scheme for construction of the house, it is observed that there was greater transparency and beneficiary satisfaction in case of active Panchayati Raj participation.
- The primary responsibility of implementation of the scheme should be given to Gram Panchayat without control from block or mandal.

Pradhan Mantri Awas Yojana – Gramin: A Recent Initiative PMAY-G aims to provide a pucca house with basic amenities to all households and households living in Kutcha and dilapidated house by 2022. The target number of houses to be constructed by the year 2021-22, to achieve the objective of “Housing for All”, is 2.95 crore. The immediate objective is to cover 1.00 crore households, that are houseless and living in Kutcha/dilapidated house, in three years from 2016-17 to 2018-19 and enable

construction of quality houses by the beneficiaries using local materials, designs and trained masons. For houses to become homes, habitat approach through convergence has been adopted.

Salient Features of PMAY-G

1. The main features of the scheme of PMAY-G are as follows:-
2. Providing assistance for construction of 1.00 crore houses in rural areas over the period of 3 years from 2016-17 to 2018-19.
 - a) Unit assistance of Rs. 1.20 lakh in plains and Rs. 1.30 lakh in hilly states, difficult areas and IAP districts.
 - b) In addition, the beneficiary will get Rs. 12,000/- as assistance for construction of toilet under Swachh Bharat Mission (G), MGNREGA or any other dedicated financing source and support of 90 persons days in plain areas and 95 persons days in hilly states, difficult areas and IAP districts under MGNREGS through convergence.
 - c) The beneficiary would be facilitated to avail loan of upto Rs. 70,000/- for construction of the house which is optional.
 - d) Unit size of the house to be a minimum of 25 Sq. m.
 - e) Identification of beneficiaries through Gram Sabha based on the Socio-Economic and Caste Census (SECC 2011) data.
 - f) Setting up of National Technical Support Agency at National Level to provide technical support to the implementing agencies and to the beneficiaries in taking up construction of houses and help in achieving the target set under the project.
 - g) The cost of PMAY-G would be shared between Government of India and State Governments in the ratio 60:40 in plain areas. In case of North-Eastern and 3 Himalayan states (Jammu & Kashmir, Himachal Pradesh and Uttarakhand) the sharing pattern is in the ratio of 90:10.
3. Upto 4% of the funds released under PMAY-G can be utilized for administering the scheme. Sensitizing beneficiaries, cost of supervision and monitoring of scheme implementation, cost of setting up and operating PMU, cost towards Training and Certification of Masons etc; are some of the eligible items of expenditure under administrative expenses.
4. From the annual budgetary grant for PMAY-G 95% of funds would be released to States/UTs for construction of new houses under PMAY-G. This will also include 4% allocation towards administrative expenses. 5% of the budgetary grant would be retained at the Central Level as reserve fund for special projects. For special project the States may submit the proposals in respect of the following:-
 - a. Rehabilitation / relocation of families whose houses have been completely/substantiality damaged on account of:-
5. Natural hazards as categorized in the extant National Disaster Management Plan of National Disaster Management Authority – Flood, earthquake, fire etc.
6. Law and order problems.
 - b. Settlement of families affected due to / benefitted by
7. International border issues.
8. The Scheduled Tribes and other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.
9. Occupational diseases like silicosis, asbestos, people affected by overuse of pesticides.
 - c. Settlement of surrendered militants and their families.

- d. New technology demonstration – especially with focus on affordable and green technologies and using locally available materials.

10. At the national level, 60% of the target is to be earmarked for SC and ST. To maintain this 60% of the target allocated to each State/UT should be earmarked for SC/ST subject of availability of eligible PMAY – G beneficiaries as per SECC 2011 as verified by the Gram Sabha. Within earmarked targets the proportion of SC and ST is to be decided from time to time by the respective States/UTs. Under PMAY-G, as far as possible, 15% of the total fund will be earmarked for Minorities at the National Level. In view of the provisions of the Persons with disabilities Act, 1995, the States to the extent possible, may ensure that 3% of beneficiaries at the state level are from among persons with disabilities.

Conclusion

From the study, it is inferred that the State of Bihar had shown poor performance in terms of physical and financial parameters in comparison to other two studied states of Jharkhand and Odisha. The study noted that poor utilization of allocation was resulted owing to inability of the state government to adhere timeline in releasing state share to the districts. The state government's belated release of state share had accounted for belated utilization/ poor utilization in Bihar.

While the state had erred in not releasing financial allocation in time to the districts, the districts in Bihar had not complied with the IAY guidelines with regard to preparation of Annual Action Plans. In the absence of such important document before commencement of the financial year, planning was not clearly articulated which resulted in poor utilization of funds allocated.

The study also observed that in general, poor physical achievement had led to poor financial achievement in the state of Bihar. Lack of physical monitoring of IAY construction by block and GP officials in the state of Bihar had made things easier for a majority of beneficiaries to divert IAY assisted amount for other pursuits, thus completion of IAY units remained incomplete (48% houses were noted to be completed fully and the rest were under construction even after three years of receiving allocation). This had amounted to poor physical achievement in the studied state of Bihar.

The two-instalment disbursement mechanism in place in Bihar had provided enough scope to IAY beneficiaries in Bihar to spend the IAY amount for other purposes. As the beneficiaries had received only half of the amount, it was impossible for them to complete the dwelling units up to the desired level so that they become eligible for the second and final instalment. It may be noted that more than two instalments method used by other studied states, especially the 4 instalments mechanism adopted by Odisha had proved to be advantageous. Thus, it could be concluded that construction and completion of IAY houses needs prioritization on equal footing in the state of Bihar.

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