

## Chapter 1

### Introduction

After independence, housing was given a low priority compared to other sectors. During the 60s, there was an increased awareness of the nature of shelter problem, of the inadequacy of the intervention that had been tried over the last decade and the need to strengthen and increase efforts through existing institutions, infrastructure and programmes developed. Later in the 70s, focus of national development shifted to measures of poverty alleviation and rural development programmes, which had a substantial impact on shelter programmes. In the 80s, attention was given to the qualitative aspects of shelter programmes. Housing activity began to be perceived as a generator of employment as well, and priority was given to economically weaker sections rather than formal sector employees. This was followed by National Housing and Habitat Policy (1988), which emphasised that housing is not only a commodity but also a productive investment and National Housing Policy, 1992 recognised that rural housing is qualitatively different from urban housing. <sup>1</sup>Government of India's (GoI's) international legal obligations with respect to the right to adequate housing are set out in a body of binding international treaties, which India has ratified, like the Committee on Economic, Social and Cultural Rights (CESCR). GoI has certain constitutional provisions and laws that make it obligatory for the state to provide the right to adequate housing to all its citizens. This is stipulated in the fundamental rights<sup>2</sup>, directive principles of state policy, fundamental duties, legal right to property and several pronouncements/decisions of the apex court of India.

Therefore, Rajiv Gandhi Rural Housing Corporation (RGRHCL) was established in the year 2000 by the government of Karnataka to cater the Housing needs of economically and socially weaker sections of the society. The purpose of the corporation was to help the Economically and Socially Weaker sections of the society to access better and affordable housing both through direct financial support and provide other support services.

The corporation operates on a no-profit no-loss basis. The main objective of the corporation is to ensure smooth and efficient flow of resources in order to achieve the objectives of better housing for the economically and socially weaker sections of the society. The administrative expenses of the corporation are met through budgetary support from the state government. The corporation also works in close co-ordination with the banks in order to ensure that the beneficiaries also are able to access bank finance under the Differential Rate of Interest Scheme.

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<sup>1</sup> Right to Adequate Shelter, National Human Rights Commission, 2011

<sup>2</sup> Indian Judiciary ruled that right to adequate housing is essential part of Fundamental Rights guaranteed under Part-III specifically Article 21 and 19(1)(e)

## EXECUTIVE SUMMARY

- Rajiv Gandhi Rural Housing Corporation Ltd (RGRHCL) was established by Government of Karnataka (GoK) vide GO No. DOH 183 HAH 99 dated 20<sup>th</sup> April 2000 as a “Non profit organization” and is a nodal agency created by the State Government for implementation of all the State and Central Government sponsored housing schemes for economically and socially weaker Sections (EWS) of the society. The main objective of the Corporation is to ensure smooth and efficient flow of resources in order to achieve the objective of providing housing for the houseless, site less to economically and socially weaker sections of the society.
- Rs.9003 crores was allocated for the schemes, Rs.8136 crores was released and Rs.8083 crores was the expenditure from 2010-11 to 2014-15. Releases against the allocation were 89.9% and expenditure against the release was 99.3%.
- Ninety Four percent of the allocation release and expenditure is in the rural areas whereas its share in urban areas is only 6%.
- The sampling was done as indicated in the terms of reference (TOR). According TOR at least 300 houses in each District per year which includes 50 houses constructed during 2005 should be taken up for construction. 21588 completed houses were evaluated in rural area constructed during 2010-11 to 2014-15 under Basava Housing Scheme (BHS), Ambedkar Housing Scheme (AHS) Indira Awas Yojana (IAY) and covering all 30 districts and 176 Taluks. Similarly in urban housing scheme i.e., Vajpayee housing scheme 4954 houses were evaluated covering 100 towns / cities
- 6879 houses constructed during 2005 were evaluated to assess their present condition in some of the Gram Panchayath selected for evaluation. The quality of houses are as under:
  - a) Good – 63%
  - b) Satisfactory – 34%
  - c) Poor – 03%A small percentage of houses are in poor condition due to non maintenance.
- The total amount of loan given under urban Ashraya scheme is Rs.386.20 crores and interest thereon is Rs.357.55 crores, bringing the total amount due to Rs.743.75 crores. The total amount recovered is Rs. 37.89 crores which is just 5%.
- During the budget year 2014-15, the Hon’ble Chief Minister has announced the waiver of loan along with interest of Asharya and others schemes. The state government has issued an order to this effect vide order No. 31 HAH DATED

1.9.2014. This has benefitted 926017 rural beneficiaries and 158471 urban beneficiaries. In all 10,88,488 beneficiaries were benefitted.

- The total amount of loan given under rural Ashraya scheme is Rs.1112 crores and interest thereon is Rs.744.12 crores, bringing the total amount due to Rs.1856.12. The total amount recovered is Rs.42.51 crores which is just 2%.
- RGRHCL planned to construct 14.46 lakh houses during the period 2010-15. As against this target the corporation has completed 11.54 Lakh i.e., 80% of the target. Around 11.24 lakh (97.4%) of the houses completed are in the rural areas and 0.3 lakh (2.6%) are in the urban areas.
- On an average RGRHCL is able to complete 2.3 lakhs houses per year with 2.24 lakhs in the rural areas and 0.06 lakh in the urban areas.
- The average time taken to construct a house is 11.1 months in case of rural areas where as it is around 10.6 months in case of urban areas.
- Regarding convergence between other schemes RGRHCL was able to extend the benefits of two other government schemes to beneficiaries' i.e MGNREGA and NBA. A total amount of Rs 304.84 lakhs was disbursed to 1508 IAY beneficiaries and for Basava Housing scheme an amount of Rs 93.74 lakhs has been disbursed to 466 beneficiaries aggregating to Rs 398.09 lakhs covering 1974 persons from both the rural scheme. As per Govt order number SWSM/NBACN-23(Part-B)/2013-14 dt. 28-11-2013 orders were issued to make payment under NBA scheme a sum of Rs.4700/- per individual through RGRHCL to the beneficiaries for the construction of toilets. The scheme is made applicable for IAY and also for state housing scheme like BHS & RAS. 89780 beneficiaries availed benefits through RGRHCL during 2013-14 to 2014-15.
- It is found that the time taken for the selection of beneficiaries by Grama Panchayat in case of rural areas and Ashraya committee in case of urban areas varies from 60 days to 120 days which is too long a period.
- Under Vajepayee Scheme (urban) during 2010-11 to 2014-15 the GoK had given target of nearly 1.8 lakhs. Only 50% of beneficiaries were identified and approved. The achievement of housing completion is only 28% during the same period.
- The evaluation revealed 60% of beneficiaries have individual toilets in case of rural areas and in case of urban area 70% have individual toilets. 37% of the beneficiaries practice open defecation in rural area and 17% in urban area.

- In rural area housing scheme 96% beneficiaries have stated that they have received the installments in time. Only small percentages (4%) have replied in negative. Where as in urban area 99% have stated that they have received the installments in time, where as 1% replied in negative.
- 92.5% houses constructed are good quality, 6.8% of houses constructed are satisfactory, only 0.7% is of poor quality in rural area. In urban area 77.6% are found to be good qualities 19% are satisfactory and 3.4% found to be poor quality.
- 97% of beneficiaries of both in rural and urban area opined that the subsidy given is insufficient and requested for the increase of subsidy amount.
- 88% of beneficiaries both in urban and rural area expressed that housing scheme had provided them better living condition and social status. More than 50% of beneficiaries opined it helped them to improve their health condition, protected them from natural elements like sun, rain, wind etc., helped in education of their children and improvement in their economic condition.
- In rural area about 6% of beneficiaries have obtained loans from banks to complete the construction of the houses. In urban area about 16% have obtained loans from banks. The role of banks is only limited in providing finance to EWS for construction of houses.
- In rural area 75% have opined that new GPS system as excellent, 23% expressed it as good while in urban area 50% opined that new GPs system as excellent and 44% opined it as good.
- The physical target under rural Ashraya Scheme for the period 1995-96 to 2003-04 was 8.14 lakhs. Before the establishments of RGRHCL only 1.6 lakhs houses were completed. After creation of RGRHCL during 2000 RGRHCL could complete 6.76 lakhs houses till 2010 which itself is remarkable achievement.