



## A STUDY ON RURAL HOUSING SHORTAGES

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### Abstract

The working group on rural housing for the Twelfth Five-year plan estimated the rural housing shortage in India to be 43.13 million in 2012. Using the latest data sets- Census 2011 and the National Sample survey housing condition round for 2008-2009- and the improved methodology used by the technical group on urban housing shortage, this paper re-estimates the rural shortage to be 62.01 million in 2012. Households living in temporary houses and in congested conditions were found to be mainly responsible for the rural housing shortage. The results suggest the need for holistically focusing on eradicating shelter deprivation in rural India and contributing to an enhancement of the quality of life of the people. In India, providing rural housing through the Indira Awaas Yojana (IAY) has been incorporated as one of the six components of the **Bharat Nirman Programme** of the government of India. The IAY is a flagship scheme of the Ministry of Rural Development that endeavors to provide houses to below the poverty line (BPL) families in rural areas. This paper also compares these two estimates of rural housing 2012 and analyses the differences in the estimates of the various factors for assessing housing shortage.

### Introduction

Shelter is a basic human need, next only to food and clothing. Access to shelter and adequate and affordable housing are crucial to well-being as they contribute to the physical and material comfort of the population and enhance its quality of life. Its importance has been highlighted over the years by the United Nations, ever since the Universal Declaration of Human Rights in 1948, and reiterated by the World Bank, the Asian Development Bank, and the like. In India, providing rural housing through the Indira Awaas Yojana (IAY) has been incorporated as one of the six components of the **Bharat Nirman Programme** of the government of India. The IAY is a flagship scheme of the Ministry of Rural Development that endeavors to provide houses to below the poverty line (BPL) families in rural areas. The primary objective of the IAY is to help in constructing upgrading dwelling units of rural BPL households belonging to members of the scheduled castes/ scheduled tribes (SC<sub>s</sub>/ST<sub>s</sub>), minorities, and non- SC<sub>s</sub>/ST<sub>s</sub>, and freed bonded laborers by providing them financial assistance as a lump sum (Ministry of Rural Development 2013). The working group on rural housing for the Twelfth Five year plan (WGRH-12), constituted by the Planning Commission in 2011, estimated there were 173.78 million rural households in 2012 and that the rural housing shortage was 43.13 million units. The WGRH-12 brought out these estimates for the Twelfth Five-Year plan (2012-17) even before 2011 Census data was available, there by leading to problem from the use of old data sets (primarily from the working group on rural housing for the Eleventh Five-Year plan of WGRH-11, based on various censuses and National sample Survey, or NSS, housing condition rounds data for 2002) If also suffers from serious limitations in estimation procedures such as double counting and the methodology used to estimate the factors taken into account while assessing the housing shortage. This paper re-estimates the rural housing shortage in 2011 for using the latest data sets- the Census of 2011 and NSS housing condition rounds unit record data for 2008-09 – and an improved methodology (capturing congestion based on the privacy factor), and the estimation procedure used by the technical group on urban housing shortage, 2012-2017 (TG-12). This paper also compares these two estimates of rural housing 2012 and analyses the differences in the estimates of the various factors for assessing housing shortage. Based on the findings, it's also seeks to suggest measures to eradicate shelter derivation and enhance the quality of life in rural India.

### Trends and Patterns in Rural Housing in India

The growth rate (decadal and annual exponential) of rural housing stock and households (excluding institutional households) were seen to decelerate during 1981-91, 1991-2001 and 2001-2011 (Table: 1). The growth rate of rural housing stock was higher than that of rural households, which narrowed the gap between households and housing stock over the period of time. It is expected that this phenomenon will further ease the pressure of the shortage of rural housing.

**Table 1: Trends in Rural Housing Stock and Households, 1981 to 2011, and Estimates for 2012**

	1981	1991	2001	2011	2012*
Housing stock (in millions)	81.9	108.5	135.1	166.2	169.6
Households (in millions)	89.9	111.5	138.3	167.8	171.1
Households-house stock (in millions)	-8.1	-3.0	-3.2	-1.7	-1.5
	9.0	2.7	2.3	1.0	0.9
	1981-91	1991-2001		2001-11	
Decade Growth (in % Housing stock)	32.5	24.6		23.0	
Households	24.0	24.0		21.4	



Annual exponential growth (in %) Housing stock	2.8	2.2		2.1	
Households	2.2	2.2		1.9	

Source: Census Report: 2011

### Revised Estimation of Rural Housing Shortage – 2012

#### Excess of Households over Houses

The rural housing stock and households in 2012 were estimated at 169.6 million and 171.1 million, respectively, by forecasting the 2011 figures using annual exponential growth rates between 2001 and 2011. The excess of rural households over rural houses in 2012 was estimated to be 1.48 million.

#### Households living in Temporary Houses

Temporary houses are those in which both the walls and proof are made of materials that need to be replaced frequently. As per the census definition, temporary houses are made with walls and proofs made of temporary material. Walls can be made of grass, thatch, bamboo, wood, mud, plastic or polythene. Households living in temporary houses in 2012 were estimated to be 26.69 million by forecasting the 2011 figures using annual exponential growth rates between 2001 and 2011.

#### Shortage due to obsolescence, excluding Temporary Houses

Households living in obsolescent houses (40 to 80 years old in a bad structural condition, and 80 or more years), excluding temporary houses.

**Table: 2 Distributions of Households by Type of Census Houses Occupied during 2001 and 2011 in Rural India**

Numbers (millions)	2011		2001		Changes(2001-2011)	
	As proportion of Households in (%)		As proportion of Households in (%)		As proportion of Households in (%)	
<b>Permanent</b>	86.24	51.37	56.83	41.10	29.41	51.75
<b>Semi-permanent</b>	52.86	31.49	49.40	35.73	3.46	6.99
<b>Temporary</b>	27.14	16.17	32.01	23.15	-4.87	-15.22
<b>Unclassifiable</b>	1.64	0.98	0.03	0.02	1.61	
<b>Total</b>	167.87	100.00	138.27	100.00	29.60	21.41

Source: Census Report: 2011

#### Households Living in Congested Conditions

A household living in conditions so congested that a separate dwelling unit is enquired to take care of it is based on the number of married couples not having separate rooms per household, estimated using the multiplying factor, as used by the TG-12 and the technical group on rural housing for the Eleventh Five-Year Plan. Households living in congested to be 30.28 million. As per the NSS , even if children aged two years or below use a room along with a couple, the couple is considered to have a separate room couple living in a single room-cum-kitchen is considered as having a separate room.

#### Total Rural Housing Shortages- 2012

The total rural housing shortage in 2012 was 62.01 million obtained by adding the four factors (excess of households over having houses, temporary houses, obsolescent houses and congestion).

#### Summary of Findings and Suggestions

This paper has assessed the rural housing situation and re- estimated the re- estimated the rural housing shortage in India in 2012 using the latest data sets- Census 2011 and NSS housing condition rounds unit record data of 2008-09. Improved methodology (as used in the TG-12) has overcome the limitations of WGRH-12. The growth rate of the rural housing stock and households decelerated during 1981-1991, 1991-2001 and 2001-11. However, the growth rate of the rural housing stock was higher than that of rural households, which narrowed the gap between households and housing stock and eased the pressure of the rural housing shortage. The number of households living in temporary houses fell from 32.01 million (23.15% of households) in 2001 to 27.14 million (16.17% of households) in 2011, thereby suggesting an improvement in the housing situation over the period.

#### Excess of Households over Houses

The WGRH -12 estimates was 4.15 million (using WGRH-11 projections from 2001 and previous censuses). This paper's estimate was 1.48 million (using 2011). The gap between rural households and rural houses in India has been falling over time and it is expected that this will case the problem of shortage because of excess households over houses.



### **Households Living in Temporary Houses**

The WGRH-12 estimate was that households living in temporary houses were 20.21 million (using WGRH -11 projections from 2001 and previous censuses). This study found it to be 26.69 million (which was arrived at by using Census 2011). The higher estimate for rural housing shortage because of temporary houses has also found by Singh et al (2013). Immediate attention is needed for eradicating housing poverty in rural India, and the focus should be on providing adequate housing for rural households, especially those living in temporary houses.

### **Housing Shortage Due to Obsolescence, Excluding Temporary Houses**

The estimate from the WGRH-12 was 7.47 million (using NSS data for 2002 and without checking if those already counted in temporary houses were counted again). This paper's estimate was 3.55 million (using NSS data for 2008-09). To tackle the problem of housing shortage because of obsolescent houses, measures should be adopted to shift households living in obsolescent houses to new units.

### **Households Living in Congested Conditions**

The WGRH-12 estimate was 11.30 million (using 2001 Census data). This paper's estimate was 30.28 million (using NSS data for 2008-09 and the new method used by the TG-11 and TG-12, replacing the method used by the WGRH-12). The variation can be largely seen as an outcome of the change in method and the use of recent databases to capture real congestion. The housing shortage because of households living in congested conditions is the highest among all the four factors taken into account. Hence, to tackle the problem of congestion, there is a need for creating extra rooms through support from public agencies.

### **Total Rural Housing Shortages, 2012**

The estimate for total rural housing shortage in the WGRH-12 was 43.13 million. This paper found it was 62.01 million. The estimated number of rural households was 171.11 million during 2012, according to this paper of the four factors, analysis suggests that the discrepancy between the figures in the WGRH-12 and this study is primarily because of the non-availability of latest data. Hence, this study is an improvement over the WGRH-12 in that it uses data sets from Census 2011 and NSS 2008-09, and simultaneously avoids double counting; It also adopts new methods for the estimation of the factors, as used in the TG-12, replacing the one used. The results reveal that the major problem in rural housing is the number of households living in temporary houses and congested conditions, leading to higher housing shortage in rural India in 2012. The WGRH -12 also assumes that 90% of the total rural housing shortage affects BPL families. However there is a need to reassess this and the turn the focus on adequate as well as affordable housing for all in rural India.

### **Conclusion**

The growth rates of rural housing stock and households can be seen to have decelerated over time. However, the growth rate of rural housing stock was higher than that rural household, which has narrowed the gap between households and housing stock over a period of time. The number of households in temporary houses fell in 2001 and 2011, there by suggesting an improvement of the housing situation during that period. There was also a rise in vacant census houses in rural India over the last decade. In 2012, the estimated number of rural households and the rural housing shortage were 171.11 and 62.01 million, respectively, which suggest that adequate and affordable rural housing has to be promoted by the state by allowing more housing supply to eradicate shelter deprivation in rural India. The results reveal that a major problem with rural housing is households living in temporary houses and congested conditions, leading to a higher housing shortage in rural India in 2012. There was also a shortage because of obsolescent houses. In addition, rural households were highly deprived when it came to basic amenities. Therefore, other measures such as bringing vacant houses to the housing market through taxation or incentive policies, creating extra space or building extra rooms through support from public agencies to tackle the problem of congestion, and shifting households living in obsolete houses to new units should act as complimentary measures to help reduce the estimated rural housing shortage.

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