

Housing Products for the Poor



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Introduction

The proposal analyses the shelter situation of slum dwellers living on rental and leased houses in slums and their insecurity of tenure in Madurai city, Tamil Nadu India. It suggests building on the social capital built by DHAN Foundation through people institutions.. It proposes developmental, financial and institutional interventions in housing the poor through their Community Banking programme.

1 Shelter Situation Analysis

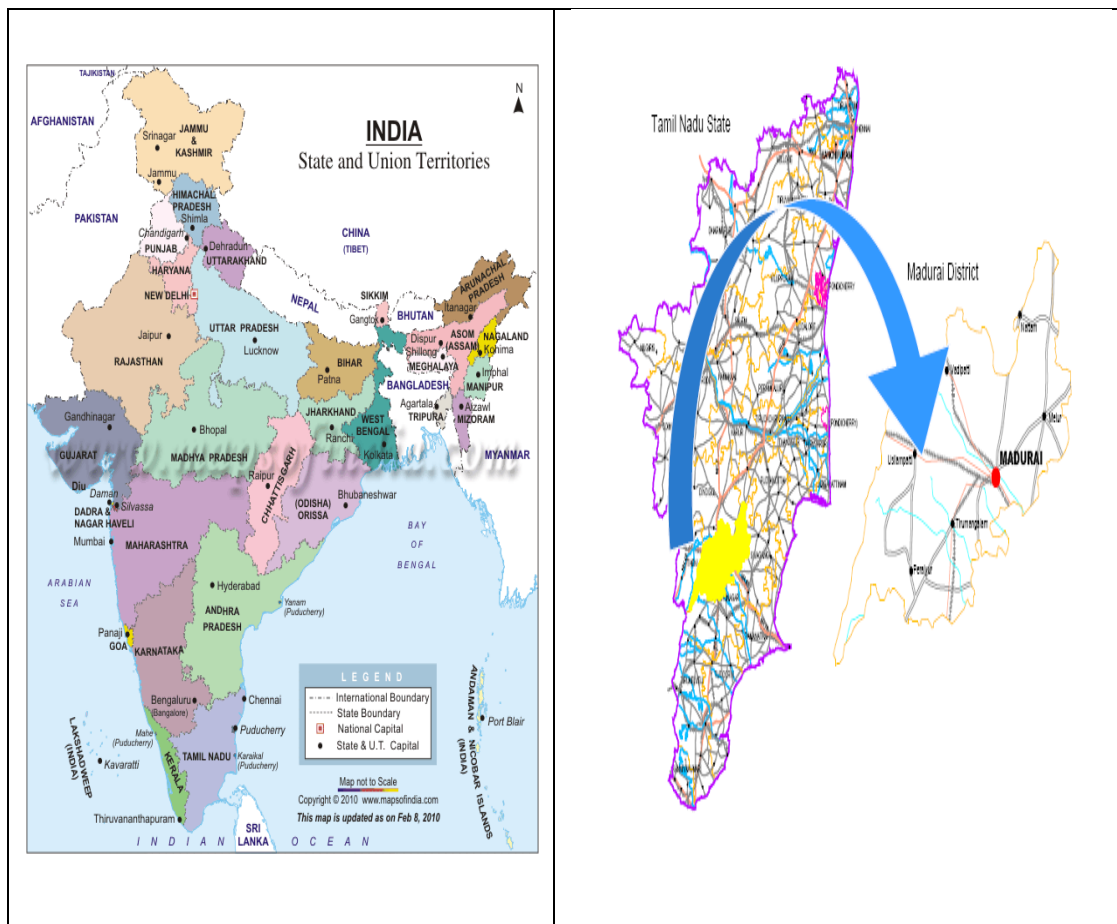
1.1. Basic General Data

India is the seventh-largest country by geographical area, the second-most populous country, and the most populous democracy in the world. (Dikshit et al, 2007). In India, out of the total of 1027 million during 2001, about 742 million live in rural areas and 285 million in urban areas (India Year Book, 2007). Among the major States, Tamil Nadu is the most urbanised state with 43.9 percent (27.2 million) of the population living in urban areas followed by Maharashtra (42.4 percent) (<http://in.rediff.com/money/2005/nov/12guest2.html>). It is the fifth largest contributor to India's GDP (<http://in.rediff.com/money/2005>). Madurai is one of the urban cities in Tamilnadu.

Geography and Administration

Madurai city has an area of 52 km², within an urban area now extending over as much as 130 km² (<http://www.madurai.com/general.htm>) and it is located at 9°56'N 78°07'E. 9.93°N 78.12°E (<http://www.madurai.com/general.htm>). It has an average elevation of 101 meters above mean sea level. Temperatures during summer reach a maximum of 40 and a minimum of 26.3 °C, though temperatures over 43 °C are not uncommon. Winter temperatures range between 29.6 and 18 °C. The average annual rainfall is about 85 cm (<http://www.fallingrain.com/world/IN/25/Madurai.html>).

Fig 1.Geographical location of Madurai



The entire Madurai district comes under the direct control of the District collector and the corporation limits within it is administered by Commissioner, Madurai Municipal Corporation. There are 72 wards and elected councillors of those wards join Council of Madurai Corporation, select the Mayor of the city

Demography and Health..

As per the 2001 census, the city corporation had a population of 928,869. The population of the Madurai urban agglomeration was 1,203,095 (<http://www.citypopulation.de/India-TamilNadu.html>). In Madurai, males constitute 50.53% of the population and females 49.46%. (Census of India, 2001). Basic health indicators maintained by the Corporation, the City registered 20,429 births and 5,327 deaths in 2009. The other indicators are presented in Table 1.

Table 1: Basic Health Indicators of Madurai Corporation, 2009

Sl. No.	Vital statistics	Madurai	Tamilnadu	India
1	Birth Rate	18.0	15.8	23.1
2	Death Rate	5.0	7.2	7.4
3	Still Birth Rate	8.0	NA	NA
4	Infant Morality Rate	8.0	35	55
5	Maternal Morality Rate	0.5	NA	NA
6	Expectation of Life at Birth			
	a. Male	NA	65	62.6
	b. Female	NA	67.4	64.2

Source: The City Health Officer, Madurai Corporation, 2009

Economy

According to Census 2001, the urban Workforce Participation Rate (WPR) is 34.18 percent which was 31.87 percent in 1991 (including marginal workers) (Census of India, 2001). The positive growth in WPR in urban area can be attributed to the growth in the Service Sector of which the contribution of urban poor is predominant.

1.2. Shelter Related Fact and Figures

Access to Shelter

Madurai city is facing acute shortage of housing stock, mainly attributed to the phenomenal growth of the city with influx of rural population, increase in tourism related activities and conversion of building use. There is a need to add 60,000 houses in the next 10 years to meet the demand (CDP, Madurai Corporation, 2006).

Table 1: Basic Data on Madurai Corporation

S.No.	Particulars	Quantity
1	Population (2001 Census)	928,869
2	Growth rate	16%
3	Life Expectancy	66
4	Work Participation Rate	34.18%
5	Average Household	4.32
6	Yearly increase in dwelling	15.8 %
7	Floor area per person	11.8 sq.m
8	Population Density	231 per ha
9	Literacy Rate	77.6%
10	No of notified slums	168
11	No of objectionable slums	40

Source: City Development Plan, Madurai Corporation

Out of 257,850 families in Madurai Corporation, 198,051 families are living in houses (including rental houses) and 59,799 (23.2%) families are without proper housing facilities. (Census of India 2001). They are living in temporary shelters, in public buildings, or thatched houses in public places (encroachment). (CDP, Madurai Corporation, 2006).

According to the standards prescribed Tamilnadu Town and Country Planning which is responsible for norms and codes states, the minimum plot extent is 220 sq. m for the residential purpose and 300 sq. m for the commercial purposes. Like wise minimum frontage to be left is 9 m which will allow optimum level of sunlight and air helps in healthy housing. (Source: Tamil Nadu Government Gazette 2010)

In Madurai Corporation, the floor area per person in Madurai Corporation is 11.5 sq m. About 88% families (174,285) are living in single roomed or bi-roomed houses in Madurai (SES report, Madurai Corporation, 2009). There are three kinds of ownerships viz., Patta holders (title deed), Porambokku lands (government lands) and encroachments. Water bodies, burial grounds, channels and Railway lands are some of the objectionable lands where Government object anybody to reside there. But 54297 (23.2%) in Madurai (Madurai Corporation, 2009) and 10859 (4.7%) families of India are living in such objectionable lands (Census of India, 2001). In the Indian context paternal transfer of ownership of

any asset (Mitakshara system) is common. Hindu Succession Amendment Act 1990 (Tamil Nadu) made a remarkable development. This law stated that the rights of the daughter are equal to that of the son, in any circumstances.

In Madurai, all the rental houses are rented formally. House taxes are collected separately for the rental and own houses. Once in five years an assessee was appointed to assess the house tax based on the prevailing rental rates. 68.5% families (135,665) are living in rental houses and 31.5% (62,386) families are living in their own houses (Madurai Corporation, 2009). In Madurai Corporation 62,386 families (24.2%) out of 257,850 families are affordable to have an own house in Madurai Corporation..(SES report, 2008, Madurai Corporation, 2009

In Indian context, aggregates (Coarse, medium and fine), Brick, Sand, Cement, Lime, Steel rod, Weathering tiles(4 varieties), Wood, PVC pipe fittings for electrical fittings and water supply and drainage structures, Paints, Mosaic or Polished granite slabs and marble slabs for flooring, Jolly windows are commonly used materials for a house construction. Alternative Building materials for low cost housing are now utilised.

Access to and cost of Basic Services/Infrastructure

The basic services dealt in the corporation are provision of water supply, storm water drainage, sewerage, street lighting and health. Madurai Corporation meets its water demand through Surface and Sub- Surface Sources namely Vaigai river. As a result, 50 percent of the households are not covered with the Corporation drinking water. Madurai is provided with network of storm water drains up to a length of 170 kms, which is only 28 percent of the total road network of the City. The corporation generates approximately 450MT of solid waste per day, at the rate of approximately 406 gms per capita, which is on par of cities of similar size (Source: City Development Plan, Madurai Corporation.)

The ULB is divided into four Zones, for provision and maintenance of Street lighting. The ULB is provided with 24,103 street lights at approximately 30 m interval, to light the City. Discussion indicated a high efficiency of operation with approximately 97.5 percent of the Street lights is in working condition. There are 456 doctors are practising and the doctor ratio with population is 1:2400 and there are 340 Private Hospitals functioning in the city. Further 43 Nos. of Medical

Officers and 48 paramedical staffs are working in Madurai Corporation. For general sanitation there are 40 Nos. of sanitary inspectors and 72 of conservancy inspectors and 60 Sanitary Supervisors with 2130 Numbers. of Sanitary Workers.

Access to and cost of Education

Madurai City has a literacy rate of 77.62 percent, which is marginally high in comparison to the district figure. The literacy rate has improved over the last decade, in lieu of the City's growing significance in the region and presence of Government and Private Educational Institutions. In order to regulate the fees structure of the private schools and to reduce the burden of parents Tamil Nadu State Government enacted a fees regulation act during the current academic year (2010 – 2011) which has made education accessible for all.

1.3. Housing Policy:

At the end of the 10th Five Year Plan, the housing shortage is estimated to be 24.7 million. The National Housing Policy of 2007 laid emphasis on both quality and cost-effectiveness especially to vulnerable sections of society. All States to be encouraged to develop a "Habitat Infrastructure Action Plan" for all cities with a population of over one lakh. (National Urban Housing and Habitat Policy, 2007). Under Jawaharlal Nehru National Urban Renewal Mission , the whole corporation is envisaged to have all the basic facilities especially sewerage, storm water drainage, solid waste management drinking water supply, houses for urban poor. The programme benefited those who are in notified areas having land titles but at high cost of debts as the subsidy was covering only 40% of the total costs.

1.4. Actors in Shelter Delivery and their roles:

The major actors involved in shelter delivery are the national / central government, state government, urban local bodies (ULB), private shelter developers and citizens.. The Central government provides capital and interest subsidy on housing loan and shares infrastructure costs for an affordable House. The State government based on the availability allocates land, draws policy guidelines for zoning the cities, regulates floor space index and shares

infrastructure costs along with the urban local body. The role of private shelter developer are offering bids based on the number of free houses (ownership/rental), viability Gap Funding, undertakes construction with the State government or ULB and citizens residing claim their entitlements, contribute towards construction of houses.

Major slum improvement programs are being implemented in Madurai viz., National Slum Development Program (NSDP), Swarna Jayanti Shehri Rojgar Yojna (SJSRY), Slum Improvement Schemes under TNUDP loan, and Accelerated Slum Improvement Scheme, Urban Self-Employment Program (USEP). National Slum Development Program (NSDP), Tamil Nadu Slum Clearance Board (TNSCB) has taken-up construction of blocks for slum dwellers under the environmental Improvement fund. Under this scheme a fireproof tenement of size 10x10 ft. will be constructed by TNSCB outside the limits of Corporation, with off-site infrastructure facilities. Corporation is also involved in various community development activities in Slums.

1.5 Shelter Design

Master Plan is a key development plan to provide land use allotment for residential, commercial, industrial, public and semi-public, traffic and transportation, parks, play fields and open spaces, etc., taking into consideration the existing land uses. The review of the land use pattern of Madurai City, for 2001, indicates that approximately 88 percent of land is being put to developed use as against 72 percent in 1994. Presently, approximately 48 percent of developed area is put to residential use, 18 percent area under transportation and 9 percent area under commercial Use. Area under commercial & education use has increased by more than 200 percent each, which is not adequately supported by allocation of area for circulation and transportation. (Source: City Development Plan, Madurai Corporation).

The population density of Madurai City is very high, approximately 213 Persons per ha in 2004 in relation to the density of 181 Persons per ha in 1991. The National and State governments have passed regulations on safety housing, to avoid the hazards which ever are possible to occur under Indian environment.. As

far as slums are concerned, no rules, safety measures, minimum housing norms are followed.

According to Town and Country Planning act (Tamil Nadu, 2010) minimum Floor Space Index (FSI = Floor area available for utility/Total land area) should be 1.5 sq. m for the Category-I houses and 2.5 sq.m for category III houses. It might be adopted in the houses constructed in formal lands. The houses in the slums of Madurai are having FSI less than one (SES report, Madurai Corporation, 2008). Moreover nearly 25 percent households of the slums are rearing cows and poultry which occupy 10% floor space of their house. This makes the situation worse besides transmitting vector diseases.

Social inclusion is ensured by the government / NGO's through promotion of self help groups for women members in particular to poor to organise themselves and to ensure access to credit from mainstream institutions. The houses in slums (66%) are semi permanent (tiles and thatched houses) in nature (ILSP survey report, 2009) and are susceptible to natural hazards which in turn directly hit the women in slums. Slums are established over the water bodies are prone to flood, causes unsafe conditions to women. About 21.3 percent slum households are going for open defecation and urination. Men can go for open defecation at any time which is not possible for the women. Slum women are helpless to dispose their menstrual wastes in proper manner due to lack of daily waste collection process. Alcoholism among men affects the home makers and plunge them in poverty leads to moral insecurity and disorders.

Sustainable city planning should aim at achieving social and environmental equity while improving the lives of the people. At Madurai, the issues are covering the deficiencies in services and providing the services in an environment friendly way. This is being facilitated by the Directorate of Town and Country Planning providing norms and codes.

2 Organisation

DHAN Foundation (www.dhan.org) with its thematic intervention has reached more than 8.0 lakh (0.8 million) poor members across India. It has promoted people institutions through its thematic programmes namely Kalanjiam Foundation, Vayalagam Foundation, Information technology, Rainfed Farming

and Panchayat Programme. DHAN Foundation with its experience in the urban context is the advisor in the Jawaharlal Nehru National Urban Renewal Mission for 66 mission cities across India. and has become the promoter of technical advisory groups in all the cities to shape the destinies of cities in collaboration with the respective Municipal Corporations.

(http://www.jnnurm.nic.in/nurmudweb/tag/City_Commune2.pdf)

DHAN Foundation through its thematic programme namely Kalanjiam Foundation has promoted 87 Federations comprising of 15202 groups with 228030 members through its community banking programme. The Federations in the programme has mobilized Rs.9929.37 lakhs (\$ 22.07 million) as savings from members and has loan outstanding to the tune of Rs.19241.33 lakhs (\$ 42.76 million) addressing the various needs of the urban poor, of which, under housing, the portfolio is Rs. 960.34 lakhs (\$ 2.13 million) and has effective repayment... It works with the members who are residing at objectionable areas facing insecurity of tenure and oppressions from muscle power

In Madurai, it has promoted seven federations comprising of 1200 groups with 25000 members through its community banking programme in 110 slums. Federations are people entities promoted by 250 to 300 groups in the corporation area.. Among the members, about 23 % have title deeds to their houses, 60 % live in rental and 17 % live on leasing. The demand is to provide housing products for this clientele. The urban federations have leveraged resources from the mainstream institutions like commercial banks, private banks, corporation etc to promote urban poor livelihoods and to arrest drains due to exploitative credit rates resulting in enhancement of quality of life

3. Shelter Problem:

The shelter problem identified by the situation analysis is housing the urban poor who are living on rental and leasing in slums. The data collected from the Tamilnadu Slum clearance Board shows that 60328 households with the population of 303231 reside in slums of Madurai as per census 2001 data. (Tamil Nadu Slum Clearance Board, Madurai). Demographic data available on Slums indicates that slum population as a percentage share of Ward Population varies

from a maximum of 69 percent in Ward 31 to 3 percent in Ward 39 and Ward 36. About 71.5% increment is seen in slum families for the period of seven years from 2001 to 2007 while it is 1.8% increment in the housing stock for the period of 9 years from 2001 (1,94, 552) to 2009 (198,051). (City Development Plan, Madurai Corporation). The performance indicators in the slums at Madurai Corporation are as follows:

Performance Indicators of Slums in Madurai

Sl. No.	Indicator	Current Situation	Benchmark
1	Slum population as % to Total Town Population	27.35%	< 10.0 %
2	Household size in Slums (Persons per HH)	5.03	-
3	Distribution Network Reach (against Road length in slums) in Slums	80% >	100.0 %
4	Slum Population per Public Stand Post/ Hand Pumps	119 Persons	75 Persons
5	Slum Population per Seat of Public Convenience/ ISP Complex	301 Persons	60 Persons
6	Road Length (Per Capita Road Length)	0.36	0.25 to 0.51
7	No of slums	168 (notified)	40 (objectionable)

Source: City Development Plan, Madurai Corporation

In Madurai Corporation boundaries, about 24% of the people don't have houses. Of the total houses 68.5% houses have been let for rent and remaining 31.5% houses are being used by owners (Madurai Corporation, 2009). Out of 72 wards in the corporation, most of the wards have notified and objectionable areas. Of the total slum households about 60% (36,197) are living in the rental /leased houses (SES report, Madurai Corporation, 2008). Shelter situation analysis reveals housing the poor who are residing in slums on rental and lease is the major problem.

The people who are affected by the problem are slum dwellers. The poor live on rental / lease in slum areas. They reside in notified areas and also objectionable areas facing eviction at any point of time by civil authorities and landlords. The nature of dwelling is either in having in own sites, or on rental or on lease in notified and objectionable areas. The people who own the land title are also

lacking basic facilities like individual toilet due to density and also due to lack of space. A survey on Integrated Low Cost Sanitation Programme revealed that a total of 18,878 families are not at all using toilet in their life. Building materials utilised for construction of the houses in slums are at the sub-standard level which will lead a questionable situation on the stability of the houses. This is not a preferable situation on safety point of view. Even though Under ground Drainage System and storm water drainage system have been provided Under Jawaharlal Nehru Urban Renewal Mission (JnNURM) in Madurai, they are not properly implemented in slums due to lack of spaces in between houses and sufficient road spaces. This will make the slum households to remain in the same unhygienic conditions.

People who reside in notified areas are subject to enhancement of rent in alarming proportions by the land owners who reside outside the slum. Dwellers have to yield to them because of the proximity towards to their livelihood and service facilities. Of the total slum households about 60% (36,197) are living in the rental houses. (SES report, Madurai Corporation, 2008). The landlords are on look out for people for lease as it entails lot of amount at a single stretch which deprives the people who have only capacity to pay rent. Even people who are on lease as they don't have any registered deed for lease and they are subject to threats by landlords when others offer more amount on lease. Hence, the slum dwellers are affected as their income is drained by the increase in rental and leasing costs and exorbitant interest rates charged by money lenders. The pressure on the city of these slums is felt by all the citizens and they are unable to take concrete action. The alarming rate of increase in rent by 100 % every year and the increase in leasing amount by 80% puts the slum dwellers in a vulnerable situation which necessitates them to borrow from money lenders at exorbitant rate of interest i.e. 4 to 5% per month.

The shelter actors namely the national government, state government, urban local body, real estate developers, financial institutions, non governmental organisation and beneficiaries can influence the problem. Under Jawaharlal Nehru National Urban Renewal Mission (JnNURM) efforts to create slum free mission cities have widened the gap between the rental poor benefiting only those who have title deeds but it has landed them in debt as only part (40%) of the amount of

the total cost was given for construction of houses. Government itself is constructing housing board colonies on water bodies by filling up them with improper filler materials. By this, the stability of the buildings constructed on those water bodies is becoming questionable. Tamil Nadu Slum Clearance Board wing of the state government has constructed houses on lease cum sale agreement for the slum dwellers in the objectionable areas has made the dwellers to sell the houses to third parties due to their over dues. Due to lack of coordination between the state departments, adoption of housing policy amended by the State Government has become the problem. There are no adequate institutions to support the housing finance at a lesser interest rate which deprives the slum dwellers their right for better quality of life and livelihood.

Urban local body could not find alternate sites for shifting the urban poor due to the limitation of corporation boundaries or remove the dwellers from objectionable areas due to the pressure of political system. Non governmental organisation are trying to organise the slum dwellers into self help groups for addressing the consumption needs and has a fear of risking loans of higher size because of the long tenure and lack of securitization. Few slum dwellers on their own have joined together and have purchased sites considering the expansion in urban areas to build houses for posterity. Even though there is a provision for allotting sufficient residential area for poor during every zoning process, the officials are not following it properly. This creates addition of new slums inside the corporation boundary.

The problem of housing has appeared because of insecurity of tenure, increase in rental and leasing costs, migration of rural masses to urban in search of livelihoods, increase in population and above all the threat of evictions by Civic authorities in objectionable areas. Insecurity of tenure is due to the rental / leasing status of the dwellers, increase in rental and leasing cost is due to the inflation and the exploitation of landlords in favour of better clients, migration is due to the search of livelihoods as the city is a heritage city and a tourist centre, the pressure of the state to make slum free city is also another reason for the dwellers who live in objectionable areas to resort for alternative propositions. People are not willing to incur any expenditure on basic amenities as their investment has no returns. Moreover, the increase in health expenditure due to lack of basic sanitation

facilities and unhygienic conditions and for posterity has made them to think about the alternative propositions for better quality of life.

The problems exist due to inadequate space within the corporation boundary limits, insufficient resources to explore alternative sites for relocation, inability to mobilise funds at cheaper rates of interest, state silence over the real facts of the slum dwellers. Corporation planning to rope in nearby municipalities to extend its boundary limits could address few issues but management of basic services would be costly venture where state has to invest considering the future. The alternate sites nearby corporation area are costly and if it is distant, it becomes inaccessible for their livelihoods. There is a need to balance the both. Considering the resource base and vulnerability of their livelihoods, banks are not willing to lend money and few successful attempts to mobilises resources through Self Help groups is sufficient only for consumption purposes. Housing requires long term investments and perseverance of the lender to reap returns. State is silent on the issues as it requires political will for the city development and orientation for consideration of posterity.

Summing up, the shelter problems identified are:

- a.. Housing the urban poor who are living in rental and leased houses in notified and objectionable areas because of alarming rental and leasing costs and basic infrastructure facilities for their well being.
- b. Lack of enforcement of entitlements for poor by the state / urban local body and adherence of the housing policy to allocate houses for poor.
- c.. Inadequate institutions for housing finance and lack of long term investments or endo system or institutions for housing the rental urban poor.
- d. Limitation of corporation boundaries which does not give room or scope for alternate site exploration.

Proposal for Change and Improvement

The problem calls for innovative solutions for all the categories of slum dwellers namely those who are on own, rental, lease in notified and objectionable areas. The solution should create an enabling environments, processes and institutions that improve the capacity of the poor to access viable social, technical and financial solutions and resources. This calls for reviewing the status of the

promoting organisation and its people institutions and member’s capability to address the housing needs of the urban poor residing in slums. This review is made in the SWOT analysis to follow.

SWOT Analysis

<p>Strength</p> <p>Community Organisation</p> <p>Saving, Credit and Insurance practices.</p> <p>Technical Skills on construction and product promotion</p> <p>Leverage resources from mainstream.</p> <p>Systems</p> <p>Project management skills</p>	<p>Weakness</p> <p>Bad Housing repayment experience.</p> <p>Lack of Documentation on performance of members.</p> <p>Lack of professional quality.</p> <p>Fluctuations in cash flow of slum Dwellers</p> <p>Health risks and area prone to Disasters.</p>
<p>Opportunities</p> <p>Building on People Saving</p> <p>Group Common fund</p> <p>Leverage of Resources from mainstream</p> <p>Investment of People institution fund to build solidarity and sustainability</p> <p>Government Schemes for entitlements</p>	<p>Threats</p> <p>Government Subsidy for selected few</p> <p>Politics</p> <p>Long Term Repayment</p> <p>Disintegration of our groups due to Govt Groups</p> <p>Cost of land and building.</p>

The review of literature from the institutions and the course support show the interventions possibilities namely on data collection, (lecture notes of Johnny Astrand on Upgrading of Spontaneous settlements), factors in deciding viable interest rate and interest subsidies (Enhancing Affordability / Accessibility of Economically Weaker Sections (EWS) / Low Income Groups (LIG) to Housing by Achal Gupta, HDM study) and the features of the institutions which were given credit support by Sida in Latin America (Pankaj Joshi, A Sustainable

Finance Strategy for Low Cost Housing in Urban India —towards a Pro-Poor Housing Finance System HDM Student)

Considering the strengths and opportunities of the organisation and banking on the learning from the course and literature, the following proposal for change and improvement is suggested for action under Developmental, Financial and Institutional areas.

Developmental

a. Expansion of Corporation boundaries

Through its Technical Advisory Group promoted under Mission Cities at Madurai, influence will be made on the political system / state to expand the corporation boundaries by integrating few municipalities nearby by the corporation which will pave the way for provision of basic services to the expanded area by the corporation. This will facilitate the rental households to explore urban spaces with all the facilities without losing their connectivity to their livelihoods. This will facilitate the increase in population is influencing the National and State governments for accommodation of rental and leased households residing in slum areas.

b. Enforcement of Entitlement

Under the National Housing Policy, new site developments should have 20% of the area allocated for the urban poor. With the federations promoted by self help groups under the Community Banking Programme, pressure will be exercised by the dwellers with the solidarity influence the corporation for ensuring their entitlements like getting their compensation, allocation of land, interest subsidy etc.

c. Shelter Development Plan

The inception document will screen the existing slums and identify the categories of ownership to identify the potential members for the shelter development, livelihood areas and their quality of life would be studied which will become the base document. The assessment of functional needs and their life style will give the shelter development plan for their well being.

d. Building Infrastructure for cluster houses

Considering the land availability as a major concern, the corporation could facilitate provision of basic infrastructure services namely on sewerage, storm water drainage, water supply, solid waste management, sanitation, street lights etc which would subsidise the costs and be the morale booster for private investment.

Livelihood Centres

Livelihood centres based on the needs of urban economy namely on plumbing, electrical, home management, drivers, cell, television repair and maintenance etc can be envisaged for building the skills of the slum dwellers who have come on migration for their sustainable livelihood.

Financial

f. Study of socio economic profile of slum dwellers

The socio economic study on slum dwellers residing on rental / leased premises in slums of Madurai for assessing their capability and credential: The housing of urban poor depends on the life cycle stages of family head, household income/ cash flow, asset base and their ownership status namely rental, leasing, own house, entitlements. Hence, there is an immense need to have a SWOT analysis of households and actors involved to evolve relevant products / support services required.

g. Savings and Sweat as Equity

Building on the saving of the potential members as saving equity with better interest rates for graduating them as clientele under cluster housing would be another criterion which will enable the people institution for mobilising the resources from the mainstream and the donor agencies, besides, sweat equity will be also considered for the construction of houses to make it participative.

h. Mobilisation of resources

Resources are required for construction / incremental housing for the slum dwellers. Leverage of resources can be done from banking system based on the groups saving and repayment performance at market rates of interest. Grants from funding agencies can be mobilised to be used as revolving fund which will be lend at lesser rates of interest and revolved with the funding manager who will create a

corpus for recycling the same for further housing construction for the urban poor. Efforts will be made to influence the government in the capacity of advisor to get the interest subsidy for the loans given by the mainstream for construction of houses for the rental households residing in slums with the data base of their existence at slums for a period of more than 5 years.

Development Design options

Based on the functional needs assessment of the slum dwellers design options need to be worked out for availing the options based on their capability and needs. Orientation on the advantages of harvesting rainwater, segregation of wastes and recycling of waste water will be integrated as part of the design. Design options will cover the scope of giving infrastructure like road, electricity, houses based on economic criteria with foundation, without foundation and scope for further construction and management of space in the house.

j. Setting up of Systems for Operation

Since the relation with the dwellers would be of long run, there is a need for setting up of management information system based on accounting and book keeping system maintained by the groups for their operation. Financial management system will be in operation with the funding manager for ensuring the revolving fund and also sharing of the output to Donor agencies. Integration of own resources, grants, loan and interest subsidy will facilitate the slum dweller to construct the house.

Institutional

k. Promotion of Housing Users Groups (HUG)

Building on the organised entities under the community banking programme, potential slum dwellers will be organised into Housing User Group (HUG). DHAN Foundation is working with the slum dwellers who are residing in notified and objectionable areas under their community banking programme. The priority will be with the dwellers residing in objectionable areas and are vulnerable to exploitation by the muscle power. HUG will involve in framing byelaws for their operation, settlement planning, design, housing improvement, negotiation with the stakeholders on the services required and implementation.

l. Promotion of Guilds of Masons and Contractors

Most of the Slum dwellers are the construction workers instrumental in building the houses for others. They would form in to guilds based on their occupation for undertaking the work at nominal rates for their own shelter development.

m. Promotion of Housing Construction Company

Outsourcing the equipment is a costly venture, hence basic equipments required for construction will be purchased under the company from the common fund generated by each people entity will be contributed as equity for the construction company which will be owned, controlled and managed by the people with professional guidance.

n. Setting up of working committees

Setting up of working committees for purchase of land, exploration of resources from mainstream, construction of houses and integration with civic authorities to construct houses for the urban poor will be done under the aegis of People Institution.

o. Exploring land pooling options for cluster housing

Land pooling will be done based on the socio economic criteria based on the socio economic study. Land pooling will facilitate to carry out the unified servicing (DEWATS / sanitation and water management, open space, community space, connectivity and subdivision of separate land holding for planned urban developments. This will enable to counter excessive land speculation and facilitate clear land titles with out any encumbrances.

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