

Towards Affordable Housing for the Rural Communities in Andhrapradesh, India.



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Introduction

Andhrapradesh is one of the largest states, located in the southern part of India. The state government has launched several schemes towards the poverty alleviation. But the design of the housing unit and the allotted amounts for the same never matched and that resulted in thousands of incomplete houses. As an international NGO working in India for the last 26 years, we are trying to address the issue by using different strategies.

Shelter Situation Analysis

Basic General Data



Source: Wikipedia, the free encyclopaedia

Geography and Administration,

Andhra Pradesh is a state situated on the south-eastern coast of India. It is India's fourth largest state by area and fifth largest by population.

Demography and Health

The State of Andhra Pradesh is divided into three different regions, namely Telengana, Rayalaseema, and Andhra. Telugu is the official language of the state, spoken by 83.9% of the population. The female literacy rate is 0.66 compared to male literacy rate in rural AP. The district-wise variations for poverty ratio are high and low for the ratio of female/male literacy rate. Life expectancy is 61 years.

Economy:

Agriculture has been the chief source of income for the state's economy. Four important rivers of India, the Godavari, Krishna, Penna, and Thungabhadra flow through the state. The state is rich in the mineral reserves. Andhra Pradesh's GSDP for 2005 was estimated at \$62 billion in current prices.

1.2 Shelter Related Fact and Figures

Access to Shelter

Andhrapradesh is facing an acute shortage of houses especially in the mid-income and low-income category. Housing supply has been mainly concentrated towards the premium category, resulting in shortage of affordable houses. It is assumed that the urban housing shortage would increase further owing to continuous migration and rise in nuclear families, while rural housing shortage would decline with urbanization and conversion of kutchha houses to pucca houses.

Housing stock

The Government of Andhrapradesh invested large sums of money to improve the economic conditions of the people through innumerable social, economic and institutional means, along with around one-third of the money allocated to housing in the first plan and the subsequent five year plans. Although, the housing share in these plans has decreased over the years, considerable progress has been made.

Housing deficit (quantitative and qualitative)

Since the early late 1990s, Andhrapradesh's population has grown at an average of 2% annually, within which the urban population, mega cities and slum populations grew by 3%, 4% and 5% respectively. Industrialisation and urban migration have created a very serious and critical housing situation.

In the year 2007, the housing deficit in Andhrapradesh was estimated to be 2.47 million houses in urban areas and 1.5 million houses in rural areas, totalling 4.0 million units.

Occupancy

Andhrapradesh's households include more people than they do in the United States and other Western countries, in 2001; the average Andhrapradesh household consisted of 5 persons.

Housing standard

The where the rural poor live are usually constructed from mud blocks, roofs are thatched and the floors are covered with a mud and cow-dung paste that serves as a disinfectant.

Houses supplied by the government are constructed with cement blocks or bricks, the floor is cement, and the roof is made of concrete or asbestos. Usually there is only one room in the house, but in some cases a half-wall may be built to separate out the kitchen.

Floor area per person

Government-supplied houses are around 20sqm. in floor area which works out to 3.5 sqm. of floor space per person.

Rental (formal and informal)

The government constructs houses under various schemes to be rented out to targeted groups of the population for a nominal rent. A person can also rent a house from private agencies or an individual. Usually rental agreement is valid only for eleven months, which can be renewed on the approval of the both parties.

Ownership (formal and informal)

A person can buy a house on hire-purchase from a government housing agency, public housing agencies, private builder/ developer or an individual.

People can build houses through housing cooperatives or by their own.

Housing affordability ratio

The retail loan portfolios of banks including housing and real estate advances expanded at rates ranging between 22-41 per cent since 2001-02 and accounted for 26.7 per cent of the incremental non-food credit in 2005- 06. As per the RBI's Annual Policy Statement for the year 2006 07, the incremental growth in the loans to commercial real estate and housing clocked rates of 84.4 per cent and 29.1 per cent, respectively, in 2005-06. The rapid growth in housing loan market has been supported, *inter alia*, by the growth in the middle class population, favorable demographic structure, rising job opportunities in the metropolitan centres, emergence of a number of second tier cities as upcoming business centres, IT and ITES related boom and rise in disposable incomes.

House price to income ratio:

- Creamy layer > 1 but 1% of population
- HIG = 1 but 4% of population
- MIG around 0.5 but 30% of population
- LIG < 0.25% but 50% population
- Weaker sections 0 but 15 % but 15% population

Land (formal/informal)

In a mixed economy, with the responsibility of providing key infrastructure and basic amenities vested in the government, the system for controlling land use and land prices becomes extremely important. In metropolitan cities, there are large areas where density of population is as high as 1000 to 2000 persons per hectare. Due to the increasing population pressure, the precious agricultural land on the outskirts of the urban agglomeration is being encroached upon to meet the growing demand of housing. An attempt has been made in Andhrapradesh to use it for directing urban growth, ensuring appropriate utilization of urban space and is adequate supply of land for community use.

Housing construction:

After food and clothing the housing is most important aspect of any human being. It gives safety security and privacy for the family. Housing is a major goal of a family. It also improves the saving capacity of the family. It is also an economic asset in the market.

Building materials

The commonly used building materials in India are, sand, clay, cement, lime, bricks, steel, wood, tiles, asbestos, gypsum, glass, aluminium, glass, etc.

1.3 Housing Policy

The Government of India tabled the National Urban Housing and Habitat Policy in the year 2007 in both the houses of Parliament, to provide affordable housing for all in the country. It will promote various types of public-private partnerships (PPPs) for realizing the goal of Affordable Housing for all'. The policy intends to promote sustainable development of habitat in the country with a view to ensuring

equitable supply of land, shelter and services at affordable prices to all sections of society.

Given the magnitude of the housing shortage and budgetary constraints of both the central and state governments, the policy focuses on multiple stake-holders at the private sector, the cooperative sector, the industrial sector for labor housing and the services and institutional sector for employee housing.

- Within the overarching goal of 'Affordable Housing for All,' emphasis has been laid on urban and Rural planning, increase supply of land, use of spatial incentives like additional floor area ratio (FAR), Transferable Development Rights, increased flow of funds, healthy environment, effective solid waste management and use of renewal sources of energy.
- The policy would promote micro finance institutions at state level to expedite flow of finances to urban & rural poor.

Special features of housing sector in Andhra Pradesh

1. Andhra Pradesh is the first State in the country which has established an exclusive organisation to achieve the objective of providing shelter to all.
2. Mobilizes loans from various Financial Institutions for implementation of Housing Programmes.
3. Plays the role of facilitator in the construction of houses by providing technical and financial assistance.
4. Propagates cost effective and eco-friendly construction materials and technologies in the construction of houses.
5. Imparts training for skills up gradation through Nirmithi Kendras.
6. Encourages in situ production of alternative construction materials.
7. Recovers loans from beneficiaries in instalments by motivation

1.4 Actors in Shelter Delivery and their Roles

The Housing Department:

The Housing Department was formed in 1991 with the primary objective of providing shelter to the homeless in rural and urban areas.

Various Organizations within the Housing Department involved in Providing Shelter in the State of Andhra Pradesh, India are as follows,

Housing Board:

Andhra Pradesh Housing Board was formed with the objective of providing housing to the deprived citizens of the State at an affordable price.

The main functions of the Andhra Pradesh Housing Board are:

- Implement integrated/composite Housing Schemes for construction of houses
- Enable Lower Income, Middle Income and Higher Income Groups in the society to acquire houses on rent and on ownership basis.

Andhra Pradesh State Housing Corporation Limited (APSHCL)

Andhra Pradesh State Housing Corporation Limited (APSHCL) was formed in July 1979 as a Government company. The main objectives of the Corporation are:

- Implement schemes that provide housing for the benefit of the people of the State, particularly the weaker sections of the society or those affected by natural calamities such as cyclone and tidal waves
- Undertake research and development activities in the field of building construction and material management.

House Federation:

Andhra Pradesh House fed is a registered Apex Co-operative Society. The main function of the Society is to arrange finance for housing societies. A.P. House fed arranges loans for the members of the Primary Housing Societies in Andhra Pradesh by availing loans from Life Insurance Corporation of India, Mumbai and HUDCO.

Non Governmental Organisations:

There are a number of International & national NGOs working in the shelter sector. The focus is mainly on participatory approaches in the housing activities. Appropriate technologies and sustainable resource mobilization strategies are also being promoted by the agencies. Habitat for Humanity has been working in the state for the last 26 years.

Private Sector:

A number of real estate agencies and contracting firms are also active in the state. They cater only to the higher income groups.

1.5 Shelter Design

Physical Planning

Physical planning is a design exercise that uses the land use plan as a framework to propose the optimal physical infrastructure for a settlement or area, including infrastructure for public services, transport, economic activities, recreation, and environmental protection. A physical plan may be prepared for an urban area or a rural area. A physical plan for an urban region can have both rural and urban components, although the latter usually predominates. A physical plan at a regional scale can also deal with the provision of specific regional infrastructure, such as regional road or a bulk water supply system.

Urban areas

The planning process in urban areas tends to be more complex and prone to conflict and contestation. Land values are higher, property ownership is more complex, and flexibility to change land uses is often more limited. It is important to acknowledge that land use planning is going through a paradigm shift across the world. From an earlier, purist approach of exclusive zones for specific uses (e.g., residential, commercial), there is a shift toward appropriate mixes of compatible uses (e.g., residential with small businesses, institutional with offices). From an earlier approach of flat, low-density urban development, there is a shift toward more compact cities with variable density correlated with urban transport systems.

Rural areas

In rural areas, the settlements and associated built-up areas form a relatively small part of the larger landscape. Land values are lower, and, while ownership and titling issues exist, they can often be resolved relatively easily through participation. The sense of ownership is higher in rural areas, and the social structure plays a major role in the dynamics of reconstruction. However, community participation is fully achievable in a rural context.

Land Use

Land use plans and physical plans are not necessarily mutually exclusive. It is common practice in many countries to prepare comprehensive development plans that address both land use zoning and the provision of physical infrastructure.

Population Density

One of the important indices of population concentration is the density of population. It is defined as the number of persons per square kilometre. The population density of India in 2001 was 324 persons per square kilometre, which means that now 57 more people live in a square kilometre area in the country than the number that lived a decade ago.

At the beginning of the twentieth century i.e. in 1901 the density of India was as low as 77 and this steadily increased from one decade to another to reach 324 in 2001. The persons living in per sq. km. has increased by 21.3 per cent in 2001 as compared to 1991.

Shelter Quality

Concrete structure as per the standards of construction, quality depends upon material used, workmanship, purposes and practices.

Function

The basic function of a house is to provide shelter to the occupants. Protection from external climatic conditions, natural disasters, wild animals, etc is the secondary functions. The design of the house should take into account the intended use.

Safety

A house should provide its occupants Physical safety, Health, and security,

Comfort

Privacy, Clean, decent, and stable housing, A family's sense of dignity and pride grow.

Social Inclusion

The lack of a regular, stable home environment puts people at risk of social exclusion and brings difficulties in accessing other services.

Gender Issues

The high price of housing compared to the earning capacity of women is a burning problem. Women's lack of information on shelter and credit programs as well as the discrimination against women with respect to access to credit, insecurity with bureaucratic procedures and lack of forums to voice their needs make it much worse.

Sustainable Development

Families can provide stability for their children. Educational and job prospects increase. Introduce income generating schemes, Skill development in (masonry) construction, brick making. Carpentry & Plumbing, etc.

Norms and Codes:

Fire & Life safety, Drainage, Sewers are being done as per the local governing norms & codes.

2. Organization

Habitat for Humanity India Trust:

Habitat for Humanity International was founded in 1976 in the United States with the purpose of eliminating poverty housing and homelessness from the World and to make decent shelter a matter of conscience and action.

MISSION PRINCIPLES

1. Demonstrate the love and teachings of Jesus Christ
2. Advocate on behalf of those who need decent shelter
3. Focus on shelter by building and renovating simple, decent and affordable houses
4. Engage broad community through inclusive leadership and diverse partnerships
5. Promote dignity through full partnership with habitat homeowners and future home partners
6. Promote transformational and sustainable community development

The International Headquarters is situated in Georgia. To date Habitat has built more than 350, 000 thousand houses around the world, providing more than 900, 000 people in more than 3,000 communities with safe, decent and affordable shelter. Habitat welcomes all people, regardless of religion, race or ethnicity, to build simple, decent, affordable houses in partnership with those who lack adequate shelter.

Habitat for Humanity commenced its operations in India in 1983, with the first project comprising of 16 houses, being commissioned at Khammam, Andhra Pradesh. Since then, over 33,000 houses have been constructed, providing safe, decent and affordable shelter to around 165,000 less fortunate citizens of the country.

Habitat's tsunami response involves assisting thousands of families directly and indirectly, often in partnership with other organizations. Habitat continues to help tsunami-affected families rebuild their lives and is constructing and repairing several hundred houses every month.

HFH India also responds when local communities are affected by annual monsoon rains. Habitat house designs and materials vary with climate and locale. Habitat for Humanity India celebrated its 25th Anniversary in December 2008 celebrating its accomplishment of 25 years of building in India. The year also marked completion of 25,000 Habitat houses and 10,000 houses constructed in response to the 2004 Tsunami.

Coastal belt in Andhrapradesh is constantly under threat of disasters. Vijaywada is the most important town in the coastal belt.

In spite of constant devastations, marginalized communities are left without any help. That is when Habitat for humanity decided to intervene to ensure sustainable livelihoods among the communities. Over the years the organization has been highly successful in bringing back dignity to the marginalized sections of the society.

The pioneering efforts of Habitat in rehabilitating several thousands of homeless families have been highly appreciated by the government, the media and the public in general. In several housing programs the organization is partnering with the state government in resource mobilization as well as execution.

Habitat for humanity provided shelter for nearly 4000 families in 7 coastal districts. Habitat normally assists those who are below poverty line (BPL) and having land to put the house there on. The loan which Habitat provides is interest free and repayment will be on a period of 4 to 6 years on easy Weekly/monthly instalments.

Presently the organization is engaged in releasing financial assistance to 1000 families in coastal belt in Andhrapradesh to build their shelters. All the houses are in various stages of construction .This phase will end in early June 2011. Habitat for Humanity is practicing one third model, which means from the total cost of the house 1/3 by the home owner, 1/3 is from the Govt/Any NGO and 1/3 by the Habitat for Humanity.

While we are towards achieving the 1000 shelter goal by June 2011, insufficient allocation from the government made us to think towards raising the funds and other alternatives to complete the target.

3. Shelter Problem

Review of funding options in housing sector in Andhrapradesh

Housing is one of the most serious challenges facing Andhrapradesh's socio-political economy today. Shelter remains beyond the reach of millions in the state. This is a matter not merely of deep concern but also a matter that requires immediate attention and urgent action. For a normal citizen, owning a house provides significant economic security and status in society. For shelterless persons, a house brings about a profound social change in their existence, endowing them with an identity, thus integrating them with their immediate social milieu.

Housing problem in Andhrapradesh is very chronic, particularly among the low income and such other marginalized groups who are beyond the reach of the formal institutional agencies for housing finance. Nearly the whole of the housing shortage in the state, as high as 99.84 percent, relates to the above underprivileged group. Hence, to address the 'real housing problem' in the country it is imperative that alternative models are developed.



While access to adequate and secure housing is a basic human right, it is still denied to many of the world's poorest people.

According to the Census 2001 data, 82 million of India's total urban population of 285 million lives in slums and other low income informal settlements. This means that about 30% of the country's urban population has little or no access to adequate housing and basic amenities. The situation in rural areas is even more dismal. It can thus be estimated that around 50% of India's population lives in conditions of extreme deprivation. There are 5.81mn villages in Andhrapradesh the communities live on agricultural labour works and fishing with a meagre income. These areas are prone to disasters such as cyclones & flooding. People suffer a lot without proper shelter and protection.

Government & Habitat for Humanity India along with the needy communities are working towards the better housing situation.

Government Schemes for Housing: **INDIRAMMA SCHEME**

As per the census data in 2006, there were 47 lakh rural households and 13 lakh urban households without a permanent house in the State. State Government Launched a scheme called **"Integrated Novel Development in Rural areas and Model Municipal Areas"** (INDIRAMMA), to provide 60 lakh houses before 2009. Extendable to another 3 more years i.e. 2012. The primary aim of this programme is to provide in every village pucca houses, drinking water supply, individual sanitary latrines, drainage, and power supply to every household.

Specification for a house under Government Scheme

- Minimum area proposed by the government for building a house is 20 to 30 sqm under various schemes. (A multi purpose room, a bed room, Kitchen, toilet)

Government Schemes and Funding:

| <i>Name of the Scheme</i> | <i>Allocated amount</i> | <i>Size of house with toilets</i> | <i>HfH loan per unit</i> | <i>Additional amount required</i> |
|-------------------------------|-------------------------|-----------------------------------|--------------------------|-----------------------------------|
| RURAL PERMANENT HOUSING (RPH) | Rs:25,000/- | 20 sqmtr | Rs:25,000/- | Rs:30,000/- |
| INDIRA AWAAS YOJANA (IAY) | Rs: 25000/- | 20 sqmtr | Rs:25,000/- | Rs:30,000/- |
| WEAVERS HOUSING PROGRAMME* | Rs; 40,000/- | 25 sqmtr | Rs:25,000/- | Rs:25,000/- |
| FISHERMEN HOUSING PROGRAMME | Rs: 40,000/- | 20 sqmtr with raised foundations | Rs:25,000/- | Rs:30,000/- |

* State & Central Sponsored 1\$= Rs: 46, Sep2010

Drawbacks in the existing schemes of the government

1. Insufficient allocation for the housing - unit cost

The Allocation for various categories of housing is never sufficient this is basically due to ignorance of the market dynamics and present day trends in construction.

2. Innocence & Ignorance of communities

The communities still do not have access to information. There is no effort from the government mechanism to reach the poor to educate them about the welfare schemes promoted by the government. There is also rampant corruption in the bureaucracy.

Present market trends:

- Present Rate of construction- Rs: 800/- per sqft- Conventional.
- Our rate of construction using cost effective technologies & materials Rs: 500/- per Sqft.
- To build a 300 sqft house we require at least Rs: 150,000/-

Insufficient allocation results in an incomplete house.

Financial allocation of the government is always based on the state Public works department schedule of rates. The wages for skilled worker for masonry is taken as Rs: 140/- where as the open market is around Rs: 325/- per day. Like wise the

price of 1 cubic ft sand is mentioned as Rs: 3/- where as the market price is Rs: 12/-. Now this match has provided grave miscalculation between the financial allocation of the government and the actual cost of the housing unit.

The area of proposed housing unit always exceeds 250 sq ft. Hence considering the present rate of the construction, the beneficiaries would find it difficult to complete the house. So many thousands of houses are laying half way in all parts of Andhrapradesh.



In short, housing for the poor in Andhra Pradesh is turning in to a complex problem for many reasons. The main reasons are the unrealistic design which does not reflect the cultural needs of the people, the govt estimates that are based on outdated data, inability of the poor to find the required deficit, the unhelpful market mechanisms in the state and the low priority for the housing sector in the state plan.

4. Proposal for Change and Improvement:

Effective resource mobilization techniques to help the homeless poor in Andhrapradesh

Objective:

- To tap the resources to bridge the gap between the allocation and completion of the housing unit.

Methodology

Advocacy & Networking

Resource mobilization to match up increasing the unit allotment

In the current housing projects we still discover that there is financial gap after the contributions of the government and Habitat for Humanity. To bridge the gap resources will be sought from external agencies/charities/ corporations, High net worth Individuals, Etc. The organization will undertake the responsibility of net working with different actors.

Use of non conventional & Cost affective technologies

Basic thrust is to bring down the cost of housing unit.

The cost effective and eco friendly technologies and materials are yet to gain acceptance in the local community. Lack of awareness, resistance from the conventional construction industry and the resistance of government department to promote technologies are the main obstacles to this process.

There are still questions raised about the durability and the life of the buildings which has used the technologies. Massive awareness educational campaign will have to be organized among the communities to tide over this problem.

The organization is planning to put up few demonstrate buildings to prove that the materials and the technologies are sustainable.

Promote the concept of Incremental housing

Houses are still viewed as symbols of pride and wealth even among poor communities. Habitat for Humanity is planning to sensitize the communities about the possibilities of a “growing” house. As the resources grow house can have more rooms. Initially the concept of a core house will be promoted to address the minimum needs of the family.

Involving NGOs

The Organization will be partnering local Non Governmental Organizations as well as community based organizations at all levels of shelter development.

This involvement will make it people – oriented.

Engaging local volunteers

Capacity building remains as one of the thrust areas of the organization. By engaging volunteers from the local community to concept of differential vocation and sustainable livelihood are met. After few years the organization might withdraw from the project. Facilitating the local people to carry on the process.

Sweat equity

The idea is to engage the community in the construction process asking them to contribute in terms of unskilled work. The services of local churches, Educational institutions and community organizations will be utilized for the effective implementation of the project.

Lobbying with the govt to increase the unit allotment

The Organization will get in to consultative processes to pressure the government to increase the present allocation to match with prevailing market rates. The planning authorities will be urged to revise the design to match with the budget. Public campaigns are being planned to mobilize opinion against the insufficient allocation. There is already a move by the state govt to raise the allocation to those who live in danger areas such as coastal areas and flood prone areas.

Training

- Training in construction skills to be imparted to the local population and to get them engaged in on going housing schemes
- Training engineers and supervisors along with local volunteers in the Planning & Implementation of the project
- Simple tools to be developed and training given to local volunteers for the Financial Management of the project (Budgeting & Accounting)
- Monitoring and Evaluation of the project
- Vocational guidance and training to members of SHGs for sustainable livelihood.

Capacity Building

- To serve as a resource centre in the state to address issues related to the housing development for the poor
- Hiring a staff for the Resource development (in house)
- Educating the communities about the need for savings
- Build capacity of local communities particularly women and motivate them to participate fully in the implementation of the project.
- Partnership with Local community based organizations and NGOs
- Women's empowerment through savings and credit programs through Self Help Groups and their involvement in decision-making processes.
- People's participation in decision making and community self governance

Technical support

- Coordinating with National Institution of Rural Development for the promotion of cost effective technologies
- Encouraging cost effective and appropriate technologies in construction by publishing booklets in local language to be distributed to the stakeholders
- Promote the Use of non conventional material which is energy efficient like earth and lime.
- Monitoring & Evaluation.

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