

## 4. NATIONAL HOUSING SCHEME

### A. Indira Awaas Yojana (IAY)

The IAY is the most important rural housing scheme which aims at providing dwelling units free of cost to the rural poor living below poverty line. IAY was part of JRY. But after restructuring of JRY, IAY became an independent centrally sponsored scheme for shelter for rural poor with resources being shared on a 80:20 ratio between centre and states. The main objective of the scheme is to construct dwelling units free of cost for the target group below the poverty line which comprises SC/ST, freed bonded labourers and also non SC/ST families. The cost norms under IAY have been periodically increased as per the Ninth Five Year plan document, the maximum ceiling of assistance admissible under IAY has been raised from Rs. 14000 to Rs. 20000 in plain areas and Rs. 15,800 to Rs. 22,000 in the hilly/difficult areas.

The IAY had a limited format of construction of new houses. But in the modified form IAY has two components ;

- (i) Construction of new houses (at an average weighted cost of Rs. 20,000)
- (ii) Upgradation of katchha and unserviceable houses (at a unit cost Rs. 10000). States are allowed to use up to 20% of the funds allocated under IAY for the upgradation of unserviceable katchha houses.

The different dimensions of the scheme had been verified under the field survey.

#### (a) Socio-economic condition of the beneficiaries :

Out of 60 beneficiaries 33(55.0%) were male and 27(45.0%) were female. 18(30.0%) beneficiaries were literate and 42(70.0%) were illiterate. Out of 18 literate beneficiaries 17(94.44%) beneficiaries had the qualification of primary level and above but below matriculation level, only a single (5.55%) beneficiary hailing from Jharkhand had the qualification of matriculation level but below graduation level. Not a single beneficiary could reach upto graduation level. Illiteracy level was higher (45.23%) in Central Bihar being followed by North Bihar (only 38.09%).

Out of 60 beneficiaries, only 02 (5.0%) were small farmers, no one was there for marginal farming. But 31(51.66%) were agricultural labourers, 11(18.33%) were non-agricultural labourers, 11(18.33%) were non-agricultural self employed, not a single beneficiary was artisan but 04(6.66%) were others including housewives. Hence agricultural labourers had taken the maximum benefit from the scheme specially in Central Bihar where 95% beneficiaries were agricultural labourers. (Table 4A.1)

31.66% beneficiaries had the family size of 1-5 members, 68.33% had the size 6-11 members and no one had the family size of 12 or more. The trend was almost similar in all three zones.

31(51.66%) beneficiaries belonged to scheduled caste, 3(5.0%) belonged to scheduled Tribe (only from Jharkhand region), 20(33.33%) belonged to OBCs and 6(10.0%) from other castes group including minority. Only 3(5.0%) beneficiaries were freed bonded labourers and 3(5.0%) were assignees of surplus land from Central Bihar and Jharkhand region respectively. Remaining 54(90.0%) belonged to other category. (Table 4A.2)

Only 1(.66%) beneficiary belonged to Jharkhand region had income below Rs. 6401, 7(11.66%) had income in between Rs. 6401-11000, 25(41.66%) had income in between Rs. 11001-16000 and 13(21.66%) had income in between Rs. 16001-21000, 14(23.33%) beneficiaries had income in between Rs. 21001-32000. This group was above the poverty line but managed to take the benefit of the scheme with their manipulating skill including the payment of high speed money. (Table 4A.3)

**(b) Economic structure and viability of the scheme :**

100% beneficiaries had taken the benefit of the scheme for construction of housing. Under the scheme houses had to be constructed by the beneficiaries themselves. 50(83.33%) beneficiaries had reported that they had constructed their houses themselves but 9(45.0%) beneficiaries of North Bihar reported that their houses had been constructed by influential persons including bricks manufacturers, only (1.66%) a single respondent had reported that his house was constructed by the contractor. (Table 4A.4)

Only 20 (33.33%) beneficiaries were satisfied with the work. and remaining 40(66.66%) were dissatisfied. 32(80.0%) amongst them were not satisfied as the amount was not adequate. 8(20.0%) were dissatisfied due to appropriation of a sizeable proportion of amount by the concerned authority. Not even a single beneficiary from Jharkhand region was satisfied. (4A.5)

53(88.83%) respondent reported that they had paid for their inclusion in IAY scheme. Only 7(11.66%) reported that they had not paid any amount for the purpose. 10(16.66%) beneficiaries had paid below Rs. 501, 13(21.66%) in between Rs. 501-1000, 18(30.0%) in between Rs. 1001-1500, 11(18.33%) in between Rs. 1501-2000, and only 1(1.66%) of Central Bihar above Rs. 2001. He belonged to upper caste. 2(3.77%) beneficiaries paid the speed money to the Panchayat authority (Gram Sevak). 31(58.41%) paid to the concerned block authority and 20(37.73) to the middlemen. The trend was almost similar in all the three zones. (Table 4A.6)

**(c) General observations and recommendations :**

Only 18(30.0%) had accepted that IAY help would raise their income level. 41(70.0%) had opined that there would be no change in their income level due to IAY help. 10(16.66%) beneficiaries had given this opinion on the ground that IAY house provided no major change in the living standard. 31(51.66%) beneficiaries had given this opinion on the ground that other conditions were the same and only 1(1.66%) beneficiary had given other reason in favour of his argument.

**Beneficiary's observations :**

Beneficiaries of the scheme had given the following broad observations :

- (i) The amount paid was inadequate.
- (ii) Payment of speed money was more/less than essential condition to get the benefit of the scheme.
- (iii) The rate of speed money was about 10% of the sanctioned amount.
- (iv) There was no provision for power supply to them at a subsidised rate.
- (v) Persons above poverty line took benefit of the scheme through manipulations.

**Investigators observations and recommendations :**

On the basis of cross-survey the investigators had confirmed that the amount should be raised in proportion of decline in money value per annum.

In addition, the action should be taken in case of any complain regarding speed money.

**(d) Calculation of Poverty Indices :**

Head-Count ratio :

$$H = \frac{q}{n} = \frac{47}{60} = 0.783$$

Income-gap ratio :

$$I = \frac{g}{\pi \cdot q} = \frac{335400}{21000 \times 47} = 0.3398176$$

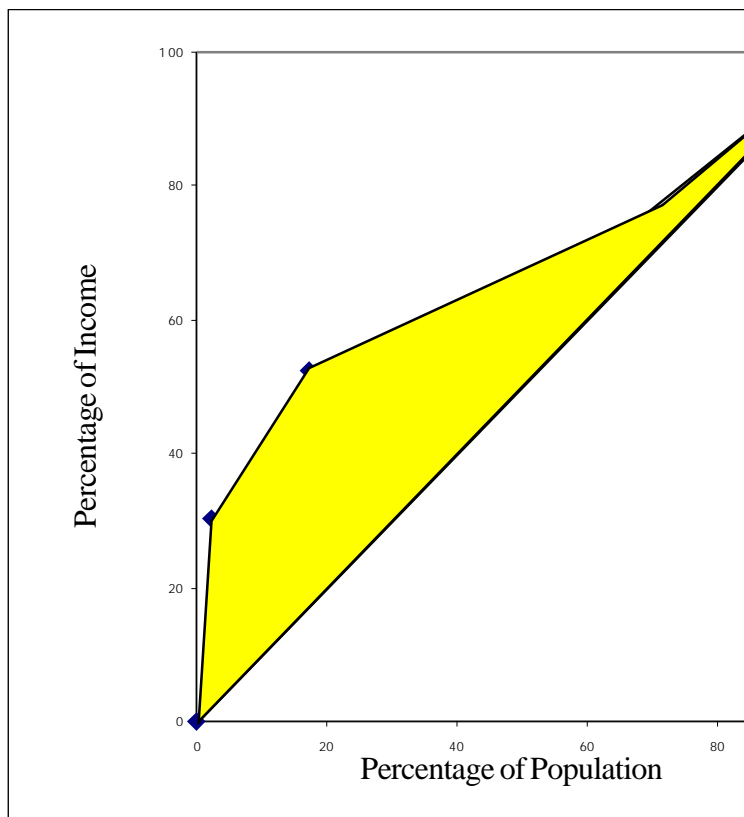
Ginni Co-efficient :

$$G = 0.16$$

Sen Index (P)

$$\begin{aligned} P &= H \{I + (1-I) G\} \\ &= 0.78 [0.34 + (1-0.34) 0.16] \\ &= 0.78 [0.34 + 0.66 \times 0.16] \\ &= 0.78 [0.34 + 0.10] \\ &= 0.78 \times 0.44 \\ &= 0.34 \end{aligned}$$

**Fig. 4A : Income inequality for IAY beneficiaries**



Percentage of Population	Percentage of Income
0	0
2.17	30.48
17.34	52.38
71.73	76.19
100	100

The calculation of Head-Count Ratio (H) shows that 78% the beneficiaries are below poverty line. The estimated value of Income gap ratio (I) gives a figure of 0.34. The value indicates that the majority of the beneficiaries are in the upper income slab below poverty line.

The value of Ginni co-efficient (G) is 0.16 which shows a very low degree of income disparity among the beneficiaries below the poverty line.

The computed Sen index, 0.34, indicates that a large number of beneficiaries were in the upper income slab below poverty line. In this case the value of Sen index and the Income gap ratio gives the same result numerically.