



Urban Housing Strategies through Five Year Plans : An Analysis

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Abstract

The policies of urban development and housing in India have come a long way since 1950s. Since Post independent period was characterized by the pressure of urban population, lack of housing, absence of basic services, lack of infrastructure etc were evident in the early 1950s. The challenge of Indian partition was very disastrous & the Indian economy was hit hard by the impact of partition. India had to revive its whole economy & hence the new government embarked on the policy of five year planning on Russian model. This paper analyses the strategies of the five year plans towards solving housing challenges. The paper reviews the impact of housing policy on economy.

Key Words: five year plans, urban policy, urban development, impact on economy

Introduction

India being a country with huge population , the problem of providing shelter to all has been an issue of great concern to the civil society and the Government. It has, therefore, generally been subsumed that state intervention is necessary to meet the housing requirements of the vulnerable sections and to create an enabling environment for provision of shelter for all on a self-sustainable basis.

1. Institution-Building and Housing - First Five Year Plan (1951-56) focused on institution-building and housing for weaker sections of society. Government

took efforts to building housing corporations & this organization supported housing sector to grow further with strategies for housing in urban locations. This was the original initiative which served as the foundation for Indian housing strategies in future years

2. Strengthening the Provision of Housing -In the subsequent five year plans, government action ranged from strengthening the provision of housing for the poor and the introduction of several schemes for housing in the rural and urban regions. During these years of housing development in India, initiatives were taken mostly by the central



- Government. But It was decided that state governments should also become a stake holder in Housing sector.
3. **Industrial Housing Scheme** - The scope of housing program for the poor was expanded in the Second Five year Plan (1956-61). The Industrial Housing Scheme was widened to cover all type of Industrial workers. Three new schemes were introduced, namely, Rural Housing, Slum Clearance and Sweepers Housing. These initiatives were helpful in providing housing for poor people with low income group. The poor were supported with low budget housing options.
 4. **Offer assistance in the form of loans** -In 1959 the Central Government announced a scheme to offer assistance in the form of loans to the State Governments for a period of 10 years for acquisition and development of land in order to make available building sites in sufficient numbers. The general directions for housing programs, in the Third Plan (1961-66), were co-ordination of efforts of all agencies and orienting the programs to the needs of the Low Income Groups.
 5. **Creation of smaller townships** -The Fourth Plan (1969-74) took a pragmatic view on the need to prevent the growth of population in large cities and decongestion and dispersal of population through the creation of smaller townships.
 6. **Housing & urban development corporation** -The Housing & Urban Development Corporation (HUDCO) was established to fund housing and urban development programs. A scheme for improvement of infrastructure was also undertaken to provide basic amenities in cities across the country.
 7. **Promoting smaller towns in new urban centers-** The Fifth Plan (1974-79) reiterated the policies of the preceding Plans to promote smaller towns in new urban centers, in order to ease the increasing pressure on urbanization.
 8. **The Urban Land Act** -The Urban Land (Ceiling & Regulation) Act was enacted to prevent concentration of land holding in urban areas and to make available urban land for construction of houses for the middle and low income groups.
 9. The Sixth Plan (1980-85) refocused attention on the provision of services along with shelter, particularly for the poor.
 10. **Private housing construction-** The Seventh Plan (1985-90) made a marked departure in the focus given to the government-led housing development stressing on the need to place major responsibility of housing construction to the private sector.



- A three-fold role was assigned to the public sector, namely, mobilization for resources for housing, provision for subsidized housing for the poor and acquisition and development of land.
- 11. Augmentation of flow of institutional finance to the housing sector** -To augment the flow of institutional finance to the housing sector and promoting and regulating housing finance institutions, the National Housing Bank (NHB) was set under the aegis of the Reserve Bank of India in 1988.
- 12. National Housing Policy (NHP)**-The Seventh Plan clearly also recognized the problems of the urban poor and for the first time an Urban Poverty Alleviation Scheme known as Urban Basic Services for the Poor (UBSP) was introduced. National Housing Policy (NHP) was announced in 1988. The long term goal of the NHP was to eradicate homelessness, improve the housing conditions of the inadequately housed and provide a minimum level of basic services and amenities to all. The role of Government was conceived, as a provider for the poorest and vulnerable sections and as a facilitator for other income groups and private sector by the removal of constraints and the increased supply of land and services.
- 13. Shelter for All**-The Eighth Plan (1992-97), for the first time, recognized the role and importance of the urban sector for the national economy. The new Housing and Habitat Policy unveiled in 1998 aimed at ensuring "shelter for all" and better quality of life to all citizens by using the unused potential in public, private and household sectors. The key objective of the policy was on creating strong public-private partnership for tackling the housing problems. Under the new policy, the Government proposed to offer fiscal concessions, carry out legal and regulatory reforms and create an enabling environment for the development of the housing sector.
- 14. Emphasizing the role of the private sector** -The policy emphasized the role of the private sector, as the other partner, to be encouraged to take up the land assembly, housing construction and investment in infrastructure facilities. Ever since the added emphasis was given to private initiative in housing development, there has been a rapid growth in private investment in housing with the emergence of real estate developers mainly in metropolitan centers and other fast growing townships.
- 15. Incorporation of affordable housing plan** -The Planning Commission suggested



modification of the Housing policy to incorporate affordable housing program for the BPL category. Considerable efforts were made during Ninth and Tenth Five Year Plans to enlarge the resource base and initiate innovative institutional mechanisms to augment housing delivery in urban areas.

16. Covering vulnerable groups -

Focused efforts were also initiated to cover the poor and vulnerable groups of society to enable them to access basic shelter related services. Fiscal concessions coupled with legislative measures were also initiated to encourage increased investments in housing by individuals and corporate.

17. Housing for weaker sections-

The National Common Minimum Program (NCMP) has stated that housing for weaker sections in rural areas will be extended on a large scale.

18. Free housing for landless-

The Tenth Plan, therefore, had suggested provision of free housing only to the landless SC/ST families and shift to a credit-cum subsidy scheme for the other BPL families. The repeal of the Urban Land (Ceiling and Regulation) Act, 1976 has been a significant step towards reform in the urban land market. Following the repeal of the central legislation, a number of state governments have also repealed the state-level law.

19. Urban renewal plan - In order to improve the quality of life in urban areas, the Eleventh Five Year Plan (2007-2012) has stressed the need for improved housing stock through urban renewal, slum improvement, and development of new housing stock in existing cities as well as new townships. Furthermore, the Bharat Nirman Program has also recognized and accorded due priority to the need to end shelterless situation. The program has set a target to construct 60 lakh houses from 2005 to 2009. The housing component under the Program is being implemented in parallel with Indira Awas Yojana scheme. For the Eleventh Plan, the focus is on targeting the poorest of the poor while targeting the remaining housing shortage with other interventions.

Role of policy making

India's economy is expected to record stronger growth momentum of 7.5 per cent in the current fiscal, according to a United Nations report. Challenge in India today is that of generating employment and growth. Jobs are created by firms when firms invest and grow.

1. policy makers should generate an environment that is conducive for companies to invest



2. government has to work towards a low and stable inflation rate through fiscal consolidation,
3. moving towards establishing a monetary policy framework,
4. Creating a conducive environment for a competitive national market for food. Initiation of reforms on these fronts will reduce inflation uncertainty and restore a stable business environment. Further, lower inflationary expectations would increase domestic household financial savings and make resources available for investment.

Conclusion- India being the fourth largest economy in the world with 1.2 billion population, housing is really a challenging assignment. Majority of the rural people migrating to urban areas in search of job & urbanization has been expanding beyond limits. Finding shelter to all these teeming populations is very difficult. But five year plans strategies to overcome these problems. Even though Five year plans strove to resolve urban housing the problem remained unsolved because of the enormity of

the situation. But an integrated multi-dimensional policy has to be applied to solve the housing problem & migration of the exodus of population to the urban centers should be checked through creation of employment alternatives in rural areas. Housing is a very key issue & it needs immediate attention of the policy makers.

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