



South Asia

Regional Knowledge Platform

Discussion Summary

KARNATAKA STATE CONSULTATION

Draft National Rural Housing & Habitat Policy

7th November 2006

Background

A one day consultation on the “Draft National Rural Housing and Habitat Policy” was organized by HOLTEC and **basin-South Asia** Regional Knowledge Platform, on 7th November 2006 at Youth Centre, Nrupathunga Road in Bangalore. The objective of the consultation was to receive inputs on the “Draft National Rural Housing and Habitat Policy” from the Civil Society Organizations (CSOs), government functionaries, private and public agencies of Karnataka. The consultation was seventh in the series of state consultations conducted so far.

The Consultation was attended by 56 participants from various stakeholder groups. Sh. M. R. Srinivasa Murthy, Principal Secretary, Department of Rural Development and Panchayati Raj, Government of Karnataka provided valuable inputs from the State perspective. Sh. Deepak B Gore, Chief General Manager, NABARD and Sh. P. Bhattacharya, General Manager, State Bank of India also participated in the workshop.

Discussion on Rural Housing Schemes

There was an intense discussion on the existing rural housing schemes in the state. *Swarna Gramodaya* Yojana, the proposed scheme of Karnataka Government was discussed in detail and its potential lauded. Under this scheme, the government plans to spend 1000 crore per year to develop basic infrastructure in 1000 villages.

The key features of *Swarna Gramodaya*:

- Rural habitat looked in totality –houses, sanitation, power, water supply and other basic facilities required.
- Land-based activities to increase the income of people.
- Component of human resource development.
- Creation of 100 employment opportunities per village in non farm-based activities.
- NGOs role in awareness creation.

Address by Principal Secretary, Department of Rural Development

Sh. Srinivasa Murthy emphasized that it is important to focus on the multi-dimensions of the habitat problematic. He reminded that by looking at only one dimension of housing for example, problem of houselessness, we fail to connect between housing and habitat and address the issue of livelihoods which is critical for access to habitat by the people themselves.

Remarks by General Manager, State Bank of India

Sh. Bhattacharya highlighted the need to address the problem in totality and not in a piecemeal manner. He also emphasized on the need for economic decentralization and involvement of various stakeholder groups: private sector, community, banks and NGOs in habitat development. He invited the NGOs to showcase the potential of the rural area for inviting investments and work on enhancing access to information in order to enhance the bargaining power of the farmers and rural community in general. He stressed upon the banks to look at the repayment capacity of the people and design their products accordingly. The need for SHGs to move from consumption to sustainable economic activities was also emphasized.

Recommendations submitted by SABALA based on the field experience in Bidar, Bijapur:

Finance:

- The present loan amount be increased from Rs.25,000/- to Rs.35,000/- and the subsidy amount from Rs.10,000 to Rs.15,000 under GJRHS.
- The minimum saving time in Bank should be 6 months. The Taluk/district level bank staff should be properly oriented / instructed to consider the poor people application and to publicize the housing schemes available for the poor.
- The housing loan scheme should be allotted/ allocated to different banks and different branches

Procedures:

- This scheme should be publicized thru the Gramsabha and other Village level and taluk level outlets to help more people to access the same.
- Fix a time limit to scrutinize the application/documents at each level – Gram Panchayat, Taluk Panachayat, RGRHCL.
- Clearly specify the documents required once for all, along with the type of format needed.
- Ownership of the house should be in the name of both the spouses.

Technology:

- Need to publicize about cost effective materials and low cost technology and activate the Nirmithi Kendras to provide the same.
- Local people should be trained to produce cost effective materials and be trained to use cost effective technology in the villages.

Modalities suggested in implementing Housing programme for the rural poor:

- Releasing loan through the Self Help Group concept
- The scheme should be implemented through local NGOs to check improper utilization of funds.
- Linking of livelihood promotion schemes with low interest loans along with the housing loan

Discussions on Specific Action Areas of the Policy

The group critically examined the clauses proposed in the working draft in smaller groups. The discussions and recommendations by the smaller groups were shared in the plenary session that followed.

1. Land – Access and Management

- Change in Government Policies legalizing forestland when it is used for housing purposes.
- The difference between actual land value and registration value to be borne by the beneficiary to the extent of the excess cost of the land and to the portion of allotment to the beneficiary.
- The Gram Panchayat should lay emphasis on promotion of rural industries while recommending and implementing the SGSY scheme.
- Effective coordination between the District level federations that are promoted by implementing NGOs and the *Zilla* Panchayat in providing the basic amenities to the rural areas.
- Limit to land holding.
- No opportunities for the middle men to intervene between the beneficiary and the Gram Panchayat in matters related to land access and management.

2. Access to Finance

- The Government should acquire land, form layout, distribute free sites to the poor, and provide basic amenities. The selected beneficiaries should be provided with land titles (*hakku patra*) immediately.
- Transparency in the beneficiary selection and organization of beneficiaries into self help groups with the help of local NGOs.
- Finance institutions should lend money for housing and livelihood promotion activities through self help groups, thus the role of middlemen can be eliminated.
- Certification of the house completion work can be done by the finance institution and the engineer and such a certification should be considered as sufficient proof to release the final installment from finance institutions and avail subsidy from the Taluka Panchayat.
- Uniform direction to be given by the government to all finance institutions to sanction and release loans simultaneously for both housing and livelihood promotion activities, when such a finance support is extended through SHGs.
- Subsidize the rate of interest at 4% per annum
- Six-month eligibility criteria for SHGs to access loans to be reduced.

3. Legal and Regulatory Reforms

- When there is no land available for housing within the *gramtana* limits for house construction / site allotment, the procedure for converting adjacent agriculture land for non-agriculture purposes (housing and rural industry) should be liberalized and made easy
- The selection of housing beneficiaries should be done and finalized every year in the Gram Sabha
- Adequate awareness on the Insurance coverage.
- Help from NGOs could be sought to bring about awareness on life and property insurance.
- Compulsory Rent Control Law.
- Community organizations Involvement in bringing awareness about the housing rights, schemes and programmes.
- Stamp duty should be totally exempted from poor families.
- Implementation of the law prohibiting the use of geezer, heater and the use of solar power to be encouraged by providing subsidies.

4. Infrastructure: Reinforcing the 'Habitat' Paradigm over a Focus on 'Housing'

- Need to find ways to achieve the required installation / upgradation of infrastructure of rural areas in the country in a gender sensitive manner
- Transparent ways of installation and upgradation
- Concerning wastewater disposal, the villages to be considered on par with town/cities in terms of policies and infrastructure facilities.
- Adequate processing, storage and local market facilities for the agriculture produce.
- The Anganwadi space/building should be based on the number of children who come to the center.
- Proportion between number of teachers and children in the school needs to be re-evaluated.
- Basic facilities / amenities for the teachers in the village.
- Provision for periodic external evaluation of all the works and service deliveries like housing, sanitation, rain water harvest.

5. Reorganizing Delivery Mechanisms

- Village level habitat interventions would be finalized by Ward Sabha, which shall be accepted and endorsed by the Gram Sabha and enforced by the Gram Panchayat
- Nirmithi Kendras should function on an advisory capacity at the Gram Panchayat level and encourage appropriate housing technologies.

6. Capacity Development

- Campaign on rural habitat would be initiated as a movement to create awareness on right to safe and environment friendly habitat, using medias like wall writing, street theatre, folk media, film shows etc.
- Selected beneficiaries should to be organized into self help group and made aware of housing provisions and schemes.
- Involvement of the women's groups, self help groups, youth groups, farmer's groups in selection of beneficiaries.
- Under the NREGS, landless labourers should be identified and trained for construction work.
- A training cess would be levied by the Panchayat on those houses with plinth areas greater than 400 sq. this amount could be spent on training and imparting new skills to the construction workers.
- Minimum norms and standards that are environment friendly and cost effective to be followed by beneficiaries.

7. Employment issues in the Housing Sector

- Housing beneficiaries shall be encouraged to get organized into self help groups.
- Those who are selected under employment guarantee scheme should also get organized into self help groups.
- The housing scheme should be included under the employment guarantee scheme.
- A local NGO should be involved in implementation of housing programmes.
- The Government should play an effective role in purchasing the housing material manufactured/prepared by small scale artisans and self help groups.
- 100% of the labor employed in habitat projects would be from the same Gram Sabha.

8. Effective Monitoring and Access to Information

- There is a strong correlation between effective monitoring and direct involvement of beneficiaries in the process of implementation.
- Need to video graph processes involving exercise of discretion on the part of PRI, as in beneficiary selection and prioritization.
- Gram Panchayats should be enabled to play an effective role in information dissemination and monitoring through extensive use of information and communication technologies
- MIS should be put in place incorporating feedback from target groups.
- Frequent and in-depth field inspection by government agencies. These need to be supplemented by independent third party inspections and evaluations.
- Composite teams of beneficiaries and PRI representatives may be formed on the lines of school development and monitoring committees to oversee the implementation of the programs.
- Effective arrangements for monitoring of interventions other than housing viz., programmes of rural infrastructure development, sanitation and environment protection need

Overall discussion points

- Need for a separate land reform policy to address the issues of access to habitat by the poor.
- Need to have an overall national policy that informs state policies based on regional concerns
- Need for financial institutions to develop poor friendly products in line with the reality of rural lifestyles and livelihoods.
- Need to promote greater transparency in operations at all levels, with all stakeholders.