

**RESEARCH AND POLICY NOTE**

**No. 1**

**PROCEDURAL CHANGES REQUIRED  
FOR MAKING LOCAL SELF GOVERNMENT'S  
ROLE EFFECTIVE IN RURAL HOUSING IN KERALA**

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*The views expressed here are those of the authors and does not represent  
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## **ABSTRACT**

This study analyses the implementation of housing schemes for the poor through the Panchayats in Kasargod District of Kerala. It brings to light the severity of the housing problem in this part of the state. As panchayats have been spending substantial resources on housing during the past decade, such a finding was unexpected. There is also a general feeling among policy makers in Kerala that housing is not a major problem anymore i.e., that only a small section of the population would need support for housing. This study indicates that such an assumption may not be realistic in many parts of north Kerala. Moreover, the study highlights severe procedural constraints in the effective implementation of housing schemes through LSGs. It may be underlined that mere provision of fixed subsidy is far from adequate to solve the problem of housing in rural Kerala.

## **FOREWORD**

The Research Unit on Local Self Governments at CDS started a programme to interact on a continuous basis with select LSGs in Kasaragod District in 2006. Our initial experience convinced us that adequate and sustainable housing continues to be a major problem in the region. It was evident that the current practice of disbursing a fixed amount of subsidy was insufficient to address problem. The note highlights the procedural constraints encountered by the local governments in addressing the housing problem and suggests some measures forward.

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## **Background**

In order to carry out research on LSGs, CDS decided to work closely, on a pilot basis, with ten *Grama Panchayats* in the Kasaragod District of Kerala. The panchayats were requested to identify a severe development problem they faced, on which CDS could support them in the planning process. Five panchayats identified 'housing' as the most important problem they faced. Elected representatives in each panchayat prepared lists of households that required housing support. A detailed survey was carried out among such households in one of these panchayats, Kodom-Belur.

Kodom-Belur lies in the Hosdurg Taluk of Kasaragod District. With a geographical area of about 96 sq.km, and a total population of around 38000 living in about 9000 households, the panchayat has a relatively high percentage of people (around 30 percent) belonging to Scheduled Castes and Tribes (SC/ST). In the past 10-15 years, the panchayat has provided financial support for housing to about 1000 households. However, some of these houses are in a deplorable situation today and in need of urgent repairs. Though there has been increasing financial allocation for providing housing support to SC/ST families, it was felt that significant sections of the general population too require such support. The demand for housing is the most important one aired in *grama sabhas*, and every elected member is keen to have the maximum number of households selected from his/her ward for this financial

support. A socio-economic survey was conducted among people who either sought housing support or were identified by elected representatives or activists as requiring housing support. Efforts were made in our survey to include dwelling units, which were visibly in a poor condition but had not been listed by panchayat representatives.

### **The Study: Method**

Panchayat representatives in consultation with ward development committees and self-help groups identified about 2600 needy households. This number formed about 23 per cent of the total number of households of the panchayat. Though it is likely that some households which do not need housing support (based on any criterion of assets or income) may have been included in the survey, efforts were made to see that none of the eligible households are excluded. The number of households selected is on the higher side but the intention is not to include all of them in the proposed housing scheme but only to select the needy ones, based on some common criteria.

The questionnaire included questions on age, sex, educational and occupational (working) status of the members of the household, current condition of the house including the materials used for its construction, the amenities (like TV) and facilities (such as toilets) available, access to road, reasons for not being able to construct a better quality house, availability of land with title, ability or readiness to spend resources or own labour to supplement the financial support from the panchayat for house construction, likely difficulties other than finance in constructing house, adequacy of financial support, etc.

Members of self-help groups carried out the survey in close coordination with panchayat members. The surveyors were given training on the meaning and importance of each and every question, the manner in which the questionnaire should be administered and the need to include poor quality dwellings units, if there were any in the area that were not

included in the list prepared by panchayat representatives. A pilot survey was conducted in the presence of experienced researchers to enhance the confidence level and the ability of investigators.

In addition to the socio-economic survey, detailed interviews and discussions were also carried out with a few beneficiaries who had received housing support earlier (who had used it effectively and those who could not complete the house even with the support). This was carried out to figure out the problems faced by them in getting support, and also the difficulties they underwent at different stages of construction, as well as to understand the reasons why families find it difficult to complete house construction even when they get financial support from the panchayat.

## **Issues in Rural Housing: Insights from Socio-economic Survey**

### ***Lack of Housing: A Severe Problem***

While examining the quality of the existing dwelling units, it became evident that the majority of the surveyed households lived in poor quality houses, and that they genuinely require better quality ones. About 35 per cent of them had a thatched roof, 70 per cent used mud walls or thatch for side protection, and 72 per cent had mud floors. About 29 per cent had all these inferior conditions (thatch for roof and mud for walls and floors). Even if we take this as the minimum set of households requiring better houses, their total number came to 800. The number would increase drastically to two-thirds or three-fourths of 2600, if we take into account the partial use of poor quality materials in the existing houses. There is another 5 per cent who currently live in better quality houses but in association with other families; yet another 15 per cent do not own houses and some of them would also require support for constructing new houses. Thus the majority, if not all, of the surveyed households are genuine claimants of financial support for housing from the panchayat. Considering that around 1000 households were given

housing support during the past 10 years, the fact that 800 households still live in very poor quality houses, demonstrates the enormity of the housing problem within the panchayat. Around half the number of households surveyed had applied earlier for housing support but could not get it due to resources constraints for the purpose. Though the severity of the housing problem may be partly due to the peculiar nature of the panchayat with about 30 per cent households belonging to SCs/STs, it serves also as an indicator of the need for housing programmes in many rural areas of Kerala, especially in the northern parts of the state.

It is not that these households have poor quality houses; their household facilities are also poor. If we take facilities such as toilets, drinking water or electricity connection, they are the worst off even within the panchayat and may be, also in the entire Kerala. Only 42 per cent have own toilets, only 35 per cent own sources (own well or pipe) of drinking water and around two-thirds do not have electricity connection. Only 7 per cent of these households own a TV set each and households with telephone connections are less than 15 per cent among the 2600 households surveyed. Thus most of the households show signs of asset poverty, and a substantial part of them live in poor quality houses. As noted by their elected representatives, lack of proper housing is indeed a major social problem for the Kodom-Belur and several other Panchayats.

### ***Who Live in Poor Quality Houses?***

The survey throws some light on the living conditions of the persons living in such poor quality houses. Around 20 per cent of them belong to SC/ST groups, and a large number among whom had been given support for housing in earlier years either through the panchayat or through the SC/ST department. In terms of family size or the average family sex ratio, these households are not very different from others in the area. It is not surprising to see that around 85 per cent of the adult members have less than 10 years of education (and half among them have only

primary education). Three-fourths of the adults in the surveyed households work as physical labourers in agricultural operations. Widows, chronic patients and those who are physically challenged are the heads of around 200 of such households. A much higher number of households have physically challenged persons as members. Earlier, about ten per cent of the households had better quality houses, but such houses have degenerated and the inhabitants cannot afford to build new ones.

About 6 per cent of the households need separate houses as they live in houses with more than one family. Another 15 percent had never owned a house. Thirty six per cent of the households are seen to possess less than 24 cents of land each. Around 17 per cent of the households possess more than one acre of land each. However, it is felt that in certain areas, especially at the laterite tabletops, land is hardly productive and that the area of land by itself may not be an indicator of the income/economic status of the household.

### ***Some have no Land (titles) for Housing***

About 6.8 percent of the households do not have land with titles for house construction. More than half the number of these households has been living on parcels of land without formal title for a fairly long time. Waiting for the land-tribunal decision, documents either missing or not received from the tribunal, etc., are the reasons cited for not having title. Intervention of district administration is essential in this regard. There are a few others who have some land as share of property of undivided families but might require interventions to get their shares registered in their names. There exist a small section of people living on government land or in rented houses, who might require some support first for acquiring land and then as support for housing. Taking into considerations the availability of revenue land or land owned by the panchayat, provision of small parcels of land to landless households may not pose any insurmountable problem.

### ***Demand Repeated Support for Housing***

About 16 per cent of the households surveyed (or identified by the elected representatives as requiring housing support) had received such support earlier, but could not complete house construction properly or the houses they constructed have become unusable. About half these households had received housing support during the past 10 years. Nearly half of those who received housing support earlier have encountered difficulty in getting or utilising the money provided by the panchayat for reasons such as: no one to help; acute financial problems; lack of road access; illness/handicapped; etc. The need for interventions, apart from the provision of funds, is therefore obvious to see that those who are getting support make reasonable quality houses so that they do not keep on making demand for such support. Inability to advance money to complete each stage of building construction, extra costs incurred for transport of materials by head load workers due to lack of access to road, non-availability of water nearby for construction, lack of planning in construction, etc, have resulted in non-completion of many houses, sanctioned or financed in the past. One-third of the persons who had received housing support earlier have reported that they did not receive financial instalments on time, from the panchayat.

A set of households mainly belonging to socially backward sections, do not see the construction of a house of reasonably good quality, as an urgent need which calls for their initiative and effort. Alcoholism has been reported in many households which experience dearth of resources required for house construction. Sometimes, adult members of the beneficiary households are found to be physically unfit to contribute their labour towards house construction. These factors could also have been diverting the housing subsidy received from the panchayat, for other purposes. A section of such persons does not take care of their house construction needs, and are unwilling to do even the basic maintenance of their houses periodically, thus causing their fast decay.

A few of such households consider it the responsibility of the panchayat or the government to provide or construct houses for them.

### **Need Support for Transporting Materials by Headload**

More than one-fourth of the population lives in places which do not have direct access to a road. As was evident from the interviews, this handicap could cause significant increase to the cost of house construction since raw materials (like boulders, sand, cement, bricks or laterite blocks) have to be carried by headload workers. Lack of access to sources of water for construction purposes too has a similar adverse effect. This factor also needs to be considered in deciding the quantum of financial support required for house construction. The current practice of making available a common fixed sum for all beneficiaries irrespective of locational factors is not the most appropriate (just) way of disbursing financial subsidy.

### ***Ability to Supervise or Contribute Labour to House Construction***

A small section of households (around 2.1 per cent) are found unable to supervise the construction of their houses. Absence of able-bodied adult-male members seems to be the major reason. Similarly, 6.3 per cent of households reported inability to contribute own labour towards house construction. Both these types of cases would include families which have old women (including widows), chronic patients or persons with physical disabilities as heads or which have only one adult male member. There were precedents in the panchayat of social or political organisations taking the initiative to construct houses for such households. We need to have estimates of such households in need of houses and make special provision for them in the housing schemes.

### ***Some People have Difficulty in Finding the Required Money in Advance***

The panchayat pays the housing subsidy instalments only after expenditure is incurred by the recipient households. About 6 per cent of the households reported that they find it difficult to mobilize advance

cash for house construction. The majority is of the view that they do not have own funds and therefore resort to money lending sources. Friends and neighbours, *Kudumbashree*, and Banks are the three other major sources for borrowed funds to households. It is important to note that 66 percent of the households reportedly had someone from their families as a member of the local *Kudumbashree* units.

### ***Some People Demand Partial Support for Renovation***

Around 16 percent of households were willing to supplement the support received from the panchayat with their own resources in order to improve the quality of the houses they build, though about 30 per cent would like to construct a house spending more than Rs 75000 (the maximum amount of support offered by the panchayat so far, for house construction). However, most of such households report also the need for falling back on bank loans for making additional expenditure for housing (only a few have own sources of funds). About 20 per cent of the households demand only partial support for renovating or repairing their existing houses. (For most others, the existing house is too dilapidated to repair.) Out of them, 35 per cent require less than Rs 30000 as support, whereas another 40 per cent require between Rs 30000 and Rs 50000. Only 12 per cent of the surveyed households were willing to take loan from banks. The main reason for the reluctance was the perceived inability to repay loans. Some families reported either indebtedness already incurred or lack of property as reason for not approaching banks for loans.

### ***Need and Justification for Investment in Housing***

In sum, Kodom-Belur and other neighbouring panchayats need to make significant investments and make substantial efforts to solve the problem of housing shortage. The problem remains even though considerable attention has been paid on the issue during the past two five-year plan periods. Quality housing and associated amenities such as toilets, water supply, electricity connection, etc., have a significant

bearing on the actual and the perceived well-being of households. There are a number of reasons why support for housing is a reasonable transfer programme that panchayats may be taken up; more so by panchayats in Kerala which spend significant parts of their resources on subsidies for productive as well as welfare purposes. Support for housing provides important benefits to the recipients. Better quality housing may have externality benefits too in terms of health, and education, which lend added justification for social support for housing. Since housing is a long-term investment, support is unlikely to distort the consumption and work choices of the household. Identification of beneficiaries and monitoring to ensure that the support is used for the intended purpose are relatively easy in the case of housing; hence this transfer programme, is unlikely to encounter excessive drain as is the case with other support schemes. The large number of persons living in poor quality houses in panchayats makes housing a high priority, calling for immediate attention of LSGs in the interests of social and human development.

However, reasonable quality housing could not be made available to all the eligible households even after providing substantial resources as subsidy, a part of which has resulted in wasteful expenditure. On many occasions, partially or improperly constructed houses decayed and perished rapidly, and the money spent did not yield any tangible benefits. Each household is expected to spend a part of their resources in addition to the subsidy for constructing the house. However for some reason (eg. illness, absence of male members, extra cost) if a household remains unable to make that effort, and finds the subsidy provided inadequate to complete the house, and a house is left partially built, then the entire subsidy provided and the expenditure incurred on the building, would become a social waste, without generating benefits either to the household concerned or to the society at large. Thus, if it is decided to provide the subsidy, creation of a workable mechanism for ensuring the construction and completion of houses of adequately good quality, is an unavoidable cost. Only then would efficiency and effectiveness in the housing support programme, be ensured.

## **Procedural Constraints and Possibilities**

### ***Lack of Technical and Administrative Competencies in Panchayat***

Currently the administration (including the elected machinery) of the LSGs plays the limited role of identifying beneficiaries for housing support and providing, financial instalments after the beneficiary household finishes each stage of construction. However, the practice of post-construction disbursements encourages the use of poor quality materials either by the households themselves or by corrupt contractors, who are entrusted with the construction work. Planning and construction of a house requires a certain level of technical knowledge which is not available in general among beneficiaries, unless such knowledge is imparted to them through the mediation of the LSG. There is no mechanism to ensure quality in construction work or to provide support to beneficiary households in this regard. A few families require assistance in supervision of house construction, which is not available at present. Thus a small set up to provide technical inputs and carry out monitoring of house construction work is necessary at the level of the Panchayats. Such a set up could also be used to reap the economies of scale in producing and/or procuring building materials, without huge overhead costs. In the absence of such a mechanism, many households either may find it difficult to complete their house construction work or to construct houses of reasonable quality, thus causing huge social loss. Thus even though technical and administrative coordination at the LSG level might require use of additional resources, of say around 2 or 3 per cent of the annual funding for housing, it is still useful to make the provision as it is urgently needed. Currently, this aspect is neither envisaged nor provided for. However, it may not be wise to depend heavily on officials of state departments such as the PWD or Housing Board for this purpose, as they have limited experience in rural housing, and panchayats have no control over them. Recruitment of personnel from non-governmental organisations (or contracting with such NGOs) having adequate experience in rural housing in this context is an option worth exploring.

### ***Lack of Flexibility in Resource Allocation for a Priority Agenda such as Housing***

As we have seen in the case of Kodom-Belur and other panchayats in the Kasargod district, housing is a serious requirement for at least 15 per cent of the population, and it should therefore constitute the most important item of welfare expenditure of local governments. Since housing and associated facilities, such as toilets, influence the health and educational environment of people, provision of housing has positive linkages to other welfare programmes. If housing for such significant proportions of households is provided, it would generate employment and other economic opportunities in construction and production and service/delivery of construction materials. It would have been therefore desirable if panchayats could spend a significant part of (their own and plan) resources on housing. However, the current guidelines provide for sector-wise spending, mandating a specific percentage of resource allocation on specific sectors (social, productive, etc.) and activities. The guidelines thus restrain the ability of panchayats to prioritise housing in their expenditure pattern. In order to enable these panchayats to spend a major part of the resources from social and productive sectors (given the linkages of housing to employment and economic activities) on housing during the next 2 to 3 years, more flexibility in the allocation of plan resources for the local self-governments is essential.

Spending on housing is a long-term investment. The current option is for the panchayats to solve the housing problem by spending directly from their plan resources (allocated to the social sector) over a long period of time. It is possible for panchayats to take loans from banks to solve the housing problem in one or two years, and repay the loans from plan resources over a long period of time, say 10 or 12 years? It seems that panchayats find resource mobilisation difficult, without getting into the debt trap.

Panchayats are seen to mobilize own resources through their tax collection to much lower extent than is possible. According to elected

representatives, only 40 per cent of the local taxes are currently being collected in the Kodom-Belur panchayat and the situation may not be significantly different in many other panchayats. One major reason for this shortcoming is inadequacy of staff in the panchayat. Currently there are two tax collectors working in Kodom-Belur, who are also engaged in several other important office duties including account-keeping of plan activities. There needs to be more emphasis on own tax collection, but for the purpose, more flexible arrangements including the deployment of temporary workers or commission agents, who are authorised to issue receipts, are necessary. On the other hand, if panchayats continue to depend solely on permanent employees, payment of tax will become a burden for citizens, as they would have to spend a lot of time and effort to pay taxes to the panchayat on their own. Panchayats are over-burdened with numerous development and welfare schemes, but without adequate staff (and without adequate flexibility in rules to hire personnel locally by themselves); hence the effort to mobilize revenue through local tax has weakened. Attention needs to be paid to this factor if LSGs are to generate resources on their own for spending on priority needs such as housing.

### ***Lack of Flexibility in Deciding the Amount of Subsidy***

In all the housing schemes currently being implemented through panchayats, the amounts of subsidy are pre-determined fixed amounts, say Rs 35000 for general category and Rs 75000 for ST households. This is done to avoid misuse of resources. However, local self-governments do not have much scope for taking specific requirements of the household or the locality into account. One major factor that causes extra-expenditure, especially in North Kerala, is the lack of access to roads. More than one-fourth of the population does not have access to roads. Such a situation would necessitate extra costs due to the need for head-loading of materials. Currently, there is no way the panchayat could even partially offset such additional expenditure. The result is that several

households fail to complete their houses and the subsidy given to them by the panchayat yielding no benefits at all. Such households end up seeking housing support from the panchayat again. The case of households in which adult male members are absent or unable to work or move out freely due to sickness or other disabilities is similar. Such households find it difficult to supervise or contribute own labour towards house construction. They would need some additional support either from the panchayat or the local social networks. Currently, such support cannot be provided within the formal subsidy scheme.

### ***Inappropriateness of Post-construction Disbursement in all Cases***

Though the procedure to pay subsidy after the completion of each stage of construction had been originally adopted to avoid misuse of resources, this practice creates problems. Some households who find it difficult to mobilise additional resources, use poor quality materials with the connivance of local contractors (or worker-cum-contractors). As a result, the quality of construction goes down. Some households become unable to complete the house construction and to claim full subsidy. Un-anticipated expenditures in the household (eg. illness) exacerbate the problem.

Mechanisms to ensure the proper use of money other than the prevailing post-construction disbursement system are needed for such households. One possibility is to bring in a technical and administrative set up (discussed previously) at the panchayat level to supervise construction through a direct payments system. For example, they can ensure construction of the roof, without actually paying the money for the purpose to the household (or without asking the household to mobilise money). Another device would be to pay the local self-help groups in advance and use their services to monitor house construction work. Without such alternative mechanisms, some households would end up building poor quality houses or leave their house construction work unfinished due to difficulty in mobilising money in advance, and hence no benefits will be derived from subsidy given to them.

### ***Interventions Needed to get Titles for Land***

As we have seen, there are some households who cannot get housing support since they do not have title on land. Such households fall under different categories. One category lives in parcels of land but without title, and the grant of 'patta' to these people has been delayed for some procedural problems. A concerted intervention of the district administration is needed for solving this problem; otherwise local self-governments may not be in a position to help this category. Another set lives on landed property of undivided families. Some of them have difficulty in mobilising money for registering land in their names. Would it be possible for LSGs or the state level administration to support such families in their attempt to receive their shares and registering their shares in their names? At present their lack of resources acts as a severe constraint for receiving housing support from LSGs.

### ***Need to Address Gender Issues***

There exist several gender issues to be addressed in relation to financing for housing. Since LSG gives support to 'household' as a single unit, it is to be ensured that all members of the household get the benefit of the support. There are instances of some members' (most probably the adult male head) diverting housing support funds for their personal purposes. Dispossession of the houses constructed, due to debts incurred on account of wasteful expenditure by male members is also not uncommon. A way out of such problems is by ensuring title to the house in the joint names of spouses or in the name of the wife. Where necessary, land title too should be shared with female members. One possibility is to insist on registering land jointly; if man alone happens to own land, but the huge expenditure involved may prevent some households from registering in the joint names of the spouses. The other possibility is the imposition of a condition that the house constructed with the financial support of the panchayat (and the associated land) would be sold only with the formal joint agreement of both the spouses executed before the

panchayat. In these cases, female members must be fully informed by the panchayat of the grant of title to them and made aware of the ways in which they could be dispossessed of their land rights; as for instance when they are asked to put their signature on to an agreement without knowledge of what the agreement is about.

There should also be efforts to see that subsidy instalments are not given to male members alone since they might spend the amount for other purposes. Housing related activities can also be used to train young girls, in construction-related skills such as masonry, carpentry, etc. The technical coordination set up to be created at the panchayat level should conduct special training programmes for women in construction and its supervision.

### ***Rethinking the Need for Housing Colonies***

Some debate is on in panchayats on the provision of housing especially for those belonging to SCs and STs in segregated areas currently referred to as colonies. The debate has come up due to the prevalence of high levels of alcoholism and other unhealthy practices in such colonies. There exists a popular perception that households with similar traits, when they live among other groups of people would assimilate their practices, and as a 'demonstration effect', it would have a positive impact on their behavioural patterns. A counter argument is that if households belonging to a specific section live together, they would be able to share certain types of social and cultural capital and that they would be deprived of this advantage once they are settled among other social groups. Moreover, a feeling of inferiority and insecurity may develop among them as they live among other 'better' groups. Though there is some truth in both these views, we need urgently to take steps to eliminate alcoholism leading to several social problems and such other unhealthy practices from 'colonies' in this part of the state. Self-help groups and local volunteers of young persons who live in such colonies can act as change agents. This requires concerted action on the part of

the SC/ST department and local self-governments. The panchayat should also attempt relocation of a few families who are willing to move out of these colonies (and house them among others) on an experimental basis.

### ***Needed Awareness and other Interventions***

There are some families who do not seem to be bothered about staying in very poor quality houses. This is not surprising since they are not at all used to living in better quality houses. Moreover, some of them are unwilling to make efforts to achieve better quality houses or to maintain houses, if they are provided by the panchayat. The lack of maintenance leads to rapid deterioration of houses. Such households end up seeking housing support repeatedly. Thus, along with the provision of housing support, the households concerned should be made aware of their responsibility to maintain their houses. For achieving this goal, some kind of long-term awareness building exercises which highlights the linkages between housing, environment, health and welfare, is essential.