

NINETEENTH REPORT

STANDING COMMITTEE ON URBAN AND RURAL DEVELOPMENT

(1995-96)

(TENTH LOK SABHA)

*(Action Taken by Government on the recommendations contained
in the Fourth Report of Standing Committee on Urban & Rural
Development on 'National Housing Policy, May, 1992' of the
Ministry of Urban Affairs and Employments)*

Presented to Lok Sabha on.....

Laid in Rajya Sabha on.....

26 AUG 1995



136

LOK SABHA SECRETARIAT
NEW DELHI

August, 1995/Sravana, 1917 (Saka)

C.U. & R. D. No. 019

Price : Rs. 18.00

PARLIAMENT LIBRARY
Central Govt Publications
No. No NC...92781 (3)
Date... 28/9/95

6
328.3657R
NS.19,2

© 1995 By LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Seventh Edition) and Printed by M/s Jainco Art India, 1/21, Sarvapriya Vihar, New Delhi-110016.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Recommendations/Observations which have been accepted/partially accepted by the Government	19
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of the Government replies	34
CHAPTER IV Recommendations in respect of which replies of the Government have not been accepted/are unsatisfactory	35
CHAPTER V Recommendations/Observations in respect of which final replies of the Government are still awaited	40

APPENDICES

I. Analysis of Action Taken by Government on the Fourth Report of the Standing Committee on Urban & Rural Development (Tenth Lok Sabha)	43
II. Minutes of the 9th Sitting of the Committee on Urban & Rural Development held on 30.05.95	44

COMPOSITION OF THE STANDING COMMITTEE ON
URBAN & RURAL DEVELOPMENT (1995-96)

CHAIRMAN

Shri Prataprao B. Bhosale

MEMBERS

Lok Sabha

2. Shri P.P. Kaliaperumal
3. Shri Sajjan Kumar
4. Shri Gangadhara Sanipalli
5. Shri Rajesh Khanna
6. Shri Prabhulal Rawat
7. Shri J. Chokka Rao
8. Dr. Y.S. Rajasekhar Reddy
9. Shri Vijayaramaraju Satrucharla
10. Shri Prithviraj D. Chavan
11. Shri K.M. Mathew
12. Shri P.R. Kumaramangalam
13. Shri Maruti Deoram Shelke
14. Shri Surendra Pal Pathak
15. Shri Ram Pal Singh
16. Shri Devi Bux Singh
17. Shri Karia Munda
18. Shri Girdhari Lal Bhargava
19. Shri Ram Singh Kashwan
20. Shri Sudhir Giri
21. Shri Subrata Mukherjee
22. Mohd. Ali Ashraf Fatmi
23. Shri Sukhdev Paswan
24. Shri Dharmabhiksham
25. Shri N. Murugesan
26. Shri Gulam Mohammad Khan

27. Shri Sobhanadreeswara Rao Vadde
28. Shri Shailendra Mahto
29. Shri Kalpnath Rai

Rajya Sabha

30. Shri Nilotpal Basu
31. Shri Ram Deo Bhandari
32. Shri Debabrata Biswas
33. Shri Shiv Prasad Chanpuria
34. Chaudhary Harmohan Singh
35. Smt. Meera Das
36. Shri Satyanarayana Dronamraju
37. Dr. B.B. Dutta
38. Shri Sangh Priya Gautam
39. Shri B.K. Hariprasad
40. Shri Jagmohan
41. Prof. Vijay Kumar Malhotra
42. Shri Thennala Balkrishna Pillai
43. Shri V. Hanumantha Rao

SECRETARIAT

1. Shri S.N. Mishra — *Additional Secretary*
2. Smt. Roli Srivastava — *Joint Secretary*
3. Shri G. R. Juneja — *Deputy Secretary*
4. Shri C.S. Joon — *Under Secretary*

INTRODUCTION

1. the Chairman of Standing Committee on Urban & Rural Development (1995-96) having been authorised by the Committee to submit the Report on their behalf, present the Nineteenth Report on action taken by Government on the recommendations contained in the Fourth Report of the Standing Committee on Urban & Rural Development (Tenth Lok Sabha) on "National Housing Policy—May, 1992" of the Ministry of Urban Affairs and Employment.

2. The Fourth Report was presented to Lok Sabha on 21st December, 1993. The Government furnished their replies indicating action taken on the recommendations contained in the Report on 3rd February, 1995. The Replies were examined and the draft report was adopted by the Committee at their sitting held on 30.5.1995.

3. The Report has been divided into following Chapters :—

- (i) Report
- (ii) Recommendations/observations which have been accepted by the Government.
- (iii) Recommendations/observations which the Committee do not desire to pursue in view of Government replies.
- (iv) Recommendations/observations in respect of which replies of Government have not been accepted/are unsatisfactory.
- (v) Recommendations/observations in respect of which final replies of Government are still awaited.

4. It would be observed that out of 12 recommendations made in the Report, 7 recommendations have been accepted by the Government. Replies have not been accepted in respect of 4 recommendations. Final replies of Government in respect of 1 recommendation are still awaited.

NEW DELHI;
8 August, 1995
17 Sravana, 1917 (Saka)

PRATAPRAO B. BHOSALE,
Chairman,
Standing Committee on Urban
& Rural Development.

CHAPTER I

REPORT

1.1 This Report of the Standing Committee on Urban and Rural Development (1994-95) deals with the action taken by the Government on the recommendations contained in their Fourth Report on "National Housing Policy - May, 1992" which was presented to Lok Sabha on 21st December, 1993.

1.2 This Report contains 12 recommendations/observations. Replies of the Government in respect of these recommendations have been received and categorised as under:

(i) Report

(ii) Recommendations/observations which have been accepted by the Government:

Para Nos. 1.16, 1.24, 1.30, 1.32, 1.36, 1.42, 1.43.

[Total 7, Chapter-II]

(iii) Recommendations/observations which the Committee do not desire to pursue in the light of the replies received from the Government:

Para Nos. Nil.

[Nil, Chapter-III]

(iv) Recommendations/observations replies to which have not been accepted by the Committee/are not satisfactory:

Para Nos. 1.9, 1.12, 1.31, 1.37.

[Total 4, Chapter-IV]

(v) Recommendations in respect of which final replies of Government are still awaited.

Para No. 1.25.

[Total 1, Chapter -V]

1.3 The Committee will now deal with those replies of Government which have not been accepted or which are not satisfactory.

Recommendation Para No. 1.9

1.4 It is needless to say that 'Housing' is one of the basic and minimum requirements of all human beings. One can easily understand the rationale behind the demand of various voluntary organisations to include 'Right to Shelter' as one of the Fundamental Rights in the Constitution. The Committee is very perturbed to note that India does not have a housing policy till date. Pressures and demands on the supply of housing, land and infrastructure in rural as well as urban areas is increasing day by day. People are living in sub-human conditions resulting in spontaneous generation of slums and crowded living conditions.

In this connection, the Committee recommend that the problem of housing should be dealt with in a permanent manner. The need of the hour is to finalize the Housing Policy document at the earliest which is the real foundation on the basis of which efforts of the concerned authorities—Centre, State and local are to be directed. Moreover, the element of policy formulation that too in a crucial field like 'Housing' must be guarded against all the changes except those which directly and adversely affect the issue. The Committee find that in the 1988 National Housing Policy Document and 1992 NHP, there is little or no difference in Government's programmes, policies and thrust areas recognized. They find no justification for inordinate delay in finalizing the housing policy. The Committee would like to urge the Ministry to finalize the document at the earliest.

Reply of the Government

The NHP'92 document has been duly approved by the Union Cabinet and laid on the Tables of both Houses of Parliament on 9.7.92 for adoption. The Speaker, Lok Sabha had referred the Policy for consideration of the Standing Parliamentary Committee. The Committee has since submitted its Report to Parliament. The Policy can be stated to have been finalised only after the same is adopted by Parliament.

The Rajya Sabha has since adopted the National Housing Policy. This is likely to be adopted by Lok Sabha during the current Session.

[Ministry of Urban Development O.M.No. H-11013/3/93/-Plt/Bt,
dated 10th October, 1994]

Comments of the Committee

In this connection, the Committee would like to point out that since there is a very little or no difference between the 1988 NHP and 1992 NHP in so far as Government's programmes, policies and thrust areas are concerned, the intention of the Committee in case of Recommendation No. 1.9 is to have the National Housing Policy Document, as approved by Parliament in August 1994, to be guarded against all the changes except those which directly and adversely affect the issue. The Committee would, therefore, like to re-emphasise their earlier recommendation.

Recommendation Para No. 1.12

1.5 One can easily understand that such kind of fragmented arrangement of power have posed question about the nature, functioning and necessity of coordination in the field of housing. Although, it has been stated in the Annual Report 1992-93 that the Union Government is responsible for the formulation of the policy with regard to programme and approaches for effective implementation of the Social Housing Schemes, yet when asked about the reasons for the poor performance, it has always been stated by the Ministry that Housing is a State subject and it has been accorded very low priority in the States.

In so far as basic services *e.g.* water supply, sanitation, roads etc. are concerned, these are normally stated to be the responsibility of local authorities. First of all, the Committee would like to point out that since "Housing" has not been included in any of the lists of the VII Schedule, it is not appropriate to consider it a State subject only. It is also felt that one of the main reasons for more conflictual and less cohesive housing administration is the non-inclusion of Housing as a subject in any of the three lists of the VII Schedule of the Constitution and the lack of clear cut demarcation of responsibilities among the Centre, the State and the local authorities. The need of the hour is to reformulate the existing arrangement and to guard it with necessary Constitutional provisions. Since housing for the poor, the weaker section and the disadvantaged section is the responsibility of the Government, the Committee would like the Ministry to explore the possibilities to include 'Housing' for such sections as a subject in the Concurrent List of the VII Schedule of the Constitution through a Constitutional Amendment Bill. The Committee would also like to be apprised of the steps taken by the Ministry in this regard along with the rationale behind it.

Reply of the Government

This Ministry has been taking the stand since long that housing is a State subject on the basis of entry No. 5 *i.e.* Lands & Buildings in IInd List (State List) of 7th Schedule to the Constitution. As a matter of fact, building is a larger term whereas housing is a shorter but certainly included in the term 'building'. All houses are buildings only standing on a piece of land. When land is a State subject, how can structures built thereon, whether large or small, be a Central or Concurrent subject? Also it would not be much helpful, if housing for a limited segment of the population *i.e.* weaker sections or poor sections is included in the Constitution as Concurrent subject. The experience of Urban Land Ceiling Act (a Central Act) has shown that it is not enactment of laws but the proper implementation thereof in letter and spirit that makes the difference.

Moreover, even though Housing is considered to be a State subject, Central Government has been providing policy directives for a more effective and uniform implementation of the programme. The Central guidelines pertaining to cost ceilings, grouping of beneficiaries as per predetermined income criteria. Loan limit etc. are by and large followed by States. Also Central Government has in the past provided specific guidelines *e.g.* conferment of joint titles of plots/flats on both husband and wife, reservation of plots/flats for SC/ST etc. and these have by and large been followed by State Governments.

It is, therefore, felt that inclusion of housing as a separate subject in the Concurrent List may not be necessary.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt./Bt.,
dated 10th October, 1994]

Comments of the Committee

The Committee appreciate Ministry's concern that it is not the enactment of Laws but the proper implementation in letter and spirit which matters. In connection with the Recommendation No. 1.12, Committee's only concern is to ensure that subjects like 'Housing' do not suffer for want of a smooth and cohesive administration. The Committee, therefore, would like to reiterate that the Ministry should take necessary steps even to the extent of including 'Housing' in the Concurrent List of the VIIth Schedule of the Constitution through a Constitutional Amendment Bill so as not to leave any

room for shirking of responsibilities among the Centre, the State and the local authorities in view of a fragmented Constitutional arrangement.

Recommendation Para No. 1.16

1.6 The Committee are of the view that housing is often more than it seems on first appearance. The links between housing and health are both common and strong. Quantitative and qualitative shortcomings in water supply & sanitation, inadequate shelter, poor ventilation, insulation and lighting, lack of facilities for solid wastes and waste water, air and noise pollution and overcrowding are likely to have adverse effect on physical and mental health of a person. It has been observed that in India, nearly 30% to 50% of the population are living in a life threatening and health threatening atmosphere e.g. 95% of the rural population and 70% of the urban population have no or inadequate access to sanitation. Nearly 30% to 60% of the population live either in illegal settlement with little or no infrastructure or services or in overcrowded and often deteriorating tenement and cheap boarding-house. The Committee are of the opinion that the Ministry lacks such kind of definition of housing which is based upon minimum socially acceptable standards of habitation, which is a must in determining the magnitude of housing any where in the world. It is felt that the definition which is being based in case of various programmes/schemes for housing needs to be reconceptualised. In this connection, the Committee would like to recommend that the Ministry must re-define the term 'Housing' keeping in mind the following features of the housing environment as has been singled out by World Health Organization in its report on Health and Environment 1992 entitled 'Our Planet and Our Health':—

- (a) the structure of the shelter (which includes the extent to which the shelter protects the occupants from extremes of heat or cold, noise, and invasion, by dust, rain, insects and rodents);
- (b) the extent to which the provision for water supplies is adequate, from both a qualitative and a quantitative point of view;
- (c) the effectiveness of provision for the disposal (and subsequent management) of excreta and liquid and solid wastes;
- (d) the quality of the housing site, including the extent to which it is structurally safe for housing and provision is made to protect it from contamination (of which, provision for drainage is among the most important aspects);

- (e) the consequences of overcrowding, including household accidents, air-borne infection, acute respiratory disease, pneumonia, and tuberculosis;
- (f) the presence of indoor air pollution associated with fuel used for cooking and heating.

The Committee also recommend that this definition must be incorporated in the National Housing Policy. The Committee would also like to be apprised of the action taken in this regard, at the earliest.

Reply of the Government

Even though the definition of housing as brought out by the Committee is not there in the NHP document, the NHP stipulates that housing norms would be evolved at local levels with due regard to different geo-climatic conditions and life styles of the people. *The NHP also stipulates* that efforts will be made to develop and promote use of cost effective standardised housing design for each geo-climatic region. Adequate provision of services (like water supply, waste disposal, drainage etc. on individual or shared basis in a neighbourhood adequately served with community facilities) is envisaged in the Policy document. As such, the Policy already contains references to this aspect. The specific definition of housing as recommended by the committee could be communicated to all State Govts. for adoption in their housing programmes with suitable variations with regard to different geo-climatic variations and affordability of the beneficiaries. There is perhaps no need to reformulate the NHP for including the definition are suggested by the Committee.

(Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt.,
dated 10th October, 1994).

Comments of the Committee

National Housing Policy Document, in the opinion of the Committee, is an important document having national and international significance. Hence, it becomes imperative to incorporate the very first requirement i.e. the definition of 'Housing' based upon minimum socially acceptable standards in the Document itself so as to make it self-contained. Therefore, earlier recommendation of the Committee is reiterated.

Recommendation Para No. 1.24

1.7 The Committee are happy to note that the Ministry of Urban Development is well aware of the legal and administrative problems being faced at the time of land acquisition, management and its distribution. The Committee are doubtful of any significant improvement in availability of land through the Amendments/modifications, which are being considered by the Ministry in the Land Acquisition Act. In this connection, the Committee would like to recommend that the Ministry must strengthen its mechanism for Land Survey and Mapping. Secondly, Land Acquisition Act must also be reviewed with a view to reduce the existing time period taken for acquisition of land. Effective steps must also be taken in order to strengthen land management and its controls so as to curb illegal encroachment of public land. It must be made obligatory that once the land is acquired for public purpose, it should be released without any delay. The Committee are of the opinion that such arrangements will certainly enable the Ministry not only to reduce its administrative expenditure but also to implement various programmes/schemes for housing well in time. The Committee would also like to be apprised of the steps taken by the Ministry in this regard.

Reply of the Government

In the 8th Five Year Plan, an outlay of Rs. 5.5 crores has been provided for Research in Urban and Regional Planning and Urban Mapping; the 8th Plan suggested preparation of large scale base maps with the help of aerial photography for about 50 fast growing towns. Accordingly, Urban Mapping Project has been worked out and 25 towns are proposed to be taken up in the first phase. The major objectives of the scheme include obtaining aerial photography and photo mosaics for the selected towns, developing technical capabilities of the TCPO at Central and State levels, preparing large scale base maps and generating digital graphic inputs for Geographical Information System (GIS) for updating the base maps in a revision cycle. For the purpose of procuring the necessary equipments, technical assistance, consultancy and man power training, an amount of Rs. 1.12 crores was released to the TCPO during 92-93. The TCPO has utilised this amount and has taken action to place orders for procurement of equipments etc. During 93-94, an amount of Rs. 2.81 crores has been provided for this scheme.

During a number of consultations with the Planning Commission, it has been agreed that a suitable Geographical Information System to update Urban Mapping and other statistical data base should be provided for the purpose of research and policy making. There is,

therefore, a need for enhancing the 8th Plan outlay from 5.5 crores to Rs. 19.5 crores (Rs. 14 crores for urban mapping & Rs. 5.5 crores for research in urban & regional planning).

[Ministry of Urban Development O.M. No. H-11013/3/93- Plt/Bt.
dated 10th October, 1994]

Comments of the Committee

The reply of the Ministry does not state anything about Committee's recommendation as regards land management and its control in urban areas. Hence, the Committee would like to reiterate their earlier recommendation and be apprised of the steps taken by the Ministry in order to strengthen land management so as to curb illegal encroachment of public land and expeditious release of land acquired for public purpose.

Recommendation Para No. 1.30

1.8 Though, the Committee fully agree with the Ministry that housing sector is facing severe resource constraints. Non-availability of resources is in fact the problem which almost each and every sector of the Government activities is facing. The Committee feel that solution lies in finding a way out for funding the housing sector from other sources in addition to financial institutions.

It has been observed that Government provisions account for a very small proportion of housing activity, certainly less than 10 to 15% of the total housing each year. It is an indication of the dominant role which is being played by the private sector which has often been ignored in our public policies. What one generally observes that the private sector and its potential is operationally constrained and under-resourced. The Committee, however, find that an answer to the housing problem, especially, for the income groups other than those below the poverty line lie in the private/corporate sector. In this connection, the Committee would like to recommend that the National Housing Policy must clearly incorporate the provision regarding Government's role as a facilitator rather than a housing builder's as one of the strategies to deal with the housing problem in India. Government's role must be confined only to meet housing needs of those below the poverty line and the disadvantaged like slum dwellers, Scheduled Castes and Scheduled Tribes, women etc. In case of other income groups, Government's role must be confined only to the supply of developed land and infrastructure, extension of appropriate technology,

disseminating information on housing schemes providing loan/funds facilities to the corporate & private construction agencies. It must also have some control over the pricing of houses built by these agencies in order to keep it within reasonable limits, since housing activities are otherwise not commercial but service-oriented in nature.

Reply of the Government

The Working Group on Housing Finance has recommended that bank finance for housing should be stepped up to 3% of the incremental deposits with various scheduled commercial banks instead of 1.5% as available now. This aspect is being taken care of by the Standing Committee on Housing Finance; functioning under the aegis of Planning Commission. The recommendation is, however, being brought to the knowledge of the Standing Committee and Reserve Bank.

The NHP envisages that innovative savings and lending instruments will be introduced to integrate the housing finance system with the capital market by enabling access of Housing Finance institutions to the funds on a competitive basis with other financial institutions and by permitting NHB and HUDCO to set up mutual funds for housing, apart from their access to external aid.

NHB is already operating a Home Loan Account scheme with a view to tapping household savings for housing activities. HUDCO is also considering setting up a mutual fund called Awas Nidhi. Efforts are also being made to mop up informal sector savings for housing activities through cooperative approach.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt./Bt.,
dated 10th October, 1994]

Comments of the Committee

In connection with recommendation No. 1.30, the Committee would like to be apprised of the steps taken or contemplated in order to encourage investment from the private sector/corporate sector in the field of Housing.

Recommendation Para No. 1.31

1.9. 'Housing' for other income groups requires to be declared as an 'industry' so as to enable these agencies to tap more resources for housing activities through IDBI, IFCI, ICICI, commercial banks and

other financial Institutions etc. The committee would like the Ministry to take up the question of declaring 'Housing' as an industry in right earnestness basing it on clear-cut demarcation of responsibilities between the Government and the private/corporate agencies. Ministry must also initiate a legislative proposal in this connection, if required. The Committee would also like to be apprised of the steps taken by the Ministry in this direction.

Reply of the Government

The question of declaring housing as an Industry has been considered by this Ministry on various occasions in the past. As of now, manufacture of building materials and components enjoy the status of industry for which industrial finance institutions provide finance at agreed terms. Various fiscal concessions are available in the form of excise and custom duty exemption in regard to manufacture of cost effective and innovative building components particularly those based on agricultural and industrial wastes. National Housing Bank, HUDCO and several housing finance institutions are providing long term finance for housing activities to individuals as well as housing agencies/cooperative societies in various States and U.Ts. In addition IDBI has since started providing finance for construction of housing projects costing over Rs. 5 crores.

It has been observed that declaring service sector of housing activity as an industry will entail more problem in the form of industrial disputes, regulatory controls, labour problems etc. In the circumstances, the idea of declaring service sector of housing as an industry, has been dropped.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt.,
dated 10th October, 1994]

Comments of the committee

In view of the inadequate flow of funds in housing sector, the Committee are not convinced with the rationale put forth by the Ministry for giving up the idea of declaring 'Housing' as an industry and feel that the problems stated to be involved in such a declaration weigh less in proportion to the advantages it would entail. Since non-availability of adequate financial resources is one of the major problems causing housing shortage, the Committee would like the Ministry either to have a fresh look at the question of declaring housing as an industry or to devise such alternative/incentives for

providing free of cost electrification, road facility, drinking water supply, etc. in order to attract more flow of funds for construction of more houses.

Recommendation Para No. 1.32

1.10 In so far as Social Housing Schemes are concerned, the Committee feel that the involvement of Cooperative Societies is a must. The Committee find it necessary to have an organised network of Housing Societies, especially, for Lower Income Group and Middle. Apart from providing them with adequate supply of land and housing finance, these societies must also be vested with full liberty/power to formulate housing plans/schemes. It will certainly create in them a sense of responsibility and accountability in order to fulfil their task.

Reply of the Government

The NHP recognises groups based on cooperative activity or community associations as the principal form of housing activity in many rural settlements and large urban areas facing shortage of land, and hence the cooperatives and other community based organisations will be encouraged to take up various shelter related activities, especially, for slum dwellers and the rural poor assisted through preferential allotment of land, access to finance and fiscal support.

The NCHF, as the apex level institution of housing cooperatives, is spearheading the cooperative housing movement. It has helped in providing dwelling units in cooperative sector. The Cooperative Societies are free to formulate the housing plans/schemes in accordance with the development control regulations and local municipal bye-laws.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt.,
dated 10th October, 1994]

Comments of the Committee

The Committee would like the Ministry to ensure that the development control regulations and local municipal bye-laws do not impose unreasonable restrictions on cooperative societies diminishing their sense of responsibility and accountability.

Recommendation Para No. 1.36

1.11. The Committee need hardly emphasize that the growing number of slums have resulted in innumerable socio-economic problems

especially in those cities which are crucial to the national economy. It has given birth to the shortage of land, infrastructure, basic services, illegal encroachment of public and private land, law and order problem, environmental problem etc. Secondly, the Committee have also been informed by the Ministry that in so far as improvement of slums are concerned, the State Government have to take decision. In this connection, it needs to be highlighted that the large scale migration of rural folk to urban areas in search of jobs is not only from within the state but also from outside the state and the issue of Inter-State migration falls under the jurisdiction of Union Government as per list 81 of the VII schedule of the Constitution.

Keeping in mind the national and Inter-State repercussions, the problem of slums require a fresh look and a change in the basic strategy. The Committee desire that all those cities which are of national importance must be declared 'National Cities' without any further delay. Allocation of funds, especially, in case of 'National Cities' must be in accordance with geographical and demographic position of the city so as to enable them to cope with the resulting problems. Furthermore, Satellite Townships should also be encouraged to accommodate the people coming from rural areas to settle down in towns. The Committee would also like to be apprised of the steps taken by the Ministry in this regard.

Reply of the Government

There is an increasing contribution of the urban sector to National Income. In 1980-81, the sector's contribution to India GDP was 47% and this projected to rise to 60% by the turn of the century. The main challenge facing the Government is to provide orderly development of the towns and cities and to provide for urban infrastructure for improving the productivity of the urban economy and meeting the basic services required by the citizens.

The Eighth Five Year Plan envisages a two pronged strategy to reduce migration from rural areas to cities particularly, the larger cities, *viz.*

- (i) implementation of programmes by the M/o Rural Development for generation of more employment opportunities and creation of better facilities for living in rural areas such as IRDP, JRY, DWCRA and ARWSP.
- (ii) Greater emphasis on the development of small and medium towns with a view to increasing employment opportunities

and providing necessary urban infrastructure for absorbing the surplus rural labour and to provide necessary backward-forward linkage between the rural hinterland and urban areas.

During the 8th Plan, the IDSMT scheme has been revised giving specific emphasis to selection of towns based on an overall strategy for the respective States so that the growth potential of the town, the relative development of the town in the regional context and the linkages to the rural hinterlands on the one hand and the larger cities on the other are duly taken care of.

As regards generation of more employment etc., in rural areas the M/o Rural Development implements various schemes such as IRDP, JRY etc. In the urban areas the NRY/PMRY schemes are in operation but funds allocated for NRY is negligible compared to those allocated for JRY as indicated below:—

	Rural Dev. 93-94	Urban Dev. 93-94
1. Annual Budget	Rs. 7010 crores	Rs. 385 crores
2. For IRDP 93-94	Rs. 1093 crores	for UBSP-18 crores
3. For JRY 93-94	Rs. 3306 crores	for NRY-75 crores

Funds allocation needs to be enhanced for urban programmes keeping in view the increasing problems and demands.

As regards growth centres, the Ministry of Industry has initiated a programme in 1988 for development of industrial growth centres throughout the country in order to promote and accelerate the process of economic development, industrialisation of backward areas alongwith concomitant infrastructure. Each growth centre would be provided with necessary industrial and social infrastructure at par with the best available in the country, particularly in respect of Power, Water, Telecommunication, Roads and Banking. These growth centres would act as a focal point for industries, where promotion of small scale and medium scale units would be encouraged; about 70 growth centre are proposed to be developed in the first phase.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt.,
dated 10th October, 1994]

Comments of the Committee

The Committee find that reply of the Ministry is incomplete. The Committee Would, therefore, like to draw the attention of the Ministry to their earlier recommendation that all those cities which are of national importance must be declared 'National Cities' without any further delay keeping in mind the national and Inter-State repercussions of growing number of slums. Allocation of funds, especially, in case of 'National Cities' must be in accordance with demographic position of the city so as to enable them to cope with resulting problems.

Recommendation Para No. 1.37

1.12. It has been stated in the National Housing Policy that the development of house sites and the upgradation of rural housing will be linked to activities under the Integrated Rural Development Programme, Jawahar Rozgar Yojana and other programmes for the creation of rural assets and employment. In this connection, the Committee would like to recommend the Ministry to include housing construction for the poor as such as one of the activities under the above mentioned programmes. It will help not only employment generation in rural areas, but also improvement of housing situation and development of rural assets. The proposal in this regard must be initiated by the Ministry at the earliest. The Committee would also like to state the Housing Programmes as has been envisaged should be implemented with more vigorous efforts accompanied by the enhanced assistance on the basis of cost escalation of the house building material as well as increased labour cost. The allottees of the house-sites must be persuaded to build their houses according to their choices with their own supervision and labour without engaging any contractor. The Committee would also like to be apprised of the steps taken by the Ministry to make it a reality.

Reply of the Government

The subject of rural housing is being dealt with the Ministry of Rural Development. That Ministry has informed that a scheme named Indira Awas Yojana, a sub-scheme of Jawahar Rozgar Yojana is being implemented since 1985-86, for the construction of houses for the rural poor. At the national level, 10% of the allocation for Jawahar Rozgar Yojana is earmarked for Indira Awas Yojana. However, atleast sixty percent of IAY funds are to be spent for poor persons from SC/ST community. Stress under this scheme is on low cost housing technology

with locally available materials. Construction of housing is done by the beneficiaries themselves.

Recently, a scheme has been launched to strengthen the efforts of States/UTs in rural housing for weaker sections and for people below poverty line. Under this scheme, funds would be provided by Ministry of Rural Development to States in proportion not exceeding 50% of the allocation made by them for rural housing including institutional finance for persons below the poverty line, over and above the level of expenditure on such schemes achieved by them in 1992-93. The funds should be utilised for the target groups in the following order of priority:-

- (a) Sites and Services.
- (b) Shelter upgradation.
- (c) Construction of new houses.

The unit cost of construction of new houses and for upgradation of houses will be reckoned with a ceiling of Rs. 12,000/- and Rs. 6000/- respectively. This would include atleast 10% beneficiary contribution. Similarly assistance provided to the beneficiaries under the scheme for development of sites and related services would be Rs. 2700/-. During the 8th Plan, a provision of Rs. 350 crores has been made for rural housing excluding Indira Awas Yojana.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt.,
dated 10th October, 1994]

Comments of the Committee

The Committee are not satisfied with the reply of the Ministry as the main recommendation of the Committee has been left unanswered. Since the National Housing Policy Document has been prepared under the jurisdiction of the Ministry of Urban Development, the Committee would like to know whether the recommendation proposed by the Committee regarding integration of 'Housing' as one of the items to be undertaken under all the poverty alleviation programmes in rural areas has been taken up with the concerned authority or not. The Committee would also like to be apprised of the response thereon.

Recommendation Para No. 1.42

1.13 It has been observed by the Committee that lack of proper planning and designing in India has resulted into construction of

large number of houses having no or inadequate basic services e.g. electricity, water supply, sanitation and sewerage facility and recreation etc. As far as the services dealt in the Ministry of Urban Development like water supply, sanitation, roads etc. are concerned, it is normally the responsibility of the local authorities to coordinate and provide these functions as per the information of the Ministry. Unfortunately, local authorities have not been vested with adequate discretionary powers and sufficient independent sources of revenue to fulfil their tasks with a sense of public accountability.

Since Local Bodies/Municipalities are much more sensitive to local needs, it is not advisable to ignore the potential role that the local authorities can play in this connection. The Committee would like to recommend that these local bodies should be provided with more discretionary powers and independent and sufficient sources of revenue. The Committee would also like to be apprised of the steps taken in this regard alongwith the reasons.

Reply of the Government

The Local Self Government is a State subject falls at Entry No. 5 of the State List of Seventh Schedule of the Constitution. In view of this the Urban Local Bodies are created and regulated in accordance with the Municipal Laws as enacted by the legislature of States. However in order to provide for a well defined constitutional status and a common framework to urban local bodies, the Parliament enacted the Constitution (74th Amendment) Act, 1992 relating to municipalities in Dec. 1992. The Government of India appointed the 1st June 1993, the date from which the said Act came into force. The State Govt./UTs where the Constitution (Seventy Fourth Amendment) Act, is applicable, have already brought their respective municipal laws in conformity with the provisions of the said Act by the prescribed date *i.e.* 31.5.94.

The Act vests the urban local bodies with such powers and responsibilities as may be necessary to enable them to function as effective Institutions of Self-Government. The legislature of States are now required to specify, by law, as to what powers and responsibilities should be given to municipalities in respect of preparation of plans for Economic Development and Social Justice and for implementation of schemes as may be entrusted to them. Urban local bodies are now expected to play a crucial role in the implementation of the development projects and programmes.

Article 243 ZD of the Constitution (74th Amendment) Act, provides for constitution of District Planning Committee in every district of the State to consolidate the plans prepared by the panchayats and the municipalities in the district and to prepare a draft development plan for the district as a whole. Similarly Article 243 ZE of the Act provides for constitution of a Metropolitan Planning Committee in every metropolitan area to prepare a draft development plan for the metropolitan area as a whole.

The above Act also provides for developing adequate financial powers to urban local bodies to enable them to discharge their function and responsibilities in an effective manner. The State legislature are required to specify by law, matters relating to imposition of taxes. Such law may specify:-

- taxes, duties, fees etc. which could be levied and collected by the Municipalities.
- taxes, duties, fees etc. which would be levied and collected by the State Government and a share passed on to the Municipalities.
- Grants-in-aid that would be given to the Municipalities from the Consolidated Fund of the State.
- Constitution of funds for crediting and withdrawal of moneys by the Municipality.

In order that the financial position of Municipalities is reviewed periodically, the said Act also provides for constitution of State Finance Commission by the Governor of the State at the expiration of every 5 years. The Finance Commission so constituted will make its recommendations to the Governor and will cover the following:—

- distribution between the State Government and Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State.
- allocation of share of such proceeds between the Municipalities at all levels in a State.
- determination of taxes, duties, tolls and fees to be assigned or appropriated by the Municipalities.
- Grants-in-aid to Municipalities from the Consolidated Fund of the State.

- measures needed to improve the financial position of the Municipalities.

It has been made mandatory that the Central Finance Commission shall *inter-alia*, make specific recommendations with regard to measures that are needed to augment the resources of a State with a view to supplementing the resources of the Municipalities in the State on the basis of the recommendations made by the State Finance Commissions. This would provide a proper linkage between the finances of the local bodies and the State Governments.

It may be seen from the above that adequate provisions have been made in the Constitution through the Constitution (74th Amendment) Act, 1992 to make the urban local bodies more responsive to the people and their needs. After the provision of this Act are fully implemented by the State Govts. through amendment in their existing Municipal Laws, it is expected that the urban local bodies will have more functional powers and financial powers to sustain on their own and to discharge their functions including implementation of Urban Development schemes in an effective manner.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt.,
dated 10th October, 1994]

Comments of the Committee

Since the Constitution (74th Amendment) Act, 1992 became effective from 1st June, 1993, the Committee would like to know the details about the implementation of the Act by the State Governments.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED/PARTIALLY ACCEPTED BY THE GOVERNMENT

Recommendation Para No. 1.16

1.14 The Committee are of the view that housing is often more than it seems on first appearance. The links between housing and health are both common and strong. Quantitative and qualitative shortcomings in water supply and sanitation, inadequate shelter, poor ventilation, insulation and lighting, lack of facilities for solid wastes and waste water, air and noise pollution and overcrowding are likely to have adverse effect on physical and mental health of a person. It has been observed that in India, nearly 30% to 50% of the population are living in a life threatening and health threatening atmosphere e.g. 95% of the rural population and 70% of the urban population have no or inadequate access to sanitation. Nearly 30% to 60% of the population live either in illegal settlement with little or no infrastructure or services or in overcrowded and often deteriorating tenement and cheap boarding-house. The Committee are of the opinion that the Ministry lacks such kind of definition of housing, which is based upon minimum socially acceptable standards of habitation, which is a must in determining the magnitude of housing anywhere in the world. It is felt that the definition which is being based in case of various programmes/schemes for housing needs to be reconceptualised. In this connection, the Committee would like to recommend that the Ministry must re-define the term 'Housing' keeping in mind the following features of the housing environment as has been singled out by World Health Organization in its report on Health and Environment 1992 entitled 'Our Planet and Our Health':

- (a) the structure of the shelter (which includes the extent to which the shelter protects the occupants from extremes of heat or cold, noise, and invasion by dust, rain, insects and rodents);
- (b) the extent to which the provision for water supplies is adequate, from both a qualitative and a quantitative point of view;
- (c) the effectiveness of provision for the disposal (and subsequent management) of excreta and liquid and solid wastes ;

- (d) the quality of the housing site, including the extent to which it is structurally safe for housing and provision is made to protect it from contamination (of which, provision for drainage is among the most important aspects);
- (e) the consequences of overcrowding, including household accidents air-borne infection, acute respiratory disease, pneumonia, and tuberculosis;
- (f) the presence of indoor air pollution associated with fuel used for cooking and heating.

The Committee also recommend that this definition must be incorporated in the National Housing Policy. The Committee would also like to be apprised of the action taken in this regard, at the earliest.

Reply of the Government

Even though the definition of housing as brought out by the Committee is not there in the NHP document, the NHP stipulates that housing norms would be evolved at local levels with due regard to different geo-climatic conditions and life styles of the people. The NHP also stipulates that efforts will be made to develop and promote use of cost effective standardised housing design for each geo-climatic region. Adequate provision of services (like water supply, waste disposal, drainage etc. on individual or shared basis in a neighbourhood adequately served with community facilities) is envisaged in the Policy document. As such, the Policy already contains references to this aspect. The specific definition of housing as recommended by the Committee could be communicated to all State Govts. for adoption in their housing programmes with suitable variations with regard to different geo-climatic variations and affordability of the beneficiaries. There is perhaps no need to reformulate the NHP for including the definition as suggested by the Committee.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt.,
dated 10th October, 1994]

Recommendation Para No. 1.24

1.15 The Committee are happy to note that the Ministry of Urban Development is well aware of the level and administrative problems being faced at the time of land acquisition, management and its

distribution. The Committee are doubtful of any significant improvement in availability of land through the amendments/modifications, which are being considered by the Ministry in the Land Acquisition Act. In this connection, the Committee would like to recommend that the Ministry must strengthen its mechanism for Land Survey and Mapping. Secondly, Land Acquisition Act must also be reviewed with a view to reduce the existing time period taken for acquisition of land. Effective steps must also be taken in order to strengthen land management and its control so as to curb illegal encroachment of public land. It must be made obligatory that once the land is acquired for public purpose, it should be released without any delay. The Committee are of the opinion that such arrangements will certainly enable the Ministry not only to reduce its administrative expenditure but also to implement various programmes/schemes for housing well in time. The Committee would also like to be apprised of the steps taken by the Ministry in this regard.

Reply of the Government

In the 8th Five Year Plan, an outlay of Rs. 5.5 crores has been provided for Research in Urban and Regional Planning and Urban Mapping; the 8th Plan suggested preparation of large scale base maps with the help of aerial photography for about 50 fast growing towns. Accordingly, Urban Mapping Project has been worked out and 25 towns are proposed to be taken up in the first phase. The major objectives of the scheme include obtaining aerial photography and photo mosaics for the selected towns, developing technical capabilities of the TCPO at Central and State levels, preparing large scale base maps and generating digital graphic inputs for Geographical Information System (GIS) for updating the base maps in a revision cycle. For the purpose of procuring the necessary equipments, technical assistance, consultancy and man power training, an amount of Rs. 1.12 crores was released to the TCPO during 92-93. The TCPO has utilised this amount and has taken action to place orders for procurement of equipments etc. During 93-94, an amount of Rs. 2.81 crores has been provided for this scheme.

During a number of consultations with the Planning Commission, it has been agreed that a suitable Geographical Information System to update Urban Mapping and other statistical data base should be provided for the purpose of research and policy making. There is, therefore, a need for enhancing the 8th Plan outlay from 5.5 crores to

Rs. 19.5 crores (Rs. 14 crores for urban mapping & Rs. 5.5 crores for research in urban & regional planning)

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt.,
dated 10th October, 1994]

Recommendation Para No. 1.30

1.16 Though, the Committee fully agree with the Ministry that housing sector is facing severe resource constraints. Non-availability of resources is in fact the problem which almost each and every sector of the Government activities is facing. The Committee feel that solution lies in finding a way out for funding the housing sector from other sources in addition to financial institutions.

It has been observed that Government provisions account for a very small proportion of housing activity, certainly less than 10 to 15% of the total housing each year. It is an indication of the dominant role which is being played by the private sector which has often been ignored in our public policies. What one generally observes that the private sector and its potential is operationally constrained and under-resourced. The Committee, however, find that an answer to the housing problem, especially, for the income groups other than those below the poverty line lie in the private/corporate sector. In this connection, the Committee would like to recommend that the National Housing Policy must clearly incorporate the provision regarding Government's role as a facilitator rather than a housing builder's as one of the strategies to deal with the housing problem in India. Government's role must be confined only to meet housing needs of those below the poverty line and the disadvantaged like slum dwellers, Scheduled Castes and Scheduled Tribes, women, etc. In case of other income groups, Government's role must be confined only to the supply of developed land and infrastructure, extension of appropriate technology, disseminating information on housing scheme, providing loan/funds facilities to the corporate & private construction agencies. It must also have some control over the pricing of houses built by these agencies in order to keep it within reasonable limits, since housing activities are otherwise not commercial but service-oriented in nature.

Reply of the Government

The Working Group of Housing Finance has recommended that bank finance for housing should be stepped up to 3% of the incremental deposits with various scheduled commercial banks instead of 1.5% as available now. This aspect is being taken care of by the

Standing Committee on Housing Finance; functioning under the aegies of Planning Commission, The recommendation is, however, being brought to the knowledge of the Standing Committee and Reserve Bank.

The NHP envisages that innovative savings and lending instruments will be introduced to integrate the housing finance system with the capital market by enabling access of Housing Finance institutions to the funds on a competitive basis with other financial institutions and by permitting NHB and HUDCO to set up mutual funds for housing, apart from their access to external aid.

NHB is already operating a Home Loan Account scheme with a view to tapping household savings for housing activities. HUDCO is also considering setting up mutual funds called Awas Nidhi. Efforts are also being made to mop up informal sector savings for housing activities through cooperative approach.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt., dated 10th October, 1994]

Recommendation Para No. 1.32

1.17 In so far as Social Housing Schemes are concerned, the Committee feel that the involvement of Cooperative Societies is a must. The Committee find it necessary to have an organised network of Housing Societies, especially, for Lower Income Group and Middle. Apart from providing them with adequate supply of land and housing finance, these societies must also be vested with full liberty/power to formulate housing plans/schemes. It will certainly create in them a sense of responsibility and accountability in order to fulfil their task.

Reply of the Government

The NHP recognised groups based on cooperative activity or community associations as the principal form of housing activity in many rural settlements and large urban areas facing shortage of land, and hence the cooperatives and other community based organisations will be encouraged to take up various shelter related activities, especially, for slum dwellers and the rural poor assisted through preferential allotment of land, access to finance and fiscal support.

The NCHF, as the apex level institution of housing cooperatives, is spearheading the cooperative housing movement. It has helped in

providing dwelling units in cooperative sector. The Cooperative Societies are free to formulate the housing plans/schemes in accordance with the development control regulations and local municipal by-laws.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt.,
dated 10th October, 1994]

Recommendation Para No. 1.36

1.18 The Committee need hardly emphasize that the growing number of slums have resulted in innumerable socio-economic problems especially in those cities which are crucial to the national economy. It has given birth to the shortage of land, infrastructure, basic services, illegal encroachment of public and private land, law and order problem, environmental problem etc. Secondly, the Committee have also been informed by the Ministry that in so far as improvement of slums are concerned, the State Government have to take decision. In this connection, it needs to be highlighted that the large scale migration of rural folk to urban areas in search of jobs is not only from within the State but also from outside the State and the issue of Inter-State migration falls under the jurisdiction of Union Government as per list 81 of the VII schedule of the Constitution.

Keeping in mind the national and Inter-State repercussions, the problem of slums requires a fresh look and a change in the basic strategy. The Committee desire that all those cities which are of national importance must be declared 'National Cities' without any further delay. Allocation of funds, especially, in case of 'National Cities' must be in accordance with geographical and demographic position of the city so as to enable them to cope with the resulting problems. Furthermore, Satellite Townships should also be encouraged to accommodate the people coming from rural areas to settle down in towns. The Committee would also like to be apprised of the steps taken by the Ministry in this regard.

Reply of the Government

There is an increasing contribution of the urban sector to National income. In 1980-81, the sector's contribution to India's GDP was 47% and this projected to rise to 60% by the turn of the Century. The main challenge facing the Govt. is to provide orderly development of the towns and cities and to provide for urban infrastructure for improving

the productivity of the urban economy and meeting the basic services required by the citizens.

The Eighth Five Year Plan envisages a two pronged strategy to reduce migration from rural areas to cities particularly, the larger cities, viz.

- (i) Implementation of programmes by the M/o Rural Development for generation of more employment opportunities and creation of better facilities for living in rural areas such as IRDP, JRY, DWCRA and ARWSP.
- (ii) Greater emphasis on the development of small and medium towns with a view to increasing employment opportunities and providing necessary urban infrastructure for absorbing the surplus rural labour and to provide necessary backward-forward linkage between the rural hinterland and urban areas.

During the 8th Plan, the IDSMT scheme has been revised giving specific emphasis to selection of towns based on an overall strategy for the respective States so that the growth potential of the town, the relative development of the town in the regional context and the linkages to the rural hinterlands on the one hand and the larger cities on the other are duly taken care of.

As regards generation of more employment etc., in rural areas the M/o Rural Development implements various schemes such as IRDP, JRY etc. In the urban areas the NRY/PMRY schemes are in operation but funds allocated for NRY is negligible compared to those allocated for JRY as indicated below :—

	Rural Dev. 93-94	Urban Dev. 93-94
1. Annual Budget	Rs. 7010 crores	Rs. 385 crores
2. for IRDP 93-94	Rs. 1093 crores	for UBSP-18 crores
3. for JRY 93-94	Rs. 3306 crores	for NRY-75 crores

Funds allocation needs to be enhanced for urban programmes keeping in view the increasing problems and demands.

As regards growth centres, the Ministry of Industry has initiated a programme in 1988 for development of industrial growth centres

throughout the country in order to promote and accelerate the process of economic development, industrialisation of backward areas alongwith concomitant infrastructure. Each growth centre would be provided with necessary industrial and social infrastructure at par with the best available in the country, particularly in respect of Power, Water, Telecommunication, Roads and Banking. These growth centres would act as a focal point for industries, where promotion of small scale and medium scale units would be encouraged; about 70 growth centres are proposed to be developed in the first phase.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt.,
dated 10th October, 1994]

Recommendation Para No. 1.42

1.19 It has been observed by the Committee that lack of proper planning and designing in India has resulted into construction of large number of houses having no or inadequate basic services e.g. electricity, water supply, sanitation and sewerage facility and recreation etc. As far as the services dealt in the Ministry of Urban Development like water supply, sanitation, roads etc. are concerned, it is normally the responsibility of the local authorities to coordinate and provide these functions as per the information of the Ministry. Unfortunately, local authorities have not been vested with adequate discretionary powers and sufficient independent sources of revenue to fulfil their tasks with a sense of public accountability.

Since local Bodies/Municipalities are much more sensitive to local needs, it is not advisable to ignore the potential role that the local authorities can play in this connection. The Committee would like to recommend that these local bodies should be provided with more discretionary powers and independent and sufficient sources of revenue. The Committee would also like to be apprised of the steps taken in this regard alongwith the reasons.

Reply of the Government

The local self Government is a State subject falls at Entry No. 5 of the State list of Seventh Schedule of the Constitution. In view of this the Urban Local Bodies are created and regulated in accordance with the municipal laws as enacted by the legislature of States. However, in order to provide for a well defined constitutional status and a common framework to urban local bodies, the Parliament enacted the Constitution (74th Amendment) Act, 1992 relating to Municipalities in

Dec. 1992. The Government of India appointed the 1st June 1993, the date from which the said Act came into force. The State Government/UTs where the Constitution (Seventy Fourth Amendment) Act, is applicable, have already brought their respective Municipal Laws in conformity with the provisions of the said Act by the prescribed date *i.e.* 31.5.94.

The Act vests the urban local bodies with such powers and responsibilities as may be necessary to enable them to function as effective Institutions of Self-Government. The legislature of States are now required to specify, by law, as to what powers and responsibilities should be given to municipalities in respect of preparation of plans for Economic Development and Social Justice and for Implementation of schemes as may be entrusted to them. Urban local bodies are now expected to play a crucial role in the implementation of the development projects and programmes.

Article 243 ZD of the Constitution (74th Amendment) Act, provides for constitution of District Planning Committee in every district of the State to consolidate the plans prepared by the panchayats and the municipalities in the district and to prepare a draft development plan for the district as a whole. Similarly, Article 243ZE of the Act provides for constitution of a Metropolitan Planning Committee in every metropolitan area to prepare a draft development plan for the metropolitan area as a whole.

The above Act also provides for developing adequate financial powers to urban local bodies to enable them to discharge their function and responsibilities in an effective manner. The State legislature are required to specify by law, matters relating to imposition of taxes. Such law may Specify:—

- taxes, duties, fees etc. which could be levied and collected by the Municipalities
- taxes, duties, fees etc. which would be levied and collected by the State Government and a share passed on to the Municipalities
- grants-in-aid that would be given to the Municipalities from the Consolidated Fund of the State
- constitution of funds for crediting and withdrawal of moneys by the Municipality.

In order that the financial position of Municipalities is reviewed periodically, the said act also provides for constitution of State Finance Commission by the Governor of the State at the expiration of every 5 years. The Finance Commission so constituted will make its recommendations to the Governor and will cover the following :—

- distribution between the State Government and Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State
- allocation of share of such proceeds between the Municipalities at all levels in a State
- determination of taxes, duties, tolls and fees to be assigned or appropriated by the Municipalities
- grants-in-aid to Municipalities from the Consolidated Fund of the State
- measures needed to improve the financial position of the Municipalities.

It has been made mandatory that the Central Finance Commission shall *inter-alia*, make specific recommendations with regard to measures that are needed to augment the resources of a State with a view of supplementing the resources of the Municipalities in the State on the basis of the recommendations made by the State Finance Commissions. This would provide a proper linkage between the finances of the local bodies and the State Governments.

It may be seen from the above that adequate provisions have been made in the Constitution through the Constitution (74th Amendment) Act, 1992 to make the urban local bodies more responsive to the people and their needs. After the provision of this Act are fully implemented by the State Governments through amendment in their existing Municipal Laws, it is expected that the urban local bodies will have more functional powers and financial powers to sustain on their own and to discharge their functions including implementation of Urban Development schedules in an effective manner.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt.,
dated 10th October, 1994]

Recommendation Para No. 1.43

1.20 The Committee hardly need emphasize that housing activity and related regulations for its designing and constructions must be area specific. Hence, the same must vary from area to area depending upon cost effectiveness, durability, availability of suitable material and also capable of withstanding the extreme variation of heat and cold, and also the calamities/casualties like cyclone, earthquake, fire etc. Recent examples of Uttarkashi, Maharashtra have made it crystal clear that very little consideration is being given to the climatic variation while constructing houses. The Committee feel that more post-mortem arrangements as has been done by the Ministry in case of Maharashtra in the form of circulating informatory pamphlets indicating do's and dont's to ensure construction of safer houses among the implementing agencies after the damage has already been done, would not serve the purpose. The Ministry must consider it as one of the thrust areas to be paid due, proper and timely attention. The Committee, therefore, recommend that the need of the hour is to evolve building construction and designing regulations strictly according to geo-climatic variations. The Ministry must issue necessary directions to the concerned authorities for the same at the earliest. Moreover, it has also been observed by the Committee that multi-storeyed buildings are being constructed with little or inadequate safety arrangements against fire casualty. The Committee would like it to be made mandatory that the aspect of fire fighting equipments/arrangements must be taken into account at the time of planning and designing. A necessary direction must be issued by the Centre in this regard. The Committee would also like to recommend that the centre must issue clear-cut and specific guidelines for those houses which have already been constructed but are without or inadequate fire safety arrangements.

Since it also involves the questions of Science and Technology in the housing sector in view of scarcity of building materials, high energy intensity of construction activity and the kind of building material used for house construction, Research and Development Institutions being funded by the Ministry must also be directed to proceed on the area specific (geo-climatic) approach, in so far as the innovation of low cost building material and technology is concerned.

Since National Housing Policy is a document which is going to play a curcial role in determining the priorities, goals and strategies in so far as housing in India is concerned, the Committee would like it to be considered in the light of observations/recommendations given by them.

Reply of the Government

This recommendation has the following three components:—

- (a) Evolving building construction and designing regulations strictly according to geo-climatic variations;
- (b) Fire fighting aspect in the multi-storeyed buildings; and
- (c) Government funded Research and Development institutions should proceed on the area-specific geo-climatic) approach in the matter of innovation of low cost building material and technology.

Better understanding of the engineering properties durability and performance levels of traditional building materials has emerged as a result of scientific and technological advancements made during recent past. This has enabled development of rational engineering design methods and assessment and design criteria for making the buildings perform better and withstand the natural forces of disasters and other stressful conditions in different geo-climatic regions. The various Sectional Committees under Civil Engineering Department of Bureau of Indian Standards have formulated a number of Indian Standards on building materials and construction techniques to suit different geo-climatic conditions. In addition to meet the specific needs of the hilly areas, the BIS has set up 2 new Technical Committees, namely Hill Area Development Engineering Sectional Committee CED : 56, and Cyclone Resistant Structures, Sectional Committee CED : 57. These two Committees have already identified a number of subjects for standardisation and work on the formulation of standards is in progress.

The Building Materials and Technology Promotion Council (BMTPC) the interdisciplinary organisation functioning under the aegis of Ministry of Urban Development has been undertaking studies in different regions to assess the demand of building materials, their physico-chemical and structural characteristics and construction practices which can be suitably adopted in different geo-climatic situations. These studies have not only strengthened the existing database but have helped in the development of vocabulary of building materials, details, elements, systems and technologies which could be appropriately adopted in the design and construction of houses for

better functional and structural efficiency. With the help of these studies, specialised building details, planning guidelines and design regulations are being prepared for typology of house construction suitable to different geo-climatic variations. After the Uttarkashi earthquake in 1991 and Marathwada earthquake in 1993, the BMTPC has developed planning and performance criteria for engineered and non-engineered construction of houses and several technology options were recommended with necessary earthquake resisting features in the buildings. The BIS Technical Committee on Earthquake Engineering has also developed a number of Indian Standard on different types of constructions. There is a need that these standards should be made mandatory in the design and construction of the structures and enforcement at the State/local levels should be strengthened.

The promotion and large scale adoption of appropriate building materials and construction techniques in different geo-climatic variations, require their incorporation in the schedules of specification and easy availability in local markets at affordable cost. With this in view the BMTPC has already undertaken steps and Government has granted fiscal incentives for encouraging manufacture of new building materials particularly based on agro-industrial wastes. The specifications and codes of practice on the new building materials have been formulated by Bureau of Indian Standards and most of the proven technologies have already been incorporated in the schedules of specifications of CPWD. Attempts are also being made to ensure incorporation of these new technologies in the schedules of specifications of the housing and construction agencies in different States.

The BMTPC at the instance of Planning Commission Working Group on Housing in North Eastern States has already completed studies on Housing Typology in five States of Arunachal Pradesh, Tripura, Nagaland, Mizoram and Manipur. Studies in other regions *i.e.* Andhra Pradesh, Karnataka, Kerala, Orissa, Gujarat, Rajasthan are currently going on. Based on these studies work on preparation of Technology Action Plan indicating guidelines on planning, design and construction of housing and building varying geo-climatic variations will be undertaken. One manual for strengthening and retrofitting of stone masonry buildings for improving their resistance against earthquake forces has already been completed.

As recommended by the Standing Committee work on following aspects will be included in the Technology Action Plan and existing plan will be duly modified :—

- (i) Analysis and finalisation of base maps, to include climatic zones for buildings and Disasters zones for buildings (based on seismic zone map, wind zone map and flood prone area map);
- (ii) Identification of predominant building materials for roofing/walling combinations and construction system in different geo-climatic regions;
- (iii) Establishment of performance criteria of building systems as per geo-climatic variations and disaster proneness of the regions;
- (iv) Preparation of user oriented (a) Planning & Design guidelines, and (b) Manuals on use of innovative building materials and components for different geo-climatic variations;
- (v) Compilation of requirements on fire resistance characteristics of building materials and preparation of guidelines on fire resistant design and construction in the light of provisions of National Building Code and Fire Prevention and Control enactments in different States for use by architects, design engineers and building officers;
- (vi) Further work will be undertaken in collaboration with BIS on formulation of standards and codes of practice for new cost-effective building materials and construction practices appropriate for different zones.

Since the research and development institutions working in the housing sector will maintain close coordination with the Building Materials and Technology Promotion Council, it is imperative these R & D organisations will adopt areas specific (geo-climatic approach) in pursuing their innovation of low cost building material and technology.

Regarding (b) above, it is mentioned that in the area of fire protection of building a great of standardisation work has already been done under the Fire Fighting and Fire Safety Sectional Committees. Chapter 4 of the National Building Code relating to fire protection in buildings has recently been revised. The BIS has also prepared an

expert system to assist the designers for providing necessary precautions and fire fighting measures in the buildings. The State Governments have been requested to advise the local authorities to ensure that no completion certification be issued by them in respect of the multi-storied buildings where fire fighting provisions are not made in accordance with the National Building Code and other standards issued by the Bureau of Indian Standards from time to time.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt/Bt,
dated 10th October, 1994]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT REPLIES

—NIL—

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED/ARE UNSATISFACTORY

Recommendation Para No. 1.9

1.22 It is needless to say that 'Housing' is one of the basic and minimum requirements of all human beings. One can easily understand the rationale behind the demand of various voluntary organisations to include 'Right to Shelter' as one of the Fundamental Rights in the Constitution. The Committee is very perturbed to note that India does not have a housing policy till date. Pressures and demands on the supply of housing, land and infrastructure in rural as well as urban areas is increasing day by day. People are living in sub-human conditions resulting in spontaneous generation of slums and crowded living conditions.

In this connection, the Committee recommend that the problem of housing should be dealt with in a permanent manner. The need of the hour is to finalize the Housing Policy document at the earliest which is the real foundation on the basis of which efforts of the concerned authorities—Centre, State and local are to be directed. Moreover, the element of policy formulation that too in a crucial field like 'Housing' must be guarded against all the changes except those which directly and adversely affect the issue. The Committee find that in the 1988 National Housing Policy document and 1992 NHP, there is little or no difference in Government's programmes, policies and thrust areas recognized. They find no justification for inordinate delay in finalizing the housing policy. The Committee would like to urge the Ministry to finalize the document at the earliest.

Reply of the Government

The NHP' 92 document has been duly approved by the Union Cabinet and laid on the Tables of both Houses of Parliament on 9.7.92 for adoption. The Speaker, Lok Sabha had referred the policy for consideration of the Standing Parliamentary Committee. The Committee has since submitted its Report to Parliament. The Policy can be stated to have been finalized only after the same is adopted by Parliament.

The Rajya Sabha has since adopted the National Housing Policy. This is likely to be adopted by Lok Sabha during the current Session.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt./Bt.
dated 10th October, 1994]

Recommendation Para No. 1.12

1.23 One can easily understand that such kind of fragmented arrangement of power have posed question about the nature, functioning and necessity of coordination in the field of housing. Although, it has been stated in the Annual Report 1992-93 that the Union Government is responsible for the formulation of the policy with regard to programme and approaches for effective implementation of the Social Housing Schemes. Yet when asked about the reasons for the poor performance, it has always been stated by the Ministry that Housing is a State subject and it has been accorded very low priority in the States.

In so far as basic services *e.g.* water supply, sanitation, roads etc. are concerned, these are normally stated to be the responsibility of Local authorities. First of all, the Committee would like to point out that since "Housing" has not been included in any of the lists of the VII Schedule, it is not appropriate to consider it a State Subject only. It is also felt that one of the main reasons for more conflictual and less cohesive housing administration is the non-inclusion of Housing as a subject in any of the three lists of the VII Schedule of the Constitution and the lack of clear cut demarcation of responsibilities among, the Centre, the State and the local authorities. The need of the hour is to reformulate the existing arrangement and to guard it with necessary Constitutional provisions. Since housing for the poor, the weaker section and the disadvantaged section is the responsibility of the Government, the Committee would like the Ministry to explore the possibilities to include 'Housing' for such sections as a subject in the Concurrent list of the VII Schedule of the Constitution through a Constitutional Amendment Bill. The Committee would also like to be apprised of the steps taken by the Ministry in this regard alongwith the rationale behind it.

Reply of the Government

This Ministry has been taking the stand since long that housing is a State subject on the basis of entry No. 5 *i.e.* Lands & Buildings in II

list (State List) of VII Schedule to the Constitution. As a matter of fact, building is a larger term whereas housing is a shorter but certainly included in the term 'building'. All houses are buildings only standing on a piece of land. When land is a State subject, how can structures built thereon, whether large or small, be a Central or concurrent subject ? Also it would not be much helpful, if housing for a limited segment of the population *i.e.* weaker sections or poor sections is included in the Constitution as concurrent subject. The experience of Urban Land Ceiling Act (a Central Act) has shown that it is not enactment of laws but the proper implementation thereof in letter and spirit that makes the difference.

Moreover, even though Housing is considered to be a State subject, Central Government has been providing policy directives for a more effective and uniform implementation of the programme. The central guidelines pertaining to cost ceilings, grouping of beneficiaries as per predetermined income criteria, loan limit etc. and these are by and large followed by States. Also Central Government has in the past provided specific guidelines *e.g.* conferment of joint titles of plots/flats on both husband and wife, reservation of plots/flats for SC/ST etc. and these have by and large been followed by State Governments.

It is, therefore, felt that inclusion of housing as a separate subject in the Concurrent list may not be necessary.

[Ministry of Urban Department O. M. No. H-11013/3/93-Plt./Bt,
dated 10th October, 1994]

Recommendation Para No. 1.31

1.24 'Housing' for other income groups requires to be declared as an 'industry' so as to enable these agencies to tap more resources for housing activities through IDBI, IFCI, ICICI, commercial banks and other financial institutions etc. The Committee would like the Ministry to take up the question of declaring 'Housing' as an industry in right earnestness basing it on clear-cut demarcation of responsibilities between the Government and the private/corporate agencies. Ministry must also initiate a legislative proposal in this connection, if required. The Committee would also like to be apprised of the steps taken by the Ministry in this direction.

Reply of the Government

The question of declaring housing as an Industry has been considered by this Ministry on various occasions in the past. As of

now, manufacture of building materials and components enjoy the status of industry for which industrial finance institutions provide finance at agreed terms. Various fiscal concessions are available in the form of excise and custom duty exemption in regard to manufacture of cost effective and innovative building components particularly those based on agricultural and industrial wastes, National Housing Bank, HUDCO and several housing finance institutions are providing long term finance for housing activities to individuals as well as housing agencies/cooperative societies in various States and UTs. In addition, IDBI has since started providing finance for construction of housing projects costing over Rs. 5 crores.

It has been observed that declaring service sector of housing activity as an industry will entail more problem in the form of industrial disputes, regulatory controls, labour problems etc. In the circumstances, the idea of declaring service sector of housing as an industry, has been dropped.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt./Bt.,
dated 10th October, 1994]

Recommendation Para No. 1.37

1.25 It has been stated in the National Housing Policy that the Development of house sites and the upgradation of rural housing will be linked to activities under the Integrated Rural Development Programme, Jawahar Rozgar Yojana and other programmes for the creation of rural assets and employment. In this connection, the Committee would like to recommend the Ministry to include housing construction for the poor as such as one of the activities under the above mentioned programmes. It will help not only employment generation in rural areas, but also improvement of housing situation and development of rural assets. The proposal in this regard must be initiated by the Ministry at the earliest. The Committee would also like to state that Housing Programmes as has been envisaged should be implemented with more vigorous efforts accompanied by the enhanced assistance on the basis of cost escalation of the house building material as well as increased labour cost. The allottees of the house-sites must be persuaded to build their houses according to their choices with their own supervision and labour without engaging any contractor. The Committee would also like to be apprised of the steps taken by the Ministry to make it a reality.

Reply of the Government

The subject of rural housing is being dealt with in the Ministry of Rural Development. That Ministry has informed that a scheme named Indira Awas Yojana, a sub-scheme of Jawahar Rozgar Yojana is being implemented since 1985-86, for the construction of houses for the rural poor. At the national level, 10% of the allocation for Jawahar Rozgar Yojana is earmarked for Indira Awas Yojana. However, atleast sixty per cent of IAY funds are to be spent for poor persons from SC/ST community. Stress under this scheme is on low cost housing technology with locally available materials. Construction of housing is done by the beneficiaries themselves.

Recently, a scheme has been launched to strengthen the efforts of States/UTs in rural housing for weaker sections and for people below poverty line. Under this scheme, funds would be provided by Ministry of Rural Development of States in proportion not exceeding 50% of the allocation made by them for rural housing including institutional finance for persons below the poverty line, over and above the level of expenditure on such schemes achieved by them in 1992-93. The funds should be utilised for the target groups in the following order of priority:—

- (a) Sites and Services
- (b) Shelter upgradation
- (c) Construction of new houses

The unit cost of construction of new houses and for upgradation of houses will be reckoned with a ceiling of Rs. 12,000/- and Rs. 6000/- respectively. This would include atleast 10% beneficiary contribution. Similarly assistance provided to the beneficiaries under the scheme for development of sites and related services would be Rs. 2700/-. During the 8th Plan, a provision of Rs. 350 crores has been made for rural housing excluding Indira Awas Yojana.

[Ministry of Urban Development O.M. No. H-11013/3/93-Plt./Bt.,
dated 10th October, 1994]

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation Para No. 1.25

1.26 The Committee are of the opinion that Land occupies a very crucial place as far as 'Housing' is concerned. Urban Land Policy, which must always be seen in national perspective, includes both Development Planning which means achieving objectives of urbanization by using public investment to acquire land and to dispose off development rights on that and 'Regulatory Planning means trying to achieve the objectives by regulating what State/private investors within the prescribed land use plans, zone planning and building/housing regulation'.

At one stage, it was a part of the Planning Commission as well as the Ministry's recommendation that land at large chunks should be acquired in cities/towns and it should be rationally distributed in accordance with the need to different sections of the Community. The Committee is very much disappointed to note that at present, the Central Government have confined its role to merely making the funds/loans available for various schemes/programmes for housing. The Central Government does not recommend any urban land policy while extending such funds/loans to State/private and public agencies for housing construction.

In order to have a balanced development on this front, the Committee find it necessary to recommend that the Central Government must evolve an Urban Land Policy which includes the issues e.g. acquisition of large chunks of land in advance for launching of various schemes/programmes, distribution of land in a fair manner to the various section of the society keeping in mind the letter and spirit of National Housing Policy, price and cost of land, reserving/earmarking certain portions of land in advance for Social Housing Schemes for the people living below the poverty line and belonging to the marginal income group, the weaker sections, the slum dwellers etc., supply of only developed land for the purpose of housing etc. in order to enable the Govt. to provide Housing Plots to the persons of Low Income Group in towns and particularly in small and medium

towns at cost price and also to minimise the unjust enrichment of persons dealing with Real-estate business. This Committee find it necessary to recommend that the Centre and State Governments must prohibit individual real-estate business people to purchase Urbanizable Land in and around the Towns. The Committee further recommend that the Government itself must purchase such lands at market price and divide them into plots and distribute them to the persons of the low income group for the purpose of their house buildings.

Compliance with the Urban Land Policy the concerned authority/ agency must be taken into consideration while extending funds/lands to the same authority/agencies in future. Such kind of arrangement would enable the Government to achieve both the objectives, namely social justice and economic efficiency in case of housing.

Reply of the Government

The suggestion of the Committee for formulation of Land Policy has been noted by the Government and further action in this regard has already been initiated. (Annexure).

(Ministry of Urban Development O.M. No. H-11013/3/93-Plt./Bt.,
dated 10th October, 1994)

Comments of the Committee

In so far as Committee's recommendation is concerned, it has been noticed by the Committee that reply of the Ministry is of interim nature. The Committee would like to have detailed information as regards the steps taken by the Ministry in this context.

NEW DELHI;
30 May, 1995

9 Jyaistha, 1917 (Saka)

PRATAPRAO B. BHOSALE,
Chairman,
Standing Committee on Urban
and Rural Development.

No. H-11013/3/94-Plt./Bt.
Government of India
Ministry of Urban Development

.....

New Delhi, 3rd February, 1995

OFFICE MEMORANDUM

Subject : Action Taken by Government on Fourth Report of the Committee on Urban and Rural Development - National Housing Policy - Ministry of Urban Development.

The undersigned is directed to refer to the Lok Sabha Secretariat O.M. No. 11/1/6/U&RDC/93 dated the 6.1.95 requesting for furnishing the Action Taken Note in respect of Item No. 1.25 of the Report of the Committee on the above mentioned subject and to say that the suggestion of the Committee for formulation of land policy has been noted by the Government and further action in this regard has already been initiated.

2. This issues with the approval of Joint Secretary (F).

Smt. Neena Garg
Director (Finance)
Tel. No. 301-7916

To

The Lok Sabha Secretariat,
(Shri C.S. Joon, Assistant Director),
Parliament House Annexe,
NEW DELHI - 110 001.

APPENDIX I

(Vide Introduction)

Analysis of Action Taken by Government on the Fourth Report of the Standing Committee on Urban and Rural Development (10th Lok Sabha).

I. Total Number of Recommendations	12
II. Recommendations accepted by Government (Para Nos. 1.16, 1.24, 1.30, 1.32, 1.36, 1.42, 1.43)	7
Percentage to Total	58%
III. Recommendations which the Committee do not desire to pursue in view of Government Replies	Nil
Percentage to Total	—
IV. Recommendation in respect of which reply of Government not satisfactory/accepted by the Committee (Para Nos. 1.9, 1.12, 1.31, 1.37)	4
Percentage to Total	33%
V. Recommendation in respect of which final replies of Government are still awaited (Para No. 1.25)	1
Percentage to Total	8%

APPENDIX II

MINUTES OF THE 9TH SITTING OF THE COMMITTEE ON URBAN & RURAL DEVELOPMENT

The Committee met on Tuesday, the 30th May, 1995 from 1500 hrs. to 1700 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Prataprao B. Bhosale — *Chairman*

MEMBERS

Lok Sabha

2. Shri Vadde Sobhanadreeswara Rao
3. Shri Md. Ali Ashraf Fatmi
4. Shri Karia Munda
5. Shri K.M. Mathew
6. Shri Girdhari Lal Bhargava
7. Shri P.P. Kaliaperumal
8. Shri Surendra Pal Pathak
9. Shri Ram Pal Singh
10. Shri Sudhir Giri
11. Shri Subrata Mukherjee

Rajya Sabha

12. Shri Ram Deo Bhandari
13. Shri Thennala Balkrishna Pillai
14. Shri Shiv Prasad Chanpuria
15. Shri Sangh Priya Gautam
16. Dr. B.B. Dutta

SECRETARIAT

1. Smt. Roli Srivastava — *Joint Secretary*
2. Shri G.R. Juneja — *Deputy Secretary*
3. Shri C.S. Joon — *Assistant Director*

2. The Committee considered the draft 19th Report on action taken by the Government on the recommendations contained in the 4th Report of the Committee on Urban & Rural Development on "National Housing Policy — May 1992" and adopted it with slight modifications as indicated in the Annexure.

3. The Committee authorised the Chairman to have the report finalised and to present it to Parliament on their behalf.

The Committee then adjourned.

Page No.	Para No.	Additions/Modifications
16	1.9	<p data-bbox="522 270 988 333">Substitute the following Para for Para No. 1.9.</p> <p data-bbox="522 367 988 1211">“In view of the inadequate flow of funds in housing sector, the Committee are not convinced with the rationale put forth by the Ministry for giving up the idea of declaring ‘Housing’ as an industry and feel that the problems stated to be involved in such a declaration weigh less in proportion to the advantages it would entail. Since non-availability of adequate financial resources is one of the major problems causing housing shortage, the Committee would like the Ministry either to have a fresh look at the question of declaring housing as an industry or to devise such alternatives/incentives for providing free of cost electrification, road facility, drinking water supply, etc. in order to attract more flow of funds for construction of more houses.</p> ”
