

Rural Social Infrastructure Development in India

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Diverse Perspectives on Creating a Fairer
Society

Rural Social Infrastructure Development in India: An Inclusive Approach

BY

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INVESTOR IN PEOPLE

Dedicated to People of Rural India

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List of Abbreviations

ACHS – Apex Cooperative Housing Society
AHS – Affordable Housing Strategy
AHF – Affordable Housing Fund
AIP – Annual Implementation Plan
AREP – Accelerated Rural Energy Programme
ARWSP – Accelerated Rural Water Supply Programme
APBS – Aadhar Payment Bridge System
BPL – Below Poverty Line
BNP – Bharat Nirman Programme
CCDU – Communication and Capacity Development Unit
CGF – Credit Guarantee Fund
CHS – Cooperative Housing Society
CRSP – Central Rural Sanitation Programme
CSC – Community Sanitary Complex
CSR – Corporate Social Responsibility
DBT – Direct Benefits Transfer
DDUGJY – Deen Dayal Upadhyaya Gram Jyothi Yojana
DIP – District Implementation Plan
DLCC – District Level Consultative Committee
DPIP – District Project Implementation Plan
DRI – Differential Rate of Interest
DWSC – District Water and Sanitation Committee
EWS – Economically Weaker Section
FSC – Farmers Service Centre
GOI – Government of India
GJRHFS – Golden Jubilee Rural Housing Finance Scheme
GLA – Group Lending Approach
HIG – High Income Group
HFC – Housing Finance Company
HMF – Housing Micro Finance
HSCAS – House Sites Cum Assistance Scheme
IAY – Indira Awas Yojana
IBA – Indian Bank's Association
IHL – Individual Household Latrine
ILP – Individual Lending Practice
IRDA – Insurance Regulation and Development Authority

xiv List of Abbreviations

IT – Institutional Toilet
JLG – Joint Liability Group
JRY – Jawahar Rojgar Yojana
KJP – Kutir Jyothi Programme
KPMG – Klynvald Peat Marwick Goerdeler
LPG – Liquefied Paraffin Gas
LIG – Low Income Group
LPCD – Litre Per Capita Per Day
MIG – Middle Income Group
MFI – Micro Finance Institution
MCGFT – Micro Credit Guarantee Fund Trust
MNRES – Ministry of New and Renewable Energy Sources
MSME – Micro, Small and Medium Enterprise
MOU – Memorandum of Understanding
NRFIP – National Rural Financial Inclusion Plan
NABARD – National Bank for Agriculture and Rural Development
NBCP – National Bio-Mass Cookstove Programme
NBO – National Building Organization
NBMMP – National Bio-Mass Manure Management Programme
NMFI – National Mission for Financial Inclusion
NAREDCO – National Real Estate Development Council
NHP – National Housing Policy
NBFC – Non-Banking Financial Company
NCFE – National Centre for Financial Education
NGO – Non-Governmental Organisation
NPS – National Pension Scheme
NSSC – National Scheme Sanctioning Committee
NSSO – National Sample Survey Organization
NRHHP – National Rural Housing and Habitat Policy
NREGS – National Rural Employment Guarantee Scheme
NUHHP – National Urban Housing and Habitat Policy
NRLM – National Rural Livelihood Mission
NULM – National Urban Livelihood Mission
NHB – National Housing Bank
NHBRS – National Housing Bank Refinancing Scheme
NPA – Non-Performing Asset
NRSF – National Rural Shelter Fund
NRDWP – National Rural Drinking Water Programme
PAC – Plan Approval Committee
PACS – Primary Agriculture Credit Society
PMJDY – Prime Minister Jan Dhan Yojana
PMAY-HA – Prime Minister Awas Yojana-Housing for All
PMUY – Prime Minister Ujjwal Yojana
PHS – Primary Housing Society
PPPMAH – Public Private Partnership Model Affordable House
PRI – Panchayat Raj Institution

PLI – Primary Lending Institution
RLEGP – Rural Landless Employment Guarantee Programme
RBI – Reserve Bank of India
RRS – Regular Refinance Scheme
RF – Revolving Fund
RFI – Rural Financial Institution
RRB – Regional Rural Bank
RSAH – Refinancing Scheme for Affordable Housing
RUHF – Rural and Urban Housing Fund
RCFI – Report of the Committee on Financial Inclusion
RSMPC – Rural Sanitary Mart and Production Centre
RHANC – Refinancing Households Affected by Natural Calamity
SC – Scheduled Caste
ST – Scheduled Tribe
SBM – Swatch Bharat Mission
SCB – Scheduled Commercial Bank
SCB – State Cooperative Bank
SFB – Small Finance Bank
SGSY – Swarna Jayanthi Gram Swarozgar Yojana
SUH – Shelter for Urban Homeless
SIDBI – Small Industries Development Bank of India
SDG – Sustainable Development Goal
SHG – Self-Help Group
SHPI – Self-Help Promotion Institution
SRLIGU – Special Refinance for Low Income Group (Urban)
SLBC – State Level Bankers Committee
SWSM – State Water and Sanitation Mission
TSP – Total Sanitation Programme
TSCPIP – Total Sanitation Campaign Project Implementation Plan
UCB – Urban Cooperative Bank
UT – Union Territory
UN – United Nation
UNCHS – United Nations Centre for Human Settlements
UNICEF – United Nations International Children Emergency Fund
VHP – Village Housing Programme
WHO – World Health Organization
WU – Water User
ZP – Zilla Panchayat

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About the Author



M. Mahadeva is an alumnus of the University of Mysore and earned all three degrees BA, MA and PhD in Economics, specialising in the fields of development economics, inclusive economics, urban and institutional economics and cooperative systems. He has also earned Doctor of Literature (DLitt) degree in Economics on his thesis 'Human Settlements and Developments Issues in India' from the European International University, Paris, France. He has a total research and administrative experience of over 27 years working at Institute for Social and Economic Change (ISEC), Karnataka Public Service Commission (KPSC) and served as Professor and Dean Research at the Institute of Finance and International Management (IFIM), Bangalore. Also, he has been an Educational Administrator as a Trustee of the Panchajanya Vidya Peeta Welfare Trust (R), which is running over a dozen educational institutions (schools, colleges, post-graduation), including Dr Ambedkar Institute of Technology, Bangalore. He has earned five international fellowships from ICSSR, IDPAD, SICI and Commonwealth Foundation and was a visiting scholar in the Netherlands, France, Canada and United Kingdom. He has worked with the Institute for Housing and Urban Studies (IHS), Rotterdam, Institute of Social Science Studies, Paris, Institute of Social Studies, The Hague, Centre for Urban and Community Studies, University of Toronto and School of Policy Studies and University of Bristol. He has published over 95 research publications, including three authored books and one edited book in his areas of specialisations in the peer-refereed international and national journals of *Social Sciences*. He has also contributed popular writings in the leading dailies and magazines on various issues affecting different

social walks of the society. He has completed nearly a dozen research projects on various dimensions of poverty alleviation interventions, macro-management schemes, input subsidies, social policies, women entrepreneurship and housing policies as well as development. He has successfully guided four doctoral theses and awarded PhDs from the University of Mysore in the areas of urban, informal, institutional and agriculture economics. His outreach activities include as Chairman of the Sub-Committee of the former Planning Commission, Member of the Working Groups, Member of the Mid-Term Appraisal of Five-Year Plans, Director of the Board, Academic Referee, Subject Expert, Reviewer, Curriculum Designer of Infrastructure and Urban Economics, etc. He has delivered several keynote speeches, inaugural addresses, invited talks and television programmes across the country over the years. Finally, as a Member of Karnataka Public Service Commission for six years, including the In-Charge Chairman for eight months was responsible for the recruitment of over 10,000 public servants transparently for the government services. He has also introduced a number of administrative and examination reforms in the gazetted and non-gazetted officers' examinations of the state and upheld the principles of natural justice and social justice in all measures in the recruitment.

Foreword

It is a privilege to pen the foreword for the treatise *Rural Social Infrastructure Development in India: An Inclusive Approach* eminently authored by Dr M. Mahadeva, a former Member of the Karnataka Public Service Commission. It addresses crucial aspects of rural development focussing on the housing for and financial access to marginalised sections of society. In India, fulfilment of the basic needs of the common man is a constitutional responsibility of the State, as enjoined by the Directive Principles of State Policy for achieving the Welfare State ideals.

The author emphasises the importance of accomplishing, at least in a phased manner, the social advancement and highlights the role of the State in providing these services in terms of globally recognised Human Rights and International Treaties, to which India happens to be a Party Signatory. Apex Court of the country has observed that the International Conventions and Treaties, subject to all just exceptions, are a source of domestic law (*Kesavananda, AIR 1973 SC 1461*). This book critically examines historical neglect of these areas and advocates for responsive and proportionate development initiatives based on ground realities and contemporary emerging trends. It applauds recent efforts in structuring inclusive housing policies and financial coverage, as milestones in development-centric governance.

This work of seminal importance highlights India's progressive Sustainable Development Goals, marks significant achievements and indicates areas such as poverty, hunger, education, health, and human settlements. It calls for the pragmatic policy revisions to meet constitutionally ordained goals within the outer limit of 2030. The author concisely offers valuable insights and policy implications concerning further development initiatives designed for advancing the living standards in rural India.

This treatise being a product of years of research and field work, merits a place of pride in the bookshelves of academicians, administrators, policymakers and the like. Dr M. Mahadeva deserves a deep appreciation for his contribution.



Justice Krishna S. Dixit,
Judge, High Court of Karnataka,
Bangalore

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Preface

India, despite being largely rural, did not have the development share of the country, in terms of the public investment for the promotion of various economic productive activities, nor was the public expenditure proportion to the population. These public development indifferences ever since independence have concreted the prevalence of poverty and deprivation in all forms. It is disheartening to note that even the modern basic needs have not been fully provisioned, as the public interventions have been grossly inadequate and not proportional to the demand. Thanks to the realisation of the development indifferences and programmatic/mission-mode approaches towards the rural transformation at the beginning of the current century. These interventions have contributed to easing the situation, although they still need to go a long way. Apart from the domestic attitudinal change, the international pressure or mandate has complemented the limited success the country achieved on a few foundational fronts. But, concerning the human settlement issues especially in achieving an inclusive society, the performance of the country is far below the average. Building an inclusive society in rural areas is a distant dream, as not only some of the services are abandoned to socially distanced sections even today but also public interventions are altogether missing in this regard. This fact has been highlighted by the research wing of the parliament recently and ignited the necessity for reinvigorated approaches to fundamental issues like poverty, hunger empowerment and healthy lives in rural areas. Secondly, the first decade of the century is a watershed to the housing sector, which is a principal component of human settlements. Interestingly, inclusive housing development strategies are contemplated to mainstream the hitherto excluded homeless families into decent settlement paths. Separate policy design for inclusive housing, affordable housing programmes, exclusive housing finance mechanisms to meet the financial needs of the rural areas and special impetus to the existing social housing schemes have been the four important policies pursued. The national consensus heralded by the Eleventh Five-Year Plan (2007–2008) has resulted positively for the backward regions. These strategies mainly intend to create new rural housing stock at par with urban areas, along with increasing access to safe drinking water, sanitation and lighting. At the same time, inclusive strategies must go a long way to arrest the existing mismatch between the households and the housing stock. The gap between the two has resulted in housing poverty with deprivation of the amenities conspicuously and at an alarming level.

Thirdly, one of the conspicuous failures of India's banking system is its ineffectiveness in terms of the coverage of people for the services and financial exclusion of the poor and vulnerable sections. The incidence is largely apparent in the rural, backward and semi-urban areas of the country. This failure has facilitated informal financial practices on a large scale, knowing of the unaffordable and uneconomic financial services. Being high cost, informal sources are also known for harassment on defaults. The enormous operations of the local money lenders are a major setback to the development of economic activities in the backward regions. A major turnaround, however, is the proactive initiative of the government over the last decade, which has attempted to mainstream the hitherto financially excluded sections into the financial network. Also, financial inclusion is achieved to a greater extent and is aiming at achieving 'Total Financial Inclusion' through Direct Benefit Transfer and Pradhan Mantri Jan Dhan Yojana (PMJDY). These initiatives have taken the excluded ones to access financial services manually and digitally and decimated the financial operations of the local money lenders in rural areas. Lastly, the process of transforming rural India is reignited by human-centric needs like drinking water, sanitation, energy and a clean environment around rural households. It must be noted that the drinking water quality in rural areas is contaminated with excessive iron, fluoride, salinity, nitrate and arsenal, which has been brought to the forefront officially. The incidence is the case of about 2.17 lakh rural habitations in the country. Similarly, creating an environment that is completely free from open defaecation and provision of household toilets is yet to take deep root at the village level for want of public financial support. This situation of household drainage connectivity is in no way different, as the success is very tardy, and still, most of the households face the challenge of good living conditions.

Having domiciled in rural areas and living in my village (Sindhuvalli 571311, Mysore District), I have been observing the living standard of the people, their sufferings, deprivations and various dimensions of poverty directly for over five decades and also watching the changing texture of the rural areas on account of the development interventions of the state, public institutions and people's participation in development in the last couple of decades. My work exposure as a research faculty member at the Institute for Social and Economic Change (ISEC), Bangalore for roughly two decades has prompted me to capture the changes taking place and document same. The best part of rural transformations that have taken place is without the penetration of the market influence or market investment but with limited and inadequate public actions and people's participation. Investment from the market is almost nil or very negligible in the rural transformation process, as it is considered not rewarding in the business. At the same time, people in stress in rural areas have realised that they should supplement public assistance to improve access to housing and other services. It is very much the case of house construction under Prime Minister Awas Yojana (PMAY), as the public housing assistance is grossly meagre and inadequate given the spiralling rise in the building materials and construction costs. The homeless beneficiaries tend to meet the unmet costs voluntarily with their savings or informal borrowings towards the additional housing amenities. Incidentally, financial

access created under PMJDY and other related interventions has further facilitated commercial financial assistance for housing and other productive activities. These arguments have been evidenced with detailed discussion in the related chapters of the book.

This book reflects my interest as well as the transformational changes observed in rural areas in the field of social infrastructure, upon the scientific presentations of public information. The narration of the social infrastructure chiefly includes housing situation and housing poverty, housing amenities and deprivations. Also, the reinvigorated public action over the financial exclusion with incidence and success achieved as a public service is captured within the social infrastructure in this book. Pondering over the good governance aspect and inclusive development strategies followed in the last decades to develop the social infrastructure is a valuable addition. Notwithstanding the achievement, it must be considered that the supply of housing units to the homeless be based on the size of the households to be very effective, as the housing need is not common. Similarly, the extent of housing needs and housing amenities may not be the same in entire rural areas across the country. Therefore, the book has categorised households into small (one to two persons), medium (three to five persons) and large (six to nine persons) in rural areas. Analogously, based on the actual housing shortage by types, states and union territories have been classified into high, medium and low-incidence regions to focus on the public actions. Goes without mentioning the high-incidence regions accounted for almost two-thirds of the total housing needs. Further, far from the satisfaction scenario is the provision of housing services, with which almost 60 per cent of households face deprivation in the country, and even larger deprivation (>81 per cent) in the high-incidence regions. Leaving aside the quality of the housing services which is in question always, the incidence of deprivation is still voluminous – about 78 per cent in the case of household clean energy followed by electricity (70 per cent) and latrine facility (53 per cent). The disheartening situation is that over 74 per cent of the households depend upon untreated water for drinking. Should it not reflect the development governance of the basic social needs of most countrymen in the last 75 years of rural transformation? This question is raised in the book and needs to be answered by the government with factual evidence in due course of time. It is also expected that public actions towards unmet social needs would be proportionate to the stressed household's requirements.

M. Mahadeva
Sindhuvalli/Bangalore

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Chapter 1

Introduction and Overview

Why, what and how social infrastructure development are a few important questions to ask and answer, especially in contemporary times and in the 21st century. All independent nations, including developing ones, aim to create abilities and capabilities to care for their societies and people to increase happiness, life satisfaction and overall social welfare. Especially, such consensus and compulsion are consciously growing by completely eradicating poverty, hunger and deprivation from their soil. Therefore, creating the necessary infrastructure for human beings is an order of the day to enhance social welfare. Physical, economic and social growth is led by the provision of sound and adequate infrastructure, besides achieving settlements sustainability, more so in urban, and facilitating the supply of goods, services and information (Gill, 1996). If this offers the answer partly to the questions, the literary meaning of infrastructure is a foundation that stimulates substantive actions by the state/government mostly and society as a community for socialisation, assembly, prayer, mobilisation and entertainment (Latham & Layton, 2022). At the same time, in the absence of adequate public interventions in the infrastructure creation, the deprived family resorts to meeting immediate infrastructure needs alternatively at a subsistence level on a short-term basis. Families' actions for meeting the needed infrastructure have been largely a case of rural, backward regions and sub-urban areas of developing countries. Infrastructure can be economic and social, which is a critical need for prosperity in any society on a sustainable basis. If economic infrastructure brings economic growth and economic advancement, social infrastructure promotes the well-being and social welfare of mankind. Economic infrastructure is capital equipment in nature generally provided or regulated by the state essential for improving the productive capacity of the nation. It is used to produce public facilities like physical structures and services like roads, railways, airports, electricity, telecommunication, gas, energy and water supplies, which would not only create opportunities for the people but also bring prosperity. Economic infrastructure provides an essential background for other economic activities in modern economies and their absence is a characteristic of less-developed countries and handicaps their development. Social infrastructure on the other hand is the availability of primary amenities for the population encompassing around the basic requirements, which promotes human prosperity and enhances the satisfaction level of human needs.

Suharto Teriman et al. (2011) point out that social infrastructure is crucial to the building of a healthy community and sustainable environment since it is provided in response to the basic needs of communities and to enhance the quality of life, human resources, equity, stability, social well-being, human and social capital. By and large on the same grounds, Elena et al. (2016) rightly argue that social factors characterise the level and living standards of the population that determine the needs of the social groups in the development of social infrastructure. Effective development of social infrastructure provides a pledging of social security and political participation at various levels. Further, social infrastructure is characterised as a soft infrastructure that provides a social environment, services and programmes that support the accumulation and enhancement of human capital (Casey, 2005; Williams & Pocock, 2010). The interesting dimension is that social infrastructures are places that allow people to gather, crowd together, experience their culture together, support community life, friends to spend time together and care for each other, places that encourage people to exercise, play sports, dance, live comfortably alone and alongside one another (Latham & Layton, 2022).

A good number of research scholars and development institutions believe that social infrastructure encompasses primarily education and health care, sports and culture, housing and communal services, trade and public catering (Akifieva et al., 2021), public administration, legal support and protection of property rights, freedom of access to information and business environment (Elena et al., 2016). Also, housing mainly, institutions of science and art, general and vocational education, public utilities and passenger transport (Gabbrakhmanov & Rubtsov, 2014) are the embodiments of social infrastructure. Keeping the local and strategic needs in view, it has been proposed to develop social infrastructures of health & social care, education & children, sports & recreation facilities, play and informal recreations, public toilets, burial spaces and emergency facilities (TDLP, 2017). In addition to these, communication (postal facility), distributive services (milk, fruits, vegetables, LPG cooking gas, petrol/diesel and banks) and miscellaneous facilities (washerman facility, bus stops, taxi stands, old age homes, working women/men hostels, night shelters orphanages, adult education centres) are covered in one of the sub-national (Union Territory of Dadra & Nagar Haveli) regions of India under social infrastructure (GoI, 2021). From these, the social infrastructure can be people-centric as well as community-centric, but both centred around maximising achieving human satisfaction and community welfare. Of all the people-centric ones, housing occupies a pivotal position as most of the human-satisfying activities take place within. Besides providing shelter and human comforts, housing ensures food cooking as well as stress-free living by retiring at the end of the day. A house is not just four walls and a roof but a protective place from sunlight, rain, heat, cold and even hostile situations. It helps individuals indulge in family and sexual life and increase productivity, besides providing social stability and political participation at different levels.

Another consideration from the viewpoint of social infrastructure development is the human settlements irrespective of large cities, urban centres, semi-urban areas or rural areas. The volume, range and cost of the creation of the social infrastructure would not be the same, as it is not only need-based but

settlement-based. In other words, social infrastructure needs differ from settlement to settlement and community to community. Generally, what determines the development is the population in the sense higher size should be the prime consideration for the effective development of social infrastructure for higher socio-economic dividends, as the research findings suggest. In rural areas, the social infrastructure requirements are mostly human-centric and of basic needs in nature like good housing and the associated amenities like drinking water, sanitation, lighting, and clean cooking fuel, notwithstanding the development of other secondary but economic infrastructure (IIR-RI, 2007). These housing services are mostly common to all families across the settlements and community-centric – communication, distributive and miscellaneous social infrastructure development are the additional ones in all other settlements. But what matters is the effective delivery mechanisms/development of the social infrastructure by the public authorities (City Corporations, Municipalities, and other Civic Statutory bodies, Village Panchayats) in their respective jurisdictions, given their limited financial sources, including the inadequate specific development transfers/grants. Large and metropolitan cities as the economic centres and destinations of the workforce are grappling with growing informal settlements or slums (Chandrasekhar, 2005) and resource mobilisation to provide all the community-centric social infrastructures corresponding to the growth of the population, including the migrated workforce. Similarly, a crunch in most of the infrastructure is the case for most of the second and third-tier urban areas with municipalities, as they are not only the non-preferred destinations of settlements but are afflicted with infrastructure development starvation. If these are mostly the cases of the major cities and urban areas, the situation is even worse for the public authorities of the semi-urban and rural areas. Especially, semi-urban areas are caught in between rural and urban, as they are neither full-fledged rural nor full-fledged urban areas in the sense of development in general and social infrastructure in particular. When struggling for livelihood in these settlements has been the commonest scenario, the availability of the infrastructure comfort is a distant dream (GoI, 2007). To be precise, the growth in the settlements of the semi-urban and rural areas has not been correspondingly developed with the social infrastructure of the basic needs of the people, let alone the community-centric like communication, distributive and miscellaneous infrastructures.

India is a country of villages with as many as 16.78 crores of households domiciling out of the total number of 24.67 crores in the country (Census of India, 2011). The share of the rural households is in the order of over 68 per cent, notwithstanding that urbanisation has been increasing at a faster rate in recent times. Although in absolute terms the number of rural households has increased from 13.83 crores; in relative terms, the same has dwindled from over 73 per cent. Straightforwardly, 4 per cent of the rural households have reduced in recent times. Similarly, the number of housing stock in rural areas constitutes 15.99 crores or 68 per cent of the total number of 23.61 crores. Coincidentally, the relative share of the rural housing stock has also dropped by four points from 72 per cent (Mahadeva, 2020). The substance is that despite the country is urbanising due to the migration of the workforce, the composition is continuing. However, from the

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development perspective, rural India owing to its size and dominance should have had its due share in terms of public resource allocations, public policy thrust, development of the housing market and importantly meeting the chief basic need of housing for the homeless families. But that did not happen in the last 75 years of independence and the development of strategic interventions. During this time of planning, most of the public finance was garnered by urban development activities, and as a result, rural development activities were either pushed back or have been neglected grossly. As part of the infrastructure development strategy for the industry, the impetus was given to provide employment opportunities to the growing migrants of the urban areas. Similarly, while making the market force a development partner, the business potentials of rural areas with tailor-made products have never been harnessed. Instead, rural areas were made to depend entirely on limited government interventions – be it manufacturing, development, infrastructure, employment, etc. The other pathetic situation is that rural housing development was completely expected to take place without the presence of the housing market and its sub-markets, especially the financial services. As a result, the public development interventions in the rural housing front have proved ineffective, half-hearted, incompatible, unrealistic and whatnot. It has been the case for 47 years (1950–2007) during which the country has implemented 10 five-year plans.

However, the period of the 'Inclusive Growth' strategy as a development approach was officially adopted by the government of India and pronounced from the Eleventh Five-Year Plan (2007–2012). The main premise of the inclusive growth strategies has been to identify the hitherto neglected, excluded sections of the population, sectors and to give additional impetus to pull them onto the growth path besides including them to the mainstream development agenda of the country. The necessary road maps of the development and strategies have been clearly explained in the Eleventh Plan document (Planning Commission, 2008) to achieve this end. India's housing sector having been neglected so long in the development agenda was also beset with lack of public understanding, lack of the public policy and lack of the financing system for more than three and half decades of the independence and of the development planning. In the absence of the national commitment for the housing development, the hallmark has been the ad hoc approaches during this period coupled with host of government funded social housing scheme targeting different sections, which could not bring major changes due to limited funding. If this was the overall national scenario, the position of the country side has been even worse, as rural housing is still a neglected segment within the sector. Missing housing development priority and continued apathy of the housing finance system towards the rural areas are the features of the economy. However, the housing sector of the country sector has witnessed two turning points from the mid-1980s (1987) at this critical juncture. A national housing policy was designed for the first time, which has canvassed a large-scale housing development mainly in the urban areas (GoI, 1994), across different sections envisaging housing norms, supply of land, development of slums and urban poor housing, housing finance and infrastructure, special programmes for disadvantaged sections and so on. Similarly, promotion of housing finance system, consisting

of nationalised scheduled commercial banks, housing finance companies (HFCs), housing cooperatives, private sector banks, etc., was another milestone in the housing development administration. But the sector initiatives and the financing system did not bring the respite and needed change in the housing development, especially in the rural areas. The policy facilitated housing development largely in urban areas and especially among the salaried income groups besides. But at the same time rigid attitude of the housing finance system was continued towards the rural areas (Mahadeva, 2009) and to poor, which has resulted in housing financial exclusion of the homeless. As part of the corrective measure, the housing sector has witnessed some marked changes in the inclusion process. Given the magnitude of housing shortage, the financial exclusion in rural areas, prevalence of pavement dwelling by the poorest of the poor, the economically weaker sections (EWS) and low-income group (LIG) families and in urban areas, promulgation of separate housing policies for rural and urban areas for promotion of need-based intervention assumed greater significance. With this, homeless families in rural areas and financially excluded ones have developed new ray of hopes with newly introduced housing finance mechanism contemplated in the policies.

Poor are those who generally lack sufficient resources to lead normal or comfortable life. Because of this major lacunae, poor families generally lead sub-standard life with almost no access to most of the comforts. Largely owing to their precarious situation, poor also failed to fulfil even the chief basic need like shelter, even after 75 years of independence. Housing being one of the basic needs that poorest households mostly lack decent roof over their heads and facing all forms of housing poverty. Perhaps poorer sections are the first one to face the homelessness, as they cannot afford home ownership by themselves, largely for not owning the critical housing inputs like serviced land and for housing finance exclusion. In the absence of secured housing, poor have resorted to congested and crowded dwelling with others. Besides, dwelling in the dilapidated structures, facing all forms of life threats and insecurity has been the commonest practice of the poor families. EWS being the first among the poor generally live in unauthorised settlements like slums and in public housing (Saluja, 2004; Sanchayeeta & Deb, 2004). LIGs marginally better among the poor mostly live in old city settlements, some in public housing and others in the slums. Middle-income groups (MIGs) settled largely in old city parts and in unauthorised colonies (Jain, 2016). But a good number of them also dwells in publicly built-up housing and in private housing units, as they can afford to do so. These are the typical examples of how poor families have been housing themselves, in the light of the limited public actions ever since the independence, uncaring market segment and above all fractured community and cooperative actions.

The present housing problem or deficit that poor families have been facing in the country is poised between overcrowd and deficient stock and their incidence is almost in equal numbers and size. Undoubtedly the current housing shortage, which is accumulated over the last several decades, has been due to the supply deficit and due to the ad hoc housing approaches. If the supply of new housing was in proportion to the total market need, crowd dwelling or housing adjustments would not have existed. Similarly, if redevelopment and renovations of

the existing housing units, particularly the dilapidated ones, were undertaken on regular intervals, deficient dwelling and housing threats as a result would not have been the reality. Thus, management of the existing stock is as important and beneficial as constructing new housing units (Cancellieri et al., 1990). The official information of the census reveals that as many as 26.46 million families are in need of housing units, which is roughly 11 per cent of the total families. The startling reality is that the incidence of housing shortage or housing poverty in rural areas is four-folds more than in the urban areas and more than two times the families facing housing problems in the countryside. In absolute terms, 21.86 million (82.62 per cent) families in rural areas and 4.60 million (17.38 per cent) families in urban areas have been hit by the housing poverty. It only reflects on the fact that the incidence of the housing poverty is undoubtedly severe in absolute terms in rural area than in urban areas. It is mostly owing to relegation of the rural housing issue from the development interventions, due to the urban centric housing development approaches since independence and complete neglect by the housing market (Mahadeva, 2019). Also, the incidence of housing poverty has not spared any region, including the union territories, in the sense that every state and UT has been inflicted with housing poverty at varying incidence and degrees. But the notable fact is that like their small geographical identity, UTs have also registered the housing poverty to a little over one per cent in the total, with 0.27 million families or 6.44 per cent. But the striking fact is that the housing poverty is equally poised between congested dwellings or over crowd and dilapidated or deficient dwellings. If the poverty exists in rural areas in the same scale and volume across the two types at 10.93 million each, urban areas have registered with a marginal difference at 2.25 and 2.35 million across the types. It only compels that the poverty needs to be mitigated both by supplying new housing units as well by undertaking up-gradation of the existing dilapidated or deficient units. Interestingly, the latter one is more cost-effective than the former, as it does not involve cost of the basic input like land. Presuming the ground reality that the current homelessness is only of the poor households not only has there been a need to open the eyes of the public action to step up its interventions to mitigate but also is a need to facilitate with financial institutional packages for the homeless.

Financial exclusion is another gravest situation wherein vulnerable and disadvantaged people are excluded from a financial system in general and the financial services in particular due to lack of access and eligibility. In other words, remittances and withdrawal facilities and other value-added services of the financial system are being completely restricted or not made available to the financially excluded persons, as they are not considered customers at all. Financial exclusion could be due to the system failures or due to the non-availability of the service providers at every place of the need, particularly in the unbanked regions. Further, financial exclusion could be even for voluntary reasons on the part of the people owing to lack of interest, operational barriers, cultural differences, lack of need and others. Financial exclusion has been a common situation in most of the countries at varied degrees of incidence, more so in the undeveloped financial systems. Developing and backward countries, which have been in the process of either developing financial system of their own or in the process of expansion

have known to have excluded a given quantity of the population. Financial inclusion contrarily is a strategy to create access to individuals and business entrepreneurs with useful, affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way (Singh, 2017). It is a process for creation of banking access for the financial products and services, especially to the hitherto unserved segment and excluded population without any discrimination with respect to individual's income and savings and empowering them financially. It has been necessarily contemplated to attend to the financial exclusion, which is voluminous and very conspicuous across the length and breadth, as noted. The un-avowed intension is also to wipe out the informal financial operations and associated harassments, especially in the financially underdeveloped regions. Of late, it is important to note that the financial inclusion strategy is seen as an effective mode of transfer of benefits like subsidies, payments, transfers, etc., of the governments to the various targeted groups of the social welfare schemes. It aimed at ensuring pilferage – free as well as effective transfer and delivery. Additionally, it is believed that creation of financial literacy among the excluded sections like weaker sections, low income groups, migrants, elderly, labourers, micro-entrepreneurs and others would enable them to take financial decisions confidently and effectively. This strategy intends to provide banking products like savings, deposits, remittances, credits, insurance and financial advice to the customers. In the nutshell, financial inclusion strategy, besides fostering social inclusion, helps in reduction of poverty. Specifically, the strategy is intended to achieve several objectives like (a) to secure financial products and financial services to all at economic prices; (b) to facilitate creation of financial awareness and to avail customer made financial solutions; (c) to ensure graduation of the customers to digital based financial transactions and (d) to bring in pilferage-free government benefits to the targeted sections and poorer sections of the society.

Review of the Literature

The academic literature also clearly points to the fact that housing is a low-prioritised development agenda in the Indian context and in the regional–rural context. Sadly, it is also a less academically researched issue to provide policy inputs from time to time for the development interventions. The policy indifference for about 40 years immediately after the independence and market indifference during the watershed have conspicuously neglected and relegated the process of housing development in rural areas. Interestingly, these facts have been manifested while accounting for the housing realities from the 1980s. Thereafter academic indifference is also a reality in the housing sector. However, despite these serious limitations, the limited academic literature on housing development can be broadly classified into (a) international sensitisation for making housing policy; (b) accounting for housing poverty and reflecting on housing realities and (c) institutional interventions to alleviate the poverty. Undoubtedly, ever since the first-ever conference (Vancouver) on human settlements in 1976, the United Nations has been playing a catalyst role in sensitising the member nations with regard to

housing. It has strongly suggested evolving a feasible housing policy with strong public commitment for the homeless and the poor. It has guided many governments including India to promote the housing market with other stakeholders along with the public actions to improve the living conditions of the homeless. Regardless to mention that international sensitisation has been a constant pressure on the member nations over the development of housing and affordable housing policies for the low- and middle-income households. In fact, its recent intervention in the United Nations Sustainable Development Goals (UNSDGs) is an exemplary concern of the United Nations. Of the 17 goals of the roadmap, four of them deal with improving housing conditions by ending the housing poverty of all homeless families. Also, called for providing good health and well-being, clean water and sanitation by ensuring standard but affordable housing. Lastly, it called for eliminating the housing inequalities in urban and rural areas of the member nations (United Nations 2015). Secondly, the census operations commenced for the first time in the 1980s accounted for the housing census, which has paved the way for understanding the quantitative and qualitative dimensions of housing poverty in the entire country. This information should have been an eye-opener to the public interventions over the poverty dimensions, but that did not happen. The qualitative dimension of poverty did not get the needed attention notwithstanding its severity. Also, there has been a failure in making a dedicated and need-based public policy for housing development for rural and backward areas using the data. The most disappointing reality is the country of the villages needs a well-defined human settlement policy supported but effective interventions, which is missing even after 75 years of independence. Lastly, the literature also has thrown light on the various institutional failures chiefly in regard to the affordable housing strategy (AHS) (GoI, 2016, 2017; NHB, 2018). Although AHS has introduced after seven decades of independence, it has hardly propagated the institutional intervention, especially the housing finance suppliers in rural areas. The whole issue of rural housing finance is completely left to the operations of the commercial and regional rural banks, which have a proven track record of indifferent and rigid attitudes. The other exclusive but primary lending institutions like HFCs and Cooperative Housing Societies have had no specific roles in supplying affordable housing finance to the needy in rural areas.

Undoubtedly, the rural and urban areas of the country have been historically facing housing poverty in all measures, owing to have not attempted to understand the dynamics from the ground perspectives, ineffective public interventions, the development exclusion, non-development of affordable housing options, conspicuous absence of the community participation and what not. Fortunately, the literature emanated in the recent time has essentially highlighted these gaps. Within the Millennium Development Goals framework, it is proved undoubtedly how public housing interventions (development of housing efforts through shelter, water supply, sanitation programmes) have been ineffective in terms of their achievement in rural and urban areas, including the slums (Darshini, 2013). Inclusion of rents into the very scope of the definition of housing poverty is altogether a new dimension, which has never been considered so far, at least in the India context (Chandrasekhar & Montgomery, 2010). Government of India's