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Government to buy plots so landless poor can build homes

Nearly 8mn landless families do not even own a small plot, thus missing out on grants to build a house

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New Delhi: Millions of poor families in India cannot build homes with money the government provides through a housing welfare scheme simply because they do not own land. The rural development ministry now plans to give them a small plot as well.

The Union government has earmarked Rs100 crore this year to help state governments buy land that they will then distribute. The intended beneficiaries can then apply for a grant under the country's housing welfare scheme, Indira Awas Yojana. "Landlessness is the root cause of poverty and it's for the first time that the Centre will help to give land to the landless," says rural development minister Raghuvansh Prasad Singh.

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The government estimates that at least 13 million Indian families are either landless or do not own agricultural land. Nearly eight million of them do not even own a small plot, thus missing out on grants to either build a house or secure drinking water supply.

If successfully implemented in its entirety, the ministry's proposal could benefit between 100,000 and 200,000 poor families to start with, says Rita Sharma, secretary at the rural development ministry.

While it is yet to decide the size of the land for each poor family, the ministry tentatively puts it at a tenth of an acre, or 4,350 sq. ft. The families would then be eligible for a grant of between Rs25,000 and Rs27,000 under the scheme.

The Union government provides 75% of that money with the states giving the rest.

The much-advertised Bharat Nirman programme of the Union government has housing as part of the six components to build rural infrastructure.

The programme targets building six million homes between 2005 and 2009. However, until last year, only 51% of the target—or 2.2 million houses—has been met, according to government data.

Observers say examples across the world show that the distribution of small homestead land—a house and garden patch—goes a long way to rid poverty.

"An additional space to grow vegetables and trees gives food and nutrition security, supplements income, and along with wages, lift people out of poverty," says T. Haque, land expert and a former chairman of the Commission for Agricultural Costs and Prices.

States typically distribute surplus land to the poor but, the programme has met with little success due to lack of political will and transparency in land records administration, say some observers.

A few states, such as West Bengal, Orissa, Karnataka and Andhra Pradesh, have, however, looked at alternative approaches to lift living standards by giving away small homestead plots.

Orissa, for instance, is targeting to distribute land to some 170,000 poor families by the end of this year under a scheme called Vasundhara, according to a state government official.

"The plan will definitely provide a sense of ownership and raise them (the poor) above abject poverty," says Dharmakirti Joshi, senior principal economist at rating agency Crisil Ltd. "It's, however, not going to be a long-term solution. What we need is employment opportunities to supplement incomes."

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