



CIVIL SOCIETY ORGANISATIONS AND HOUSING DEVELOPMENT IN INDIA:THE CASE OF KUDUMBASHREE IN KERALA STATE

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Abstract

Background: Civil Society Organisations (CSOs) play a vital role in empowering the masses, especially the poor and other socially disadvantaged groups including women. CSOs can play a vital role in housing development, by promoting the housing schemes for the poor like the so called 'Affordable Housing'. Taking the case of 'Kudumbashree', the CSO sponsored by the State of Kerala, this paper looks into its crucial role in supporting housing development in the State.

Method: A descriptive-analytical and exploratory approach has been adopted by the researchers for exploring as to what a typical CSO like Kudumbashree could do in supporting the cause of providing housing facilities to the poor and other disadvantaged groups in Kerala. The role of Kudumbashree in facilitating various housing schemes sponsored by the Central Government and / or State Government. Like, the PMAY (Pradhan Mantri Awas Yojana) scheme of the Govt. of India has been studied. Secondary data from authentic sources have mainly been used for this purpose.

Conclusion: The findings of the present study suggests that CSOs like Kudumbashree should further scale up their activities and they should accord a higher priority to their activities in the housing sector. This leads to faster housing development and also faster development of the whole economy, because of the vast linkages of housing, both forward and backward, to about 300 other sectors in the economy. Also, the fast advances in ICT, including AI, should be suitably leveraged.

Keywords: Housing, Mortgage to GDP Ratio, Linkages, Economic Development, ICT, AI.

1. Introduction

It is widely recognized that Civil Society Organisations (CSOs) can play a vital role in social transformation by supporting the poor by ensuring the supply of basic necessities of life. Globally, the activities of CSOs are focused on the masses, especially the most vulnerable and disadvantaged groups including the poor and women. The case of India in general and Kerala State in particular are no exception. The State of Kerala in India, has an impeccable track-record of many achievements in human development index (HDI), other human capital indices and socio-economic indicators like universal literacy, healthcare services, infant mortality rate, quality of life, longevity, etc. In fact, many of these socio-economic indicators are comparable with the advanced nations of the world. In the area of women empowerment too, Kerala has many landmark achievements, and some of these achievements are mainly because of the functioning of Civil Society Organisations (CSOs) in Kerala, the most prominent CSO being 'Kudumbashree' under the State itself viz. the Govt. of Kerala (GOK).

2. Significance of the Study

Housing is a primary human need and is second in importance only to the need for food. The successive Governments at the Centre and also at the States in India) have been very supportive of the cause of housing development in view of the large share of homeless population in Indian society.



Besides the social perspective of the welfare of citizens, housing has the added benefit that it can accelerate the pace of economic development due to its vast linkages of housing sector with large number of other sectors, like, tourism, cement, steel, etc. At the national level, Affordable Housing for All is a national priority which ought to have been attained by 2022 – the 75th year of India attaining independence. As this target could not be attained by March 2022 as expected, India is striving to attain this target by March 2024. Many housing schemes of the Govt. of India (GOI), like, PMAY (Prime Minister's Awas Yojana) which has two components (i.e. urban and rural, or PMAY-Urban PMAY-Gramin respectively). PMAY is being implemented at the national level. In Kerala, the GOK-sponsored agency, Kudumbashree, is the implementing agency for PMAY and other housing schemes.

While there are large numbers of CSOs in Kerala, mostly under the patronage of various social and religious groups, the State sponsored CSO viz. Kudumbashree has always been the most active one, right from its inception in 1998. This State-sponsored CSO is active in almost all spheres of Kerala society, right from household waste management to ICT-based services to the public, from catering services in public transport to cleaning of tourist destinations, from agricultural extension and MGNREGA services to house-building assistance under various State and Central schemes for the homeless poor. As this flagship poverty alleviation programme in Kerala is celebrating its Silver Jubilee in 2023, it is relevant to make a closer.

3. Previous Studies

A global level study in the Philippines context done by Pickens (2009) has observed that ICT can be effectively used for financial inclusion and for empowering the unbanked poor, and accordingly a simple and highly affordable electronic (ICT) device like mobile phone could be instrumental for making radical transformation in rural areas. Mobile phone enables the masses to have access to formal banking services, and hence enables financial inclusion, rural development and women empowerment. Given the increasing affordability of mobile phones and also huge share of unbanked masses, the above successful experience in Philippines seems to be replicated in countries like India, especially in States like Kerala with very high internet penetration and literacy rate. Another study in Kerala (India) itself by James, N., & Manoj, P. K. (2014), 'Relevance of E-Banking Services in Rural Area—An Empirical Investigation in *Journal of Management and Science* has highlighted the utmost significance for the expansion of banking services in rural Kerala, especially by way of ICT-integration, like e-banking (online banking). As even rural people, including women are techno-savvy and can effectively use e-banking and such other ICT-based services, the authors have suggested extending such services in rural areas. This in turn fosters rural development and women empowerment through financial inclusion. A study by N James & PK Manoj (2014), 'Unorganized Labour in Housing Construction Sector in Kerala: an Empirical Investigation of The Human Rights Issues and Other Problems' in *International Journal of Scientific Research* has noted the need for improving the working conditions of unorganised construction workers and also pointed out the human rights issues involved which need to be resolved. A study by Vasntha, S., Manoj, P.K. & Jacob Joju (2015), 'E-CRM: A Perspective of Urban and Rural Banks in Kerala' in *International Journal of Recent Advances in Multidisciplinary Research* has pointed out the utmost relevance for promotion of E-CRM by banking, both in urban and rural areas, for enhanced customer service as well as better business growth.

A macro study by Manoj P.K. (2016), 'Bank Marketing in India in the Current ICT Era: Strategies for Effective Promotion of Bank Products' in *International Journal of Advance Research in Computer Science and Management Studies*, has noted the vital need for ICT-integrated bank marketing in this era



of ICT-based banking in India. A research paper by J Joju, S Vasantha, PK Manoj (2017), ‘Electronic CRM & ICT-based banking services: An empirical study of the attitude of customers in Kerala, India’ in *International Journal of Economic Research* has noted the vital need for the promotion of CRM and other ICT-enabled banking products and services for better customer service and business growth.

From the above, it may be noted that systematic studies that explore the role that CSOs can play in facilitating balanced and inclusive growth by ensuring access to housing finance and also by enabling affordable housing development for the masses are scarce. A study by Manoj P.K (2012), ‘Potential of micro enterprises in women empowerment: A critical study of micro enterprises run by women under the Kudumbashree Programme in Kerala’ in *International Journal of Business Policy and Economics* has noted the vital role of micro enterprises (MEs) under Kudumbashree in socio-economic empowerment of women. This study too has not covered the housing-related activities of Kudumbashree or the MEs under Kudumbashree. In view of the above, this study aims to focus on Kudumbashree’s housing activities.

4. Objectives of the Study

- (i) To make a macro level study of the housing finance market in India and need for attaining the national goal of *Affordable Housing for All*, including the progress attained till date;
- (ii) To study the housing promotion initiatives in Kerala State, the role of *Kudumbashree* in housing development, the progress of such housing initiatives in Kerala;
- (iii) To identify the major issues and challenges faced by *Kudumbashree* in its housing development initiatives and allied activities, and also to explore the solutions to them.

5. Methodology of the Study

The study is a preliminary level study and is structured as a descriptive-analytical study. It is done with the help of secondary data. Secondary data have been collected from authentic sources like the reports and other publications of NHB, RBI etc. as well as the official sources of the Kudumbashree, Govt. of Kerala (eg. Economic Review) and so on.

6. Housing Situation in India and the Progress in Attaining the National Housing Goal.

Global economy could reasonably recover from the Covid-induced slump during the fiscal FY 2022. Indian economy could exhibit high level of resilience and almost fully recover from the adverse effects of the global pandemic Covid-19. This is reflected in a commendable growth in bank credit by about 17 percent in the last fiscal FY 2022.

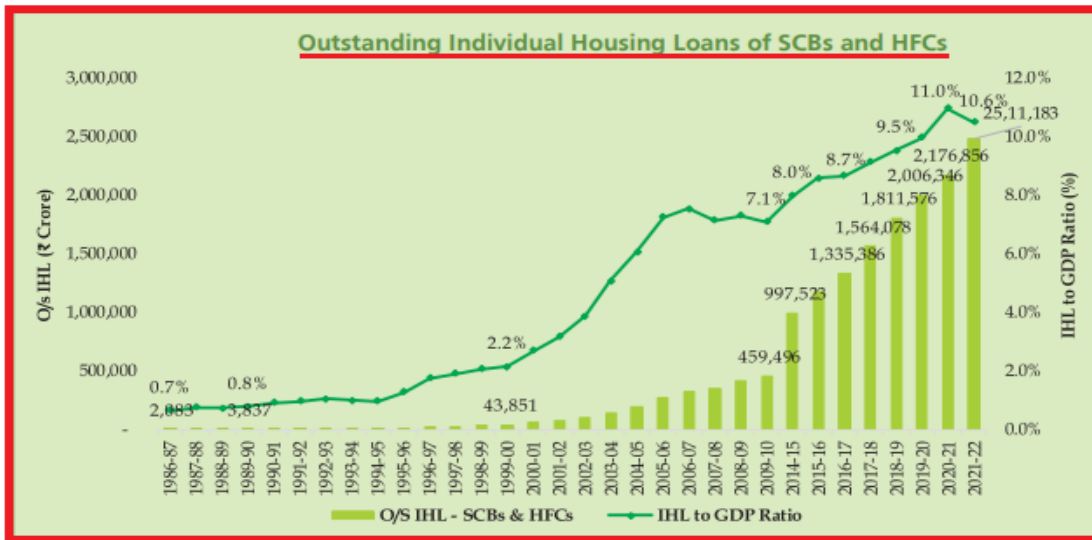
Table I: Housing Loans by CBs and HFCs, and Housing Loans to GDP Ratio (FY 2002-FY 2022)

Housing Loans by CBs and HFCs (Rs. Cr.)	FY 2001-02	FY 2011-12	FY 2021-22
Individual Housing Loans by CBs (A)	32826-00	378744-00	1705816-00
Individual Housing Loans by HFCs (B)	41844-00	194499-00	805367-00
Total Individual Housing Loans (A + B)	74670-00	573243-00	2511183-00
Individual Housing Loans, as % of GDP	3.2 percent	6.6 percent	10.6 percent

Source: NHB (2022), *Trend and Progress of Housing in India*. (www.nhb.org.in)

From Table I, a marked improvement in housing loan disbursements by CBs and HFCs can be noted over the last two decades. As of FY 2002, the Housing Loans to GDP Ratio (Mortgage to GDP Ratio, or MGR) was just 3.2 percent. In ten years (FY 2012), India’s MGR has more than doubled to 6.6 percent, while the total housing credit has increased by 7.68 times to Rs.5,73,243 Cr. In another ten years (FY 2022), the country’s MGR has further increased to the level of 10.6 percent, and the total housing credit disbursement has increased by 4.38 times to Rs. 25,11,183 Cr.(Table I).

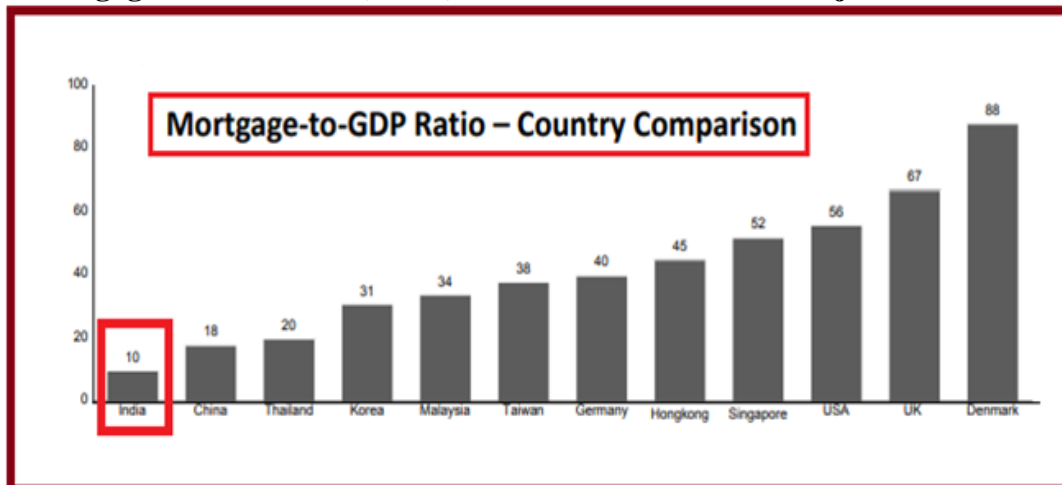
Figure I: Total Housing Credit by CBs and HFCs in India and Mortgage-GDP Ratio (MGR)



NHB (2022), *Trend and Progress of Housing in India*.

Figure I shows that there has been a constant growth in housing credit by the formal sector agencies like CBs and HFCs over the last 36 years, right from FY 1987 to FY 2022. During this period the MGR has increased from a virtually nil status of 0.7 percent (FY 1987) to as high as 10.6 percent (FY 2022). However, it may be pointed out that despite the commendable growth in housing credit and hence in the MGR in India, India’s MGR of about 10 percent is nowhere vis-à-vis other nations of the world. This is evident from the MGRs relating to the major nations of the world, including India. (Figure II).

Figure II: Mortgage to GDP Ratio (MGR) of India vis-à-vis Other Major Nations of the World.



Source: RBI (2019), *Report of the Committee on the Development of Housing Finance SecuritisationMarket*, Sept. p.12.



Table II: Housing Loan Disbursements by CBs and HFCs in Kerala State vis-à-vis India (FY 2022)

Particulars	HFCs (Cr.)	CBs (Cr.)	Total (Cr.)
Kerala State	5989-00	15740-00	21729-00
India (All States in India – Total)	250621-00	388375-00	638995-00
Share of Kerala, as % of India as a whole	2.39 percent	4.05 percent	3.40 percent

Source: NHB (2022), *Trend and Progress of Housing in India*. (www.nhb.org.in)

From Table II, it is noted that housing credit disbursement in Kerala, in general, is 3.4 percent of the total housing credit in India. This share is quite higher than 2.76 percent, the share of Kerala's population in the total population of India. This higher share of Kerala is mainly due to the high relative exposure of CBs i.e.4.05 percent (as against a population share of 2.76 percent) but in respect of the housing loans by the HFCs, its share viz. 2.39 percent is lower than 2.76 percent. The higher housing credit exposure by the CBs in Kerala might be due to the vast banking network in Kerala, and it may also be noted that HFCs have low presence in Kerala and are clustered in cities and towns.

7. Role of Kudumbashree in Housing Development in Kerala: An Overview

Kudumbashree has got its own Women Construction Groups in the State of Kerala. These women's groups take up house construction activities as well as construction of buildings and roads. In 2014-15 Kudumbashree used the CSR funds from HUDCO for training 200 women in construction activities. Then, many Kudumbashree women started taking up construction works actively, as masons/workers. Thus, 5 women grouped themselves and constituted a construction group. As of 2017-18, they could successfully complete the construction of over 70 houses in Ernakulam District. Inspired by these enterprising Kudumbashree women, and anticipating vast shortage in labour force in the future as a result of the determined government campaigns on mass housing, like, the LIFE project of the GOK, it was decided to provide training to women in construction activities with a view to form labour contract groups of women entrepreneurs who can undertake house construction for the poor and needy, besides undertaking bigger projects. Construction training imparted to Kudumbashree women are in activities that ensure them sustained income. It is planned to set up one construction group in each development block and in each urban local body (ULB) in Kerala. The progress of this project is given in Table III.

Table III: Progress of Kudumbashree's Construction Project (<https://kudumbashree.org/>)

Districts	Total Blocks	Total ULBs	Units Trained	Units Started Functioning	Revenue Received	Amount of Construction	No. of LSGIs	LSGIs Engaged Kudumbashree
Thiruvananthapuram	11	5	6	3	63160	63160	83	10
Kollam	11	5	6	1	8000	8000	74	0
Pathanamthitta	8	4	6	5	0	0	57	0
Alappuzha	12	6	4	4	120000	120000	78	1
Kottayam	11	6	2	2	85500	85500	77	0
Idukki	8	2	3	3	20000	20000	54	0
Ernakulam	14	14	7	7	687000	4130000	96	5
Thrissur	16	8	4	1	178432	162889	94	0
Palakkad	13	7	3	5	1958500	1887000	95	0
Malappuram	15	12	13	13	809100	809100	94	1
Kozhikode	12	8	2	2	12500	400000	82	1



Wayanad	4	3	2	2	100000	150000	26	1
Kannur	11	10	2	2	0	0	81	2
Kasaragod	6	3	1	0	0	0	41	0
Total	152	93	61	50	4042192	7835649	1032	19

Source: Compiled from the official website of Kudumbashree (www.kudumbashree.org)

From Table III, it may be noted that only less than 2 percent (19 Nos) of the total number of LSGIs (local self-government institutions) in Kerala of 1032. The progress attained so far by Kudumbashree has not been very encouraging. So, concerted efforts by the Kudumbashree in this segment is essential. Besides the involvement of Kudumbashree in housing development (construction and allied) activities as noted above, it is also associated with LIFE Mission (LIFE – Livelihood Inclusion Financial Empowerment), which is a GOK’s mission that seeks to give employment for the shelter-less masses in Kerala State within a five-years’ period. LIFE aims to ensure employment for their livelihood and also to provide them some decent role in diverse social activities. LIFE mission’s ultimate aim is to provide the benefits from all social welfare schemes including credit / financial services, and also to provide safe and affordable housing for the beneficiaries. LIFE mission envisages to complete this project in 3 phases: (1) Phase-I: to complete the incomplete houses constructed already under LIFE project itself; (2) Phase-II: to construct 400 square feet houses within a budget of Rs.4 Lakhs for the newly identified 1,75,138 beneficiaries by May 2018; (3) Phase-III: to construct flats for 3,37,416 landless beneficiaries by May 2018. LIFE Mission housing projects are being run with the active support of Kudumbashree.

In fact, Kudumbashree units are also involved in the production and supply of building materials required for housing construction, especially cement-bricks production units. Women who are the members of a Kudumbashree Neighbourhood Group (NHG) take up such initiatives with the support of the respective LSGI (local self-government institution) The roles of the Kudumbashree unit and the respective LSGI while running a Material Production Unit (MPU) are as follows:

Table IV: Functions of the Kudumbashree Unit and the Respective LSGI in a Typical MPU.

Functions of the Kudumbashree Unit	Functions of the LSGI
Starting of Building Material Production Units (MPUs) in all Blocks and Municipalities.	Ensuring that the remuneration of Kudumbashree women concerned are paid from MGNREGA funds
Mobilisation, Training, Deployment of the trained Kudumbashree women in the respective Blocks and Municipalities by the concerned DMC (District Mission Co-ordinator).	The requisite machineries and equipments required for the proper functioning of the MPU need to be provided by the LSGI concerned.
The DMC has to submit the Project Report for the proposed MPU in the respective LSGI	The legal papers, approvals etc. are also provided by the respective LSGI only. The LSGI grants approval for the DMC’s proposal, if satisfied.

Source: Compiled from the official website of Kudumbashree (www.kudumbashree.org)

As Kudumbashree units have the support of the GOK as well as LSGIs, they can start MPUs and such other inputs required for house construction. Besides, Kudumbashree itself is imparting training to its members in construction techniques and processes so that its members get gainful employment in various construction projects. As already noted Kudumbashree is active in LIFE mission and such other projects of the GOK. Besides, Kudumbashree is the implementation agency of the housing schemes of



the Govt. of India, like, PMAY (Pradhan Mantri Awas Yojana), RAY (Rajiv Awas Yojana) etc. Of these GOI schemes, PMAY is the most popular one.

8. Concluding Remarks

It may be noted that CSOs in general, and the Govt. sponsored CSOs like Kudumbashree can greatly contribute towards housing development in a State like Kerala in India. The vast network of the GOK-sponsored CSO viz. Kudumbashree and its global recognition is definitely an advantage for the State. But, Kerala needs to utilise this unique advantage more meaningfully with a focus on expanding the housing sector in the State. As of now, though Kudumbashree is in housing sector also as in the case of countless number of other sectors, there is good scope for further expanding its housing activities.

As the commercial banks (CBs) are much more active in housing credit in Kerala than the HFCs, the Govt. should encourage the CBs to lend more into the housing sector through mechanisms like the SLBC (State Level Bankers Committee) where there are representatives of the CBs and also the Government of Kerala. The services of CBs and those of Kudumbashree units should be co-ordinated each other and made mutually supportive also, like, encouraging the Kudumbashree NHGs to avail the credit facilities from CBs, especially for house construction and allied activities. Besides, products like Housing Micro Finance (HMF) should also be encouraged by the GOK, through Kudumbashree. Here, it may be pointed out that eco-friendly and indigenously available building materials as well as locally available production processes should be utilised to the extent possible for making the housing projects eco-friendly, and hence sustainable in the long run. Besides, such an approach is more cost-effective than using the traditional materials and processes; eg. gypsum panels are popular now in Kerala. Last, but not the least most effective use of ICT and allied advances like AI (artificial intelligence) should also be used in housing development to the extent possible for cost effectiveness and also high quality.

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