



POLICIES

[National Urban Housing & Habitat Policy 2007 \(New\)](#) || [Revised National Policy for Urban Street Vendors-2009](#) || [Home : Policies](#)

[The Ministry](#)

Housing and Urban Policy in India

[Policies](#)

[Schemes](#)

[Legislations](#)

[Citizen's Charter](#)

[Contact Us](#)

[Home](#)

The policies of urban development and housing in India have come a long way since 1950s. The pressure of urban population and lack of housing and basic services were very much evident in the early 1950s. In some cities this was compounded by migration of people from Pakistan. However, the general perception of the policy makers was that India is pre-dominantly an agricultural and rural economy and that there are potent dangers of over urbanisation which will lead to the drain of resources from the countryside to feed the cities. The positive aspects of cities as engines of economic growth in the context of national economic policies were not much appreciated and, therefore, the problems of urban areas were treated more as welfare problems and sectors of residual investment rather than as issues of national economic importance.

In the **First Five Year Plan** (1951-56), the emphasis was given on institution building and on construction of houses for Government employees and weaker sections. The Ministry of Works & Housing was constituted and National Building Organisation and Town & Country Planning Organisation were set up. A sizeable part of the plan outlay was spent for rehabilitation of the refugees from Pakistan and on building the new city of Chandigarh. An Industrial Housing Scheme was also initiated. The Centre subsidised Scheme to the extent of 50% towards the cost of land and construction.

The scope of housing programme for the poor was expanded in the **Second Plan** (1956-61). The Industrial Housing Scheme was widened to cover all workers. Three new schemes were introduced, namely, Rural Housing, Slum Clearance and Sweepers Housing. Town & Country Planning Legislations were enacted in many States and necessary organisations were also set up for preparation of Master Plans for important towns.

The general directions for housing programmes in the **Third Plan** (1961-66) were co-ordination of efforts of all agencies and orienting the programmes to the needs of the Low Income Groups. A Scheme was introduced in 1959 to give loans to State Govts. for a period of 10 years for acquisition and development of land in order to make available building sites in sufficient numbers. Master Plans for major cities were prepared and the State capitals of Gandhi Nagar and Bhubaneswar were developed.

The balanced urban growth was accorded high priority in the **Fourth Plan** (1969-74). The Plan stressed the need to prevent further growth of population in large cities and need for decongestion or dispersal of population. This was envisaged to be achieved by creation of smaller towns and by planning the spatial location of economic activity. Housing & Urban Development Corporation (HUDCO) was established to fund the remunerative housing and urban development programmes, promising a quick turnover. A Scheme for Environmental Improvement or Urban Slums was undertaken in the Central Sector from 1972-73 with a view to provide a minimum level of services, like, water supply, sewerage, drainage, street pavements in 11 cities with a population of 8 lakhs and above. The