ABSTRACT

Shelter is one of the basic needs of life. There is a growing shortage of housing in our country. A Plan has been proposed in this study to combat the problems of inadequate shelter. The mission of the plan is to provide shelter of modest size and quality to all households in the country.

In this study, an analysis of the economic environment of housing sector was done to identify the major factors responsible for this accute problem. It was noted that one of the major issues which need to addressed to solving the problem of poor shelter conditions is by increasing the construction of pucca dwelling units through optimal planning of resources. The strategy of this plan is to achieve this mission in three stages. First stage has a goal of increasing the supply of pucca houses of reasonable size in order to eliminate shelterlessness and use of slums and Unserviceable Kutcha houses by 2000 A.D. In the second stage by 2005 A.D., the supply of Pucca house should be increased to a level such that use of all Kutcha houses can be eliminated completely. The final stage aims to achieve the mission of providing Pucca housing to all households by 2010 A.D. thus eliminating the use of Semi-pucca houses also.

Since Housing Construction sector has very strong backward linkages and completes with other types of constructions for limited input resources, a Multi-sectoral Optimising Model was formulated to determine an optimal pattern of resource allocation in housing sector vis-a-vis other sectors of the economy to achieve the goals of each of these stages. This model also gives the values of output growth rates and possible growth rates of the components of final demand to meet the goals of each of the stages.

An Input-Output matrix was developed for the year 1989-90, which is the base year of the proposed plan, with a focus on Housing Construction sector. A data base was developed for an empirical analysis of this model which includes capital input coefficient matrix, sectoral transactions, final demand constituents, depreciation and inventory coefficients, gestation lags, and bounds on output, consumption and other model variables. A computer programme was written for the model and two alternative scenarios with different GDP growth rates were generated.

It was found that it is possible to achieve the goals of various plan stages by making an appropriate allocation of resources in Housing, its suppliers and other sectors of the economy under a set of conditions. An analysis of results was carried out to study the implications of meeting the goals under both alternatives. The analysis of results was presented and certain conclusions were drawn for policy makers.