# Urban Rental Housing Market
## Caste and Religion Matters in Access

SUKHADEO THORAT, ANURADHA BANERJEE, VINOD K MISHRA, FIRDAUS RIZVI

This study attempts to identify the forms of discrimination experienced by Dalits and Muslims in the rental housing market in five metropolitan areas of the National Capital Region of Delhi. A combination of three distinct methods, the telephonic audit, in-person or face-to-face audit, and studies, is used to capture the phenomenon of discrimination and unequal outcomes for prospective Dalit and Muslim tenants in the urban rental housing market. The study finds that houseowner prejudices deny housing for both Dalits and Muslims, with Muslims experiencing greater discrimination. The study also found that Dalits and Muslims who manage to get homes on rent have to do so by agreeing to unfair terms and conditions.

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Market discrimination on caste and religious lines remains a persistent problem in the Indian economy (Thorat and Newman 2010). The urban rental housing market is no exception to this practice. Discrimination in the metropolitan housing market has been investigated by a number of scholars in the West, and, in particular, in the United States (US), on the basis of well-developed methodologies. Although several studies of the urban rental market have been undertaken in India too, its discriminatory aspects have been neglected. The discriminatory working of the urban rental market and the nature of discrimination faced by persons belonging to certain excluded groups—based on caste or religion—are areas that have not been studied by mainstream scholars. This paper examines this issue in detail. It focuses on identifying the forms of discrimination experienced by Dalits and by the Muslims in the rental housing market in five metropolitan areas of the National Capital Region (NCR) of Delhi. The issue has been analysed from both the demand and the supply sides. The demand side includes Dalit and the Muslim homeseekers facing unequal treatment in the housing market vis-à-vis the upper-caste Hindus; whereas the supply side includes discrimination practised by the house providers, that is, either the owners themselves (the landlords) or the real estate agents and brokers who identify the properties available on rent.

### Data and Methodology

The "audit method" has been used in this study to measure discrimination directly as also to provide an insight into the circumstances under which discrimination occurs. The sample design consisted of a study of five metropolitan cities in the NCR, namely, Delhi, Faridabad, Ghaziabad, Gurgaon and NOIDA. Drawing upon a methodology developed by US scholars, the study makes suitable modifications in the former to adapt it to the Indian urban rental market. A combination of three distinct methods, namely, the telephonic audit, in-person or face-to-face audit and recording of experiences through case studies, has been used to capture the phenomenon of existing discrimination and unequal outcomes for Dalit and Muslim tenants in the urban rental housing market.

### Telephonic Audit Survey

Discrimination in the housing markets can be measured over the phone without personal contact between agents/house providers and potential tenants (Massey and Lundy 2001). For this survey, the telephone numbers of the house providers were

documented from the section on classified advertisements in reputed dailies and from websites dealing with the real estate/housing market for conduct of the audit. Matched sets of auditors (that is, those seeking a house on rent) were trained and mock drills were conducted for them to pose as home-seekers for the related advertised housing units. The set/pair consisted of three individuals representing the upper-caste Hindu, Dalit and Muslim communities. Home providers, that is, real estate owners, brokers and landlords, especially those who had placed advertisements seeking tenants for their properties in the NCR were contacted after a scanning of the classified columns in newspapers and real estate websites. This was followed by preparation of identical curriculum vitae (CV) for the auditors or so-called home-seekers, with their respective CVs differing from each other only in respect of the name chosen to reveal the caste/religion of the home-seeker. All the relevant characteristics of the home-seekers were identical, except their caste and religion, so that the impact of the caste and religion could be ascertained. The auditors had collected information on various parameters, including the type of the dwelling unit; the monthly rent charged; amount of advance to be paid for the house; payment schedule; and the nature of response. In addition, the auditors were asked to make notes of the behavioural aspects of the home providers, to capture additional variations in the discriminatory treatment meted out to particular communities. A matching sample of 493, each from high-caste Hindu, Dalit and Muslim potential home-seekers looking for a house on rent, was drawn, to make up a total of 1,479 home-seekers.

### Face-to-Face In-person Audit Survey

In addition to the telephonic audit survey, a direct face-to-face in-person audit method was also used. The method which is termed as the "Fair Housing Audit Method" was developed by fair housing organisations in the US as an investigative tool. This was first used in research by Weink et al (1979), and later by many other researchers (Yinger 1986; Turner et al 2002). This method has several advantages over other methods that do not have a rigorous control treatment design (Yinger 1986). In this method, a set of trained auditors (home-seekers) representing a Dalit, a Muslim and an upper-caste Hindu are matched ceteris paribus, that is, all their family conditions and economic characteristics remain the same and each of them then consecutively visits a landlord or real estate agent/broker in search of similar housing units. Discrimination is identified through the differential treatment meted out to members of both the communities in an effort to "catch the discriminators in the act of discriminating" (Yinger 1986). In addition, the nature of the conversation between the provider and the home-seekers is recorded to capture variations in the pattern of the treatment accorded to members of these communities. A total sample size of 198 cases of Hindus, Dalits and Muslims, with 66 matched samples each of potential home-seekers was used.

### Recording of Experiences through Case Studies

The discrimination faced by the Dalits and Muslims has been additionally captured in a set of 26 case studies. These specific studies were conducted through face-to-face interviews of the Dalits and Muslims, who had actually experienced the discrimination. The discrimination was also captured through face-to-face interviews and interactions with the landlords, real estate agents and brokers, in order to capture the inner story and additional information on the reasons for discrimination in the housing market. Finally, the discrimination meted out on the basis of caste and religion to the Dalit and Muslim home-seekers was subjected to statistical tests, namely, the chi-square and logistic regression tests.

### Empirical Results

The discrimination prevalent in the rental housing market in the NCR was explored in terms of its incidence and magnitude. In the field, the upper-caste Hindu, Dalit and Muslim auditors (home-seekers) received three different responses/outcomes while seeking a house on rent. These included: (a) Positive with willingness to give the accommodation on rent; (b) Negative or denial of accommodation on rent to the home-seeker; and (c) Positive but with differential terms and conditions for particular communities (that is, charging of higher rent, or setting a limit on the period of stay for the prospective tenant, restrictions on the type of food to be consumed by the potential tenant and on the latter's mobility, which was often tantamount to indirect denial or compelled the home-seeker to reject the offer by refusing to adhere to the conditions imposed). The complete denial to rent out the house to Dalits and Muslims despite their attributes being similar to those of the high-caste Hindus, that is, category (b), and willing to rent out the home but with differential terms and conditions, that is, category (c), are examples of overt discrimination against members of these two communities vis-à-vis members of the high-caste Hindu community, to whom the landlords were willing to rent out the accommodation. This positive response without the imposition of any additional condition is regarded as an instance of the absence of discrimination.

Table 1 presents the number and percentage of respondents in the three specified categories and highlights the incidence of discrimination faced by Dalit and Muslim home-seekers on

**Table 1: Overall Response to Home-seekers through Telephonic Audit: NCR 2012**

| Response Category | Upper-caste Hindus | | Dalits | | Muslims | | National Capital Region (NCR) | |
|---|---|---|---|---|---|---|---|---|
| | Total Cases | Percentage | Total Cases | Percentage | Total Cases | Percentage | Total Cases | Percentage (N=1,479) |
| Positive/inclusion | 492 | 99.80 | 289 | 58.62 | 165 | 33.47 | 946 | 63.96 |
| Positive with differential terms and conditions | 1 | 0.20 | 114 | 23.12 | 176 | 35.70 | 291 | 19.68 |
| Negative/exclusion | 0 | 0 | 90 | 18.26 | 152 | 30.83 | 242 | 16.36 |
| Total | 493 | 100 | 493 | 100 | 493 | 100 | 1,479 | 100 |

Pearson chi-square= 479.628; Asymp Sig (2 sided)– 0.000.
Total cases/sample size = 1479 (that is, Hindus, Dalits and Muslims comprising 493 samples each).
Source: Data generated by telephonic audit, January–March 2012.

the basis of the telephonic audit method, involving 1,479 home-seekers who constituted an equal number of 493 each from among the upper-caste Hindus, Dalits and Muslims. At the aggregate level, about 64% of the home-seekers received a positive response, 20% received a positive response with discriminatory terms, while the remaining 16% received an outright negative response.

The responses received by the high-caste Hindus, low-caste Dalits and Muslims, however, differed quite clearly from each other. While all the 493 high-caste home-seekers received a positive response, the corresponding proportion fell to 59% for the Dalits and to merely 29% for the Muslims. A completely negative response (despite the home-seekers in all the three categories enjoying identical attributes except the difference in their caste/religion) was given to 18% of the Dalit and 31% of the Muslim home-seekers. The positive response with different terms and the negative responses together work out to 41% for Dalits and 66% for the Muslims.

Table 2 presents the number and percentages of the respondents in the three categories—positive inclusion, positive inclusion with differential conditions and negative exclusion—based on the face-to-face or in-person audit method. The face-to-face audits covered a sample of 198 home-seekers with an equal number (66) of subjects from the high-caste Hindu, Dalit and Muslim communities. At the aggregate level, about 58% of the home-seekers received a positive response, 7% received a positive response with discriminatory terms and the remaining 33% received a negative response.

**Table 2: Overall Response to Home-seekers through Face-to-Face/In-person Audit: NCR 2012**

| Response Category | Upper-caste Hindus | | Dalits | | Muslims | | National Capital Region | |
|---|---|---|---|---|---|---|---|---|
| | Total Cases | Percentage | Total Cases | Percentage | Total Cases | Percentage | Total Cases | Percentage (N=198) |
| Positive/inclusion | 64 | 96.97 | 32 | 48.48 | 19 | 28.79 | 115 | 58.08 |
| Positive with differential terms and conditions | 2 | 3.03 | 5 | 7.58 | 7 | 10.60 | 14 | 7.07 |
| Negative/Exclusion | – | – | 29 | 43.94 | 40 | 60.61 | 69 | 34.85 |
| Total | 66 | 100 | 66 | 100 | 66 | 100 | 198 | 100 |

Pearson chi-square= 61.670; Asymp Sig (2 sided)= 0.000.
Total cases/sample size = 198 (that is, Hindus, Dalits and Muslims, comprising 66 samples each)
Source: Data generated by face-to face audit, January–March 2012.

As in the case of telephonic audits, the response differed quite clearly among the high-caste Hindu, Dalit and Muslim home-seekers. While 97% of the high-caste Hindu home-seekers received a positive response, the corresponding proportion was 48% for Dalits and 30% for Muslims. On the other hand, the negative response was seen in the case of 44% for the Dalit and 61% for the Muslim home-seekers. The positive response with different terms and the negative responses together were observed in the case of 51% for the Dalit and 71% for the Muslim home-seekers.

The comparison of the results of the telephonic audit method and the face-to-face method indicated that the proportion of negative responses was relatively high in the case of face-to-face audits as the latter provide better opportunities to the home-suppliers to identify and assess the social groups to which the home-seekers belong. (This could also be due to the small face-to-face sample as compared with that used in the telephonic audit method.) While the negative responses received after the telephonic audits for the Dalit and Muslim home-seekers were 18% and 31%, respectively, the corresponding figures obtained post the face-to-face audit were 44% and 62% for the Dalit and Muslim home-seekers, respectively. The face-to-face audit revealed a high level of discrimination in the urban rental housing market on the basis of caste and religion.

## Testing Discrimination Statistically

The results obtained from the two methods used above were put to statistical test. In order to test the significance of the relation between the two variables, namely, the caste and religion of the home-seekers, and the response by the houseowners, the chi-square test was conducted as a non-parametric statistical technique. The results turned out to be highly significant, indicating a close association between the caste religious affiliation of the two subjects and the responses of the owners (real estate agents/brokers/landlords) in renting out the house. The results also indicate that the caste and religion of the person is a decisive factor in renting a house belonging to an upper-caste Hindu in an urban area in the NCR.

Given the significance of the association, a logistic regression was used to determine whether the likelihood of receiving a positive response from the owner differed in accordance with whether the home-seeker was an upper-caste Hindu, a Dalit or a Muslim. Since the outcomes were dichotomous (either positive or negative), the random effects logistic regression model was applied. The effects of caste and religion have been represented in the model by the two variables, that is, Muslim and Dalit.

This model is stated as: $\text{Log}\ (p_{it}/(1\text{-}p_{it})) = \alpha i + \beta D_{it} + \gamma M_{it}$

$D_{it}$ is a dummy variable for an appropriate Dalit candidate; $M_{it}$ is a dummy variable for an appropriate Muslim candidate. The subscript $i$ refers to the number of owners contacted (i=1, …..493), such that $\alpha i$ is a random effect for each of the contacts made. The effect $\alpha i$ implies a correlation among the calls made to the same owner and reduces the standard errors. The logistic regression model was estimated by using the Stata's xt logit procedure. The effects are reported in the form of an odds ratio.

Table 3 (p 50) indicates that there are statistically significant effects of both the variables, that is, caste and religion, on the housing outcome based on the telephonic and the face-to-face audit. Appropriately, in the case of the telephonic audit, an individual with a Dalit name had the odds of receiving a positive outcome that were just 0.0028 of the odds if he had an equivalent upper-caste Hindu name, which assumes the value of 1. Similarly, an individual with a Muslim name had the odds of a

positive outcome that were just 0.0010 of what an otherwise equivalent person with an upper-caste Hindu name would have of receiving a positive outcome. The model thus yielded consistent findings that the home-seekers with Dalit and Muslim names were, on an average, significantly less likely to receive a positive outcome than home-seekers with an upper-caste Hindu name.

In the case of a face-to-face audit, an individual with a Dalit name had the odds of a positive outcome that were just 0.0196 of the odds of an equivalent upper-caste Hindu name. Similarly, an individual with a Muslim name had the odds of a positive outcome that were just 0.0076 of an otherwise equivalent person with an upper-caste Hindu name. The results based on the face-to-face audit confirmed the results that were based on the telephonic audit. The model thus yielded consistent findings that the home-seekers with Dalit and Muslim names were, on an average, significantly less likely to obtain a positive outcome to their quest for a rented house than equivalent home-seekers with an upper-caste Hindu name. However, between the Dalit and the Muslim, the likelihood of a positive response from a high-caste Hindu was less for a Muslim (0.001) as compared to that for a Dalit (0.002), on the basis of the telephonic audit method. However, for the face-to-face audit also, the likelihood of a positive response was higher for a Dalit (0.019) as compared with that of a Muslim (0.007).

**Table 3: Logistic Regression—Telephonic Audits**

Random Effects in Logistic Regression

| | Odds Ratio | Std Error | z-value | P > \|z\| | [95% Conf Interval] | |
|---|---|---|---|---|---|---|
| Predictors: (Compared to High Caste) | | | | | | |
| Dalit (telephone audit) | 0.0028794 | 0.0028943 | -5.82 | 0.000 | 0.0004015 | 0.02065 |
| Dalit (face-to-face audit) | 0.0196286 | 0.0203693 | -3.79 | 0.000 | 0.0025678 | 0.1500418 |
| Muslims (telephone audit) | 0.0010225 | 0.0010281 | -6.85 | 0.000 | 0.0001425 | 0.007338 |
| Muslims (face-to-face audit) | 0.0076923 | 0.0080073 | -4.68 | 0.000 | 0.001 | 0.0591712 |
| _constant (telephone audit) | 492 | 492.4997 | 6.19 | 0.000 | 69.167 | 3499.703 |
| _constant (face-to-face audit) | 65 | 65.49809 | 4.14 | 0.000 | 9.019638 | 468.4224 |

Source: Estimated by the authors.

## Process of Discrimination

**Discrimination by Landlords:** It is implicit in the behaviour of the landlord to try and know the caste and religion of the prospective tenant. The landlords surveyed in this study through both telephonic audits and in-person (face-to-face) audits often turned directly negative due to the caste and the religion of the prospective tenant during the initial contact. In case of the Dalit, when a high-caste landowner had difficulty in learning about the caste background through the family name (as some family names are common to the high as well as low caste), offered to provide accommodation, only to withdraw them after the caste identity was revealed. The study, therefore, brings to the fore the fact that on the supply side, it is the suppliers or landlords themselves who are involved in the act of discrimination, though there are contextual differences between the Dalit and the Muslim.

Apart from the direct refusal to give the house on rent, in the other cases considerable pretexts are made by the landlords even if the prospective tenants from the Dalit or Muslim community are educated and meet all the other conditions laid down by the landlord. In certain instances the Dalit tenant faced harassment, with the landlord forcing him to vacate the house if the caste affiliation was revealed after the landlord had given the house on rent. Landlords belonging to the higher castes often associate various terms like "uncleanliness," "pollution," "non-vegetarianism," "intolerance of other tenants towards non-vegetarians," and offer other excuses as pretexts for not giving a house on rent to the Dalit and Muslim tenants. A Dalit home-seeker stated,

> After the landlord enquired in detail about my profession and family background, I was asked to hand over certain documents for police verification, which I duly did. When the landlord learnt about my caste from the name as it appeared in the documents, I was instantly denied the house, with the landlord alluding to the non-vegetarian food habits of Dalits as a reason for the denial.

As "members of a highest caste, we have to observe norms by avoiding any association with non-vegetarian Dalits," was the landlord's explanation for refusing to rent his house to the Dalit.

In another case a Dalit was refused a house on rent after the high-caste landlord came to know about his caste from the broker. These searches for a home also reiterate the Dalits' experiences of caste discrimination in other spheres of life, while subjecting them to several compromises, including insulting behaviour by the home providers. Strong preconceived notions or prejudices about the Dalits or Muslims are also revealed in the case studies of the landlords during recordings of their preferences for tenants. Further, it has emerged from face-to-face interviews that within Delhi, the pattern of discrimination in the rental market differs across localities, but there is rarely a locality in the sample which portrays non-discriminatory working of the rental market and is completely devoid of exclusionary practices.

For the Muslims, on the other hand, outright rejection is the common reaction in most cases, particularly if the landlord happens to belong to the highest Hindu caste. Such landlords always exhibit a preference for high-caste Hindus over any other caste or community. Landlords have also expressed the fear of annoying their community if they rent out their premises to Muslim tenants. The Muslims have also been rejected often under the pretext of being non-vegetarians and sometimes have even been openly advised to look for housing in a Muslim locality, thereby reinforcing the concept of residential segregation in the city.

## Why Do Landlords Discriminate?

It has clearly emerged from the survey that the reasons behind the discrimination practised by the landlords are rooted in their specific preferences pertaining to the caste and religion of the prospective tenant. Although an analysis of the reasons for discrimination in the urban rental market would need a

more detailed study than the present one, it is obvious that these preferences are influenced by the prejudice that high-caste Hindus have about Dalits and Muslims, which, in turn, influence their choice of tenants. While the market principle entails that economic gain from rental income would determine the renting decision, in the case of Dalits and Muslims non-economic reasons are also factors that determine the decision to rent, which also represents a case of market failure stemming from social discrimination. Face-to-face audits revealed that even if the Dalit or Muslim home-seekers are willing to pay the market rent or in some cases somewhat higher than the market rent, they are still denied the house in a majority of the instances. This has been the experience of even highly educated, well-paid and well-placed Dalit and Muslim home-seekers. Thus, the decision to supply houses to Dalits and Muslims is almost exclusively associated with their caste and religious identity, and tends to be outside the scope of their economic and educational standing.

A landlord's choice in most parts of the NCR generally goes in favour of the high-caste Hindus. All kinds of explanations are then given by the high-caste landlord to justify his denial to Dalits and Muslims. In the case of Dalits, the reasons for denial are obviously influenced and shaped by the customary beliefs and caste-based norms which stipulate that Dalits are impure and polluting, and unfit to be associated with, which justifies their social and residential exclusion. When asked why he does not prefer a Dalit tenant, a landlord in Faridabad pointed out, "The standard of living of Dalits does not match with our standard of living. Often their lack of hygiene and cleanliness is a problem."

When further questioned as to whether he would agree to provide accommodation to a Dalit (or a Muslim) if they were ready to pay a higher rent than that received by him presently, he replied that money is not the only consideration and that his choice of tenants would not change even he were offered more money.

In the case of Muslims, the stereotypes and prejudices prevalent about them, including their non-vegetarian food habits and the attitudes that have evolved about them in the wake of the spread of extremism also influence the landlords' decision to deny them rented accommodation. Thus, the prejudices prevalent about them also lead to their exclusion from the normative framework of high-caste Hindu society in the NCR. A landlord in Gurgaon openly stated that he would avoid giving his house on rent to a Muslim for security and safety reasons. Another landlord remarked that he would not entertain a Muslim tenant because he was unwilling to face the ire of his community and that he has to take cognisance of the society he lives in.

The findings of the survey also reveal that the Dalits and Muslims who have somehow managed to get houses on rent have done so by agreeing to unfair terms and conditions. This was mentioned by 23% of the Dalit and 36% of the Muslim respondents in the case of the telephonic audit, and by 8% of the Dalits and 11% of the Muslims in case of the face-to-face audit. The unfair terms which the Dalits and Muslims sometimes accede to in order to end their desperate search for a house include high advance payments along with security deposits, higher charges, relatively high rents and restrictions on their food habits and mobility, which ultimately turn out to be negative because of the differential treatment they entail.

### Practices of Property Dealers

How do the property dealers tackle the discriminatory behaviour of high-caste Hindu landlords? Several issues emerge from the in-depth interviews with the real estate agents/property dealers and their agents or brokers in the five metropolitan cites of the NCR. The property dealers operating through the brokers collect information on the supply and demand of houses from the brokers. On the supply side, the brokers furnish information about the available vacancies, landlord characteristics and preferences of the landlords to the real estate agents. Sometimes, the landlord directly approaches the real estate agent for the deals. The brokers introduce the prospective clients to the real estate owner or to the landlord, and then guide the clients to the dwelling units for an initial contact.

The interviews with the estate dealers showed that the dealers who act as "middlemen" are primarily guided by the profit motive. However, given the preferences of the landlords, in their strategy, they factor in caste, religion and other preferences of the landlords. Therefore, the dictates of the landlord reign supreme in their deals and they function very well within this limitation. When confronted with the discriminatory experiences of Dalits and Muslims, the dealers engage in a "blame game." The real estate agents and brokers blame the landlords for indulging in discriminatory practices, which push them to change their strategy. Since the brokers deal with the landlords frequently, they have no option but to comply with the landlord's choice in selecting tenants. The property dealers also apply different strategies for Dalits and Muslims. They advise the Dalits to avoid the landlord if he/she happens to be an upper-caste Hindu. A broker reported that once he had taken a Dalit to a high-caste landlord, and the latter was very annoyed at this and scorned the broker by flinging caste-based comments on the Dalit home-seeker. Since then this broker generally avoids introducing Dalits to a high-caste landlord. The broker also narrated that he had developed a common strategy for Dalits and Muslims, which was to offer houses to them only in a locality populated predominantly by landlords who are either Muslims or belong to the lower rungs of the caste hierarchy. He claims that this strategy has stood him in good stead and he has more often than not succeeded in securing a rented house for his Dalit and Muslim clients in these localities.

The caste factor also gets reinforced through the type of neighbourhood and community affiliations of the neighbourhood. The pattern of exclusion and discrimination varies spatially from one locality to another. In mixed localities, which generally happen to be populated by lower-income groups, such discriminatory practices are less prevalent. In the case of the Muslims, the discrimination was found to be

widespread even across localities, and the Hindu–Muslim consideration plays a fairly uniform role. A broker narrated his experience that in his Hindu-dominated locality, it is very difficult to arrange a house on rent for Muslims. Generally, Hindu landlords rent the house to persons of their own religion, resulting in the near-exclusion of Muslims from non-Muslim localities. It has been seen that though discrimination in the rental housing market exists for both Dalits and Muslims, incidences of the direct denial of houses are higher in the case of the Muslims. There are less spatial variations in discrimination against Muslims because in their case the pattern is ubiquitous in nature, whereas discrimination against the Dalits exhibits more variations across geographical space. The net result of such discriminatory tendencies is the poor outcomes for these two communities in the rental housing market.

### Consequences of Discrimination

**The Experiences of Home-seekers:** The net result of such discriminatory tendencies, be they caste-based as in the case of Dalits or religion-based as in the case of Muslims, is that they entail unpleasant outcomes for both these communities in the rental housing market. The discussion relating to the consequences of discrimination in the rental market is based on the 26 case studies of those who have experienced discrimination while seeking houses on rent in the past. It has emerged from the case studies that the refusal of accommodation based on caste and religion, as in case of the Dalits and the Muslims is an unending story full of painful experiences, many compromises and undesirable outcomes for the communities concerned. The denial of housing to Dalits and Muslims results in more time spent searching for homes, leading to high search costs, the renting of substandard accommodation, which may not be in conformity with the income level of the prospective tenant, long-distance accommodation entailing high transportation costs to and from the workplace, having to pay rents that are higher than the prevailing market rents, exorbitantly high hikes in annual rent, restrictions on food habits like the consumption of non-vegetarian food, and other restrictions leading to the untimely and forced exit of the tenant from the accommodation and the concomitant high negative psychological costs of the rental experience for the tenant.

A Dalit home-seeker had once reported his ordeal resulting from a virtually endless search for a house due to the denial of a house to him by the landlords on one pretext or the other. Often he would be asked to pay a rent beyond his capacity. In many instances, preconditions relating to the consumption of non-vegetarian meals and some instructions relating to cleanliness and hygiene would be stipulated by the landlord. Many a time the landlord would hike the rent annually by an exorbitant amount, forcing him to vacate the house. Such problems also often led the person to live in an unsuitable accommodation or locality, which was also located at a long distance from place of


# Decentralisation and Local Governments

*Edited by*

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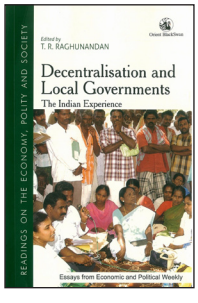


The idea of devolving power to local governments was part of the larger political debate during the Indian national movement. With strong advocates for it, like Gandhi, it resulted in constitutional changes and policy decisions in the decades following Independence, to make governance more accountable to and accessible for the common man.

The introduction discusses the milestones in the evolution of local governments post-Independence, while providing an overview of the panchayat system, its evolution and its powers under the British, and the stand of various leaders of the Indian national movement on decentralisation.

This volume discusses the constitutional amendments that gave autonomy to institutions of local governance, both rural and urban, along with the various facets of establishing and strengthening these local self-governments.

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work and consequently entailed increased transportation cost.

In another case, a Dalit home-seeker reported:

> The search for a house has become a never-ending story for me. Every time the same story gets repeated. I feel uncomfortable facing such probing questions about my caste. I am made to feel guilty about my origins every time I ask for accommodation. This kind of practice in a city like Delhi is very surprising and unfortunate for people like us.

The compromises and sacrifices of Muslims are also never-ending. A Muslim home-seeker revealed that he had searched almost every locality in one area in East Delhi for rent, but not a single landlord agreed to give him accommodation. Finally, he had to rent a house in Panjabi Saudagar Colony, which is mostly inhabited by Muslims. Most of the Muslims who are unable to get a residence elsewhere usually come to this colony. The Muslim tenant lamented that despite being highly educated, he had to face embarrassing situations at times during his search. Before he was pushed to live in a predominantly Muslim locality, he had to approach about 20 landlords, facing denial each time, and wasting nearly two weeks of precious time looking for elusive accommodation. Another tenant recounted his similar experiences before he too landed up into Panjabi Saudagar Colony, he was repeatedly denied housing of his choice. Now he has to commute longer distances to reach his place of work.

In yet another case, the Muslim tenant is an assistant professor. Before coming to Faridabad, he used to live in Greater Noida. He shifted to Faridabad in 2008. He had to visit houses in nearly 50 places before managing to find the present one, which is a substandard place adjacent to slums in the neighbourhood. The outcome is that he too has to commute long distances and is forced to pay high rent even for his shabby accommodation. He informed them that despite being highly educated, he is unable to get accommodation in a preferred place. When asked how he had managed to get the present accommodation, he replied that his landlord works in Saudi Arabia. Although the landlord is a Hindu, he has some affinity for Muslims as he is employed in a Muslim-dominated country. And in another case, a Muslim tenant reported that the moment his identity was disclosed, he would be denied accommodation. As a last resort, he has now been forced to stay in a dingy hostel in a particular locality as he has failed to find a proper flat to stay in. He claimed that all his efforts to search for a flat with about at least 40 landlords in many nearby places had ended in failure.

## Another Issue for State Intervention

Finding a house on rent that is suitable to one's tastes, preferences and budget in the NCR of India, which is also a significant part of the real estate business of the country, may be an ordeal for anyone, but is a particularly difficult task for Dalits and even more so for Muslims. There is fallout of such unequal housing outcomes for both the individual and society. For Dalits and Muslims, discrimination foments high personal costs, as they are forced to live in overcrowded and congested localities with poor civic and environmental conditions even when their budgets permit better quality accommodation. Further, they are compelled to travel long distances to and from their workplace, which entails additional costs. Moreover, they often have to pay rents higher than what the high-caste Hindu tenants have to pay. Exclusion from the desirable localities push the Dalit and Muslim tenants by default towards places dominated by other members of their social and religious affiliations, resulting in a sort of involuntary residential segregation along caste and religious lines, which, in turn, has negative social implications and costs for the nation. For economists who believe that the market generally operates in competitive ways, hence resulting in efficient outcomes, these findings do not constitute pleasant news. On the contrary, discrimination in the rental market implies huge inefficiencies in the working of this market. For the discriminated group of the Dalit and Muslim tenants, it, in fact, amounts to market failure with unfair outcomes.

This study is probably the first on the theme of rental discrimination, and therefore calls for more research on various dimensions, particularly the causes of discrimination in housing markets, in order to facilitate corrective measures and prevent the occurrence of such discrimination in the future. While this research builds up a case for more research on the issue, the results are strong enough to cause concern for the state. This kind of discrimination, therefore, demands state interventions in the form of policies and programmes to ensure fair access to the marginalised sections of Dalits and Muslims to private rental markets in the metropolis. This would, in turn, require legal safeguards against discrimination in the private rental market in the form of the enactment of certain laws that could act as a deterrent against such overt discrimination. It would also require changes in both the private and public housing policy. In the realm of the private housing policy, these changes may include the introduction of more people-friendly measures in the allocation of land for residences in urban areas, and liberal financing for the construction of private houses by the Dalits and Muslims. In the case of public housing, such policies would entail the provision of more houses for the Dalits and Muslims, and according preference in the allocation of public and government housing, which would enable to get some relief from the discriminatory treatment meted out to them in the private rental market.

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