

Pradhan Mantri Awaas Yojana-Towards Affordable Housing

Dr. Y. S. Shivay and Dr. Teekam Singh

Rural housing has been one of the top priority areas for the current government. The government has brought in Pradhan Mantri Awaas Yojana—Gramin, which is a revamped version of an earlier scheme in terms of design, fund flow mechanism, quality, and other implementation activities. PMAY-G is expected to have strong forward linkage with other sectors in the economy, the impact on employment and output can be through direct as well as indirect channels to strengthen the rural economy.

Affordable housing is generally considered to be the houses which meet the needs of households whose incomes and resources are not sufficient to allow them to access appropriate housing in the market. Decent housing has been universally accepted as one of the basic needs of individuals, the family and the environment. India is the second-most populous nation in the world and in this light the question of providing affordable housing for all becomes pertinent. The Pradhan Mantri Awaas Yojana (PMAY) mission is aimed at addressing the core issue of the housing shortage throughout the country in an organised and planned manner. In the recent past, measures like the government providing land and giving out subsidies and incentives along with involvement of the private sector have acted as a catalyst in narrowing down the existing gap between demand and supply. Moreover, improved technical solutions have made it possible to maintain the cost-effectiveness of such projects without compromising on time, thereby, resulting in financially viable projects. One of the most commonly accepted definitions of affordability refers to housing affordability which is taken as a measure of expenditure on housing to income of the household. This is also accepted by the Government of India, which states “Affordable housing refers to any housing that meets some form of affordability criterion, which could be income level of the family, size of the dwelling unit or affordability in terms of Equated Monthly Instalment (EMI) size or ratio of house price to annual income”. Affordable housing includes Pradhan Mantri Awaas Yojana

(PMAY) for rural and urban India. It includes in-situ rehabilitation of existing slum dwellers using land as a resource through private participation; credit linking subsidy for economically weaker sections (EWS) and low-income group (LIG); affordable housing in partnership with private or public sector including parastatal agencies; subsidy for beneficiary-led individual house construction/enhancement for individuals of EWS. PMAY is being implemented by providing central assistance to urban local bodies and other implementing agencies through states and union territories.



MODI GOVERNMENT PROVIDING HOUSES TO THE POOR AND NEEDY

PM Awas Yojana (Rural)

- Beneficiaries **Over 2.17 crore**
- Houses sanctioned **Over 2.05 crore**
- Houses built **Over 1.6 crore**

Data till September 17, 2021
Source: pmayg.nic.in
www.bjp.org

Everyone dreams to have roof over his head as it is one of the three basic human requirements besides food and clothing. Even after 74 years of independence, India is still grappling with the growing housing problems especially in rural areas. Housing, at one time was never an issue in the Indian context. The joint family system meant that there was one house for the entire family and all the family members lived in the family home. The trend of migration toward cities in search of job raised the issue of more than a house for a family. The advent of the nuclear family system further exacerbated the situation with parents and children living away from each other. In present situations, providing shelter for poor has been a colossal challenge for India, and the problem is more prominent in rural areas. Various international resolutions such as International Covenant for Economic, Social and Cultural Change Rights; Vancouver Declaration on Human Resettlements, etc., have recognised adequate housing as a part of the right to an adequate standard of living. Though, the Indian Constitution does not directly guarantee the 'Right to Housing' but has addressed the importance of shelter through Directive Principle of State Policy (DPSP) and fundamental rights and duties that have a bearing on the right to adequate housing.

To address the issue of severe scarcity of houses for the rural poor and empowering them, the Government of India had launched various housing schemes (Table 1). Recognising the need and significance of easy access to housing for deprived is of utmost importance and to fulfil the objective of providing shelter to all, India, in June 1996, became a signatory to the Istanbul Declaration on Human Settlement.

Affordable Housing Policy

Affordable housing (AH) is basically built by private players with government subsidies. The government is incentivising private players to build housing for the identified weaker section of the society. A large body of work on AH focuses on affordable private housing through a structure of subsidies and financing options, creating optimal supply-side along with favourable revenue measures. The government is focusing on creating viable social housing for at-risk population such as children, senior citizens, vulnerable populations and the disabled, and private developers and not-for-profits obtain a range of subsidies for providing AH. Subsidies for AH fall in the planning and land use regime or take the form of financial incentive mechanisms. In planning subsidies, AH developers



may be provided bonus development entitlements, concessions on development standards, reduced fees, or reduced regulatory compliance (and therefore costs of regulation through reduction of red-tape etc.). Private participation is encouraged in various ways: fees and density bonuses are provided.

Genesis of PMAY-G

The current government, in an effort to overhaul the program and for accomplishing its target of 'Housing for All by 2022', restructured and transformed the Indira Awaas Yojna (IAY) into Pradhan Mantri Awaas Yojana- Gramin (PMAY-G), for fulfilment of gaps identified in IAY as outlined in the report of "the Comptroller and Auditor General (CAG) on Performance Audit on IAY" (CAG, 2014), and the report on "Unspent Balances and Flow of Fund Mechanism under Some Rural Development Schemes" (Bhanumurthy *et al.* 2015). The scheme is aimed at providing a pucca house with basic amenities such as piped drinking water, electricity connection, and Liquefied Petroleum Gas (LPG) connection, by convergence of different schemes

and programmes run by the government, to all homeless and those households living in kutcha and dilapidated houses by 2022. The Ministry of Rural Development (MoRD), for proper and effective implementation of the programme and construction of quality houses, has issued general guidelines and housing designs. The beneficiaries are provided with the unit assistance of Rs. 1.20 lakh for plain areas and Rs. 1.30 lakh for the hilly, difficult, and Integrated Action Plan (IAP) areas, and the funds are transferred digitally directly to the account of the beneficiary from the single nodal account established at the state level. Apart from the unit assistance, they are provided with the option of availing institutional finance up to Rs. 70,000 and are entitled to 90-95 days of employment under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Rs. 12,000 for constructing toilets under Swachh Bharat Mission, etc. In addition to these benefits, the beneficiaries are endowed with a number of other support services such as training to masons and skill certification for the good quality construction of the houses, sourcing of construction material,

Table 1: Housing schemes of the Government of India since Independence

S. No.	Housing Schemes	Launched in Year
1	Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections	1952
2	Low Income Group Housing Scheme	1954
3	Subsidised Housing Scheme for Plantation Workers	1956
4	Middle Income Group Housing Scheme	1959
5	Rental Housing Scheme for State Government Employees	1959
6	Slum Clearance and Improvement Scheme	1956
7	Village Housing Projects Scheme	1957
8	Land Acquisition and Development Scheme	1959
9	Provision of House Sites of Houseless Workers in Rural Areas	1971
10	Environmental Improvement of Urban Slums	1972
11	Sites and Services Schemes	1980
12	Indira Awas Yojana	1985
13	Night Shelter Scheme for Pavement Dwellers	1990
14	National Slum Development Programme	1996
15	2 Million Housing Programme	1998
16	Valmiki Ambedkar Malin Basti Awas Yojana	2001
17	Pradhan Mantri Gramodaya Yojana	2001
18	Jawaharlal Nehru National Urban Renewal Mission	2005
19	Pradhan Mantri Adarsh Gram Yojana (2009-10)	2009
20	Rajiv Awas Yojana	2011
21	Pradhan Mantri Awas Yojana- Housing for All	2015

(Source: Various reports of Government of India, Ministry of Housing, Ministry of Urban Development and Poverty alleviation and Ministry of Housing)

support to old and disabled beneficiaries in getting the house constructed, development and provision of house design topologies, etc.

With the aim of addressing gaps in rural housing and providing 'Housing for All by 2022', the earlier Indira Awas Yojana was restructured into PMAY-G w.e.f. from April 1, 2016. The restructured mission has two phases:

- Phase-I aimed at providing pucca houses to one crore households living in kutcha/dilapidated houses in FY 2017-19.
- Phase-II aims at providing coverage to 1.95 crore households in FY 2020-22, with an immediate target of completion of 60 lakh houses in FY 2019-20.

The guidelines issued by the MoRD affirms that for the construction of one crore houses under the PMAY-G by 2018-2019, the total allocation of Rs. 1,30,075 crore was sanctioned. The cost was shared between Government of India and State Governments in the ratio of 60:40 for general category states and 90:10 for special category states and IAP districts. The Government of India provides the full cost in respect of Union Territories (UTs). Unlike the minimum size of the house mentioned in IAY to be 20 square metres, the minimum size of the

PMAY-G house is increased, and it is estimated to be 25 square metres including a dedicated area for hygienic cooking. Furthermore, for PMAY-G to operate in a transparent manner, and to ensure quality and timely construction of the houses, monitoring of physical progress of the construction is done with the help of AwaasSoft at the level of both Government of India and by State/UT Government. National Technical Support Agency (NTSA) acts as the nodal agency to assist in facilitating the same. Various Governance reforms such as Direct Benefit Transfers (DBT) through digital payments, e-monitoring through AwaasSoft, masons training, convergence, providing of housing typologies, and setting up of technical support agencies at State and Central level is expected to help in speedy completion of houses. This is also expected to create additional employment and income generation at rural level.

Selection of Beneficiary

One of the most important features of PMAY-G is the selection of beneficiary. Instead of selection a beneficiary from among the BPL households, beneficiaries are selected using housing deprivation parameters in the Socio-Economic and Caste Census (SECC), 2011 data which is to be verified by the Gram Sabhas. The SECC data captures specific deprivation related



to housing among households. The households that are houseless and living in zero, one and two kutchra wall and kutchra roof houses can be segregated and targeted. The Permanent Wait List so generated also ensures that the states have ready list of households to be covered under the scheme in the coming years leading to better planning of implementation. In PMAY-G, programme implementation and monitoring are being carried out through an end-to-end e-Governance model Using AwaasSoft and AwaasApp. AwaasApp – a mobile application is used to monitor real time, evidence-based progress of house construction through date and time stamped and geo referenced photographs of the house. All payments to beneficiaries are transferred through DBT to beneficiary's Bank/Post office accounts registered in AwaasSoft MIS. The programme implementation is to be monitored not only electronically, but also through community participation (Social Audit), Members of Parliament (DISHA Committee), Central and State Government officials, National Level Monitors etc.

- Beneficiaries under PMAY-G will include all the houseless and households living in zero, one or two room houses with kutchra wall and kutchra roof as per SECC-2011 data.
- Priority will first be assigned on the basis of parameters reflecting housing deprivation in each category viz., SC/ST, minorities and others.

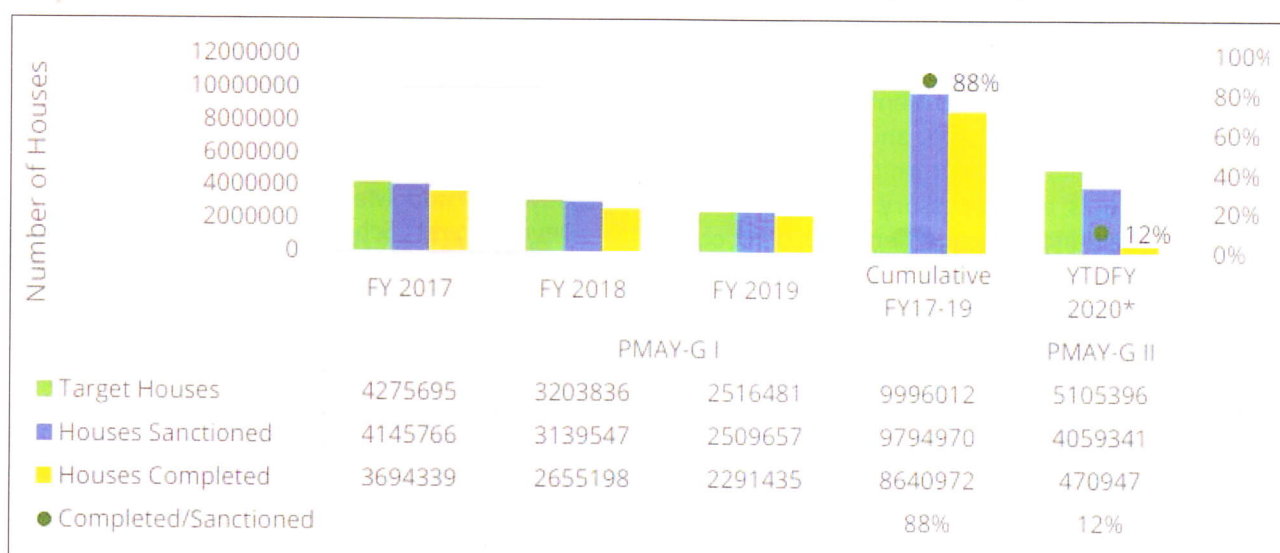
While the scheme aims at boosting home ownership and offers affordable housing options

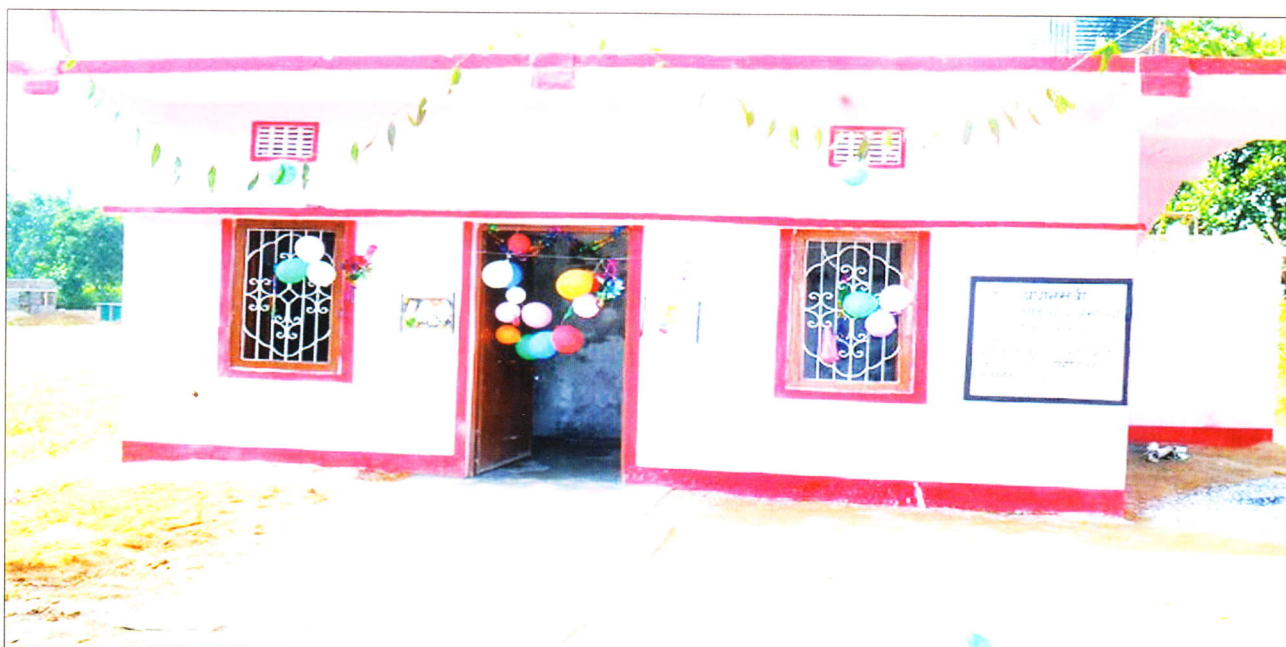
to not just low income, but middle-income citizens as well, it is also attempting to promote ownership amongst female population and weaker sections of society. For example, the Credit Linked Subsidy Scheme (CLSS) for EWS / LIG is given in name of female head or for a joint name between the male head and his wife. In case of MIG scheme, overriding preference is given to widows and single working women. In case of CLSS for EWS / LIG, preference would also be given to manual scavengers, transgenders and persons with disability. The scheme operates on the intention of lowering burden of building a house while at same time, offering this benefit to a larger section of the society.

Budget Allocation and Progress

For Phase-I of PMAY-G (FY 2017-19), the estimated total fund requirement stood at Rs. 1.3 lakh crore, of which Rs. 1.27 lakh crore (97%) was approved and Rs. 1.18 lakh crore (91%) was released. For PMAY-G Phase-II (FY 2020-22), assuming a unit assistance of Rs. 1.3 lakh, the total fund requirement towards the scheme would be Rs. 2.5 lakh crore. Total allocation (including central and state assistance) of Rs. 0.61 lakh crore (24%) has been made till date, with the Centre: State sharing of 62:38. A budgetary provision of only Rs. 0.19 lakh crore has been made thus far, possibly since it is the first year for Phase-II of the PMAY-G scheme. The progress of PMAY-G has been significantly better, with 88% of the sanctioned houses completed under Phase-I of the scheme due to better Central funding assistance (Figure 1). Sustaining the velocity in Phase-II will

Figure 1. Completion of houses under PMAY-G (ICRA 2020)





remain critical for achieving the stated target within the defined timeline.

Challenges and Potential of PMAY-G

Developing AH on a large scale is one of the greatest challenges in India today. It is vital that certain critical issues are addressed urgently to make AH a possibility. On the demand side, the critical issues include identification of the right clientele, increasing reach through micro mortgage financing mechanisms and self-help groups, and flexible paying mechanisms to cater to variable income flows. On the supply side, incentivising through policies (extra-floor space index, free sale areas and so on), schemes for slum redevelopment and rehabilitation, ensuring adequate availability of land, streamlining of land records, inclusion of mass housing zones in comprehensive development plans (CDPs), encouragement to private participation and partnership, and single window clearance for smaller projects on the lines of large township projects are necessary. Success in the AH segment demands management of project cost and timelines so as to prevent cost-time overruns. Inadequate infrastructure is a challenge. The State has a special responsibility to create an enabling environment for AH developers, not necessarily through subsidies but also by fast tracking approval processes, demystifying land laws, deconstructing the financing and land assembling processes, and through innovative mechanisms such as earmarking areas for development, encouraging

public private partnerships, and rethinking floor space index (FSI) limits.

Conclusion

Rural housing has been one of the top priority areas for the current government. The government has brought in Pradhan Mantri Awaas Yojana–Gramin, which is a revamped version of an earlier scheme in terms of design, fund flow mechanism, quality, and other implementation activities. The government has made PMAY-G an effective tool to create affordable housing by providing as many as financial support through various schemes and credit facilities to create basic needs in housing. PMAY-G is expected to have strong forward linkage with other sectors in the economy, the impact on employment and output can be through direct as well as indirect channels to strengthen rural economy.

Reference

1. Bhanumurthy N R, Amarnath H K, Verma A and Gupta A. 2015. Unspent Balances and Flow of Fund Mechanism under Some Rural Development Schemes. Unpublished Report submitted to the Ministry of Rural Development, Government of India.

(The authors are principal scientist and former professor, at Division of Agronomy, ICAR–Indian Agricultural Research Institute, New Delhi. Email: ysshivay@hotmail.com and principal scientist, at Division of Agronomy, ICAR–Indian Agricultural Research Institute, New Delhi. E-mail: ku_agron@yahoo.co.in. Views expressed are personal)