

Pradhan Mantri Awas Yojana (PMAY) Scheme – An Emerging Prospect of Affordable Housing In India

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Abstract - Rapid growth of the urban population leading to housing shortages and poor urban living conditions is a prime challenge for the government of India. Recently launched affordable housing scheme, Pradhan Mantri Awas Yojana (PMAY) -Housing for All (Urban) is drawing attention of the researchers in critically analysing the programme. The focus of this paper is to review various literatures and understand PMAY, an affordable housing scheme for all specifically of Economically Weaker Section (EWS) beneficiaries in India as well as in Ahmedabad city of Gujarat State.

Keywords: Affordable housing, economically weaker section (EWS), urban, slums

1. INTRODUCTION

House is one of the three basic human requirements besides food and cloth. Even after 70 years of independence, India is still grappling with the growing housing problem, especially of the urban poor. The rapid population growth in urban areas has led to acute housing shortages and poor urban living conditions. Continuous influx of rural population to cities in search of jobs is causing problems on urban housing. The 20th century witnessed a rapid growth in urban population. Rapid growth of the urban population resulting in overcrowded slums in cities. Slums are home to an increasing number of the urban poor. Housing affordability is currently a prominent concern in India, specially in urban areas. Globally, there have been several interventions which have aimed to provide affordable housing solutions for all. Government of India also has declared the mission of 'Home for All' by 2022. In order to achieve this objective, Central Government has launched a comprehensive mission "Pradhan Mantri Awas Yojana – Housing for All (Urban)". The mission seeks to address the housing requirement of urban poor including slum dwellers (Ministry of Housing & Urban Poverty Alleviation, 2016).

The present paper aims to understand the PMAY- Housing for All (Urban) schemes, especially for Economically Weaker Section (EWS) beneficiaries in India as well as in Ahmedabad city of Gujarat State.

STUDY OBJECTIVE

The study is undertaken with the objectives to review various literatures and understand Pradhan Mantri Awas Yojana (PMAY), an affordable housing scheme for all specifically of EWS beneficiaries in India as well as in Ahmedabad city of Gujarat State.

Defining affordable housing

The concept of housing affordability has been widely used for the past 15 years or so (Robinson, Scobie and Hallinan, 2006), but defining it accurately is challenging. Housing affordability could simply be defined as shelter that is cost-effective, meaning that a household can "pay without incurring financial difficulties" (Robinson et al., 2006, p. 1). Internationally, housing affordability is defined in multiple ways. One of the most helpful definitions of housing affordability was offered by MacLennan and Williams (1990, p.9) as being "concerned with securing some given standard of housing (or different standard) at a price or a rent which does not impose, in the eye of some third party (usually the government) an unreasonable burden on household incomes."

Affordable housing is generally considered to be houses which meet the needs of households whose incomes 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 (Adeboyejo, 2005). In United States and Canada, a common accepted criterion for affordable housing is that the cost of housing should not be more than 30 percent of a household's gross income. Housing costs include taxes and insurance for owners, and utility costs (cited in Vibrant Gujarat, 2017). 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 Indian Government, 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 EMI size or ratio of house price to annual income" (High Level Task Force on Affordable Housing for All, 2008).

1.1 Urbanisation and housing problems in India and Ahmedabad

As per 2011 census, the country had a population of 1,210.98 million, out of which, 377.10 million (31.2 percent) lived in urban areas. During 2001-2011, the urban population of India grew at a CAGR of 2.8 percent, resulting in the increase in level of urbanisation from 27.8 percent to 31.2 percent. India will have 41 percent of its population living in cities and towns by 2030 AD (MoHUPA, 2009). The total population of Ahmedabad, the study area was 72,14,225 as per Census 2011. During 1991-2011, population in the city grew at a CAGR of 2 percent. This growing concentration of people in urban areas has led to problems of land shortage, housing shortfall and congested transit and has also severely stressed the existing basic amenities such as water, power and open spaces of the towns and cities. Urbanisation has resulted in people increasingly living in slums and squatter settlements and has deteriorated the housing conditions of the economically weaker sections of the society. This is primarily due to the skyrocketing prices of land and real estate in urban areas that have forced the poor and the economically weaker sections of the society to occupy the marginal lands typified by poor housing stock, congestion and obsolescence (Jones Lang Lasalle, 2012). As per Census 2011, approximately 440,000 people live in slums within Ahmedabad city.

Defining slums

The United Nations (1952) define slums as a building, a group of buildings or area characterised by overcrowding, deterioration, unsanitary conditions or any one of them endangering the health, safety, or morals of its inhabitants or the community. There are dominantly two types of low income residential areas found in the city, chawls which were originally the residential units build in the mill premises for workers and slums which represent illegal occupation of marginal areas of the city by migrants and other economically weaker sections. The latter lack adequate facilities and basic amenities and are found along the riverfront, low lying areas, vacant private/government land etc. Slums appear to have mushroomed in those areas of the city that have a high percentage of migrant population and lower numbers of households per house. Immigration from rural areas and smaller towns brings people to larger cities in search of more prospects in terms of economic growth. Recurrent droughts and agricultural failure, division of land (and therefore economically non-viable landholdings) have also contributed to setting the trend for migration from rural to urban areas for livelihoods (Bhatt Mihir, 2003).

Urbanisation and migration led to a rise of population in urban areas. This puts a pressure on the housing demand in the city, particularly in the lower end. Affordable housing is a major concern across the country and Ahmedabad is no different. Availability of housing, particular in the Economically-Weaker Section (EWS) and Lower Income Group (LIG) segments, seem to be grossly undersupplied.

This is clear by the number of people living in rental accommodations. As per Census 2011, the total number of rented units under the EWS and LIG categories (urban population) was around 1,84,600. This can be considered the unmet housing demand in these segments in 2011. Thus, it can be estimated that in 2014 this unmet demand would have grown to about 2,80,119 units. Even though the government authorities AUDA (Ahmedabad Urban Development Authority) and AMC (Ahmedabad Municipal Corporation) are coming up with schemes to cater to this ever growing demand in these segments, participation of private players is still limited. Thus, there still exists a huge scope for development in this sector (Kurup E Jayashree, et.al. nd).

1.2 Demand for affordable housing in India

Affordable housing is quickly taking a center stage internationally, within the national agenda in Republic of India. Various factors are responsible for the demand of affordable house in India, such as, the progressive urbanization, going hand in hand with a growing urban population, which increased from 109 million in 1971 to 377 million in 2011, and is projected to grow to 600 million by 2030. The consequence of the growing concentration of people in urban spaces is felt in land and housing shortages and congested transit, besides the stress on basic amenities such as water, power, and sanitation. The Ministry of Housing estimated a housing shortage of 18.78 million houses during the 12th plan period, with 99 percent in the economically weaker and lower income groups.

The Technical Group on Urban Housing Shortage for the Twelfth Five Year Plan (2012 – 17) defines housing shortage as comprised of the following components:

1. Excess of households over the acceptable housing stock (people living in informal properties)
2. Number of extra households needed due to congestion
3. Number of extra households needed due to obsolescence
4. Number of kutchcha households that must be upgraded

The above classification is need based perspective of housing shortage alone and ignores the housing requirements from the demand. By this definition, the total need based housing shortage in the country is around 19 million units as per census 2011 (cited in Sarkar, et.al. 2016).

A thrust on affordable housing will not only lead to better quality of life, but also significantly provide a boost to the GDP of the country (Gopalan and Venkataraman, 2015). Housing is the largest component of the financial as well as the construction sector (High Level Task Force on Affordable Housing for All, 2008). Thus, housing earns considerable attention in the context of developing policies and strategies for human development.

Indian Government’s affordable housing Schemes

Affordable housing is a termed accepted by researchers in providing solutions, guidelines and frameworks especially in formulating housing policy and schemes. For years, the Indian government has tried to provide affordable housing, mainly through public sector housing programs, slum redevelopment and provision of land with access to infrastructure (Sheth 2013). Since Independence, government of India had launched various housing schemes (Table 1).

The affordable housing programmes launched since 2005 are as follows:

Jawaharlal Nehru National Urban Renewal Mission: It aimed to construct 1.5 Million houses for the urban poor in the mission period (2005-2012) in the 65 mission cities. Two policies under JNNURM targeted housing. Integrated Housing and Slum Redevelopment Programme is a direct housing policy measure under JNNURM. Basic Services for the Urban Poor (BSUP) aims at providing entitlements such as security of tenure, affordable housing, and services such as water, sanitation, health and education and social security to low-income segments (MoHUPA, 2015).

Rajiv Awas Yojana (RAY): The RAY programme aimed at creating a slum free India. It was launched in 2011 in two phases. The “preparatory phase” ended in 2013. The implementation phase” was sanctioned for action from 2013 to 2022. The two major objectives of RAY were, (1) legal recognition of slums and bringing them into the formal system and (2) redress the failures of the formal system (MoHUPA, 2012). However, like other programs before it, RAY didn’t reach the poorest urban dwellers, experienced a decline in houses built, and often resulted in evictions and slum demolitions (Sheth 2013, Chaturvedi 2013, Chitravanshi 2015). On May 2015, Rajiv Awas Yojana (RAY) was rolled over into the Housing for All (HFA) by 2022 policy.

Table 1 Housing schemes of The Government of India since independence

Sr. 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	Subsidized 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	1956

	Scheme	
7	Village Housing Projects Scheme	1959
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 AwasYojana	1985
13	Night Shelter Scheme for Pavement Dwellers	1990
14	National Slum Development Programme	1996
15	2 Million Housing Programme	1998
16	ValmikiAmbedkarMalinBastiAwasYojana	2000
17	Pradan Mantra GramodayaYojana	2001
18	Jawaharlal Nehru National Urban Renewal Mission	2005
19	PradhanMantriAdarsh Gram Yojana (2009-10)	2009
20	Rajiv AwasYojana	2011
21	PradhanMantriAwasYojana- Housing for All (Urban)	2015

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

2. Research studies on Affordable Housing Policies in India

Sarkar A, Dhavalikar, Agrawal and Morris (2016) in their article on “Examination of Affordable Housing Policies in India” made a critical review of Government of India’s programmes for affordable housing in India, viz. Rajiv Awas Yojana (RAY) and Housing for All 2022. The paper analyzed the efficacy of these policies in being able to provide the sections of the population who are unable to avail housing from the formal market, both through direct support. Study also addresses the distortions which made the housing unnecessarily expensive taking away much of the value to consumers. Research study argued that while these programmes and policies are a major advancement over the previous approaches, they do not fully exploit the potential that is there in an increased FSI, appropriate exploitation of location value, judicious use of government land, reform of titles and squatter rights, and more efficient land use regulations. Benefits to these government programmes are also constrained by an inability to distinguish between what the markets can be coaxed to deliver and where state intervention becomes necessary.

In the paper, "Examination of Affordable Housing Policies in India", Sarkar, et.al. (2016) analyzed the Government of India's programmes for affordable housing in India, namely the Rajiv Awas Yojana and Housing for All 2022. They analysed the efficacy of these policies in being able to provide three sections of the population who were unable to avail housing from the formal market, both through direct support and most importantly in addressing the many distortions that have made the housing unnecessarily expensive, while taking away much of the value to consumers. Puttkamer Laura von (2016), analysed that the Indian Ministry of Housing and Urban Poverty Alleviation (MoHUPA) launched its ambitious Housing for All scheme (Pradhan Mantri Awas Yojana, PMAY) in 2015 with the goal to make India slum-free by 2022. This scheme is based on similar former programs and shows promise regarding the number of houses that will be built with the help of the government's credit-linked subsidies for low-income groups in India. He argued that the programme has many shortcomings, especially from a people-centered perspective: beneficiaries are often perceived as passive, there are few empowerment measures in the scheme, access to benefits is exclusive, and long term effects are neglected. He concluded that PMAY is mainly an image campaign for the government and lacks sustainable elements. Based on current research and interviews with Indian housing experts from April and May 2016, the paper ends to suggest possible lessons from this Housing for All scheme. The focus lies on potentials found in decentralized municipal policies, public-private partnerships for upgrading existing housing and providing basic facilities, and on slum dweller empowerment. These three elements are discussed based on an inclusive and people-centered approach to development.

Gill H S and Sharma P K (2014) in their article on "Smart Cities and Affordable Housing in India" reported that government has made an announcement to build 100 smart cities and provision.

Mahadevi D, Bhatia N and Bhonsale B (2014) have made an attempt to examine 'The Regulations for Rehabilitation and Redevelopment of the Slums 2010, Gujarat' which has been prepared on lines of Mumbai's Slum Rehabilitation Scheme (SRS) model. The study has been conducted at two slum areas of Ahmedabad viz. Kailashnagar, Sabarmati and Abhuji Na Chhapra, Ambawadi. Working paper has covered extensive documenting implementation process of the scheme. Study highlights the roles of the stakeholders viz, developer, competent authorities, slum dwellers and the external agency / non-governmental organization (NGO) etc. It has been found that Ahmedabad has around 834 slums and during the period of more than three years since release of the 2010 regulations, only 11 settlements were covered under the scheme, which comes to nearly 1.3 percent. The coverage of the scheme itself raise question about the viability of this approach. It has also been found that developers are not familiar to work with low-income households and in particular slum households to

understand their needs, social organization, politics and affordability. Major issue of all stakeholders are highlighted in the report.

One of the biggest challenges of PMAY is its implementation. PMAY is centrally funded and conceptualized, but will be implemented on the municipal level. However, decentralization of power is not very advanced in India (Kumar 2015: 12-13).

3. CONCLUSION

Rapid growth of the urban population leading to housing shortages and poor urban living conditions is a prime challenge for the government of India. While analysing the review of various related literature, a number of studies on affordable housing was observed. It was observed that in India, a number of housing programmes have been implemented since independence by different governments. However, these programmes lacked continuity and interconnectedness, which has drawn attention of the earlier researchers to assess housing policies and programmes in India. Recently launched affordable housing scheme, PMAY-Housing for All (Urban) is drawing attention of some of the researchers in critically analysing the programme. The researcher of the present study is pursuing a study for PhD, with the aim to evaluate the impact of Pradhan Mantri Awas Yojana (PMAY) Affordable Housing scheme for Economically Weaker Section (EWS) in Ahmedabad city of Gujarat state of India.

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