Research Topic: Critical analysis of the 'Pradhan Mantri Awas Yojana (Urban)—Housing for All 2022' scheme and the impact of its multi-pronged approach on housing for the urban poor in India.

Research Question: What are the successes and failures of PMAY(U) in terms of providing housing for all urban poor? How does it acknowledge informal housing and what is its impact on the practice of auto-construction in urban India?

Abstract

Rapid urbanization and population growth in India in the past decade have led to a severe shortage of affordable housing, which in turn has resulted in 78 million Indians living in informal settlements—i.e. 17% of the world's slum dwellers. The national housing shortage reached 18.78 million in 2012. Launched in 2015 to remedy this situation, the Pradhan Mantri Awas Yojana (Urban) Mission intends to provide *pucca* (permanent) housing to all urban low-income families in India by 2022. It plans to do so through the following strategies:

- In-situ rehabilitation of slum dwellers in conjunction with private developers, using land as a resource

- Enabling access to affordable housing through credit linked subsidies

- Constructing affordable housing through public-private partnerships

- Providing subsidies for beneficiary-led individual house construction and enhancement

The government has invested $6.2 billion under this scheme and plans to construct 683,724 houses for eligible EWS (Economically Weaker Section) and LIG (Low Income Group) families by 2022. As per the Sixteenth Standing Committee Report on Urban Development presented to the Lok Sabha (March 2017), only 20,000 houses had been provided by 2017. By April 2018, the government approved only 1.88 million urban houses and claimed that 103,000 had been built. Of the total houses sanctioned, construction worked had begun in only 54% of the houses by December 2018.

Critics of the scheme claim that low land value, absence of formal land, property and identity records and a

fear-driven rental market are some of the reasons why the PMAY(U) has been a failure so far. This paper

analyses the shortcomings and the successes of the PMAY(U) scheme and conducts a comparative analysis with

Chilean housing policies recommended by the Inter American Development Bank and USAID. Finally, it

makes recommendations for achieving the seemingly behemoth task of closing the affordable housing gap in

urban India within the next five years.

Keywords

Affordable housing policy, India, informal settlements, housing for all, slum-free India, PMAY

Introduction

> A house does not mean merely four walls. It is the place where dreams take shape and aspirations get wings.
>
> *Prime Minister Modi on PMAY, 2019 (Economic Times)*

The Pradhan Mantri Awas Yojana, an ambitious program promising 20 million houses by 2022, was launched by the newly elected Modi government in 2015 with the hopes of solving India's affordable housing crisis. All erstwhile housing programs were absorbed into this scheme and it was painted to be the panacea India needed. Five years since its inception and two years away from its target year, the government is nowhere near achieving that goal. What went wrong and how can the scheme by reframed, are some of the questions this paper seeks to answer.

This paper is organized into three parts: (i) Background, (ii) Pradhan Mantri Awas Yojana and (iii) Conclusion. The first part introduces the affordable housing crisis in India, discusses informal settlements and briefly summarizes the history of housing policies and programs in India. The second part presents an overview of the PMAY(U), draws parallels with the Chilean housing policy, discusses implementation and summarizes successes and failures of the program. Finally, the conclusion summarizes the key takeaways and presents recommendations

The methodology included a literature review and the paper draws on the themes of what true inclusivity and informality mean in the context of housing in developing countries.

Background

1. **Affordable housing crisis**

> The fast-paced growth of the Indian economy and particularly its cities has produced an urban
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> crisis, one that is marked by the lack of adequate infrastructure and growth management as well
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> as by sharp social divisions that are starkly etched in a landscape of bourgeois enclaves and
>
> slums.
>
> *Ananya Roy (2009)*

Affordable housing may be defined as housing at a price or a rent which does not impose an unreasonable

burden on household incomes[1]. Indian is amidst a severe affordable housing crisis.

India is one of the world's most populous nations with over 1.3 billion people living on the subcontinent. The

Indian urban system consists of 7933 cities and towns which account for 31% of India's total population[2]. The

urban population in India is growing exponentially due to migration and rapid urbanization, besides natural

factors[2]. As per Census 2011, one in six urban Indians live in informal settlements i.e. 65.5 million people and

this number is growing rapidly[3]. The number of households living in slums increased from 10.15 million in

2001 to 13.75 million in 2011. The proportion of slum dwellers in the million-plus Indian cities is around 35%.

This sizable and growing slum population is characteristic of an affordable housing crisis[2].

The Indian urban housing shortage is estimated at 18.78 million homes and 95% of this shortage is in the

affordable housing market[4]. The Indian government calculates housing shortage based on the following

measures[1]:

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[1] Gohil & Gandhi 2019
[2] Abouelmagd 2018
[3] von Puttkamer 2016
[4] Jain 2017

1. The excess of informal houses over acceptable houses

2. Number of extra houses needed due to congestion

3. Number of extra houses needed due to obsolescence

4. Number of *kutchcha* (informal) houses that need to be upgraded

De Soto (2000) suggests that one of the reasons for the prevalence of informal settlements (and hence an affordable housing crisis) in most developing countries is the fact that the formal housing market is overregulated. In such settings, due to little tax revenue as a result of a large informal economy, local governments rely on the construction permitting process for revenue generation. As a result, the construction and permitting process is expensive and time consuming. Also, building and zoning byelaws further complicate matters since they tend to be inappropriate given the state of development. This results in an unaffordable formal housing market which catalyzes the construction of unacceptable housing[5].

Over the years the Indian government has tried to provide affordable housing through various public sector housing programs, but these have barely reached the poorest segments due to poor design and high costs[3].

2. Defining Informal Settlements

To truly define informal settlements, one must first understand what informality means. However, doing so is just as complicated due to how convoluted the phenomenon can be, especially in developing countries where so-called formal entities, such as the government, function in an informalized fashion through 'deregulation, ambiguity and exception'[6]. In talking about informality in India, Ananya Roy (2009) suggests that it is 'inscribed in the ever-shifting relationship between what is legal and illegal, legitimate and illegitimate, authorized and unauthorized'[6].

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[5] Richard 2009
[6] Roy 2009

Given the complexity of defining the informal, there is no single agreed-upon definition of 'slums' that is universally applicable to all informal settlements around the world. The United National Expert Group Meeting (2002) put forth an operational definition of a slum to be used internationally. As per their definition, a slum is characterized by (i) inadequate access to safe water, (ii) inadequate access to sanitation and other infrastructure, (iii) poor structural quality of housing, (iv) overcrowding and (v) insecure residential status**Error! Bookmark not defined.**. The Indian government defines a slum as a compact area of at least 300 people or about 60-70 households of poorly built tenements in an unhygienic environment with inadequate infrastructure and lacking basic facilities[3]. The Census of India 2011, defines three types of slums: notified, recognized and identified slums. Each state in India, however, follows its own legislation for defining a slum. The key characteristics in all these definitions tend to be dilapidation, overcrowding, faulty layouts, lack of ventilation and inadequate access to basic services such as water, sanitation, and drainage[2].

Slum redevelopment, seen as the solution to slums post the failure of resettlement policies, also does not have a universally agreed upon definition due to great diversity in approaches. However, the most fitting definition for holistic redevelopment has been put forth by Corburn & Sverdlik (2013):

> "'Slum upgrading' denotes initiatives seeking to improve housing quality, infrastructure provision, social services, livelihoods, and official recognition for residents. Slum upgrading is also a process that meaningfully includes the urban poor in project and policy design and implementation, aims to integrate slums into the larger fabric of the city, is attentive to emerging challenges of climate change adaptation, and is often incremental—meaning that residents remain in place while improvements occur to prevent displacement".

3. **Past Policies & Programs**

As mentioned earlier, the Indian government launched several programs over the decades to tackle the

affordable housing crisis (see Table 1).

Table 1 Housing Schemes Implemented Since Indian Independence; Source: von Puttkamer 2016

Housing Program	Year
Integrated Subsidized Housing Scheme for Industrial workers and Economically Weaker Sections	1952
Low Income Group Housing Scheme	1954
Subsidized Housing Scheme for Plantation Workers	1956
Middle Income Group Housing Scheme	1959
Rental Housing Scheme for State Government Employees	1959
Slum Clearance and Improvement Scheme	1956
Village Housing Projects Scheme	1959
Land Acquisition and Development Scheme	1959
Provision of House Sites of Houseless Workers in Rural Areas	1971
Environmental Improvement of Urban Slums	1972
Sites and Services Schemes	1980
Indira Awas Yojana	1985
Night Shelter Scheme for Pavement Dwellers	1990
National Slum Development Program	1996
Million Housing Program	1998
Valmiki Ambedkar Malin Basti Awas Yojana	2000
Pradan Mantra Gramodaya Yojana	2001

Jawaharlal Nehru National Urban Renewal Mission	**2005**
National Urban Housing and Habitat Policy (NUHHP)	**2007**
Rajiv Awas Yojana	**2011**
Pradhan Mantri Awas Yojana-Housing for All (Urban)	**2015**

Of these programs, the last three before the Pradhan Mantri Awas Yojana (Urban) was launched in 2015, are most influential for contemporary housing policy in urban India:

Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in 2005 as the first real program to 'solve' the problem of slums. It aimed at creating 'economically productive, efficient, and responsive cities' by strategically upgrading social and economic infrastructure. The main component of this program is BSUP (Basic Services of Urban Poor) that aims to provide slums with basic infrastructure and strengthen municipal governance. It was the first program to offer combined solutions for slums and the provision of housing[2].

The National Urban Housing and Habitat Policy (NUHHP) was launched in 2007 "to ensure sustainable development of all urban human settlements duly serviced by basic civic amenities for ensuring a better quality of life for all urban citizens". The policy is concerned with the development of both rural and urban areas and provides affordable housing for EWS (Economically Weaker Sections) and LIG (Low Income Groups). The policy recommends developing barren lands linked to large cities The NUHHP's impact was not as widespread as its predecessor (JNNURM) and successor (RAY) programs[2].

The Rajiv Awas Yojana (RAY) was launched in 2011 as a policy under the JNNURM to formalize existing slums and create a 'slum-free' India. It aimed to acquire formal land for the urban poor, enable sources of livelihood and employment for the urban poor, and finally empower slum dwellers with house ownership/long-term leases. RAY developed projects focused on community participation and created new models of public-private partnership whereby the private sector could be encouraged to provide affordable housing for the urban

poor[2]. Financial assistance was provided to states willing to assign property rights to slum dwellers for building low-cost houses and improving basic services to the urban poor[7].

However, RAY didn't reach the poorest urban dwellers, experienced a decline in houses built and often resulted in evictions and slum demolitions[3].

The 'Urban' component of the Pradhan Mantri Awas Yojana, launched in 2015, absorbed all the remaining projects started under JNNURM and RAY and hence shares features with both the programs.

Pradhan Mantri Awas Yojana (Urban)

1. **Overview**

In talking about modern India, Ananya Roy (2009) puts forth the idea that a new planning regime has captured national imagination. This regime entails 'a paradigm shift from state-run infrastructure to infrastructure that is built and managed by private developers, often those granted monopoly powers by the state'[6]. The Pradhan Mantri Awas Yojana seems to be a product of this regime.

Launched in 2015 by the Ministry of Housing and Urban Poverty Alleviation (MoHUPA), there are two components in PMAY: the Pradhan Mantri Awas Yojana (Urban) (PMAY-U) for the urban poor and the Pradhan Mantri Awas Yojana (Gramin) (PMAY-G and also PMAY-R) for the rural poor[8]. The PMAY (U) covers 4041 statutory towns but focuses on 500 Class I cities in its initial phase[4] with the goal to make India slum-free by 2022. As mentioned earlier, this program is based on similar programs that preceded it (JNNURM & RAY) but has an ambitious goal of providing 20 million homes by 2022. It is the flagship program for Modi's government which came into power in 2014 and was launched simultaneously with the Smart Cities program. The program policy outlined by the government, stresses on collaboration with different ministries and their programs targeting the urban poor[3].

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[7] BBC 2011
[8] Vaidyanathan & Mary 2020

As framed by the Indian government, the PMAY(U) rests on 'four pillars' (see fig 1).

Fig 1 The 4 pillars of PMAY(U)--MoHUA 2015

The second pillar, providing housing through credit-linked subsidies, is demand-oriented and is the heart of the program[3]. In support of credit-linked development in developing countries, Richard Arnott (2009) states the following:

> From the perspective of intergenerational equity, it makes no sense for the entire infrastructure
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> costs associated with the present rapid urbanization in developing countries to be borne by the
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> current generation, when future generations that will benefit from the investment will be
>
> considerably wealthier. To ensure a reasonable quality of life over the next half century, cities in
>
> developing countries will need to increase their rates of investment in urban public infrastructure,
>
> and a strong case can be made that this investment should be debt financed.
>
> *Richard 2009*

It is also important to note that the program envisions "in situ" slum redevelopment, unlike many of its predecessors. The eligible beneficiaries of PMAY(U), most of them slum dwellers, are classified based on income into the Economically Weaker Section (EWS, maximum annual income 4,500 USD) and Low-Income Groups (LIG, maximum annual income 9,000 USD)[3].


2. Chilean Housing Policies: A Comparison

In order to better understand PMAY(U) in the context of developing countries, it is important to understand the successes and failures of international affordable housing policies and programs. This paper takes a closer look at the Chilean housing policy deemed to be a success due to its enabling approach and recommended by international institutions such as the United Nations and the World Bank in the 90s[9]. According to housing experts, the Chilean housing policy has succeeded in vastly improving housing conditions in the country. This success, they argue, only partially comes from reforms in the housing sector and are largely the result of reforms in capital markets and a stable macroeconomic environment. The two major lessons that can be drawn from this policy are (i) an integrated approach to reform and (ii) a complete assessment and mitigation of the urban impacts of housing policies that succeed in increasing housing production[9]. PMAY(U) fails on both these counts as it neither considers and plans for the environmental and infrastructural impact of achieving its housing goals, nor does it enable a multi-sectoral approach beyond a PPP model for financing construction.

The Chilean housing policy was vastly popular in increasing the housing stock in Chile as can be seen in the dramatic increase in the number of new houses in the 90s (see fig 2). So, the question is, what made this policy so successful?

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[9] Rojas 2001

Fig 2 Housing production in Chile 1943-97; Source: Rojas 2001
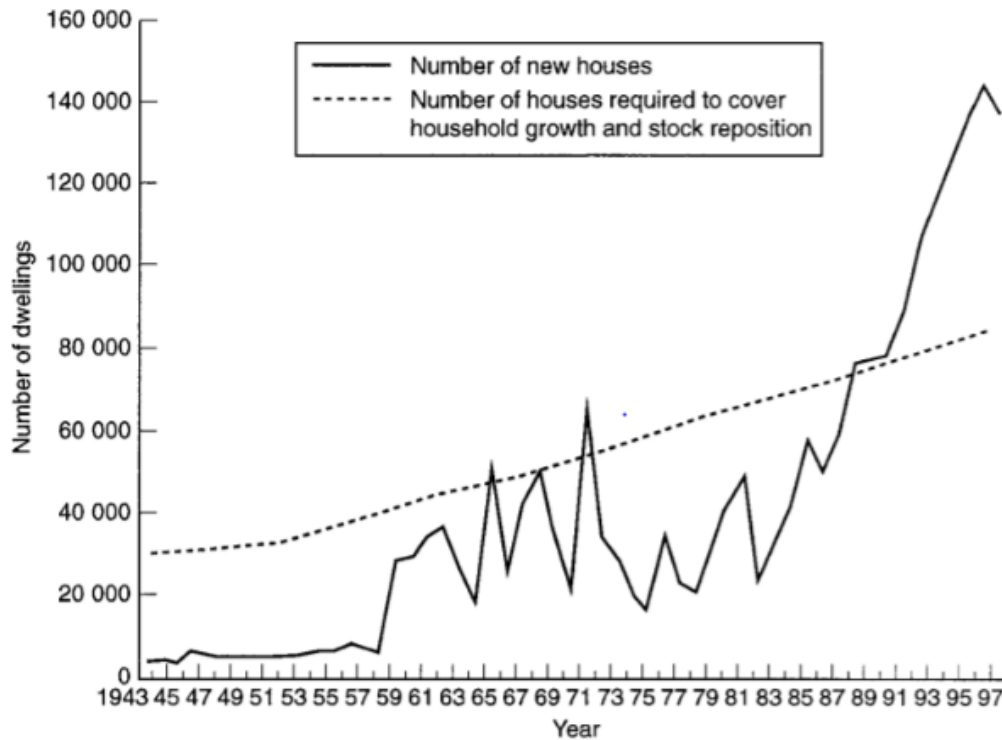
Back in the 1970s most housing in Chile was built and financed by the government[9]. The government acknowledged that this direct state provision of housing neither met the housing needs of the majority of the households nor served the broader social and economic interest of the society. Therefore, reforms were introduced to government policies and regulations to transfer the responsibility for housing to the private sector[9]. The Indian government had a similar realization, which resulted in the PMAY(U) focusing on the government playing the role of a facilitator rather than a provider.

The reforms focused on three key areas following the enabling paradigm which focused on both the demand and the supply side. On the demand side, mortgage financing was developed and subsidies were rationalized, while on the supply side land development was deregulated[9]. The PMAY(U), on the other hand, focuses on the demand-side by providing credit-linked subsidies, and doesn't attempt the deregulation of land development which would substantially help bring down costs.

In Chile a three-tier housing financing and production system emerged after 20 years of testing the policy. The system comprises of government-produced houses for low-income families with heavy subsidies and direct government loans, government-assisted houses for middle-income families financed by cash vouchers and private bank loans and privately financed houses for high-income families[9]. This diversity in means and modes of production is echoed in the PMAY(U).

The PMAY(U) and policies that preceded it have been criticized for their inability to reach the poorest of the poor. The Chilean policies on the other hand have been lauded for their focused targeting. Over the years the targeting mechanisms were refined reducing the number of families able to apply for subsidies, which then 'allowed for more resources to be allocated to households in the lowest deciles of the income distribution structure'[9].

The two big failures of the policy, some experts say were insufficient investment in infrastructure and a complete disregard for the urban impact of the housing production mechanisms promoted by the reforms[9]. By not having provisions for the former, the PMAY(U) risks heading the same way. Rojas & Greene (1995) argue that the Chilean housing experience is a case of successful state intervention rather than as a privately driven housing sector. Contrary to the enabling framework adopted by Chile, a lot of its success rests on significant government interventions especially in the low-income segment of the market where the Chilean housing policy was completely unable to engage the private sector.

Other failures of the policy include the creation of repetitive cookie-cutter houses due to rigid production systems and the lack of integration of housing and urban development policies. The latter led to a significant loss of arable land and the creation of large low-income pockets that lacked basic amenities. Like the PMAY(U), the Chilean policy did not promote the renewal of inner-city areas and instead focused on buying and developing peripheral areas further exacerbating land shortage[9].

The Chilean experience also demonstrates that housing sector reforms alone aren't enough to solve the affordable housing crisis[9]. Reforms of the general banking system and of the social security system were

essential to the Chilean success story. These reforms created strong institutions that were then able to serve as the backbone of the mortgage-based housing finance system. With respect to the PMAY(U), banks have been partnered with to provide housing loans, but no such large-scale systemic reforms have been proposed.

The Chilean housing policy was developed over several decades after much trial and error[9]—which perhaps gives hope to the Indian context where 21 different policies have been implemented since 1952.

3. **Impact**

      a. **Implementation & Challenges**

The PMAY, which has received a financial assistance of $31 billion from the Central Government, has faced several challenges when it comes to implementation as can be seen in the numbers achieved so far[3]. As per the Sixteenth Standing Committee Report on Urban Development presented to the Lok Sabha (March 2017), only 20,000 houses had been provided by 2017. By April 2018, the government approved only 1.88 million urban houses and claimed that 103,000 had been built. Of the total houses sanctioned, construction worked had begun in only 54% of the houses by December 2018. At this rate, the 20 million houses by 2022 goal seems nearly impossible. While some challenges faced are a result of inherent flaws in the policy, others are borne out of deep rooted structural and systemic problems.

The PMAY is centrally funded and conceptualized but it is designed to be implemented at the municipal level[3]. However, decentralization of power is not very advanced in India which creates conflict between different levels of government and undermines the efficient implementation of the policy. Also, since elected political parties at the center and in different states differs—conflict between these political parties results in uneven implementation. Hence, release of funds is concentrated in a few states: four states, namely, Madhya Pradesh, West Bengal, Odisha and Uttar Pradesh accounted for 56 per cent of the total funds released to all states from 2016 to 2018. Overall expenditure as a proportion of funds available has also increased significantly. In 2018-19, 80 per cent of the available funds had already been spent by the third quarter. The allocation of funds

towards the program has also been decreasing since 2018, which further disturbs the pace of construction of houses.

The Indian government introduced a nation-wide biometric ID system (Aadhaar) in 2016 to ensure efficient targeting of beneficiaries for programs[2]. According to the government, this helped the government weed out people who had been benefitting from multiple schemes or accessing schemes using forged paperwork, thus ensuring efficient implementation. It is important to note that the Aadhaar card is a proof of residence and not a proof of citizenship. Obtaining the Aadhaar card can pose many hurdles to the urban poor who often do not have paperwork to prove their domicile or identity and are often illiterate. Coupled with a host of acts by the Modi government that regulate legitimate residency based on tenure and religious protections (e.g.: CAA, NRC etc.), the Aadhaar system forms the backbone of exclusionary Indian urbanism[8].

In terms of the implementation process, States/UTs (Union Territories) select private developers through an open bidding process who then complete the project using their own financial and technical resources[2]. States and cities may provide additional FAR (Floor Area Ratio), allow mixed or commercial use, and relax density and other planning norms for making the projects financially viable. The amount to be contributed by slum dwellers to the project and the tenure type of the inhabitants is also decided by the state government[2]. Slum dwellers typically pay 10%-20% of the cost of the unit and are given ownership when the loans financing the rest of the cost are repaid (usually around 20 years). Housing and Urban Development Cooperation (HUDCO20) and National Housing Bank (NHB) have been identified as key agencies to channel the subsidies and monitor the progress[2].

Some of the other challenges faced in implementation so far include the lack of affordable land close to employment centers and excessive regulatory and planning controls. PMAY(U) projects tend to be green field developments which are supply driven with private sector partnership. Besides the fact that these are typically located far from the city and can result in large low-income enclaves (as we saw in Chile), they also endanger the access of housing for the urban poor who are often bought out by investors. As a result, many new units

built in the PPP model remain unoccupied[4]. Nearly 11.09 million houses lie vacant in urban areas (Census 2011), while the total housing shortage of 18.78 million dwelling units persists.

Land is the basic requisite for housing. The acquisition of private land has become very difficult due to regulatory controls, specifically the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013[4]. The land shortage and hurdles to rezoning are major impediments to the successful implementation of PMAY(U). Another challenge that haunts the successful execution of PMAY(U) (specifically the first pillar) as a result of overregulation, is the issue of land tenure and transfer of ownership of Government lands under slum clusters and illegal colonies[4]. This impediment prevents the poor from becoming legitimate owners.

b. Successes & Failures

The PMAY(U) has had both successes and failures. While the successes revolve around the use of credit-linked subsidies and public-private partnerships, the failures are largely a result of the framing of the policy making it less people-centered. Beneficiaries are perceived as passive and the policy contains only a handful of empowerment measures making access to benefits exclusive[3]. Like in the Chilean case, the long-term urban effects of achieving the housing goals are neglected.

The first pillar of PMAY focusing on slum redevelopment prioritizes the interests of private developers in order to help finance development costs[3]. The decision of whether to redevelop a slum lies with individual cities which results in limited access to rehabilitation. Citizen organizations are not included in the redevelopment process and hence the community is seen as passive[3][4]. The policy also does not have measures on preventing slums from coming up in the future. It also only caters to beneficiaries residing in the concerned slums from before 1st January 2000. This completely abandons those who moved in later[2]. While the predecessor scheme Rajiv Awas Yojana (RAY) gave land rights to slum dwellers[3], PMAY only focuses on providing housing on government-owned land and is not as concerned with ownership.

The second pillar enables EWS and LIG beneficiaries to get cheap housing loans and preference is given to women, disabled persons, certain castes and transgender persons from the LIG and EWS, showing a laudable focus on inclusivity[3] [8]. However, the application process is exclusionary since it is 'complicated and requires internet access, reading skills in English and Hindi, and proof of identity documents which many slum dwellers are unable to produce' (Patel 2016)[3].

The third pillar provides state sponsored financial assistance to houses in the EWS category only. Beneficiaries from the LIG section are excluded in this pillar. This pillar is also marked with a lack of partnerships with other infrastructure providers and linkages to government schemes for basic amenities[3].

The fourth pillar aids beneficiary-led construction in non-slum areas or slums not classified for redevelopment. This pillar is the only one that considers beneficiaries as active participants since development is done in conjunction with the community. This pillar also recognizes and supports the practice of auto-construction or self-help housing in India. However, proof of land ownership excludes beneficiaries who dwell illegally on land—which is often the case[3].

As mentioned earlier, the PMAY stipulates a dwelling unit size of 30 sq m for EWS households and up to 60 sq m for the LIG which has been deemed as unsuitable for a growing economy[4]. The policy also does not consider other forms of social housing such as hostels, dormitories and senior citizen homes etc. It is also ignorant of other tenure typologies such as rentals, since a majority of the urban poor cannot afford even a subsidized dwelling unit[10].

The policy also continues the practice of a fixed low density and FAR which some argue could lead to the underutilization of land which already is a scarce commodity[4]. Others, however, argue that while higher FARs and densities will save housing costs and make it affordable, it has in many cases resulted in the creation of vacant housing ignorant of social needs. They argue that the FAR has to be considered in conjunction with other

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[10] Jain n.d.

built measures such as plot coverage, built form and urban context[10]. PMAY(U) also does not allocate any resources to research and development of innovative construction technology which could further reduce cost of construction[4].

As mentioned earlier, most of the projects initiated under PMAY(U) have been greenfield developments which ignores the fact that about 80% of the housing shortage in India is due to congestion, dilapidation and over-crowding. This necessitates redevelopment and retrofitting strategies, rather than building from scratch. Greenfield projects break social ties and the livelihoods of communities and increase the need of land acquisition[10].

Critics of the policy argue that PMAY is centered on the physical aspect of providing housing and ignores sustainability measures such as 'infrastructure development, prevention of future slum creation, community development and empowerment measures'. Without a clear transfer of ownership process and community participation, the PMAY focuses on 'providing access to affordable housing instead of providing control'[3].

Many argue that the PMAY is primarily a symbolic policy and an image campaign for the Modi government. Shirish Patel (2016) adds that "It all sounds like sloganeering at its best, or the construction of an elaborate mirage, with no real intention of delivering results."[3] [8]

Conclusion

The Pradhan Mantri Awas Yojana (Urban) is an ambitious program which builds on learnings from failures of erstwhile housing policies implemented in India. However, the policy is not without faults and requires careful reconsideration if the goal of overcoming India's housing shortage is to be realized.

The major shortcomings of the program revolve around the treatment of the urban poor as passive beneficiaries with no say in the development process[3], and the lack of measures to make the dream of slum-free India truly sustainable[4]. While PMAY(U) does prioritize disadvantaged groups, it is nowhere near perfect when it comes to being an inclusive housing policy. The major hurdles faced in the implementation of the policy are the unequal

distribution of power and conflicting interests between different levels of governments, shortage of urban land

and an inefficient beneficiary identification system[4] [3] [8].

Recommendations

> The main theme is that in developing countries the primary role of the central government in the
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> housing sector should be to act as a facilitator, both enabling housing markets to work and taking
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> a leadership role with respect to policy. In assisting low-income households to acquire adequate
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> housing, governments should avoid expensive and broad-based housing programs and should
>
> instead assist local governments and community organizations to provide housing assistance to
>
> the neediest households.
>
> *Richard 2009*

In order to solve the affordable housing crisis in India, it is imperative that housing policies be formulated in

conjunction with other upgrading measures such as livelihood diversification and amenity provision[3].

There is a dire need to develop a new paradigm which is community led, participatory and local[4]. It is necessary

to adopt a multi-stakeholder approach and include the community in the development process, instead of

treating them as passive recipients. Such a process shall help cater to varying interests and of all stakeholders,

which would in turn help improve accountability and transparency[3]. The public-private binary model needs to

be reconsidered and a multi-partner model needs to adopted. Fig 3 illustrates an alternative model that could be

adopted[4].

It is important for the government to look at different modes of housing and alternate tenure arrangements. As

mentioned earlier, a significant percentage of the urban poor can't afford housing on an ownership basis, even

when it has been subsidized. Rental housing is an important but largely ignored instrument for providing

affordable housing[4]. The Low Income Housing Tax Credit (LIHTC) model used in the US gives rebate in

income tax against investment in low income rental housing—adopting a similar policy may help multiply

affordable rental housing. This lack of recognition of rental housing by the government extends to the way in

which beneficiaries are identified. Those who rent in slums are often ignored by housing policies, even though

they comprise a sizable portion of the urban poor[10].

Fig 3 'Collective Community Sector as an option to the public-private binary', Jain 2017

Rental Housing Projects can be facilitated by creating Special Purpose Vehicles (SPVs) offering

loans on lower interest rates and by allocation of certain percentage of funds especially for social

rental housing. Banks and Housing Finance Institutions (HFIs) can promote innovative financial

instruments. Draft National Urban Rental Housing Policy, (MoHUPA 2017) needs to be more

closely integrated with the Pradhan Mantri Awaas Yojana.

Jain 2017

Further, the problem of urban land shortage may be remedied by zoning for social housing and using innovate

land management options such as land pooling, land banking, mixed land use etc[10].

The dream of achieving the housing goals cannot be seen in isolation to the environment and the larger urban context. The inclusion of sustainability measures such as monitoring and mitigating environmental impact must be considered to make the dream of slum-free India truly sustainable[8].

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