



## **Yojana Summary September 2017**

### **Affordable Housing in Urban Areas**

- Urban Indian now form about one-third of the population and they produce three-fifths of the country's GDP.
- In this context housing becomes an important sector of Indian economy. Also, it has inter-linkages (forward and backward linkages) with nearly 269 other industries and has a direct impact on employment generation, GDP growth and consumption pattern in economy.
- It has also bearing on the quality of life and social and economic wellbeing of the people.

#### Global effort:

- Housing has been placed at the center of the New Urban Agenda of Habitat III, 2016.
- Sustainable and disaster resilient housing have been recognized as an important lever in meeting the commitments towards Sendai Framework (2015) and Paris Agreement on Climate Change 2016.
- Goal 11 of Sustainable Development Goals aims to make cities and human settlements inclusive, safe, resilient and sustainable.
- India too has acknowledged the importance of housing and launched the Mission of Housing for All by 2022.

#### Housing Scenario and Challenges:

- According to the Technical Group on Urban Housing Shortage, 2012-17 constituted by erstwhile the Ministry of Housing and Urban Poverty Alleviation, there is a shortage of 18.78 million housing units.
- Of these the economically weaker section alone accounts for 10.55 million units (56.2%).
- The low income group (LIG) require 7.41 million units (39.4%).
- Evidently, the gap is mostly in the affordable sector i.e. EWS and LIG.
- As per census 2011, 11.07 million houses were vacant in urban India which brings to the forefront a mismatch in demand and supply in housing market.
- The housing surplus is in the higher income groups while 95% of the deficit is in EWS and LIG categories.
- Urban population is estimated to grow to 814 million by 2050, which will pose a major challenge in provision of housing and basic amenities. It will result into growth of homeless population as well as short-term migrants.
- Scarcity of land, increased cost of construction, lack of private sector participation, absence of viable rental market, inaccessibility to home loans by poor are some of the challenges.
- The technological innovations in low cost building material and construction practices lack popular acceptance.
- There are certain regulatory constraints such as long and cumbersome approval process, environment clearance, lack of clarity in building by-laws and implementation of the master plan.

#### Government Initiatives:

- Since independence, GoI has adopted a number of policies and programmes to house the poor. Recently launched initiatives are:



- Two Million Housing Programmes, VAMBAY (Valmiki Ambedkar Awas Yojana) in 2001
- JnNURM (Jawaharlal Nehru National Urban Renewal Mission)
- Rajiv Awas Yojana (RAY); Rajiv Rinn Yojana (RRY)
- Pradhan Mantri Awas Yojana
- In addition, various ministries have had their own programmes targeted towards their area of work.
- Policy Measures-
  - Although the first National Housing Policy was announced in 1988, however, the greater emphasis on the aspect of 'Habitat' as a supplementary focus to housing was given in New Housing and Habitat Policy 1998.
  - Still, all these policies were generic in nature and were applicable to both urban and rural areas.
  - The new policy was announced in 2007 as '*National Urban Housing and Habitat Policy*'. It sought to promote various types of public-private-partnerships for achieving the goal of 'Affordable Housing For All'.
  - It emphasized the earmarking of land for the EWS/LIG groups in new housing projects.
  - To encourage private sector investment across diverse segments, National Public Private Partnership Policy was launched.
  - Acknowledging the need for rental housing, a National Urban Rental Housing Policy along with Model Tenancy Act has been drafted.
- Various Reform Measures –
  - Real Estate Regulation Act (RERA), Liberalised FDI rules, Real Estate Investment Trusts (REITs) and GST.
  - Initiatives essential for ease of doing business such as faster approvals and clearances, single window clearance system, automated building plan approval system and property title certification have been initiated to avoid cost and time overruns.
  - Affordable housing has been accorded 'infrastructure status' which will go a long way as critical supply side incentives.
  - The Budget 2016-17 and 2017-18 provided the platform for creating an enabling platform with fiscal concessions such as direct tax benefits under Section 80-IBA under IT act, relaxation in FDI and ECB proposals and standardized usage of carpet area definition.
  - The Centre has undertaken significant mortgage reforms by way of new broad based Credit Linked Subsidy Scheme (CLSS) under PMAY-U to ensure that its benefits reach beyond the EWS and LIG segments.
  - A Marginal Cost of Funds-based Lending Rate (MCLR) for speedy transmission of RBI rate cuts to home buyers.

#### New Urban Housing Mission:

- In 2015, Pradhan Mantri Awas Yojana – Urban was launched with an aim to provide housing for all by 2022.
- It has four verticals: the Credit Linked Subsidy Scheme (**CLSS**); *in-situ* slum redevelopment (**ISSR**) using land as resource through private participation; Affordable housing in partnership (**AHP**); and Subsidy for beneficiary-led individual house construction (**BLHC**).
- In the spirit of cooperative federalism, the mission has provided flexibility to states for choosing the best option amongst the four verticals.



- The PMAY has introduced built-in-flexibility, demand driven approach and comprehensive Housing for All Plan of Action for each of the ULBs.
- Under ISSR, the private developers are given land and incentive to monetize the part of demarcated land to build housing stock for the low income households especially slum dwellers. Along with redevelopment and rehabilitation, the private developers are responsible for providing interim accommodation to beneficiaries during the implementation of scheme.
- Under CLSS, initially the weaker sections were given subsidy on home loans. In 2017, the scope of CLSS was widened for year to include the MIG segment as well. However, the rate of interest subsidy was limited to 3 and 4% depending on the amount of loan. The nodal agencies such as Housing and Urban Development Corporation (HUDCO) and National Housing Bank at the central level are responsible for monitoring.
- Under AHP, financial assistance is provided to EWS house when they are built-in partnership with public-private stakeholders.
- For BLHC, central assistance of Rs. 1.50 lakhs is provided for the construction of new houses or for upgradation of existing houses to eligible families under EWS category.
- The mission has resulted in sanctioning of nearly 24 lakhs houses since its launch.
- In order to achieve innovative sustainable modern building technologies, a Technology Sub-Mission has been set up to facilitate the process under PMAY-U. It enables quality construction, green technologies etc. It also coordinated with various agencies to promote the use of disaster resistant and sustainable strategies for construction.
- The scheme encourages adoption of locally appropriate house layouts and sourcing of locally produced materials.
- The scheme adopts guidelines for integrating energy efficiency to create more sustainable and comprehensive affordable housing.

#### Convergence of Missions:

- The integration of urban schemes help the cities upgrade themselves faster in terms of meeting various social and physical demands. There are various programmes which need to be converged so as to get a multiplier effect.
- Smart City Mission is a flagship programme of Ministry of Urban development. It aims to promote cities that provide core infrastructure and give a decent quality of life to its citizens through application of smart solutions. Area-based development is a key element of Smart Cities, which is expected to transform existing areas (retrofit and redevelop), including slums, thereby improving livability of the whole city.
- Atal Mission for rejuvenation and Urban Transformation (AMRUT) endeavors to provide every household access to supply of water and sewerage connection, thereby providing the basic infrastructure to housing.
- Swachh Bharat Mission (Urban) aims to eliminate open defecation, eradicate manual scavenging and incorporate modern and scientific Municipal Solid Waste Management.
- The Scheme of Shelter for Urban Homeless under DeenDayalUpadhyayAntyodayaYojana – National Urban Livelihood Mission (DAY-NULM), ensures availability and access of the urban homeless population to permanent shelters including the basic infrastructure.
- National Urban Health Mission (NUHM) envisages to meet health care needs of urban population with focus on urban poor. Convergence of this mission with the PMAY helps in holistic development.

#### Conclusion:



- States have an important role to play in this as 'housing and urban development' is a state subject under the constitution.
- Through their policies, States must prepare a comprehensive housing plan clearly articulating the right institutional and legal structures for enabling ecosystem to achieve ambitious task.
- Innovations in the housing sector need focused attention which will promote the use of low cost housing materials.

### **Land Acquisition, Rehabilitation and Resettlement**

- The linkages between Land acquisition, Rehabilitation and Resettlement (LARR) and Housing for all (HFA) resumes importance in the context of scarcity of land for planned development and the overwhelming shortage of adequate, affordable housing.
- There is a huge shortage of housing units in India which is reflective of the policy failure.
- The historical failure of ensuring land reform in India is also the context within which the fractured politics of rural-urban and land acquisition have played out.
- Affordable housing is generally assessed on three parameters: Adequacy; Affordability and Viability.
- Adequacy and affordability have entered the policy discourse on how 'low income' households should be defined, size and cost of affordable household. A third, however has remain unaddressed or has received scant policy attention. This crucial parameter-'Viability'-relates to the location of affordable housing.
- Viability can be understood as the ability to meaningfully make a life in housing created or enabled by policy action.
- If the Centre or state aims to improve currently deeply insufficient occupancy rates (mostly, only one in three houses built under previous policies are effectively occupied), it is viability that should be looked at.
- For low income groups, three aspects of what constitutes viability are imperative : a) linkages with employment and livelihood; b) connectivity; c) access to physical and social infrastructure.
- If LARR is just used as a cynical measure to relocate low income urban populations to peripheral areas transitioning from rural to urban, it would mean that a larger question of how to ensure higher occupancy rates or ensure planned rural, urban and rural development would remain unaddressed.
- The critical question however remains how to meet the target of Housing for all, using land acquisition or pooling (as feasible) on the one hand, but also multiple other strategies such as in situ upgradation, credit linked subsidies, enabling beneficiary led house enhancement and so on.
- The LARR act includes definition of 'public purpose' for the purpose of building projects for residential purposes of the poor or landless or persons affected by natural calamities.
- In other words, under the LARR act, it is possible to carry out Eminent Domain type land acquisition for the purpose of ensuring affordable, adequate housing for all-in rural and urban areas.
- Further, where the government acquires land for such purposes through PPP or private mode, the provisions relating to consent are also applicable. However, there is little history of land acquisition directed at affordable housing.
- Under the LARR act, the R&R provisions (rehabilitation and resettlement) lay down minimum infrastructure facilities (including housing unit) that must be provided as part of R&R in case of displacement caused as a result of land acquisition under eminent



domain. This pertains to those displaced by such acquisition, and is different from providing housing to urban low income groups or the rural landless.

- Even in the case of providing R&R to those displaced by land acquisition, a displaced landless family must first fulfil the definitional requirements of 'affected family' under the LARR act, which includes not just owners but also those whose primary livelihoods stand affected. This includes agricultural labourers, artisans, tenants, share croppers, forest dwellers etc. This is also not easy to do.
- If the government proceeds with the alternate rule of land pooling (i.e. not Eminent Domain type land acquisition), it is necessary to ensure that the redeveloped plot of the land has adequate provisioning for EWS/LIG/affordable housing. However, it is difficult because of the political economy surrounding land pooling or acquisition efforts, where often the very marginalised get very little in return. In addition, only the owners of land get the portion of redeveloped land.
- Hence, there are two challenge. One, we should be pragmatic about the difficulty in using LARR and instruments of land assembly for affordable rural and urban housing till now and thereby highlighting the need to create housing policies that accounts for this gap. Two, it is necessary to challenge this historical reluctance to use LARR's provision for affordable housing.
- It is under these two challenges that we have to assess PMAY.
- The PMAY (pradhan mantra awasyojna) focuses on the following four areas :a) Redevelopment using private developers using land as a resource, b) Credit linked subsidy for weaker sections as a way of promoting affordable housing, c) Affordable housing in PPP mode, d) Subsidy for beneficiary led individual house construction.
- This means that while the public purpose provisions of the LARR act can theoretically be used for affordable housing , these must fulfil requirements of consent, R&R, compensation, social impact etc, that pertain to displaced/affected families.
- The alternative is to use the land on which existing but inadequate housing already exists. Here, the PMAY offers a model but, critically, frames it an in situ redevelopment instead of in situ upgradation.
- Further, the PMAY excludes families that own a pucca house (or an all weather dwelling unit) from receiving its benefits. In other words, incremental upgradation of pucca house- for enhancement or in situ upgradation (not redevelopment) will not be eligible for the benefits under PMAY.
- Many states have sought to compensate for these shortcomings by widening their own state housing policies. For example, Karnataka's affordable housing policy of 2016 provides for seven models: a) beneficiary led house enhancement, b) beneficiary led new house construction, c) in situ upgradation, d) in-situ redevelopment, e)plotted development and sites with house and services, f) group housing and township projects, g) affordable group housing in partnership.
- How then should we proceed? This could be done not just through LARR efforts but also by redirecting existing land uses in an equitable and efficient manner. The notion of reserving a certain percentage of housing units for affordable housing in existing/new projects is an old one, which needs better implementation.
- More significant, could be the policy of creating Affordable Housing Zones within new city plans, which would ensure that a reasonable percentage of such land is not diverted for other uses. Rajasthan, for example has 75% of land parcel currently vacant/unused.
- The Ranchi master plan 2037 has notified proportionate portions of land for affordable housing zones. It is necessary to recognize that without directing the use of land at city-region scale , the impact of project based reservation will be limited.



- While R&R provisions in the LARR Act attempt to ensure adequate rehabilitation for displaced rural families, a more concerted affordable housing policy would attempt to go beyond providing R&R for displaced families to accommodating those from urban areas who are in need of affordable and adequate housing.
- The dire condition of rural landless needs urgent attention. The LARR Act can be used as a legal instrument to provide an affordable housing for the rural landless.
- However, there is little history of any such Eminent Domain acquisition of land for public purposes as it virtually amounts to a historical redistributive measure, perhaps in the same vein as land reform. Madhya Pradesh is a notable exception in attempting to provide for a Housing Guarantee Law (including homestead for rural areas). This is a welcome new development.

#### **LARR – Some Highlights**

- The Land Acquisition bill has been renamed as the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Bill 2013. It lays emphasis on Rehabilitation & Resettlement.
- It concerns only such cases where the land will be acquired by Central and State authorities for any public purposes.
- It calls for taking consent for 80% of the land owners for acquiring land for private purposes and of 70% land-owners for public-private projects.
- It lays down a transparent process for land acquisition for industrialization, development of essential infrastructural facilities and urbanization by giving adequate financial compensation to the affected people.
- It gives priority to the interests of farmers, landless labourers, dalits and tribals.
- Multi-crop irrigated land will not be acquired except as a demonstrably last resort measure. Wherever multi-crop irrigated land is acquired an equivalent area of culturable wasteland shall be developed for agricultural purposes. States are required to set a limit on the area of agricultural land that can be acquired in any given district.
- It also provides for leasing of land to developers, instead of sale, so that the ownership will remain with the original land holders and they can also have a regular income by way of lease rent; the terms of lease to be laid down by State govt. according to the type of land, location, market etc.
- It clearly enunciates the issues relating to acquisition, award, compensation and rehabilitation and also curtails the discretionary powers of the DM.
- Where land is acquired for urbanization, 20% of the developed land will be reserved and offered to land owning project affected families, in proportion to their land acquired and at a price equal to cost of acquisition and the cost of development.
- The consent of Gram Sabha is mandatory for acquisition in Scheduled Areas under the 5<sup>th</sup> Schedule of Indian Constitution.

#### **Conclusion:**

- LARR is one part of a much larger strategy of how to ensure that affordable housing for all is implemented across the country. Locational issues predominate in goals to improve occupancy rates of new units, especially those pertaining to livelihood opportunity.
- Affordable Housing Zones as part of a larger strategy for new development, is necessary in peri-urban and expanding city development.
- At the same time, more critical attention needs to be paid on how efforts for existing dwellers to improve their units, especially in inner city areas receive enabling policy attention and encouragement.



### **Financing Affordable Housing**

- To help develop housing in the country, there is need to have a well developed housing finance market. In India, housing finance market is still in its nascent stage compared to other countries.
- The outstanding amount of housing finance amounts for around 8% of GDP in India as compared to 12% in China and 80% in US.
- Affordable housing is critical for the country for a balanced and sustainable funding model. The existing market oriented model largely caters to high income segments. In contrast, for EWS and LIG as well as slum dwellers, access to institutional sources of finance are almost lacking.
- In housing market, Government act as a facilitator and is assisted by two regulators, RBI and National Housing Bank (NHB). RBI regulated commercial banks and partially cooperative banks while NHB regulates housing finance companies.
- The housing finance market is dominated by commercial banks. In addition, there are cooperative banks and housing finance companies, SHG, micro-finance institutions and NGOs.

#### Role of Institutions:

- The role of Govt. has switched from that of a provider of housing units to more of a market facilitator.
- National Building Organization was established in 1954 and Housing and Urban Development Corporation Limited (HUDCO) in 1970 to comprehensively deal with problems of housing shortages. National Housing Bank was established in 1988 to function as a principal agency to promote housing finance institutions.
- The RBI has initiated several measures in housing sector and requires commercial banks to lend a stipulated amount of incremental deposits to housing under priority sector which includes financing individuals and others including co-operatives.
- Other measures like investment made by banks in Mortgage Backed Securities (MBS) since 2004 as flow of credit to housing, assigning lower risk weight to housing and benign interest rate environment has contributed to housing loans.
- International agencies are also supporting the cause of Housing for All. UNDP is committed to work closely with the government on affordable housing. World bank has channeled resources through NHB to expand access to sustainable housing finance for LIG.
- Housing finance has direct relationship with financial stability in the country and housing booms and busts are often associated with systemic financial stress as was the case in USA, Spain, Ireland etc.

#### Conclusion:

- Financing to housing sector has been liberalized by the Govt. and RBI. However, taking cue from the global experience, we must ensure that best practices and stiff standards of supervision, regulation and risk management are established for all stakeholders.
- There is need to bring parity in housing market by having similar rules and regulations governing these players. Also, the role of MFIs and local bodies be examined so as to promote them to play a bigger role in planning for production and supply of other products for building construction.



- There is need to strengthen housing related institutions like HUDCO, NHB and NBO and encourage them to undertake extensive research on housing developments in India.

### **Regulating Real Estate Sector**

- Real Estate (Regulation and Development) Act, 2016 has been passed which seeks to regulate the real estate sector, bring in transparency and help protect consumer interest.
- Prior to the coming of Real Estate Act, purchasers of real estate were being treated like a consumer within the meaning of Consumer Protection Act 1986 or he had an option to move his application under civil court. It used to bring hardships for them while seeking justice.

#### RERA – an overview

- The real estate sector comprises four sub sectors – Housing, retail, Hospitality, and Commercial.
- Given the importance of housing sector, RERA was needed to protect home buyers from unscrupulous developers and to revive confidence in our country's real estate sector.
- This sector is one of the leading revenue generators in our country and it needed some regulatory authority to keep check on developers. RERA will provide a common ground for both buyers and developers and will reduce the risks which were faced by people earlier.
- It will also bring new hope for home buyers, make the sector transparent and boost the confidence of investors to invest in Indian Real Estate Market.

#### Key Features:

- Regulates both commercial and real estate projects.
- Seeks to set up Real Estate Regulatory Authority in states and UTs to oversee
- Makes registration of projects and real estate agents mandatory
- Makes mandatory disclosure of details of all registered projects such as contractors, architect, structural engineer etc.
- No pre-launch will be allowed without getting all approvals from the local authorities and without obtaining registration from the regulator.
- The act covers any projects that is more than 500 sq meters or has more than 8 apartments (State given flexibility to lower this requirement further)
- Developers will have to provide brief details of projects launched in past five years, both completed and under construction, and the current status of the projects. This may be available on the regulator's website so buyers can make an informed decision.
- Disclosure of carpet area is must and it makes mandatory for builders to deposit 70% of the amount raised from buyers in an escrow account for transparency.
- Seeks to establish fast track dispute resolution mechanism for settlement of disputes through adjudicating officers and Appellate Tribunals.
- The act bars civil courts from taking up matters defined in it. However, consumer courts are allowed to hear real estate matters. The more avenues for grievance redressal would mean lower litigation costs for the buyers.
- Promoters are barred from changing plans and design without consent of 2/3 buyers of the project.
- The act proposes to charge equal rate of interest for promoters and buyers in case of default or delays. The provision was earlier tilted in favour of the builders.





- It makes mandatory to set up an allottees association within three months of allotment of major units/properties so that the residents can manage common facilities like common hall or library.
- With the implementation of this act, the property buyers will be able to check details about a project online. They can also monitor progress of construction and lodge a complaint if it is not completed on schedule.
- However, the fraternity of developers say that projects can be completed on time only if the entire system, including civic departments that give approvals and build basic infrastructure around a project, are made equally accountable.

Conclusion:

- After RERA, the real estate sector will witness the beginnings of a fresh uptrend, driven by improving consumer sentiment in anticipation of higher transparency and efficiency, renewed confidence in the economy and lower home loan rates.

**Green Technologies in Affordable Housing**

- Due to importance of Housing and persistence shortage, affordable housing has been of the paramount importance to the policy makers of the country.
- Govt has launched various programmes to address the housing shortage issue. The additional houses built under the schemes will also add tremendous pressure on the current infrastructure and resources of the country.
- In 2014-15, India's residential sector electricity consumption constituted 23% of the total current electrical consumption.
- Further, the projection scenarios indicate that the electricity consumption of the residential sector is expected to rise by more than 8 times by 2050.
- Hence, it is of vital importance to build houses that minimize the use of energy, water, and material resources during their life-cycle.

Government Effort:

- In 2001, India introduced the Energy Conservation Act, which led to the development of a first generation Energy Conservation Building Code (ECBC) for the building sector. It has been revised recently.
- Bureau of Indian Standard (BIS) has also added Part 11 Approach to Sustainability in National Building Code (NBC).
- Ministry of New and Renewable Energy (MNRE) offered capital subsidy for purchase and installation of solar water heating and solar lighting equipment in houses.
- While the existing green rating programs encourage voluntary certifications of the housing complexes, concerted policy efforts are required to promote the use of energy-efficient and green technologies for affordable housing.

Few examples of green technology for affordable housing:

- Efficient envelope – To minimize the heat gain inside the building. For this walls, windows and roofs can be constructed with materials having high thermal resistance.
- External Shading device, fixed or movable, can be a very cost-effective approach for affordable housing to reduce direct solar radiation and heat gain from the window.
- Low cost technology – In extreme climatic conditions, low energy cooling technologies will help in keeping the resident thermally comfortable and healthy. Evaporative cooling is one of the cost-effective technologies that can maintain space thermal comfort with low energy consumption.



- Integration of solar lighting and water heating in the affordable houses can significantly reduce the energy consumption of the affordable houses. Energy Management System (EMS) is a very effective measure of energy use of affordable housing.

**Conclusion:**

- A plethora of cost-effective approaches to incorporate energy efficient and green technologies is available. A set of pre-configured housing layouts and pre-design approach would further provide an opportunity to scale while minimizing the cost of housing design.
- These good quality affordable housing with green technologies can play a significant role in securing the well-being and economic growth of the country.

**Housing the Poor in Smart Cities**

- According to census 2011, about 1.37 crore (17.4%) urban households live in slums. Also, class I cities (population > 100000) continue to be attractive places for migrant.
- As a result, pressure on existing infrastructure is increasing and the size of slum is also increasing.
- This raises a concern – are we doing enough to address these issues when we are planning Smart Cities?
- The Smart Cities focus on “sustainable and inclusive development” and on creating replicable models that will inspire other cities to transform.
- The Smart Cities Plans (SCP) consist of an area based development plan (ABD) and a pan city plan. The ABD aims at transforming a specific area within the city by improving its design, infrastructure etc. and Pan City Plans focus on improving city governance/management mainly through the use of smart technology solutions.
- However, housing has not been a major focus area in the Smart Cities Mission or in AMRUT. Both are expected to have convergence with the mission on Housing for All.

**Housing for the Poor:**

- In SCP, it is entirely up to the city if it wishes to select an area in ABD that has slums which need rehabilitation or redevelopment.
- In the housing sector, the Smart Cities plan have proposed projects for in-situ slum rehabilitation, redevelopment, affordable housing for EWS and LIG, rental housing etc.
- Not all SCPs have a component of housing or slum redevelopment as part of their ABD. Housing component in the smart cities is expected to be provided through convergence with PMAY and also other local slum redevelopment/rehabilitation schemes.
- Few noticeable examples of how the housing component has been addressed in ABD are mentioned below:
  - In Ahmedabad affordable housing of more than 40000 units are expected to be delivered by 2017-18 under various schemes such as MukhyamantriGruhAwasYojana, BSUP, RAY etc.
  - In Bhubaneswar, 6000 housing units would be constructed under 'Mission Abaas'. Slum redevelopment under the Mission Abaas expects to transform 24 slums into four integrated housing societies.

**Challenges:**

- While in-situ redevelopment is the best option for improving the quality of life of slum dwellers, it is not considered as an option and most often these dwellers are evicted and



rehabilitated somewhere else in order to release high value land for redevelopment to earn maximum revenue from the land.

- Hence, inclusive planning has not always been the most viable strategy.
- Another challenge is the sustainability of the dwelling units and their maintenance.
- People's participation is yet another challenge that smart cities must overcome. Housing for slum dwellers must be designed and implemented with the participation of the slum community.
- It has been argued that the implementation of Smart Cities Mission through the formation of SPV is anti-poor as the private sector would not be very keen on undertaking housing for the poor. It may also promote eviction and rehabilitation.
- The emphasis on ownership housing will not solve the problems of slum until we address the issue of rental housing. There are many temporary migrant workers and affordable rental housing can address their needs.
- Financing is always a major challenge when providing housing for lower income groups. While the govt. is providing interest subsidy, the main concern remains whether the poor can access credit to be able to take full advantage of this provision.
- There are often delays in implementing housing projects due to delay in land acquisition and getting approvals.

Opportunities:

- The Smart Cities Mission along with Housing for All provides great opportunity for cities to provide innovative housing for poor.
- An example of use of innovative materials for rapid affordable mass housing is Glass Fibre Reinforced Gypsum (GFRG) panels. A demonstration building made of GFRG panels has come up in IIT Madras.

Conclusion:

- Housing for the poor can also be designed innovatively to not only provide adequate light and ventilation, but also allow them to carry on with their livelihood in vertical buildings.
- An example of this is the Karimadom colony designed by Costford (Laurie Baker Centre for habitat studies), Thiruvananthapuram, where open space is provided on each floor for carrying out economic activities.
- Securing the livelihoods of the poor and improving their health can be achieved only if housing for the poor does not remain a target meeting exercise.

### **Infrastructure Requirements for Housing for All**

- The public housing programme in the country started with the rehabilitation of refugees immediately after the independence and since then it has been a major focus area of the govt. as an instrument of poverty alleviation.
- Construction sector accounts for 8% of the Indian GDP and is the second largest employer and contributor to the economic activity. It accounts for second highest inflow of FDI after the services sector.
- Cities are the centers of wealth and they are also intertwined with the national and rural economy through consumption patterns, remittances and other links.

Government efforts to resolve the issues for housing and urban service delivery:

- 1<sup>st</sup> attempt at setting urban service norms and standards was made in 1963 by



Zakaria Committee.

- Town and Planning Organisation (1974); Planning Commission (1983,1999)
- Operations Research Group (1989); Ministry of Urban Development (1991)
- Central Public Health and environmental Engineering Organisation (1999)
- Ishar Judge Ahluwalia Committee on Indian Urban Infrastructure and Service (2011)
- National Urban Transport Policy

The major challenges market faces on supply and demand side of housing and urban infrastructure are:

- Complex and lengthy processes for pre-implementation stage
- Lack of adequate external infrastructure and connectivity – Some of the state governments have taken proactive steps to address this. For instance – the land pooling scheme and re-densication scheme in Madhya Pradesh, GPS-based Physical Progress Monitoring System in Karnataka and so on.

Various important infrastructural issues:

- **Water, Sanitation and Health** – Inadequate coverage, intermittent supplies, low pressure, and poor quality are some of the most prominent features of water supplies in Indian cities.
- Pollution of water, air, and land has contributed greatly to the proliferation of disease. Water supply is inadequate, poor maintenance and inadequate replacement leads to technical losses. Errors in metering, un-billed water consumption and plain theft contribute to commercial losses.
- In addition, the most common natural threats to the cities are related to flooding, erosion and water pollution. It is evident that large scale centralized engineering projects have historically done more harm than good. Alternatively decentralized urban water management has to be tested.
- Sewage service should keep their network free of obstruction and leakages and treat the entire volume of waste collection in a manner that preserves waterways, water sources and the environment as a whole.
- It is estimated that the lack of waste water treatment leads to over \$15 billion spent in treating water-borne diseases in India.
- **Solid Waste Management**–Although the generation of solid waste is at much lower rate than in most countries, the management and disposal of solid waste needs improvement. Neither households nor municipalities in India practice segregation of biodegradable waste from the rest, and public awareness on the benefits of segregation is low.
- The collection of the garbage from dumpsites is infrequent, processing is not done in most cases, and disposal rule are not followed. The Municipal Solid Waste Rules were put in place in 2000 but their enforcement has been poor. The fact that a large part (over 60%) of India's waste is biodegradable, provides an opportunity for composting.
- **Transportation** – Public transport accounts for only 22% of Urban transport in India compared with 49% in lower middle income countries (e.g. Venezuela, Egypt etc.) and 40% in upper middle income countries.
- Share of the public transport fleet in India has decreased sharply from 11% in 1951 to 1.1% in 2001.
- The highly inadequate and poor quality of the public transport system in Indian cities not only poses a major challenge to realizing the growth potential of the economy but also



has adverse impact on the health and well-being of people. Long hours spent on road journeys, lives lost in road accidents, and air pollution are only some of the effects of the acute problem of transportation facilities in and around cities.

- The defining trait of urban transportation is the ability to support higher densities in urban areas and efficiently, affordably move people and goods through and in the city.
- In order for cities to perform their role as engines of economic growth and innovation, while providing an improved quality of life to its residents it is very important to integrate the competing demands of transport, housing, and commercial real estate in their development.
- To some extent, the poor condition of public transport in India can be attributed to the fact that the tax policy regime militates against public transport. The total tax burden for public transport vehicles per vehicle km is 2.6 times higher than for private vehicles.
- The Parliamentary Standing Committee on Urban Development (Urban Transport) 2010 recommended a 'congestion tax' on personal vehicles in the form of a toll tax in congested areas. However, the Ministry of Urban Development has indicated that 'in the Indian context, levying of congestion tax may be pre-mature at this stage keeping in view the quantity and quality of the available public transport and absence of Intelligent Transport System.
- Now, the time has come to impose the congestion tax to maintain such chaotic situation and to reduce the carbon emission for the living of future generation.

### **Building Durable and Quality Houses in Rural Areas**

- Homelessness is a major problem across the world. According to the 2011 census, there were 1.77 million homeless people in India, or 0.15% of the country's total population.
- Housing for the poor is a critical factor for poverty alleviation. The problems of homelessness and slums in urban areas are also due to spill over problems of inadequate rural habitat or rural employment opportunities.
- Indira Awas Yojana (IAY) was launched in 1996 with an aim to address the housing needs of BPL households. However, the limited scope of coverage under the programme resulted in considerable gaps in rural housing.
- Hence Govt launched Housing for All by 2022 by constructing 2 crore affordable houses in urban areas and 3 crore in rural areas. To address this commitment and address rural housing gaps, IAY has been restructured into Pradhan Mantri Awas Yojana – Gramin (PMAY-G).
- There are around four crore rural households facing deprivation according to the provisional figures of Socio-Economic Caste Census (SECC).

- Launched in July 2015, the SECC was carried door to door across rural and urban India to study deprivation across 14 parameters.
- The higher the deprivation score, the higher the ranking of the household for getting govt. assistance.

### **Innovative Strategies to achieve the target of PMAY-G**

- The States are expected to provide the beneficiaries a bouquet of options for house designs according to local conditions using appropriate technology suitable to the region of their residence.
- States may follow saturation approach using the Gram Panchayat, Block or District as a unit. Priority will also be given to Saansad Adarsh Gram Yojana (SAGY) Gram Panchayats, RURBAN Clusters, Open Defecation free Gram Panchayats and Gram



Panchayat with strong social capital through DeenDayalAntyodayaYojana- National Ruaral Livelihoods Mission (DAY- NRLM) Self Help Groups of women. Saturation approach improves supervision, availability of masons and materials, and comprehensive habitat planning.

- The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995, provides for social security for persons with disabilities. Accordingly, in allocating houses under PMAY-G, the priority must be given to such persons. The State, to the extent possible, may ensure 3% of beneficiaries at the State level are from among persons with disabilities.
- As far as possible, 15% of the total fund would be earmarked for Minorities at the National Level for households to be covered as per SECC 2011 as validated by the Gram Sabha.

### Implementation Support Mechanism:

- **National Technical Support Agency** for rural housing – It has been set up at national level to provide technical support in achieving the target of Housing for All. Its activities would include – ensuring quality construction, monitoring, management of extra budgetary finances, IEC activities etc.
- **Convergence** – Convergence of existing schemes of both Centre and State/UT govt. need to be ensured. Construction of toilet has been made an integral part of the PMAY-G house. This shall be provided to beneficiaries through funding from Swachch Baharat Mission – Gramin, MGNREGA or any other dedicated financing source.
- The beneficiary of PMAY-G should be provided access to safe drinking water in convergence with National Rural Drinking Water Programmme or other similar program.
- Convergence with DeenDayalUpadhyay Gram JyotiYojana(DDUGJY) shall be effected for providing electricity connection to a PMAY-G beneficiary.
- To provide clean and more efficient cooking fuel to the beneficiaries of PMAY-G, the govt. should strive to get LPG connections for them under Pradhan MantriUjjawala Scheme.
- Similarly, to meet the requirement of building materials, the state govt. may take up production of building materials viz. bricks stabilized mud bricks etc. through convergence with MGNREGA.
- Through convergence withSwachhh Bharat Mission (G), cleaner and healthy environment for households can be ensured.
- **Reporting Mechanism** - In PMAY-G, implementation and monitoring shall be executed through an end to end e-Governance model. It will be done through MIS – AwaasSoft scheme.
- Availability of Land, its timely development with requisite infrastructure facilities and service is of prime importance for facilitating a sustained growth of housing activity. Formulation and implementation of a sound land policy is utmost importance.

### Conclusion:

- PMAY-G is a major step forward in bringing together Skill India, Digital India, Make in India, DBT Aadhaar platform and Pradhan Mantri Jan DhanYojana.
- The programme provides for skilling 5 lakh rural masons by 2019 and allows over 200 different housing designs across the country.
- A house is an economic asset and contributes to upward social mobility with salutary impact on health and educational achievement. The tangible and intangible benefits



flowing from a permanent house are numerous and invaluable to both the family and local economy.

#### Cooperative Housing Movement in India

- The National Cooperative Housing Federation of India is the apex organization of entire cooperative housing movement in the country. It is engaged in promoting and coordinating the activities of housing cooperatives since its inception in year 1969.
- Housing cooperative has been defined as a legally incorporated group of persons, generally of limited means, pursuing the same cause of meeting the common need of housing or its improvement based on mutual assistance.
- In such a cooperative, the membership is voluntary and control is democratic and members make an approximately equal contribution to the capital required. It has a strong emphasis on self-help and cooperative action are basic characteristics of housing cooperatives.

#### Advantages:

- A housing cooperative is neither a public nor a profit seeking organization. Its principal objective is to eliminate economic exploitation as it is controlled by members only.
- Its member get an opportunity to control the house designs at the planning stages.
- It satisfies quantitative as well as qualitative aspects of housing. As it incorporates a high degree of participatory involvement, the housing stock created is more responsive to user's needs than those supplied through any other sub-system.
- Project cost efficiency is demonstrated on account of the concerted efforts of members to keep overheads to a minimum and to effect economy in construction by other means as well.
- Loans are arranged by the cooperatives for their members and the members have the collective responsibility for its repayment.
- The members have got the right to vote and participate in the affairs of the cooperative, and as such they develop a sense of self-reliance and self-respect.
- A cooperative is a small community by itself and hence can undertake several social activities such as organizing special programmes, arranging health services, improving the ecology of its area, improvement in social behavior and mental health etc.
- Other economic activities such as consumer cooperatives, banks, clubs and other common services which are needed by the community can be established by a housing cooperative in an economical manner.

#### **Housing for Particularly Vulnerable Tribal Groups**

- The ministry of Tribal Affairs is implementing the "Scheme of development of Particularly Vulnerable Tribal Groups(PVTGs)" which aims at planning their socio-economic development in a comprehensive manner while retaining the culture and heritage of the community by adopting habitat development approach and intervening in all spheres of their social and economic life, so that a visible impact is made .
- Various activities are included under the scheme. Some of them includes Livelihood; Employment opportunities and economic development of PVTGs through Agriculture, Horticulture etc.
- Housing and Habitat covers funds for housing for PVTGs, primarily through special assistance under IAY and additionally through this scheme, for gap filling and for enhancing scope of coverage.