

# Analysis on Pradhan Mantri Awas Yojna Implementation for Rural India Empowerment and Development

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## Abstract

Pradhan Manthry Awas Yojana is a centrally sponsored scheme which aims to achieve a man's basic need i.e. shelter through housing for all by 2022. Housing for All (HFA) Mission is launched with an objective of addressing the housing requirement of urban poor including slum dwellers through following program verticals:

- Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource
- Promotion of Affordable Housing for weaker section through credit linked subsidy
- Affordable Housing in Partnership with Public & Private sectors
- Subsidy for beneficiary-led individual house construction.

Purposed research paper undergone through several literature, offline and online work studies under Pradhan Manthry Awas Yojana to analyzed effectiveness of it in nation economy building, development and empowerment.

## Keywords

Pradhan Manthry Awas Yojana, Housing loan under PMAY, PMAY, Housing for All, HFA, Slum rehabilitation.

## Introduction

India lives in its villages. Three out of every four Indians live in villages. It is noticed that a vast number of people in rural areas of India are without adequate food, clothing, and shelter, medical, educational and cultural facilities. Even today the picture of representative Indian village is ill-defined assemblage of 'mud-walled cottages' with thin thatched roofs, with hardly any roads and source of drinking water and inhabited by men and woman, illiterate and ill-fed, and surrounded by a crowd of rickety children, all living in the company of or side-by-side an equally emaciated buffalo, or a cow or a goat and all this in spite of number of programmes meant for the eradication of rural mass poverty right from the 'Community Development Projects' in 1952 to the presents 'National Rural Employment Guarantee Act' (NREGA). Right from 'Gandhiji' to the present day economists and policy makers in India all appear to have shown an awareness of the problem of people in rural areas of the country and the need to bring about rural reconstruction which has been receiving considerable attention especially since the era of economic planning commenced in the country since 1950.<sup>1</sup> This becomes obvious from the Community Development Project, the 'Panchayat Raj System', the 'Small Farmers Development Agencies', the 'Drought Prone Area Program', 'Tribal Area Program', the 'Minimum Need Program', the 'National Rural Employment Program' and almost countless number of committees and commissions that have studied the problems of rural masses and rural areas of the country. If economic prosperity of Indian rural masse would mean economic prosperity of the country it follows that general readers as also students of economics or commerce would be and should be interested to know the nature of various rural economic problem and what efforts are being made to solve them and with what consequences. One reason for mass poverty in rural India is the lack of employment opportunities ensuring steady and reasonable

income to vast masses of the rural working population. Agricultural land still continues to be the main source of income of the rural people. There is, however, too much of pressure of population on land and majority of the people do not possess any productive assets in the form of land. Also since nearly 70 per cent of cultivated land still depends upon the vagaries of monsoon, agriculture, except during sowing and harvesting season, is not in a position to provide adequate employment opportunities to the rural work-force throughout the year. Alternative source of employment is employment in rural and cottage industries. With all the repeated emphasis on the development of rural industries, they have not developed to the extent of providing sufficient employment and steady income to all the unemployed rural work force. Thus, lack of adequate employment opportunities in rural areas of the country ensuring steady and reasonable income accounts for rural mass poverty. A number of special schemes are being implemented for the benefit of the rural poor. There are schemes such as the Small Farmers Development Agencies, Marginal Farmers and Agricultural labour Agencies, Integrated Rural Development Program, Drought Prone Area Program, Tribal Welfare Program, Rural Employment Guarantee Scheme, 20 - point Program, Swarn Jayanti Gram Swrozgar Yojana etc and Pradhan Mantri Awas Yojna PMAY is one of the effective schme to fulfill all above specially with objecxtive Housing for All (HFA).

### **Implementation Evidences**

#### **ONE**

Union Finance Minister Nirmala Sitharaman in her maiden budget speech on July 5, 2019, proposed to build 1.95 crore dwelling units under the Pradhan Mantri Awas Yojana (PMAY) (Gramin) — the prime minister's rural housing scheme. It was a reiteration of the target to build as many houses in villages and 1.87 crore units in urban India. In the four years of the scheme's implementation, some 70 lakh units have been completed under PMAY-G and 26 lakhs under PMAY-U (urban), according to the scheme's state-wise progress stated by the Union Ministry of Housing and Urban Affairs. When the country is set to build dwelling units four times this number in the next three years, the expanse of the construction is going to be frenetic. The quality of that construction and its ability to drive the agenda of thermal comfort as mentioned in the India Cooling Action Plan is unclear.

#### **TWO**

The carpet area for loans under Credit-Linked Subsidy Scheme (CLSS) vertical of PMAY was increased to 160 square metres (sqm) for middle-income group I (MIG I) and 200 sqm (MIG II) in 2018. 200 sqm (2,150 square feet) is typically a dwelling unit size desirable for the higher-income segment. The country already has a stock of 11 million units vacant in the upper-income segment, according to Census 2011. Increased availability of finance will deliver units in the segment, which contrasts the segment constituting 96 per cent of the country's shortage.

#### **THREE**

Sitharaman announced "An additional deduction of Rs 1, 50,000 on interest on loans borrowed under affordable housing". This subsidy follows the previous interest subvention of Rs 1.5-2.67 lakh under the CLSS vertical of PMAY. As an intervention to aid the demand side in housing sector, CLSS has remained the weakest vertical of PMAY, forming only 4 per cent of the total units sanctioned as of date. This move comes as a crucial way to mitigate the very weak ability of the poor to access housing finance. Economically weak and lower-income households who work in the informal sector, find challenges in producing the documentation required to avail of finance under the scheme. As a result, most housing credit went to segments with loan tickets of at least Rs 10 lakh and above. Loan disbursement in slabs of less than Rs 2 lakh, 2-5 lakh, and 5-10 lakh faced a decline by 18.71 per cent, 34.14 per cent, and 14.17 per cent in 2017-18 year-on-year, according to National Housing Bank. Loan amounts of up to Rs 2 lakh saw the highest growth in gross non-performing assets (NPA) at 11.33 per cent for public sector banks (PSB). Housing finance companies (HFC) also saw a sharp surge in housing loan NPAs

in this slab. This is worrisome as more and more financing institutions (both PSBs and HFCs) are discouraged to lend to the lower-income rung — the primary target group of PMAY, forming 96 per cent of the country's shortage. Other moves to streamline housing finance include the proposal to put regulation of housing finance scheme under RBI.

## FOUR

Sitharaman also announced that soon there would be reforms in the rental housing sector — thought to be put on the back-burner. The government recognises that current rental laws are archaic, as they do not address the lessee-lessor relationship adequately. Rental law is a tricky aspect in cities. Local laws are largely framed in the favour of tenants, with them paying rents frozen years ago. Currently, India is incubating its rental housing policy since the release of the draft Nation Urban Rental Housing Policy in 2015. It focuses on the supply of rental housing units. Another draft came in 2018 and highlighted three rental housing options Social rental housing for vulnerable groups, urban poor, economically weak / lower income Need-based rental housing for migrant labour, single men, single women market-driven rental housing for private and institutional rental. Odisha, Maharashtra, Chandigarh are few of the states and Union territories to make efforts on rental housing recently. Pradhan Mantri Awas Yojana has a public-private partnership model to develop rental housing.

## Conclusion

From studies observed clearly the access to secure tenure and housing has been a perennial issue plaguing the urban poor for the past many years. Housing is an important determinant for quality of life of people. It is the most basic need of human being after food and clothing that needs to be addressed on priority. 122 Detailed Project Reports for Beneficiary Led Construction (New) of 93 Urban Local Bodies for the construction of 36918 dwelling units to the tune of Rs.1107.54 Crore have been approved by the Ministry of Housing and Urban Affairs. Construction of 12168 houses have been started and 229 houses have been completed under Pradhan Mantri Awas Yojna (PMAY).

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