

Development of Housing Policy for Urban Poor in India

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Abstract:

The paper explains the evolution of policy for the poor population of urban regions since independence of India. The evolution of slum policies in the state of Maharashtra is explained in detail in chronological order by taking into consideration the reasons which compelled the improvement in the policy. At the same time, slum policy evolution at the national level has been also described.

Key Words Slum, Urban Housing, Rehabilitation

Most slum dwellers i.e., 63 percent in Southern Asia which in absolute term comes to 170 million people, reside in India. Southern Asia's slum dwellers constitute 27 percent of the global total (UNHABITAT, 2006). India houses 17 percent of the world's slum dwellers. The expansion of slums as a sign of inequality in India is the epitome of multidimensional poverty. It is, therefore, necessary to take deliberate measures in the form of policy and planning to deal with the problem of slums. The government of India is formulating and improving the various schemes for poor and vulnerable sections in general and urban poor in particular. This paper is an attempt to describe the Indian government policy for urban poor.

The paper explains the evolution of policy for the poor population of urban regions since independence of India. The evolution of slum policies in the state of Maharashtra is explained in detail in chronological order by taking into consideration the reasons which compelled the improvement in the policy. At the same time, slum policy evolution at the national level has been also described.

Various departments and institutions formulate and manage the Indian government's poverty alleviation programs e.g., the departments like social welfare, urban employment and poverty mitigation, and others. The outline of the five-year development plan of Indian government indicates that many poverty reduction/alleviation/eradication programs are driven and funded by the Centre. There is a lot of scope available for states to develop and support such programs on their own and decide how such programs they can implement at their level. (Loughhead et al. 2001). Poverty alleviation schemes in India have remained ineffective due to the involvement of multilevel institutional system. Many schemes of poverty alleviation have been renamed under different headings, many times restructured or combined and managed by various agencies. The target interest group for projects ought to be diverse. It was redefined at the state level where administrators and local politicians have intervened on Central Government driven programs to develop their plan.

A new dimension to policy for the poor was developed in the 1990s. In 1992 the 73rd and 74th constitutional amendment acts were passed to create opportunities for decentralized management systems through citizen participation in rural and urban local bodies. These bodies were empowered for identifying, formulating, implementing and at the same time monitoring local development and welfare programs for enhancing economic development in the region along with social justice. The constitutional amendment acts have been implemented to a varying extent in different states. Many states could not use the opportunities made available by the constitutional amendment acts to work on replication. Also, the capacity of local institutions to deliver such services was constrained by the

limited financial resources available to them and the lack of managerial, technical, and institutional experience made the task more difficult.

The government of India's strategy for poverty reduction is based on two critical pillars: First involves the stimulated and systematic growth requiring more work of the economy and second involving the expenditure for development of human capital by education. Along with the above mentioned two important strategies, direct anti-poverty programs are the complementary strategies including safety nets. The government of India is actively engaged in a range of social development and protection programs. As per the document concerning the Ninth five-year plan, the government accepts that the process of economic growth accentuates inequalities and thereby poverty. This process of inequality accentuation is due to the presence of initial variation found in endowments of physical resources and human capital especially among segments of the society like women and socially and economically backward communities. Therefore, social protection is considered as necessary to develop the capacities of these segments of society. It is important to note that social welfare is not considered as a strategy that will provide security for lifetime, and therefore, social protection programs have been designed in a way that avoid dependence of weaker sections of society on the government.

The Government of India has devised various programs and schemes to alleviate poverty. These poverty alleviation schemes and programs have undergone changes from time to time adopting the changes in socio economic environment of poor.

The Urban Poverty Alleviation Policy

The ministry for housing and urban poverty alleviation is funding and managing several poverty schemes from urban areas aimed for the enhancement of productive employment along with income for the poor population. Also, many schemes are involved to improve health and welfare services by improving infrastructure in poor neighborhoods.

The nature of government policies and programs addressing urban poverty has changed over the plan period. In the first plan, greater emphasis was on the procedure to look after the problem - social and economic inequalities, while the fourth plan tried to focus on issues related with income distribution. In the eighth and the ninth plan, the emphasis was on provision of productive employment, shelter, and services.

Initiative on urban poverty started in the 1950s with community development programs. Urban slums improvement schemes began in 1974. In 1980 the National Commission for Urbanization recommended considering urban poverty at par with rural poverty so that strategy for improving the lives of the poor population from urban regions should be immediately developed. This recommendation led to the formulation of the four-pronged policy in 1989. Primarily it included employment generation regarding low-income groups by promoting the micro-enterprises and public works - secondly, upgradation of the houses and shelters. Third, developmental planning related to social affairs with an emphasis towards the children and women developmental programs, and fourth was - an improvement of the environment in slums in urban areas.

In line with the above stated four-pronged strategy Central government launched two schemes for the urban poor:

1. Nehru Rozgar Yojana: This scheme was aimed at catering the economic requirements of the poor population from urban regions through the implementation of gainful employment along with the skill enhancement and assistance in various forms in setting up micro-enterprises.
2. Providing Basic Services to urban poor: This included neighborhood development through committees involving bottom-up planning in slum pockets.

Along with the Central government, state governments too focused on slum improvement programs whereby they tried to deliver a standard package of basic facilities for improving environmental infrastructure and slum up-gradation in urban areas. These schemes for slum upgradation were supported by the World Bank and other donors since 1970 and Department for International Development (DFID) since 1980.

Slum Policy in Maharashtra

The slum upgrading policy through the 19th century was limited for knocking down and redeveloping the squatter settlements based on a planning model emerged from the 'industrial superior Britain' (Dossal 1989). Many developing countries started slum clearance programs during the middle of the 20th century, and governments took an active interest in these projects. The critical objective behind the strategy was to earn the profit which can be increased by the redevelopment of prime real estate (Mukhija 2016). Because of the disdainful approach towards the poor and the profiteering motive, these strategies attracted acute criticism (Abrams 1966). The vital criticism levelled against the strategy was complete ignorance of slum dwellers about their physical preference to stay in a particular city. Because of such arguments, the government slowly started formulating plans which helped in reducing the problems of the slum communities. Following are the important phases of slum policy in Maharashtra:

In 1956, in Mumbai City, a slum improvement program was initiated under the act known as 'The Slum Areas (Improvement and Clearance) Act.' According to this act under Section 10 and Sub-section 4, it is stated that:

" The competent authority may be considered reasonable at the condition when the order related to the slum clearing is under operation and the building owners who have been ordered for this operation have been pulling down the buildings before the expiration of 6 weeks concerned with the date of order that has been implemented to vacant the building on or before the expiry date."

Apart from the above-mentioned act, it was stated that the Central government will withstand the authority of occupying the land in case the mentioned land has not been used within a time period of 12 months of its clearance to use as per the city plan. The act also empowered the state to declare the concerned area to be slum depending on the surveys and enact slum clearance over it.

This strategy has not been effective to achieve its objective of eliminating the slum areas in Mumbai city. The underlying issue was considered as an effort that needed more capital when compared with any developing country that can raise or release for such programs. Slum inhabitants were also not happy as they were relocated to sub-standard areas, away from the places where they have employment opportunities. Therefore, these programs received a lot of criticism from the residents of slum and eventually, the government replaced slum clearance strategies with the broader objective to improve the slum conditions by acquiring essential services and good facilities to slum dwellers. During the year 1971 in Mumbai, for improving the conditions of the slums of this nature was introduced.

Slum Improvement Program 1971

By 1970 the understanding regarding the slums was slowly changing. The 1971 slum improvement act was more sympathetic towards slums and slum dwellers. The state understood and recognized that it is appropriate and necessary to see that slums must not become harmful towards the health, safety, and convenience of the population.

The Maharashtra government started sanitary projects in slums for accessing the sanitary and hygienic conditions to the slum population in spots that have been considered under the jurisdiction of the Maharashtra Regional and Town Planning Act (MRTP) 1966. It conveyed that only those land

pockets needed improvement which lies under the development plan of the city. Such lands only would be provided with the essential utilities. Later, with an amendment in 1973 in the act, the Slum Improvement Board was established to expedite the work of provision for essential utility services to the slum dwellers. The scheme did not show complete success. The promises were not fulfilled. Utility improvements provided were less than expected under this scheme (Jagdale 2014).

Slum Upgrading Program SUP 1985

SUP program conveyed an arrangement for leasing of slum land to cooperative groups of slum dwellers at affordable rates, also providing them loans for improvement of housing and the nearby environment. This scheme was based on the program, funded by the World Bank (WorldBank, 2019). Because of this scheme, discontent among the slum population groups started rising. Those who found themselves getting fewer assets than others were unhappy. Also, there was a problem in the acquisition of private land that consisted of half the population of the slum of the city. Another program in this line was the 'low-income group shelter program,' which had been considered as a self-financing program. The state government provided cost-free land to agencies for this program for building houses. The expense incurred by the agencies was funded by selling the plots to the groups belonging to the middle- or high-income groups. The major problem with this scheme was that it benefited more to the middle-income group than the targeted low-income group (Jagdale 2014).

The Prime Minister's Grant Project PMGP 1985

During the year 1985 when World Bank-sponsored Slum Upgradation Program, the Prime Minister of the country Mr. Rajiv Gandhi also granted rupees 1 billion as a contribution to the housing projects leading to formation of a new scheme PMGP. The focus of the government under this scheme was on upgrading the Dharavi slum.

This led to the formation of an establishment of a PMGP unit under the State Housing Authority. The PMGP gave the two-prong solutions to the population living in slums of Dharavi. The slum dwellers were given a choice to acquire the ownership of their own land along with the sponsored loans for its development, or they may choose the unconventional reconstruction. Those who opted for the second option in their place, the existing slums were knocked down, for redevelopment of the land and higher intensity residential complexes were built by developers. To convince the builders for participating in the scheme, more development rights of approximately 20% were given. It was considered as a model for recovering the cost, at the same time the people from the slum must pay money for the new house (at much lower rate than the market rate).

Though the demand for housing units under the PMGP scheme was high, only 3800 units in the first phase of work were completed. This scheme's implementation was the beginning of the realization of an in-situ development strategy for slum rehabilitation.

Privatization of Slum Rehabilitation

With the arrival of the liberalization of the markets in the nation during the year 1991, the government opened the field of slum rehabilitation to private for-profit players. The following important schemes were introduced by the government after 1991.

Slum Redevelopment Scheme SRD 1991

SRD program was nothing but an extension of PMGP to the rest of Mumbai beyond Dharavi. However, the project financing strategy of the SRD scheme was utterly different from that of PMGP. The scheme of SRD was based on incentivizing private developers by providing them some relaxation in regulations while developing the slum land. Additional area ratio of the floor or floor space index was provided to developers as an incentive. The extra units formed by developers might be sold at market price, and the entire profit might remain with private developers as per the guidelines of 'The

Modified Development Control Regulation (DCR) of the Government of Maharashtra, 1991'. This action is called 'cross-subsidization' by the government to the developer and to the population of slums, who in turn would be given new apartments at minimal cost in the same location.

As an incentive to the builder the floor space index was increased from the previous 1.33 to 2.5 for the city, as per the modified DCR. In addition to this, SRD 1991 also restricted the profits of the private developers to approximately 25%. At the same time, the condition of the consent collection of 75% of the population dwelling in slums was also maintained.

Even though the government ordered a condition of 25% profit, the developers in a competitive market started earning much more than that. It also led to the sub selling of the projects from major players to the smaller ones. Transit accommodation was also a major problem along with getting the consent of 75% of the population living in slums. The above-mentioned events led to a rise of distrust in the minds of slum dwellers. Also, the scheme was only available to those who had occupied the slum land for ten years or more than that.

Slum Rehabilitation Scheme SRS 1995

During the year 1995, the Afzalpurkar committee altered the scheme and launched the new scheme known as the Slum Rehabilitation Scheme (SRS). The eligibility criterion of 10 years of stay of slum dwellers was abolished. Every slum dweller who was in the electoral voter list in 1995 was made eligible for the benefit. This eligibility condition led to the inclusion of even pavement dwellers in the beneficiary segment of SRS. The profit cap of 25% for builders was also removed. Beyond Additional Development Rights, the scheme also introduced the aspects of Transferable Development Rights (TDR) for attracting the private developers. This TDR permitted the developers for transferring a portion of the rights concerned with the surplus development obtained under the SRS scheme for the slum rehabilitation project to other sites of construction in the city. The carpet area of the dwelling unit was enhanced from earlier 15 square meters to 20 square meters. At the same time, the cost which the dwellers were to pay was abolished, making it virtually free of cost housing for the population living in the slum. The government established a central agency to monitor and clear, the vacant public lands which were provided for constructing transit accommodation for slum residents as apart of incentive to the private developers. A state-level slum rehabilitation authority was developed for supervising, correlating, and approving SRS schemes. SRS introduced path-breaking innovations in the field of slum rehabilitation, but it failed in attracting the full potential of the competitive housing market that was booming in the nation in other parts.

For effectively implementing the slum redevelopment model, the Maharashtra government created authority in 1997 called Slum Redevelopment Authority -SRA.

The authority would be the agency accountable to examine and approve various projects proposed by developers for slum redevelopment. The chairperson of SRA has been the Chief Minister of Maharashtra. Against the vast target of 1 million in the first decade, only 0.15 million tenements were rehabilitated under the SRA model from the two decades. 0.12 million tenements have also been permitted, but the construction is not in progress (Zhang, 2016).

Through the model of SRA, some of Mumbai's eminent development projects regarding real estate like Imperial Towers are constructed on former slum land. These twin towers which are considered as luxury residential skyscraper complex in South Mumbai were inaugurated in 2010. It was the first project under the SRA model of slum redevelopment of a large-scale nature.

As per Asim Gupta chief executive officer of SRA in 2016, (Zhang, 2016) SRA is going to speed up slum rehabilitation by giving people of slums warning for choosing a developer to develop their slum

land. If slum dwellers do not select a developer before the specific date SRA might appoint a developer to the community so that the process of redevelopment gains momentum.

The model of SRA is not free of limitations. SRA is the first of its kind market-dominant model adopted by Mumbai as the first city in the world to do so for the redevelopment of the slums but it suffers from various issues. The following are the problems of the model.

1. The process of SRA model initiates from the direct negotiation between developers and people dwelling in slums. Slum-dwellers are given the freedom to choose the developer as per their liking. This freedom of choice is leading to conflict among building developers because all builders want to develop profitable areas. This cut throat competition among developers has created opportunities for rent seeking.
2. The absence of specific standards regarding the quality of rehabilitation buildings as per SRA model has left the discretion on developer to decide on quality parameter. It resulted in compromised lifestyle for slum dwellers in the such buildings. Some rehabilitation plots lack adequate facilities and open space which gives an impression that the rehabilitation buildings are reduced to the level of vertical slums.
3. The cut-off date set by the government for eligibility of rehabilitation has compelled the unqualified population to move and dwell in a slum in a non-official fashion. It is found that once the slum is demolished many people go and settle in other slums.
4. The housing facility provided to the slum dwellers by this scheme is free of cost and the cost is borne out by a developer who ultimately shifts that on the saleable component. Therefore, this model does not provide any incentive to construct housing at different price levels, which eventually has resulted towards the increment of the housing prices in the formal market of housing.

As slums have become a feature of most of the towns and cities in India, national policy and planning are required to tackle the issues related to it

Evolution of Slum Policy at National Level

Looking through the perspectives of national level in India, policies related to the problems of employment in the urban, housing and poverty in the country are taken care of by the apex authority of the Indian government - The Ministry of Housing and Urban Poverty Alleviation.

In 2005, the UPA government announced Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The objective of this Mission was concerned with the improvement of infrastructure and standard of living in cities. Under JNNURM, two major programs were initiated, and they were geared toward providing Basic Services to Urban Poor (BSUP) and Integrated Housing and Slum Development Program (IHSDP).

BSUP scheme highlighted on provision of essential services to urban poor like water supply, waste water drainage, toilets, solid waste management, transport, power, road along with reasonable housing prices for urban poor. On the other hand, another sub scheme under JNNURM that is IHSDP focused on creating an inclusive approach for the management of the city and the planning of urban areas. Integrated Housing & Slum Development Program (IHSDP) was initiated by GOI by integrating the schemes of National Slum Development Program (NSDP) and Valmiki Ambedkar Awas Yojana (VAMBAY). This program was devised to restrict the formation of new slums by ensuring that land was provided to the poor at reasonable cost.

The land availability to the poor was made possible by reserving the land for economically weaker section housing. To restrict the new slum formation in the city, government thought to provide alternatives to housing to the poor people by making provision of amenities, infrastructure, the transport facilities available in the immediate areas outside the cities. According to the government's

recommendations the beneficiary was expected to contribute around 12% of the project cost if he or she belongs to the category of general population and 10% for the poor population from urban regions belonging to special category.

The total number of projects being accepted under BSUP scheme was found to be 213, as a total accepted cost of rupees 17500 crore (Mohamed, 2017). By the year 2011, the amount released was INR 5836 crores, which constituted only 33% of the accepted price. Out of the total 213 accepted projects only five projects are running successfully.

The methodology of releasing the fund for the project was stringent. If the reports by the third-party inspection and monitoring agencies about the progress of the BSUP projects were delayed, the funds were also consequently delayed.

This delay in fund disbursement led to delays in the project because of which the beneficiaries started losing faith in this program and started showing a strong resistance for relocation and development.

Subsequently, in 2009, Rajiv Awas Yojana was declared by the GOI. With the launch of this scheme, there arose a large amount of ambiguity as to how the state governments should integrate BHUP and RAY. Due to absence of proper guidelines from the Central government regarding integration led to confusion. This confusion resulted in disappointing success of the two programs having almost the same functioning policies.

Under the BSUP scheme, a single authorized project was completed, while under the IHDP module only 2% of the projects were completed.

Rajiv Awas Yojana was announced in 2009, but the government took two years to legally launch the program. Also, an additional two years were used to translate it into the implementation phase. RAY proposed a two-step implementation plan of which first was the preparation for creating slum free city and second, projects preparation for selected slums. Implementation strategy of RAY is divided into three levels – Central, state and city with their concerned authorities arranged for supervising it. The assistance from the central government was dependent on the number of people residing in the city. Accordingly, an abatement of 50% of the project price was decided for cities or urban agglomerations with a population 5 lacs and more. Regarding the cities/ urban agglomerates having population less than 5 lakh 75% of the assistance of the project cost was to be given by the Centre. In the case of the regions of North Eastern India along with some states under special category¹, the Central share was found to be equal to 80%. The upper limit of assistance for unit was also set for city based on the population size. Accordingly, an assistance worth INR 500000 per living unit concerned with such cities with population of 5 lacs and more and INR 4 lacs for dwelling unit for cities with population size less than 5 lacs was decided. In case of northeast and special category states the upper ceiling was INR 5 lacs with no such concern of the size of the population in those cities.

The mechanism for the approval of projects involved two stages where detailed project reports were expected to be submitted to the ministry after the acceptance of the state-level legalizing committee. Such detailed project reports were assessed by the Central Sanctioning and Monitoring Committee (CSMC) to decide on whether to approve or sanction the project.

The scheme Rajiv Awas Yojna was restructured. renamed and was launched again as Pradhan Mantri Awas Yojana by the new government.

¹ Jammu & Kashmir, Himachal Pradesh & Uttarakhand

The Pradhan Mantri Awas Yojana

During the 75th year of independence - 2022 the government of India wished to provide housing to all the citizens in the country. Housing to All- the government's ambitious program is initiated by the Ministry of Housing and Urban Poverty Alleviation (MOHUPA). This scheme is called as Mission by the government which will address the gap of dwelling needs of the poor population in urban areas including slum dwellers.

- Following are the crucial features of the program *the housing program for* slum residents: involving the participation of private builders where land will be used as a resource. Through credit linked subsidy, reasonable housing for weaker sections will be promoted. Creation of affordable housing by public, private partnership Individual house construction enhancement by providing subsidies to the beneficiary.

For the above set of programs, the beneficiaries identified are as follows

1. Slum Dwellers where slum is subjected as an intact region consisting of almost 300 people or approximately 60 to 70 households of poor infrastructure, crowded structures in insanitary surroundings mostly lacking adequate infrastructure and sanitary and drinking water facilities.

2. Economically Weaker Sections (EWS), Low Income Groups (LIG) and Middle-Income Groups (MIG), the beneficiaries are classified based on their annual income as follows: the people with the income up to 3 lakhs annually are considered as EWS and for LIG the limit is 3 to 6 lacs whereas for MIG the limit set by the government is 6 to 18 lacs. EWS category beneficiaries can get assistance concerned with the four verticals designed by the Mission while the categories such as LIG and MIG are eligible only for the Credit-Linked Subsidy Scheme- CLSS part of the Mission. To avail such facilities as a beneficiary of the EWS or LIG category, the individuals will have to submit a loan application with self-certificate or affidavit as proof of income.

A beneficiary family will be made up of husband, wife, and unmarried sons and daughters.

This facility is provided with the condition that the beneficiary family should not have a pucca house under the ownership of any member of the family across any region of India. Under the scheme, state and Union Territories are given the discretion to decide the cut-off date on which beneficiaries need to be residents of the urban area to avail benefits under the scheme. The projected number of beneficiaries in the slum category is estimated at 18 million and 2 million in a non-slum urban poor category by the ministry.

The total housing gap of about 20 million houses will be addressed through this Mission. This Mission will be executed as merely the Centre funded scheme, but the credit linked subsidy will be followed as a Central sector scheme. The scheme will cover 500 class I cities which are there in 4041 statutory towns enumerated in census 2011. These cities will be covered in the following three phases.

- Phase I was supposed to start between April 2015 and March 2017 and aim to cover 100 Cities selected from States/Union Territories as per the willingness of the States/ Union Territories.

- Phase II in the period of April 2017 - March 2019 to cover 200 more Cities

- Phase III for April 2019 - March 2022 to cover the remaining 200 Cities

The Mission is expected to construct houses of 30 square meter carpet area with necessary civic infrastructure in it. State/Union Territories are given flexibility in the determination of the size of houses and the facilities in the houses at the state level in consultation with the ministry, but in that case, the ministry will not provide any enhanced financial assistance from the Centre. Provision of basic civic infrastructure such as water, sanitation, road, electricity is a prime condition for slum redevelopment projects and affordable housing projects in partnership with the private sector.

Under the scheme of credit linked interest subsidy and beneficiary led construction, urban local bodies are given the responsibility to ensure that individual houses under these schemes have provision for these essential civic services.

In the context of the size of the houses, the ministry wants stakeholders to conform with the National Building Code, but in the absence of adequate area of land, the size of the houses can be reduced but only with the beneficiaries' consent. It is mandatory for the houses, built or expanded under the Mission to necessarily have a toilet facility. Also, the houses constructed under the Mission should be designed and should meet the needs of structural safety against calamities like earthquakes, floods, cyclones, landslides, and likes as per the National Building Code and other relevant Bureau of Indian Standards Code.

Implementation Methodology

The Mission will be implemented by four verticals (MOHUA 2019) giving a choice to beneficiaries, Urban Local Bodies, and State Governments. These four verticals are as below.

A: In-Situ Slum Redevelopment

In a four-pronged strategy of Mission, the first is in situ slum redevelopment. The core concept behind this strategy is 'land as a resource.' This strategy is expected to be implemented with private sector participants who will provide houses to eligible people living in slums. Slums that are there on Central government land or State government land or private land should be utilized for redevelopment by private partners for providing houses to all eligible people living in slums. It means slums which will be redeveloped under this strategy are compulsorily de-notified slums.

Accounting an average, rupees 1 lakh per house slum rehabilitation grant is considered allowable for all houses constructed for eligible slum dwellers in all projects under this strategy.

B: Affordable Housing through Credit Linked Subsidy

The Affordable Housing through Credit Linked Subsidy is made available in two forms for two different sets of beneficiaries, one being EWS & LIG class and the other is MIG class.

B 1. Credit Linked Subsidy Scheme for EWS and LIG

The second strategy is reasonable housing through credit linked scheme under this beneficiary of EWS that is weaker section in terms of economy, and LIG means low-income groups can avail housing loan facilities from banks, housing finance companies, and other institutions for constructing new dwelling units or enhancing existing dwelling units called as gradational housing. The subsidy will be provided for loan amounts up to rupees 6 lacs for an interest subsidy at the rate 6.5% for the tenure of 20 years or the tenure for which loan is taken whichever is lower.

Socially disadvantaged groups like manual scavengers, women (with uppermost preference to widows) persons belonging to scheduled caste and scheduled tribes, other backward classes, minorities, and disabled persons and transgender people who belong to EWS or LIG segment will be given preference under the credit-linked subsidy scheme. Processing charges for housing loan up to rupees 6 lacs under the scheme are waived off. For an additional amount beyond rupees 600000, primary lending institutions will charge their respective processing fees.

B 2 Credit Linked Subsidy Scheme for MIG

From January 1, 2017, the scheme has been made operational for middle-income groups with an income of above rupees 6 lacs and up to rupees 18 lacs per year. From this income group, people having authorized housing loans along with people whose have made for home loan applications were under consideration since January 1, 2017, could also avail interest subsidy under this scheme.

Under this scheme preference will be provided to women with uppermost preference to widows, single working women and persons from backward communities like scheduled caste, scheduled tribes, backward classes, differently-abled, and transgenders.

C Affordable Housing Through Partnership

Under this, the Mission will provide financial assistance at rupees 1.5 lakh per economically weaker section house constructed on the ground of different partnerships by state and union territories in all cities. An affordable housing project may be considered as a mix of houses who will serve various categories involving weaker sections of economy, low-income groups and high-income groups and likes, but it will be eligible for central assistance provided at least 35% of the houses in the project are built for people belonging to economically weaker sections and single project for such a group will have a minimum of 250 houses.

D Subsidy for Beneficiary-Led Individual House Construction

Under the Mission, the assistance will be given to those families evolved from EWS categories who are not taking advantage of any other component of the Mission stated above. The assistance will be provided for building new houses or for enhancing existing houses by the beneficiaries on their own. The eligible families can avail central assistance to the tune of rupees 1.5 lakh. Under the beneficiary-led construction component of the housing scheme, a minimum addition of 9 square meters of carpet area through the existing house will be required to be constructed to become eligible for central assistance.

A beneficiary who is willing to avail of this assistance is required for approaching the urban local bodies with proper and appropriate documents for the convenience of land owned by him/her to build or enhance the houses. Even beneficiaries who belong to slums that are not being redeveloped can become the beneficiaries under this scheme if they have a kutchra or semi pucca house.

Evaluation of the PMAY Program

Government of India's step in the direction to make housing for all realities in the form of a scheme like PMAY is a commendable effort. However, the problem of housing requires more radical thinking towards the government's part according to Jain. (Jain, 2016). Inclusion of the private sector to provide affordable housing though is a necessary step is not a sufficient one. The program suffers from the following limitations.

- I. The slum occupied government land, which will be provided to the private builders for developing rehabilitation units for the slum dwellers on the exchange of saleable areas is going to impact the idea of affordable housing at its core. Instead, the government itself can develop this saleable area and can sell it as affordable houses. This step if followed, the problem of skyrocketing prices of housing will be well taken care of.
- II. The scheme of PMAY is resulting in leveraging the private land under debate by giving higher FSI to the private builders. This initiative may legalize the otherwise illegal colonies. Also, the problem of property rights to the people living in slums remain unanswered. The PMAY, by policy, called for a more comfortable clearance of various permissions and deemed non-agricultural permissions to get the land for development. Instead, removal or abolition of all clearances may remove a significant problem in urban land markets resulting in the lowering down of the cost of land for housing in urban areas. The policy of PMAY does not look for the issues of higher floor area ratio in general because of this the policy does not resolve the land supply constraint hence not contributing towards the lowering of property prices in urban areas.
- III. Though PMAY is a hugely ambitious program with many good initiatives, it suffers several shortcomings from the perspective of people-centered development. (Puttkamer 2015) In the first

three pillars of PMAY beneficiaries that are slum dwellers are considered as passive factors that show a complete lack of empowerment measures and participatory opportunities for slum dwellers in the scheme. Many disadvantaged groups are given access to get benefited out of PMAY at the same time where countless factors of exclusionary urbanization remain intact under PMAY.

IV. Long term impact of PMAY on Urban development is not correctly calculated by looking at linkages to other development schemes running simultaneously. This impact overlooking makes the sustainability of the objective of keeping India slum-free questionable.

However, the PMAY scheme has shown innovative potential considering alternative models of land use and housing definitions. Also, the innovations in the form of training urban local bodies and slum dwellers to set up a multi-stakeholder partnership to make participatory decisions. But the real test of PMAY scheme was in its implementation till 2022 as per the objective of the mission.

Conclusion

The Government of India is undertaking various schemes and programs to help and alleviate the status of urban poor. The idea of helping the poor has evolved from an approach of providing goods to enabling poor to earn what they can. The involvement of all stakeholders in planning and execution of the schemes is a timely and commendable step taken by the Government of India.

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