Housing for All

Three months before the target date of March 2019, the Rural Development Ministry aims to deliver one crore houses under the Pradhan Mantri Awaas Yojana—Gramin (PMAY-G). This would wipe out a third of India's housing shortage in rural areas. The pace of construction would make it possible that the shortage will be eliminated totally before 2022, the date set by the NDA government to achieve the target of Housing for All.

The achievement of this goal would bring India to the first home run on any one of the Sustainable Development Goals (SDG) set by the United Nations.

To get a sense of the distance travelled since the Working Group of Rural Housing for the 12th Five Year Plan estimated the total stock of housing shortage at 43.67 million by the end of 2017[1], RIS organised a round table on the topic.

At the **RIS Policy Spotlight** on 1 December, 2017, Mr. Amarjeet Sinha, Secretary, Ministry of Rural Development, made key observations on the scale of housing shortage in the rural regions. He reiterated that:

- Since 2012, under the erstwhile Indira Awaas Yojana, there has been a cumulative addition of 75 million houses;

- There has been a re-estimation of the number of houses required based on the Socio-Economic and Caste Census of 2011 (SECC)[2];

- As a result, the total unmet rural housing stock has declined to about 27 crore (with a range of 10 % on either side); and

The scale of achievements has also brought to the fore some new challenges and queries on what are the possible options.

PMAY-G: Advantages of Scale Economies

In the presentation it was demonstrated that the total number of houses expected to be constructed by the end of March 2018 would 51 lakh. As of end November 2017, the total number was 10 lakh. A back of the envelope calculation shows construction of the remaining 40 lakh houses would require an investment of about Rs 48,000 crore in the economy, within a short span of four months. These would generate a strong backward linkages in the cement, steel and other construction material sectors and forward linkages of rising consumer demand in rural India. The changes are likely to be visible in the core sector production data in the subsequent months, pulling up the current trends.[3] The ministry plans to add another 50 lakh houses in financial year 2018-19. Those would need to be explored separately.

The PMAY-G was launched in April 2016; enveloping the earlier Indira Awaas Yojana (IAY) and expanding the scope of the programme with some new elements. Although IAY addressed housing needs in the rural areas, certain gaps had been

identified. Several of these were brought up in a performance audit conducted by the Comptroller and Auditor General of the IAY in 2014. These gaps included non-assessment of housing needs in detail, lack of transparency in selection of beneficiaries, low quality of the houses and also lack of technical supervision, lack of convergence, loans not availed of by beneficiaries and the weak mechanisms for monitoring. They limited both the impact and outcomes of the programme.

The secretary said that PMAY-G aims to provide a pucca house, with basic amenities, to all houseless and those householders living in kutcha and dilapidated houses. The minimum size of the house has been increased to 25 sq.mt (from 20sq. mt, earlier) with a hygienic cooking space. The unit assistance has been increased from Rs 70,000 to Rs 1.20 lakh in plains and from Rs 75,000 to Rs 1.30 lakh for special areas.

The programme connects with the following GoI schemes:

- The beneficiary is entitled to Rs 90.95 person-day of unskilled labour from the MGNREGS.
- Assistance for construction of toilet shall be leveraged though convergence with SBM-G, MGNREGS or any other dedicated source of funding.
- Convergence for piped drinking water, electricity connection and LPG gas connection are also to be attempted.

To figure out as to whom to give houses, the Ministry posed a simple question to 2.42 lakh Panchayats listed by SECC: How many families in the panchayat didn't own a pucca house? to ensure that assistance is targeted to those who are genuinely deprived and that the selection is objective and verifiable, PMAY-G, instead of selecting a beneficiary from among the BPL households, selected them based on housing deprivation parameters, as laid out in SECC-2011 date; to be re-verified by the Gram Sabhas. The SECC data captures specific deprivation related to housing among households. Using the data households can be segregated and targeted as houseless and living in 0,1 and 2 kutcha wall and kutcha roof houses.

It would create of a Permanent Wait List, which would ensure states having the ready list of the households to be covered under the scheme in the coming years (through Annual Select Lists); leading to better implementation. To address grievances in beneficiary selection an appellate process has also been put in place. There is a yardstick which determines what constitutes a pucca house "For each panchayat the list was made available with the Gram Sabha. We collected those and displayed it on our website", he said. Among the 21.2 lakh beneficiaries, listed by the Ministry as of December 2017 includes landless labourers, who have no land to offer for building a house, and for whom the state would procure a piece.

Their names now figure on a Permanent Wait List, drawn up at the national level, a most unusual compilation for a country beset with a long history of housing shortage. It does not just provide comfort to those who feature there but it also ensures that states have a ready list of the households to be covered under the scheme in the subsequent years and would provide the money which will be needed to finance those.

With the scale of such a massive programme critical shortages have emerged. One of them is masons. To address this, a pan-India training and certification programme of Masons has been launched in the states/UTs. This would, in addition, be a career progression scheme for rural masons. For timely construction/completion to ensure good quality of house construction, it has also been envisaged to tag a PMAY-G the beneficiary with a field level government functionary and a rural Mason.4

Once those on the Waiting List are able to get a house, they would figure in another public list. They would be photographed standing before the house with the latitude and longitude coordinates in addition to the old fashioned postal address system.

Commenting on the government approach, Mr. Yuri Afanasiev, UN Resident Coordinator and

UNDP Resident Representative in India said the government of India can create larger linkages from PMAY-G by allowing the use of prefabricated houses to be built, wherever possible. "The private sector could come in to build those which will also create a downstream industry in those materials." He said, this would especially be possible for the upmarket interest linked housing support offered by the GoI for schemes beyond PMAY-G. It was launched in January 2017.5

While acknowledging the possibility, the Secretary said, they have relied more on the usage of local materials. The beneficiaries have been offered a bouquet of 200 house design typologies inclusive of disaster resilience features suitable for their local geo-climatic conditions. These designs have been developed through an elaborate public consultative process. This exercise would ensure that the beneficiary does not over-construct in the initial stages of house, building, which often results in incomplete house or the beneficiary is forced to borrow money to complete the house.

Conclusion

To make PMAY-G deliver results, the rural development ministry has introduced several innovations which could have tremendous business applications yet whose potential has not been grasped as yet. One of these is the geo tagging of the houses at every stage, from their existing dilapidated condition onwards to the final product of a pucca house a few months later. The software allows ministry officials to track the progress of construction of each house using satellite data. "I can walk into any village in India and just use an app on my mobile to track the pace of work there", the Secretary said. This has been made possible by the usage of mobile based Awaas App for monitoring of construction. Usage of geo-referenced photos with date and time stamp at every stage of construction resulted a huge data bank of 3.43 crore photos uploaded by 10 of November 2017.

It will also be useful at this stage if the Ministry hives off its additional role as that of an appellate authority (to adjudicate on complaints by beneficiaries) to a separate institution. This would build even more credibility to the programme. But, it may also require some corresponding changes including formulating a law to provide for it.

Some of the spin-offs from this massive programme has begun to demonstrate itself. It is expected that the Budget 2018-19 would have some clear pointers for how the real estate sector can take advantage of the gains already demonstrated by the PMAY-G and build on those. It can be a new business opportunity for the beleaguered real estate sector, an area that they have not realised as an opportunity as yet, but with which it can establish deep linkages.

Endnotes

[1]   Working Group on Rural Housing for 12th FYP, Planning Commission, page 7: http://planningcommission.nic.in/aboutus/committee/wrkgrp12/rd/wgrep_iay.pdf

[2]   Using the same data there has been higher estimates: http://www.epw.in/journal/2014/26-27/review-rural-affairs-review-issues/estimating-rural-housing-shortage.html

[3]   Index of Eight Core Industries (Base: 2011-12=100) October, 2017 http://pib.nic.in/newsite/PrintRelease.aspx?relid=173989

[4]   Salient points about PMAY-G, ministry of rural development: http://pmayg.nic.in/netiay/about-us.aspx

[5]   Cabinet approves a New Scheme for promotion of Rural Housing in the country http://pib.nic.in/newsite/PrintRelease.aspx?relid=157621

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