

The Pradhan Mantri Awas Yojana (PMAY) Scheme in India: A Study

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Abstract

Pradhan Mantri Awas Yojana (PMAY) is a flagship housing scheme, launched by the Prime Minister Narendra Modi in June, 2015 to provide affordable housing to the poor and middle-class households in India. Previously, a similar kind of scheme i.e. "Indira Awas Yojana" was introduced by the former Indian Prime Minister Rajiv Gandhi in the year 1985 in the name of former Prime Minister Indira Gandhi. Rapid growth of the urban population for searching jobs from different parts of the home state or foreign state rural areas leading to housing shortage and poor urban living conditions is a prime challenge for the Central and State Governments. The prime aim of the Pradhan Mantri Awas Yojana (PMAY) scheme is like housing for all to the targeted beneficiaries to change the standard of living of the economically weaker section and lower income group of the nation. The current study has taken a small attempt to present an overview of the PMAY scheme in India purely based on the secondary data.

Keywords: *Pradhan Mantri Awas Yojana, Affordable Housing, Economically Weaker Section, Lower Income Group and Standard of Living etc.*

Date of Submission: 18-03-2024

Date of Acceptance: 28-03-2024

I. Introduction:

Housing is one of the basic requirements for the survival of human beings alongside food and clothing. Despite India's 75th years of independence, the country continues to struggling with a growing population and housing challenges, particularly acute in urban areas. The rapid pace of urbanization, coupled with rural-urban migration, and inadequate infrastructure, exacerbates the strain on housing resources. The invasions of rural populations into urban cities in search of employment opportunities worsen the urban housing problem. The migration places immense pressure on already limited housing infrastructure, leading to overcrowding, slum expansion, and inadequate living conditions. Additionally, the mismatch between housing supply and demand further compounds the issue, driving up property prices and making housing unaffordable for many. In order to address these problems and challenges, comprehensive strategies are required regarding urban planning, infrastructure development and affordable housing initiatives. To fulfill these strategies our Honourable Prime Minister Shri Narendra Modi on 25th June, 2015 launched a comprehensive mission "Pradhan Mantri Awas Yojana- Housing for All (Urban)" as iteration to the erstwhile and now subsumed Rajiv Awas Yojna (RAY) and Indira Awas Yojna (IAY). The mission seeks to address the housing requirement of urban poor including slum dwellers (Ministry of Housing & Urban Poverty Affairs, 2016)

II. Key Features of Prime Minister Awas Yojana (PMAY):

The PMAY scheme has some important features. These are discussed below.

i. Housing for All: The primary objective of PMAY Urban is to ensure that every urban poor household has access to a pucca house with basic amenities.

ii. Target Beneficiaries: The scheme primarily targets economically weaker sections (EWS), lower-income groups (LIG), and middle-income groups (MIG) in urban areas.

iii. Subsidized Interest Rates: Beneficiaries are provided with interest subsidies on home loans taken for the construction or purchase of a house under PMAY Urban. The subsidy rates vary depending on the income category of the beneficiary.

iv. **Credit-Linked Subsidy Scheme (CLSS):** Under CLSS, eligible beneficiaries can avail of interest subsidies ranging from 3% to 6.5% on home loans for the construction, purchase, or enhancement of houses.

v. **Affordable Housing Projects:** The scheme promotes the development of affordable housing projects by public and private sector entities through various incentives and concessions.

vi. **Beneficiary-led Construction (BLC):** PMAY Urban encourages beneficiary-led construction, allowing eligible beneficiaries to build their own houses with financial assistance from the government.

vii. **Technology Innovation:** The scheme promotes the use of innovative and sustainable building technologies to ensure cost-effectiveness and quality in housing construction.

viii. **Partnerships with States/UTs and Urban Local Bodies (ULBs):** PMAY Urban operates through partnerships with state governments, union territories, and urban local bodies to implement the scheme effectively at the grassroots level.

ix. **Online Monitoring:** The scheme incorporates online monitoring mechanisms to track the progress of housing projects and ensure transparency and accountability in implementation.

x. **Integration with other Urban Development Programs:** PMAY Urban is integrated with other urban development programs such as Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), etc., to leverage synergies and achieve comprehensive urban development goals.

xi. **Empowerment of Women:** The scheme encourages the participation of women as co-owners in housing projects, aiming to empower them economically and socially.

III. Various Housing Schemes Of Government Of India Since Independence:

Since independence, Government of India has initiated various housing schemes for Indian citizen. These schemes are mentioned below:

Various Housing Schemes of the Government of India

SL.No	Housing Schemes	Launched Year
1	Integrated Subsidized Housing Scheme for Industrial workers and Economically Weaker Sections	1952
2	Low Income Group Housing Scheme	1954
3	Subsidized Housing Scheme for Plantation Workers	1956
4	Middle Income Group Housing Scheme	1959
5	Rental Housing Scheme for State Government Employees	1959
6	Slum Clearance and Improvement Scheme	1956
7	Village Housing Projects Scheme	1959
8	Land Acquisition and Development Scheme	1959
9	Provision of House Sites of Houseless Workers in Rural Areas	1971
10	Environmental Improvement of Urban Slums	1972
11	Sites and Services Schemes	1980
12	Indira Awas Yojana	1985
13	Night Shelter Scheme for Pavement Dwellers	1990
14	National Slum Development Programme	1996
15	2 million Housing Programme	1998
16	Valmiki Ambedkar Malin Basti Awas Yojana	2000
17	Pradhan Mantra Gramodaya Yojana	2001
18	Jawaharlal Nehru National Urban Renewal Mission	2005
19	Pradhan Mantri Adarsh Gram Yojana (2009-10)	2009
20	Rajiv Awas Yojana	2011
21	Pradhan Mantri Awas Yojana- Housing for all	2015

(Source: Various reports of Government of India, Ministry of Housing, Ministry of Urban Development and Poverty alleviation)

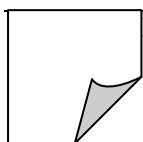
IV. Literature Review:

Several studies have been conducted by many academicians and researchers on different aspects PMAY. Some of them are highlighted below.

Barot (2019) in his article 'Pradhan Mantri Awas Yojana (PMAY) Scheme- An Emerging Prospect of Affordable Housing in India' stated that the growth of the urban population resulting in overcrowded slums in cities. His study mainly aims how the PMAY-Scheme benefitted the Economically Weaker Sections (EWS) beneficiaries in India as well as in Ahmedabad city of Gujarat State.

Khan (2019) in his research paper 'Pradhan Mantri Awas Yojana An assessment from Housing Adequacy Perspective' asserted that how PMAY effective in meeting the housing shortage is different from fulfilling the housing needs.

Dhanabhakyaam and Shobanageetha (2018) in his article 'Rural Development Through Pradhan Mantri Awas Yojana (PMAY) in Coimbatore District' highlighted the PMAY scheme in female beneficiaries is more



satisfied as compare to male beneficiaries towards housing programme and level of awareness differed significantly with educational level of beneficiaries.

Reddy, et al. (2018) in his research paper 'Impact Assessment of PMAY-G' stated that PMAY-G has made significant impact of the lives of the targeted beneficiaries of three states West Bengal, Odisha & Madhya Pradesh, The lives of the selected beneficiaries has huge difference in respect of livelihood, social status, self-worth, confidence level and feeling of ownership as compare to others.

Mathews (2018) in his article 'The Effectiveness of PMAY on the lives of Fishermen Community- A Study with special reference to Vaddy Division in Kollam district, Kerala' shows that PMAY has benefitted to the families especially to the fishermen community. All the beneficiaries were satisfied with the implementation of this scheme and it also provides a self-identity for them. All beneficiaries who were the fishermen community are satisfied with their new houses and they express the good opinion about the PMAY housing scheme.

V. Objective Of The Study:

The objective of the study is to assess the awareness and the effectiveness of Pradhan Mantri Awas Yojana scheme in India.

VI. Methodology:

The present study is descriptive in nature. It is based on secondary data. The data have been collected from various government publications, research articles, journals, reports, books, and official websites of Prime Minister Awas Yojana.

VII. Materials And Discussions:

Conceptual Discussion:

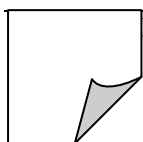
One of the biggest housing initiatives worldwide is PMAY-U. High relevance and alignment with global 'Housing for All' aims and national development priorities characterize it. The Mission is to construct sufficient physical and social infrastructure by providing water, kitchen, and restroom amenities to all weather housing units in recognition of the need for tenure security and the need for housing across the EWS, LIG, and MIG sectors. The Sustainable Development Goals commitment is covered in detail in the mission. Compared to its previous schemes, PMAY-U has increased the program's delivery of affordable housing units many times and shifted its emphasis to "Housing for All." The PMAY-U has sanctioned over 118.63 lakh dwellings thus far, marking a significant accomplishment. As of February 19, 2024, more than 114.09 lakh residences had been approved for construction, of which more than 80.35 lakh had been finished and given to the beneficiaries.

How does the PMAY Scheme Work?

Along with other obstacles like e-records, operational, and financial management, the program seeks to offer the beneficiaries with a first instalment of Rs 50,000 at the first stage (prior to the start of construction) in order to assist the execution of PMAY-U. In order to ensure that PMAY-U was implemented more successfully, a number of concerns were found early on and resolved. The provision of a Rs 50,000 first installment was one of the measures. According to the Scheme guidelines, the State Government should provide financial support to beneficiaries in three to four installments, contingent on the status of the house's construction, under the Beneficiary-led Construction (BLC) (New and Enhancement) vertical. According to the standards, the beneficiary will receive the fund in proportion to the construction. It indicates that only the first installment will be granted to the beneficiary after they mobilize their own resources and complete some building, perhaps up to plinth level.

Implementation of PMAY Scheme:

Therefore, it was determined that the beneficiary under the BLC would get an advance payment of Rs 50,000 from the State's portion of Rs 1,00,000 each house as soon as the houses were approved by the Central Sanctioning and Monitoring Committee (CSMC). Furthermore, it was discovered that building up to the lintel level would require more funding than the initial installment of Rs 50,000. As a result, the State Government chose to release the second installment following the completion of plinth level work. The applicants will receive the Rs 2.5 lakh help in three installments, Rs 1.5 lakh in central aid and Rs 1 lakh in state contribution, which are as follows:



Instalment	Stage	% of Release	Amount
First	After approval of the house by the CSMC	20%	₹50,000
Second	After construction till plinth level	60%	₹1,50,000
Third	Completion of House	20%	₹50,000

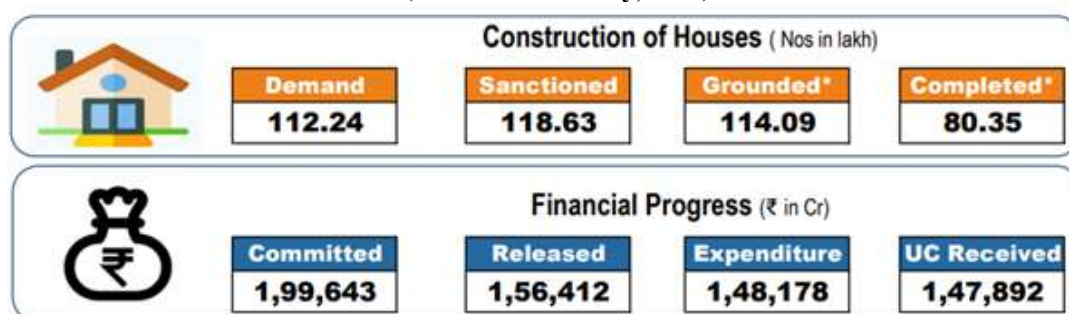
(Source: Discourses on Affordable Housing in India and Best Practices under PMAY-U- Ministry of Housing and Urban Affairs, Government of India)

Outcome of the PMAY Scheme:

The initiative built the trust of the beneficiaries on PMAY-U and enhanced the pace of implementation of the Mission.

Outcome at National Level:

Overall Sanctions for 1.19 crore Houses (as on 19th February, 2024)



(Source: National Progress Report of PMAY Scheme - Government of India, Ministry of Housing & Urban Development)

Observation: According to the above table, there was a significant demand (112.24 lakhs) for residences under the PMAY Scheme based on early government surveys. Nonetheless, there were more than 118.63 lakh approved houses, of which 114.09 lakh (or more than 96%) have been built. About 70 percent (80.35 lakhs) of the houses that were built have been finished and given to the beneficiaries.

Outcome at State and UTs Level (as on 19th February, 2024)

Sl. No	Name of the State/UT	Physical Progress of Houses (Nos)			Financial Progress (Rs in Crores)		
		Sanctioned	Grounded	Completed/Delivered	Investment	Sanctioned	Released
1	Andhra Pradesh	21,32,432	20,07,521	9,15,041	91,593.05	32,499.33	21,834.49
2	Bihar	3,24,996	3,03,692	1,17,991	18,614.95	5,108.24	2,984.08
3	Chhattisgarh	3,02,663	2,85,360	2,12,170	13,471.88	4,810.98	3,925.73
4	Goa	3,146	3,146	3,144	696.54	74.76	75.04
5	Gujarat	10,05,204	9,80,819	8,98,227	1,05,253.04	21,064.34	19,585.16
6	Haryana	1,15,034	93,043	66,760	9,471.72	2,171.64	1,673.50
7	Himachal Pradesh	12,758	12,526	9,987	865.04	215.95	199.60
8	Jharkhand	2,29,156	2,13,428	1,36,811	11,451.66	3,603.31	2,829.43
9	Karnataka	6,38,121	5,96,216	3,36,490	48,776.86	10,614.43	6,813.42
10	Kerala	1,66,752	1,47,085	1,19,259	8,859.30	2,772.63	2,281.79
11	Madhya Pradesh	9,61,147	9,45,383	7,52,386	53,530.63	15,930.45	2,281.79
12	Maharashtra	13,95,199	11,17,564	8,33,533	1,78,953.06	25,999.56	18,083.59
13	Odisha	2,03,380	1,74,992	1,40,706	8,470.67	3,176.98	2,350.27
14	Punjab	1,32,235	1,15,014	80,161	9,132.38	2,342.78	1,825.79
15	Rajasthan	2,89,446	2,58,062	1,79,747	23,579.14	5,435.16	4,259.64
16	Tamil Nadu	6,81,795	6,62,660	5,55,949	48,265.44	11,207.02	9,813.76

17	Telangana	2,50,084	2,44,219	2,24,434	30,706.31	4,475.66	3,314.27
18	Uttar Pradesh	17,72,301	17,04,752	14,02,786	83,974.00	27,894.85	25,461.69
19	Uttarakhand	65,519	56,169	33,149	4,938.23	1,193.38	891.40
20	West Bengal	6,68,953	6,12,569	3,87,025	37,526.26	10,773.50	7,129.54
21	Arunachal Pradesh	8,499	8,360	7,172	482.62	182.38	161.18
22	Assam	1,76,643	1,57,508	97,131	5,316.65	2,674.26	1,783.80
23	Manipur	56,037	48,561	13,301	1,446.32	841.39	471.72
24	Meghalaya	4,758	3,789	1,205	187.13	72.35	35.04
25	Mizoram	39,605	39,215	7,952	928.28	607.80	368.91
26	Nagaland	31,860	31,841	19,092	1,033.52	503.91	339.27
27	Sikkim	594	451	209	32.35	10.30	7.09
28	Tripura	89,068	86,628	70,494	2,843.77	1,437.56	1,234.43
29	A & N Islands (UT)	376	376	47	95.83	5.84	2.93
30	Chandigarh (UT)	1,256	1,256	1,256	263.02	28.78	28.78
31	DNH & DD (UT)	10,468	10,196	9,181	938.51	222.22	200.27
32	Delhi (UT)	29,976	29,976	29,976	5,696.05	692.53	692.53
33	J & K (UT)	47,040	41,531	21,385	2,593.32	724.94	445.97
34	Ladakh (UT)	1,307	1,014	784	65.30	30.22	23.21
35	Lakshadweep (UT)	-	-	-	-	-	-
36	Puducherry (UT)	15,265	14,817	9,340	1,013.23	243.17	204.71
GRAND TOTAL		118.63 Lakhs	114.09 Lakhs	80.35 Lakhs	8.11 Lakh Cr.	2.00 Lakh Cr.	1.56 Lakh Cr.

(Source: State/UTs Wise Progress Report of PMAY Scheme - Government of India, Ministry of Housing & Urban Development)

Observation: Surprisingly, the above table reveals that some states—Gujarat, Odisha, Kerala, and Telangana are working extremely effectively to increase the number of fully completed and grounded units relative to sanctioned units, while the majority of States and Union Territories are good at sanctioning and grounded ratios but fall short in providing the beneficiaries with the houses.

VIII. Findings Of The Study:

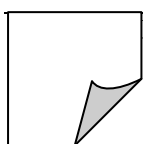
From the above tables, it is evident that the PMAY is playing an important role among Economically Weaker Sections (EWS), Lower Income Groups (LIGs) and Middle-Income Groups (MIGs).

Major findings of the study are given below:

- i. It was observed from the above data out of the sanctioned units; more than 90% of the units are grounded as a whole.
- ii. Out of the grounded units, in some states more than 60% houses are completed and delivered to the beneficiaries.
- iii. States like Gujarat, Odisha, Telangana and Kerala it has been observed that more than 85% of the grounded units are Completed and delivered to the beneficiaries.
- iv. National data depicts that out of total committed Rs 1,99,643 Cr, more than 75 % fund i.e., Rs 1,56,412 Cr already been released and received by the beneficiaries.

IX. Conclusion:

Following India's independence, efforts to provide affordable housing began in earnest. Extensive rural-to-urban migration occurred for two decades. Various government reports and research studies have highlighted that India has implemented numerous housing programs since independence. However, these programs have often been disconnected and short-lived. Over time, the government transitioned from an enabler to a facilitator, believing in the ambitions of housing beneficiaries. The recently launched Pradhan Mantri Awas Yojana (PMAY) has garnered attention from researchers who are critically evaluating its effectiveness. The present paper is presented with the aim to evaluate the overall objective of Pradhan Mantri Awas Yojana, Affordable Housing Scheme for EWS, LIG and MIG groups of people.



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