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## HOUSING POLICIES: COMMON GOALS AND DIVERSE APPROACHES TO SOCIAL HOUSING IN INDIA AND OTHER COUNTRIES

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**ABSTRACT:** Rapid urbanization has led to housing shortage in the developing countries. In India the responsibility of mitigating the 18 million housing shortage lies with the state governments. Access to quality shelter is still a big challenge before the nation and requires immediate actions. Many successful and some not so successful approaches have been tried in India. As housing lies in the domain of state governments in India, each state has come up with its own solutions. Similarly many countries have tried approaches relevant in their context. This paper tries to learn from different approaches to a common goal and identify possible interventions.

### KEYWORDS

Housing shortage, Developing countries, Housing policies

### Background

The rapidly growing urbanization has led to a few important concerns to inclusive and improved city planning, one of which definitely is affordable housing and the possibility to mitigate the housing shortage in any of the growing city in the country. The urban poor in our country have always been marginalized in terms of access to basic rights of housing with basic infrastructure facilities of clean drinking tap water, drainage, health care and other amenities. Access to quality shelter is still a big challenge before the nation and requires immediate actions.

The urban poor have inability to access decent, secure land for even the most minimum of housing needs. Empirical evidences shows that the insecurity of tenure and poverty has a direct correlation, further poverty and insecurity of tenure is a vicious cycle which is difficult for the poor to break. Security of tenure is the important factor for eradication of poverty.

Across the world, developing countries have struggled to provide a solution to housing problem. Some countries have banked on public or institutional build housing while some countries have adopted the market driven approach with the involvement of private sector.

The total housing shortage estimated at the beginning of the 12th plan period i.e. 2012 according to the Report of the Technical Group on Urban Housing Shortage will be 18.78million of which 56% and 39% of housing shortage is in EWS and LIG housing respectively. The schemes launched by central and state Government including RAY, JnNURM, PMAY-U etc. is expected to cater to the urban housing shortage. However, the government is not in a position to serve the huge housing shortage on its own and therefore it has been making efforts to involve private sector in the process by providing incentives. The government has, through the 'National Housing and

Habitat Policy, 2007', emphasized on promoting Public Private Partnership for undertaking housing projects. This was further revised to incorporate the changes as per the new agenda of Government of India on "Housing for All" by 2022.

The Public-Private-Partnership (PPP) model has proved to be successful phenomena in implementing a number of infrastructure projects such as roads, airports, ports, power plants etc. Therefore, there is a need to explore it further in the Housing sector for incentivizing housing for urban poor.

## Aim

The aim of this paper is to study the various approaches to housing in India and other countries, the specific objectives being:

- To study the pro-poor and social housing policies of countries those have successfully mitigated the housing shortage.
- To study various policies and joint sector approaches for housing the urban poor undertaken by center government and various state governments in India.
- To identify the parameters that can be incorporated for a wider approach to housing shortage in India.

## Approach for the study

In order to achieve the objectives set for the research, the following methodology has been followed;

**Step 1:** Identification of successful case studies regarding social housing in other developed and developing countries to understand, the context and the parameter that facilitated successful interventions.

**Step 2:** Study of best practices and approaches in various states of India. Learning from these case studies and identifying the relevant parameters for comprehensive approach.

**Step 3:** Identification of common parameters that led to success of these cases and how they can be incorporated in housing policy in India.

## Structure of the report

The first part of the paper contains successful stories of implemented cases of social housing from other developing and developed countries. The second section focuses on the provisions made by central as well as different state governments to help promote affordable housing in India. The last section identifies

the parameters for implementation of pro-poor PPP in housing policies and how.

## International Case Studies

This section includes the case studies of how other countries have addressed the issue of shortage of housing.

### Social Housing in Europe: Public and non-public sector partnership

Social Housing has been an integral component of Europe's housing provisions for more than half a century. Historically, the provision of housing varied in Europe from, more of a social contract in Western Europe region to a more corporatist approach in Central and Eastern Europe. Across Europe, housing was viewed as welfare good / consumption good depending on the socio-economic-political realities of different countries. In Eastern Europe social housing cost/rentals was linked to the social wage and controlled by government. However, to the contrary Southern Europe paid emphasis on supporting family provision i.e. generally an owner occupation. Northern Europe was seen as welfare state establishing a market enabling households to afford rented units from a non-profit organization.

In some countries like Denmark, Nederland's the social housing stock is owned by housing associations; whereas in countries like Czech Republic, all social housing is owned by municipal government. In recent years there has been a trend for social housing to move out of public ownership, often into the hands of not-for-profit housing associations with a social mission (Scanlon, Arrigoitia , & Whitehead, 2015).

In Netherlands the social housing companies played an important role by collaborating with the local urban bodies (municipalities).Where the land was provided by the municipalities at a subsidized cost and the housing companies built social housing, much of this housing was provided on rental basis to the vulnerable section of the population.

### Manchester City Council: Private company for public cause

Facing the problems of deteriorating housing stock, Municipalities in UK have partnered with a private sector enterprise to re-furbished and maintain City Council homes, for a twenty-five year period and to provide comprehensive management service. The private sector partner has a responsibility of repairing, maintaining and managing the homes and the general environment of

the area. Such projects were taken up under the Private Finance Initiative (PFI) in the Housing and Regeneration sector of the Department for Communities and Local Government.

Plymouth Grove remodeled estate initiated in 2003 under the project included the provision of long term property management of the A6 Plymouth Grove/ Stockport Road Estate. It also includes the provision of new housing, the refurbishment of 600 houses as well as extensive remodeling of the estate. The scheme was success and model for such other redevelopment through PFI to follow.

### **Housing Policies in US:**

#### **Focus on poverty and housing**

Housing policy in the United States has been viewed as a commodity-an investment for individuals and families or as a subject of speculation. Home ownership has always been the central notion behind policy in US.

The USA housing policy, which had its origin in the American Housing Act 1937, aimed at providing subsidies to the low income households by providing financial, construction and operational support to housing agencies. In 1949, American Housing ACT Congress declared its goal of “a decent home in a suitable living environment for every American family.” The Act aimed at Providing federal financing for slum clearance programs that associated with urban renewal projects in American cities, increasing authorization for the Federal Housing Administration (FHA) mortgage insurance, extending federal money to build more than 800,000 public housing units and Permitting the FHA to provide financing for rural homeowners. Fannie Mae and Freddie Mac were set up to reach housing to the mass through provision of mortgage finance. Under this reform, more than 5 million housing units for low-income households and rental vouchers to nearly 2 million additional families were provided (Buckley & Schwartz, 2011).

The Tax reform of 1986, authorized low-income housing tax credit program (LIHTC) which is a form of providing low income households assistance via vouchers. This gave the poor households freedom to pool their resources along with the voucher and pay the market rent for any particular dwelling if they so desired.

The Moving to Opportunity (MTO) Program<sup>1</sup> implemented in the US since the 1960’s is a policy aimed at fighting poverty and assisting families to move from poor neighborhoods to better housing with improved access to schools and other amenities. The results of most MTO programs (in particular for Baltimore, Boston, Chicago, Los Angeles and New York) have shown positive impact in reduction in crimes and improved education and employment. (Buckley & Schwartz, 2011).

### **Housing policy in Singapore: State as the sole provider**

The city state of Singapore has achieved a high homeownership rate of 91 per cent and has made remarkable progress since its Independence. In 1959, (Singapore attained self-government), only 9% of Singaporeans resided in public housing. To address the issues of housing shortage and overall development, the Singapore Housing and Development Board (HDB) was formed to provide affordable housing, by issuing the housing units on 99-year leaseholds. The Housing and Development Act (1960) gave the Housing Board lead role across the housing chain. In 1967, The Singapore Land Acquisition Act empowered the country to acquire land at low cost for public use including housing.

In addition, Singapore HDB also linked the Central Provident Fund<sup>2</sup> for purchase of housing units from HDB. Buyers in Singapore, who want to buy a house from HDB have to be a citizen of Singapore, more than 21 years of age and an employed person. The residents could fund the purchase of a development board flat with a bank loan, a loan from the HDB, with cash, or with funds drawn from the CPF. Singapore’s HDB housing units are built in HDB town-ships having amenities including clinics, schools, commercial & retail facilities and community facilities such as parks and sports facilities.

### **Kuala-Lumpur’s Housing Initiatives: Active state participation**

The Malaysian capital city of Kuala-Lumpur is one of the three Federal Capital Territories of Malaysia. Here the City Hall of Kuala-Lumpur (CHKL) a local government authority is responsible and committed to provide housing for all in the city, to significantly reduced squatter settlements and planned to have ‘Zero Squatter City’ by 2015.

<sup>1</sup>The program is optional and covers families that live in an area where more than 40 percent of the population are defined as poor. The government covers the additional cost that emerges when the family is to change from cheaper to expensive housing.

<sup>2</sup>It is a savings scheme, which included contributions from employers, to set aside funds for healthcare and housing costs in later life.

The joint private and public sector participation to achieve the city objectives is guided by the agreement specifying the responsibility of the parties. To ensure the diligent participation of the private sector, the agreement first require the payments of 10% of land value of the land granted by the CHKL and 5% as performance bond of the construction cost. It is upon these payments and the approval of building plans that the developer is given the possession of site. On the progress of the development of the project, the CHKL maintains "Joint Project Management Committee" (JPMC) with 7 members, which comprises of equal representatives from the CHKL and private sector.

For this joint participation, the government offered incentives to the private sector, with a view to reducing the development cost and thus sustaining their participation in the provision of low-cost housing in Kuala-Lampur. The range of incentives provided includes easier access to CHKL land or squatter land; the reduction of parking space requirement from 1:1 to 1:4 and exemptions from the payment of development charges and improvement service funds. Also, the private developers are offered with 'one-stop approval' section in the CHKL, that provide timely approvals for the development of low-cost houses, view of streamlining the delays and cost associated with the development and building plans applications. To sustain the participation of the private sector, the low-cost housing's ceiling price has enjoyed series of revision, reflecting the inflationary trends and increasing value of land in the country.

### **Housing policy in China:**

#### **From state controlled to private supply**

Under China's planned economy, housing provision was controlled by the single supplier, the state, under a communist ideology that asserted that social inequalities and class exploitation should be eliminated through the direct and centralized redistribution of housing, while the free market should be suppressed. The agenda issued by the State Council in 1988 for 'Implementation Plan for a Gradual Housing System Reform in Cities and Towns' marked the beginning of nationwide housing reform (Deng, Shen, and Wang, 2009).

Housing provision in China has become dominated by a three-layer provision mode which introduces private equity into public housing provision. The housing reforms resumed in the early 1990s where house building was carried out by commercial developers rather than public sector employees. Housing privatization was a main element of these reform programs. In other words, the housing reforms mainly emphasized shifting

housing from a "free good", to a "subsidized good", and eventually to a "commodity", the price of which (i.e., sale price or rent) reflects true production costs and a market profit margin (Chiu 1996). The socialist system of public housing and welfare support has gave way to a new market based system (Lee, 2000).

During 1998-2003 government introduced two new programs to encourage urban household to purchase ownership housing from private developers. The Economic and Comfortable Housing Program (ECH) and the Housing Provident Fund Program (HPF) were developed with the private sector being active for provision of affordable housing for middle and low income households via purchase subsidies. Later in 1999, Cheap Rental Housing Program was established with an aim to provide housing to the low income working class people by offering rent reductions and rent subsidies. The government also provided subsidized housing or public rental housing to selected low and middle income families and relied on the market oriented commercial housing to meet the needs of higher income groups with access to mortgage financing. As a result, a vigorous urban housing market developed. Employers were allowed to offer housing subsidies to their new employees but could not involve themselves directly in housing construction, distribution, or management (Man, 2011).

### **Housing initiatives in Nigeria for Affordable Housing: Public-private approach**

Public-Private Partnership (PPP) is a relatively new approach in Nigeria, and was introduced to address the escalating housing challenges. The idea of engaging PPP in housing development in Abuja started with the commencement of mass housing scheme in 2000 under the framework of PPP. The implementation of mass housing scheme was managed by a committee having members from the government, target group residents and developers. The developers were made to sign a development lease need to complete the project within a stipulated time. The development was required to follow the regulation and standards as per Abuja master plan. Land was allocated free of cost to the developers as government equity contribution for the project. The developers were expected to pay a small fee to the city government for permissions and approvals.

In recent years, the Cross River State Government has assisted its employees to acquire a housing of their own at reduced price by provision of long term loan. Recently, the state government through its partnership with Aso Savings and loan powered by Millennium

Investment Trust Limited has been able to provide over 450 affordable housing units to the State's Civil Servants through the Public-Private Partnerships (PPP) initiative.

### Housing Policies in India

The role of housing is multi-faceted in the progress of a household as housing affects access to infrastructure, employment, health, education, poverty levels and many other indicators (Gopalan & Venkataraman, 2015). As India seeks to improve its living conditions on a large scale, and access to affordable housing becomes a major stumbling block for its citizens. Current urban housing shortage in India accounts to 18.78 million units (MoHPA, 2012-17). Over 95% of those affected via acute housing shortage belong to the Economically Weaker Section (EWS) and Lower Income Group (LIG). India is expected to gain a staggering 218 million people in its urban areas from 2011 to 2030 (United Nations 2012). Government intervention into housing is driven by a number of different rationales, ranging from human rights to fundamentals of economic growth in terms of housing (Young, 2016). The extent of government support for housing ranges from a comprehensive approach, such as the wholesale provision of public housing to a more hands-off approach of playing a facilitating role in market-based activities.

One of the challenges our cities face is the lack of adequate supply of housing to all households. The central government, state governments and the city governments all thrive to bring the urban poor in the mainstream of planned city by following inclusive planning. The central government as well as state governments make provisions for mitigating the housing shortage by providing various direct and indirect financial options (Bharti, 2019). After trying out various options many states in the country now want to reach the goal of affordable housing for all through Public Private Partnership, for which again different states have set of models, policies and schemes specified for EWS/ LIG.

Housing policies in India have come a long way since the 1950s; initially the policies were welfare centric which later on dwelled to be economic-centric policies. The role of government has also seen a shift from being provider to being the facilitator of housing (Bharti, 2019). Dividing the policies in India into four phases as the first phase

comprising of first two decades (1950s to 1970s) where the policies were taking shape that focused more upon integrating all sections of the society. The second phase (1970s to mid-1980s), shifting the focus to economically weaker section (EWS) of the society. The third phase (1980s to 2000s), focusing more on physical provision of housing as well as housing finance mechanisms. The last phase (2000s to present) shifting the role of government as facilitator of housing. Here, in this paper I focus on housing policies in the last phase ie. from 2000 to present.

The major reform came with the onset of Jawaharlal Nehru Urban Renewal Mission (JNNURM), 2005. The program was launched with an objective to improve state of infrastructure in cities<sup>3</sup>. The two sub-missions under JNNURM are Basic Services for Urban Poor (BSUP) designed to upgrade and improve the existing conditions of slums by giving them access to basic amenities like water and sanitation, health care and education etc. The second part is Integrated Housing and Slum Development Program (IHSDP), designed to tackle the poor housing for urban slum dwellers as per 2001 Census.

**Rajiv Awas Yojna (RAY)**, launched was in 2011 with a vision to 'create a slum-free India'. Under the scheme, central support up-to 25 percent of cost of civic infrastructure (external and internal), whichever is lower was provided. The first component of RAY involved in-situ slum redevelopment of existing slums and second proposed to curb creation of slums.

**The Affordable Housing in Partnership (AHP)** a part of the second component of RAY made provision for public private partnership for affordable housing. The state's implementing agencies were to make effort to ensure that at least 25 percent of the total built up/constructed area of the projects proposed is for EWS/LIG units. To facilitating private investment in this sector, Government had allowed 100% FDI in housing sector and the budget (2014-15) has gone one step further in this direction by listing slum redevelopment as an accepted component under the Corporate social responsibility (CSR)<sup>4</sup> to attract more private funds (GOI, 2014-15).

**Pradhan Mantri Awas Yojna<sup>5</sup> - Urban** launched by the BJP government in 2015 envisages 'Housing for All' by 2022. The flagship mission under the Ministry of Housing & Urban Affairs (MoHUA), Government of India aims

<sup>3</sup> JNNURM It was launched in 2005 for a seven year period to encourage cities to initiate steps in improving civic services and improve housing.

<sup>4</sup> Government policy under which corporate sector is to invest a... for social development of community.

<sup>5</sup> Housing scheme launched by central government in name of Prime Minister.

to achieve Transformative, Inclusive and Sustainable development through planning, development and reforms. The Mission comprises of four components:

- i) In situ slum redevelopment by using land as a resource. Slums located on government land/ ULB land or private land are covered under in-situ slum redevelopment for providing houses to all eligible slum dwellers.
- ii) Promotion of Affordable Housing through credit linked subsidy for beneficiaries include economically weaker section (EWS), low-income groups (LIGs) and Middle Income Groups (MIGs).
- iii) Affordable Housing in Partnership with Public & Private sectors, where the private sector and public sector join together to produce the required housing stock.
- iv) Subsidy for beneficiary-led individual house construction /enhancement for families who want to construct their own house or make addition to the existing housing unit.

Under each of the components eligibility, income groups, ceiling for subsidy, minimum construction, unit area and other conditions vary so as to benefit large number of people.

### State Government Initiatives

The various State Housing Policies have followed the philosophy as outlined by the NHHP and formulated their policies accordingly. Major policy initiatives towards the goal of Affordable Housing include reform of rent control act, increased supply of land, reservation of land for the poor, in-situ slum up gradation, reduction in stamp duty especially for the poor, creation of State Shelter Funds for increased flow for EWS /LIG housing, interest subsidy, increased FAR, simplification of procedures for getting various permissions for building housing. Some of these initiatives had become as a necessary condition for access to central funds under the JNNURM. The above mentioned reforms are common to all state housing policies being analyzed to review their contribution to promote PPP in the affordable housing sector. The below mentioned are few such supportive initiatives from different state governments. This includes the different implementation mechanisms and tools followed/

proposed by state governments to promote housing for urban poor.

### Maharashtra

Maharashtra among the third most urbanized State in India has a large slum population, specially in Mumbai. Various efforts for slum improvement and redevelopment have been made by the state in the recent past. Main approach for increasing housing stock is through involvement of private sector by providing incentivized floor space index (FSI)<sup>6</sup> and use of tools like, transfer of development rights (TDR)<sup>7</sup>. The state in its housing policy makes provision for at least 10% of the layout for EWS/LIG tenements and highlights the intention of government to provide adequate lands for LIG/EWS housing. Maharashtra state was the first state to introduce Slum Rehabilitation Act to provide free housing to the slum residents while the rest of the built units could be sold in open market to raise resources for new housing.

The Maharashtra Housing and Area Development Authority permits 20% increase of normally permissible FSI in the case of their schemes having at least 60% of the tenements under EWS/LIG category, permitting the underutilized FSI for HIG and MIG categories, thus making the schemes financially sustainable and increasing the housing stock.

### Kerala

The Kerala government accorded the highest priority to housing of the economically weaker sections (EWS). The Kerala Housing and Habitat Policy aims at facilitating accelerated supply of serviced land and housing with particular focus to EWS and LIG categories. The 'Cash Loan Scheme' is popular in Kerala where the eligible applicants receive cash loan assistance for construction of housing assistance (Bharti, 2019). Subsidy and loan amount varies with reference to income group and eligibility.

Local self governments (LSGs) in Kerala have been actively involved in house construction for EWS since the participatory planning process was launched in 1996. Local Self Government Institutions (LSGs) through Municipalities and Panchayats support public / private / NGO / CBO sector participation in direct procurement of land for EWS groups which is necessary for housing

<sup>6</sup>Ratio of built space to the total plot area.

<sup>7</sup>Provision to allow the excess FSI area to be used in other areas in city.

construction. All the three tiers of Panchayats give top priority to housing projects for EWS. The Bhavanashree component under the Kutumbshree program has been successful to provide EWS housing and small loans for repair, renovation of housing units. Given the urban-rural continuum in Kerala, the state Government encourages Public-Private-Peoples-Partnership (PPPP) to undertake Integrated Housing and Township Projects in the semi urban areas.

### **Madhya Pradesh**

Provisions have been made in the Madhya Pradesh Housing and Habitat Policy - 2007 to seek participation of private and corporate sectors to meet the requirement of social housing in the state. In addition, provisions have been made to make available government land to construction agencies at concessional rates for development of low-rise and low-density habitations in a radius of 30 kilometers to reduce the pressure of population in big cities of the state. The state adopted a multi-dimensional approach by focusing on slum development, infra-structure, and land development. Additional FSI was made available for redevelopment in slum areas. Further, 30% plots/houses developed by Urban Development Authorities//Housing Board are for the poor. MP is the only state to regularize tenure of squatters on government land through a specific State Act - Patta Act (MP Nagariyon Kshetrake Bhumiheen Vyakti Adhiniyam, 1984).

### **Rajasthan**

As per the Habitat policy of Rajasthan, more than 80% of housing shortage is for EWS and LIG categories. State Urban Agenda for Rajasthan is also prepared having provisions for the vision of making the state a slum free state in five years. This was proposed to be achieved by using the TDR tool and reserving 10-15% of developed land area or 20-25% of FAR whichever is more for EWS and LIG.

Various provisions made for increasing the land supply by land acquisition through settlement/negotiation, the Government of Rajasthan made following options:

- i) If the land is surrendered by the owner free of cost to Government, the owner gets maximum 20% residential and 5% commercial developed area in the same scheme.
- ii) If it is not possible to allot land in the same scheme area the owner gets cash in compensation.

The state government also introduced incentives as low registration fee for registration of properties and

incentives for registration the property in name of women in the household.

### **Haryana**

The state of Haryana has seen a rapid increase in urban population over time, nearly 35 percent of the State's population resides in urban centers as per 2011. However, 25 percent of the urban population of Haryana lives in slums (BPL survey,2007). The key initiatives taken by Haryana government for housing sector was earmarking of 25% of the budget for the urban poor in all ULBs and earmarking of 25% of the gross area for EWS Housing under the land pooling scheme of ULBs. The state government also enforced a condition of allotting 20% of the number of plots in the colony to EWS category of persons having a family income up to the prescribed limit. This condition was enforced while granting a license for development of any residential colony by a private developer under Haryana Urban Development and Regulations of Urban Areas Act 1975.

### **West Bengal**

With the increasing problem to accommodate urban poor in the process of city planning, the main approach presently being adopted is joint venture projects for EWS and LIG plots and flats by Housing Board and Development Authorities. Such schemes have been given relaxation in ground coverage, front, side and rear spaces as well as minimum plot size. The new township regulations being brought out where developers will have to develop low income housing as per the National Housing Policy. Incentives for exemption of property tax has been exempted in case of units whose annual rental value does not exceed Rs. 500/-

The housing department has formed several joint sector companies with private companies where 25 percent of plots/ flats have been reserved for EWS/ LIG through cross subsidization. FAR relaxation is provided for housing for the poor so as to accommodate additional housing units and make the project financially sustainable.

## Conclusion

A study of approach to housing across various countries has shown that the path followed by each country is unique to its specific requirements. However, countries irrespective of level of economic development and political systems have promoted housing for the vulnerable sections by having focused schemes for them, either by provision of direct subsidy, vouchers, access to bank loans or by improving the access to housing. Countries like China, have followed the complete socialistic model in the past have now introduced private players in the housing market. Similarly, Singapore has moved beyond the HDB as the sole provider and has made a small space for private players.

Across Europe, post WWII countries provided social housing by partnering with not-for-profit business enterprises. Land, the most important component for a housing project was provided by ULBs and construction was carried out by not-for-profit private business enterprises. This model has been successful in Netherlands and other north European countries. Similar initiatives were taken up Abuja city (Nigeria) by allocating public land for housing development. UK followed the path of social housing by providing rental apartments at a very low rent. As the maintenance of such assets was proving to be financially unviable, the PFI taken by Manchester City Council were successful in renovating housing stock in the city.

USA followed an aggressive model of ownership housing for all, supported the construction of new housing stock by private developers and made public funds available for housing through mortgage finance. Setting up of financial institutions to provide housing loans was a significant step to making housing access-able across income groups. Unfortunately, US housing sector had to bear the brunt of sub-prime crisis, with many household getting evicted from their homes. However, the LIHTCP and the MTO programs have proved to be a success as the program focused on the comprehensive economic development of the family, rather than only housing unit. Evidently the benefits from the MTO, due to its comprehensive approach and involving the beneficiary as a partner to make the desired choice are the keystone of the success of the program. African countries like Nigeria are making significant partnership with private enterprise to provide affordable housing.

The first phase of Indian housing was heavily regulated by the government, with government institutions as the sole provider/supplier. The lack of resources (manpower, financial resources, land) led to massive inefficiencies

and shortages. The houses offered under the hire-purchase scheme by public authorities like DDA and other housing boards were sold at a high premium in the black market.

Indian cities have moved from a provisional approach to a partnership approach, by involvement of private sector as the construction agency. Maharashtra was the first state to implement the Slum Redevelopment scheme and has met with considerable success in Mumbai. Other states like Rajasthan, Gujarat, and Madhya Pradesh followed by involving the private sector for slum redevelopment, though the progress in some states has been slow. Recognizing the strength of in-situ development, PMAY-U has proposed 'in-situ development' as an independent vertical under the scheme.

Though, some of the redevelopment schemes have been successful, there is a need to make the program demand based. Provision of social rental housing at multiple locations in the city would be welcome, as this will provide much needed residential choice to the poor. Housing and occupation choice should be able to complement each other, so that poor do not have to select either of the two.

A significant aspect to modern approach to housing in India has been use of tools like additional FSI for affordable housing, TDR from dense areas to less dense areas of the city and sale of additional FSI. The public authorities can regulate development by using fiscal tools.

Partnership of private sector with the state housing agencies where the public agencies provide land and the private sector builds housing units needs to be accelerated by providing attractive financial incentives. This can be promoted by linking the CSR funding of companies to provision of housing units.

Other NGO's should be promoted to develop rental housing in partnership with the public institutions, where the construction is taken up by efforts like setting up of new banks like the Bandhan Bank, for provision of finance for the poor need to be multiplied so that access to housing loan for the poor is increased. Micro-finance and cash loan as in Kutumbshree and other governance initiatives are significant steps in the right direction and need to be promoted across the country.

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