

Pradhan Mantri Awas Yojana and Sustainable Inclusive Housing in India: A Policy Evaluation

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Abstract:

Housing plays a critical role in promoting social welfare, economic stability, and inclusive development in emerging economies like India. The Pradhan Mantri Awas Yojana (PMAY), launched in 2015, seeks to address housing shortages among economically weaker and marginalized sections through affordable housing initiatives in both rural and urban areas. This study evaluates PMAY from the perspective of sustainable and inclusive housing development. Using a qualitative research design based on secondary data, policy documents, government reports, and existing academic literature, the study examines the scheme's contribution towards environmental sustainability, social inclusion, and long-term developmental goals. The findings indicate that PMAY has improved access to housing, enhanced women's participation in property ownership, and encouraged the adoption of technology-driven and eco-friendly construction practices. However, challenges such as regional disparities, documentation barriers, delays in implementation, and unequal access to credit-linked subsidies continue to limit the scheme's effectiveness, particularly in rural areas. The study concludes that while PMAY has emerged as an important policy instrument for inclusive housing development in India, stronger institutional monitoring, targeted rural interventions, and expanded green housing strategies are necessary to improve its long-term impact. The paper highlights the broader significance of housing policy in supporting sustainable development and inclusive growth in the context of India's Viksit Bharat vision.

Keywords: PMAY, Affordable Housing, Sustainable Development, Inclusive Growth, Housing Policy, Social Equity.

Introduction

Housing is widely recognized as one of the most essential requirements for human well-being and socio-economic security. Beyond providing physical shelter, adequate housing contributes to health, education, employment opportunities, and social dignity. In developing economies such as India, rapid urbanization, population growth, migration, and income inequality have intensified the challenge of providing affordable housing to economically weaker and socially marginalized groups (PMAY Urban 2.0, 2024). According to various government estimates, a significant proportion of India's population continues to face inadequate living conditions, particularly in rural areas and urban informal settlements. To address these challenges, the Government of India launched the Pradhan Mantri Awas Yojana in 2015 with the objective of ensuring "Housing for All." (PMAY Urban 2.0, 2024). The scheme includes both rural and urban components and focuses on improving housing accessibility for low-income households through financial assistance, credit-linked subsidies, and institutional support. Over the years, PMAY has emerged as one of India's largest social welfare and housing initiatives, influencing not only infrastructure development but also financial inclusion, women's ownership rights, and local economic activity.

In recent years, the discourse surrounding housing policy has expanded beyond mere construction targets. Policymakers and international institutions increasingly emphasize the importance of sustainable and inclusive housing systems that integrate environmental responsibility, social equity, and long-term resilience. Sustainable housing involves the use of eco-friendly construction materials, energy-efficient technologies, and climate-responsive infrastructure, while inclusive housing seeks to ensure equitable access for vulnerable groups, including women, Scheduled Castes (SCs), Scheduled Tribes (STs), and economically weaker populations. In this context, PMAY represents not only a housing program but also a

broader development intervention linked with poverty reduction and social transformation. (IFC,2023; World Bank, 2024). Existing studies on PMAY have primarily concentrated on quantitative achievements such as the number of houses sanctioned, subsidy disbursement, and implementation efficiency.

While such assessments are important, relatively limited attention has been given to evaluating whether the scheme effectively contributes to sustainability and inclusive development in a broader sense. Similarly, rural-urban disparities, institutional challenges, and issues related to equitable access continue to require deeper academic examination. As India advances towards the vision of Viksit Bharat @2047(PressInformation Bureau, 2024), understanding the developmental implications of large-scale housing policies becomes increasingly important. The present study attempts to evaluate PMAY from the perspective of sustainable and inclusive housing development in India. It examines the extent to which the scheme supports environmental sustainability, promotes social inclusion, and aligns with long-term development goals. By analyzing policy documents, government reports, and existing academic literature, the study seeks to provide a balanced understanding of the achievements and limitations of PMAY in the contemporary Indian policy framework.

Review of Literature

World Bank – Towards Resilient and Prosperous Cities in India (2025). The World Bank (2025) emphasized that affordable housing policies in India must integrate climate resilience, environmental sustainability, and social equity to support long-term urban development. The report argued that housing programs such as PMAY should move beyond construction targets and incorporate sustainable infrastructure, disaster resilience, and inclusive planning mechanisms. It further highlighted that institutional efficiency and urban governance play a significant role in improving housing outcomes. Press Information Bureau – Cabinet Approval for PMAY-G Extension to 2028–29 (2025). The Press Information Bureau (2025) reported the Government of India’s approval for the extension of PMAY-Gramin up to 2028–29, including the addition of nearly two crore rural houses. The report highlighted the importance of targeted beneficiary identification, e-KYC verification, and improved implementation mechanisms to strengthen rural housing accessibility. The extension reflected the government’s continued emphasis on housing as a tool for poverty reduction and rural development.

PMAY Urban 2.0 Guidelines (2024). The revised PMAY Urban 2.0 guidelines (2024) introduced greater emphasis on technology driven construction, rental housing support for migrant populations, and environmentally sustainable building practices. The guidelines encouraged the adoption of innovative construction technologies and green housing measures to improve affordability and long-term sustainability. The policy revision also reflected a growing recognition of urban housing challenges associated with migration and rapid urban expansion. Press Information Bureau – Progress and Financial Commitments under PMAY (2024).

According to the Press Information Bureau (2024), substantial financial commitments have been made under PMAY to accelerate affordable housing development across India. The report noted the adoption of modern and sustainable construction technologies in several housing projects and highlighted improvements in fund utilization and project implementation. However, delays in certain states and regional disparities in implementation continued to remain areas of concern.

Parliamentary Standing Committee – Evaluation of PMAY Implementation (2024). The Parliamentary Standing Committee (2024) examined the implementation status of PMAY and identified challenges related to project delays, monitoring inefficiencies, and uneven execution across states. The committee recommended stricter monitoring systems, improved coordination among implementing agencies, and stronger accountability mechanisms to ensure timely completion of housing projects and better inclusion of vulnerable groups.

Zaidi, A. (2023). A Case Study of CLSS under PMAY-U. A. Zaidi (2023) analyzed the Credit Linked Subsidy Scheme (CLSS) under PMAY-Urban and observed that procedural and financial barriers often limited access for economically weaker households. The study argued that although subsidy mechanisms

were designed to support affordability, unequal awareness levels and documentation requirements reduced accessibility among marginalized communities, particularly in rural and semi-urban areas.

IFC – Affordable Green Housing Finance in India (2023). The International Finance Corporation (2023) highlighted the growing potential of green residential housing in India and emphasized the need for innovative financing mechanisms to support environmentally sustainable housing projects. The report suggested that integrating green finance initiatives with PMAY could encourage energy-efficient housing development while also generating long-term economic and environmental benefits. World Bank – Financing India’s Urban Infrastructure (2022).

The World Bank (2022) observed that weak municipal financial capacity and limited institutional creditworthiness often hinder effective urban housing implementation in India. The report argued that sustainable housing outcomes require stronger local governance, improved infrastructure financing and efficient urban planning systems to support long-term housing development.

Mishra, A., & Gupta, K. (2021). Evaluating Credit Linked Subsidy Scheme under PMAY. A. Mishra and K. Gupta (2021) evaluated the implementation of the Credit Linked Subsidy Scheme and found that middle-income households were more likely to access housing benefits compared to poorer sections of society. The study identified banking procedures, documentation requirements, and limited financial awareness as major barriers affecting inclusivity under PMAY.

Sharma, V. (2020). Inclusive Housing Policies in India: Lessons from PMAY. V. Sharma (2020) examined PMAY from the perspective of inclusive housing and social equity. The study highlighted the scheme’s role in improving land tenure security and promoting women’s participation in property ownership. At the same time, the research pointed out implementation gaps that restricted equitable access among marginalized populations. UN-Habitat – World Cities Report (2020).

The UN-Habitat (2020) stressed the importance of linking affordable housing with sustainable urbanization, climate resilience, and social inclusion. The report emphasized that housing policies in developing countries should integrate environmental sustainability with equitable urban planning to address long-term developmental challenges.

Yadav, R., & Mehra, S. (2019). Assessment of PMAY Scheme: Rural and Urban Coverage. R. Yadav and S. Mehra (2019) assessed PMAY’s rural and urban implementation and observed significant differences in infrastructure support, institutional coordination, and beneficiary accessibility. The study concluded that urban regions demonstrated relatively stronger implementation outcomes compared to rural areas.

Objectives

1. To examine the role of Pradhan Mantri Awas Yojana (PMAY) in promoting sustainable housing development in India.
2. To analyse the contribution of PMAY towards inclusive housing accessibility for economically weaker and marginalized sections of society.
3. To evaluate the alignment of PMAY with broader development goals such as social equity, environmental sustainability, and inclusive growth.

Research Gap

Existing studies on PMAY have largely focused on quantitative indicators such as the number of houses sanctioned, subsidy distribution, and implementation efficiency. Although these studies provide valuable insights into the operational performance of the scheme, relatively limited attention has been given to its broader developmental implications, particularly in the context of sustainability and social inclusion. Furthermore, many earlier studies primarily examined either urban or financial dimensions of PMAY, while issues such as environmental sustainability, rural implementation challenges, gender inclusion, and equitable accessibility remain insufficiently explored in an integrated manner. International discussions on

climate-resilient and sustainable housing have also received limited analytical attention within the Indian affordable housing context. In view of these gaps, the present study attempts to evaluate PMAY not only as a housing initiative but also as a policy framework linked with sustainable and inclusive development in India.

Research Methodology

The present study is based on a qualitative research approach and relies primarily on secondary sources of data. Relevant information was collected from government reports, policy documents, peer-reviewed research articles, institutional publications, and international reports related to affordable housing and sustainable development. The study adopts a thematic and policy-oriented analytical framework to examine the contribution of PMAY towards sustainable and inclusive housing in India. Secondary data were collected from sources such as the Ministry of Housing and Urban Affairs, Press Information Bureau reports, World Bank publications, UN-Habitat reports, IFC studies, and existing academic literature published between 2016 and 2025. The collected literature and policy documents were analyzed thematically under major dimensions including sustainability, inclusivity, housing accessibility, women's participation, rural-urban disparities, and long-term development outcomes. The study further evaluates the extent to which PMAY aligns with broader developmental objectives such as social equity, environmental responsibility, and inclusive growth. As the research is qualitative in nature, the study focuses on interpretative analysis rather than statistical testing. The objective is to provide a comprehensive understanding of PMAY's achievements, implementation challenges, and policy relevance within the Indian development context.

Data Analysis and Interpretation

This chapter examines the role of the Pradhan Mantri Awas Yojana in promoting sustainable and inclusive housing development in India. The analysis is based on government reports, institutional publications, and academic studies related to affordable housing, sustainability, and social inclusion. The discussion focuses on key dimensions such as environmental sustainability, inclusivity, housing accessibility, financial support mechanisms, and alignment with broader developmental objectives. Sustainable Housing and Environmental Considerations One of the significant policy shifts under PMAY has been the growing emphasis on sustainable and technology-driven housing construction. Recent policy guidelines and institutional reports indicate that several housing projects under the scheme have incorporated eco-friendly construction materials, energy-efficient techniques, and modern building technologies. These measures are intended to reduce environmental pressure while also improving the long-term quality and durability of housing infrastructure. Government reports published under PMAY Urban 2.0 highlighted the increasing use of sustainable construction technologies in affordable housing projects, particularly in urban regions where institutional support and technical capacity are comparatively stronger. Similarly, international agencies such as the International Finance Corporation emphasized that India's affordable housing sector possesses substantial potential for green infrastructure development if supported by appropriate financing mechanisms and technological innovation. Despite these developments, the implementation of sustainable housing practices remains uneven across regions. Urban areas have shown relatively higher adoption of modern construction methods (IFC, 2023; PMAY Urban2.0, 2024), whereas rural regions continue to face infrastructural and administrative limitations. In several rural areas, inadequate technical awareness, limited access to sustainable materials, and delays in project execution have affected the pace of environmentally sustainable housing development. This suggests that while PMAY has initiated a positive shift towards sustainable housing, the overall transition remains gradual and regionally imbalanced.

Inclusivity and Housing Accessibility

A major objective of PMAY has been to improve housing accessibility among economically weaker and socially marginalized groups. The scheme has attempted to promote inclusion by extending benefits to women, Scheduled Castes (SCs), Scheduled Tribes (STs), low-income households, and rural populations. In many cases, ownership provisions encouraging registration of houses in the name of women have contributed to improving women's participation in property ownership and household decision-making. Existing studies indicate that PMAY has positively influenced social inclusion by expanding access to

formal housing assistance among vulnerable sections of society. Government data also suggest that women constitute a substantial proportion of beneficiaries under the scheme. (Sharma,2020). This reflects an important shift towards gender-sensitive housing policy within the Indian welfare framework. However, the analysis also reveals that inclusivity under PMAY has not been uniform across all sections. Several studies identified procedural barriers such as documentation requirements, banking formalities, lack of awareness, and financial inaccessibility as major challenges affecting economically weaker households. (Mishra & Gupta, 2021; Zaid, 2023). In particular, rural beneficiaries often face difficulties in completing administrative procedures required for subsidy access and housing approval. Research related to the Credit Linked Subsidy Scheme (CLSS) further indicates that middle income groups were comparatively better positioned to access institutional credit facilities than poorer households. As a result, certain sections of the population remained partially excluded from the intended benefits of the scheme. These findings demonstrate that although PMAY has strengthened inclusive housing efforts, structural and institutional barriers continue to limit complete accessibility.

Rural–Urban Disparities in Implementation

The analysis highlights noticeable differences between rural and urban implementation outcomes under PMAY. Urban housing projects generally benefited from stronger institutional infrastructure, better financial networks, and relatively efficient monitoring mechanisms. Urban local bodies with greater administrative capacity were able to achieve faster project completion rates and improved compliance with technological and sustainability standards. In contrast, rural implementation faced comparatively greater challenges related to land availability, administrative coordination, beneficiary identification, and financial accessibility. Delays in fund disbursement and weaker institutional monitoring also affected the pace of construction in certain regions. (Parliamentary Standing Committee, 2024; Yadav&Mehra,2019). Limited digital awareness and infrastructural constraints in rural areas further contributed to implementation gaps. These disparities indicate that the effectiveness of PMAY is closely associated with local governance capacity and institutional support systems. While the scheme has generated visible improvements in both rural and urban housing accessibility, implementation outcomes remain uneven due to regional socio-economic differences.

PMAY and Long-Term Development Goals Beyond housing construction, PMAY has broader developmental implications linked with poverty reduction, social welfare, financial inclusion, and inclusive growth. Improved housing conditions contribute not only to physical security but also to better health, education, sanitation, and social dignity. In this context, the scheme functions as a multidimensional development initiative rather than merely a construction programs. The integration of sustainable construction practices and gender-focused ownership provisions reflect an attempt to align housing policy with long-term developmental priorities. International organizations such as UN-Habitat and the World Bank have consistently emphasized the importance of combining affordable housing with environmental sustainability and social equity. PMAY partially reflects these objectives through its emphasis on affordable housing accessibility, women’s participation, and sustainable construction technologies. Nevertheless, the study also indicates that achieving long-term developmental outcomes requires stronger institutional monitoring, improved governance mechanisms, and better integration of sustainability measures within rural housing programs. Without addressing these structural challenges, the long-term effectiveness of PMAY may remain uneven across different socio-economic groups and geographical regions.

Table 1: Major Dimensions of PMAY Implementation and Outcomes

Dimension	Key Observations	Major Challenges
Sustainable Housing	Adoption of green and technology-driven construction practices in several projects	Uneven implementation in rural regions
Inclusivity	Increased participation of women and marginalized groups	Documentation and financial barriers
Housing Accessibility	Expansion of affordable housing support mechanisms	Unequal institutional access among poorer households
Rural–Urban Implementation	Urban areas show relatively	Rural infrastructural and

	stronger implementation outcomes	monitoring limitations
Developmental Impact	Contribution towards social welfare and inclusive growth	Need for stronger governance and policy integration

Source: Compiled and interpreted by the researcher using data from PMAY Urban 2.0 Guidelines (2024), Press Information Bureau reports (2024–2025), World Bank (2022, 2025), IFC (2023), and related academic studies.

Interpretation of Findings

The analysis indicates that PMAY has emerged as an important housing policy initiative with significant implications for sustainable and inclusive development in India. The scheme has contributed to improving housing accessibility, encouraging women's participation in property ownership, and promoting environmentally conscious construction practices in several regions. At the same time, the findings reveal that the benefits of PMAY remain uneven due to administrative limitations, rural-urban disparities, and barriers affecting economically weaker households. Urban regions have generally demonstrated stronger implementation capacity, whereas rural areas continue to face structural and institutional challenges that affect inclusivity and sustainability outcomes. Overall, the study suggests that PMAY represents a meaningful step towards inclusive housing development in India. However, strengthening governance systems, improving rural implementation mechanisms, and expanding sustainable housing practices will be essential for enhancing the long-term effectiveness of the scheme within the broader vision of equitable and sustainable national development.

Conclusion and Recommendations

The present study examined the Pradhan Mantri Awas Yojana (PMAY) from the perspective of sustainable and inclusive housing development in India. Housing is not merely a physical necessity but also an important indicator of social welfare, economic security, and human dignity. In a developing country like India, affordable and accessible housing plays a crucial role in reducing poverty, improving living standards, and promoting balanced socio-economic development. The study analyzed PMAY as a policy initiative aimed at addressing housing shortages while also supporting broader developmental objectives related to sustainability and social inclusion.

The findings of the study indicate that PMAY has made a meaningful contribution towards expanding affordable housing accessibility across both rural and urban regions. (PIB, 2024). The scheme has encouraged greater participation of economically weaker sections, women, and marginalized communities within the formal housing framework. Provisions related to women's ownership and targeted beneficiary support have strengthened social inclusion and improved access to institutional housing assistance. In several regions, PMAY has also contributed towards improving household security, sanitation facilities, and overall living conditions. The analysis further reveals that the increasing adoption of technology-driven construction methods and environmentally sustainable housing practices under PMAY reflects a gradual shift towards sustainable infrastructure development. Government initiatives promoting eco friendly construction materials, energy-efficient housing technologies, and modern building techniques indicate the growing importance of environmental considerations within affordable housing policy. However, the implementation of such measures remains uneven across regions, particularly in rural areas where infrastructural and administrative limitations continue to affect execution. Despite its achievements, the study identifies several challenges that restrict the full effectiveness of the scheme. Procedural barriers related to documentation, banking formalities, beneficiary awareness, and institutional accessibility continue to affect economically weaker households. Rural implementation also faces issues associated with monitoring, technical capacity, and delayed project completion. In some cases, middle income groups were comparatively better positioned to access subsidy-linked benefits than the poorest sections of society. These disparities highlight the need for stronger implementation mechanisms and more inclusive policy support systems.

The study also suggests that the long-term success of PMAY depends significantly on institutional efficiency, governance quality, and policy coordination. Sustainable and inclusive housing requires not only financial support but also effective monitoring systems, transparent implementation processes, and

improved integration between housing policy and local development planning. Strengthening rural administrative capacity and expanding awareness regarding housing schemes can improve accessibility among vulnerable groups. In light of these findings, several policy recommendations emerge from the study. Greater emphasis should be placed on strengthening rural implementation mechanisms and simplifying documentation procedures for economically weaker beneficiaries. The expansion of flexible and inclusive financing options may further improve housing accessibility among low-income households. Additionally, increased investment in green construction technologies, technical training, and sustainable infrastructure development can strengthen the environmental dimension of affordable housing initiatives. The study concludes that PMAY represents an important step towards promoting affordable, sustainable, and inclusive housing development in India. Although implementation challenges remain, the scheme has contributed positively towards social welfare, gender inclusion, and housing accessibility. With stronger institutional support, effective monitoring, and greater emphasis on sustainability and rural inclusion, PMAY can continue to play a significant role in advancing India's long-term development vision and the broader objective of inclusive growth.

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