

CHAPTER – I

EXECUTIVE SUMMARY

The successful development of any nation is marked with a stable and sound financial system for the population. Among the economists, it is the consensus that financial development plays a vital role in the overall development and economic growth. Most of the research demonstrate that a stable financial system not only boosts the economic system but also develops the spirit of economic development among the citizen of the country.

In India, the government is taking concentrative efforts towards financial inclusion since the independence because a large part of the population resides below the poverty line among which most of the population belongs to rural areas. The Government of India has adopted many measures to include the excluded under the formal banking services, but the target is still far away. The less focus towards saving, poverty, financial untouchably were the main destructive threats for the Indian economy, keeping in mind all these problems, it becomes very necessary that financial inclusion level should be increased.

The concept of housing affordability has been widely used for the past 15 years or so (Robinson, Scobie and Hallinan, 2006), but defining it accurately is challenging. Housing affordability could simply be defined as shelter that is costeffective, meaning that a household can “pay without incurring financial difficulties” (Robinson et al., 2006, p. 1). Internationally, housing affordability is defined in multiple ways. One of the most helpful definitions of housing affordability was offered by MacLennan and Williams (1990, p.9) as being “concerned with securing some given standard of housing (or different standard) at a price or a rent which does not impose, in the eye of some third party (usually the government) an unreasonable burden on household incomes.” Affordable housing is generally considered to be houses which meet the needs of households whose incomes are not sufficient to allow them to access appropriate housing in the market. Decent housing has been universally accepted as one of the basic needs of individuals, the family and the environment (Adeboyejo,

2005). In United States and Canada, a common accepted criterion for affordable housing is that the cost of housing should not be more than 30 percent of a household's gross income. Housing costs include taxes and insurance for owners, and utility costs (cited in Vibrant Gujarat, 2017). One of the most commonly accepted definitions of affordability refers to housing affordability which is taken as a measure of expenditure on housing to income of the household. This is also accepted by the Indian Government, which states “Affordable housing refers to any housing that meets some form of affordability criterion, which could be income level of the family, size of the dwelling unit or affordability in terms of EMI size or ratio of house price to annual income” (High Level Task Force on Affordable Housing for All, 2008).

House is considered as one of the three basic needs of life besides food and cloth. Housing fulfills a fundamental aspect of men’s need given that access to safe and adequate shelter and basic service is essential to a person’s physical, psychological, social and economic well-being. Access to adequate, affordable and quality housing is an important social goal in many countries (Azeez and Basirat, 2017). Developing nations is facing a multi-dimensional problem of housing, especially for low income earners who constitute the majority of the population (Adedeji, 2007). The problem of rapid population growth, continuous influx of people from rural to the urban centers and the lack of basic infrastructure required for a good standard of living, disparity between the price and quantity of housing, the number of households and the money available to them to pay these prices have compounded housing problems over the years (Olotuah, 2009). The 20th century witnessed a rapid growth in urban population. Rapid growth of the urban population resulting in overcrowded slums in cities. Slums are home to an increasing number of the urban poor. Housing affordability is currently a prominent concern in India, especially in urban areas, because housing costs have increased more than incomes over the last few years. Globally, there have been several interventions which have aimed to provide affordable housing solutions for all. Government of India also has declared the mission of ‘Home for All’ by 2022.

India is a well known developing country & undoubtedly suffer from tremendous growth of population as well as from inadequate, unstructured, insufficient growth of

vital banking sector & from less growth of financial inclusion, without which meaningful, rapid growth cannot possible, a country cannot stand & participate in race of development without a qualitative growth of banking sector & financial inclusion. India is a pool of most young population, but significant population not utilized or entered in chain who do not availed basic banking facility, which cause poverty, corruption & insufficient Human Index growth, people deprived from bank account, proper credit facility ATMs facility. Earlier wealth was in pocket of some peoples, which disturbed the chain of progress by exploit all population by charging heavy interest on credit money given to people, ,less growth of banking sector & financial inclusion push backward, the wheal of growth of poor, illiterate people, for that Swabhimaan yojana, KYC related relaxation, Business correspondent model, DBT schemes were introduced, which tried to uplift the financial inclusion level but not succeed in achieving satisfactory percentage.

In order to achieve this objective, Central Government has launched a comprehensive mission “Pradhan Mantri Awas Yojana – Housing for All (Urban)”. The mission seeks to address the housing requirement of urban poor including slum dwellers (Ministry of Housing & Urban Poverty Alleviation, 2016).