

The Regularisation Trap: Governance Failure, Political Economy and the Perpetual Growth of Unauthorised Colonies and Slums in Delhi

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Abstract: *Delhi's urban expansion has produced one of the most complex informal settlement landscapes in the Global South. More than 40% of the National Capital Territory's population now lives in unauthorised colonies or jhuggi-jhopri (JJ) clusters — a figure that has grown not despite governance, but in many ways because of it. This article examines the structural dynamics driving this proliferation, drawing centrally on I. Ahmed Khan's 2026 documentary account rooted in his decade-long insider engagement with the UNICEF–Government of India joint initiative (1988–2000). Tracing the arc from Delhi's first regularisation policy in 1977 — when 607 colonies existed — to the PM-UDAY scheme of 2019 covering 1,731 colonies, the article argues that each cycle of policy leniency created new incentive structures for colonisers, politicians and land intermediaries to seed further settlements. The article identifies four interlocking failure modes: the regularisation-incentive paradox, vote-bank politics, institutional fragmentation and judicial ambiguity. It concludes by assessing the structural conditions required for a credible departure from this trap.*

Keywords: *unauthorised colonies, Delhi, informal settlements, regularisation policy, urban governance, jhuggi clusters, PM-UDAY, vote-bank politics*

1. Introduction

Delhi is simultaneously one of the world's most planned and most unplanned cities. Since Independence, successive master plans, land acquisition frameworks and housing programmes have coexisted with an expanding informal city whose growth was enabled, rather than merely tolerated, by the very institutions charged with controlling it. By 2008, the Delhi High Court observed in a landmark order that "more than 40% of the population of Delhi finds shelter in these unauthorised colonies" — a figure that no responsible governance framework could claim to have inherited passively (Delhi High Court, WPCNo.6425/1998).

Understanding why this happened requires moving beyond descriptions of poverty-driven rural–urban migration, though that is certainly part of the story. It requires examining the iterative interaction between housing scarcity, policy cycles, political incentives and institutional complicity. I. Ahmed Khan's *Seeding and Breeding of Unauthorised Colonies and Slums in Delhi* (2026) offers a uniquely situated account: written by a discussion the issues with all walks of life who worked within the UNICEF–Government of India programme for slum improvement between 1988 and 2000, the book combines primary documentary evidence — court orders, ministerial advisories, layout plan records, colony lists

— with ground-level observation. It is, in effect, an institutional autopsy of one of India's most consequential urban governance failures.

This article synthesises Khan's analysis and primary data to construct a structured account of how Delhi's unauthorised settlement landscape was not merely seeded by poverty, but actively bred by a self-reinforcing policy trap. The article proceeds as follows: Section 2 traces the historical roots of informal settlement; Section 3 analyses the regularisation cycle and its perverse incentives; Section 4 examines the role of political economy; Section 5 discusses the judicial dimension; Section 6 presents quantitative evidence and the two infographics; and Section 7 offers concluding reflections on pathways forward.

2. Historical Roots: From The Walled City to Post-independence Delhi

The origins of informal settlement in Delhi long predate the post-Independence republic. As Khan documents, the construction of the Red Fort and Jama Masjid under Mughal Emperor Shahjahan drew artisans and labourers from across the subcontinent, who settled in makeshift structures around the walled city. What began as temporary worker accommodation gradually crystallised into permanent occupancy patterns — the *katras* — laying the cultural and spatial template for the informal city (Khan, 2026, pp. 3–4).

After Independence, the Delhi Development Authority (DDA), established in 1957, was tasked with providing planned residential supply for the capital's rapidly growing population. The DDA's record in this regard was, by the assessment of the Delhi High Court itself, one of "monopolistic practices" and the release of "residential and commercial lands in dribbles" (Delhi High Court, WPC No. 6425/1998). This chronic undersupply created the structural conditions for the informal market to fill the gap. Agricultural landowners on Delhi's periphery, recognising the opportunity, began subdividing and selling plots without statutory approval. Daily-wage workers, unable to afford even these informal transactions, occupied vacant government land near their worksites, constructing jhuggi clusters that became the second tier of Delhi's informal city (Khan, 2026, pp. 4–5).

Two features of this early phase are critical. First, the growth was structurally demand-driven: poverty-stricken migrants from rural India, particularly from Uttar Pradesh, Bihar and Rajasthan, arrived in search of daily-wage employment in Delhi's construction, domestic service and manufacturing sectors. They were not, as Khan argues emphatically, a threat to the city — they were and remain, essential to it (Khan, 2026, p. 5). Second, the growth was structurally supply-enabled: land-owning agencies failed to protect government land, field staff were routinely bribed and politicians identified jhuggi clusters as a durable electoral asset.

3. The Regularisation Cycle and its Perverse Incentives

The first formal regularisation policy was issued by the Government of India on 16 February 1977, when 607 unauthorised colonies were documented in Delhi. Of these, 567 were regularised in phases between 1978 and October 1993. The immediate consequence was a sharp lesson in unintended incentives: agricultural landowners, property dealers, builders and colonisers observed that constructing unauthorised colonies did not lead to demolition but to eventual legalisation. Each round of regularisation thus became an advertisement for the next round of unauthorised development (Khan, 2026, pp. 5–6).

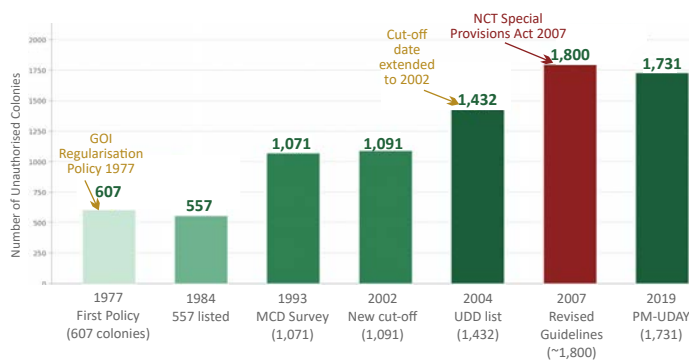
The process escalated systematically. By 31 March 1993, the MCD's field survey confirmed 1,017 unauthorised colonies in existence, against a reported count of 1,071. The government recommended regularisation of this larger figure, subject to exclusions (colonies on forest land, archaeological zones, Yamuna floodplains or with fewer than 50% occupied plots). However, the cut-off date was progressively extended: first to 31 March 2002 under the 2004 guidelines, then effectively to 8 February 2007 under the Revised Guidelines 2007, which also expanded the scope to include Extended Lal Dora abadi areas.

Each extension incorporated constructions made in violation of the previous cut-off — an explicit legalisation of non-compliance (Khan, 2026, pp. 13, 32–33).

The mechanics of escalation were not passive. When the Urban Development Department (UDD) issued a public notice in 1998 requesting layout plans for 527 colonies, it received 811 submissions — including 190 colonies that had never been advertised in the first place (Khan, 2026, p. 9). When the Revised Guidelines 2007 invited 1,432 registered submissions, a total of 1,639 files arrived, with police required to manage the commotion at submission counters. The total universe of colonies under consideration reached approximately 1,800, before settling at 1,731 under the PM-UDAY scheme notified in October 2019 (Khan, 2026, pp. 34–35, 54).

A particularly acute perverse incentive concerned property prices. Khan documents that wherever the UDD permitted development works in an unauthorised colony, property dealers immediately publicised that regularisation was imminent, causing land and plot prices to double before a single brick was laid (Khan, 2026, p. 10). This meant that the initiation of development works — intended as humanitarian provision of basic services — functioned as a market signal that made unauthorised settlement more attractive and profitable for intermediaries.

Figure 1: Escalation of Unauthorised Colonies in Delhi (1977-2019) from first Regulation Policy to PM-UDAY



Source: *Seeding and Breeding of Unauthorised Colonies and Slums in Delhi*. Kavya Publications

4. The Political Economy of Informal Settlements

The most illuminating contribution of Khan's account is its unflinching documentation of the political economy underpinning the regularisation trap. Unauthorised colonies and JJ clusters are not simply failures of planning; they are, in important respects, political products.

Khan observes that politicians across party lines recognised the electoral arithmetic of informal settlements early. JJ clusters

were deliberately protected from demolition and it is notable that most clusters have been named after prominent political figures or party symbols — a spatial encoding of patronage (Khan, 2026, p. 5). The Delhi Legislative Assembly elections of November 2008 provided a direct test of this architecture: the ruling party won and Khan notes with dry precision that “voters in the unauthorised colonies were not thankless” (Khan, 2026, p. 48).

The vote-bank dynamic operated most visibly in the repeated extension of regularisation cut-off dates. As Khan documents, once the 2004 guidelines set the cut-off at 31 March 2002, the Delhi Government almost immediately began lobbying the Ministry of Urban Development for a further extension. The 2007 guidelines complied and additionally included Extended Lal Dora abadi, a provision that Khan characterises as a “Big Game” — benefiting politically connected individuals who had pre-purchased peripheral agricultural land in anticipation of inclusion (Khan, 2026, p. 33). The High Court Divisional Bench in 2008 explicitly noted that “vote bank politics in Delhi relatable to land use is felt at every election” (Delhi High Court, WPC No. 6425/1998).

The political economy of informal settlements was mediated through a dense network of intermediaries: colonisers, property dealers, financiers, Pradhans of JJ clusters and field officials of land-owning agencies. Pradhans — ostensibly community representatives — often became entrepreneurs of settlement, owning multiple jhuggies, negotiating with authorities on behalf of residents and extracting rents from both (Khan, 2026, p. 4). Builders reported to Khan that local political leaders functioned as paid mediators between government agencies and developers, receiving cash payments or equity stakes in buildings under construction in exchange for preventing official interference (Khan, 2026, p. 35).

The Ministry of Urban Development’s advisory of 27 July 2000 — directing agencies to fence and videograph land boundaries, post watch-and-ward personnel and prevent colony expansion — was, as Khan documents, “never complied with seriously by any authority”. No plantation was carried out; no videography undertaken. Watch-and-ward was present, but field staff generally allowed construction to proceed, “except in a few cases as per their convenience” (Khan, 2026, p. 12). The advisory became, in effect, a paper defence before the courts.

5. The Judicial Dimension: Protection Without Resolution

The judiciary’s role in Delhi’s informal settlement landscape is paradoxical and, as Khan argues, “unintentional” but

consequential. The filing of writ petitions under Article 226 of the Constitution by residents of threatened colonies created a legal mechanism through which demolition orders were routinely stayed. Field officials of land-owning agencies, Khan reveals, often privately advised colony residents to approach the High Court for stay orders, effectively using the judiciary as a tool to shield unauthorised construction from enforcement — in exchange for consideration (Khan, 2026, p. 13).

The landmark PIL Common Cause vs. Union of India, CWP No. 4771/1993, provides a case study in judicial ambiguity. Filed by social activist H.D. Shourie, it sought to prevent further regularisation of unauthorised colonies and compel government accountability. Instead, the litigation’s evolving orders became a reference framework within which individual residents could seek protection for specific properties (Khan, 2026, pp. 7–8). A representative 2004 order in Rakesh Kumar vs. DDA (WP(C) 244/1999) directed residents of Bhikam Singh Colony, Vishwas Nagar, to form a cooperative society and submit layout plans, effectively initiating a regularisation process for a colony that had not previously been on any official list.

The Supreme Court’s order of 19 February 2006 in WP(C) No. 725/1994 — the Yamuna pollution case — was interpreted by a group of Delhi Government officials as a green light to extend development works to all unauthorised colonies, whether on private or government land. This interpretation, whether accurate or expedient, provided political cover for an acceleration of the very development activities that signalled forthcoming regularisation and therefore attracted further unauthorised construction (Khan, 2026, p. 24).

Even as late as October 2025, the Supreme Court was still grappling with the consequences of this cycle. In its order of 31 October 2025 in Case No. 4677/1985 concerning Shri Sai Kunj Colony, Vasant Kunj, the court noted with evident frustration that “an effort is being made to regularly come out with new legislations or regulations for regularising unauthorised colonies of affluent people” — a phenomenon that the court directed all four principal respondent bodies to explain by affidavit (Khan, 2026, pp. 51–52).

6. Quantitative Dimensions: Key Data and Policy Milestones

The quantitative record assembled by Khan constitutes perhaps the most valuable archival contribution of his work. Table 1 below synthesises the key policy milestones, colony counts and institutional outcomes documented in the book, making visible the escalation pattern that Figure 1 charts chronologically.

Table 1: Key Policy Milestones, Colony Counts and Outcomes — Delhi’s Unauthorised Colonies (1957–2019)

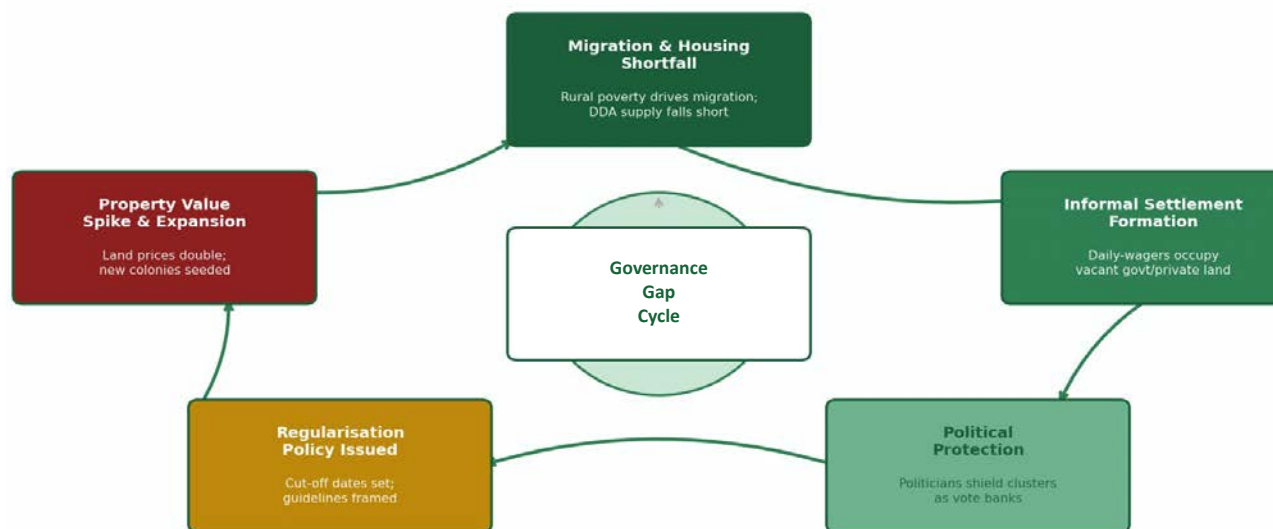
Year	Policy / Event	Colony Count	Key Outcome / Significance
1957	Delhi Development Authority established	Unauthorised colonies pre-existing	DDA given monopoly over land; chronic undersupply of planned housing begins
1977	First GOI Regularisation Policy (16 Feb 1977)	607 colonies reported	567 colonies regularised 1978–1993; incentive to colonise without sanction established
1990	GOI announces jhuggi numbering & ration card scheme	Jhuggi numbers spike	Policy intended as welfare measure triggers sudden surge in new jhuggi construction
1993	MCD survey; PIL Common Cause vs. Union of India (CWP 4771/1993)	1,071 (reported); 1,017 (verified)	HC restrains regularisation; cut-off date set 31.03.1993; governance deadlock begins
1998	Regularisation transferred from MCD to GNCTD;	UDD public notice	811 LOPs received (vs. 527 requested) 190 previously unadvertised LOPs submitted; records gaps exploited
2000	Ministry of Urban Development advisory (27 July 2000)	—	Directive to fence, videograph and protect land ignored by all agencies
2004	GOI Guidelines; cut-off date extended to 31.03.2002	1,432 colonies (files received: 1,639)	Political pressure forces acceptance of 207 additional files; list grows from 1,071 to 1,432
2007	Revised Guidelines 2007; NCT Special Provisions Act (No. 43/2007)	~1,800 (estimated)	Extended Lal Dora included; constructions up to 8 Feb 2007 legitimised; Act suspends punitive action till Dec 2008
2008	Delhi Assembly elections; HC order noting 40% population in unauthorised colonies	675 JJ clusters (separate)	Ruling party wins; vote-bank function of unauthorised colonies confirmed
2019	PM-UDAY Scheme; NCT (Recognition of Property Rights) Regulations notified 29.10.2019	1,731 unauthorised colonies	Ownership rights conferred; 69 ‘affluent colonies’ excluded; majority of residents not registering (prefer power-of-attorney transfers)

Source: Compiled from Khan (2026). *Seeding and Breeding of Unauthorised Colonies and Slums in Delhi*. Kavya Publications.

Figure 2 below synthesises the structural dynamics described across Sections 3, 4 and 5 into a schematic representation of the regularisation trap — a self-reinforcing cycle in which each of the six nodes feeds the next and the cycle perpetuates itself across policy generations.

Figure 2: The Regularisation Trap - A Self-Reinforcing Policy Cycle in Delhi’s Informal Settlement Governance

How each wave of legalisation seeded the next generation of unauthorised settlements



Source: Compiled from Khan (2026). *Seeding and Breeding of Unauthorised Colonies and Slums in Delhi*. Kavya Publications.

As Figure 2 illustrates, the cycle has six nodes: rural–urban migration driven by poverty and the DDA’s housing undersupply; the formation of informal settlements on vacant government and private land; political protection of these settlements as vote banks; the issuance of regularisation policies in response to political and humanitarian pressure; a spike in property values and the seeding of new unauthorised developments; and a governance gap in which advisories and court orders are systematically not implemented. Each node feeds the next and the cycle restarts. The PM-UDAY scheme of 2019 — with its unprecedented conferral of property rights on residents of 1,731 colonies — may represent the most ambitious attempt yet to break this cycle. But as Khan’s “outstanding questions” section makes clear, fake colonies remain listed, affluent colonies remain unaddressed, unauthorised construction continues unabated and no guidelines for the 69 affluent colonies have been issued as of the book’s writing (Khan, 2026, pp. 55–56).

7. Conclusion: Conditions for Breaking the Trap

Delhi’s informal settlement crisis is not a failure of knowledge. Courts, commissions, ministries and NGOs have produced voluminous documentation of the problem and its causes over seven decades. What has been absent is not understanding but political will — and, crucially, the structural incentives that would make political will sustainable. Khan’s contribution is to show, from the inside, precisely which interests have historically benefited from the trap and how they have operated.

Breaking the regularisation trap requires at minimum four structural shifts. First, supply must be decoupled from political patronage: the DDA’s land release mechanism must be reformed to produce affordable housing at scale, removing the structural housing deficit that makes informal settlement the only viable option for large sections of the workforce. Second, the regularisation instrument must be retired or fundamentally redesigned: as long as unauthorised construction leads predictably to eventual legalisation, the incentive to build without sanction persists. Any future pathway to rights must be de-linked from occupancy as the sole qualifier. Third, institutional accountability must be disaggregated: the diffusion of responsibility across MCD,

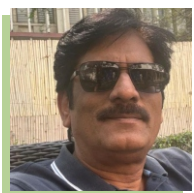
DDA, DJB, Revenue Department and GNCTD has historically ensured that no single agency can be held accountable for non-compliance with court orders or advisory directives. Fourth, civil society engagement — particularly from tax-paying residents who bear the costs of unplanned density in the form of water scarcity, pollution and infrastructure overload — must be activated as a countervailing political force (Khan, 2026, pp. 55–57).

Khan closes his account with a quietly measured aspiration: “I assume that maybe this book can help to organise this city into a disciplined city.” The modesty of this hope is itself diagnostic. After seven decades of policy cycles, the most that a careful and knowledgeable insider can hope for is that documentation might, eventually, generate accountability. For scholars of Indian urban governance and socio-economic development, that aspiration — and the evidentiary foundation Khan has assembled in its service — constitutes the genuine significance of this work.

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