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DEMYSTIFYING THE CHALLENGES OF LOW- INCOME HOUSING DELIVERY IN URBAN INDIA: THE CASE OF DELHI

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EXECUTIVE SUMMARY

Adequate housing for all- a pressing urban development challenge in India

Increased urbanization poses serious challenges for adequate housing in the cities of Global South. According to the latest UN estimate, India is expected to become the world's most populous country by 2023, putting additional strain on existing resources and posing serious challenges to achieving the Sustainable Development Goals (SDGs). Amidst such burgeoning population growth coupled with *messy and hidden* urbanisation in India, the provision of adequate, affordable, and decent housing for its low-income citizens has become a pressing urban issue. While the government has implemented a range of housing policies and programmes during successive plan periods, particularly for low-income urban households, the success rate of these initiatives has been minuscule as compared to the total housing needs of the urban population. Concerted efforts by state and private players have not kept pace with the rising unmet need for housing, particularly housing that is affordable and accessible to the urban poor. Consequently, a high share of urban poor households

Key Highlights

- With increased urbanisation in India the provision of adequate, affordable, and decent housing for its low-income citizens has become a pressing urban development challenge.
- While the issues of access to serviced land, housing finance, and public subsidy in augmenting the supply of low-income ownership housing has been at the heart of current policy debate, the criticality of timely allotment and delivery of possession of houses remain largely overlooked.
- Examining the data from a mixed method study, we find pendency in the allotment process has been the greatest impediment to the delivery of possession, contributing to a higher incidence of vacancy in public housing stock across Delhi.
- Several institutional factors (e.g., ownership status of the land, multiple rounds of the survey without tangible outcomes, centre-state conflict over taking the credit of allotments, and the excuse of the Covid-19 pandemic) contributed to the overall delay in allotment and denying housing to low-income residents in Delhi.
- This study recommends that maintaining coherence among the changing policy guidelines, clearing the existing housing backlog, connecting the peripheries with the city core by expanding affordable and accessible transportation networks, and ensuring strong co-ordination between the centre and states should be useful policy options to achieve an inclusive and integrative agenda of urban affordable housing.

live in acute housing poverty. As per the Governments' estimate, during 2012-17, there was a housing deficit of almost 19 million units across Indian cities and more than 95 per cent is accounted for by housing for the low-income groups (LIG) and economically weaker sections (EWS). A recent estimate based on the 76th round of the National Sample Survey (NSS) results, however, suggests that this figure may have increased to 29 million units, requiring urgent housing intervention.

Housing scenario in Delhi: Scale of problems and policy response

The most critical manifestations of state policy and housing market failures are unplanned and haphazard growth of informal settlements characterised by substandard, notoriously congested and socially unacceptable housing conditions with meagre access to essential civic services and amenities across the large Indian cities including Delhi. At present, about 30 per cent of Delhi's population live in substandard housing (across 757 *basties*/JJ clusters, 1797 unauthorised colonies (UCs) and old dilapidated settlements including 362 villages) lacking adequate housing and minimum level of basic services. An additional 24 lakh new housing units need to be built to address the existing housing backlog in Delhi. Given these conspicuous and massive housing problems, the Government of NCT of Delhi has undertaken multipronged housing reforms and urban development measures including land development and construction of new houses; in-situ slum redevelopment/slum relocation (rehabilitation) under public-private partnership; and, to some extent, the regularisation of UCs.

While the production of new housing units has been at the heart of these '*state-enabled but market-driven*' housing strategies, the intricacies of timely delivery of housing stock to intended beneficiaries remain largely unaddressed. Most importantly, the majority of these new stocks are developed in the outskirts of the city and relocation of *basti* dwellers in the periphery adversely impacts their economic, social and employment networks and livelihoods, which in turn aggravates the problem of vacant public ownership housing stock. For instance, in 2018, around 1.68 lakh low-cost dwelling units remained unallotted, consisting mostly of inventories created under erstwhile schemes including JnNURM, and RAY, across urban India. Delhi is an outstanding example of a persistent housing paradox with millions of *basti* dwellers striving for a better home and the simultaneous existence of a large number of

unallotted public housing stock (i.e., around 36623 units). The housing crisis thus remains a persistent problem even today in Delhi with a population of nearly 20 lakh (28 per cent) living in 757 *JJ clusters*.

Emerging housing questions in the context of Delhi

Against this housing reality, this study seeks to answer the following questions: *How can we understand the housing crisis in Delhi when a record number of public housing units remain unallotted for years? What are the bottlenecks that create complexity in the timely delivery of possession of such housing to beneficiaries? How are the enlisted beneficiaries struggling to access the committed housing stocks in Delhi? What are the policy-level considerations to be adopted to effectively construct and deliver affordable housing for low-income residents in Delhi?*

While much of the urban studies and housing economics literature has highlighted the role of access to serviced land, housing credits and public subsidy in augmenting the supply of low-income affordable housing in Indian cities, they have largely overlooked the criticality of timely allotment and delivery of possession of houses to intended beneficiaries. Drawing on the data from a mixed method study (February – June 2022), this study sought to analyse the intricacies of low-income housing delivery in three selected informal settlements in Delhi (e.g., Kidwai Nagar basti, Nur Nagar basti and Panjabi Academy transit camp). More explicitly, this study addressed the questions, that remain largely invisible in the current policy debate, of how structural and institutional impediments influence the delivery of possession of low-income public housing in Delhi.

Housing crisis is an institutional crisis

The key findings that have emerged from this study are the following. *Firstly*, there has been a prolonged time gap between the distribution of provisional allotment letters and delivery of houses to eligible *basti* residents, marked by their decades-long struggle, agony and unending waiting. *Secondly*, while there has been widespread speculation that houses built under various schemes remain vacant because allottees are not willing to move into these houses, our study provided an important alternative narrative in the unoccupied public housing debate in urban India and strongly suggests that pendency in the allotment process has been a major contributing factor to the high incidence of vacancy in public

housing projects across Delhi. *Thirdly*, state authority and its various parastatal agencies have been found to be highly oppressive and have been exploiting their dominant position by delaying allotment and denying possession of houses for over a decade. In this regard, organised activism, led by informal *basti* leaders and community/civil society organisations, has emerged as a dominant strategy to fight against this. *Fourthly*, it also shows that the increasing and decisive intervention of the judiciary in the due process has been phenomenal in ensuring the housing rights of many vulnerable *basti* residents, as plenty of instances reveal how the High Court has intervened in the 'poor blind' and exclusionary housing approach of the state in its efforts to make the city "slum-free". *Finally*, it appears that there are a range of institutional factors (e.g., ownership status of *basti* land, multiple rounds of surveys without tangible outcomes, centre-state conflict over credit for allotments, and the excuse of the Covid-19 pandemic) that have contributed to the overall delay in the allotment process and denied the rights of individuals to get possession of houses. This has indeed made the housing crisis an institutional crisis or a '*crisis within a crisis*' in Delhi.

Delayed allotment and denied housing is not a simple function of a demand and supply mismatch

The larger argument emerged from this study is that the delayed allotment and denied housing is not a simple function of a demand and supply mismatch but a failure to effectively address the challenges of timely handing over of possession and protecting the housing rights of the urban poor. The onus lies strongly on the state because these are formal ownership housing built for low-income segments under state subsidy. Most importantly, this state failure indicates that the policy focus on scaling up the delivery of affordable housing for low-income households has not been effectively designed within an inclusive agenda of integrating them into the urban mainstream. Therefore, to achieve an inclusive and integrative agenda of urban affordable housing, policy guidelines should focus not only on the construction of new dwellings but also on the time-bound allotment of houses to beneficiaries. In this regard, maintaining coherence among the changing policy guidelines, clearing the existing housing backlog, connecting the peripheries with the city core by expanding affordable and accessible transportation networks, and ensuring strong co-ordination between the centre and states should be useful policy options.