

Urban Disorder and Regulatory Failure: The Proliferation of Illegal Housing Societies in Karachi (Pakistan)

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Abstract

The unapproved land purchases, poor infrastructure, and disobedience to the law have been an important problem in the urban areas of Pakistan in the form of the so-called Illegal housing societies. These societies usually take advantage of poor implementation of land-use regulations and consequently incur losses in terms of money spent by buyers, fraud in real estate dealings, and damage to the environment. Besides flouting zoning laws, developers also do not offer some of the basic amenities such as potable water, sewage systems, and ownership verification. The lack of a control mechanism by regulatory agents, such as the concerned development authority, makes the situation worse since the residents are exposed to eviction and legal problems. Also, the illegal colonies cause urban sprawl, which increases the burden on already overstretched municipal services. The government should intervene in this issue to make unapproved developments regular and provide alternatives to affordable housing by being stricter on land regulations and carrying out campaigns on the issue. Illegal housing societies will keep threatening sustainable urban planning in Pakistan unless major reforms are established.

Keywords: *challenges, historical context, laws, opportunities, theoretical context*

Introduction

Illegal housing societies in Pakistan have emerged as a pressing urban development issue driven by rapid urbanization, weak governance, and a growing demand for affordable housing. The absence of enforcement enables developers to take advantage of buyers by engaging in fraudulent land transactions that leave the residents with no legal rights to own property and a lack of basic amenities (Sami et al., 2024). Illegal housing societies have also been brought about by corruption within the land administration departments, which further contributes to the proliferation of illegal housing societies. Research shows that approximately 40% of housing projects in such big cities as Karachi and Islamabad are not properly approved, and water pollution and deforestation are examples of environmental risks (Saqib et al., 2024). Also, such unauthorized development increases the burden on the municipal resources. (Farooque et al., 2024).

Illegal housing societies have far-reaching impacts as far as urban planning is concerned, which also applies to socioeconomic stability. Home buyers usually have to deal with legal lawsuits over land title disputes, with investors incurring losses (Akhtar et al., 2022). The urban land markets are also distorted by such societies that avoid taxes, which takes away the public revenues (Jahangir et al., 2024). This has given room to the exploitation of the loopholes in the law by unscrupulous developers in the areas, since there is no effective regulatory control by the development authorities, such as the LDA and the SBCA.

Research Justification

The urban dilemma of a country such as Pakistan is an urgent issue that requires urgent research due to the explosive development of the illegal housing societies. These unlawful colonies have posed a significant challenge to the growth of the country in terms of economy, environment, and social stability. The recent increasing urban population in Pakistan, which is faster than ever before, is flooding the city infrastructure, distorting land markets, and creating long-term problems for policymakers and urban planners due to the uncontrolled spread of illegal housing schemes in the country. Since the unlawful housing organizations are employing shoddy practices to lure the vulnerable members of society and trap thousands of families in legal battles over who owns what, the study is necessary. It is because many middle-class and low-income consumers are losing all their life savings due to dishonest developers who are operating without the required permits and transparency.

Such illegal colonies tend to have primitive facilities such as clean water, sanitation facilities, and no legal power supply, and this endangers the health of the

people, and consequently, the living standards of the locals are reduced. The phenomenon points to structural defects of urban planning organization and enforcement systems from the perspective of governance.

Research Objectives

1. To discuss the historical context of illegal housing societies in Karachi.
2. To highlight the theoretical context of illegal housing societies in Karachi.
3. To analyze the laws regarding illegal housing societies in Karachi.
4. To identify the key challenges for abolishing illegal housing societies in Karachi.
5. To explore the opportunities for illegal housing societies in Karachi.
6. To propose effective prevention and intervention strategies.

Research Methodology

This study employed a systematic review methodology, with research objectives established accordingly. A comprehensive literature review was conducted (Komba & Lwoga, 2020). Research findings were categorized based on their content (Hiver et al., 2021; Petticrew & Roberts, 2006), and classified information was incorporated into the study by organizing it into headings (Gan et al., 2021; Pawson et al., 2005). The evaluation of classified information and titles formed the basis of the study (Page, 2021; Rahi, 2017), ensuring the integrity of the research subject and its contents (Egger et al., 2022; Victor, 2008). The criteria for selection are listed.

1. Relevance: Research that directly addressed the questions posed by this study is included.

2. Quality: Studies that meet a certain quality threshold (e.g., methodological rigor, bias risk) are included. Most of the research is from Scopus-indexed and Clarivate Analytics journals and reputed publishers.

3. Recency: Consideration of the publication date to ensure that the review reflects the most current evidence. Most of the studies are from the last three years.

4. Language: Only studies published in English are included.

5. Data Completeness: Previous studies must provide sufficient data on outcomes of interest for practical synthesis; this is also ensured in this research.

This study did not use primary data from human participants; therefore, no ethics clearance letter from the ethics committee was required.

Literature Review

The issue of the unlawful housing societies in Pakistan has received a lot of research, and researchers have attributed their spread to poor governance, high rate of urbanization, and corruption. Hasan et al. (2022) note that due to the lack of proper regulatory control by development agencies such as LDA and SBCA, illegal developers have been given the opportunity to take advantage of the legal loophole and points to the collusion between real estate mafia and local officials to enable illegal land acquisition, usually at the expense of agricultural communities (Jahangir et al., 2024). It has been reported that a big part of the urban growth in large cities is based on unauthorized plans, which worsen infrastructural shortages (Saqib et al., 2024).

These illegal settlement funds have socioeconomic implications, the significance of which is emphasized by academic research (Farooque et al., 2024). Many of the affected homebuyers are taking up lengthy legal battles over fraudulent land titles, and many have lost their lifetime savings. Associating these societies with greater poverty in the cities, since residents have no access to clean water, sanitation, and legal electricity connection. Another important issue is environmental degradation. Elaborate on the contribution of unplanned urbanization in the development of disasters and state the abandonment of cooperative housing development that exacerbates the crisis (Sami et al., 2024).

According to Akhtar et al. (2022), legal changes and transparent financial tools are necessary to have affordable housing. The policy implications of the State Bank of Pakistan are fiscal policies that it is recommended to tax transactions that are illegal to discourage speculation. But until the issue of political favoritism of developers is addressed, the efforts to enforce it will be futile. Together, these reports present the acuity of multi-sectoral responses to the history of the illegal housing crisis of Pakistan.

Historical Context of Illegal Housing Societies in Karachi

The unlawful housing societies in Karachi can be traced back to the high rate of unplanned urbanization in this city and the poor governance within the city. The housing capacity of Karachi was overpowered by mass migration following the independence of Pakistan in 1947, which resulted in the development of informal settlements. By the 1980s, political forces and land mafias started to divide and sell state and agricultural land illegally, by taking advantage of the fact that regulatory control was weak (Farooque et al., 2024). Karachi Development Authority (KDA) and other agencies could not check such practices and this resulted in the flourishing of illegal societies with a lack of basic infrastructure.

Corruption and institutional inefficiencies have increased the crisis. One of the major forces is the high disparity between housing demand and affordable housing. Supply, with the approval of the law, which compels most of the families with low and middle incomes to develop illegally (Sami et al., 2024). Lack of a coherently pursued comprehensive plan that governs Karachi development has enabled different interest groups to take advantage of the system in which the law enforcers have at times assisted these mafias.

Moreover, the problem is aggravated by poor land management, bureaucracy, and the lack of access to formal housing finance by the largest possible population (Akhtar et al., 2022).

Previously, the causes of the Karachi housing crisis, too, might be dated to the administrative laxity of the 1950s and 1960s and the lopsided urban policy (Jahangir et al., 2024) when the pace of industrialization and rural-to-urban migration set far ahead of the planning exercise provided fertile grounds to informal settlements and predetermined the decades of unauthorized land development (Saqib et al., 2024).

Theoretical Context of Illegal Housing Societies in Karachi

At the very essence, the phenomenon reveals the collapse of urban governance, which has opened up the possibilities of illegal development due to the absence of institutional structures and disproportional application.

The implications of the power relations on urban settings are also noted by the fact that the lack of proper control can lead to the developers using regulatory loopholes, which are often supported by politics. Economically speaking, the illegal housing is the reaction of the market to the increased demand for affordable housing. These illicit projects are a gaping need, considering the fact that traditional housing is becoming unaffordable to most citizens, despite the fact that it compromises the right infrastructure and legal safeguards. It is consistent with informal urbanization theories, which assert that communities have no option but to resort to informal solutions in case formal systems cannot fulfill their demands. Inequality patterns are also socially evident in these societies, as marginal groups usually suffer as victims of poor living standards and legal exposure.

Laws Regarding Illegal Housing Societies in Karachi

1. Provincial Town Planning Acts: These are the policies that govern the town development in provinces. They need schemes of housing privately so that they can seek the right approvals of the development authorities (such as KDA, CDA) to initiate projects. The developers are required to provide elaborate plans of layouts of roads, utilities and public areas.

2. Real Estate Regulatory Authority (RERA) Acts: These laws were set up after 20-22 years and they developed regulatory authorities to monitor the developers. Some of the most important ones are the need to have projects registered and to have distinct bank accounts to pay the buyers and to have clear project completion schedules.

3. Land Revenue Acts: These are acts that govern records on land ownership. They do not allow illegal subdivision of land and property transfers must be well documented. All housing societies that run without developing agricultural land to residential developments are in breach of these acts.

4. Environmental Protection Laws: These laws prohibit the building of sensitive ecological regions such as floodplains, riverbeds and forest land. Project developers need to carry out environmental impact analysis prior to initiating projects.

5. Consumer Protection Laws: These safeguard buyers of homes against fraud. They enable the buyers to recover damages in case the projects are delayed or the developers have given false declarations but such laws exist, the illegal societies flourish because of the laxity in enforcement, pollution in the local government as well as long prosecution procedures of those who contravene the law. Recent interventions encompassed computerized land records and to enhance enforcement, special property courts.

Challenges for Abolishing Illegal Housing Societies in Karachi

1. Access to Justice: This is one of the primary ethical concerns as access to legal resources is not even. People with low income, who often need help with providing a fair trial, are unfairly affected by the high cost of counsel representation and ignorance regarding their legal rights. This discrepancy undermines equality before the law and social injustice is exacerbated by it.

2. Corruption: A significant dilemma to the criminal justice system in Pakistan is integrity in law enforcement. Coercion, bribery and abuse of power undermine the integrity of the system and destroy trust in the citizens. Due to such corruption, justice is easily compromised and often, the poor and the underprivileged have no choice but to satisfy the corrupt.

3. Human Rights Violation: Serious cases of human rights violations are highlighted by the reports of extrajudicial executions, torture in the detention centers, and abuse of anti-terrorism laws. Such mistreatment tarnishes the reputation of the criminal justice system, not to mention that they are against the values of basic human rights.

4. Judicial Independence: The Pakistan judiciary is at times politically interfered with and this affects its independence. It compromises the moral value of fairness

since the judgments may be influenced by external forces instead of being made by the law and facts alone.

Opportunities for Illegal Housing Societies in Karachi

1. Banking on Buyer Illiteracy: The lack of knowledge about property laws among the majority of the population gives developers an opportunity to sell the illegal schemes as approved with the use of forged documents and claims about the regularization.

2. Exploiting Regulatory Lapses: The laxity of the urban planning laws and the sporadic failure of development authorities to regulate the illegal societies grant such illegal societies a free hand to carry out their illegal activities without facing approval procedures.

3. Leveraging Political Contacts: It is known that many illegal operators can get protection as a result of political connections and obtain warnings concerning any enforcement measures and escape legal penalties.

4. Meeting unfulfilled Housing Need: As the Pakistan population needs housing of more than 10 million units, the illegal societies come in to fill the gap by providing affordable plots to the desperate buyers locked out of the formal market.

5. Profiting from Institutional Corruption: Cooperation with the revenue authorities allows the illegal societies to operate using fake land files, counterfeit no-objection certificates, and approvals of utility corporations paid off.

Discussion

The issue of land management and urban governance has long been problematic, and the increasing number of illegal housing societies in Pakistan reflects this problem. Using the laxity in enforcement of laws, ineffective bureaucracy, and increasing need to have cheap housing, these illegal building projects have permeated the major cities. Although they provide fast remedies to the urgent housing deficit that Pakistan is facing, it is causing various issues, among them inadequate infrastructure, environmental risks, and unlawful land deals. Most of the middle-class investors put all they had in these projects and end up in court battles as they struggle with ownership or unfinished projects. Political favoritism, which safeguards illegal developers and corruption in land management organizations, also contributes towards chaotic urbanization, added to an already overtaxed existing civic amenities and a lack of observance of environmental laws.

Conclusion

The illegal housing societies in Pakistan are just a reminder of how poorly urban governance has been structured, with the volumes of corruption, open laws, and insatiable demand being the reasons why urban sprawl has not been checked.

Although they might be reducing the housing shortages temporarily, they have been perpetrating fraud, environmental damage, and financial risks to vulnerable consumers. The long-term solutions involve expedited approvals for low-cost housing, computerized land registers, and enhanced protection of property laws. Political will and the awareness of the masses will play a significant role in ending exploitation and increasing urban growth on a sustainable basis.

Recommendations

- 1. Affordable Housing Initiative:** Expand government-backed low-cost housing projects to reduce dependence on illegal schemes.
- 2. Climate-Sensitive Zoning Laws:** Ban construction on floodplains and ecologically vulnerable zones through GIS mapping.
- 3. Digitize Land Records:** Adopt block-chain land registries to eliminate forgery of documents and to have transparent records of ownership.
- 4. Fast-Track Courts of Property Disputes:** Have a special court set up to ease proceedings against unlawful housing plans, as well as defend buyers of property.
- 5. Political Accountability:** Implement anti-corruption measures to sever the connection between legislators and unlawful developers.
- 6. Public Awareness Campaigns:** Train the citizens on the need to confirm approvals (through KDA, CDA, etc.) before they buy plots in housing schemes.
- 7. Strengthen RERA (Make it stronger):** Provide provincial real estate authorities with more investigative and penalizing authority in order to punish untidiness developers.
- 8. Stiffer Financial punishment towards Fraud:** Heavy fines, block listing, criminal charges to developers of illegal societies.
- 9. Utility Connection Regulations:** At the time of connection of electricity/water to new societies, authorities require development authorities to give their mandate.
- 10. Whistleblower Protection:** Promote corruption reporting in land departments and protect informants.

Research Limitations

This research on the illegal housing organizations in Pakistan faces a number of limitations. First, the lack of credible official information on

unauthorized developments is a setback in conducting thorough research, given that most of the illegal societies lack official documentation. Second, the research is mostly concentrated on the city, which does not result in attention to the processes of the rural-urban periphery. Where criminal societies are no rarer, third, some of the results can be considered outdated due to the development of new fraud methods since the methods of illicit developers are constantly changing. Lastly, the fact that the study focused on reported cases can result in underestimating the actual magnitude of the issue because a lot of victims do not file a lawsuit due to the long court proceedings.

Research Implications

- 1. Environmental and Urban Planning Risks:** Uncontrolled developments increase flooding and deforestation and burden infrastructure, which calls for zoning regulations and sustainable urbanization policies.
- 2. Policy Lapses and Implementation Problems:** It is suggested that the gap between the law and its enforcement is an issue in the regulation of real estate, based on studies that propose the introduction of harsher punishments, quicker dispute resolution methods and anti-corruption clauses in real estate law enforcement.
- 3. Land Fraud:** A political economy that involves the interplay of developers, officials and politicians requires transparency reforms in order to limit the elite seizure of the urban land markets.
- 4. Socio-economic Vulnerability:** Research shows that middle and low-income buyers are the ones who end up bearing the consequences of the illegal schemes and as such, awareness campaigns and financial protection must be developed to ensure that the vulnerable investors are well taken care of.
- 5. Urban Governance Reform:** The case of illegal societies demonstrates that there were systemic vulnerabilities of land management, underlining the necessity of institutional restructuring, a computerized database, and greater accountability tools to avoid fraud.

Future Research Directions

- 1. Behavioral Economics of Buying Decisions:** Research the motivation of the investors to continue to purchase plots of illegal projects despite the risk, and take into account psychological and socioeconomic factors.
- 2. Climate-Vulnerable Urban Growth:** Evaluate the impact of illegal societies in flood plains and ecologically sensitive areas in enhancing the disaster risk by applying geospatial mapping and climatic data.

3. Comparative Policy Analysis: Use examples of effective regulatory frameworks in other countries (e.g., RERA in India) to find ways of adapting them to the Pakistan setting.

4. Digital Solutions to Land Governance: Find the ways in which land registries that are based on blockchains and AI-based surveillance systems can be successfully deployed to prevent illegal housing projects and document fraud.

5. Political Economy of Illegal Developments: Explore how political favor and institutionalized corruption can be relevant in making illegal societies possible, with examples of provinces.

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