The megacity dream that isn't

As governments redraw municipal maps to create bigger cities, service delivery, mobility, and local governance are falling behind

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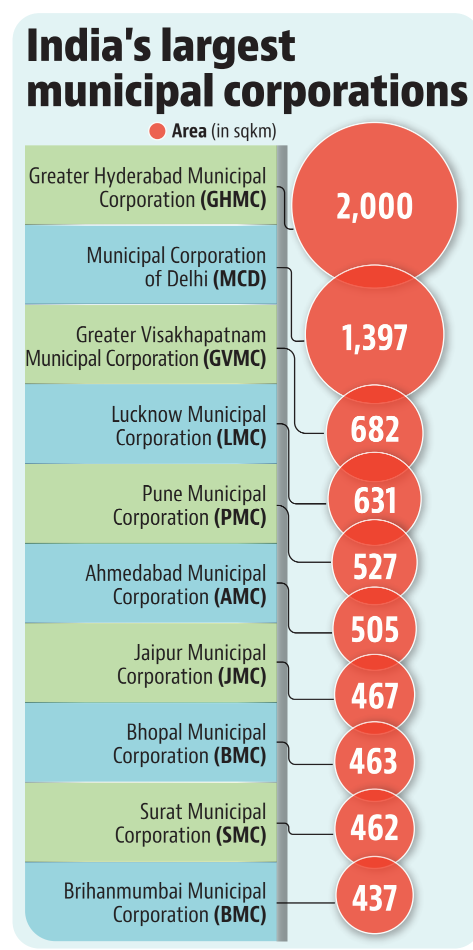
(Top) The merger of 27 urban local bodies has expanded Hyderabad to a whopping 2,000 sqkm, making it India's largest municipal corporation by area; The Municipal Corporation of Delhi (MCD) grapples with ₹15,791.8 crore liabilities against a 16,530.50 crore budget for 2026-27. SHUTTERSTOCK;HT PHOTO



NEW DELHI: Last month, the Telangana government announced the merger of 27 urban local bodies with the Greater Hyderabad Municipal Corporation (GHMC), expanding the city's boundaries from 650 sqkm to 2,000 sqkm. In one stroke, it ensured that Hyderabad became the country's largest city in terms of municipal area, larger than Delhi, Chennai, Mumbai, Kolkata, and Pune — indeed, any other city.

Telangana's ambition? A capital city that is counted among the world's top megacities.

The simple belief is that size automatically translates into economic capability — a bigger city promises a bigger GDP, bigger investment pitches, bigger infrastructure plans and bigger political influence.

The ground reality, however, is not quite that simple. GHMC already struggles with mounting debt exceeding ₹6,000 crore, a severe shortage of staff and persistent service gaps — irregular garbage collection, strained water supply, and deteriorating roads.

In fact, Hyderabad is not alone in this expansionary race. Across India, municipal corporations are pushing their boundaries faster than they can govern them, all driven by the same economic-political logic.

But, urban experts warn that these boundary expansions are only widening the gap between the corporations' responsibilities and what they can realistically deliver. So, cities are becoming bigger, but certainly not better.

"Governments see cities as engines of economic growth, and instead of pursuing vertical densification, many are simply expanding municipal boundaries, assuming peripheral areas will automatically urbanise. This is a flawed model that confuses boundary expansion with development and goes against sustainability principles," says Jagan Shah, CEO, Infravision Foundation, an infrastructure policy think tank, and former director, National Institute of Urban Affairs (NIUA).

Architect and urbanist Dikshu Kukreja agrees. "States often view boundary expansion as a shortcut to appear globally competitive. It creates the illusion of scale," he says.

"But, the mega city mirage diverts attention from the real task — building institutional capacity, staff strength, financial resilience and local democracy. Bigger cities without stronger capacity and governance only create larger unserviced populations and weaker fiscal foundations."

The push toward 'Greater' cities

In India, cities started expanding municipal boundaries in the mid-20th century, when the Bombay state government launched the Greater Bombay Scheme, absorbing Andheri in 1950 and Borivali in 1957. The idea was to consolidate these fast-growing suburbs into a unified metropolitan whole and bridge administrative gaps.

The merged city — renamed the Municipal Corporation of Greater Bombay — expanded to 437 sqkm. It drew from models like Greater London in an attempt to ensure coordinated infrastructure, uniform taxation, and improved services for its then four million residents.

Over the following decades, the idea of "Greater" cities spread across the country. Greater Hyderabad Municipal Corporation (GHMC) was formed in 2007 when the then Municipal Corporation of Hyderabad was combined with 12 surrounding municipalities and two gram panchayats, creating a larger civic body that later expanded further.

In Chennai, for example, the city corporation's limits were dramatically expanded in 2011 when 42 local bodies — including nine municipalities, eight town panchayats and 25 village panchayats — were merged into the erstwhile Chennai Corporation, extending its area from 174 sqkm to about 426 sqkm under the renamed Greater Chennai Corporation.

Wagholi, merged into Pune Municipal Corporation in 2021, was recently described by the municipal commissioner as 'the dirtiest part of Pune'. MAHENDRA KOLHE/HT PHOTO

The 'Greater', but not quite better

But, in almost every city that has expanded its borders — with or without the "Greater" prefix — territorial growth has outpaced service delivery. In Hyderabad, the GHMC continues to struggle in newly incorporated fringe areas like Manikonda and Narsingi, where sanitation and waste collection remain major issues. In Chennai, areas like Madipakkam (former village panchayat), Ambattur (former municipality), and Pallikaranai (former town panchayat) continue to grapple with erratic water supply, incomplete drainage networks, frequent flooding, irregular waste collection, and persistent power and water shortages, more than a decade after their inclusion in the corporation.

Pune offers perhaps the clearest warning.

The Pune Municipal Corporation (PMC) expanded from 243 sqkm to 527 sqkm through two rounds of mergers — 11 villages in 2017 and 23 more in 2021 — bringing more than a million new residents into the city. Yet, years later, most of these areas are severely underserved. Residents now have to pay much higher property taxes but still depend on private tankers for water, grapple with uncollected waste and navigate pothole-ridden roads which get flooded during monsoon. Public anger burst in November 2025 when the PMC diverted ₹24 crore meant for newly merged villages to water projects in the city core.

In October 2025, municipal commissioner Naval Kishore Ram publicly described Wagholi, merged in 2021, as "the dirtiest part of Pune", a remark that sparked widespread protests over chronic waste mismanagement.

Expansion is not development

Milind Mhaske, the CEO of Praja Foundation, a non-profit which works to improve urban governance, says a megacity on the map means little if the municipality cannot serve the people who live within it.

"We must recognise that a city becomes a city not through administrative fiat but through investment in social infrastructure — education, health care, parks, and community spaces. The fact is most of the newly absorbed areas remain trapped in peri-urban limbo," he says.

Naresh Narasimhan, a Bengaluru-based architect and urban designer, says: "We keep expanding urban boundaries as if size alone creates prosperity, but the evidence is clear: the bigger our metros get, the more ungovernable they become. Traffic in Bengaluru, toxic air in Delhi, floods in Mumbai — these are symptoms of cities that have outgrown their administrative and ecological capacities. This obsession with size is misguided."

Vivek Agarwal, country director, Tony Blair Institute for Global Change (TBI), an organisation which advises governments on strategy and policy, says the evidence on megacities is mixed. "On the plus side, megacities can facilitate integrated infrastructure development, reduce fragmented planning and optimise agglomeration benefits. New York's 1898 consolidation is the classic example — one unified city allowed for world-class transit, water systems and real economic scaling," he says. "Through a two-tier system, Tokyo's metropolitan model shows that regional coordination with strong local voice can be both efficient and accountable."

But, Agarwal emphasises that size alone is never decisive. "Economist Paul Romer argues that the success of cities depends less on how big they are and more on the quality of rules that guide their growth," he says.

Romer's idea of "charter cities" — high-density urban zones in developing countries governed by a separate, specially designed set of rules or a charter — reflects the realisation that fast-growing countries most often fail not because they urbanise too rapidly, but because they urbanise under flimsy institutional arrangements. "From this perspective, there's nothing inherently wrong with megacities; it all depends on what you do with them. A city that increases the expanse of its domain without evolving its means of regulation and administration risks scaling up dysfunction," says Agarwal.

Kukreja makes a similar point. "Cities like New York, London or Tokyo did not become global engines by endlessly stretching their boundaries," he says. "Their success was built on mature governance: strong borough systems, metropolitan coordination for regional services, and planning frameworks that stayed consistent across political cycles. These cities grew through clarity of institutions, not cartographic expansion. That is the model India should be drawing from."

When markets outrun public planning

Many believe that market forces are now shaping how Indian cities grow, often faster than public planning can respond — turning them, in the process, into cities built for profit rather than for people. What is not helping is India's chronically low property tax collection, which is estimated to be merely 0.2% of GDP — among the lowest in the world and roughly one-tenth the Organisation for Economic Cooperation and Development (OECD) average –– leaving municipalities starved of revenue and overly dependent on land monetisation, development charges and private infrastructure to fund themselves.

Even cities with the high revenues, such as Hyderabad and Delhi, carry the heavy liabilities, including debts — for instance, the GHMC faces liabilities exceeding ₹6,000 crore against a ₹8,440 crore budget for 2025-26; similarly, the Municipal Corporation of Delhi (MCD) grapples with ₹15,791.8 crore liabilities against a 16,530.50 crore budget for 2026-27.

Mumbai's Brihanmumbai Municipal Corporation (BMC), the country's richest corporation, is also facing financial strain. The BMC's 2025–26 budget of ₹74,427 crore, with a record ₹43,162 crore capital expenditure, masks a deeply strained fiscal health. Committed liabilities from past mega-projects have risen to ₹1.93-2.32 lakh crore, with ₹42,231 crore of its ₹81,774 crore in reserves tied to future payments and contractual obligations.

"Private investment is essential, but problems arise when land economics outpace municipal capacity. That's when lived experience, affordability and public space begin to suffer. The issue isn't that cities are 'for profit', but that governance has not yet caught up enough to centre people in the process," says Narasimhan. "The answer is not to resist the market but to guide it through stronger planning, clearer regulations and metropolitan coordination. When we broaden ROI to include design quality and long-term public value, markets can work for citizens, not against them."

Hitesh Vaidya, former director of NIUA, says, "Much of India's urban development remains real estate-driven rather than planning-led, prioritising short-term gains over long-term resilience. In fact, there is much to learn from African countries, where dedicated strategic planning units enable adaptive master planning as cities evolve."

Shreya Gadepalli, urban mobility expert and founder, UrbanWorks Institute, adds that there is nothing inherently wrong with a city corporation expanding its boundaries, but such expansions must avoid low-density sprawl which makes viable public transport systems difficult to implement and sustain. "Newly incorporated areas should be zoned in a phased, transit-oriented manner to ensure uniform and efficient delivery of services, including mobility. Ideally, a single, empowered agency, such as the municipal corporation, should oversee this integrated system, coordinating land use, infrastructure, and operations," she says.

The road ahead

Narasimhan argues that India cannot run a 21st century metropolis with 19th century institutions. The reforms cities need, he says, must be foundational rather than cosmetic.

Kukreja echoes this. "Capacity has to come first. We need strong local communities, because small, empowered local bodies offer the transparency and citizen participation that large, faceless corporations simply cannot. What cities need is metropolitan coordination — not mega-mergers," he says. "Let metropolitan authorities handle cross-city functions, but keep neighbourhood services close to the people who depend on them."

Mhaske shares a similar view, stressing that peripheral areas should retain their own local bodies, strengthened through Metropolitan Planning Committees (MPC) and District Planning Committees (DPC). These local bodies, he argues, should be developed as integral parts of a broader metropolitan ecosystem rather than reduced to neglected appendages of an oversized municipal corporation.

He points to Navi Mumbai and Pimpri-Chinchwad as proof that independent, well-planned cities can complement rather than compete with their neighbours. "Absorbing these cities into a single corporation would have diluted their capacity and resources," says Mhaske.

Vaidya believes the goal should not be to create one giant city but to build interconnected trajectories of cities across a region. "When growth is spread across multiple urban centres, you get a more balanced metropolitan economy. So, the aim should be to develop economic clusters — not merge everything into one unwieldy megacity."

At its core, Shah argues, this is a political-economic problem. So, any boundary expansion must be driven by a clear economic and spatial strategy, he says. "The rationale behind the National Capital Region was to spread growth deliberately across satellite towns and shield Delhi from overwhelming urban pressures. But the city has ended up with the opposite: worsening congestion, deteriorating air and water, and the steady degradation of the Yamuna," adds Shah.

Narasimhan sounds a broader warning. "Cities must grow in intelligence, not just in square kilometres. We need to shift from the obsession with scale to an obsession with performance. Instead of swelling outward, Indian cities must become more compact, better serviced, more resilient and more democratic," he says. "Megacities are not inevitable; they are a planning choice — and it's time to choose differently."