

City Dialogue

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Why are cities important?

□ Cities are engines of growth

because **proximity** generates

agglomeration economies (economies of scale),

which **lowers** average cost of production

and which makes goods **cheaper and competitive**

How does agglomeration work?

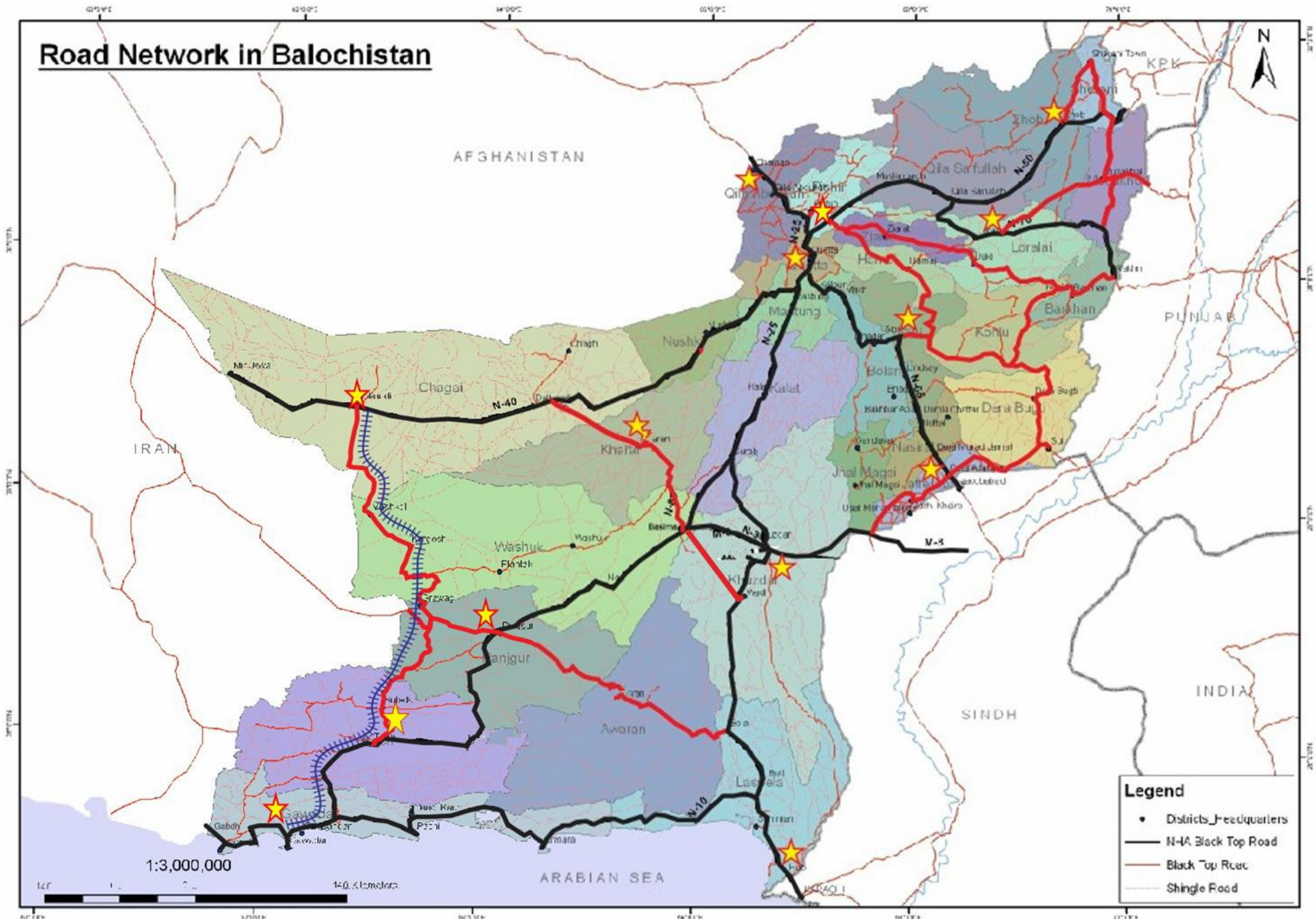
- Costs are of two kinds: **fixed** and **recurring**
 - ✓ Example of **fixed cost** is the classroom for which rent is paid and which remains the same irrespective of whether it is used full time or part time or none at all or whether it is used to teach 5 students or 50 students
 - ✓ Example of **recurring cost** is salary of teacher, teaching materials given to students, electricity bills, etc. Two shifts will require two teachers and double electricity bills and more students mean more teaching materials cost.
- Double shifts will **increase** recurring cost per student, but **lower** fixed cost per student
- If **reduced** average fixed cost is **greater** than increased average recurring cost,
the result is a reduction of total average cost, i.e., price

☐ Need for an urbanization policy

Sindh Province



Road Network in Balochistan



Legend

- Districts Headquarters
- N-IA Black Top Road
- Black Top Road
- Shingle Road

A micro view of cities: Chaos!

□ Punjab's population growth rate (1998-2017) is:

Rural = 1.9%

Urban = 3.0%

Total = 2.14%

➤ *Clearly, rural population is migrating to urban centres*

But are the cities prepared to accommodate the arrivals?

A micro view of cities: Chaos!

- ❑ Pakistani cities are unplanned, growth is haphazard
- ❑ Master Plans are not notified, zoning regulations cannot be enforced
- ❑ Land mafia determines city growth pattern
 - high rises are not aligned with services network
 - Public spaces are occupied and built upon
 - No space left for parking for cars, buses, trucks, construction vehicles, etc.
- ❑ Bereft of **public interest** control,
private sector tends to build on every inch of land

Four daily service needs of a city

1. Clean water supply
2. Waste water disposal
3. Solid waste disposal
4. Public transportation

- ❑ Absence of (1), (2), and (3) imposes direct and indirect health costs, lowers disposable income, i.e., impinges on city's efficiency
- ❑ Absence of (4): efficient public transportation **compromises** a city's economic efficiency, *defeats the very logic of a city.*
deprives the city of the proximity advantage
divides the city into mutually exclusive parts,
does not allow reaping agglomeration economies

Residential & Commercial Housing

- ❑ Housing (defined to include all utilities)
is a fundamental need of critical importance
- Our cities have failed in this respect
testified by the mushroom growth of **katchi abadis**
- **Offices** are locating in residential premises

- ❑ The curse of **neo-liberalism** has pushed
housing out of public agenda into private domain
- The private sector responds to purchasing power,
not to need
- As such, it has promoted **luxury housing and farm houses**,
while **thousands** of families live '20' to a room

Agenda

□ Restore as State responsibility

- Development of cities & Regulation of urban growth in the public interest
- Provision of basic utilities
 1. Housing
 2. Clean water supply
 3. Waste water disposal
 4. Solid waste disposal
 5. Public transportation

Urbanization, Development & Democracy

- ❑ Rural society is organized traditionally into biradiris, castes, tribes, clans, and ethnic/linguistic, sectarian, etc., groups. Rivalries abound
 - They are wedded to traditional production relations and rewards are a function of one's status in society
 - Efficiency suffers and modernization proves to be an uphill journey
- ❑ City populations comprise of diverse backgrounds and work together in 'modern' occupations
 - Traditional divisions dissolve, paving the way for the growth of a more homogenous society
 - Urban economy accords a greater weight to merit, generating efficiency and economic growth

Urbanization, Development & Democracy

- ❑ Rural populations normally vote in terms of 'group' loyalty
 - Traditional 'group' chiefs enjoy a captive vote bank and command a monopoly of leadership, effecting barriers to entry into the political arena
 - ✓ Society is unequal, with the elites above the law
 - *Rule of law suffers*
- ❑ Performance is not a criteria for electing/re-electing a representative
 - Guaranteed electoral victory and without challenge to their leadership, they do not feel compelled to deliver economic or social development to their constituents
 - *Development suffers*

Agenda

Urbanize!

Thank you!