

## **An Assessment of Pakistan's Urban Policies, 1947–1997**

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What public policies and programmes have been followed in dealing with mounting urban crisis in Pakistan over the past 50 years? This question has been addressed in the present article. Pakistan's urban policies fall in three distinct phases, corresponding to evolving political and economic regimes. Yet, they show a fundamental continuity in that they have been driven by 'plots and public works' strategy.

Pakistan has not been lacking in 'up-to-date' policies and programmes. Its urban policies have resulted in notable achievements and pervasive failures. The paper assesses both the achievements and shortfalls and identifies private interests that have benefited at the cost of public welfare.

### **INTRODUCTION**

Pakistan, like most Third World (TW) countries, is besieged by urban problems, namely acute shortages of housing, huge shortfalls in the provision of water supply, sewers, drainage, waste disposal, traffic management, electricity, transport, pollution control, congested and sprawled-out cities, ill-managed land market and inefficient land use systems, and wide social disparities in the quality of life of the poor and the rich, etc. So widespread and intense are these problems that the term 'urban crisis' is applied to the overall phenomenon. Pakistan has all the components of an urban crisis. This fact needs little elaboration or reaffirmation. This paper begins by assuming that Pakistan's urban problems are aplenty and they have multiplied exponentially over time.

The paper will address the question as to what has been done by way of public policies and programmes to respond to the urban problems and how effective, as well as relevant, have been these measures. This is the overall purpose of the paper.

### **OBJECTIVES**

Specifically, this paper aims at: (i) describing and analysing Pakistan's urban policies as they have evolved over the past 50 years; (ii) assessing outcomes of these policies in terms of their stated and implicit public goals; (iii) determining who has benefited from these policies and on whose sufferance.

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A large part of urban problems arise from inadequacies and inequities in the provision of public goods, community services and facilities. Therefore, urban policies are often assessed by criteria of relevance and effectiveness of various measures from a community welfare perspective. These will also be our guiding criteria. All in all, the paper offers a planner's perspective in explaining as well as judging the impact of urban policies on the living conditions in Pakistani cities.

### **THE DOMAIN OF URBAN POLICIES**

Urban policies refer to federal, provincial and local government acts, both of commission and omission, that affect the spatial structure, administrative and economic institutions, and quality of life in urban areas through the provisions of housing, infrastructure, land development and regulation of uses, transport and community services. Sometimes a distinction is made between urban policies and urbanisation policies, the latter referring to matters of distribution of population and economic activities in settlements of varying size in the national space [Gnaneshwar (1995)], though Richardson refers to these policies as 'urban policy' [Richardson (1987)]. Yet the distinction between urbanisation policies, aimed at the reorganisation of the national settlement system, and the urban policies as tools of guiding and framing the internal structure of human settlements is relevant. My focus, largely, is on the latter set of issues. It may be noted that not all elements of urban policies are deliberate and planned. Policy literature recognises indirect and market-mediated effects of public decisions as policy elements. In sum, my focus is on what the state did, and did not do, to address urban problems in Pakistan.

### **URBANISATION AND URBANISM IN PAKISTAN**

The concentration of population in cities and towns is called urbanisation. It is to be distinguished from urban ways of life which are called urbanism [Wirth (1938)]. While urbanisation is increasing at twice or thrice the rate of population growth, urbanism is spreading at a still faster rate, extending to all parts of the globe. Abu-Lughod has called the spread of urban ways of life as "the urbanisation of everybody" [Abu-Lughod (1991), p.161]. Pakistan is, undoubtedly, rapidly urbanising but urbanism is spreading even more quickly, thereby transforming the country's social structure as well as the settlement system.

About one third of Pakistan's population live in urban areas, namely, metropolitan corporations, cities, notified towns and municipalities. The level of urbanisation has increased from about 18 percent in 1951 to 32 percent in 1991 (Table 1). Pakistan's rate of urbanisation has ranged between 4.9 to 6.5 percent per year over the past 40 years. Between 1951–1991, the total population increased 236 percent, whereas the urban population increased by 49.5 percent. The rapid

Table 1  
*Growth of Urban Population*

Year	Urban Population (% of the Total)	Mean Yearly Rate of Urban Growth
1951	17.79	—
1961	22.46	5.89
1972	25.40	6.54
1981	28.29	4.85
1991*	31.50	5.03

Source: Table 1.2. *Economic Survey 1993-1994*.

\* Estimated population. No census has been taken since 1981.

urbanisation has produced two mega cities, Karachi (estimated to be 8–10 million), Lahore (about 5 million) and six cities of one million and more population, and 20–25 towns approaching the one-quarter to half-a-million mark. This is the story of urbanisation.

### **Urbanism has Penetrated Farther**

Rural parts of ten districts in Punjab have reached the density threshold for urban settlement. They have a population density of 400 persons per km. or more—the benchmark for defining urban areas. These bands of sprawled-out settlements have been variously called Desakota [McGee (1991)]; Rurban [Galpin (1922)] and Ruralopolis [Qadeer (1996)]. They are visible to any travellers on major roads and rail lines. From Lahore to Gujrat and Sialkot, roads and rail tracks are lined with houses, workshops, factories and farms. The same is the case between Sargodha and Faisalabad, Peshawar to Nowshera, and Karachi to Hyderabad. In these areas, open country and wilderness have almost disappeared, and roads or rail lines have turned into main streets, complete with open sewers, garbage heaps, stores, homes and factories. Municipal services and organisation have become as necessary for these areas as for cities.

### **THE POLICY-MAKING STRUCTURE**

The Pakistan government has been a pioneer in initiating urban policies. Since the beginning of development planning in the 1950s, 'Housing and Settlements' has been a distinct sector of Five-Year Plans, though the title changed to 'Physical Planning and Housing'. The federal government has been the prime actor in urban policies through its Five-Year Plans, its financing of development and as the primary conduit of foreign aid, as well as with its powers to override provinces.

At the federal level, the Planning Commission prepares Five-Year Plans and oversees their implementation. The line ministries execute plans and programmes.

Since 1972, the Division of Environment and Urban Affairs (EUAD) has been established as a federal ministry. The provincial and local governments have been essentially the executing agencies in development planning. The suspension of the constitution, under military rule, in two stretches, adding to 22 years in 50 years of Pakistan's history has resulted in the centralisation of public authority. The policy-making for the Housing and Settlement sector, even though constitutionally a provincial subject has been largely a federal activity. All four provinces have Departments of Housing and Physical Planning, with slightly varying titles, and ministries of local government.

Local governments in particular have been weakened by long suspension and diversion to serve as electoral colleges for indirect elections of presidents and assemblies. They have had no role in policy-making. Therefore, my primary focus on federal initiatives is appropriate. I will, of course, point out significant local and provincial influences in discussion of specific cases, wherever relevant.

Finally, it may be noted that public actions, affecting the living conditions in urban areas, do not entirely originate from the human settlement sector. Most public policies and programmes, be those fiscal and monetary measures, industrial development strategies, rural development projects or provision of education and health services, have a direct impact on urban life. These are what Mills calls "non-urban policies as urban policies" [Mills (1987)]. Obviously, defining urban policies so broadly will dissipate the focus of this study. Urban policy literature has treated the 'other' public initiatives as an urban system's environment, and has concentrated on policy input directly targeted at land development, housing, infrastructure, and urban administration. I will follow the same convention. The effects of 'non-urban' policies on urban structure and quality of life will be taken into account as the conditions of action.

### **Pakistan's Urban Policies: Objectives and Strategies**

The essence of an urban economy and social organisation is that traffic gridlock affects all, rich or poor, as do air pollution, environmental degradation or poor garbage disposal, and shortage of affordable housing. This is the fundamental condition of urban life. A city is a system of externalities that ties together the fates of all its citizens. The management and organisation of these externalities to promote satisfying and fulfilling life for all are the objectives of urban policies.

It is not that Pakistan has done little about urban problems. Pakistan has a long and distinguished record of urban policy planning at the national level. It was one of the pioneering countries in formalising physical planning and housing as a development function in the Third World (TW) as well as in the First World. Its urban policies are primarily reflected in Five-Year Plans and national development

budgets. Our review of Pakistan urban policies is based on the examination of the Five-Year Plans in this sector.

Pakistan is a low-income country (1993-1994 per capita cross-national income in 1987, \$370) with a large (about 128 million in 1995) and rapidly growing population, namely, at about 2.8 percent per year. Its resources are limited and savings rate low. It has limited capacity to fulfil the basic needs of its population. Therefore, its urban policies are going to be constrained by limitations of resources. The question therefore is how limited resources have been deployed. To answer this question, we will examine the pattern of development expenditures and the plan allocations.

### The Physical Planning and Housing Sector

Table 2 shows that public expenditures on development have increased dramatically in current market prices from about rupees (Rs) 5 billion in 1955-1960 to projected 752 billion in 1993-98—almost 150 times. The expenditures on Physical Planning and Housing (PP&H) increased 13 times for the same period, though the increase peaked at 40-44 times in the decade 1983-1993 when allocation for the sector reached a high-water mark. The public expenditures on PP&H have not increased at the same rate as the overall size of development expenditures. As a proportion of total expenditure (Column 4 of Table 2), public investments in physical

Table 2

*Plans Development Expenditures:  
Total and on Physical Planning and Housing (PP&H)*

Five-Year Plan	Total Development Expenditure (Rs Billion)	Development Expenditure on PP&H (Rs Billion)	Ratio of Expenditure on PP&H to the Total (Col 3/Col 2)
First Five-Year Plan (1955-60)	4.86	0.51	10.49
Second Five-Year Plan (1960-65)	10.61	0.96	9.05
Third Five-Year Plan (1965-70)	13.20	0.70	5.30
Fourth Five-Year Plan (1970-78)*	75.54	5.69	7.53
Fifth Five-Year Plan (1978-83)	153.21	9.00	5.87
Sixth Five-Year Plan (1983-88)	242.41	22.72	9.37
Seventh Five-Year Plan (1988-93)	350.00	20.00	5.71
Eighth Five-Year Plan (1993-98) ^^	752.00	6.80	0.90

Source: *Statistical Yearbook 1995*.

\* Fourth Five-Year Plan was abandoned after East Pakistan's separation in 1971, but its priorities were followed during the eight year interregum till the fifth Plan came into force.

^^ From *The Eighth Five-Year Plan*.

planning and housing were at the peak in the early period 1955–1965 and reached the same level in 1983–1988 (9.37 percent). Otherwise their share has remained relatively low—about 5-6 percent. Currently they are at the lowest level in the Eighth Plan (1993–1998). This analysis suggests two points: (i) public role in PP&H is relatively limited, primarily meant to lay the policy and infrastructure framework within which private investment, particularly in housing, can play a major role; (ii) physical planning and housing, like other ‘social sectors’, continue to have a lower priority in development plans.

### URBAN POLICIES IN FIVE-YEAR PLANS

From the beginning, the basic tenets of public policies in Physical Planning and Housing has been that “the Government’s programme must be designed to mobilise the labour, funds, and physical resources of the people who will own and use the houses and common buildings.” [Government of Pakistan (1956), p. 520]. The public role is to lay the institutional, infrastructural and financial framework for the private market to function effectively and equitably and that government “should provide resources which cannot be provided by individuals.” (*ibid*). By the Seventh Plan (1988–1993), the same goal was being expressed in more concrete terms, yet retaining its basic thrust, i.e., “the public sector role will be limited to the provision of service and housing sites for low and lower middle income groups” and (public sector) “programme will be implemented on self-financing basis” [Government of Pakistan, (1988), p. 237]. Pakistan’s urban policies do envisage public provisions of housing and community services for the poor.

### THE STRATEGY OF URBAN DEVELOPMENT

Pakistan’s urban and housing programmes are organised under five policy areas, namely, (i) housing and *Katchi Abadi* Improvement; (ii) provision of community utilities such as water supply, sewerage, public transport, sanitation, etc., in cities and villages; (iii) institution building for surveys, design and planning of cities, formation of provincial and local planning and housing departments and laboratories; (iv) government buildings and public officials’ housing as well as the development of the national capital; and (v) special projects, particularly for tribal areas, Azad Kashmir, etc. The Plan allocations for various programmes under these headings have been added together and they are shown in Table 3. From the chart and the analysis of relative proportions of plan allocations for each of these policy areas, the following observations have been derived.

Table 3

*Percentage of the Plan Allocations by Programmes*

Five-Year Plans	1st	2nd	3rd	4th	5th	6th
Programmes/Projects	1955–60	1960–65	1965–70	1970–75	1978–83	1983–89
<i>Housing/Katchi Abadi</i>						
Improvement	47.9	59.2	22.3	19.8	15.9	8.5
Community Utilities	48.4	23.2	25.2	38.2	52.9	39.8
Institution Building	2.5	2.5	8.3	7.1	1.5	1.0
<i>Government Buildings and</i>						
Capital Development	11.2	14.7	38.7	31.5	26.1	44.0
Special Projects	–	0.5	5.4	3.3	3.6	6.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

*Based on Plans data.*

- (a) There has been a remarkable consistency and continuity of programmes over 40 years of development planning in PP&H sector. The mix of programmes has remained unchanged, though their respective shares of allocations have varied over time. The objectives of programmes have remained almost unchanged, e.g. plot development, housing schemes, urban water/sewerage development, architectural and planning institution, and government employees' housing.
- (b) Except for institution building, almost all other programmes aim at the development and servicing of land and buildings. Public works and construction have remained the predominant instruments of urban policies.
- (c) Table 3 shows that from the First Plan to the Sixth Plan, the relative emphasis in urban policies, as reflected in changing proportions of allocations in five policy areas, has shifted from provision of plots and houses in the public sector to building community utilities and infrastructure. The share of 'housing and *Katchi Abadi* programmes' has successively dropped from 47–59 percent in the 1960s to 16.8 percent in the 1980s. On the other hand, the share of allocations from water, sewerage, etc., namely community utilities, increased from 23 percent in the Second Plan to about 53 and 40 percent in the 5th and 6th plans. Partially it may also be a reflection of the changing priorities of the international aid agencies. Developing and expanding the national capital, Islamabad, and building government offices as well as housing for public officials, have progressively ballooned into a major component of urban development policies. Over 40 years, the share of these programmes has increased from about 15 percent in 1960–1965 to 44 percent in 1983–1993, with variations along the way. A substantial part of public investment in urban development and housing has been set aside to serve the government itself.

- (d) Comparing total allocations and actual expenditures (Table 4), it may be observed that during the initial three plan periods, actual expenditures on PP&H were substantially less than the initial allocation.<sup>1</sup>

The expenditures on PP&H far exceeded envisaged allocations during 1970–1978, Bhutto's period of populist emphasis on plots for low-income households. Since then expenditures on PP&H have almost equalled or exceeded plan allocations. The present era of privatisation may be inducing cutbacks in public expenditures.

- (e) Plan evaluations suggest that targets for plot development, government buildings and housing were fulfilled to a high proportion and community utilities or institution building were achieved at low levels. In implementation, the urban policies turned out to be tilted all the more towards land development, plots supply, and government housing and buildings.

Table 4

*Allocations and Expenditures on 'Physical Planning and Housing'*

Plan	Plan Allocations for Public Programmes in PP&H* Sector	Actual Expenditures	Actual Expenditures as a Percentage of Total Allocation
First Five-Year Plan (1955–60)	861	500	58.1
Second Five-Year Plan (1960–65)	1,705	960	56.3
Third Five-Year Plan (1965–70)	1,345	700	52.0
Fourth Five-Year Plan (1970–78)**	590.5 **	5,690**	357.7**
Fifth Five-Year Plan (1978–83)	9,780	9,000	92.0
Sixth Five-Year Plan (1983–88)	16,100	22,000	136.6

Sources: Chart 1 and Table 2.

\* Computed from Plans Programme allocations.

\*\* Fourth Plan was abandoned and those expenditures are for eight year period while corresponding allocations are for the Five-Year period only.

<sup>1</sup>Pakistan always has had charitable trusts for promoting health, education and welfare services in local communities. Often villages, urban communities or caste/clan groups formed associations or organisations to lobby (for) and develop local services. Organised rural and urban community development programmes have also been part of Pakistan's development strategy. NGOs are a phenomenon of the 1980s. They emerged in parallel with the availability of public funds and foreign aid [*The Pakistan Times* (1989)]. Their number climbed quickly from a few hundred to 8500 (EUAD/IUCN 92: 18) in the 1980s. Newspapers and magazines carry contradictory accounts of their achievements but more frequently they are criticised for the high salaries of their staff and dismissed as carrying out 'paper exercises'.

- (f) Finally, I want to add two caveats to the foregoing observations. One, programme allocations are revised during the plan periods due to fluctuating resources, inflation, cost variations and varying administrative-institutional capacities to implement different programmes. Second, the implementation of Five-Year Plans has been affected by two wars, 1965 and 1971, the separation of East Pakistan and martial laws and changes of governments as well as shifts in aid donors' priorities. Altogether, the Plan allocation should be viewed as expressions of objectives and strategies and only partially indications of achievements.

### **PROBLEMS, SOCIAL AGENDA, AND PUBLIC MEASURES**

Since independence (1947), Pakistan's urban problems have not only multiplied manifold but also have evolved in their scope and complexity. Population growth and economic development, for example, have precipitated the need for a wide range of new urban services and necessitated radical restructuring of political and administrative institutions. Similarly, resource constraints, technical changes, rising expectations, corruption and opportunities to work abroad have affected, and in turn have been affected by, urban life. All in all, the nature of urban problems has changed and, correspondingly, needs, goals and objectives of urban development; in sum, the social agenda of urbanisation, have been transformed. How have public policies responded to evolving social agenda?

To examine the impact of the urban policies and to assess the outcome, we will examine programmes through which these policies were implemented. For this purpose, these programmes can be divided into three phases.

#### **PHASE 1: THE RESETTLEMENT OF REFUGEES AND LAYING THE INSTITUTIONAL FRAMEWORK (1947-70)**

Pakistan's independence was accompanied by millions of Muslims migrating from India and in similar numbers Hindus and Sikhs leaving for India. By 1951, almost 10 percent of the national population were refugees from India [Government of Pakistan (1956), p. 370]. While farmers and businessmen were largely resettled on properties left behind by Hindus and Sikhs, the homeless and jobless—usually workers, craftsmen, etc.—converged to cities. The first wave of squatters (Jhuggi dwellers) appeared in Karachi, Lahore and Hyderabad in 1947-48. Their resettlement was uppermost on the social agenda of urban policies and programmes for the period 1947-1970, namely those of the initial three Five-Year Plans. Core housing (one- to two-room quarters) schemes to resettle cleared out squatters were the key element of the urban strategy in this period, e.g., Paposnagar and Korangi and Orangi in

Karachi and Sodiwal quarters in Lahore are examples of such projects. Rehabilitation of refugees was also the rationale for the suburban expansion of major cities, in the form of satellite towns in Punjab, Balochistan and Sindh. These veritable new towns catered to middle and upper classes.

The idiom of housing schemes and plot development forged in the pre-independence tradition of town planning was consolidated in a policy instrument. And this has remained at the heart of urban strategy in Pakistan.

The satellite towns were followed by public-funded suburban development projects, housing colonies and land servicing schemes in Lahore, Karachi, Rawalpindi, Faisalabad, Quetta and Peshawar, e.g., Gulberg and Samanabad in Lahore, PECHS and Gulshan-i-Iqbal in Karachi, etc. Paralleling publicly developed land and housing schemes, the building of government offices and housing for public functionaries, started in Karachi, where facilities for the national secretariat were non-existent. This activity expanded to the building of a new capital city at Islamabad in 1960. The government became the owner and manager of a large stock of office and residential buildings for its employees in the capital and other cities.

All in all, the three Five-Year Plans (1955–1970) offered a comprehensive and progressive conception of urban policies, but in translating their objectives into programmes they were tilted towards property development. Even the institutional framework promoted under the Plans was adapted to produce Master Plans and housing schemes for cities. The reorganisation of provincial town planning departments into ministries of PP&H and establishment of building research stations as well as Departments of City Planning and Architecture in universities, though necessary and fruitful measures, effectively became professional and administrative infrastructures for plot and housing development. Policy issues such as planning legislation and urban administration, traffic management remained unattended. About 51 and 60 percent of targets in the First and Second Five-Year Plans relating to residential plot development were realised.

The evaluation of the Third Plan's achievements summed up the outcomes of the three Plans efforts: "A crude organisational framework has been developed, most pressing emergency tasks have been completed, some water and sewerage problems are being tackled." [Government of Pakistan (1971), p.116]. Yet these Plans could not keep up with galloping housing needs; housing shortage increased from 0.6 million units in 1960 to 1.5 million dwellings and only 10 percent of the population had safe piped water supply by 1970 (*ibid*: 116). The disparity between living conditions of the middle and upper classes, on the one hand, and the working class and the poor on the other, widened as did the difference in community facilities between federal and provincial capitals and second tier cities, towns and rural areas. The Planning Commission's own judgement at the end of the Third Plan was that "the physical planning and housing policies pursued so far need a thorough re-examination and reorientation" (*ibid*: 116).

## PHASE 2: THE PROMISE OF MASS HOUSING: 1971–78

The year 1971 marks the watershed in the history of Pakistan. The separation of East Pakistan, culminating in the humiliating 1971 war with India, brought down the second Martial Law government and ushered in Six-years of Bhutto's populist rule. Bhutto's government tilted towards public initiatives for economic and social development. Its urban policies were guided by its promise to provide mass housing, particularly for the working and lower classes through public programmes.

By 1971 a new wave of squatter settlements, *Katchi Abadis*, had emerged in major cities. Bhutto's People's Party regarded *Katchi Abadis* as their political constituencies and were well-disposed towards them. The proprietary right for squatters in *Katchi Abadis* and the provision of urban services for them became critical elements of the Bhutto government's urban strategy. The policy of *Katchi Abadis* regularisation and upgrading was accompanied by programmes of sites and services for low-income households. The World Bank started lending for urban projects and these programmes were high on its priorities. All in all, the already entrenched programmes of plot development and the provision of water and sewerage services were extended to low-income households.

Bhutto's regime lasted seven years (1971–77). During this period, the programme to distribute 3 Marla (675 sq. ft.) housing lots among poor households and the programme of free 5 Marla (1125 sq. ft.) housing lots for landless peasants in villages were introduced. Also, thousands of core-houses (quarters) and flats were built for low-income households in major cities, i.e., Karachi, Lahore, Hyderabad, Faisalabad, etc. These programmes have not been systematically evaluated and even reliable statistics about their outputs are not available. It appears that the delivery was much less than were the promises. Yet the significant fact from the policy perspective is that the responsibility for housing the poor was assumed by the public sector. This is the legacy of Bhutto's era and even the subsequent military regime of General Zia had to accept this responsibility. It developed its own 5-Marla and 7-Marla plot programmes.

During this period, major suburban land development projects continued to be the idioms of urban development, e.g., Latifabad colony in Hyderabad, People's Colony Faisalabad, 1600 acre scheme in Lahore, and Clifton in Karachi. Autonomous Development Authorities were established for metropolitan cities to undertake major public works, water sewerage and transport, and to develop land for urban expansion. Examples include Lahore Development Authority (1975), Hyderabad, Multan (1977), and Faisalabad (1976) Development Authorities, and the Urban Development Board in N.W.F.P. Similarly, public corporations were established for construction (National Construction Company), design and planning (PEPAC, NESPAC) of public projects.

Plots and public works as instruments of urban policies became all the more entrenched in this era. Housing and commercial plots given at subsidised prices to politicians, public officials and professionals was a deliberate policy. These allotted plots became the means of acquiring assets whose market value was 5–10 times the official price. They have become the currency of corruption, and the policy is entrenched in Pakistan's political and administrative systems. Plots were distributed across class lines, primarily benefiting those with political or administrative links to the authority.

### **Urban Development Plans**

This period, 1970–1977, also witnessed the beginning of international bodies' influence on Pakistan's urban policies. The UNDP funded the Master Plan for Karachi (1968); Lahore's Urban Development and Traffic study (a condensed form of the Master Plan) was funded by the World Bank in 1976. This project laid the basis of subsequent World Bank loans for the upgrading of Lahore's walled city, expanding the city's water and sewerage facilities, historic conservation, and roads and mass transit schemes. In the 1960s, UN agencies funded urban development on a project by project basis. The World Bank transformed this relationship between aid givers and recipients. Its funding came with a 'policy agenda' and were contingent upon conformity to its policies, models and advice. Thus began an era of 'made in international agencies' solutions to urban problems that has swept Pakistan, along with many other countries of the Third World. International prescriptions had almost completely captured the intellectual and professional components of Pakistan's urban policy agenda by the late 1980s. More about the internationalisation of Pakistan's urban policy process in the next section.

### **Market-based Housing Development**

During 1970, large-scale migration of Pakistan's labour to work in the Middle East/Britain had a transforming effect on the urban landscape. The remittances triggered unprecedented home-building activity and consumer goods industries. A market boom in private house building, both in cities and villages, led to the expansion of cities, improvement of the housing situation and the fuelling of the speculative rise of the land market. A parallel so-called 'informal' land development and housing industry emerged. In the 1970s the urban land and housing market demonstrably split into three segments, namely, (i) upper circuit of public land subdivisions complete with services and allotment quotas for the influential, (ii) the lower circuit of indigenous and private land development schemes leading to the formation of new *Mohallas* for lower middle/middle class homes and businesses, (iii) illicit lower circuit of *Katchi Abadis* and land grabbers. The public programmes

for land development set the example and laid the path. Private dealers and developers emerged to fill the gap in the market. The illicit lower circuit of the private market operates in connivance with public officials and often with their participation to produce so-called unorganised or illicit subdivisions [Hasan (1991)]. Even the public programme of regularisation of *Katchi Abadis* is turned by the middleman (local leaders, politicians and government officials) into an illicit market for land rights, concludes a study of squatter upgrading programme in Karachi [Kioe-Sheng (1982), p. 158].

### **Institutions and Legislations**

A confiscatory land acquisition act (1973) for compulsory acquisition of land for housing at fixed price of Rs 20,000 for acre was enacted in Punjab and a similar but less stringent legislation was introduced in Balochistan. These acts incorporated the 1970s notion of public sector supremacy in delivering mass housing. They were fiercely resisted through court challenges and the exemption provision allowing 30 percent of acquired land for owners' use. These acts were repealed in 1986. Other legislative and institutional measures of this era included Provincial Local Government Ordinances 1979 and Punjab Development of Cities Act 1976. These local bodies have taxation and by-laws framing powers including town planning and building control regulations. A large part of urban housing is being built without building permits or any enforcement of regulations. My own estimate for Lahore in the 1970s was that only 12 percent of new houses were built with official authorisations [Qadeer (1983), p. 93]. All in all, the second phase can be summed up in the following observations.

- (a) The policy framework laid in the initial three Five-Year Plans and the priorities, institutions and mode of implementation that arose from them expanded and deepened in this phase.
- (b) The 'plots', public housing, and urban works, the three pillars of urban policy, were further consolidated.
- (c) This phase witnessed the acknowledgement of the housing needs of low-income and poor segments. Public provisions with 'sites and services' and subsidised core-housing and *Katchi-Abadi* regularisation were included in the urban strategy.
- (d) The land and housing markets split into upper and lower circuit, further differentiating along the organised, unorganised and illicit dimensions to cater to different classes.
- (e) The ground was laid for international agencies' influence in determining urban policies and programmes.

- (f) Private investment in housing increased.
- (g) A variety of spatial rural-urban balancing strategies were tried in an ad hoc way, without any systematic follow-up.
- (h) The construction and public work bias in urban policies was further strengthened.

At the end of the decade, the housing census of 1980 (the last held so far) showed a striking increase in the number of urban housing, though the quality indices show further deterioration. This outcome is evident from Tables 5 and 6.

Table 5 shows that about 1.43 million units, 40.4 percent of the housing stock in 1980, were built in the previous ten years, compared to 1.4 million or 39.6 percent built in the preceding 23 years since the birth of Pakistan.

Table 5

*Urban Housing Units by Period of Construction, Pakistan 1980*

Period of Construction	Number of Housing Units	%
1970–80	1,434,527	40.4
1947–69	1,407,310	39.6
Before 1947	712,336	20.0
Total	3,554,173	100.0

Source: Housing Census Report, Pakistan 1980.

Table 6

*Quality of Urban Housing*

Facility	Period of Construction No. of Housing Units					
	1970–80		1947–69		Before 1947	
	No.	(%)	No.	(%)	No.	(%)
Separate Latrine	879,846	(61.3)	937,651	(66.6)	440,324	(61.8)
Shared with Others	93,382	(6.5)	135,320	(9.6)	104,295	(14.6)
No Latrine	461,299	(32.2)	334,339	(23.8)	167,717	(23.5)
	1,434,527	(100.0)	1,407,310	(100.0)	712,336	(100.0)

Source: Housing Census Report, Pakistan 1980.

Table 6 shows that only 61.3 percent of dwellings built in the 1970s had latrines in the house; another 32.2 percent had no access to a latrine. The condition of houses built in the previous 23 years is better on this index. Thus, the net outcome from the 1970s housing programmes is probably a reflection of the expansion of *Katchi-Abadis* with a lot of new units that were lacking in basic facilities.

### **PHASE 3: POLICY GALORE AND THE PROPERTY BOOM, 1980–1995**

Although General Zia had been ruling since July 1977, after ousting Bhutto's government, his conservative ideology took about three years to affect policies. Yet Urban Policies remained almost unaltered. The fifth Five-Year Plan (1978–1983) continued to “concentrate on critical programmes in public sector namely, (a) site development for housing; (b) slum improvements; (c) mobilising of private sector for investment in housing; (d) expansion of safe water supplies.....” [Government of Pakistan (1978), p. 135]. The explicit reference to mobilising private sector for investment in housing was the only hint of ideological shift in objectives, though even it was altogether a new policy.

The shift to greater reliance on the private sector for developing and managing urban facilities came in Pakistan gradually during the 1980s and the 1990s, spurred both by national ideological changes and from pressures of the World Bank and IMF. Yet remarkably both the objectives and the strategy (namely the mix of programmes) continued uninterrupted. The achievements and outcomes of the 1980s and the early 1990s programmes are essentially similar to those of the previous phases, except in scale and focus.

The Seventh Plan (1988–1993) allocated Rs 20 billion for the Physical Planning and Housing. It aimed at meeting the incremental demand of serviced plots for low- and lower-income households through the public sector on self-financing basis [Government of Pakistan (1988), p. 25]. This introduces the policy of cost recovery in the public sector. Similarly, it envisages local municipalities and ‘Project Area Committees’ to undertake improvement and servicing of *Katchi-Abadis* with only partial funding and subsidies from the federal government. Again, a subtle shift towards reducing subsidies and passing on some costs to beneficiaries is evident. Cost recovery, smaller subsidies and local responsibility gradually emerged as the policies of the 1990s.

#### **Local Initiatives**

Paralleling the policy emphasis on devolution of responsibilities for infrastructure to the local governments, community groups emerged to promote local development through self-help. The Orangi Pilot Project (OPP) started in a slum of Karachi (1980) is the most famous and successful of local self-help efforts. It has

four programmes: low cost sanitation, housing, health and family planning and credit for small enterprises [Khan (1994), p. 2]. Many spontaneous community organisations have emerged in poor neighbourhoods, particularly, to collectively deal with public agencies. These Community Based Organisations (CBOs) are now topped by newly formed NGOs, many of which have emerged with the incentive of foreign grants and international funding.<sup>2</sup>

The Matching Grants programme for union councils and district/town councils distributes grants for local projects. Though mired in considerable inefficiencies and corruption, this programme has contributed to the paving of streets, water supply schemes, drains and schools, etc., in villages as well as in city wards. This programme continues until the present (1996) and is deeply entrenched in the political system, delivering some community improvements and fulfilling the demand for patronage.

Recently the Social Action Programme (1991) for the provision of health, education and welfare services at the local level and the variety of special development programmes, such as the one for Balochistan's development, have funnelled public funds and services to towns and rural settlements. Cumulatively local programmes have stimulated considerable activity in infrastructural development across the county. There are no systematic evaluations of these programmes to help draw empirical conclusions about their impacts, though newspapers are regularly full of accounts of both their achievement and the corruption surrounding them.

### **Land Market and Housing Supply**

The housing deficit stood at about 1.2 million units in 1978. The Fifth Five-Year Plan (1978–1983) aimed at meeting only 60 percent of the additional demand emerging in the Five-Year period without promising to clear any of the backlog. The Plan's achievements fell below even this modest target—only 285,000 plots were developed against the target of 425,000, whereas only 0.5 million persons in *Katchi-Abadis*/slums were covered under the Improvement Programme against the target of 1.33 million. Also, the new housing units built in the private sector were 225,000 against the target of 350,000 [Government of Pakistan (1983), p. 515]. All in all, the Sixth Plan began with a cumulative shortage of 1.4 million houses in 1983.

By 1995, the housing deficit, combined urban and rural, had reached 6.25 million and an additional 150,000 units per year were required to meet the needs of

<sup>2</sup>My personal impression after working as a UNDP consultant for a few months at EUAD was that a good part of its staff's time was taken up by preparations for international meetings, conferences, trips abroad and hosting foreign delegations. The Urban Affairs and Environment Ministry was notorious in federal bureaucracy as a posting for 'trips abroad.'

new households [Government of Pakistan (1996), p. 17]. The continual shortfall in the housing supply is an indication of population growth outstripping expanding private and public capacities for home-building. Yet land development and house building have become a booming industry.

Cooperative housing societies have become major land developers in the lucrative urban markets. Universities, the Army, the Railways, the Water and Power Authority, other public corporations and private groups have ventured into land development, forming cooperative societies and foundations. The urban land markets had become both very active and highly speculative by the 1990s. Various circuits of the land markets, upper, lower, and illicit are booming simultaneously. Yet the market prices are unaffordable even for the professional classes. For example, a one *Kanal* (500 sq. yd. or 50' x 90' plot) of land in Johar Town (10–15 miles from the central areas, Lahore was selling Rs 1.2 million (*Jhang* 96) which is about 4–6 yearly salaries of a university vice chancellor or federal secretary. Land prices in other cities are comparable in yet to be developed sectors of Islamabad prices range from 0.8 to 2.0 million per Kanal. They increased at rates of 30–70 percent per year in the 1980s.

The privilege of 'allotment prices' is enjoyed by the politically or administratively well-connected of both the lower and upper classes, in the form of plot quotas in public land and housing schemes. A sizable group obtained this windfall gain by getting housing plots at one-sixth or one-eighth of the market price. This mechanism operates both in upper and lower circuits of the land market. A study in Punjab estimates that the provincial departments and local development authorities developed 318,952 plots over a forty-year period, realising a revenue of Rs 6.9 billion from official prices, which in the market were worth Rs 63.9 billion—thereby subsidising allottees to the tune of 9/10th of the price [Government of Pakistan (1991), p. 7].

All in all, the land market is highly fragmented, speculative and embedded in the network of privilege, connections and mobilisation. [Dowall (1991) and Nientied (1987)] have documented these features of the residential land market in Karachi for both upper- and lower-income areas.

Paradoxically, the huge unmet demand for housing lots co-exists with 'many hundred thousand residential plots lying vacant' in those (public) schemes where plots were allotted five to eight years ago [Qureshi and Bhati (1991), p. 475]. This situation is the result of two factors:

- (i) incomplete development and unfulfilled promises of services; and
- (ii) plots bought by the influentials for speculation. Both factors point to poor public management of the land development process.

### **INTERNATIONALISATION OF THE POLICY PROCESS AND SURFEIT OF FOREIGN ADVICE AND AID**

The volume of international aid and advice available for urban development and human habitat increased manifold in the 1980s. The World Bank and its regional affiliate, Asian Development Bank, increased their lending for urban projects. Bilateral aid agencies and international NGOs also invested in squatter upgrading and slums improvement projects. All in all, an unprecedented cycle of conferences, advisory missions, policy advice and aid swept through TW's urban sector. In Pakistan, urban policies also came under international influences, both conceptually and materially. In the decade of the 1980s alone, eight national policy reports were prepared with the World Bank and its affiliated funds. Almost all of these have remained 'paper exercises' except for occasional capital works projects being picked out of their recommendations.

The recommended legislative, organisational and fiscal measures fell by the wayside. These reports widened the gulf between the policy conceived in Islamabad and programmes and projects followed in Lahore, Quetta, or Khairpur.

#### **Urban Environment**

Environmental issues rose on the national and international agendas in the 1980s. Urban growth and population pressure have precipitated problems of water and air pollution, waste disposal, and preservation of natural resources, including good quality agricultural land, etc. These problems have reached threshold levels to make the present form of urban development unsustainable. While the proportion of population getting access to the piped water supply is increasing, the quality of water is deteriorating to the point that in Islamabad, Lahore and Karachi public health authorities advise boiling the drinking water. The environmental agenda has been added to the urban policy concerns. The environmental policies have evolved, more or less, in the same pattern as the urban programmes.

The Federal Environmental Protection Council has been established and provincial agencies have been instituted. The National Conservation Strategy fashioned after the Global Conservation Strategy has been approved by the Cabinet (1992). Programmes following from it show a bias toward 'public works' and 'capital investment' in practice. Urban water and sewerage projects are now being presented at the environmental windows of international donors, as are capital works for the cleanup of industrial waste.

The following is a summing up of the third phase's outcomes in the evolution of urban policies.

- (a) The urban system has become bigger and more complex triggering thresholds for new collective goods, institutions and legislations to deal with problems of water quality, air pollution, noise, affordability of market housing, land speculation, local finance, urban sprawl and traffic management along with the continuing housing deficit, infrastructural shortfalls, persistent poverty and inequality.
- (b) The PP&H as the organisational home of urban policies continues to concentrate on public works, plots and construction as the instruments of urban development. The organisational, legislative and financial measures, i.e. the 'soft options' required to deal with new challenges of urban crises are beyond the authority as well as capacity of the PP&H.
- (c) The third phase has witnessed a steady 'privatisation' of the housing and land markets as well as the provision of community facilities and services.
- (d) Almost 40 years of urban policies and programmes, combined with private initiatives, have cumulatively improved housing conditions in some respects. For example, in 1975, about 30 percent of the urban population had access to the piped water supply, by 1990 about 80 percent had this facility. The housing conditions of the Punjab, particularly, registered substantial improvements between 1981 and 1989 (see Table 7).
- (e) Despite the improvements in the housing conditions, particularly in the urbanised Punjab, the urban crises are shifting towards more complex issues of quality and the provision of new collective goods, many of which are legislative, organisational and socio-cultural in nature.

Table 7

*Urban Housing Conditions, Punjab*

Housing Indicator	1981	1989
Total No. of Houses	1.89 Millions	2.70 Million
Percentage of Houses with Piped Water (%)	44.1	57.5
Percentage of Houses with Hand Pump (%)	49.5	40.3
Percentage of Dwellings without Latrine (%)	33.3	15.3
Percentage of Katcha Houses (%)	18.0	7.3
Persons per Room	3.1	3.9

*Source of data:* 1981 Housing Census.

1989 Bureau of Statistics, Housing Survey.

Abstracted from Government of Pakistan (1991), pp. 2-9.

## THE ASSESSMENT

Pakistan's urban policies have led to notable achievements and pervasive failures. Over the 50-year period, Pakistani cities have grown into megapolises and towns have turned into sprawling cities. Large stretches of rural areas have reached thresholds of urban regions and requiring hard as well as soft services essential for city living. All this explosive urbanisation has been 'accommodated' in a matter of speaking. Major cities pulsate with energy and (individual) entrepreneurship, despite pervasive problems.

Pakistan has experienced a massive construction boom, and its urban landscape wears the appearance of a building site. These are obvious indicators of 'achievements' which though primarily arisen from individual initiatives, nonetheless have been directly or indirectly promoted, funded, subsidised or sustained (even with neglect) by public policies.

Yet the equation of policy outcomes also has numerous negative terms. Presented below is a list of major outcomes and their assessment on the criteria of effectiveness and relevance.

### Outcomes

- (i) Pakistan was one of the pioneering countries which instituted deliberate urban policies. Its first Five-Year Plan (1955) had 'Housing and Settlement' as a distinct sector before, even, the United States Department of Housing and Urban Development was created. The current urban problems, thus, are not the result of governmental inaction and indifference.
- (ii) Starting from scratch, Pakistan has developed sizable institutional structures, both public and private, in physical planning and housing, and recently, environmental sectors. Ministries, divisions, public corporations, planning commissions, research institutes, laboratories, consultants, NGOs, land developers, home builders, etc. almost all public and private elements of an urban development system, have been developed. Typically, there is a proliferation of offices, officers and organisations without a proportionate increase in their effectiveness. Most are 'hollow-institutions' bearing borrowed forms and packaged structures but lacking in relevant functions, operations and purposes [Qadeer (1983), p. 256]. Examples of the hollowness of these institutions are that 40 percent of urban water supply leaks or is pilfered in the supply network, and 30 percent of the loans of the house-building corporations cannot be recovered. In Punjab, over 30 years the Department of Town Planning prepared 5 urban master plans, Agrovillage Plans, 75 small city development plans, but not even one has been followed. Since the 1980s, even this plan-making capacity has been dormant as international agencies bring their own consultants to prepare city plans.

- (iii) Satellite towns, resettlement colonies, planned suburbs and squatter settlements are idioms of urban growth. These outcomes are reflected in social indicators. About 85 percent of the urban population now has access to water supply and 60 percent to sanitation [Government of Pakistan (1996), p. 6]. Recently constructed dwellings constitute 40–50 percent of the housing stock. These quantitative improvements gloss over qualitative shortfalls. Water supply may be accessible, but it is irregular and often so polluted that ‘boiling of drinking water’ is publically promoted. Despite tremendous public and private home construction, the housing deficit increased from 1.4 million in 1981 to 6.25 million in 1993. About one third of the metropolitan population lives in *Katchi Abadis* on land grabbed and divided by mafia-like coalitions of public officials and land agents.
- (iv) Urban policies have been co-opted to produce ‘plots and (public) works’. The PWD idiom defines the real focus of urban policies. Feeding the property market turns out to be the latent function of urban policies. Land use legislation, modernisation of land records, urban management and reform of local governments, formulation of planning norms and establishment of a transparent and equitable utilities pricing and financing system, traffic and pollution controls are, for example, measures that have been often identified but almost never acted upon.
- (v) Urban development requires a variety of collective goods for the health and welfare of citizens, e.g., water supply, sewerage, parks, schools, land use regulations, rent laws, urban design, traffic management, etc., etc. As cities grow, thresholds for higher order collective goods are precipitated requiring telephone services, public health measures, mass transit, water conservation and waste disposal, homes of handicapped, etc. Pakistani cities have acute needs for such goods. Yet urban policies have remained frozen in the mold of ‘plots and works’.
- (vi) ‘Knowledge-base’ of urban policies has remained fixed and over time has come to be entirely dependent on international agencies and their periodic policy fashions. Increasingly a great gulf has emerged between the ground realities and presumed problems and solutions. The absence of accountability and evaluation mechanism in the policy-making processes has eroded the capacity to develop an indigenous and relevant knowledge base.

All in all, on the score card of urban policies, the column of achievements is outweighed by the cumulative roster of shortfalls and the rising tide of public needs. Pakistan’s urban development is proceeding along the path of (a variation) Galbraith’s phrase ‘private-improvements and public squalor’. Urban policies have

been co-opted to enhance private interests at the cost of public welfare. The benefits of public actions are directed at groups and individuals connected with the public authority, be those officials, politicians, or political supporters of the ruling parties. The beneficiaries cut across class lines. The politically and administratively connected segments of both rich and poor classes have been able to soak up benefits. The 'encashment for personal benefit of public authority' is the operational principle of Pakistan's urban policies.

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