Cities and Urban issues in Pakistan

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PI DE’s Research Focus

- Importance of domestic commerce
- Governance and Institutions
  - Law and economics
  - Public service efficiency
  - Public choice
  - Markets and regulation
  - Decentralization and devolution
- Cities and urban issues in Pakistan
Cities and urban issues in Pakistan

- Issues
  * definition of a city
  * characteristics of a healthy city
  * international experiences
  * setup of Pakistani cities
  * problems identified
  * reforms
Definition

- No specific or agreed upon definition
- Locality of a person defining city matters
- e.g. a certain number of inhabitants. But
different across countries
- Size of the city. Again varies across
countries.
Definition........

- **Common characteristics in different definitions**

  * people come to cities to find something, like, career, education, identity, wealth etc.
  * have famous history, so tourists come
  * lot of places for all people for different activities; parks, community centers, cinemas, theatres, libraries, museums, concerts, shopping malls (almost all material things one wants to have).
* Have extensive infrastructure and local connections with easy reach.

* A city is also to be judged on the degree to which it involves its citizens in decision making and is responsive to its demands (Kaufman et al., 2006).
Definition

City:
A centre of population and culture;
a town of significant size and importance.
The modern city is the very symbol of modernization: an engine for economic growth; a ready market for goods, services and labor; opportunity for social mobility; cultural boiling pot; a bastion of political power. Cities are also the highest consumers of non-renewable resources, and the highest polluters of the natural environment.
Characteristics of a healthy city

- **Fixed transit**
  * easy to get around on foot
  * walking city
  * no need for parking

- **Mixed-use Neighborhoods (City Centers)**
  * intermingling commercial, residential and civic functions
  * reduce dependence on automotive transport
  * denser development without reducing living spaces
  * increase in tax collection and reduction in demand for government expenditure. So either government can reduce taxes or increase expenditure on amenities like parks, concerts etc.
Characteristics

* it promotes walking and discourages driving, that: enhances community feelings, good for health, discourages crimes, creates interaction.
* lively downtowns are filled not only with office buildings and shopping malls but also with apartments where people live.

- **Mixed-income neighborhoods**
  * simply cities for all
  * increases urban variety
  * promotes cohesiveness
  * societies grow rapidly where members exchange ideas
Characteristics

- **Immigrants moving in from and out to other cities**
  * incubator of ideas
  * just like a college
  * economic growth---- spreads knowledge.

- **Street trees and roof top gardens**
  * save money and energy
  * give pleasure
  * rooftop gardens provide insulation from extreme temperature
Characteristics......

- Working farms adjacent to city limits
  - low cost of transportation
  - Lesser demand for government expenditure on infrastructure.
  - better taste

- Lot of places for relaxing;
  - parks, theatres, cinemas, community centers, concerts, etc.
Cities in Economic growth

(Dr Nadeem and Dr Durr-e-Nayab)

- Denser economic activities create economies of scale
- Larger market size increases productivity
- Knowledge spill over
- Big cities have been the birthplaces of new ideas, inventions and creativity
- People with different experiences, classes and professions share ideas.
Cities in Pakistan

(Dr Nadeem)

- **No city centers (even cities are not circular)**
  - no mixed-use
  - long commutes
  - excess demand for offices

**Results:** auto cities, traffic rush, shortage of houses in Islamabad
Residential area: 55%,
Roads/streets: 26%

- Still there is shortage of houses (about two third of the existing houses)
- Yet traffic conditions of roads are getting worse

(Ayaz Ahmed)
Cities in Pakistan......

- Not enough community spaces like community centers, theatres, parks, museums, concerts.....

Results: lack of creativity, increasing crimes etc

- No domestic commerce

  scarcity of shopping malls, warehouses, wholesale markets, offices etc

  e.g. in islamabad, commercial area including
  parking: 5%(Ayaz Ahmed)

Result: lower economic growth rates

Lesser tax collections

People feel discomfort while shopping
Cities in Pakistan......

- Not for all
  * zoning favors large housing
  * high rise buildings are not allowed so poor cannot find residence
  * People from different classes cannot share ideas and feelings

- Urban sprawls
  cities are not circular (even shapeless)
  at the cost of agricultural land

(TASNEEM SIDDQUII)...... Jobless and homeless immigrants from rural to urban areas become part of urban sprawls
Cities in Pakistan......

- No migration across cities
  - fresh blood does not come in
  - no exchange of ideas
  - lack of knowledge spillover

- (Reza Ali and Sara Fatima Azfar)
  - only 0.9% of urban growth is explained by immigration
  - even this migration is unidirectional
Why?

- Government ownership of prime land (city centers)
- Financial resources with federal and provincial governments
- Public has no say in decision making: amenities for the rich.
- No clear rules and property rights
- City development became rent seeking activity
- Cantts in cities occupying prime land
Financial resources with federal and provincial governments
(Tanawwur Ali Hyder)

- TMAs responsible for municipal services:
  but TMAs **NOT** delivering these services
- Because they have
  - inadequate resources
    - Provincial government failing to transfer finances and human resources
- Low Autonomy
  - Provincial government interfering in TMA business – administrative impediments, budget limits, tied transfers
RESULT

Service Delivery remains poor and confusion persists
Public has no say in decision making: amenities for the rich.

(Khusro Mumtaz)

- In the Greek idea of citizenship, as expressed by Aristotle, citizens had the right to participate in both the legislative and judicial functions of their political community.
- Recent trends in Pakistani cities has seen the average citizen not only being divorced from his rights but also from his obligations.
- For instance, the new mega waterfront project being planned by the Defence Housing Authority in Karachi ($623m)-----for rich
- But what is demanded by Karachi's poor
No clear rules and property rights

Excess demand for commercial area because property rights are not clear
Commercialization is a sin here
Four types of payments for commercialization
  * fee @20% of value of commercialized land
  * hidden cost in the form of additional payment to get things done
  * building by-laws… Extra height charges
  * additional payment in the form of utility bills
No clear rules and property rights...

- **Results:**
  - disincentives for the owner of land to commercialize it
  - So
    * there is excess demand for commercial land
    * cost of doing business increases that is transferred to the consumers.
    * business activity at small scale and hence less contribution of the city in GDP.
Housing problems in Pakistan
(Shabih-ul-Hassan Zaidi)

- Overall housing deficit in Pakistan has reached above 5 million.
- The urban areas in Pakistan are facing an acute shortage of planned housing stock, especially for the low and middle income groups.
- What are the factors regarding this issue?
Factors...

- The Housing Policy and its Implementation
- The Gap between the Housing Cost and Affordability
- Lack of Soft Loans Facility for Housing
- Public Sector Withdrawal from the Housing Sector
- Lack of Higher Order Physical Infrastructure and Public Facilities in the Private Sector Housing Schemes
- Downward Raiding of Higher income People on Low Income Plots
- Delayed Construction Causing Wastage of Land and Utility Services
- Un-Planned Commercialization
- Environmental Degradation in Slums and Katchi Abadis
- Absence of Self-help and People’s Involvement in Housing
Housing problems in Pakistan......

(Tasneem Siddiqui)

- ISSUES WHICH DO NOT GET ATTENTION IN PUBLIC SECTOR HOUSING SCHEMES
- AFFORDABILITY
- TARGETING
- TIME-LAG BETWEEN ALLOTMENT AND HANDING-OVER POSSESSION
- CUMBERSOME PROCEDURES LEADING TO CORRUPTION AND DELAYS
- AVAILABILITY OF SOCIAL SECTOR SERVICES IN LOW-COST SETTLEMENTS
Reforms
(Dr Nadeem Ul Haque)

- Focus of policy, research and thinking on the role of cities as engines of growth
- Empowerment of city government in public service delivery and financial matters
- Development of city centers for dense mixed use
- Decision making by open consultative process (community involvement)
- Places for cultural and educational activities