

DEVELOPMENT ADVOCATE PAKISTAN

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Sustainable Urbanization

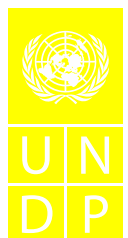


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Urbanization in Pakistan

Pakistan has the highest rate of urbanization in South Asia. According to the 2017 Population Census, 36.4 percent of the population lives in urban areas. In 1998, this figure stood at 32.5 percent. Other estimates, based on a modified definition of urban settlements, suggest that the ratio of urban to rural population could be 40.5 percent and even higher. The United Nations Population Division estimates that, by 2025, nearly half the country's population will be living in cities.

Urbanization is generally considered to be closely related to economic growth, particularly in developed countries where they have often occurred in tandem. Globally, it is estimated that cities generate more than 80 percent of the global Gross Domestic Product (GDP). The more urbanized areas indicate higher per capita income and more employment opportunities. Cities are also hubs of innovation and entrepreneurship. Urbanization has positive impacts on technological innovation and economic progress.

Cumulatively, cities in Pakistan generate 55 percent of the GDP. Moreover, Pakistan generates 95 percent of its federal tax revenue from 10 major cities. Karachi alone generates 12-15 percent of Pakistan's GDP and contributes 55 percent of the federal tax revenue of the country. 7 out of 10 major cities in Pakistan have larger per-capita incomes than the average. Poverty in cities is generally lower (i.e. urban multi-dimensional poverty is one-sixth of that of rural areas).

However, recent research suggests that the relationship between urbanization and growth is not automatic. Urbanization in many developing countries has occurred without growth, jobs and productivity. The benefits of urbanization can only be accrued by sound public policies. Unplanned and unmanaged urbanization has rather resulted into urban slums, environmental degradation, poverty and inequality. Pakistan too, is confronted with a host of urban challenges.

Pakistan has a huge housing deficit of nearly 10 million units and growing. Urban population growth in the country has not been matched by growth in housing units or equitable access to land, resulting in housing shortages and the growth of slums. The number of slums is an indication of rising inequalities. Almost 55 percent of the population in Karachi lives in slums.

The current approach to urban housing has resulted in many challenges. The urban sprawl has eaten up vast stretches of fertile agricultural lands. The government's recent policy initiative to promote "vertical" housing may address the issue of sprawl.

However, given Pakistan's vulnerability to earthquakes and other natural hazards, the government will have to put in place an effective regime for building codes and their compliance to off-set the

potential negative consequences of vertical housing.

The building codes should also require proper insulation of houses to save energy. Adequate parking facilities in high rise buildings, for instance, is an issue which should also be kept in mind. Moreover, cities need to have adequate spaces for sports, parks and recreational activities.

Cities, which have shown incredible growth globally, are also the ones that have a strong governance architecture. An empowered city government that has the mandate and authority to generate its own revenue and manage the delivery of municipal and other services, has been instrumental in rapid economic growth and the social development of cities.

Pakistan is yet to develop well-structured and financially empowered city governments. In a study we conducted in Islamabad, we found that the city government could generate a revenue of PKR 15.3 billion from car parking fees alone. The city government's potential for revenue mobilization has remained unexplored in Pakistan.

Cities are the hub of economic activities, but they are also the biggest sources of carbon emissions. Estimates suggest that cities generate 2.1 billion tonnes of solid waste annually. With rapid population growth and urbanization, annual waste generation is expected to increase by 70 percent from 2016 levels, to 3.40 billion tonnes in 2050.

The 'Clean-and-Green Campaign' and '10 Billion Tsunami' initiated by the current government are becoming global best practices. While these initiatives are worth-praising, cities need institutional setups to cope with environmental challenges.

There are good examples of public-private partnerships for solid waste management, including one in Lahore, which other city governments may like to consider for replication. Pakistan is fast becoming a water scarce country. It needs water recycling which is another potential area for public-private partnership.

Pollution is a major urban challenge. As vehicles are key pollutants, urban mobility needs to be addressed through sustainable and efficient public transport, including the provision for cycling lanes and footpaths.

The benefits that growing urbanization brings can only be maximized through well-researched national policies and plans. Financially autonomous city governments, who have control over generating revenue and their use, are key to economic growth, provision of public services for all and public service innovation.

Situational Analysis- Urbanization in Pakistan¹

1. Introduction

1.1 Definitions and Trends

Between 1990-2000, the global urban population increased every year on average by 57 million people, and by 77 million from 2010-2015.² Just the Asia-Pacific Region, which houses 60 percent of the world's population, grew by more than 1 billion between 1980 and 2010. By 2050, two thirds of the region's population will live in cities.³

Taken simply, urbanization refers to an increase in the number of residents in urban areas (cities and towns). However, there exist several limitations in this concept.

Since number of residents or population count is based upon census data, hence this is a limitation in itself. Censuses tend to be infrequent and as a result might offer outdated data. Moreover, different countries define 'urban' areas differently: For instance while Bangladesh defines 'urban' as an area with 'at least 5,000 persons in a continuous collection of houses where the community maintains public utilities', Nepal takes that number to 20,000 inhabitants. Others have administrative criterias for determining an area as urban. Therefore, agreeing on one definition of what constitutes urban and rural areas, and subsequently urbanization, is important before any international comparison and subsequent policy framework is designed. (See Box Feature on 'Definitions of 'Urban' in South Asia').

1.2 Impacts

Growing urbanization has transformed and placed cities at the center of the development agenda. Economic growth in large part is fueled by rapid urbanization in cities. This has opened avenues of employment, social development and revenue generation. Goal 11 of the Sustainable Development Goals aptly describes the positive

Definitions of 'Urban' in South Asia⁴

India: Urban areas include towns (places with a municipality, corporation, cantonment board or notified town area committee). Additionally, an area can also be classified as urban if it fulfils the following criteria: a minimum population of 5,000, a density of population of at least 400 per square kilometre (1,000 per square mile), and at least 75 percent of the male working population engaged in the non-agricultural sector.

Pakistan: Areas with a municipal corporation, a town committee or a cantonment board are classified as urban.

Bangladesh: Places with a municipality (pourashava), a town (shahar) committee or a cantonment board are classified as urban. In general, urban areas should have at least 5,000 persons in a continuous collection of houses where the community maintains public utilities, such as roads, street lighting, water supply, sanitary arrangements, etc. Urban areas are generally centres of trade and commerce with a majority of the population engaged in nonagricultural activities. An area that has urban characteristics but has fewer than 5,000 inhabitants may, in special cases, be considered urban.

Nepal: Urban areas should have a minimum of 20,000 inhabitants, annual revenue of NPR 500,000 and minimum urban facilities such as electricity, roads, drinking water and communication services. For hilly areas, the definition is relaxed to a minimum of 10,000 inhabitants.

Sri Lanka: Urban areas include municipalities and settlements with an urban council.

impacts of growing cities: "Cities are hubs for ideas, commerce, culture, science, productivity, social development and much more. At their best, cities have enabled people to advance socially and economically...".⁵

On the contrary, this transformation has largely been unplanned and uneven, with mega cities becoming concentration hubs for large segments of the population. Owing to a decline in the share of small and medium cities in the total urban population over time, immense strain has been exerted upon existing resources in mega-cities.

The growth of cities has also come at the cost of increasing inequalities and negative impacts upon the environment. Unequal service provision, congested roads, absent municipal services, water shortages etc. are

hallmarks of several 'poor' segments of urban settlements. Therefore, urbanization presents inherent opposites: at one end, urban areas are centers of opportunity and affluence, yet they are also home to large poverty ridden populations, deprived of even basic rights.

In order to achieve the purpose of creating viable and sustainable cities, it is imperative that policies are developed in a way that they not only create opportunities for employment and prosperity, but also cater to social and civil needs of the resident population. Transforming how cities are planned and designed with a focus on housing and urban infrastructure especially for marginalized slum dwellers, and improving the quality of the urban environment, are absolutely critical. Transfiguring the challenge of urbanization

1. Main Analysis has been conducted with inputs from Dr. Shaker Mahmood Mayo, Professor, Department of City and Regional Planning, University of Engineering & Technology, Lahore

2. UN-Habitat (2016) "World Cities Report: Urbanization and Development, Emerging Futures," Nairobi.

3. UNESCAP (2017), "Urbanization and sustainable development in Asia and the Pacific: linkages and policy implications." Available at https://www.unescap.org/commission/73/document/E73_16E.pdf

4. Mahbub Ul Haq Centre (2014) "Human Development in South Asia 2014; Urbanization: Challenges and Opportunities."

5. United Nations, 2015

Defining Urbanization in Pakistan⁶

Underestimation of Urban Population in 1998 and 2017 Census

The 1998 census results raised several questions on the apparently low urban growth rates in Pakistan, despite higher projections made by the Planning Commission. Similar skepticism was observed when the results of the 2017 census came out: despite high trends of rural to urban migration in the country, urban population, as a percentage of the country's total population, had only increased by 2 percent in 19 years.

After the 1998 census, estimates suggested that the country's urban population as a percentage of the total population was between 40 to 50 percent or even higher. Given these estimates, for the 2017 census results to be a true depiction of the country's state of urbanization can only mean that urban areas went through extreme de-population in the last one decade either through declining natural growth rate, or high urban to rural migration, or both. This is highly unlikely because the physical boundaries of Pakistan's officially designated urban areas have expanded immensely between 1995 and 2015. This suggests that the last few censuses have been substantially under-estimating Pakistan's rate of urbanization because of definitional issues.

Pakistan's Current and Previous Definitions of Urban Areas

From 1951 till the 1972 census, Pakistan's official definition of the term 'urban' suggested that all areas with a population of 5,000 or more and all municipalities as well as civil lines and cantonments were urban. There also existed the provision to include any other area that exhibited 'urban characteristics', upon the provincial

superintendent's discretion. When making this decision, an essential difference considered between rural and urban population was that the former was mainly engaged in agriculture and the latter in commerce, manufacturing and other occupations. However, in the 1981 Census, minimum population criteria and the discretion of census commissioners on classifying an area as urban were removed. Since then, urban areas are defined solely by administrative criterion, i.e. only people residing in metropolitan and municipal corporations, municipal committees (MCs) and cantonments are considered urbanized. All the 'residual' are rural population.

This act of reducing the definition of urban to administrative boundaries is a major cause of the underestimation of urban population in Pakistan. It has resulted in exclusion of urban forms and citizenry, ignoring the expansion of urban areas beyond official limits. Areas which urban planners would call peri-urban, those huge fringes of settlements that are located outside the official boundaries of cities, are being called 'rural', although they are as urbanized as the rest of the city. Moreover, it ignores places which would earlier (according to the pre-1981 definition) have qualified as urban. In the 1951 census, 51.5 percent, and in the 1961 census, 65.2 percent of all urban areas did not have administrative status. 361 places with a population of 5,000 or more that were considered rural in the 1998 census had significant urban characteristics; if their population were considered urban, this would have added another 6.5 percent to the 1998 urban population of Pakistan. It can thus be said that Pakistan's pre-1981 definition, though not perfect, had more potential to capture the real state of urbanization in the country, than the post-1981 definition.

into an opportunity, is truly the real test.

2. Pakistan's Urbanization Profile

2.1 Defining Urbanization

Over the years, definitions of urbanization have seen frequent changes with new definitions emerging out of different censuses (See Box Feature on 'Defining Urbanization in Pakistan').

2.2 Trends in Urbanization

2.2a National and Inter-Provincial Comparison

Since 1951 to 2017, the percentage of population living in urban areas has increased manifold-17.7 percent to 36.4 percent (Table 1). Population in the rural areas also saw an increase, nevertheless, urban centers grew more rapidly in terms of population size.

Provincial urbanization trends have fluctuated over time. Balochistan has experienced a rapid rate of urbanization over the last few decades. However, it has a very low population base and despite a high growth rate, only 27.5 percent of the population resides in urban areas. Amongst provinces, KP has the lowest level of

urbanization, with only 18.8 percent of the population living in urban areas. However, it is urbanizing rapidly. The case of Sindh is an interesting one. It experienced the fastest pace of urbanization during the 1950's and 60's, however, during 1998-2017, the province experienced a completely opposite trend (Table 2).

Table 2 also depicts that the difference between rural and urban population growth rate was extremely wide in the years between 1951-72. However, with time, the gap between them has narrowed down substantially, not just overall but also in provinces. In part, a decline in urban growth rate could be due to a decline in urban fertility levels along with a decline in rural-urban migration.⁹ As discussed earlier, definitional issues could also have influenced urban growth patterns.

2.2b Regional Trends

Pakistan is the most urbanized country in South Asia since 1950 (Figure 1). The share of urban population increased from nearly 18 percent in 1950, to 36.4 percent in 2017.¹⁰ The country is followed by India, Bangladesh and Afghanistan as the most urbanized countries in the region (See

figure 1).

Regional trends depict, that while countries such as Bangladesh, Nepal and Afghanistan began on low levels of urbanization, they have experienced quite rapid growth over time (Table 3). In contrast, Sri Lanka with a rate of 1.52 percent, the lowest in the region, has witnessed the opposite: Among other reasons, these low levels of urbanization in Sri Lanka can be attributed to deviations in defining urbanization, which in the case of Sri Lanka is based on an administrative classification and is very restrictive. At 2.38 percent, India falls somewhere in the middle of the spectrum, however the number of people living in its urban areas has kept increasing. The country accounts for nearly three-quarters of the total population in the region.

2.3 Sources of Urban Growth

Major factors that contribute to urban growth include natural increase in urban population, rural to urban migration, and reclassification of areas from rural to urban or expansion of urban boundaries.

In the case of Pakistan, 70 percent of urban growth is owing to a natural increase in

6. Excerpted from a study conducted by UNDP Pakistan, authored by Maira Khan (2018), "Examining Pakistan's Official Definition of Urban Areas."

Table 1: Population and its Percentage Distribution by Urban and Rural Areas (Provinces and National) – 1951-2017⁷

	1951		1961		1972		1981		1998		2017	
	Pop. million	Percent	Pop. million	Percent	Pop. million	Percent	Pop. million	Percent	Pop. million	Percent	Pop. million	Percent
Punjab												
Urban	3.57	17.4	5.48	21.5	9.18	24.4	13.05	27.6	23.02	31.3	40.39	36.7
Rural	16.97	82.6	19.99	78.5	28.42	75.6	34.24	72.4	50.60	68.7	69.63	63.3
Sindh												
Urban	1.77	29.2	3.17	37.9	5.73	40.4	8.24	43.3	14.84	48.8	24.91	52.0
Rural	4.28	70.8	5.20	62.1	8.43	59.6	10.79	56.7	15.60	51.2	22.98	48.0
KP												
Urban	0.50	11.1	1.76	13.2	1.20	14.3	1.67	15.1	2.99	16.9	5.73	18.8
Rural	4.05	88.9	4.97	86.8	7.19	85.7	9.40	84.9	14.75	83.1	24.79	81.2
Balochistan												
Urban	0.14	12.4	0.23	16.9	0.40	16.5	0.68	15.6	1.57	23.9	3.40	27.5
Rural	1.02	87.6	1.13	83.1	2.03	83.5	3.66	84.4	5.00	76.1	8.94	72.5
Pakistan*												
Urban	5.99	17.7	9.65	23.1	16.59	25.4	23.84	28.3	43.04	32.5	75.58	36.4
Rural	27.75	82.3	32.23	76.9	48.72	74.6	60.41	71.7	89.32	67.5	132.19	63.6

* Includes the population of erstwhile FATA and Islamabad

population, while rural to urban migration constitutes 20 percent, 9.7 percent is owing to reclassification of boundaries and 0.7 percent is attributed to other factors.¹¹ Major cities in Pakistan experienced rapid population growth, which is forecasted to increase (Table 4). India follows a similar trend, where population increase accounts for 58 percent, followed by rural to urban migration at 21 percent, reclassification of boundaries at 12.3 percent while 8.7 percent is attributed to miscellaneous factors. In the case of Bangladesh, the situation is different with rural to urban migration being the dominant factor in urbanization (at 40 percent). For another regional counterpart, Nepal, reclassification of rural into urban areas at 50 percent, was the most significant driver of urban growth between 1991-2001.

3. Opportunities and Challenges

3.1 Economic Growth

Cities are engines of economic growth. With the growth in cities and towns, contributions towards economic activity and national income are increasing. Therefore, there exists a direct relationship between increasing levels of urbanization and economic activity.

Traditionally an agrarian economy, Pakistan has almost become a services based

Table 2: Pace of Urban and Rural Population Growth (Provincial)⁸

Province	Percentage increase in population during:				
	1951-1961	1961-1972	1972-1981	1981-1998	1998-2017
Punjab					
Urban	53.5	67.5	42.2	76.4	75.5
Rural	17.8	42.2	20.5	47.8	37.6
Sindh					
Urban	79.1	80.8	43.8	80.1	67.9
Rural	21.5	62.1	28.0	44.6	47.3
KP					
Urban	52.0	57.9	39.2	79.0	91.6
Rural	22.7	44.7	30.7	56.9	68.1
Balochistan					
Urban	64.3	73.9	70.0	130.9	116.6
Rural	10.8	79.6	80.3	36.6	78.8
Pakistan*					
Urban	61.1	71.9	43.7	80.5	75.6
Rural	16.1	51.2	24.0	47.9	48.0

economy, with the latter constituting almost 60 percent share in the GDP (Table 5). However, this when compared to the trend in the employment sector, delineates some differences: the employment rate in the services sector stands at 34.2 percent, after the agriculture sector at 42.3 percent and the industrial sector at 23.6 percent. The share of employment in the services

sector has slightly decreased over the last decade or so-35.9 percent in 2006-07 and 33.7 percent in 2010-11-which could be attributed to skilled labour being a requirement of the sector.¹²

Pakistani cities all have different economic profiles, including shares in employment and tax revenues. Nevertheless, services

7. Pakistan Bureau of Statistics: Household Integrated Economic Surveys and Population Censuses; National Institute of Population Studies. 2006. Pakistan Demographic and Health Survey: 2005-06; National Institute of Population Studies. 2013. Pakistan Demographic and Health Survey, 2012-13.

8. Pakistan Bureau of Statistics, Several Censuses

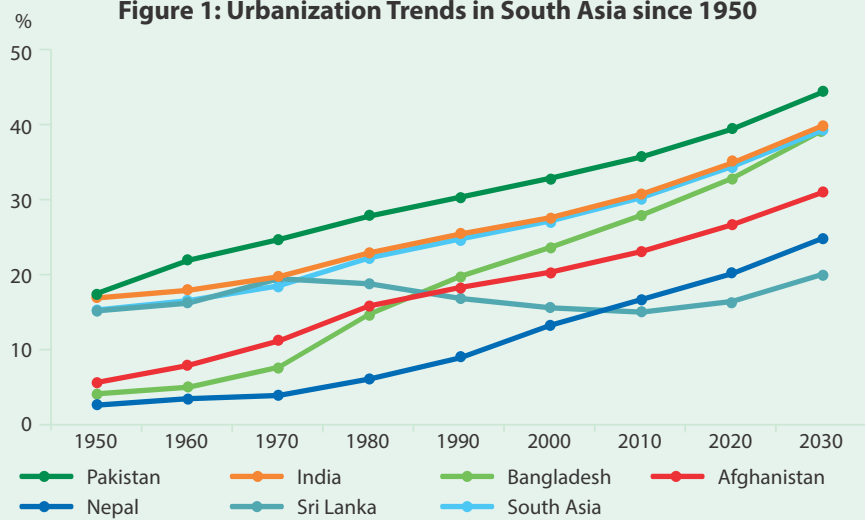
9. Feeney, Griffith and Alam, Iqbal. 2003. "Fertility, Population Growth and Accuracy of Census Enumeration in Pakistan: 1961-1998." In Kamal, A.R. Mohammad Irfan, and Naushin Mahmood (eds.). Population of Pakistan: An Analysis of 1998 Population and Housing Census. Islamabad: Pakistan Institute of Development Economics.

10. Based on the results of the latest census, Pakistan Bureau of Statistics 2017.

11. Supra 4

12. Ministry of Climate Change and UNHabitat (2018), "The State of Pakistani Cities in 2018."

Figure 1: Urbanization Trends in South Asia since 1950



Source: Mahbub Ul Haq Centre (2014) "Human Development in South Asia 2014; Urbanization: Challenges and Opportunities."

Table 3: Urbanization in South Asia (as of 2017)

Province/Region	Urban Population (% of Total)	Urban Population Growth (Annual, in %)
India	33.6	2.38
Pakistan	36.44	2.52
Bangladesh	35.85	3.23
Afghanistan	25.25	3.41
Nepal	19.34	3.16
Sri Lanka	18.38	1.52

Source: World Bank, World Development Indicators Database

Table 4: Population Growth in Cities in Pakistan

City	City Population (in 000's) Year 2000	City Population (in 000's) Year 2018	Percentage Increased 2000-2018	City Population (in 000's) Year 2030 (Projected)
Faisalabad	2,098	3,311	57.8	4,401
Islamabad	569	1,061	86.5	1,477
Karachi	9,825	15,400	56.7	20,432
Lahore	5,576	11,738	110.5	16,883
Multan	1,251	1,931	54.4	2,552
Peshawar	1,075	2,065	92.1	2,896
Gujranwala	1,209	2,110	74.5	2,883
Quetta	602	1,042	73.1	1,420

Source: United Nations, Department of Economic and Social Affairs, Population Division (2018). The World's Cities in 2018—Data Booklet (ST/ESA/SER.A/417).

Table 5: Share of Sectors in GDP (%)

Sector	1999-2000	2009-2010	2016-2017
Agriculture	27.08	22.03	19.53
Industry	19.31	21.04	20.88
Services	53.61	56.93	59.59

Source: Ministry of Climate Change and UNHabitat (2018), "The State of Pakistani Cities in 2018."

and industry sectors are the main employment sectors in major Pakistani cities. In terms of total federal tax revenue, the country generates 95 percent of revenue from its 10 major cities (Table 6). Same is the case for per-capita income where 7 out of 10 major cities have larger per-capita incomes than the average (Table 6). These trends delineate that bigger cities make the highest contribution to the growth of the economy as a whole. It is also interesting to note that on the 'Ease of Doing Business' Index, the city of Faisalabad ranks at 1 making it highly conducive to investment, both domestic and international.¹³

Major cities have contributed significantly to economic progress in South Asia over the last few decades. As in the case of Pakistan, urban centres of Karachi and Lahore contribute significantly to the economy (Table 6). Same is the case with India where 3 major cities of Mumbai, Delhi and Kolkata are the major contributors. Likewise, Dhaka and Chittagong in Bangladesh dominate economic contributions (Table 7).

Urbanization induces agglomeration benefits to the economy and enhances economic productivity of a city. In the case of firms, owing to their suitable locations near customers and suppliers, agglomeration offers tremendous benefits and helps them in cutting costs of communications and transport. Moreover, labour is also readily available. This results in workers benefitting from a wide range of employment options. Successful examples of agglomeration economies include Tirrupur and Hyderabad in India for knitwear and pharmaceuticals respectively, and Sialkot in Pakistan for surgical instruments and sports goods, and Faisalabad in Pakistan for textiles.

Urbanization has positive impacts upon different sectors of the economy. For instance in Bangladesh, with increasing urbanization in cities of Dhaka and Chittagong, the garments and real estate sector, which employs a huge amount of people in these cities, grew rapidly. Dhaka alone accounts for 80 percent of the garment industry of Bangladesh. Likewise, Bangalore in India, again a city witnessing high urbanization, contributes 32 percent of India's software exports. Pakistan shows similar trends: Lahore contributes 42 percent of the workforce in finance, banking, real estate and social services sectors.

Hence, all trends depict that 'urbanization is an indicator of high wealth'. The more urbanized areas in the world indicate higher per capita income, more employment opportunities and more flourishing sectors. People in urban areas have higher

13. The World Bank (2019), "Ease of Doing Business." Available at <http://www.doingbusiness.org/en/data/exploreeconomies/pakistan>

Table 6: Pakistani Cities' Economies¹⁴

City	Contribution to Federal Tax Revenue (%)	Per-Capita Income (PKR)	Major Industries	City Employment Rate (%)	Multi-Dimensional Poverty Head Count (%)	Major Employment Sectors (% share)	Ease of Doing Business Rank
Islamabad	16.1	70,000	Food & Beverages, Non-Metallic Minerals, Basic Metals	35	3.1	Services-87 Industry-13	4
Karachi	55	56,000	Coke and Petroleum, Chemical Products, Textiles, Transport, Food & Beverages	36.8	4.5	Services-64 Industry-36	9
Lahore	15.1	60,000	Food & Beverages, Textiles, Paper Products, Rubber and Plastic Products	36	4.3	Services-66 Industry-33 Agriculture-1	3
Rawalpindi	2	82,000	Petroleum, Chemical Products, Food & Beverages, Textiles	33.4	7.5	Services-84 Industry-15 Agriculture-1	10
Faisalabad	1	56,000	Textiles, Food & Beverages, Wearing Apparel	36.9	19.4	Services-51 Industry-49	1
Peshawar		67,000	Food & Beverages, Chemical Products, Electrical Machinery & Transport Equipment, Furniture	29.6	31.5	Services-86 Industry-14	8
Gujranwala	0.5	43,000	Food & Beverages, Basic Metals, Textiles	33.5	14.0	Services-51 Industry-49 Agriculture-1	6
Quetta	0.9	37,000	Coke & Petroleum, Chemical Products, Transport Equipment, Food & Beverages	31.5	46.3	Services-74 Industry-22 Agriculture-4	12
Multan	2.9	44,000	Textiles, Food & Beverages, Chemical Products, Leather Products	39.1	35.7	Services-67 Industry-32 Agriculture-1	2
Hyderabad	0.9	55,000	Textiles, Food & Beverages, Chemical Products, Machinery & Transport Equipment	38.4	25.7	Services-64 Industry-35 Agriculture-1	13

Table 7: GDP of South Asian Cities and their Contribution to the Economy (USD billions)¹⁵

Cities/ Urban agglomerations	GDP (2008)	Estimated GDP (2025)
Mumbai	209	594
Delhi	167	482
Kolkata	104	298
Dhaka	78	215
Chittagong	24	67
Karachi	78	193
Lahore	40	102

opportunities to access better jobs and services. Urbanization has positive impacts on technological innovation and economic progress which leads to higher standards of living.

3.2 Urban Poverty

While urbanization and economic growth have a direct relationship, the former's impact upon poverty and equity remains to be examined. Urban poverty is low in Pakistan which goes to show that urbanization helps in reducing poverty (Table 8).

This trend can be seen throughout South Asia. Poverty rates in urban areas are

significantly below poverty rates in rural areas. These numbers depict that urbanization may be a factor in reducing poverty.

3.3 Revenue Generation

95 percent of the total federal tax revenue of the country is generated from 10 major cities. Karachi alone contributes 55 percent of the federal tax revenue of the country. Cities hold immense potential for development in a sustainable manner while contributing to national economic growth. While traditional sources of revenue such as property tax and utility charges have long existed, it is time to review existing policies and governance structures so as to identify

14. Multiple sources including, FBR Year Book 2014-15, World Bank's Ease of Doing Business Rankings 2019, UNDP Pakistan's 'Multi-Dimensional Poverty in Pakistan', PSLM surveys.

15. Price Water House Coopers. Available at <https://pwc.blogs.com/files/global-city-gdp-rankings-2008-2025.pdf>

new and innovative ways-such as utilizing existing assets or landmarks-for cities to be able to generate additional revenue.

Cities act as hubs of innovation and creativity, provide an enriching knowledge economy, and have support structures and institutions in place to support new initiatives and house skilled labour force. All these factors contribute towards making cities conducive to generating revenue, especially as compared to rural areas (See Box Feature on 'Increasing Value Through Urban Regeneration: A Case Study of Islamabad City').

3.4 Slum Dwellings

With increasing disparities between the rich and the poor in urban areas, the inequality gap certainly seems to be widening. Urban population growth in the region has not been matched by growth in housing units or equitable access to land, resulting in housing shortages and the persistent growth of slums. The number of slums is an indication of rising inequalities. Almost 55 percent of the population in Karachi lives in slums, 40 percent in Dhaka, Bangladesh, around 60 percent in Mumbai, India and 50 percent in Colombo, Sri Lanka.¹⁹ All these megacities are not only acute victims of rapid urbanization, but also have high levels of poverty. All in all, slums account for large segments of population throughout the region (Table 9). These overcrowded slums face acute problems of sanitation, drainage and safe drinking water, impacting health of the slum dwellers. Hence, with a rise in urbanization, levels of human development are also impacted negatively. These high numbers of slum dwellers are an indication that

Table 9: Percentage of Population Living in Slums²⁰

Country	% (as of 2014)
Bangladesh	55.10
India	24.00
Nepal	54.30
Pakistan	45.50
Sri Lanka	24.80

Source: World Bank Indicators Database

many people in the region have not yet been able to reap the benefits of economic and social transformations brought about by rapid urbanization.

Table 8: Proportion of Population under Poverty Lines¹⁶

Country	Rural	Urban	National Poverty Line
Pakistan	27.0	13.1	22.3
India	25.7	13.7	21.9
Bangladesh	35.2	21.3	31.5
Afghanistan	37.5	29.0	36.0
Sri Lanka	9.4	5.3	8.9
Nepal	27.4	15.5	25.2

Increasing Value through Urban Regeneration: A Case-study of Islamabad City¹⁷

The market value of land in Islamabad has increased rapidly. At the same time, there is shortage of real estate to create spaces for shopping areas, schools, offices, commercial buildings, warehouses, entertainment, hotels, enterprise and many others. The increasing shortage is indicative of an urgent need to revisit zoning regulations. Islamabad was initially designed to be a low-density suburban capital, for only officials and diplomats. The subsequent large influx of migrants was clearly not anticipated. The current situation demands that zoning laws are revisited as they are holding back the city's development and hence, the ability to levy tax.¹⁸

The zoning laws of Islamabad have restricted growth in commercial activity and simultaneously discouraged the development of affordable housing schemes. By restricting high rise buildings and mixed use of land it has curtailed economic activity as the private players are unable to afford the cost of land. Excessive layers of red tape further discourage private players from adopting innovative business models for maximum utilization of their land holding. A land purchased for an approved commercial activity cannot be utilized for any other business without prior permission from the CDA which is granted only if the request seems to be compliant with the Master Plan and zoning regulations.

Restrictive zoning is driving residents out into suburbs in search of affordable housing, causing the city boundaries to expand while burdening the capacity and resources of local government. The inflexible zoning laws that have not been updated with the changing needs of the city have restricted growth in productivity and potential revenue streams for the local government.

Rezoning could increase value and the tax base of MCI. Some examples are:

- Blue Area which is a planned linear hub of commercial activity in the city could be rezoned as a broader commercial area through multi-purpose modern high-rise building structures that increase economic activity while also expanding the revenue base for MCI.
- Allowing older single-family home structures to convert into multi-family apartment structures could increase availability of much needed housing space as well as the revenue base for the city.
- Renew the sectoral markets which use large tracts of land for a suburban village and do not provide the space for city department stores and warehouses.
- Allow more mixed used walkable space in high-rise neighbourhoods.
- Make flats the unit of living in most areas of the city.
- Allow more neighbourhood commercial activity (offices, shops, entertainment etc) to develop to alleviate congestion and allow value to develop more evenly.

Much of these initiatives will merely be a process of giving in to emerging trends in the city. Urban regeneration must be an instrument for first improving city life and as well as being an evolving process that generates sufficient revenue for the city to be self-sustainable.

16. Mahbub ul Haq 2014 Statistical Profile of Urbanization in South Asia

17. Excerpted from a study conducted by UNDP Pakistan and Dr. Nadeem Ul Haque (2019), "Improving Revenue Generation for Metropolitan Corporation Islamabad."

18. Building regulations of CDA restrict the development of high-rise buildings. This has not only increased real estate value significantly for the common man but also eliminated an important source of revenue for the local government. Allowing for the development of apartments in high rise buildings and formalizing the regulations for transfer of apartment ownership can be an important source of revenue for the local government. As housing prices are quickly becoming unaffordable, the low- and middle-income classes will eagerly opt for the apartment-based living arrangement.

19. Supra 4

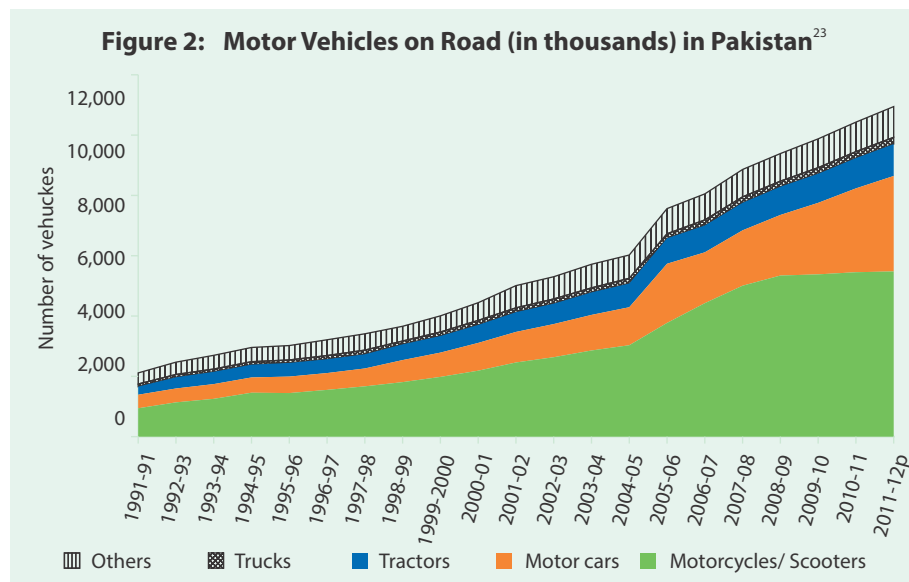
20. World Bank Indicators Database. Available from <https://data.worldbank.org/indicator/EN.POPSLUM.UR.ZS?locations=PK-IN-BD-LK-NP&view=chart>. Please note that the latest available data for Sri Lanka was for the year 1990.

3.5 Provision of Services

Mega cities being developed in South Asia as a result of increasing globalization, technology and innovation are moving on to become anything but 'world class'. These cities face acute inequities in terms of access to health and education facilities, public transport, better housing for urban residents and safety. Rather, these cities have become areas marred by boundaries whereby the elite abide and work in enclosed communities, and the poor are found in slums and other open areas. The inclusivity factor appears to be lost as cities advance rapidly, compromising security and well-being.

Within all these divides, women are particularly vulnerable to the risks associated with urban poverty. Women in mega cities often suffer disproportionately. This is because, on average, women are poorer than men: three-fifths of the world's one billion poorest people are women and girls²¹ - but often also because they experience greater difficulty in accessing resources and services tailored to their needs, and decision-making opportunities. This is especially alarming for single mothers and their children, and increases their vulnerability to evictions and exploitation in shared tenures or by landlords. A lack of access to infrastructure and services means that women and girls are preoccupied with household chores that deprive them of education, income generating activities and leisure. Moreover, a lack of transport facilities further hampers women development restricting their choices for employment and market access. Mobility challenges in Pakistan are largely a result of supply side failures. Urban travel via motor vehicles has increased manifold (see Figure 2), however, there is insufficient public transport available to cater to the masses, and especially women oriented transport. Finally, unclean water and lack of solid waste management result in illnesses requiring care that limit women's economic activities and drain family income.

Henceforth, while urban growth might propel economic activity, it does so in tandem with straining the provision of basic services and facilities. This results in increased competition for existing space and resources. As a consequence, violence also erupts. Poverty becomes an important factor when it is coupled with other triggers, such as a lack of opportunity, inequality, exclusion, unstable law and order situation, a breakdown in various forms of social capital and so on. Hence, those urban residents having inadequate access to basic urban services are more



vulnerable to being affected by, and more importantly, contributing to urban violence.

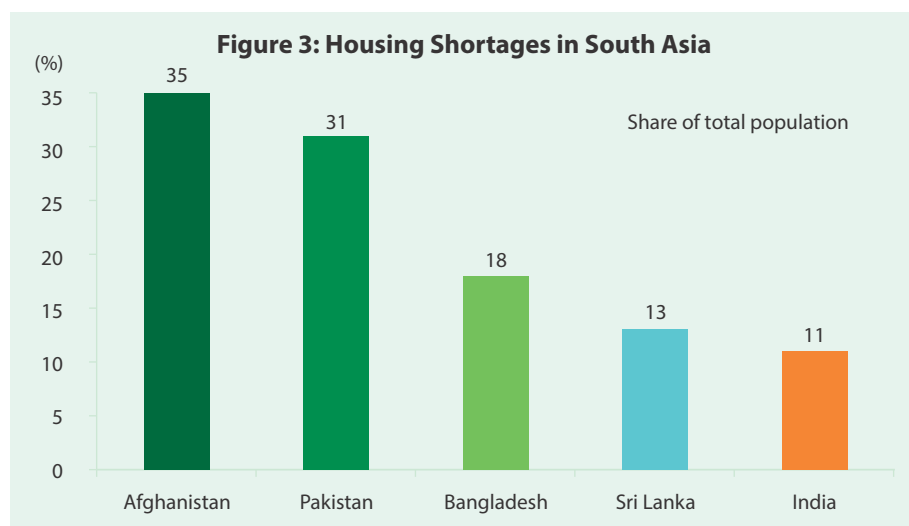
3.6 Inadequate Housing

A dearth of effective financing options for affordable housing, poor urban planning and inefficient land and housing markets have all played a role in exacerbating urban sprawl and segregation. Poor urban planning is a major contributor for the current issue of inadequate housing with issues of congestion, lack of public space and irregular street patterns. Moreover, with the rapid expansion of 'gated

in the region in terms of housing deficits (Figure 3). Apart from other factors, the horizontal housing model contributes to an inefficient use of land, especially in urban centers. However, the government recognizes that this is a dire challenge and with its introduction of low cost vertical housing and its 'Naya Pakistan Housing Scheme', it intends to establish the first residential vertical scheme where low-income people and government employees will have all basic facilities.

3.7 Environmental Degradation

While cities offer a land of opportunity, the



Source: Mahbub Ul Haq Centre (2014), "Human Development in South Asia 2014; Urbanization: Challenges and Opportunities."

communities, access to land is restricted to a wealthy few, thereby denying other lower income residents of basic necessities.

The housing backlog in Pakistan is estimated at nearly 10 million units and growing.²² Pakistan ranks the second worst

environmental costs of expanding urbanization are becoming increasingly evident. The rapid population growth is extremely detrimental to the environment. With the release of more waste into the air, land and water than can be absorbed, the earth's ecosystem is impacted. Moreover,

21. United Nations Development Programme, "Taking Gender Equality Seriously." Available at <https://www.undp.org/content/undp/en/home/women/docs/TakingGenderEqualitySeriously.pdf>

22. State Bank of Pakistan (2018), "Policy for Promotion of Low-Cost Housing Finance." Available at <http://www.sbp.org.pk/smfed/2018/Policy-Promotion-Low-Cost-Housing-Finance.pdf>

23. World Bank, "Cleaning Pakistan's Air Policy Options to Address the Cost of Outdoor Air Pollution." Available at <http://documents.worldbank.org/curated/en/701891468285328404/pdf/890650PUB0Clea00Box385269B00PUBLIC0.pdf>

increasing urbanization also places additional stress upon already existing natural resources.

With the increase in population, the number of vehicles in Pakistan has jumped significantly as well: from approximately 2 million to 10.6 million over the last 20 years, an average annual growth rate in excess of 8.5 percent. From 1991 to 2012, the number of motorcycles and scooters grew more than 450 percent, and motor cars, close to 650 percent (Figure 2).

With a rise in vehicles, the reported levels of particulate matter (PM), sulfur dioxide (SO₂), and lead (Pb) were many times higher than the World Health Organization (WHO) air quality guidelines. Other factors such as increased usage of aerosols etc, more industrial pollutants and unsatisfactory waste collection and disposal, are all consequences of rapid urbanization. For instance, Lahore, one of the heavily urbanized cities of Pakistan ranks 18 out of 88 cities on the Live Air Quality Ranking Index.²⁴ Other mega cities in the region perform even worse (Table 10). This goes to show that cities with rising urbanization levels also show an increase in air pollution.

Hence, environmental trends over recent decades show a deteriorating situation in South Asian mega cities. The prosperity and growth of cities in the region are also increasing GHG emissions, resulting in an increase in global warming. The rising level of urbanization, unplanned urban development and higher levels of consumption are causing an increase in the demand for transportation, fuel and infrastructure. This is increasing air pollution and GHG emissions in cities, with significant implications for people's well-being.

In the absence of proper land use planning and horizontal growth, another consequence of urban sprawl upon the environment is the encroaching of agricultural land. In Pakistan, residential area has increased by more than two and a half times during the last two decades. In Lahore only, nearly 300,000 acres of farmland were converted to urban built-up land in the past 40 years and a substantial part of that land was converted to support over 250 housing schemes (as of 2016).²⁵ Estimates delineate that urban sprawl encroached upon 77,000 hectares of land, most of which was prime agricultural land.²⁶ This also has an impact on food security by diminishing agriculture produce, destroying geological formations,

Table 10: Live Air Quality Ranking Index²⁴

City	Ranking
Lahore, Pakistan	18
Dhaka, Bangladesh	10
Mumbai, India	2
Kathmandu, Nepal	3

forests and natural drainage systems, hence leading to flooding and a rise in temperatures. A classic example of this is the city of Karachi, whose massive high rise buildings have blocked coastal air to flow in, hence creating 'heat islands' in different parts of the city and exacerbating the heat wave.

4. Urbanization in Pakistan - Overall Lessons

Urbanization is both an opportunity as well as a challenge. Assessing Pakistan's urbanization exhibits more of a sluggish and lopsided pattern, disassociated with the socio-political and economic development process and on the least priority of policymakers. However, following results can be drawn with a cursory look on Pakistan's urbanization trail:

4.1 Hidden Urbanization Trends²⁷

The statistically recorded urbanization rate in Pakistan is certainly very low—even lesser than the total population growth rate, which is practically impossible. The reason behind this slow rate is the weak definition of urban areas in Pakistan. As explained earlier, the administrative definition used by Pakistan to define urban does not capture two urban trends of Pakistan. One is the growth and expansion of cities i.e. the expansion of the geographical size of the cities, wherein a large population living in the periphery of cities but using urban services, are not counted as urban. Second is the increase in population in earlier defined rural communities that have over time adopted urban character.

4.2 Sidelined Local Government System

The local government system in the country has largely been driven by political and vested interests. Human settlements—whether rural or urban in character, are managed under the local government system. Therefore, either the absence, or trivial existence of local governments, had a dampening effect on the growth and management of urban centers in Pakistan, and a nursery of new

urban centers could not be cultivated under the auspices of a devolved local government system.

4.3 'Runaway' Urbanization

The urbanization pattern in Pakistan is unmanaged, unaccounted and messy in nature. The overdependence of urban population on existing urban centers has resulted in excessive urban sprawl, high influx of rural-urban migration, emergence of slums and squatter settlements, exponential rise in demands for municipal infrastructures and the poor governance and management of megalopolis and agglomerating conurbations. Unfortunately in Pakistan, a few urban centres have grown massively and similar growth has not been experienced in small and medium sized cities. Resultantly, most of the urban councils and local governments were plainly thwarted by the socio-demographic, economic, political and infrastructural challenges being faced by these urbanites.

4.4 Leveraging Urbanization for Revenue Generation

Consequent to the lopsided and messy urbanization augmented by weak institutional, governance, and financial conditions, the already existing risky urban centers have been placed into more vulnerable conditions—wherein they are being forced to undertake such infrastructure development projects which they cannot afford—putting them under severe financial strain. Revenue generation by urban centres is not keeping in pace with their growing expenditure needs.

5. The Way Forward

In the absence of a national or provincial urban policy in Pakistan and amid hidden, messy, lopsided and unmanaged urbanization patterns, Pakistan is still the most urbanized country in South Asia. However, there is a need to adopt an evolutionary approach for urbanization wherein existing rural centers are invigorated and promoted to become prospective urban centers and the small urban centers are upgraded to become big urban centers in a hierarchical and continuous way. At the same time, the existing large urban centers are to be capped to turn their parasitic nature into positive and generative character. The following are some proposals for managing and tackling urbanization in the future:

5.1 Creating linkages between rural and

24. Air visual, Live Air Quality Ranking Index. Available at <https://www.airvisual.com/world-air-quality-ranking>. An air quality index is used to communicate how polluted the air currently is or how polluted it is forecast to become.

25. Thomson Reuters, Waqar Mustafa (2019), "Pakistan's Punjab province bans farmland use for towns." Available at <https://www.reuters.com/article/us-pakistan-housing-land/pakistans-punjab-province-bans-farmland-use-for-towns-idUSKCN1QI5CO>

26. Government of Pakistan, Ministry of Climate Change (2015), "National Report of Pakistan for Habitat III." Available at [https://unhabitat.org/wp-content/uploads/2015/04/Pakistan%20\(National%20Report\).pdf](https://unhabitat.org/wp-content/uploads/2015/04/Pakistan%20(National%20Report).pdf)

27. World Bank (2015), "Leveraging Urbanization in South Asia: Managing Spatial Transformation for Prosperity and Livability."

urban centers

Rural urban migration is a huge factor contributing to rapid urbanization. With the increase in technological innovation-efficient water use, land leveling, high yielding seeds, increase use of mechanization and diversification into value added products, there is a decreasing demand for rural labour. Hence, it is unlikely that this migration will witness decrease owing to such powerful push and pull factors. Hence, it is important to 'cash' this factor through linking these two domains and their economies. An example of integration is the milk industry: while milk is itself produced in villages, its transportation, processing, packaging and distribution all involves urban industries. Hence, in order to further enhance the value of these products and further integrate the urban-rural economy, investments in research and development, soil and water management, veterinary and animal husbandry services, storage and cool chains, roads and logistics, refrigerated transportation etc. are all

necessary. Such avenues will help generate more employment opportunities in rural areas hence curtailing the need to move to cities.

5.2 Role of City Governments in Managing Urbanization

Though the 18th Amendment shifted powers from the federal to provincial governments, however, a system of strong district government is still lacking. The capacities of the district governments have to be built so that they can fulfill their responsibilities. For the management of mega cities, Metropolitan governments (MG) under the auspices of a Mayor, should take the lead. Issues such as land allocation and use, housing and infrastructure development, public transport, parks and amenities, water and solid waste disposal etc should fall exclusively under the control of these MGs. For intermediate cities, city district governments can be empowered with administrative and financial resources to manage, tackle and govern. The overlapping and parallel jurisdictions of

various bodies within the domain of the city or metropolitan governments have created fragmentation. It is essential to clear these blurred lines of control and establish a set of rules and laws for each jurisdiction to operate.

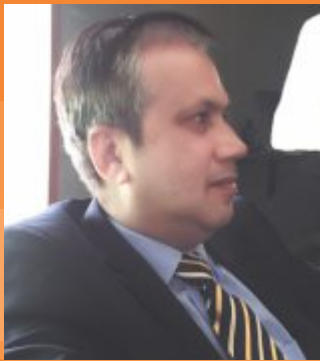
Moreover, it is also essential to ensure transparency and good governance if any change is to be expected in the management of urban sprawl, slum settlements and service provision.

5.3 Old and new spaces

Reinvigorating old spaces and creating new ones is key, and should be kept in due consideration whilst the Master plan is being prepared. Generating new spaces or rejuvenating existing spaces for absorbing future inflows into cities requires investment in infrastructure and efficient delivery of basic public services, and would remain a binding constraint.



Redefining Urbanization in the Context of Pakistan



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Urbanization can be perceived and defined in multiple ways but most essentially it should be seen as an antecedent of socio-political, cultural and economic transformation of any society, as opposed to viewing it myopically as a linear rise in the number of people residing within a particular geographical boundary. The most conventional and generic perspective of viewing and understanding urbanization is an ostensible rise in the population (both migratory and natural) of a particular city or town over time which may or may not be accompanied by a proportionate parallel increase in the spatial footprint of a city or town. Globally urbanization largely synonymizes densification led agglomeration benefits unlike developing countries, where urbanization necessarily promotes sprawl and congestion inefficiencies.

Another emerging but largely neglected façade' of urbanization in developing countries is upward shift of rural/semi-urban mid and low tier settlements in terms of change in certain characteristics. These are agglomerating higher population densities around manufacturing hubs and inter-city corridors, compact spatial

footprints, shift in primary sector of employment, availing higher order urban infrastructure, linkages to national/sub-national corridors/connections, enhanced connectivity with markets, proximity to large urban centers, improved social cohesion, use of more developed modes of commuting, access to high order telecom/data services etc. Such settlements can be characterized as 'urbanizing' settlements though they never qualify urban as per official definitions.

Technological innovations, information dissemination, knowledge sharing, and improved connectivity have also brought a significant change to the work-live-socialize pattern within settlements, thus changing lifestyles towards more urban. Hence, in a way, these settlements silently turn out to be more 'urbanized' while going through such transition in character over time, though their administrative status does not change. Such functional transitions in character of settlements also call for debate amongst urban professionals to rethink the emerging façade' of urbanization.

United Nations revealed that developing countries are expected to add another 3.2 billion new urban residents by 2050-a number larger than the world's population in 1950.² Pakistan is the 6th most populous country in the world and amongst the fastest urbanizing countries in South Asia, with a current annual population growth rate of 1.9 percent.³ Notably, many cities in Pakistan experience higher growth rates than the national average of 2.77 percent, for example, Lahore is growing at a rate above 6.12 percent and Islamabad at 4.83 percent per annum⁴ (Figure 1). This shows how fast Pakistan is urbanizing.

Ten cities of Pakistan have crossed the one million population benchmark and can easily be classified as "Urban Heavyweights" in terms of population and size.⁵ These cities

are growing at rates far higher than the national average and cumulatively account for 40 million people (25 percent of the country's total and 50 percent of urban population). Amongst provinces, Punjab's population grows at 2.1 percent, Sindh 2.4 percent, Balochistan 3.3 percent, Khyber Pakhtunkhwa (KP) 2.8 percent and FATA 2.4 percent per annum.⁶ Presently, Pakistan is officially stated 39.7 percent urban and more than half of Pakistan's population is expected to live in cities by 2030. This will eventually put tremendous pressure on existing urban resources with another increase of about 100 million plus urban inhabitants in the same period. It is also expected that by 2030, 17 cities of Pakistan will cross one million benchmarks (at present these are 10), while posing major urban challenges like the inadequate quality of infrastructure, poor health and education facilities, marred livelihood opportunities, and increase the burden of disease owing to poor environmental quality if we keep business-as-usual. Despite growing disablements, these urban centers still contribute more than 70 percent to Pakistan's GDP and are expected to grow if managed wisely to utilize their immense urbanization potential while turning them into real "Engines of Economic Growth".

Why Curse Urbanization? Curse Bad Management!

In most parts of the developing world, urbanization is largely seen as a curse but not a blessing, and Pakistan holds no exception. Perhaps this is because cities in the developing world generally lack governance capacities to turn urbanization challenges into opportunities. Nevertheless, experiences of the developed world show otherwise, where urbanization benefits have largely outweighed its disadvantages and cities continue to contribute as much as 85 percent of the global GDP, while still having less than 1

1. Author is an urban development professional with a vast background in public and private sector practice. He holds over 25 years of public, private and donor sector consulting experience. He has developed Master Plans of different cities in Punjab.

2. United Nations (2013), "World Economic and Social Survey 2013." Available at https://www.un.org/en/development/desa/policy/wess/wess_current/wess2013/WESS_final%20PPT.pdf

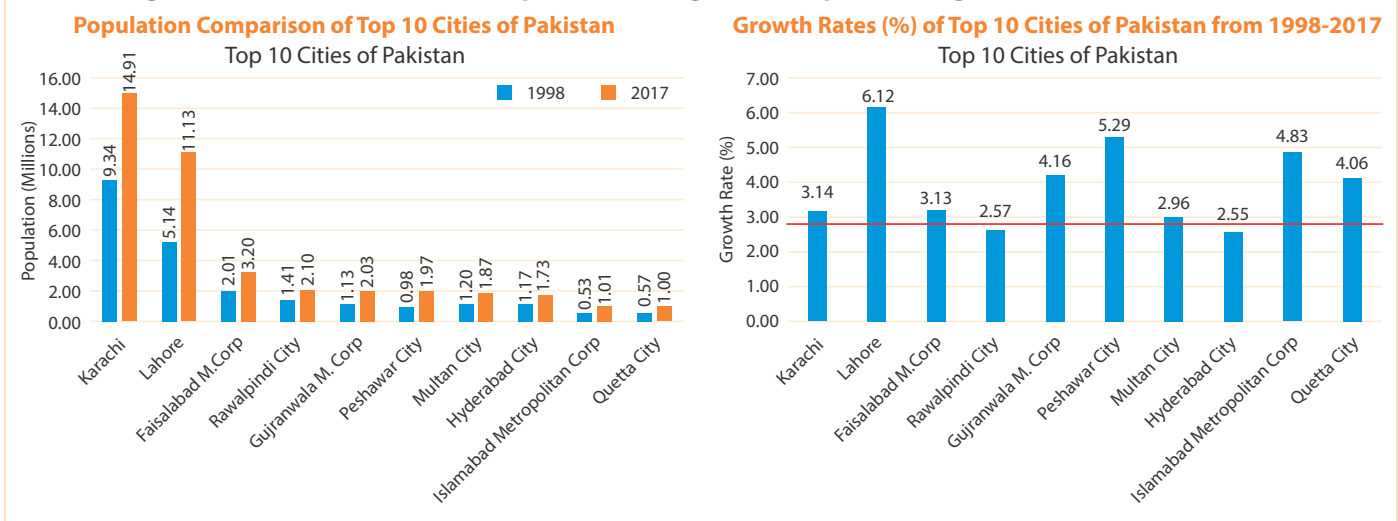
3. Government of Pakistan Bureau of Statistics, Pakistan Population Census 2017.

4. Government of Pakistan, Corroborated from Pakistan Population Census 1998 and 2017.

5. Supra 3.

6. Supra 3.

Figure 1: Presentation of Cities Population Change and Temporal Change in Urbanization Patterns



Source: Pakistan Population Census 2017, Bureau of Statistics, Government of Pakistan.

percent of the global spatial footprint.

Almost all of the urban centers in Pakistan are experiencing sprawl manifested low density spatial expansion-mostly having densities of 6,000-10,000 persons per sq. km, as opposed to the global performing urban centers where densities have risen as much as to 500,000 plus persons per sq. km.⁷ Pakistani cities have turned unsustainable and unlivable with such low density based extended spatial footprints. The situation became more complex with ever growing unmet infrastructure and housing demands while municipalities operate with limited financial capabilities. The situation also aggravates by rise in informal squatter settlements, spatial friction, commuting inefficiencies, environmental degradation, diminishing green footprint, global warming, marred economic performance, and housing plight. Challenges also manifest due to myopically viewing urbanization as an 'essential curse' rather an opportunity. Inapt or non-existent urban planning tools such as city master plans and incapacitated institutions combined, have made urbanization challenges even tougher to deal with. Cities in Pakistan typically have spatial regulations that are anti-density, anti-rise and pro single use, that impedes cities to leverage the agglomeration benefits of urbanization.

In recent decades, the urbanization influx has given rise to the emergence of urban regions. Populace migrating to the large cities inclines to settle in sub-urban informal setting due to the high cost of living within the urban cores, and these informal settlements mostly tend to cluster around industrial hubs in peri-urban fringe and linearly along inter-city corridors. This phenomenon can be observed within

Karachi-Hyderabad, Peshawar-Nowshehra, Lahore-Sheikhupura-Faisalabad, and Lahore-Gujranwala-Gujrat-Rawalpindi urban regions. Logically, these regions are too big to be treated as cities, thus necessitates some specialized spatial management regimes. Unfortunately, current city governance models in Pakistan exclude such conglomerations, thus losing agglomeration based economic benefits of urbanization offered by co-location of communities and job areas.

The current definition of urban also appears flawed, as it excludes many of the sub-urban settlements from the urban frame as these settlements could never satisfy the number based official criteria for being declared as urban. Further, in recent times, delimitation done by the government has excluded many areas from being declared urban which did not qualify for 30,000 or above population benchmark, but are urban by all definitions since they are largely dependent on core urban areas for both inwards and outwards economic, infrastructural, social and cultural interactions. Urban experts opine that governments intentionally do it to keep their infrastructure and municipal spending bills low as once an area is declared urban, the government will essentially have to finance for its infrastructure and municipal services. On the other hand by doing such 'unjust subtraction' they largely lose all the urban revenue that could be fetched otherwise. This 'understatement' of urbanization resultantly deprives the cities of their revenue as well as other economic opportunities that can otherwise be accrued while capitalizing on the agglomeration phenomenon.

Urban professionals in developing countries are striving hard to apprehend

how effectively and efficiently urbanization spurt can be translated into economic growth and eventually larger social good. This is a globally accepted tenet that cities cluster talent and brains around them through the evolutionary process of urbanization. This talent pools, mutually interacts, researches and debates to innovate to catalyze economic growth. Pakistan's emerging urban agglomerations can also exhibit their economic power by boosting creative economies as witnessed in all big cities of the developed world. Pakistan probably has the largest fraction of youth at around 130 million.⁸ This potential dividend has already been mobilized through the process of urbanization. Now it is the high time for policy professionals to devise strategic guidelines to manage this immense urbanization potential to trigger, boost and complement economic growth.

It has been witnessed that urbanization in Pakistan is largely coupled with informalization of the economy. Pakistani cities yield agglomeration economic benefits but mostly in the informal sector, that can be brought under the formal sector if managed wisely. A major fraction of rural low-skilled migrants is absorbed in the informal urban economies just because they lack skills and training, and eventually they remain less productive, low paid and at the burden end to urban economies. The situation is also compounded by over-taxing city economies for increased financing in urban infrastructure.

Restructuring Urbanization Management

Urbanization may take its toll on cities and economies through the manifestation of more localized urban stresses such as poor living conditions, increased burden of

7. Supra 3.

8. Government of Pakistan, Planning Commission of Pakistan (2011), "The Framework of Economic Growth." Available at <https://www.theigc.org/wp-content/uploads/2016/08/Planning-Commission-2011-Final-Report.pdf>

disease and over-stressed eco-system as a result of not being managed wisely. Lessons learnt from experiences of the developed world illustrate that governments alone cannot manage the incursion of urbanization induced challenges, of course, enveloped with a multitude of opportunities. Planning and management combined have to be an inclusive, pre-emptive and forward looking approach, to enable cities, governments, and communities to collaborate and sustain with this exodus in the long run. The following policy and management way-forward is suggested for both sub-national and city levels to manage and leverage urbanization to spur economic development while transforming cities and towns into more livable and competitive spaces.

i. Redefine 'Urban'

As discussed in previous sections, while considering the static/linear definition of 'urban', governments exclude many of the settlements which by function and character are no more rural. We need to develop more an objective, representative, inclusive and multifaceted approach to define urban based on head-counts. At least populations residing in areas where the primary employment sector is no more agriculture and settlements exhibit more of urban characteristics, should not be considered rural anymore.

ii. Assess Nature, Significance, Magnitude and Distribution of Urbanization

Lack of sound and reliable data/ information on patterns, extent, and magnitude of urbanization is the primary impediment that governments in developing countries face while managing urbanization robustly. Formulation of an apt policy response always hinges upon reliable quality 'numbers' to corroborate, analyze and extrapolate the ground situation. A substantive volumetric assessment of urbanization across the cities and regions of Pakistan is a pre-cursor to help authorities/local councils to understand its nature, extent, magnitude, and distribution to develop a robust policy and management regime.

iii. Devise Sub-national Policies and Local Development Plans for Urbanization Management

After the 18th constitutional amendment, urbanization is a provincial subject but unfortunately, none of the provinces have been able to devise urbanization management policies since then. Such policies essentially enable provinces and cities to chalk out their local spatial dimensions of planning in-line with the sub-

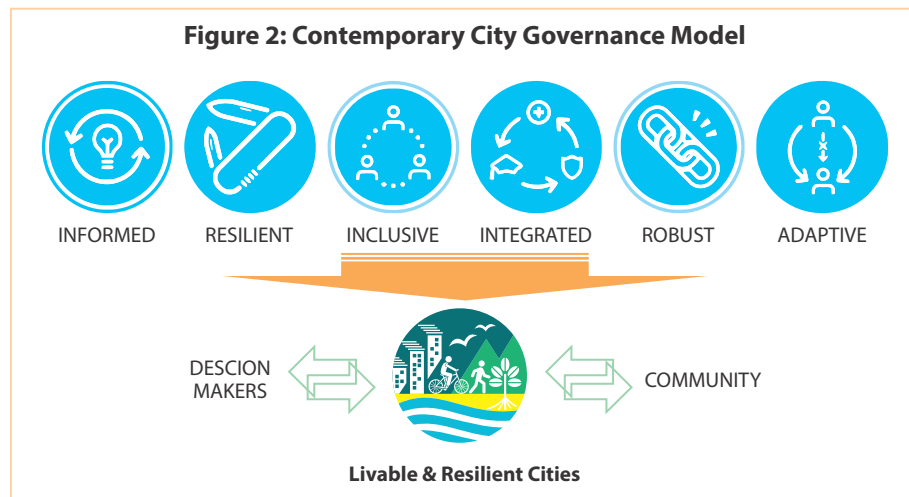
national/national economic and spatial development visions for better management of regions, sub-regions and cities.

Cities of present age necessitate having a progressive urban planning, development and governance regime to control, manage and direct spatial, economic and morphological dimensions in an organized manner rather following an ad-hoc project-based-development philosophy. The city's development plan, being a comprehensive document, charts the course of a city's development and management for present and future, as envisaged by a city's inclusive vision translated from political manifestos, citizen's aspirations, national/subnational

to leverage the potential of urbanization propelled regional and local agglomeration economies.

v. Reform Institutional Governance

Robust and capacitated institutions always remain key to success in urban policy implementation and management. Unfortunately, in Pakistan, city/town councils have never been capacitated enough to deal with the complex challenges of modern day urban management. To unleash the urbanization potential, policy makers must endeavour to understand the dynamics of city-governance-growth preposition. Enhancing the civic capacity and introduction of a collaborative



Source: Conceptualized and constructed by the author.

economic development perspective, and local geospatial opportunities. These plans must be a multi-helix of urban management such as spatial planning, housing, environmental, ecological, transport, accessibility, livability, social, economic, financial and resilience dimensions of urban governance (Figure 2).

iv. Draft Cities Economic Development Perspective

Cities economic development always remains a key objective of urban governance and management to trigger and contribute to the overall economic development of the country, while capitalizing on urbanization potential. Cities are considered new nations and economic powerhouses. City councils are supposed to capitalize the potential of these powerhouses while leading economic development drives in their respective cities and regions in-line with national and sub-national visions. Local economic development policy is the missing link in the current in-practice urban development scenario in Pakistan, that is essentially believed to be in-place to embrace broad strategies and action plans

approach for improved governance and service delivery, will help cities to harness the real benefits of urbanization.

vi. Gender and Youth Inclusive Urban Development

Pakistan's 210 million population dividend comprises 52 percent women and almost 68 percent below the age of 30.⁹ Women's share in urban work force remains as low as 16 percent¹⁰ and cities also do not offer any opportunities for youth and women. Cities must create a stewardship of both segments while framing and implementing any of the urban development policies, plans, and programs. Moreover, all the urban policies and plans must remain gender and youth sensitive whilst taking them aboard. This will essentially create gender mainstreaming and help the city governments to devise more inclusive governance and development models.

vii. Building Urban Resilience

A city and its residents must collaboratively be able to sustain and cope with disasters, shocks and stresses efficiently and restore back to normal function within the shortest possible time. Climate change manage-

9. Ibid.

10. Government of Pakistan, Ministry of Finance, Pakistan Labour Force Survey 2017-18.

ment and adaptation remains a prime concern of all the national and local governments across the globe in recent times. Unfortunately, developing countries like Pakistan are expected to receive more social and economic losses caused by climate change. Cities are always exposed to face many other stresses such as heat stresses, flash floods, loss of green cover, water scarcity, epidemics, financial stresses, terrorism, sectarian violence etc. City

governments cannot alone counter all these challenges unless they anticipate and plan for these risks while taking communities aboard.

viii. Connect Cities to Share Experiences

In this age of communication, cities are considered new nations which communicate with each other more often than nations themselves do. London, New York, Hong Kong and Shanghai are making best

use of such hyper-connectivity on a global financial landscape. Cities must connect themselves with each other globally, regionally and locally to make the best use of interventions and experiences that have helped them tame urbanization challenges-especially those which share analogous socio-economic, cultural and political structures.



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Urbanization and Growth



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With a rapidly growing urban population, Pakistanis are flocking to cities faster than any other country in South Asia.¹ Resultantly, a fifth of all Pakistanis now live in just 10 cities.²

By 2017, nearly 40 percent-up from 17 percent in 1951- of the country's population was urban. As rural residents continue to move to cities in search of better prospects, Pakistan is projected to become an urban-majority country by 2030 with more than half of its forecasted 250 million living in cities.

If done right, urbanization can be transformative for Pakistan. International experience has shown that effective cities can become economic hubs and globally competitive drivers of growth. However, if misgoverned, unplanned cities can propel countries into discontent and further economic and political instability.

Urban growth without a shift in economic patterns can become non-inclusive (in service delivery) and unsustainable (if it does not create enough productive jobs). It can also lead to rising urban poverty. Hence, the country needs to formulate and pursue a strategy that guides urbanization away from its adverse consequences. The challenges here are as great as the failures of policy.

This piece looks at what lies ahead for urban Pakistan, its impact on the economy and a suggested way forward.

Urbanization Underpinned by Pakistan's Demographic Reality

Pakistan is set to remain one of the world's youngest countries for the foreseeable future. Almost 64 percent of Pakistanis are under the age of 30.³ Even by 2050, the median age is projected to reach just 31 compared with the current median of 22.5.⁴

This 'youth dividend' is a major growth opportunity, as well as a monumental policy challenge, for Pakistan. In a sense, some of the economic benefits of this demographic transition have already started accruing to the domestic economy. Over the past decade, growth in communications, consumer electronics, automobiles, education and retail sectors is evidence of market expansion driven by the youth.

However, youth unemployment is higher in urban than in rural areas. Of the 50 million people in the 18-29 year age bracket, 55 percent live in urban areas, with 30 million in Lahore and Karachi alone. Exploiting this dividend requires job-rich growth and increased productivity.

Urban Economy Landscape

When urbanization works, the economy expands faster as more people inhabit cities. To a certain extent, this holds true for Pakistan as it collects 95 percent of the federal tax revenue from ten of its major cities, with Karachi contributing 55 percent, followed by Islamabad at 16 and Lahore at 15.⁵ In fact, Karachi alone contributes around 25 percent to Pakistan's GDP.

The share of the urban service economy is also larger than the national average. Since FY08, Pakistan's urban economy has demonstrated an annual growth rate of almost 4.5 percent, compared to less than 2.5 percent for rural.⁶

Urban Pakistan generates almost 55 percent of the country's GDP, even though only 38 percent of Pakistanis live in cities. This, however, falls short compared to other countries. India's urban population is almost 10 percent smaller than Pakistan's, but the country generates 58 percent of its GDP from urban areas.⁷ Similarly, for Indonesia, with 44 percent of its population in cities, 60 percent of its GDP is urban.

Pakistani cities vary in size in terms of their economy and potential to generate employment. The average urban per capita income among the top ten cities ranges from PKR 37,000 to PKR 70,000. Urban poverty has now also become a "major and visible phenomenon":⁸ Six out of the top ten major cities have double-digit poverty figures: Quetta, (at 46 percent) has the highest poverty rate while Islamabad (at 3 percent) has the lowest.⁹

The continuous movement of people from rural to urban is linked to a shift in the

1. Pakistan's urban population growth has been 3.2 percent whereas the regional average was 2.6 percent as per United Nations Population Division of the UN Department for Social and Economic Affairs' comprehensive report titled "2018 Revision of World Urbanisation Prospects".

2. With Quetta, Lahore and Faisalabad showing the largest percentage increase in population.

3. United Nations Development Programme (2017), "Pakistan National Human Development Report 2017." Available at <http://www.pk.undp.org/content/dam/pakistan/docs/HDR/PK-NHDR.pdf>

4. Ibid

5. Ministry of Climate Change and UNHabitat (2018), "The State of Pakistani Cities 2018." Report on the State of Pakistani Cities (SPC) launched by the Ministry of Climate Change with technical assistance of the United Nations Human Settlements Program (UN Habitat)

6. Business Recorder, Dr. Hafiz A. Pasha, "The urban-rural divide." Available at <https://epaper.brecorder.com/2018/02/21/18-page/700950-news.html>

7. World Bank (2014), "Pakistan Urban Sector Assessment: Leveraging the Growth Dividend from the Urbanization Process."

8. Launching ceremony of the "State of Pakistani Cities" report launched by the Ministry of Climate Change with technical assistance of the United Nations Human Settlements Program (UN Habitat). Available at <http://unhabitat.org.pk/?p=188>

9. World Bank (2015), "Leveraging Urbanization in South Asia: Managing Spatial Transformation for Prosperity and Liveability."

economy. Services and industry remain major employment sectors in urban Pakistan while the share of agriculture in overall employment falls. The share of agriculture was down to 41.3 percent in FY18 from half in 1994.¹⁰ By FY16, the urban economy consisted mainly of services and industry with a share of 73 percent and 24 percent respectively.¹¹ At the same time, the share of the national value added by sector in urban areas was 6 percent in agriculture (compared to 94 percent in rural), 58 percent in industry (compared to 42 percent in rural) and 63 percent in services (compared to 37 percent in rural).¹² The widening urban-rural divide coupled with a decline in agriculture is expected to intensify rural to urban migration.

Cities create Economies of Scale

A higher concentration of people in cities grows the economy and boosts innovation. Denser economic activities create economies of scale. Larger market size increases productivity and creates knowledge spill overs.

Economists use a term called 'agglomeration' to describe this phenomenon. As economic activity takes place in close proximity to each other, businesses begin to specialize and offer services other firms lack. This specialization lowers production costs, attracts a diverse pool of labour, facilitates exchange of knowledge and skills, and spurs entrepreneurship. When clusters of such activity begin to form, they enable higher productivity and attract investment and innovation. In 2015, 22 percent of Pakistanis were residing in urban agglomerations of more than a million inhabitants.¹³

Agglomeration, along with fast paced rural to urban migration, can provide increased manufacturing potential.¹⁴ Pakistan, however, has not yet benefited from this spatial transformation. This is evident in the poor performance of the industry that has

failed to create well-paying jobs for those moving to urban centres.

Moreover, ill planned cities can also reverse economic gains. Pakistan's urbanization has been termed as 'messy and hidden'¹⁵ - Messy from the low-density sprawl and hidden as cities grow beyond administrative boundaries to include 'ruralopolises', - densely populated rural areas and outskirts not officially designated as cities. Today, ruralopolises are estimated to make up to 60 percent of urban Pakistan.¹⁶

Such urbanization without an accompanying shift in economic patterns does not bode well and as cities expand without planning, challenges of providing effective infrastructure and transportation and of delivering services continue to mount.

Creating Jobs

The State Bank has estimated that Pakistan needs at least a 6.6 percent growth rate to create 1.3 million jobs to cater to the new entrants into the market. By FY15 Pakistan had four million unemployed youth (aged 15-24 years), expected to rise to 8.6 million by 2020.¹⁷

The challenge is not just about creating more jobs. Cities have to produce employment opportunities that would make migrants relatively more productive. When available, jobs are usually of low quality, especially in manufacturing and services. Around 25 percent of young workers are in unstable, low-paid jobs without any benefits, while 35 percent work as unpaid family workers, majority of them women.¹⁸

Pakistan also has among the lowest levels of labour productivity in the developing world. According to World Bank, labour productivity in the 1980s grew by 4.2 percent every year, but the rate fell to 1.8 percent by the 1990s and to an average of 1.3 percent during 2000-2015. Since 2007, it has been growing at just 1 percent. A key

factor inhibiting labour productivity remains the low accumulation of human capital. Of the 1.7 million entering the job market each year, only 1.3 percent have vocational training. The ability of individuals to participate in the labour force is further constrained by poor health. Close to 44 percent of children under five have stunted growth.¹⁹

Sectoral Focus

Encourage Manufacturing

The movement of people is determined largely by the type of jobs and where they are created. Transforming the quality and quantity of jobs will require an expansion of manufacturing, especially in the value-added segment, since every job in manufacturing creates 2.2 jobs in other sectors.²⁰ Hence, manufacturing remains key to reviving the economy. However, Pakistan's value-added manufacturing as a proportion of GDP decreased by 2016 to 12.8 percent, from 18.6 percent in 2005. Manufacturing can be encouraged by pushing industries and businesses that are export oriented, or have considerable export potential, require little capital and are labour intensive, use relatively less energy and are densely populated by Small Medium Enterprises (SMEs).

Promote SMEs

Evidence shows that economies with strong SMEs are progressive and experience robust economic growth. According to the Small and Medium Enterprises Development Authority (SMEDA), 90 percent of all enterprises in Pakistan are currently SMEs, employing around 80 percent of all non-agriculture workforce.²¹ The share of SMEs in GDP is approximately 40 percent and they contribute almost 25 percent to total export earnings. The SME sector, thus, has the potential to absorb a large and growing workforce.²² Yet, SMEDA's budget spending amounts to just 1 cent per capita compared to 9 cents per capita in India, 53 cents in Turkey and USD

10. In 2018, 23.90 percent in industry and 34.82 percent in the service sector (world bank indicators)

11. Supra 6

12. Supra 6

13. United Nations, "2018 Revision of World Urbanization Prospects." Available at <https://www.un.org/development/desa/publications/2018-revision-of-world-urbanization-prospects.html>

14. Ernesto Sánchez-Triana, Dan Biller, Ijaz Nabi, Leonard Ortolano, Ghazal Dezfuli, Javaid Afzal & Santiago Enriquez, "Revitalizing Industrial Growth in Pakistan: Trade, Infrastructure, and Environmental Performance." Available at https://books.google.com.pk/books/about/Revitalizing_Industrial_Growth_in_Pakistan.html?id=2EgtBAAQBAJ&printsec=frontcover&source=kp_read_button&redir_esc=y#v=onepage&q&f=false

15. Ishrat Hussain, "Messy and Hidden Urbanization." Available at <https://ishrathusain.iba.edu.pk/speeches/MessyandHiddenUrbanization.pdf>

16. Ijaz Nabi and Hina Shaikh (2017), "The six biggest challenges facing Pakistan's urban future." Available at <https://blogs.lse.ac.uk/southasia/2017/02/15/the-six-biggest-challenges-facing-pakistans-urban-future/>

17. Hina Shaikh, "Young blood: Pakistan's bulging youth population needs employment opportunities." Available at <https://blogs.lse.ac.uk/southasia/2018/02/09/young-blood-pakistans-bulging-youth-population-needs-employment-opportunities/>

18. Supra 3

19. Pakistan Today (2019), "Over 44 percent children in Pakistan suffering from chronic malnutrition." Available at <https://www.pakistantoday.com.pk/2019/03/08/over-44-children-in-pakistan-suffering-from-chronic-malnutrition/>

20. United Nations, "Industry, Innovation and Infrastructure: Why it Matters." Available at https://www.un.org/sustainabledevelopment/wp-content/uploads/2016/08/9_Why-it-Matters_Goal-9_Industry_1p.pdf

21. Government of Pakistan, SMEDA, "State of SME's in Pakistan." Available at https://smeda.org/index.php?option=com_content&view=article&id=7:state-of-smes-in-pakistan&catid=15

22. The Express Tribune (2018), "Pakistan needs to become urban industrial society." Available at <https://tribune.com.pk/story/1858885/1-pakistan-needs-become-urban-industrial-society/>

1.92 in Thailand.

Pakistan must invest in modern skills for its workforce in areas like start-ups, innovation and digitalisation that are now a major focus for sustainable economic development elsewhere in the world such as Sweden. Plans to strengthen SMEs should also include easing access to credit, improving access to market, simplifying business registration and adopting a national SME policy.

Boosting the Housing Sector

The State Bank of Pakistan has estimated that across all major cities, urban housing was approximately 4.4 million units short of demand in 2015.²³ Construction of an additional 100,000 houses each year can lead to both growth and employment opportunities.²⁴ Housing and real estate sectors are directly linked to about 42 construction materials' industries, creating jobs at much higher rates.²⁵ While easing housing pressure on cities, investing in low-cost housing may also boost SME business in Pakistan.²⁶

Making Pakistan an Urban Industrial Country

Provinces have not yet designed industrial policies that look at land usage and development of new cities, even though industrial investments under the China Pakistan Economic Corridor (CPEC) have already begun. The Planning Commission has confirmed that nine industrial parks that will act as primary hubs of industrial activity in the country, are included in the CPEC framework to be built across four provinces.

Special economic zones can provide enormous opportunity for boosting employment and job creation. If these projects are launched in the vicinity of densely populated areas and urban centres, they can make a win-win scenario for the community and the industry. In such a case, these projects can also develop close integration with the local industry. These projects can further result in urban knowledge spill-overs to help develop a knowledge-based economy.

Punjab is currently identifying areas with the best potential to develop into cities and industrial estates, other provinces need to follow suit to economically align to CPEC. However, outdated land use regulation and

building codes, the absence of a unified land record system and patchy data on land use continues to lead to poor urban land management.

Investing in Urban Transport for Integrating Labour Markets

A well-integrated urban public transport network contributes to economic growth by reducing transport costs and travel time, facilitating specialization of firms and workers, and decreasing the cost of economic transactions. However, Pakistan's rapid urbanization is challenging the flimsy infrastructure of its cities, constraining economic activities and reducing potential of growth. Several transportation projects are being rolled out across cities without much understanding of their economic benefits or the local job market.

Researchers²⁷ have worked on a series of three projects funded by the International Growth Center (IGC) to analyse the impact of urban transport on the labour market. These projects look at the effect of the Lahore Metrobus on employment by quantifying the causal impact of a reduction in transit cost and time due to investment in public transport infrastructure while measuring impact of mass transit on aspects of labour market integration. These projects found, a) introduction of the Metrobus in Lahore reduced time and cost of commuting for those already relying on public transport, b) substantial proportion of commuters switched to public transport, c) many commuters indicated they would use transport even if fare was increased substantially, d) commuters had higher average earning power than the population riding public buses in the past, and lastly, e) introduction of women's-specific transport eases their integration into the labour market.

Some of the key policy messages emerging from this work suggest continued investment in, and expansion of high-quality public transport including mass transit, reduction in ticket subsidies and use of peak pricing to make mass transit financially sustainable. Pakistan's transport sector must prepare for the rise in economic activity expected in urban centres following investments under CPEC. Introducing the right land-use policies and investing in low-cost public transport can help meet the likely increase in demand.

What can Governments do?

There are a few steps that the government can take to ensure cities are able to generate - instead of hamper - growth. Foremost is empowerment of city government in public service delivery and financial matters and boosting local revenue generation. And last, but certainly not the least, providing a framework to guide urban planning and land-use.

A. Empowering Local Governments

The changing role of the government following devolution is impacting its ability to address urban challenges. The 18th amendment transferred fiscal and administrative powers for most federal subjects including urban planning, to the provinces, with further delegation to local governments. In fact, international experience shows urban development is best placed within the mandate of local governments.

However provincial authorities undermine the power of city governments to serve their residents. Provinces remain reluctant to empower local governments and have made exceptions in retaining large entities²⁸ under their own control. Thus, local governments have a limited role in resolving issues such as the urban housing crisis and provinces continue to assume many responsibilities related to municipal controls, regulations and management. City governments also lack resources to fund schemes and are unable to borrow independently from international donors.

B. Empower Cities to Tax

Most urban taxes are implemented by each of Pakistan's four provincial governments. These provincial governments have large jurisdictions, with populations ranging from 12 million to over 110 million. As managing cities is not the central function of these governments, most of them have not developed effective urban administration mechanisms.

Land and physical properties are a major source of untapped revenue for most developing countries cities.²⁹ Punjab, for example, despite being home to nine cities with over a million people, collects about 6 percent of its total tax revenue, from property taxes.³⁰ Other parts of Pakistan have not fared better. Sindh, which is home to Karachi, Pakistan's largest city, has not

23. Supra 15

24. Karandaaz Pakistan (2018), "Enhancing Builder Finance in Pakistan." Available at <https://karandaaz.com.pk/media-center/news-events/new-study-highlights-massive-economic-benefits-low-income-housing/>

25. Ibid

26. If current trends continue, Pakistan's five largest cities will account for 78 percent of the total housing shortage by 2035.

27. From Duke, Urban Institute and Lahore University of Management Sciences.

28. Such as the Karachi Water and Sewerage Board, Sindh Building Control Authority, Lahore Development Authority (LDA), and Lahore Waste Management Committee.

29. Research conducted by the IGC's 'Cities that Work' initiative.

30. DAWN (2018), "Punjab property tax collection remains far behind." Available at <https://www.dawn.com/news/1397466>

had a revaluation of land and property since 2001.³¹ Yet, there is large potential to increase this. For example, an estimate from 2011 shows that Punjab could raise PKR 25 billion in property taxes if it undertook comprehensive reforms.³²

Taking the case of the urban property tax collection in Pakistan, researchers tested performance-based systems that consider both effort (i.e., incentivise the bureaucrat to exert the desired level of effort) and information revelation (i.e., creating the right incentives for the civil servant to truthfully disclose information to the state) dimensions.³³ The objective of these studies was to increase tax collection. The completed studies found that performance incentives worked—tax revenues in circles where tax collectors were assigned to performance pay schemes had a 46 percent higher rate of growth. Moreover, easy to understand, transparent, ex ante, and

objective incentive schemes were most effective—where tax collectors were paid a bonus directly tied to the revenue they collected above predefined benchmarks, they had a 62 percent higher growth rate in total revenue.

C. Improve City Planning

Given Pakistan's growing population, which exerts extreme pressure on land, and dearth of financially attractive investment opportunities, land is the most prized asset in terms of returns. This is complemented by a weak legal and administrative governance structure, which has contributed to an acute housing shortage, and car-dependent sprawl.

A policy mandate to manage urbanization has been slow to emerge at the federal and provincial levels. Master plans for urban centres are usually devised to translate the city's vision and economic goals, amongst

other aspects, into tangible development and infrastructure strategies and projects. Unfortunately, in Pakistan, no comprehensive urban planning framework exists. At present, out of 150 towns and cities in Punjab, ten have crossed the one million population benchmark and only a few have updated and practical plans.

To facilitate urban planning and land management, experts are collating new data and reformatting existing data to inform policy. The focus is on spatial mapping and understanding urban economies—both of which are key for effective urban planning. A recent example is the World Bank's report³⁴ on urban agglomeration and spatial mapping, in which for the first time in 2015, night lights data was used to measure economic growth for South Asian cities over the last ten years. Punjab is also now about to launch its urban spatial strategy.

31. International Growth Centre (2011), "Policy Brief: Reforming the Urban Property Tax in Pakistan's Punjab." Available at <https://www.theigc.org/wp-content/uploads/2014/09/Nabi-2011-Policy-Brief.pdf>

32. Ibid

33. From Harvard, London School of Economics and Massachusetts Institute of Technology.

34. World Bank, "Leveraging urbanization in South-Asia." Available at <http://www.worldbank.org/en/region/sar/publication/urbanization-south-asia-cities>

Models of Local Governance in Pakistan: Challenges and Opportunities



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Models of City Governance in Pakistan: Challenges and Opportunities

Introduction and Background

Pakistan is a rapidly growing and urbanizing nation. With a population of 207 million and rapid population growth rate, Pakistan will become one of the most populous countries in the future. The urban centres in Pakistan are growing at an even a faster rate because rural and small-town populations are relocating to cities. The causes of urbanization are several including, but not limited to, a depleting rural agricultural base, natural disasters, and wide-spread militancy that disproportionately affects the rural populations.

Pakistan's large and small urban centres have continued to grow in demographic and spatial contexts. The geographic boundaries of urban centres enjoy an administrative definition. Yet, a lack of consensus remains on the spatial extent of urban centres such that urban municipal service providers often serve different

subsets of the urban geographies and at times, more than one service provider ends up servicing the same jurisdiction. A lack of urban boundaries implies that cities in Pakistan continue to haphazardly annex the land at the urban periphery while the administrative boundaries of the city remain fixed in space and time.

Municipal challenges are further confounded by a lack of political will to establish local governments as a viable third tier of governance in Pakistan.¹ Since its independence in 1947, local governments in Pakistan have essentially been used to create an alternative political cadre to counterbalance the prevalent leadership. Local governments in Pakistan have largely thrived under military government. The three military dictatorships under Field Marshal Ayub Khan (1960's), General Zia-ul-Haq (1977-1988), and General Pervez Musharraf (1999-2008) undertook widespread reforms to establish local governments. However, the military-sponsored local government setups fizzled as soon as the civilian leadership regained power.²

The reforms instituted by the Musharraf regime have been the most comprehensive to date. These reforms, to a certain degree, have lasted after the civilian governments took charge in 2008. Since local governments are creatures of the provinces, it was up to the four provinces to define the specifics of local governments within their jurisdictions and empower them accordingly. The resulting local governments, therefore, differ in their mandates, resources, and structure across the four provinces.³ Despite the provincial differences, the higher tiers of government remain reluctant to embrace and empower local governments, and their unenthusiastic acceptance of the local government system is evidenced by the delay in holding

the local government elections that were finally held in 2015 after repeated prodding by the Supreme Court of Pakistan.⁴

Whereas a consensus of sorts exists among urban professionals about the adequacy of the 2001 local government reforms initiated by the Musharraf regime, hard empirical evidence to demonstrate the efficacy of the reforms remains rather elusive for several reasons. A lack of ownership by the subsequent civilian governments and their reluctant enforcement is one big reason. Second, a lack of adequately designed studies limits one's ability to draw conclusive inferences.

Whereas Aslam and Yilmaz (2011) undertook an empirical study to conclude that the municipal service deliveries improved after the implementation of the local government reforms in 2001, their study is based on rural jurisdictions where a dearth of even the very basic facilities, such as paved streets, limits one's ability to determine a precise impact of the local governance reforms.⁵ Had Aslam and Yilmaz structured the study to compare towns (not villages) in a province where the local governance reforms were implemented in letter and spirit with towns in a different province where reforms were not wholesomely implemented, a more forceful conclusion could have been drawn.

Devolution of Power and City Governance

The prospects of a functional and effective city governance system rely on the devolution of power from the federal government to the provinces and from the provinces to local governments. In Pakistan, the process got a boost with the 18th constitutional amendment that devolved the executive control over several economic and social sectors to the provincial level. However, the process did

1. Haider, M., & Badami, M. G. (2010). "Urbanization and Local Governance Challenges in Pakistan." *Environment and Urbanization ASIA*, 1(1), 81–96. Available at <https://doi.org/10.1177/097542530900100107>.

Taj, A., & Baker, K. (2018). "Multi-level Governance and Local Government Reform in Pakistan." *Progress in Development Studies*, 18(4), 267–281. <https://doi.org/10.1177/1464993418786796>.

2. Cheema, A., Khwaja, A. I., & Qadir, A. (2005). "Decentralization in Pakistan: Context, content and causes," (Vol. RWP05–RWP034). John F. Kennedy School of Government, Harvard University.

3. Ali, S. M. (2018). "Devolution of Power in Pakistan," (No. Special Report 422). United States Institute of Peace. Retrieved from https://www.usip.org/sites/default/files/2018-03/sr_422_mohammad_ali_final.pdf

4. Ibid.

5. Aslam, G., & Yilmaz, S. (2011). "Impact of decentralization reforms in Pakistan on service delivery—an empirical study." *Public Administration and Development: A Journal of the Royal Institute of Public Administration*, 31(3), 159–171. Retrieved from <https://onlinelibrary.wiley.com/doi/abs/10.1002/pad.591>.

not continue such that further devolution from provincial to local governments either did not take place or it was only partially undertaken.

While the devolution plan prescribed the devolution of responsibilities, it was not proportionally explicit about the devolution of resources. Thus, mandates and responsibilities were transferred to lower tiers of governments, but the financial and admin resources needed to deliver on the mandate remained missing. As a result, the Own Source Revenue (OSR) needed to deliver municipal services has remained insufficient and most likely has declined relative to the increase in service delivery costs over time.

Despite the devolution of power, mandates, and responsibilities under the 18th constitutional amendment, the higher tiers of government continue to interfere and hijack local government responsibilities. The provincial chief ministers imagine their political mandates as that of a mayor of a large city rather than the chief executives of a province. Thus, the provincial cadre of politicians appears increasingly involved in municipal matters, such as the paving of streets, provision of water supply, and collection of solid waste.

The matter is further complicated by the establishment of public sector companies by provincial governments (e.g., Punjab established 56 such companies) that report to the provincial government, but in many instances act in parallel to the local governments resulting in confusion about mandates. Many question the legitimacy of these companies in their ability to appropriate financial resources that should have been transferred to local governments.⁶

Because the higher tiers of governments continue to encroach on local government mandates, the space for local government leadership has continued to shrink. This has impacted the way the constituents view the utility of local governments and local leadership. The news media in Pakistan seldom report on local government performance. The media and the public at large believe that the provision of adequate municipal services is the responsibility of provincial and federal governments. The exception was a few years under General Musharraf when local councillors and city mayors were in the news and recognized by the public as another tier of government. However, this happened in a political vacuum when the army had taken control

of the country and kept political establishment at bay.

The encroachment on municipal roles and responsibilities goes far beyond the abuse of power by the provincial and federal political leadership. At times, the superior judiciary in Pakistan has also interfered in matters of municipal service delivery. Consider the example of the franchise public transit schemes that replaced substandard transit vehicles and operators with privately operated standardized transit buses and regulated service. The operators of paratransit services successfully convinced the Supreme Court that the franchised bus transit scheme compromises their right to earn a living. The Supreme Court of Pakistan struck down the franchise transit law and declared it ultra vires to the constitution.⁷ Whereas planning authorities invested in developing the transit franchise scheme, the Supreme Court overlooked the transport planning concerns and permitted the operators of substandard transit vehicles to proliferate the urban transit market while the transit captive riders have been denied access to reliable and efficient public transit. The Supreme Court decision is analogous to allowing quacks to practice because replacing them with medical professionals would threaten the livelihood of quacks.

Lack of Skilled Professional Staff

The local government structures across Pakistan lack enough provisions for skilled staff. Given the demographic footprint of the populous and sprawling urban centres in Pakistan, professionally trained engineers and urban planners are needed to cope with the demands for municipal services. However, not only that there are not enough skilled positions sanctioned for such roles, the current staff lacks adequate training and exposure to best practices and technology.⁸

A lack of trained professional staff in local governments in developing countries of the Commonwealth has been a known concern. A comprehensive study in the early sixties of local government finances in developing countries, which were part of the Commonwealth, also highlighted the need for the training of municipal staff.⁹ What is surprising is that after six decades hence, the same challenges persist.

Barracks within the City

Another legacy of the British Commonwealth in Pakistan are the cantonments that are effectively urban municipal governing authorities that exercise all local

government controls over urban land that falls under the purview of the Army's Land Directorate. In the pre-partition period, military cantonments were areas designated for military uses, such as barracks, military depots, stables, and firing ranges, among others. Rapid population growth over the past seven decades has diluted the use of military lands for military-specific uses in urban areas. New housing developments and other commercial land uses now dominate cantonments.

Despite the obvious civilian uses of land under cantonment jurisdictions, they are not included in the devolution plans, and local government responsibilities are managed by military operated Cantonment Boards. Given that Cantonments are now part of the urban fabric, the flow of people and goods are interrupted whenever one crosses the boundary between the civilian parts of the city to the military managed parts.

Cantonments located in urban centres pose a unique governance challenge. Large parts of the cities remain outside of the purview of the civilian authority.

Role of Local Governments in Meeting the Urbanization Challenges

Efficient local governments are needed to meet the growing challenges of rapid urbanization. In developed countries, local governments are far more established than their counterparts in developing countries. Still, some similarities exist. The lack of enough own source municipal revenue is also a challenge in many developed countries. Consider Canada, where municipal governments collect about 10 percent of the total taxes paid. The provincial and federal governments collect the rest. Therefore, municipal authorities in Canada rely on higher tiers of governments to pay for the shortfall in the operating cost of municipal services, such as public transit. At the same time, federal and provincial governments pay most of the capital costs for municipal infrastructure development.

Municipal governments in Pakistan, like those in other developing countries, face acute financial and capacity constraints. Property tax revenue is insufficient, and user fees are poorly designed. The resulting shortfall in the cost of delivering municipal services, such as water supply, is not met with a transfer of funds from higher tiers of government. The result is a decline in service delivery standards, such that in some jurisdictions, municipal water supply has been replaced by private water mafias

6. Riaz, A. (2018), "Punjab public sector companies: CJP orders heads to return extra salaries." Retrieved from <https://www.thenews.com.pk/print/310416-punjab-public-sector-companies>

7. DAWN (2004), "SC declares franchise law illegal." Retrieved from <https://www.dawn.com/news/374101>.

8. Murtaza, N., & Rid, S. A. (2016), "Local Governance in the Federal Capital: A Review of the 2015 Islamabad Local Government System." INSPIRING Pakistan, Islamabad; Pattan Development Organization, Islamabad. Retrieved from https://www.researchgate.net/publication/311859079_Local_Governance_in_the_Federal_Capital_A_Review_of_the_2015_Islamabad_Local_Government_System.

9. Hicks, U. K. (1961), "Development from Below. Local Government and Finance in Developing Countries of the Commonwealth," (First Edition). Oxford University.

who charge a huge premium.

Private sector operators have replaced municipal services in public transit, waste management, education and more. The fees charged by the private sector are an order of magnitude higher than the public sector tariffs, which suggests that public sector user fees are set deliberately below the market place's willingness to pay, yet not set high enough for the municipal governments to be able to deliver the services.

Private sector encroachment in public spheres is not always motivated by rent-seeking. Realizing that the publicly operated schools have underperformed for decades in student learning and retention, the previous Government of Punjab outsourced the operations of public schools to charities and entrepreneurs for improved learning outcomes. In 2018, 4,300 government primary schools were handed over to private operators. The target for 2018 was 10,000 schools. The initial review of outsourcing seems positive.^{10,11}

Despite the positive feedback, such interventions amount to band-aid solutions given the scale of the challenge. When tens of millions of children need quality education, the success of pilot projects with a few hundred thousand students might suggest that these pilots can be scaled to deliver for millions. If that were to be the case, primary education in advanced economies would have been outsourced to private sector operators or charities. However, in most developed economies, primary, elementary, and secondary education is delivered by the public sector for a variety of reasons including the economies of scale and the opportunity to impart a common curriculum for shared values and a common knowledge base. Lastly, the real impact of the private operation of public schools will be determined over the long-term where the metrics of success will include more outcomes than just the enrollment.

When a provincial government ignores the education-specific mandate of local governments and channels funds to charities and entrepreneurs rather than investing in the public sector, it is likely to create more problems than it would solve. A preferred approach would be to strengthen local governance to meet the urbanization

challenges rather than starving public sector institutions of the necessary funds and channelling funds to private operators.

Models of Good Local Governance

Examples of good urban governance in the public sector are hard to find in Pakistan. The narrative about urban governance is one of failure and neglect. At the same time, one can identify private sector initiatives in municipal governance and service delivery that could serve as models for better municipal service delivery in Pakistan.

Governance in Gated Communities:

Bahria Town

The upper middle class in urban Pakistan has been able to carve out a segregated urban existence where municipal services and governance is far better than the areas receiving similar services by the public sector. Bahria Town in Rawalpindi is one such example. While serious concerns have recently been expressed about the lack of due process in land acquisition, Bahria Town still offers a good example of a planned community where the delivery of municipal services, such as paved streets, sidewalks, water supply, sanitation, solid waste collection, provision of parks and recreation facilities, and law and order, to name a few, is exemplary. Whereas the rest of Pakistan struggles with power outages, Bahria Town's residents benefit from the Town's own power generation facilities and a grid system that provides power when the public sector power is not available. The town is successful in enforcing its master plan such that no unplanned construction or land use is permitted.

Gated communities like Bahria Town provide a model of urban governance where reliable municipal services are being made available to the residents. Critics of gated communities rightly point out that places like Bahria Town offer solutions only for the urban elite. There is some truth to the criticism. Bahria Town did provide low-income housing in its housing schemes. However, speculators and investors preemptively acquired affordable units and flipped them multiple times, thus eroding the affordability element.

A comparison of affluent communities situated in areas under the municipal government's control in Rawalpindi with Bahria Town would reveal that municipal governments fail to deliver services, such as household solid waste collection, even in

the city's most affluent communities.¹² Hence the argument that Bahria Town can provide services because it caters only to the elite might not hold much credence because public sector governance has failed to deliver even for the urban elite.

Conclusion

For municipal governments to be effective, several changes to the governance model are needed. For starters, the devolution plan must be implemented in letter and spirit. The devolution from provincial to local governments is a prerequisite for local governance to be effective and responsive to the needs of growing urban populations. At a minimum, the following fundamentals need to be addressed. First, the scope of municipal services be brought in line with their revenue generating capacity. Second, local governments must be able to generate sufficient own source revenue through property taxes and user fees to provide the mandated services. Third, the encroachment of the municipal mandate by higher tiers of governments and superior judiciary must end immediately. Fourth, local government staff should be adequately trained and compensated. Fifth, cantonments in urban areas must be merged with municipal jurisdictions. While many more items could be added to the list, addressing the aforementioned fundamentals could go a long way in improving city governance in Pakistan.

The October 2018 general elections have brought a new government in the centre. The ruling Pakistan Tehreek-e-Insaf (PTI) has planned an overhaul of local governance in Pakistan starting with two provinces where PTI formed the provincial governments. PTI favours a strong mayoral system where the mayor is to be elected in direct elections.¹³ It is not clear to what extent the new government will deliver on its promises to fix the broken model of municipal governance in Pakistan. Whereas previous attempts to improve municipal governance by military regimes met with limited success, there is hope for the current efforts to succeed. This is the first time that a civilian government is spearheading the initiatives to improve local governance in Pakistan. Because of the civilian ownership of the local governance reforms, it is likely that if sensible changes were made to improve local governance, they are likely to last.

10. The Economist (2018), "Pakistan is home to the most frenetic education reforms in the world." Retrieved from <https://www.economist.com/briefing/2018/01/04/pakistan-is-home-to-the-most-frenetic-education-reforms-in-the-world>.

11. Crawford, L. (2018), "Contracting out schools at scale: evidence from Pakistan." RISE Working Paper Series. Retrieved from https://www.riseprogramme.org/sites/www.riseprogramme.org/files/publications/RISE_WP-022_Crawford.pdf

12. Haider, I., Haider, M., & Badami, M. (2013), "Household Solid Waste Generation in Urban Pakistan: A Case Study of Rawalpindi." Available at SSRN 2258903. <https://doi.org/10.2139/ssrn.2258903>.

13. Raza, S. I. (2018), "New local government system in the works." Retrieved December 25, 2018, from <https://www.dawn.com/news/1430621>.

Urbanization and Gender in Pakistan



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Introduction

The 21st century is frequently understood as an age of urbanization for the global south. The State of the World's Cities report posits that "...today, of every 10 urban residents in the world, more than seven are found in developing countries".¹ The 'urban millennium' is also understood as an 'Asian urban century', with half of the world's urban population now living in Asia. The complex, uneven material realities of Asian 'meta-cities'-from Karachi, Mumbai, Kolkata to Jakarta, Delhi, Dhaka, and so forth, underscore the importance of understanding urbanization as a historically situated, variable and polymorphic process. With billions of people continuing to make home in cities across Asia - many in rapidly growing cities like Karachi and Lahore where slums and katchi abadis exist alongside upwardly mobile gated communities, and with governments spending huge sums of money on city building, it is crucial that policymakers and planners get this right. But urbanization

isn't just about territory; it is a contentious or deeply political process that is full of possibility. Even though urbanization is necessary-albeit insufficient-to global development, the pressing questions of uneven development, inequality and urban planning remain central.

Pakistan is urbanizing at a rate of 3 percent per annum-one of the fastest in Asia. By 2025, nearly half of Pakistan's population will reside in urban areas and a significant number will be women. The impact of rapid urban expansion is already palpable in cities like Karachi-population nearly 20 million, where infrastructure provision and access to affordable housing remain inadequate for the urban majority. Markedly, as global policies like the Sustainable Development Goals (SDGs) are beginning to recognize the importance of building 'inclusive, resilient, and sustainable cities', gender equality is being incorporated in debates that put the needs of the marginalized at the forefront of research, policy and practice agendas. This is crucial for several reasons; first, cities are designed by men and for men and this has rendered women less mobile than men in urban environments. It has also made women more vulnerable to violence. Second, evidence-based research has demonstrated that in the urban global south, women and girls bear higher burdens as they are marginalized in terms of both productive and reproductive care work, as well as housing, health, education, and participation in urban planning or governance.²

While urbanization is often associated with greater independence among women due to access to better services and employment, and even a degree of relaxed patriarchal norms, many women still experience profound disadvantages compared to men. In my work, I have found that gender is a critical lens for understand-

ing the 'normalised' violence of everyday urban life in Pakistan.³ In the context of extensive socio-spatial inequalities in urban Pakistan, poor and working-class women often face a range of threats: from difficulty accessing water, sanitation and transportation services, to gendered restrictions on their movement in public places due to male domination.

Gender: Depleted Infrastructures

Infrastructures, both physical and social⁴ are often stressed to the breaking point in urban Pakistan and this is most visible in overcrowded informal settlements or katchi abadis. In these areas, there is little access to basic public services such as water, electricity, and sanitation; and these services are often neither reliable nor affordable. The link between depleted infrastructures and gender is particularly relevant as it contextualizes women's and men's experiences in diverse sites, such as the street and the home or the neighborhood, the informal settlement or the slum. In fact, slums can become 'spatial poverty traps'⁵ that obstruct the empowerment of women. Women who are poorer and who reside in marginalized urban spaces are often at risk of the worst excesses of socioeconomic and gender inequality. They are more likely to suffer greater levels of extreme and relative poverty stemming from precarious jobs, inadequate shelter and chronic shortages of water. In Karachi, nearly 60 percent of the city's population reside in informal settlements where water shortages are acute. In this water crisis, poor women are particularly at risk of facing harm in their search for water.⁶

In other contexts, everyday violence in Pakistan's cities is fed by the failures of the state to meet its 'social contract' responsibilities by delivering urban services. In Karachi, for instance, vital services such as transportation are frequently provided by private entities. In theory, all residents

1. UNHabitat. (2012), "State of the World's Cities 2008/9: Harmonious Cities." Routledge.
2. Chant, S., & McIlwaine, C. (2015), "Cities, slums and gender in the global south: Towards a feminised urban future." Routledge.
3. Anwar, N. H., Viqar, S., & Mustafa, D. (2018), "Intersections of Gender, Mobility and Violence in Urban Pakistan. In Social Theories of Urban Violence in the Global South: Towards Safe and Inclusive Cities." Salahub, J. E., Gottsbacher, M., & De Boer, J. (Eds.). Routledge.
4. Chant, S., & Datu, K. (2015), "Women in cities: Prosperity or poverty? A need for multi-dimensional and multi-spatial analysis. In The City in Urban Poverty." (pp. 39-63). Palgrave Macmillan, London.
5. Anwar, N. H., Sawas, A., & Mustafa, D. (Forthcoming), "Without water, there is no life': negotiating everyday risks and gendered insecurities in Karachi's informal settlements." Urban Studies
6. Simone, A. (2004), "People as infrastructure: intersecting fragments in Johannesburg. Public Culture," 16(3), 407-429.

should have access to urban services, and seats are reserved for women on buses. But in practice, the drivers often abruptly eject women from their vehicles so that they can pack the space with several more men and earn more revenue. Despite women's need to travel within cities to access economic and educational opportunities, they are still regularly harassed for being out in public spaces. Violence against women in public spaces often relates to ideas of 'natural' claims to such spaces, following the popular perception that there are specific conditions under which men and women may access public spaces. In urban Pakistan, rising inequality and income disparity has meant that working-class and low-income women have had to take on the role of family providers, forcing them into public spaces. Yet such women are precisely those most vulnerable to harassment and threats of violence. For them, taking public transportation is an undertaking fraught with danger. Thus, constrained mobility for women has negative implications and this is visible in the way women are forced to negotiate the boundaries of the home and the 'outside'; by deploying coping strategies such as

practicing non-confrontational behavior when walking in streets or waiting at a bus stop. In my research, I have observed that women's coping strategies are not shaped solely by the threat of violence itself, but also by the gender narratives that promote it. Fundamentally, women are taught that they are more vulnerable to crime and that it is their responsibility to avoid it.

Gender: Right to Everyday Life

For inclusive cities to materialize, policymakers and planners must take seriously the notion of the right to everyday life; a right that is built up from ordinary experiences and practices of everyday life. What are the everyday spaces of urban life? The street or lanes, the walkway, the pedestrian underpass, the bus stops, sidewalks and spaces that ordinary men and women rely upon to conduct the mundane business of buying, selling and trading goods to survive. Rights are not experienced in the abstract but in material sense; everyday urban life is experienced based on exclusions and prejudice and on complex struggles and negotiations. The notion of everyday urban life alerts us to how urban space is used and claimed by

different groups-such as street hawkers-and by men and women belonging to different classes, ethnicities, religions and races. In an age of rapid urbanization, the responsibility for planners is to trace the complexities of everyday urban experiences that enable diverse groups to claim city spaces. What are the different qualities of space that include feelings of fear and safety for women? These are localized experiences that influence feelings of belonging and exclusion and especially for women because fear of violence is a concern for them. Data collection that is intelligent and its interpretation can assist policymakers and planners to play a critical role in designing progressive planning agendas that stress the spatial dimensions of rights. Even city leadership can support cultural and political initiatives that promote the gendered rights of urban dwellers. There is much scope for such discussions and initiatives in urban Pakistan. Recognizing the ongoing struggles of ordinary women and men and the gender divisions that shape socio-spatial inequalities, is essential for understanding the complexities that shape urbanization in Pakistan's new millennium.

Impact of Urbanization on the Environment



Ali Tauqeer Sheikh

Chief Executive Officer
LEAD Pakistan

For the first time in history, human population on the planet is more urban than rural. By 2050, around three quarters of the world's population will be living in cities. Yet, cities form only 3 percent of Earth's land cover where more and more people are being huddled together due to different socio-economic reasons and environmental factors. Pakistan's urban population is growing at an annual rate of 3 percent with 36 percent of the country's population now residing in urban areas¹, which is the highest in South Asia. By 2025, half of Pakistan's population will be living in urban areas.²

While this agglomeration of human population is considered healthy for driving economic growth, it has also put enormous pressure on the quality of urban infrastructure and resources, and seriously compromised the capacity of cities as the 'islands' of opportunities. While local authorities and municipalities continue to grapple with these old and new challenges, limited financial resources make the task difficult.

These chronic challenges to urban resilience include the provision of housing,

drinking and potable water supply, drainage and health services. The emerging challenges include degradation of urban environment including the land, watersheds, infrastructure and air and water quality. The United Nations Framework Convention on Climate Change (UNFCCC) estimates that global cities need an investment of more than 60 trillion US dollars by 2030 to build their resilience against environmental degradation and climate change impacts, and reduce the vulnerability of communities in general and of the urban poor in particular.

Within these communities, the urban poor living mostly in slums-which constitutes nearly 40 percent of the global urban population-are affected by the adverse impacts of environmental degradation. This is mainly due to their limited access to housing, basic services and social protection in their impoverished neighborhoods. The unplanned growth of cities and rapid 'colonization' of fertile agricultural land in the suburbs for residential purposes, are resulting in the formation of slums. Slums are actually 'symptoms' of environmental degradation, giving birth to the 'disease' of urban sprawl.

Climate induced natural disasters disproportionately kill the poor living in slums and shanty towns in the global south, often because they live in conditions in which sufficient safety precautions are not taken, such as secure foundations for buildings to prevent earthquake damage or protection against tsunamis in coastal areas or facilities to reduce vulnerability to storm damage. Women are particularly vulnerable as they are the ones mostly engaged in unpaid care work or in the informal economy. They have lesser control on economic and natural resources, lesser say in decision making processes and limited options for mobility.

The urbanization process in Pakistan is 'hidden and messy'³ and is not producing the desired agglomeration effect.⁴ Instead,

the urban environment is fast degrading because of poor quality of air, inadequate housing, inefficient energy and transport systems and shortage of water supply and drainage. In recent years, the country has also faced one of the highest levels of climate change impacts and is affected by intense and frequent natural disasters such as urban heat island effect, pandemics and flooding.

Rapid population growth thus, can be detrimental to the environment, first by causing the increased use of the earth's natural resources and, subsequently, by placing greater stress on the earth's ecosystem through the release of more waste into the air, land and water, than can be absorbed or recycled. To overcome these issues and increase urban resilience, Pakistan needs to invest in three major sectors in its cities i.e. housing, transport and water supply and drainage, and must take the following actions.

First, Pakistan currently faces a housing shortage of more than 10 million units, which is increasing at the rate of 0.3 million units every year. The government has almost completely absolved itself from the responsibility of providing affordable housing long ago. However, the current government has unfolded its plan to build 5 million houses during its term. The Prime Minister's Housing Program would require 20,000 acres of land, which is the most precious resource in urban Pakistan. Instead of converting new agricultural land into residential estates, the city cores must be revitalized and vertically developed to improve the quality-of-life of low-income groups without burdening them with additional costs of transportation.

To make the program a reality, the country needs an investment of USD 180 billion-almost half the size of Pakistan's economy. Such a whopping investment cannot be generated without a heavy involvement of the private sector and a firm guarantee of

1. Pakistan Bureau of Statistics, Census 2017

2. Ijaz Nabi and Hina Shaikh, "The six biggest challenges facing Pakistan's urban future." Available at <https://www.theigc.org/blog/the-six-biggest-challenges-facing-pakistans-urban-future/>

3. Dr. Ishrat Hussain, "Messy and Hidden Urbanization." Available at <https://ishrathussain.iba.edu.pk/speeches/MessyandHiddenUrbanization.pdf>. Messy urbanization 'refers to the proliferation of urban sprawl and slums while hidden urbanization, a related concept refers to urbanization that is not captured in official statistics, often on the peripheries of major cities'.

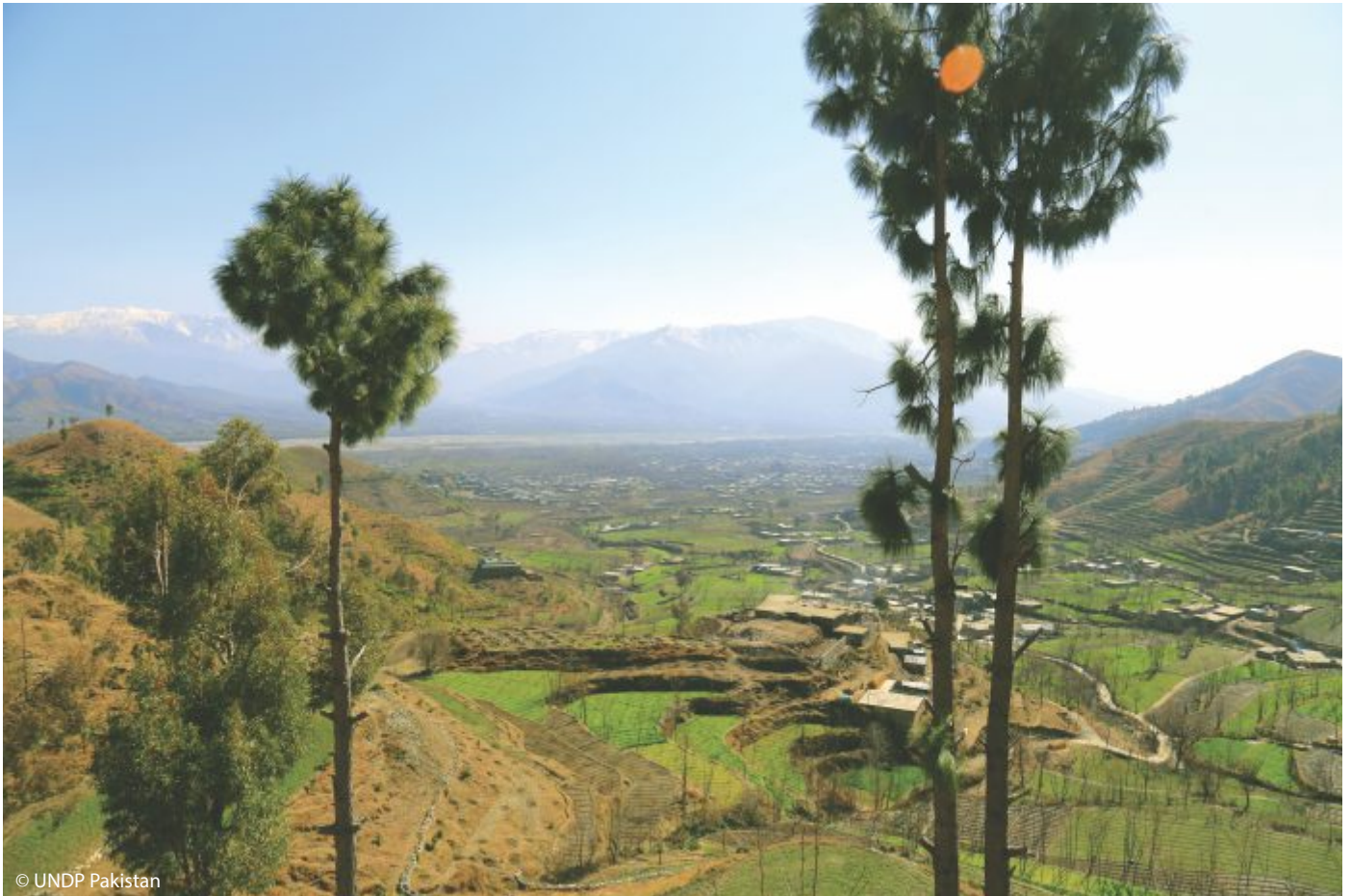
4. Ibid

repayment of loans from the government, and a good return on investment. India which has a similar plan of constructing 20 million affordable houses by 2022, has done a risk sharing agreement with the World Bank to take some burden off the private investors and financial institutions.

Second, to improve water and energy conservation and reduce degradation of environment, the building codes must be

made compliant with international energy and water efficiency standards. The authorities must think of out-of-the-box solutions such as the use of technology for this purpose. According to World Resources Institute, this increases the construction cost by only 0.2 percent but reduces the energy and water consumption by 15-20 percent, giving the investors a sound return on investment in a few months.

Finally, more funds must be diverted to municipal governments and utilities to replace their deteriorating water, energy and transport infrastructure and to cover operation and maintenance costs. Rational pricing of services and staffing of the utilities must be allowed to address the capacity and resource scarcity for this purpose.



say that again

"...Institutional corruption and weak tax collection machinery shall always remain a challenge for the city governments."



Syed Najaf Iqbal

Former Chief Metropolitan Officer
Metropolitan Corporation Islamabad

Pakistan is urbanizing at a rate of around 3 percent per annum. Is this growth sustainable in terms of its impact? Can cities provide necessary services to the urban population?

This is not a sustainable rate and we need to work on containing the same to around 1 percent. As far as the city of Islamabad is concerned, its growth has been recorded at 6.7 percent, which is huge. With this type of growth, it is extremely difficult to provide adequate municipal services to the citizens of Islamabad. The drinking water supply, solid waste management, maintenance of parks and green belts etc. is extremely difficult.

What kind of governance model could help cities to grow economically? What are some examples?

There has to exist a central development board, which should have representations from all development and service providers in Islamabad, headed by the Minister for Interior. This Board should formulate general policies to develop the city along with guidance on improving the provision of services and city governance. This approach should be based on citizen centric activities with their effective representation. In case of Islamabad, the MCI is one good example where the people are represented through their representative of Union Councils (UC). This model can help transform the needs and aspirations of the people into real time development, where good governance is very visible.

Several government urban initiatives have not seen implementation. What challenges/issues exist in this regard?

There are several reasons for failure of urban initiatives at the federal level. The foremost is the lack of ownership. Other reasons include poorly conceived projects, supply driven initiatives, political issues, lack of trained human resource for implementation, and last but not the least, inadequate financial resources.

How can cities be made to offer spaces for the social and economic participation of women, children, minorities and other groups, in order to make them more inclusive and sustainable in terms of human development?

Usually, planned cities already allocate enough spaces for such uses,

Islamabad being a good example. For other cities, public land has been encroached by citizens at several places. These lands can be retrieved and used for creating these spaces. There is no denying the fact that these are important initiatives to be taken up and can be undertaken even on very limited spaces such as installing a basketball frame or developing a walk track etc.

What is the current landscape in Pakistan in terms of laws and rules that govern revenue collection and expenditure by the city governments?

Almost all of the city governments in Pakistan survive on the funds provided by the provincial governments. There are several factors pertaining to the poor status of revenue collection and expenditure by the city local governments. There is a lack of trainings, incentives and effective mechanisms to first bring every eligible person into the tax net, and then ensuring taxes are indeed being paid. Institutional corruption and weak tax collection machinery shall always remain a challenge for the city governments.

In the case of Pakistan, what sectors could accelerate cities' economic growth? What are the challenges and what are some recommendations to address those challenges?

Sectors such as manufacturing and services are important for a country like Pakistan. The manufacturing sector has great potential to provide jobs to the locals but it does need basic infrastructure such as roads, provision of energy sources, trained human resource etc. Cities like Islamabad, which is a federal seat, can embrace the services sector because of its peculiar nature. Pakistan has to focus on both the sectors to achieve results in economic growth and create an enabling environment where both these sectors can flourish.

Can small cities contribute in the urbanization process? How can their potential be leveraged?

Small cities are better equipped to contribute in the urbanization process with more room for growth and less pressure of population. The model of Zurich as a smart city, is something that can be replicated in Islamabad.

Interview



say that again

"...Urbanization should commensurate with social sector development."

Mohammad Aamir Zulfiqar Khan

Inspector General of Police

Pakistan is urbanizing at a rate of around 3 percent per annum. Is this growth sustainable in terms of its impact? Can cities provide necessary services to the urban population?

An increase in population exerts a pressure on social services. The demand for services increases and with it, so does their costs and hence, sustaining ones family itself becomes a problem with increasing urbanization. Hence, this growth isn't sustainable at all.

A solution to this is to adopt a vertical housing model, like many western countries have adopted. Urbanization should commensurate with social sector development. The government should ensure that proper planning takes into account all sectors of the rule of law such as police, fire brigade etc. Human well-being should be the top priority and that can only be so if all sectors work in harmony.

What problems has the urban sprawl caused in terms of maintaining law and order?

Providing adequate policing services definitely becomes a challenge. With increasing urbanization, there is an increase in traffic. Similarly, increasing urbanization tends to increase the number of crimes. This requires additional police personnel to be deployed too. With that number currently limited, it then becomes difficult to provide adequate policing.

At times, the limited number of police who are available become occupied in solving other issues of the public, as the public look towards us as agents of help. That further exerts strain upon our already limited police force.

What urban policies are required to improve the law and order situation in mega cities?

We need to change the policing laws from 1861 and adapt them to modern day requirements. For instance, with technology booming,

it is important that our systems are also digitized. For instance, devices such as camera technology or DNA technology help augment rule of law functions. While we are also integrating that, for instance we have installed safe city cameras all through the city, however, there still exists a gap between the requirement and the provision of resources. Hence, the pace needs to match.

Can the creation of medium and small sized cities offer some relief in terms of better rule of law delivery?

Yes indeed, provided all the civic requirements are met. Many communities such as Bahria Town etc though have their own services, yet they are being fed off from the main city. For instance, our police force is also being deployed in the main city as well as those communities. Hence, unless small and medium sized cities are created with all their civic requirements met, they will not add much value.

Then, setting up these cities requires a lot of resources, which there is a paucity of. Also, rule of law mechanisms also need to be altered. The concept of policing needs to change. The community should be responsible as a whole and not just a single person. So the rule of law apparatus as a whole, needs to be modified.

Are there any global examples of good urban models where law and order is maintained that can be replicated in Pakistan?

In New York, the New York Police Department is spending almost 3 times the amount on the police force as compared to Islamabad. In Japan, every nook and corner has a police officer who knows the community well. Of course there are differences in the sizes and areas of cities, however a lot of financial resources are required to fuel this change and adapt these models.

say that again

"...Inequality is eating away at our society and slum communities face this challenge even more."



Father Azeem Fernandes

Head Priest
Holy Community Church

What impacts is your area facing due to growing urbanization?

Slum areas like ours are already underdeveloped and lack basic services, as it is. With more and more people coming to settle in the area, it is exerting a further strain on what was already available.

For instance, our community has constructed a huge tank to store rain water. Nowadays with the city experiencing a lot of rains, the tank is usually full. This tank was constructed in 2016. Stored water in it would usually last for a month. However, now with more and more people having come and settled here, the tank barely goes up to a week. This is a huge indication of how much urbanization has impacted even small slum communities like ours.

How is urbanization being managed in your community?

There is not really much happening to manage urbanization. Rather, focus is on trying to maintain the services that already exist. For instance, street lights around our area are often not working. Occasionally, a representative from CDA does come and resolve the issue. So in terms of maintaining existing infrastructure, that practice is satisfactory.

The problem however comes when no additional development is being done in the area. At the moment, there are almost 5-6 people living in just a single story of a standard house here. And mind you, houses are very small here. Multiple families are sharing a single story, and day in day out there are so many who come to the church for refuge. The housing situation is so deplorable now that people are sleeping and living in the church aisles themselves, which causes a hindrance to those who come to worship.

How can cities be made to offer spaces for the participation of women, children, minorities and other disadvantage groups, in order to make them more inclusive and sustainable in terms of human development?

Continuity in provision of basic services is key. Services like water, electricity and gas should be properly provided and monitored to ensure that they are being equally distributed between all. There are so many cases of people illegally stealing electricity or gas. Why is this theft not monitored and the thieves not held accountable accordingly?

Moreover, provision of cheap and safe transport is also essential. We have so many women from the community who work from morning till night in people's houses, beauty parlours etc. Providing them safe and affordable transport will improve their lives and that of their families.

What kind of governance model can address issues of urbanization, especially in slum communities?

Equitable access to services should be a key component in the governance model. We form an equal part of the population of the country as does anyone in any other city or community. We are also doing our bit to contribute to the society through our skills of gardeners, laborers, plumbers, mechanics etc. We are not handed these opportunities on a silver platter when we are born. We have to work hard and compete with many. We are hardened people, who are self-made from what life and experiences have taught us. And there is only one thing we want in return: equality, in terms of access to services.

Youth Voices

What can be done to tackle urbanization in your area?¹



Everything can be solved with investing more money. While recently steps have been taken to improve the provision of basic facilities such as water and health care, the government needs to invest more money to further improve the conditions.

Salman Arzi

19 years, Maskeen Colony



Lack of security is a major challenge. My sisters and I only leave the house between 11 am to 3 pm in broad daylight as we fear for our safety.

Salma Ali

20 years, MeherAbadi



Clean water should be a main focus of the government. The water in our area that we use for drinking is ridden with flies and mosquitoes. It spreads diseases and has also taken many lives. We do not have money to pay for big treatments. I appeal to the government to work on this issue immediately.

Faisal Ali

24 years, Muslim Colony



I am currently cramped in a one bedroom unit with 3 children all under the age of 10 years. The roof is falling, there is water shortage, no gas, electricity only comes for 2 hours a day. The problems keep increasing, with no solution in sight.

Hasina Safi

24 years, Christian Colony



I think the biggest issue in my area is that of corruption and harassment. Local gangs here control the area and hence their rule prevails. Living here is a challenge each day.

Mustafa Hasan

25 years, Faisal Colony



There are many issues that need to be addressed in our area. However, I will say one thing that recently, I have seen some government officials come, discuss problems with our community and note them down. So I see a glimmer of hope.

Nasreen Farooq

26 years, Faisal Colony

1. The respondents all hail from different slum areas.

DEVELOPMENT ADVOCATE
PAKISTAN