

# Facing the Urban Reality : Managing Our Cities

by Junaid K Ahmad

WHAT if Dhaka and Chittagong came to a standstill? At risk would be the growth of Bangladesh's export industries, the fiscal resources of government, industrialization, the economic potential of the country and the well-being of millions. For example, over 3 billion dollars of garments export depends on the infrastructure of Dhaka and Chittagong alone; the bulk of government's VAT and income tax is urban based; over 30 per cent of the national GDP is based in Dhaka and Chittagong, and by the year 2000 over 10 million people will reside in the greater Dhaka metropolitan area alone. The economic fate of this nation is becoming inextricably linked to the performance of its urban sector.

Nevertheless, in the not so distant past, many in Bangladesh would have welcomed the freezing of Dhaka and other primary cities of Bangladesh. Some were caught in the dream of an idealized peasant led social movement. Research and academics found credibility in the rhetoric of Lipton's urban bias and Todaro's dismal view of rural-urban migration. The faults of a protective import-substitution trade regime, which penalized agriculture, were wrongly ascribed to be the result of urban-centric policies. The problem was the trade and industrial regime, not urban development. NGOs and donors for their own reasons were and are still rural centric. Anything urban, therefore, seemed anti-development. Not only was this perception wrong, it has contributed to a misunderstanding of the role of the urban sector in the process of development and the neglect of our cities. Today we have been caught with our pants down — we do not know how to manage our growing cities — primary or secondary — and may soon learn the hard way the costs of Dhaka and Chittagong coming to standstill.

### The Role of Cities

The role of cities and the urban sector in the process of development is multifaceted. Cities contribute to the growth in GDP, play a critical role in income and risk diversification for low-income households and, in the process, contribute to the development of the rural area and the economy in general.

**Role in the Growth Process:** The growth of GDP per capita is accompanied by the shifting of resources from agricultural activities to non-agricultural activities. If nothing else, Engle's Law will drive this process. "Jump-starting" the process by deliberately depriving the rural sector of resources, however, is costly — witness the unsustainability of the former Soviet Union's development policies. What is required, instead, is a productive and efficient agricultural sector which continuously contributes economic resources to other sectors.

What are these other sectors? Indonesia's experience, for example, suggests that non-farm rural activities are an

important source of growth outside the agricultural sector. This should be equally applicable in the case of Bangladesh and work should immediately be undertaken to investigate if this is indeed happening especially given the growth of our rice economy. But, equally important are a set of manufacturing and service activities — labour intensive manufacturing, small and medium enterprises, commerce and trade — that become the engine of growth replacing and surpassing the contribution of the agricultural sector in the economy's GDP.

An important aspect of these activities is their locational characteristic. These economic activities thrive in their proximity to markets and to each other. Take for example, the garment industry and the advantages it faces in being close to pools of labour, the banking sector and the transport nodes. In turn, the labour, the banking sector and the transport nodes benefit from being close to the garment

holds to buffer themselves against economic uncertainties. To understand this important role, we need to reject the "original sin" committed by the traditional scholars of rural-urban migration that migration is an individual phenomenon. We now know better. While an individual does indeed undertake the process of migration, the decision to migrate is a group or household decision. Rural families send some of their members to the cities to diversify their income base (by having some work in the rural area and others in the urban area) a rural family does not put all their "eggs in one basket", provide a source of "savings" (through remittances) and seek an alternate source of employment during the off season in agriculture. Cities provide the economic base for the migrant to play this role. More importantly, by retaining the family links with the rural area, the economic benefits of the cities are passed on to the rural families through the migrant —

tion is equally prominent. Clearly, if the arguments presented so far about the association between levels of urbanization and GDP and between urban economic activities and risk and income diversification are valid, the link between efficient cities and poverty alleviation must also hold. But the linkage between the two is even more direct.

Over the last two decades urban poverty has increased in Bangladesh as seen from the increases in the number of people living in slums, without access to safe water or adequate sanitation and health services. By ensuring that the poor have access to these services at the urban level can help alleviate poverty directly. Opponents of improving urban services to the poor, however, have argued that provision of such services would be self-defeating; any improvements in urban services for the poor would induce further migration thus undermining any

can play an important role in alleviating poverty without the effort being self-defeating.

**Managing the Cities:**  
**An Agenda**  
If cities play such an important role in economic life — by contributing to GDP growth, allowing for income and risk diversification and contributing to poverty alleviation — ensuring the efficiency of cities must be of national importance. If so, how can the efficiency of cities be promoted?  
At the outset, it must be emphasized that direct control of rural-urban migration is not a solution — since it is not the problem either. Proponents of controlling rural-urban migration miss the point that urban growth is fundamental to the very process of development, that it is a symptom of economic and social processes elsewhere in the economy, it

is invariably too costly to implement and finally, it is non-enforceable (see the case of South Africa where even apartheid's draconian measures could not stem rural-urban migration; ultimately, urbanization contributed significantly to the dismantling of apartheid).

Rather, what is required is a framework for addressing the problems which are wrongly assessed as the faults of migration: poor infrastructure, traffic gridlocks and faltering urban transport system, falling water and electricity systems, decaying slums — to mention a few of the emerging urban nightmares in Dhaka and Chittagong. The problem is a lack of urban management.

The solution is not one or two urban projects financed by donors such as building flyovers or undertaking slum-upgrading. Instead, Bangladesh needs to embark on a wholesale reform of the institutions that influence the development of the urban sector. The

agenda for managing the cities of Bangladesh needs to start with reforming urban governance.

**Decentralization and Accountability**  
The first step is to initiate a process of decentralization — where elected urban officials and autonomous agencies are accountable for the services they deliver and revenues they raise. The first city corporation mayoral elections provided the political foundation for the newly elected representatives to initiate this agenda for reforming the urban system. The opportunity presented itself for the major opposition parties — the opposition won both Dhaka and Chittagong — to take on the agenda of urban decentralization for reforming the delivery and finance of urban infrastructure and urban services and, in the process, challenge the monopoly of na-

market accessibility, or poor infrastructure are preventing a better bus or public transport system from emerging? Certainly if this is the case, banning rickshaws or creating expensive flyovers will not solve the transport problem. Third, there is a need to review the effectiveness of the institutions that coordinate and implement urban transport policies. Which institutions are responsible for these tasks and what incentives do they face? Finally, the problem of transport in Dhaka may be a result of the underdevelopment of our secondary cities forcing Dhaka to be the primary economic node by default. Ultimately, the problem is one of weak urban management.

Central government can help in improving the management of the urban sector through several channels. There is an urgent need to reform the design of the system of inter governmental fiscal transfers so that there is incentive for urban governments to be fiscally responsible and to be accountable to their constituents. Reforms should include inducing a greater reliance on local taxation and making the inter governmental grant system more predictable and transparent. In addition, the central control on institutions that deliver urban services — e.g. the utilities — should be removed. Autonomous — and privatized — agencies being held accountable for their actions are critical in reforming the management of the cities.

The agenda for the cities requires bold political steps. But bold political changes do not happen in a vacuum; they are a result of a myriad of forces that ultimately culminate in important changes. The forces clamouring for urban reform of the type argued for in this commentary are not yet strong. They are, however, emerging as the prospect of an urban collapse becomes a reality. Traffic gridlock is increasing; the densification of certain parts of our cities have vastly outpaced the infrastructure capacity; urban pollution is on the rise; slums are certainly not decreasing; and urban growth continues. If as a result of these forces the cities come to a standstill the prospect for our export-led industrialization will come to a screeching halt. The time has come, therefore, for academics and researchers to give more priority to urban policy; for private sector to lobby governments (central and local) for urban management; for NGOs to more actively address the issue of urban poverty; and even the donors should wake up to the need of becoming more urban-focused. The international experience of managing large metropolises and secondary cities is available. Bangladesh need not reinvent the wheel. But it does need to face up to its urban reality.

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Jammed traffic (left), increased need for roads (right): Proper urban planning — a growing necessity. — Star photo by Mohsin



factories. Cities and their unique infrastructure provide such "proximity" to a vast set of economic activities — creating what economists call economies of location and agglomeration.

These proximities are, therefore, the basis of the higher productivity experienced by households and firms in cities and well reflected in the positive association between GDP and levels of urbanization that has been observed internationally. An efficient urban sector that makes it easy for firms and households to interact in proximity, therefore, contributes to overall economic growth — a linkage that has so far been ignored in the context of Bangladesh. Investing in cities is thus critical to the development process.

**Risk Diversification:** Cities play an important role in assisting the low-income house-

holds from urban delivery. In other words, the delivery of urban services suffers from another one of development's vicious circles.

For several reasons this dismal view is wrong. First, rural-urban migration does not, in general, occur in such a way that, at the margin, improvement of urban services or the provision of new urban jobs leads to "excessive" migration. Empirical work suggests that migration is costly and often mediated through a system of social networks that ration and control access to urban jobs and services. (Why are so many workers from Noakhali concentrated in the Adamjee Jute Mills?) The cost of migration and the social networks provide a natural system to dampen any "excessive" migration. This view of migration, confirmed in several studies of Bangladesh and India, is radi-

can play an important role in alleviating poverty without the effort being self-defeating.

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## Compulsory Agricultural Science at the Secondary Level

THE Government of Bangladesh has introduced compulsory Agricultural Science at the secondary level. Those students appearing in SSC Examinations from 1996 onward shall have to take examinations in the new subject. The purpose has been stated as follows: School drop outs, about 50% at the secondary level, create, in most cases, social instability; agricultural science has been made compulsory to engage these unemployed in agriculture and in productive work.

This reminds us of the report of the Public Service Commission (PSC) of 1988. The Commission, reporting on the growing number of unemployed educated people in the country, expressed concern that the mass of unemployed educated people is a threat to political, social and economic life in the country. What a remark from the PSC! Although the Ministry of Education has not addressed the problem of unemployed educated as such, they have nonetheless invented a solution for school drop outs. The idea, on the surface, sounds well but the solution the Ministry is seeking warrants a deeper look, especially in such serious matters as compulsory education, employment and social stability.

Compulsory education in any discipline *per se* cannot eliminate social instability, nor can it solve the unemployment problem. If that was the case, we would not have hundreds, if not thousands, of our graduates in Agriculture, Engineering, Medicine, Animal Sciences, Fisheries and Forestry unemployed. Is it because we have too many of them than the country needs? How can we say that one doctor for every 60,000 people is too much? Can we say we have enough livestock graduates? About eight thousand agricultural graduates for all disciplines

agriculture are certainly not too many to address multifarious problems of agricultural research, extension and production, based on modern science and technology, in each of the 68,000 villages in the country.

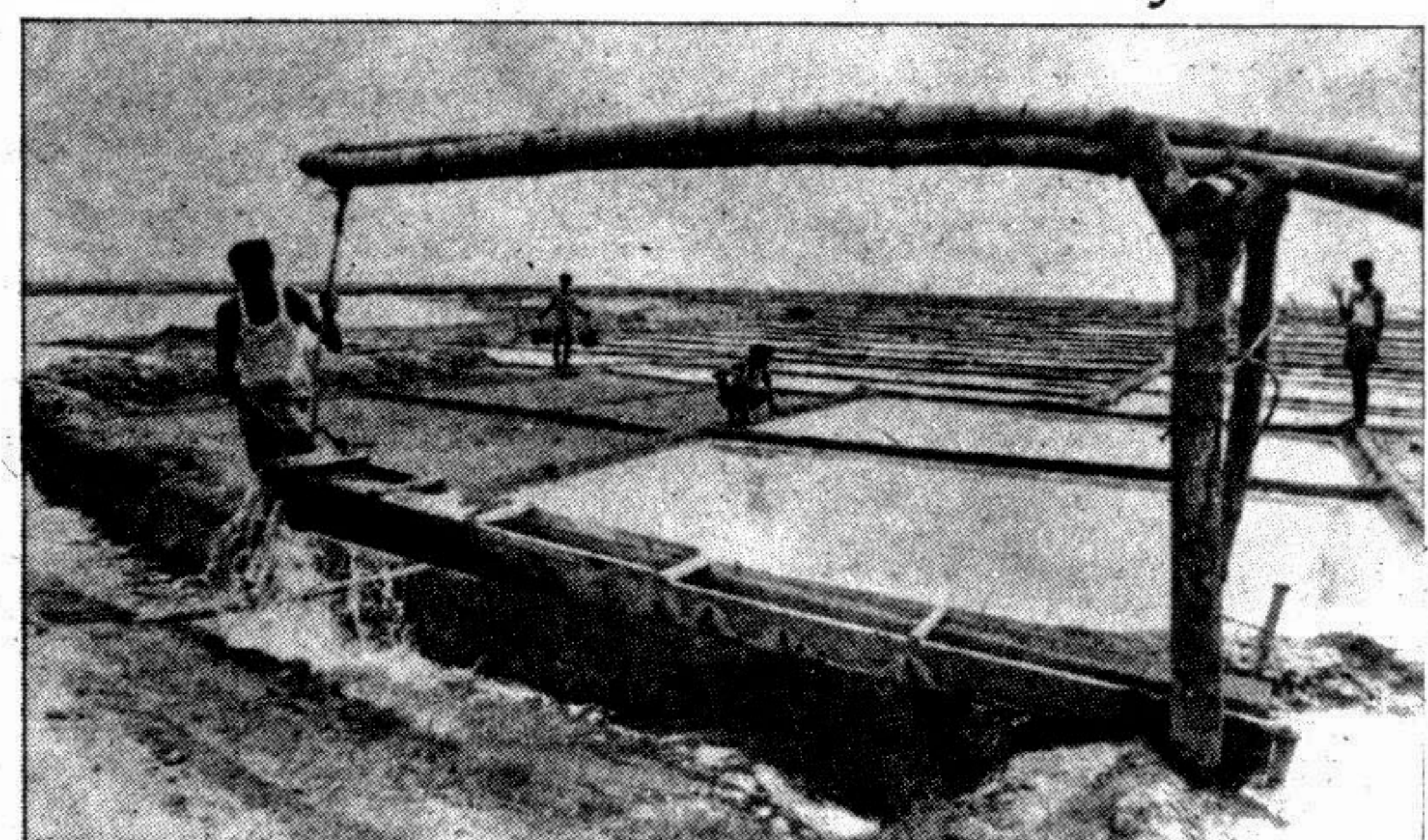
Would it be undesirable to encourage agricultural graduates to go to the village and help our farmers in modern science based farming practices? I am sure, many of our graduates would be more than willing to work more closely with our farmers, provided the right social atmosphere is created. And this does not have to be essentially all in the public sector.

Unfortunately, the course contents of Agricultural Science introduced for our school children appears to be more of a theoretical nature.

by M Gul Hossain, PhD

Even then concern has been expressed as to the feasibility of undertaking/conducting practical lessons within the resources of the schools. In view of this, could we consider using local government or private agricultural farms for practical training of school drop outs. The Thana agricultural/horticultural/poultry/livestock farms or suitable private farms may be fruitfully used for the purpose. It is questionable, how fruitful the lessons imparted from books will be without practical training.

Then again the course contents appear to be focused primarily on agricultural production. We know what happens when farmers produce a bumper crop in a season or in an area. The marketing system simply works against the producers, even though a high demand for the produce may there be in the country. There are two important issues here: one is our defective marketing systems and the other is the absence of lo-



Introducing Agricultural Science through practical experience may be more effective than theoretical study. — Star photos by Mohsin

cal industries for value added products. Alongside the improvement in marketing systems, agro-based rural industries for value addition need to be promoted. For this the course contents could have given emphasis on processing, preservation, packaging, transport handling before marketing of produces/products. These can generate more productive employment.

Let us for a moment look back and see what happened to compulsory religious study introduced during the previous regime. The purpose there was to stop moral erosion/improve moral standard. On the contrary we have had armed robbery, arson, hijacking, drug trafficking, gunfight, physical maiming, murder — in short an escalation of all kinds of violence on our streets and on the campuses of our institutions of learning, more than ever before (excluding perhaps times of sporadic communal riots and the war of liberation). The narrow focused religious

study contributed to heightened communal feelings, intolerance and intra-religion strife. Certainly we would not like to see a similar fate to agricultural education. No doubt skill development opens up scope for employment, but it does not guarantee employment. The very low level of development in various sectors of our economy and the very nature of our economy warrant inputs from all kinds of professionals, in particular from skilled agriculturists and educated farmers.

But the fact is, giving lessons in the class room is one thing, the reality in the society is another. Education of any kind must be synchronized with the rule of law and economic well being of the people. Unfortunately our political and administrative leaders have failed on both counts. This may be due to two reasons; either they do not have the genius or they do not intend to utilize the country's resources (human and mate-

rial) in a way that can contribute to the welfare of all sections of the society.

Agriculture today is very much science based. Certainly we need skilled agriculturists for technology generation, dissemination and for scientific farm management. Likewise we need educated, skilled farmers to reap the benefit of modern agricultural technologies. But agriculture should be able to pay for itself. So long as we cannot transform subsistence agriculture into a commercial enterprise, agriculture *per se* can neither absorb more labour force nor can it be profitable. And so long as we cannot make agriculture profitable to farmers, no amount of education at any level will attract people in farming. This is one of the reasons why we do not see our agricultural graduates taking up farming as a means of livelihood.

Moreover, there is a social taboo for earning one's bread through one's toil, but not through 'stealing' (however

## Tapping Natural Resources Gaining Momentum

by Md Nazmul Huda Khan

THE opening of gas link in Kishoregonj district headquarters on August 24 last is another milestone in the development and tapping of natural gas of the country. The people of Kishoregonj will now be blessed with the gifts of natural gas both in household and economic activities. The Taka 322 crore project with the assistance of the Asian Development Bank (ADB) is being implemented having the aim of supplying gas in greater Mymensingh districts, comprising of Jamalpur, Sherpur and Netrokona, and Jamuna Fertilizer Factory in Jamalpur. The project also made the provision for transmission facilities to Jamuna Bridge point wherefrom gas could be transmitted across the river Jamuna.

But the present stock of gas is apprehended to be exhausted by the year 2016 if the use goes on in the present rate unless fresh reserves could be explored through immediate exploration. Giving due weightage to the emerging situation the government has taken up steps to attract foreign investment in petroleum explo-

camouflaged may that be). More importantly, we need a social atmosphere where hard work, efficiency and talents are rewarded, no matter whether it is for the school-drop-out-farmers or traditional farmers, wage labourers or craftsmen, traders or civil servants, teachers or doctors, engineers or agriculturists, or for those with general education.

Let us start with a stop to politicizing the student community. Let the fresh young minds see, think and choose ideas and professions without fear or favour. Let us not pollute the outlook of young generations with baits of partisan politics nor twist their ability with 'compulsories'. Let us give them as many choices as possible.

and pebbles collected from the river beds and banks in the Sylhet region and by importing iron abroad for high standard construction.

Considering the gravity of the situation the government has signed an accord with North Korea for extraction of hard rock at Maddhyapara in Dinajpur and very soon the project will go on opening a new chapter in the history of mining. With the implementation of this project, 1.65 million tons equivalent to one million cubic metres high quality hard rock could be extracted.

**Pit Coal Development:** It is estimated that with an approximate 133 million tons of pit coal reserve in Faridpur district alone the country has a total reserve of 470 million tons. It is imperative to turn pit into an alternative source for energy. The vast majority of less income group are the most potential users of this pit

coal. Infrastructure Development during last three years: During the last three years, Feni Well No. 1 has been completed and the well has been connected with Bakhrabad Gas Systems. Besides, under Kailashtila and Chhatak Gas Field Development Project, Kailashtila Well No. 1 has been completed and 26-mile long 6"-diameter pipe line from Kailashtila to Chhatak and 8-mile long 8"-diameter pipe line from Kailashtila to Sylhet have been set.

Presently with the assistance of Overseas Economic Cooperation Fund (OECF) of Japan, Feni Well No. 2, and Bakhrabad Well Nos 2&4 are being developed expeditiously for giving gas link to Chittagong, specially to KAFCC. Energy Policy: For proper exploration, extraction and homogeneous utilization of energy of the country, the government has formed a committee to evolve short-term and long term energy policies. — RID Feature