

MAKING CITIES WORK FOR DEVELOPMENT

Cities can be productive and liveable places but poor public services, weak infrastructure, and institutional and legal obstacles to private investment have in many cases undermined prosperity.

TONY VENABLES

MORE than half the world's population live in towns and cities. The urban population of South Asia grew by an estimated 130 million from 2000 to 2011, and is projected to grow by another 250 million by 2030.

Effective and liveable cities are intrinsic to the economic growth and prosperity of countries. The economic advantage of cities derives from benefits to scale and agglomeration that emerge in dense clusters of people and businesses. However, South Asia has still not fully reaped the benefits of urbanisation. Gaps in urban infrastructure and public service delivery have constrained the potential for South Asia to join the ranks of more developed countries. Improving urban environments will require greater public and private sector investments and a high level of policy engagement.

For cities that fail to generate sufficient investment, the consequences are plainly visible. In South Asia, 130 million urban residents live in slums without access to basic infrastructure and public services. Getting urbanisation right requires smart, joined-up policy across urban agendas. Effective planning should address barriers to efficient markets and public finance that can manage congestion and fill gaps in housing, transport, and infrastructure to make cities liveable.

CITIES CAN BE BOTH PRODUCTIVE AND LIVEABLE PLACES

The fundamental advantage of cities comes from scale and density. Studies show that higher density increases prosperity; doubling a city's size increases average productivity by 5-7 percent. Cities also incubate innovation and entrepreneurship. Enterprise clusters not only raise the productivity of existing activities (through competition), but also allow new activities to take root.

Cities thrive on agglomeration economies to drive higher productivity. High population density ensures that firms can readily access large pools of buyers and suppliers. Well-managed density cultivates a mutually beneficial virtuous cycle between agents. In Bangladesh, to date, economic growth is closely correlated with urbanisation - urban dwellers constitute about 28 percent of the total population of the country, but their contribution to GDP

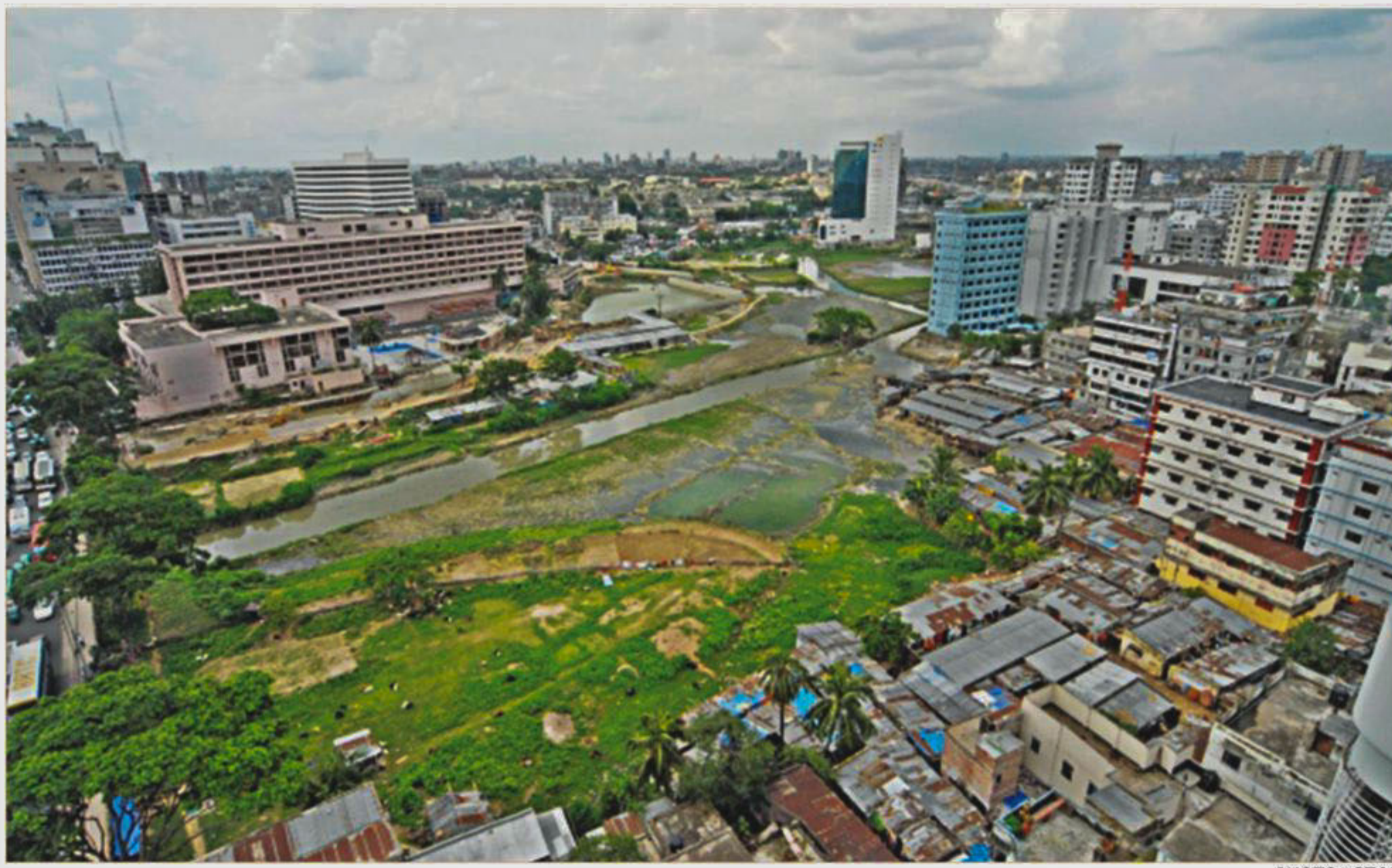


PHOTO: STAR

is more than 45 percent (Bangladesh 7th Five year Plan). Thus sustainable urbanisation is a potential driver of economic growth.

Clusters of specialisation are increasingly emerging in developing countries. Bangalore is now recognised as a technology hub, Dhaka as a hub for garment manufacturing, and Sialkot for football manufacturing. Market integration relies on high population density in small geographic areas to accelerate the frequency of economic transactions.

EFFECTIVE CITIES CAN POWER GROWTH

Despite the ability of cities to power economic growth, the considerable downsides of density cannot be ignored. Challenges to infrastructure, housing, transport, and basic service provision continue to undermine the productivity of cities like Dhaka.

To fully realise the potential of cities, South Asia must address critical gaps in urban infrastructure and basic services. An equally important policy objective will be for governments to improve the efficiency of urban markets. Better regulation can prevent market failures to reduce socially damaging outcomes.

Urban development activities in Bangladesh are dominated by national sectoral agencies and the absence of proper institutional and legal frameworks to guide and control physical

development in urban areas. Urban development in most cases has been haphazard. The involvement of multiple organisations in the urban development process results in uncoordinated and overlapping activities.

INFRASTRUCTURE AND PUBLIC SERVICES

South Asian cities continue to be characterised by high levels of poverty and inadequate or overly expensive housing stock. Insufficient housing supplies reduce the liveability of cities and further depreciates environmental and health outcomes. Over-congestion makes it harder to keep up with infrastructure demands for water and sanitation. Waste generation in Dhaka is estimated to be 3,000 to 4,000 tonnes a day, almost 60 percent of which is uncollected. Despite being a megacity of 14 million residents, Dhaka does not have Mass Rapid Transit (MRT), in any form, to move large numbers of people at high frequency.

The number of urban dwellers in South Asia living below the national poverty line ranges from 13-25 percent. Public investments can support poverty reduction. Transport investments help connect ideas, people and goods, making them particularly high-impact. It follows from this that infrastructure investments should lead, not lag, development.

Infrastructure represents an enormous public finance burden. Successful cities leverage the economic prosperity of their city as a local tax base. In line with this, targeting urban land values offers an ethical and efficient mechanism for raising tax revenues for city authorities.

LAND MARKETS AND RESIDENTIAL INVESTMENTS

Bangladesh, like many of its neighbours, faces an acute shortage of affordable housing. Over a third of Bangladeshis are expected to be living in cities by the end of this year, a number growing at an average of 4 percent, annually. Meanwhile the housing deficit in urban areas grew from 1.13 million units in 2001 to 4.6 million units in 2010 (Bangladesh Bureau of Statistics). The deficit is projected to reach 8.5 million units in 2021 if investment in the housing sector does not keep pace with projected population growth.

Housing affordability is further eroded by poor land administration policies which make urban housing prohibitive for low-income groups. The quality of existing housing stock is also very poor; squalid conditions and low-levels of residential investment are pervasive because there is a lack of clarity and security in land rights across South Asia. These factors deter invest-

ment and encourage low quality, insecure housing structures, accommodating lower population densities (low-rises).

Achieving appropriate levels of residential investment also require markets to function effectively. Capital markets and financial intermediation are needed to provide ways of saving, borrowing and lending for both commercial and residential construction. Informality and limited financial information reduce the functionality of capital markets. Policy must be joined-up across financial regulation, macro-economic policy, and urban planning and management.

BUSINESS INVESTMENT AND JOBS

A city's success depends, ultimately, on its ability to create jobs. This requires a good business environment. Costly cities - those that fail to economise land use, build affordable housing, infrastructure, and public services - will attract fewer new jobs.

Without good infrastructure and services, cities become trapped in low-value economic activities. A city built around low value activities is ill-suited to the requirements of modern manufacturing and service sectors. Low productivity filters into incomes and tax revenues making it difficult to finance the investments required for greater productivity.

WAY FORWARD

The implication for South Asia is that policymakers must act soon to realise the full potential of urban growth in the region. Regardless of policy, urbanisation will continue. Making it all the more important that it is done right to harness the advantages of cities to generate growth. Government coordination is paramount to prevent the negative externalities of uncontrolled congestion. Improving avenues for financing will be important to attract public and private investments. Legal and regulatory structures similarly work to improve the way markets function and to improve the clarity and security of land rights.

Overcoming these barriers will be essential for paving the way forward for South Asia's urban development.

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Of Pakistan's denials of war crimes and the world's silence

We understand the position of international rights bodies against the death penalty. But why should they remain silent when Pakistan denies its army's role in committing war crimes?

TONMOY AHMED

IN an act of denial, Pakistan has alleged that no war crimes had been committed during the 1971 Liberation War of Bangladesh. The statement is a slur on the very foundation of our collective spirit. It is also a contradiction to Pakistan's judicial inquiry into the country's "political-military assessed involvement in East-Pakistan" (now Bangladesh), since the inquiry precisely mentioned the atrocities committed on innocent people of Bangladesh during the war.

More surprising is the fact that the organisations monitoring human rights across the world and the United Nations (UN) that had shown so much concern for the fairness of the ongoing war crimes trial in Bangladesh, preferred to keep mum on Pakistan's recent statement. Though Pakistan made pointless arguments demeaning the Liberation War before, the rights watchdogs were completely noncommittal about them, which is why Pakistan has found the gumption to come up with such outrageous statements once again.

Pakistan's denial of war crimes is the denial of one of the worst genocides that has ever taken place in the history of mankind. It's a mockery of the sacrifice of the three million people killed, 200,000 women raped, and nearly 30 million

people who were made homeless. They have turned a blind eye to the fact known to even a school going kid who can surf the internet to read articles on war crimes on Wikipedia. But neither Amnesty International nor Human Rights Watch and the UN have ever made a protest to refute such ridiculous statements issued by Pakistan.

When two notorious war criminals - Salauddin Quader Chowdhury and Ali Ahsan Mujahed - were set to go to the gallows, Amnesty International issued a statement that said, "Two opposition leaders face imminent execution after serious flaws in their trials and appeals". Unfortunate as it may sound, the rights watchdog was vocal in its favour of Salauddin Quader Chowdhury who had given a false alibi by producing a forged certificate; he had also made statements vowing to take revenge against all those who were involved in the trial process. A public university vice-chancellor gave a horrifying account of how he had been tortured by Chowdhury and his father. On the other hand, Mujahed is infamous for leading the systematic murders of intellectuals of the country during the war.

However, the recent statement issued by Pakistan that totally denies the war crimes drew no flak from Amnesty International. In another

mockery of justice, Pakistan termed the said executions as 'unfortunate' and expressed anguish and deep concern. Echoing the same tone, Human Rights Watch, another international watchdog, asked that we stop the execution, alleging that the trial process was flawed. But the reality is that the incorporation of the provision for a review appeal made the tribunal fairer and more transparent than that of Nuremberg or many other such tribunals.

Though the rights body has shown surprising promptness in coming up with statements before and after any verdict issued by the International Crimes Tribunal, it has appeared to be quite indifferent to the objectionable statement made by Pakistan. This shows the obvious bias of the watchdog.

Immediately after the execution, we observed that the UN called for a moratorium on executions in the country. But this very organisation appears to be forgetful of the fact that Pakistan ranks first and the US fourth in terms of execution of the death penalty. Thus it appears that the international body prefers to remain silent regarding the execution of some criminals, while choosing to become vocal when it comes to mass murderers being sent to the gallows.

Before Quader Mollah, the war criminal popu-

larly known as the 'butcher of Mirpur', was hanged, US secretary of State John Kerry forecasted that the execution might derail the national elections. Does it imply that the government should compromise on law on the grounds that those loyal to war criminals might create anarchy? But the US registered no protest against Pakistan's statement. Does the US want to justify their decision to send its seventh fleet to aid Pakistani occupational forces during the Liberation War of Bangladesh?

When an ISIL leader known as Jihadi John in Syria was reportedly killed, the BBC quoted a US Pentagon official saying that the world had become a bit safer. Following the execution of the death sentence of two convicted war criminals, can't we say that it was a giant step forward towards upholding the values of freedom and humanity?

We understand the position of international rights bodies against the death penalty. But why should they remain silent when Pakistan denies its army's role in committing war crimes? What about the human rights of those martyrs who were subjected to inhuman torture and mercilessly killed?

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QUOTABLE Quote

LEWIS CARROLL
ALICE IN WONDERLAND

Everybody minded their own business, the world would go around a great deal faster than it does.

CROSSWORD BY THOMAS JOSEPH

ACROSS

- Suit pieces
- Window coating
- Game show host
- Fashion's Lauren
- Overindulge with booze
- Lawyer: Abbr.
- Cow call
- Noted Chinese leader
- Studio time
- Notre Dame's Parseghian
- Parrot or puppy
- Slimming plan
- Happen again
- Pal
- Spirit
- Quick punch
- For each
- Soothe
- Play division
- Stayed out of sight
- Indulgent
- Come to a quick halt
- Scout unit
- When pigs fly
- Smooths, in a way
- Watchful

DOWN

- Gambling mecca
- Ham it up
- Edinburgh natives
- Decimal system base
- More sordid
- Refrigerant gas
- Sprinted
- Children's card game
- Grabbed with a toothpick
- Husky
- Italy's shape
- Whirled
- Works on a sound-track
- Meals
- Sister of Orestes
- Anime offering
- Colorful kerchief
- Sign up
- Pork servings
- Martini garnish
- Debussy work
- Wield, as power
- Okra unit
- Singer Shannon

YESTERDAY'S ANSWER

S	C	A	N	S	C	U	R	T	
A	L	L	O	T	O	P	E	R	A
L	O	I	R	E	D	A	V	I	D
T	A	B	E	V	E	I	D	O	
S	K	I	P	E	D	O	V	E	R
A	V	O	I	D	B	E	L	T	S
T	E	R	M	L	O	T			
T	R	I	P	P	E	D	O	V	E
E	G	G	R	O	Y	I	V	E	
N	E	A	T	O	F	O	X	E	S
D	O	M	E	S	A	L	E	R	T
N	I	N	E	T	E	N	T	S	

BEETLE BAILEY by Mort Walker

GO FILL UP A LAKE OR SOMETHING

IT'S MY TURN TO RAIN ON A PARADE

AW...

BABY BLUES by Kirkman & Scott

CAN YOU GUYS WATCH WHEN FOR A MINUTE?

SURE.

SLAM! SCREECH!

WOO-HOO!

WE'VE BEEN HAD

I DIDN'T EVEN KNOW YOU COULD DO A WHEELIE IN OUR MINIVAN.