

URBANIZATION PROCESS IN BANGLADESH AND THE CHALLENGES

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URBAN POPULATION GROWTH AND PROJECTION

Bangladesh although one of the least urbanized countries in the SAARC and ESCAP regions, it is the eighth most populous countries in the world and has been experiencing rapid urbanization in recent years. Within an area of 143,998 km (World Bank, 1985) about 110 million people live in 68,000 rural revenue mouzas, 85,650 village clusters and in 460 officially declared urban areas which include the District and Upazila Towns. According to an estimate of the World Bank (1985) 29.4 million people live in the urban areas in 1990 and they constitute 20.1% of the national population. About 10 years ago, in 1981, the urban population was 13.3 million or 15.1% of the total according to the same source. The 1974 census recorded the urban population as only 6.72 million or about 5.2% of the total population. By 2000 A.D. the urban population is likely to reach 37.3 million representing 26.4% of the projected national population of 141.1 million; and 10 years thereafter the urban population may be 56.8 million or 33.3% of the total forecasted national population of 170.5 million (World Bank, 1985).

URBANIZING PROCESS : A BACKGROUND OF CHALLENGES IN URBAN DEVELOPMENT

Government agencies, urbanologists and international donors analysed the rapid urbanization as a situation characterized by demographic trend in association with general poverty. (UNDP-ADB, 1981). The cause and effect of the process of urbanization is described below:

National Population Growth and Immigration: National growth, and more importantly, immigration, play a dominant role in urbanization. 29.4 million or say, 30 million urban population is a 'mass' number of population, more than the total population of many countries of Asia and the Pacific, as well as, Africa, Latin America and Europe. Even with the assumed declining fertility rate as per Government's population

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control programme and the sex ratio of 106 this mass population is sufficient to increase the urban population rapidly in the coming years till the reproductive age of the existing female population is over and the natural growth rate may be stabilized.

For the time being it is not possible to estimate the natural growth and in migrants in terms of regional distribution and for all the 460 urban areas. Because even though population of all the District and Upazila towns have been forecasted by the Urban Development Directorate (UDD) in the preparation of land use plans. An evaluation has not yet been made to figure out the total population and the boundaries of non-municipal areas have not been officially delineated. It may however be worthwhile to consider the studies carried out for 34 selected cities under the National Physical Planning Project (MOW-UDD/UNDP-UNCHS, 1985) as an illustration of the urbanizing process.

Table 1: Urbanization Process in 34 Selected Cities.

Categories of Urban Centres	Population (million)		Total additional population in 1981 over 1961	Estimated natural growth in 1981 over 1961 (million)		Immigrants (million)	
	1961	1981		No. % over 1961	No. % over 1961	No. % over adtl. popn.	No. % over adtl. popn.
One million & over	—	5.22	4.06	1.52	—	2.54	62.56
50,000 to less than 1 million	1.84	3.49	1.53	0.65	35.32	0.92	60.13
Less than 50,000 & more than 5,000	0.55	0.09	2.34	0.30	54.54	0.48	20.51

Note: Abridged and summarised from: Ministry of Works- UDD/UNDP-UNCHS, A Regional Approach to Third Plan, ONPP, Vol. 2, Tables A 15.1 and A 15.2.

Several important issues are notable from this tabulated information. Firstly, there is already a country-wide diffusion of urbanization, particularly after the implementation of the national policy of administration decentralization, this has, by implication, also increased the task of country-wide urban management. The 4 Metropolitan Cities of Dhaka, Chittagong, Khulna and Rajshahi accommodated 43% of the national urban population in 1981, their share was higher in the foregoing census years, e.g., 61.45% in 1974. The skewed distribution is gradually being altered; the small and medium sized towns are growing faster than the Metropolitan Cities, (Das, 1984) and this is likely to accelerate when the devolution of administrative responsibilities at the Zila (District) and the Upazila (Sub- District) levels would be strengthened and their capacities in better utilization of human and financial resources are strengthened. Second, rural urban

migration has played a vital role in urbanization. Immigrants who are mainly the rural poor constituted 62.56% of the additional population in the 4 big cities during 1961-81. Besides rural urban migration, private and public sector investments acted as a 'pull factor' in the urbanization process in these cities. In other 30 towns studied in the NPP project showed a phenomenal correlation between immigration and urbanization during the same period. For example, immigrants by percentage of increase of population was 88.2% at Kurigram, 85.5% at Jhenaidah, 81.2% at Sylhet, 51.2% at Comilla and Madaripur and 53% at Jamalpur.

It is worth mentioning here that on the basis of under-employment and natural hazards the Government and the World Food Programme categorized upazilas of Jamalpur, Kurigram and Jhenidah, among others as, 'distress areas' (WB, 1990). Since landlessness in rural areas has been increasing (35% in 1960 and 45% in 1983-84) (World Bank, 1990) the rural urban migration is likely to continue as a major factor in urban growth.

Characteristics of Spatial Expansion of the Towns and Cities: Physical expansion in the Metropolitan Cities of Dhaka, Chittagong and Khulna has been rather confined between planned areas and unplanned slum developments due mainly to the influx of jobless low-income immigrants. In Dhaka the UNDP-ADB study (DMAIUDP) identified a north-south corridor of planned development utilizing the flood free lands and recognized the spontaneous unplanned growth on the east and the west which are low lying. There are two types of unplanned growth : the middle class residential areas built by owners of land in old Dhaka and in the immediate vicinities of the planned areas; the land values in these areas were on the high side compared to peripheral low lying areas. The owners in most case built multi-storied rental accommodation. The other type of residential areas are in the low lands which are regularly affected by monsoon floods. The land owners in these areas build rudimentary thatched huts on mounds raised above flood level by unplanned excavations. In both these types of developments the physical infrastructure like access, water, sanitation and sewerage and energy are either inadequate and extremely deficient. Similarly, the social facilities like education, health and recreation facilities are almost absent. The low-income shelters are unfit for human habitation. Besides the slum area, there are growing number of squatter settlements.

In Chittagong a large number of low-income as well as middle income groups live in such areas, squatter settlements are fewer in number in Chittagong than in Khulna and Dhaka. In Khulna typical slum area have been growing over a long time. During 1951-61 the city grew by 129% and spread in a linear fashion along the Khulna-Jessore Road, over an area of about 181 km² including some areas of Abhoynagar Upazila of Jessore District. Khulna had a rapid industrial development along the road during this period in a scattered manner but without adequate residential facilities, especially for the working class. This kind of development reminds us of the British East India company's colonial type of industrial development without housing along the River Hooghly in Calcutta. However, in the case of Khulna slums and squatters began to develop between the industrial areas, railway lines and road sides and also in the rural villages.

The Urban Poor: Most of the rural immigrants are poor. Not enough study has been undertaken to quantify their number in all the municipal and non-municipal towns. Most investigations have been made on the big cities of Dhaka, Chittagong and Khulna. Based on the studies like Household Expenditure Survey of the Bangladesh Bureau of Statistic (BBS), the studies of the World Bank and the Bangladesh Institute of Development Studies, the CUS made the following estimates of the urban poor. (CUS, 1990)

Table 2 : Number of the Urban Poor in Bangladesh, 1990-2010 A. D.

Year	Total urban population (million)	% of urban poor under poverty line 1	% of urban poor under poverty line 2	Total under poverty line 1	urban poor (million) under poverty line 1
1990	22.9	50	30	11.45	6.87
2000	37.3	45	25	16.45	9.00
2010	56.8	30	20	22.72	10.80

Source : Center for Urban Studies, Department of Geography, Dhaka University (April 1990), The Urban Poor in Bangladesh Phase I, p.4.

Besides the poor as estimated in Table 2, there are lot of other people, e.g., the lower middle class who do not have any land or cannot build their housing on their own. The middle-income groups are also virtually priced out of the serviced or raw land. The spiraling rise of price of essentials has been adversely affecting their household expenditure pattern. So, the target number population for delivery of housing and services would be much more than that estimated in Table 2.

Table 3: Number of the Target Groups in 2000 and 2010 A.D.

Year	Forecasted population (million)	Number of target population (million)		Number of households	
		at 80% at total	at 80% of total	at 80% of total	at 80% of total
2000	37.3	29.84	20.88	5.96	4.17
2010	56.8	45.44	31.80	9.00	6.36

Note: Size of household is assumed to be 5, i.e., lower than present size of 6.7 persons/hh; forecasted population is based on Table 2.

CHALLENGES IN URBAN DEVELOPMENT AND SOME OPTIONS

The foregoing discussion (ref: para 2 and Tables 2 and 3) reveals, among other things, that:

- a) There has been diffusion in urbanization throughout the country if we accept the officially defined 460 towns and cities;

- b) Housing and related services are to be provided to 4.17 to 5.96 million households by the year 2000 A.D. (Table 3).

However, the World Bank estimated that there will be need for 5.287 additional units for the national urban population including 1.176 million additional units for greater Dhaka alone. This means that during the period 1990-2000 A.D. about 0.53 million units of housing shall have to be built nationally and about 0.12 million shall have to be built for Dhaka every year. This is a gigantic task which if not taken care of will result in social unrest and degradation of the physical environment to an extent unprecedented in Bangladesh.

Political Commitment of the Government in the context of urbanization is clearly provided through the implementation of the national policy of administration decentralization down to the upazila level vide the Administration Decentralization (upazila ordinance) of 1982. The Upazila has a Upazila Parishad headed by an elected Chairman with 17 charter of duties including utilization of local manpower and resources for the development of the upazila.

Similarly, Zilla Parishad has been instituted and the Parishad is headed by an eminent person nominated by the Government. The Chairman of the Zilla Parishad enjoys the status of a Deputy Minister. But the nature of urbanization, i.e. 460 towns within an area of 143,998 km² or one town for every 313 km², also suggests investment needs of astronomical scale; and the spacing of towns, according rank-size rule (UDD-MOW/UNDP-UNCHS, 1980) should reasonably be at least 12 miles or 19.3 km apart. All upazila towns are not having this distance from each other. In economic sense, a large scale urbanization is unlikely in the near future in a very underdeveloped economy like Bangladesh with low level per capita GNP of US\$ 160 in 1986 and US\$ 170 in 1988.

The economic criteria for urban development was however upheld under NPP (Phases II) project on the basis of project feasibility in sample pourashava areas for which structure plans were prepared and projects were identified. These pourashava areas are Narsingdi, Rangpur, Sylhet, Jhenaidah and Rangpur. The criteria set for selection of urban development projects were affordability of the people and of the government/local authority and testing their economic and financial feasibility, and replicability. The suggestion was: 'with limited natural resources, the Bangladesh economy can generate social development only by careful and rational allocation and administration of national budget, specially foreign assistance' (Seyfried, 1989). This is likely to be true for all the towns including the rural upazila towns now growing up with gradual increase of population. Many developing countries with high density, rapid urbanization and under developed economy have been experiencing similar problems. Among these countries Bangladesh is a unique example, because in spite of general poverty and spacing problems under the rank-size rule theory, urban diffusion has already been taking place down to the upazila centres. Most of the upazila towns may service and flourish if they are allowed to serve as service centres for marketing and processing of rural produces and to delivery shelter and services to their resident population. In this context it may be worth while to

look at the Chinese approach, that is to say, the towns and cities are not only the places of producers as well (Khan, 1972). The management of urban development, institutional arrangements are important for the supply of land and finance and utilization of the potentials of private sector participation.

(A) Institutional Arrangements for Supply of Land, Finance and Technical Support:

Urban planning and development activities are taking place in Bangladesh in a complex manner. There is lack of coordination and imaginative and innovative approaches in planning. The generation of wealth is not positive especially GDP growth in Asia and the Pacific is being forecasted with downward trend.

Coordination: For the purpose of planning, land acquisition, building and maintenance there are a large number of institutions. A study (MOW-UDD/UNDP-UNCHS, 1979) undertaken by MOW-UDD/UNDP-UNCHS identifies as many as 100 such institutions. These institutions perform according to their set rules and procedures which are sometimes bindings on them. This creates overlapping in activities which can in no way be avoided. But what is important to note here is this results in disorganized services in development activities, loss of financial and other resources and often creates public annoyance (Mohit, 1990).

Financial Crisis: The public sector allocations for urban development agencies are so far constrained by the need for subsidies and grant financed by the Government. This is partly associated with lack of cost recovery and partly with the lapses in the generation of wealth. When most of the households are poor or otherwise handicapped in some way full cost recovery is difficult. On the other hand, the general poverty, economic inflation, imbalance between export and imports have created adverse effect on the macro-economic situation and the people above the target groups, in effect, has been restrained to increase investments and generation of wealth for urban development.

Mobilization of Trained Manpower: The number of planners, engineers, architects and social researchers and workers are not adequate in the national and local level agencies. This deficiency has been acting as a major constraint in the development programmes.

Generation of Wealth: Urbanization and urban development should be recognized as an emerging frontier of development. Studies are needed to:

- a) Identify staged development of urban areas on social political, financial and economic cost benefit analysis and re-distribution of increment population. For this purpose a human settlements policy plan and national level legislation should be prepared. This plan and the law should coordinate with the national perspective plan and with regional and local scope.
- b) Proper utilization of urban land may generate enough wealth for enhancing the contribution of urban development to GDP. It may be useful to note here that 150-200 acres (93-124 ha) have been earmarked for each of the upazilas (398). For the pourashava Areas 300-400 acres (186-248 ha) may be necessary. A conservative

estimate of rental value per sq. ft. in Motijheel Commercial Area in Dhaka varies from Tk 9 for 4 to 5 storey building to Tk 15-35 in the multi-storied new building.

In an upazila town service centres is developed and average rental value of Tk 2 per sq. ft. is assumed the total money returns would be x 100 acres (rentable for taxable areas excluding open mobilization areas x Tk 2/sq. ft.) be about Tk 9.71 million per year for every upazila authority. In addition, rental value of other uses, e.g., housing and rental and taxes for utility services would further bring about incremental changes in the financial capacities of the Upazila Parishads.

In order to generate wealth from the land assets in the upazila towns much depends on the availability of national donor's funds. Progress in that direction has been made by the preparation of land use plans indicating development projects at appropriate locations. Warnen scyfried (1989) warned that cost benefit must be analysed with the capability of investment of local/national funds and external capital at Narsingdi and arrived at a conclusion that the project was feasible.

The financial crisis in the House Building and Finance Corporation and other scheduled banks were studied under the Housing Development Project and the problems were identified as shrinking funds in the context of pending loan applications and recovery of disbursed loans. The principal reason in financial crisis against increasing number of application is that the HBFC's main source of funds is the sale of debentures to the extent of restriction imposed by the Bangladesh Bank. The restrictions to check inflation. Moreover, the crux of the problem is that the institutional loan funds are not available to the target groups (ref: Table 3) neither they possess land nor can they construct buildings up to the plinth level as required under the HBFC rules. An alternative suggestion emerged out of situation. These are as follows (Das, 1980).

- a) Establishment of a private sector housing bank within the norms of the national banking system operated under the Bangladesh Bank. The private and public sectors may participate in the equity on a ratio generally in practice.
- b) Mobilization of personal savings through shares within the limits stipulated for public issue.
- c) Assured serviced plot to any citizen who will buy sufficient number of shares equal to the amount of down payment needed.
- d) Mobilization of working capital from national and international sources in order to meet the capital shortage in the initial period.
- e) Liaison with urban and shelter planning agencies for expended supply of serviced lands.

(B) Increasing Affordability of the Target Groups:

Poverty alleviation, however is a formidable task, from which we can neither escape or do much about it without undertaking task oriented activities. Various countries in the

developing world are typing out various options, such as, employment generation in the formal and in the informal sectors, sites and services projects with the right of pre-emption for the target groups, and so on. In this paper the potentials of tenurial rights on land has been stressed as an important driving force in man's struggle for shelter and increase of affordability. These have been identified through evaluation of two recent case studies: (Ahmed, 1991) one is MOW-HSD/UNDP-UNCHS squatter resettlement project at Mirpur and another is Private Bastee Kalyan Samity at Khilgaon (Tilpapara), Dhaka.

The Private bastee Kalyan Samity's objectives are to secure new land for permanent settlement and generation of employment of the members whose income ranges from Tk 1,000 to Tk 3,000 per month. The Samity was registered in 1984, and there are now 537 members/households, every member pays one Taka a day and at present the accumulated capital is Tk 350,000. The Samity purchased 45 rickshaws, 10 auto-rickshaws, 1 skills development centre and purchased one bigha of land as a first step; towards resettlement. The Samity do not like to receive grants but only loans for small scale business and industries.

Table 5: Incremental Changes in Earning/Affordability in the HSD-UNDP/UNCDF Squatter Resettlement Project, Mirpur

Foot	Monthly income (in TK) (from main employment)	Addition on the plot	Additional Taka	income % of increase
E-1/24 (bare foot doctor)	1,500	Shop	1,500	100%
E-1/20 (rickshaw puller)	1,200	Shop	900	100%

Source: (Ahmed & Rouf, 1991).

Besides increase of affordability, the poorer segment of the urban population may afford to accommodate 30-40% more population (if the additional spaces are given on rent for residential purpose) in the same project area and within same time frame at their own costs. This would gradually reduce the widening gap between the demand and supply of housing. The two samples given in the table immediately above also indicates the increasing potentials of the informal sector (MOW-UDD/UNDP-UNCHS, 1985). Recently, efforts are being made to increase household income of the poor in some non-conventional ways, e.g. cultivation of edible mushroom and integrated fish and duck farming and shelter development in planned lakes in the low lying urban fringe areas.

(C) Recognition of Urban Development as a Sector

The overall urban scenario, the challenges and potentials of institutional management to use urban land as a variable resource and to organize the private sector calls for nationwide urban management within the national perspective plan. Besides these the techniques of planning, resource mobilization and utilization of foreign aid is essential. As mentioned before a high powered council and a technical body with national level legislation would

be useful. No specific suggestion is being made in this topic. Further studies in these fields are suggested.

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