Towards Great Dhaka? Queries and Alternatives



DIRECTIONS IN DEVELOPMENT Countries and Regions

Toward Great Dhaka

A New Urban Development Paradigm Eastward

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Cover of Towards Great Dhaka (TGD hereafter)

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What is the message of TGD?

Expand to the Balu River

A. Instead of the sandy foundations of the current haphazard, developer-led urbanization of East Dhaka, the WB wants to develop the area in three phases

B. Embankment to 'flood-proof' the area and to complete the 'cordon' of Dhaka---\$2 billion

C. Infrastructure to enhance the productivity of this region---\$8 billion

D. Good Governance measures to encourage business---\$5 billion

Total of \$15 billion---'manageable' [only place where costs are mentioned is p6?]

Benefits of the program (Towards 2035)

- If no special measures are taken, we have the 'business as usual' or scenario A
- It is assumed that Dhaka city will contribute \$196 billion to the GDP, despite being congested, flooded and messy.
- The estimated benefits under each of the above scenarios are pp 130-34
- I \$20 billion extra over A
- II \$43 billion extra over A
- III \$57 billion extra over A
- With the given numbers, clearly all steps of the proposal are beneficial
- As the Report says: 'The time to act is now'

Why doubt TGD?

1. excellent general principles. Multiple equilibria and Vision p77

2. let me not enter into details about the numbers and the method that generated them for now, even though such models contain much amorphous certainty. I leave CGE modelling to the end, if time permits.

- 3. problematic overall formulation---wrong national scale
- 4. sets outdated metropolitan boundaries---wrong urban scale
- 5. internal incompleteness---ignores current Dhaka & implementation

I will be free in my remarks because I have sent my ppt to Prof Venables asking for corrections if misinterpreted, plus a reminder. About 2 weeks ago I saw that the WB has put out the CGE itself, but I have not had the time to study it. Should be useful for teaching

Defective formulation as Development Economics

The proposition to be investigated is: if \$15 billion is to spent in BD, is this proposal the most beneficial that can be accepted?

Major omissions in vision

- What if the \$15 billion were spent on building up secondary cities, plus the infrastructure to make them productive?
- This would provide regional economic balance, improve the distribution of income and wealth, allow specialization according to advantage, and reduce the flow of rural-urban migration.
- It would necessitate decentralization, which has become a prerequisite for both democratization and development

- When we see how poorly Bangladesh fits Zipf's law**, we should ask whether there are good general reasons which make most economies fit such an empirical law.
- In either case, the decision should be a conscious one and not one arising from policy momentum
- This figure is from TGD—pp 8-11!!

**Zipf's law implies that, in a system of cities, the largest city is roughly twice the size of the second largest city, about three times the size of the third largest city, and so on. If cities are ranked according to their size and drawn on a graph, the plot of the log of the ranks of cities versus the log of the sizes of cities shows a scatter diagram with a regression line having a slope equals to -1.



What about 'satellite' towns? Wrong urban scale

- Or even its localised version--Satellite towns—p81. Barely considered. Gazipur, Keraniganj, Narsingdi, and Savar. They cannot be garden cities, but they may well solve some of Dhaka's problems.
- Lack of reference to the detailed work done by JICA and DSP?? The WB document seems quite out of the policy focus in Bangladesh. DTCA-JICA(2015), DSP 2016-2035 (2015). There are some mentions in the text and references, but the fact that careful, detailed , plans have been produced which incorporate a much larger region disappears very quickly from TGD.ie the scale in which TGD is portrayed is smaller than that currently used by BD planners, hence of questionable relevance



Source: JICA Study Team

Source: DTCA-JICA(2015)



And current Dhaka, (or lesser Dhaka)?

- Rural -Urban migration will accelerate. Annual hh income in Dhaka CC \$4284, other CC's \$3360 and countrywide \$2448 [p12]
- Quite unclear what will be done to make Lesser Dhaka livable---[still the home of 18 million plus 1 in DS article?]
- Guardian article on Dhaka as the megacity of sewers. <u>https://www.theguardian.com/cities/2018/mar/21/people-pouring-</u> <u>dhaka-bursting-sewers-overpopulation-bangladesh</u>
- Fires, Pollution, Sanitation and Public Health

Queries for text*

TGD Report notes

1. Use of Shanghai as comparator pp2-3,83-89. questionable in view of Dhaka's administrative monopoly as a primary reason for Dhaka's indispensability

2. Proneness to earthquakes pp68-69. Use of uniform grades of sand is unsafe

3. Hatirjheel the stellar exception pp47-49 is actually an army project??

Queries continued*

4. The potential for river travel is barely considered. Almost their only role is to bring floods. Waterways are part of DTCA-JICA and of DSP

5. If we stay on land, what about Railways? London and Railways; without rail 20% loss of land value and only 60,000 commuters instead of 370,000.

Secondary technical queries for economists

6. No land value tax proposed?

7. Vickery criteria on rents—p135 . time of construction unclear, but the breakeven after completion, with 10% discount is 5+ years

7. Times for projects or times for benefits are inadequately specified, so one cannot raise too many questions about discount rates, risk premia etc.

Administration

The rapid capture of East Dhaka by developers is recognized at some length---58-63. For TGD to succeed, this has to be controlled and perhaps undone. If the work of the developers can be reversed, even without adequate land records,(p71 of TGD), we have a potent tool which can be applied in many other places. *What is this method*?

WB sidesteps such reform as long-run, and wants quick action that will dull the impact of weak institutions p89. But how do weak institutions act quickly?

I will return to this point at the end when discussing organic growth

 Curious neglect of Ahmad and Ahmed on <u>Making Dhaka Livable</u>. This is a WB publication with an excellent account of the manner in which City governance can be conducted

Internal deficiencies

- Suppose it is determined that Dhaka *is* to grow, why should we not consider some alternatives.
- 1. 'Go High, Go Low'
- 2. 'Go West'
- 3. 'Go organic'--Guide the Developers and leave alone.

Go High, Go Low

Consolidate Old Dhaka to preserve land and ease traffic. Make CBD an area of Tall buildings--- up to 50 storeys. Use Tall buildings in clusters to open up space for light and air.

Ease congestion by building Subways to remove traffic from CBD and its environs. Stop elevated rail at CBD boundary and use a circular subway instead.

Synthesis of ideas given by Prof Mir Maqsud Ali, UIUC and Prof Ishrat Islam, URP-BUET.

One possible method*

- In 2007 some 25% of several wards was open to consolidation. Much has changed since then in old Dhaka as we found in visiting ward 31.
- Nonetheless modernization is still quite viable. We have tried engaging with community leaders in old Dhaka and failed. This is an issue that must be addressed, centralisation has limited reach. [Sarwar Jahan in New Age]
- Community efforts must complement a process already begun by Mr Ashraful Alam of DAP, who has kindly let us operate independently.
- The GoB can acquire all old Dhaka if it wishes in view of the multiple fire, utility and waste requirements violated. After the recent fires, why wait?
- There is still much room for improvement apart from its direct benefit it creates human capital in cooperative development, a process whose importance cannot be overemphasized in a country with the inequality prevalent in Bangladesh, since it incorporates distribution with production.

Picture of Baliadil Field



Total area of Baliadil field is 42 kathas

Parts of Moulvibazar, old Dhaka





Parts of Moulvibazar, old Dhaka (contd.)





Go West

Build bridges over the Turag and expand to the West

[There are hardly any major E-W roads ??*]

Regional benefit? Needs explicit study for Aricha connectivity

WB Enhancing Opportunities...

I have not looked for precedent, but I am sure this has been proposed and examined before



Cost of bridges from two sources: The ball park figure is that such a bridge will cost 100-150 crores including river training works.

Connectivity—make E-W roads. Cost of roads 125cr Taka per km (Dhaka Tribune 23 March 2017)

So three flyovers of 5km each and three bridges of 5 km each will cost about 450 + (625x3)=< 2400 crores, or approximately 800 million dollars.

Floods, Congestion and Messiness are the 3 grounds for the TGD proposal. Clearly, going to the West highlands covers 'Floods' without any real investment, and partly covers 'congestion' with less than a billion dollars in total.



Causes of Traffic Congestion

Bonik Barta—congestion loss of 11 crores per month on the Rampura Kuril road

- The varied traffic mix
- The absence of a dependable public transport system
- Inadequate road infrastructure
- Inadequate traffic management practices
- lack of traffic discipline
- lack of pedestrian facilities
- lack of traffic operation by traffic police
- lack of traffic management facilities
- lack of traffic signals/proper functioning of existing traffic signals
- lack of education for drivers
- Undue encroachment of road space
- Are these reflections of ONE big problem or are they many small problems?
- In existing areas, most of these questions have 'small' answers

A personal view*

• Let me stick my neck out with something I cannot prove. The profitability of business in Dhaka city suffers very little from the problems of congestion, messiness. The real cost is in the quality of life. The phrase used by the donor agencies is 'livable'. But livability alone is not halting economic progress. Those for whom we consider life unlivable still prefer Dhaka to any alternative. And those who have money can make Dhaka quite livable. The problem is that those for whom life is *most* livable are busy trying to settle abroad. Dhaka, and life in Bangladesh, needs to be *lovable*.

Go organic: Guide and Leave alone

- With that preamble, why not tell the developers the minimum standards they need to follow, advertise the dangers of buying in a low lying area, and then leave everything to the developers. Either they build an embankment and get it certified, or they build houses on higher foundations.
- If they want electricity or water, they can lay their own lines or pay the GoB to get the job done. [Rezaur Rahman tells me that this was verbally discussed]
- Regardless, the GoB makes minimal direct investment, and concentrates its resources and personnel and resources on enforcing the law.
- Cities are organic entities. Detailed planning has a way of suffocating such organisms. *The force driving this organic city now are the developers.* They are smart, capable and forward looking. Plans can bypass this vital force and create needless obstruction.

We need a vision to capture the minds of the developer's

- Pudong in old Dhaka---combine with Disney World near Ashulia
- Give the private sector a vision and a legal framework---then enable them without assisting them.

Before



After



Kamrangirchar



Kamrangirchar (contd.)



Modhu City Plots: developers do think ahead



Disney World



Thank You