



The Financial Express

Balanced growth of Dhaka imperative

Abdul Bayes | Thursday, 20 January 2022

In his autobiographical book 'Home in the World A memoir', Amartya Sen recollects that " Dhaka, which is now a lively, sprawling and somewhat bewildering city and the emerging capital of Bangladesh, was then a quieter and smaller place where life always seemed to move gracefully and slowly. " Surely it was in 1930s or so.

In a reflection on "Dhaka in the 70s", Afsan Chowdhury makes us nostalgic on many fronts. But few lines from his memory lane would possibly be worthy of note: "In Dhaka a university student could survive on taka 5 per day. A bus ticket was 1 taka for most places. A packet of 10 Star cigarettes, cheapest in the market, cost taka 1.50. A plate of oily rice with tiny scraps of meaty rubber was taka 1. And a cup of tea was .50. And with the left over 1 taka, catch a ride home. By that time, tea, literature, politics and dreams would have filled most bellies..."

The writer goes on with humours : "Leftists. Communists. Marxists. I didn't know anyone who was not one. There was a bit of fashion but even unfashionable ones became Lefties. The old Left, still secretive and more rigid than ever before, felt very let down by all this.... "

That Dhaka of the 1970s, with hardly 20 lakh people as residents, covered with green trees, embracing few canals, rickshaws not so rampant and clean water flowing in Burigongariver, is now 50-year old as the capital of independent Bangladesh. It has been growing as the fastest megacity in the world with a population of about 20 million, density at 50 thousand per square kilometre and riding on developmental highway dazzling with neon lights. But nothing came free, everything at the cost of culture, cleanliness, equality, environment, perilous politics. There is possibly none in Dhaka now who is leaned to the 'left', contrarily everyone aligned to the 'right', even old comrades. Surely it is a sad scenario.

A research by Ahmad Ahsan of Policy Research Institute (PRI) reveal other realities on the ground to argue that Dhaka's "overgrowth" is a curse in disguise - that the cost of overcrowded Dhaka is huge in terms of socio-economic parameters used to measure people's wellbeing. Extreme concentration of population and economic activity in the capital (in fact getting a job means going to Dhaka) are impinging negative impacts on the national economy as a whole- a pale outcome often overlooked by our learned planners. Ahsan's estimates show that nearly one-thirds of Bangladesh's urban population live in Dhaka and during the last one decade Dhaka's population has increased by more than 50 per cent. The largest city in Bangladesh is home of one-thirds of urban population compared to 3 per cent in China, 6 per cent in India, 7 per cent in Indonesia, 22 per cent in Pakistan and 23 per cent in Vietnam. Again, the share of the biggest city in population is 11, 2, 2, 4, 9 and 8 per cent respectively. More worrisome, there are only about 4 cities in the country that accommodate more than one million people against 102 in China, 54 in India, 14 in Indonesia, 10 in Pakistan, and 7 in Vietnam. While the aeroplane enters Bangladesh boundary at night, darkness seen prevail all the way till Dhaka shows some dim light through the window just before landing. But comparable countries are different as more cities grow with more demand for electricity and balanced urbanization. In Bangladesh, development is



indicated by Dhaka - a fallacy of composition that Tagore once reminded saying the face is not the body.

While agglomeration and concentration have economic virtues given the optimum size of the cities, any attempt to cross the limit of optimum size could bounce back with weaker "spread" effects and stronger "backwash" effects. For example in 2017, argues Ahsan, per capita income and GDP was 11 per cent lower than potential due to excessive concentration of resources and activities in Dhaka; in 2019 GDP loss was to the tune of USD 35 billion dollars and Bangladesh is losing one-tenths of GDP on the heels of Dhaka's growth outstripping its optimum size. Not surprisingly perhaps, Dhaka's overgrowth has woefully weakened the pace of poverty reduction in urban areas. Added to this is the traffic congestion costing about 3 per cent of GDP. When compared to other cities, Dhaka's share in national GDP is among the highest in the world indicating a tremendous pressure on existing resources and inviting the law of diminishing return to work well. More investment in Dhaka would bring less and less incremental output by lowering marginal productivity of the factors of production.

By and large, "Dhaka's overgrowth (by about 50 percent) is costly in terms of adverse impact on urban development at 6 - 10 percent of GDP. Combined with direct costs of traffic congestions (2.9 percent of GDP), the costs are significantly higher."

What is to be done so that Dhaka doesn't deter country's overall growth and development?

First, focus on developing other cities and regions especially making Chattogram the main commercial city. But other cities need to be developed also with appropriate mix of politics and policies to reap home the returns from balanced regional development. Second, Public Services and Investment climate need to be improved for the whole country so that investments in far and wide become economically worthy. Third, empower City Governments with an eye to implementing the Laws on Decentralization as it is difficult and impossible for 35 development-related ministries headquartered in Dhaka to ensure well-coordinated town planning and management for 340 city and municipal corporations. "These government agencies must be de-concentrated and decentralized that means locating them out of Dhaka and making quality services of these offices available in towns and other cities" and finally, there is need far more investment in data and research. The current Economic Census Eight is years outdated! Vietnam provides GDP and detailed provincial data every year. So do other large Asian countries. In conclusion, the dominance of Dhaka the primate city (largest city) deters urban growth outside Dhaka thus adversely affecting balanced development. Sustainable urban development will be critical for growth (Elasticity around 0.8 for larger Countries) and urban development quality matters.

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Published by Syed Manzur Elahi for International Publications Limited from Tropicana Tower (4th floor), 45, Topkhana Road, GPO Box : 2526 Dhaka- 1000 and printed by him from City Publishing House Ltd., 1 RK Mission Road, Dhaka-1000.

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