

Power of cities and division of Dhaka



Amdadul Huq/ Drik News

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IN 1800, only 3% of the world's inhabitants lived in urban areas. In 2008, the world's population was evenly split between urban and rural areas. It is argued that the 21st century will not be ruled by superpower America or emerging power like China, but by the city. This, according to Parag Khanna, a geo-political expert, is largely due to time, technology and population growth that have accelerated the advent of this urbanised era.

The trend is already visible in Asia where small states such as Singapore and Hong Kong have emerged as influential financial, technological and innovation powerhouses. New technologies, state-of-the-art infrastructure, innovation, openness, and good governance, inter alia, have made Singapore and Hong Kong preferred destinations for the global talent. Singapore has the highest concentration of millionaire households in the world. Hong Kong receives more tourists annually than all of India.

China and India are developing their own cities in line with Singapore and Hong Kong. This is particularly evident when one look at the race among four key cities -- Singapore, Hong Kong, Shanghai and Mumbai -- to be Asia's major financial hub. Bangladesh may be a small country geographically but thanks to its high population density it can have at least one influential city. Perhaps even two if the potential of Chittagong port is exploited.

With over 15 million inhabitants Dhaka is one of the fastest growing cities in the world and can generate double digit growth for decades if governed well. Countries generally grow at single digit but growth in cities can be double digit. According to the Growth Commission "cities thrive because of what economists call 'agglomeration economies' -- when activities are clustered closely together, they can reap economies of scale and scope."

No country has developed without the growth of its cities. Examples are abundant -- from ancient Rome to modern day's Shenzhen, which did not even exist 30 years ago. It is extremely rare to achieve per capita incomes above \$10,000 (in purchasing power parity terms) before half of the population lives in the cities, as highlighted in the Growth Commission Report 2010.

Against this backdrop it is quite disheartening to see the division of Dhaka. The prime minister defended the split saying that "the move will help serve the people better." According to the government "Dhaka city has expanded greatly. Population of the city is increasing every day. But people are not getting proper services." Is this really a convincing argument to divide Dhaka?

Is higher population density a bar to governing cities or offering basic services to citizens, or scarcity of land a barrier to growth? Not really. The economic merits of density are profound. According to the World Development Report 2009, "half the world's production fits onto less than 5% of its land, an area smaller than Algeria. Tokyo, the world's largest city, is home to a quarter of Japan's population, but stands on just 4% of its land. Cairo produces more than half of Egypt's GDP, using just 0.5 percent of its area."

I have not seen a single ranking that shows Dhaka as one of the top ten or even twenty densely populated cities in the world. However, there are rankings that show that Dhaka is the second or third least liveable city in the world. This is largely due to poor governance and institutional weakness. A recent roundtable organised by The Daily Star observed that the uncertainty in implementing the Detailed Area Plan (DAP) is pushing Dhaka city towards a disaster.

The successive governments have failed to provide even basic infrastructure to the citizens. Bangladesh, that now has an economy worth of over \$100 billion in real exchange rate terms (over quarter \$1 trillion in purchasing power parity term), has one of Asia's worst infrastructures.

So, the problem of Dhaka (or other key cities) is not high population density. It is the sheer failure of governance. Instead of focusing on supply-side constraints, the division of Dhaka city is something like cutting off the head as a cure for headache!

Dhaka today is at a crossroad for various reasons. It is growing fast but breeding chaos and crime. The focus should be on transforming Dhaka into a modern city, not on splitting the existing one. It is not about the size of the administration to govern the city, its all about effective governance.

Given the long-term economic decline of Pakistan, only Dhaka has the potential to become an influential city in South Asia, along with major cities of India. The division will lessen its importance as far as the region's geo-politics is concerned.

The history of Dhaka dates back to the 7th century. Since then, Dhaka has played a key role in formation of today's Bangladesh. Dhaka's division, undermining its immense economic potential, without any convincing reason is a setback for its 15 million inhabitants as well as for the nation. Given the consistent poor record of governance it is very unlikely that the divide will offer any tangible economic benefits, including better service delivery. The decision should be

reversed before it creates much chaos and prevents Dhaka from being an influential city that will not only cater to the economic and other needs of the nation but will also stand tall, wielding its geo-political importance in the region.

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