The State of Urbanization in Pakistan

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State of Urbanization in Pakistan

1981: 28% (24 million)
1998: 32.5% (44 million)
2010: 36.3% (63 million)
2020: 50% (120 million)

Above 4% urban growth rate
Urbanization in South Asia

<table>
<thead>
<tr>
<th>Country</th>
<th>Urban Population</th>
<th>Rural Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sri Lanka</td>
<td>23</td>
<td>77</td>
</tr>
<tr>
<td>Pakistan</td>
<td>33</td>
<td>66</td>
</tr>
<tr>
<td>Nepal</td>
<td>12</td>
<td>88</td>
</tr>
<tr>
<td>Maldives</td>
<td>28</td>
<td>72</td>
</tr>
<tr>
<td>India</td>
<td>28</td>
<td>72</td>
</tr>
<tr>
<td>Bhutan</td>
<td>7</td>
<td>93</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>26</td>
<td>74</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>22</td>
<td>78</td>
</tr>
</tbody>
</table>
Urbanization Level in Pakistan

![Graph showing urbanization levels in Pakistan from 1965 to 2012]
Number and Size of Cities in Different years

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of cities with + 50,000 Population</th>
<th>No. of cities with + 100,000 Population</th>
<th>No. of cities with + 1.0 million Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>32</td>
<td>27</td>
<td>5</td>
</tr>
<tr>
<td>1998</td>
<td>57</td>
<td>48</td>
<td>7</td>
</tr>
<tr>
<td>2010</td>
<td>75</td>
<td>58</td>
<td>9</td>
</tr>
</tbody>
</table>
Distinction between Urban and Rural

- No specific or agreed upon definition

- Various Census use different definitions for urban settlements

- Administrative boundaries of most urban areas do not include their peri-urban settlements

- Ribbons of development along highways, among major centers and industrial satellite not classified as urban
Features of Urbanization

- Urban areas share 79% in GDP and major source of revenues in Pakistan
- Pattern of urbanization across Provinces exhibits large variation
- Over concentration of urban population in few urban centers
- Expanding middle class comprising of youthful and skilled labor force
- Transport and infrastructure improved overtime
1965: Travel time to a city of 500k
2010: Travel time to a city of 500k
Repercussions of Urbanization

Welfare issues
• Housing deficit
• Service delivery issues
• Infrastructure
• Slum, poverty and unemployment

Environmental issues
• Water contamination
• Waste management and sanitation
• Various forms of pollution
Repercussions of Urbanization [Cont...]

Administrative issues
• Inconsistent initiatives of local government
• Multiple government agencies in municipal affairs

Financing urban development
• Reliance on provincial government
• Poor attempt to mobilize resources and private investment
• Gaps in legal framework
Urban Settlement and Domestic Commerce

• Substantial market potential and marketing opportunities in the inner-city areas
• Commercial development is heavily taxed
• Cost of doing business is much high
• Difficult to obtain and verify land records
• Zoning favors large housing
• High rise buildings are not allowed
• Not enough community spaces
Cities and Economic growth

- Denser economic activities create economies of scale
- Larger market size increases productivity
- Knowledge spill over
- Big cities have been the birthplaces of new ideas, inventions and creativity
- People with different experiences, classes and professions share ideas
Urban Policy in Pakistan

• Economic Growth Framework

• Taskforce on Urban Management

• Federal, Provincial and Local Government Development Plans
Urban Policy [Cont...]

• Promote Cluster Development in 7-8 clusters
• Build local government capacity through public-private interaction
• Provide Skill Development Opportunities
• Encourage Sub-National Government Financing
• Manage Energy Demand
Cities & Clusters

- Agglomeration
- Economies of Scale
- Spatial Comparative Advantages
Proposed Urban Reforms

- Focus of policy, research and thinking on the role of cities as engines of growth
- Empowerment of city government in public service delivery and financial matters
- Development of city centers for dense mixed use
- Decision making by open consultative process (community involvement)
- Places for cultural and educational activities
- Identify and address political issues arising out of the 18th Amendment.
Thank You