

Neo-liberalism and its Impact on Urban Planning in South Asia

The Case of Karachi

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Acknowledgements

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- Asian Coalition for Housing Rights, Bangkok
- LUMANTI, Kathmandu
- Engr. Mansoor Raza, Karachi

This research material is available on my web www.arifhasan.org

THE KARACHI CONTEXT

Population

- 435,887 (in 1941)
22,000,000 (in 2011)
- Karachi contains (1998 figures):
10% of Pakistan's total population
25% of Pakistan's urban population

Literacy: 76%

- Literacy age group 15-24 years: 92% (No difference between male and female literacy)
- Major source of information: Television 77% of households

Economy

- Karachi's Pakistan's only port
- It contributes 20% of the country's GDP and 62% of income tax
- 40% of employment in large scale manufacturing is located in Karachi's 4,500 formal sector industrial units
- 75% of the working population is employed in the informal sector in garment, leather, textile, carpet and light engineering works

Pre-Neo liberalism

- From our colonial masters and UN policies we adopted the concept of the welfare state and social housing.
- We were not successful in implementing it since the model was far too expensive and we did not have the financial, institutional capacity or political will.
- We did create small islands for low income settlements which were eventually taken over by the middle classes for speculation.
- However, ethos of the concepts remained in master and land-use plans and at academic institutions.
- **Neo-liberalism has brought about fundamental changes in vocabulary, concepts and relationships between different actors in the urban development drama.**

Neo-liberal Vocabulary and Concepts

- It is not the business of the state to do business (**privatization and scaling down of state institutions**)
- Cities are the engines of growth (**most needy cities have low resource and GDP growth per capita resulting in increase in poverty and inequity**)
- Direct foreign investment (**planning replaced by projects. Most poor cities are not considered loan-worthy**)
- The build-operate-transfer and the build-operate-own concepts of investment (**global capital interests determine urban development and increase infrastructure costs**)
- The concept of corporate farming and industrial zones (**large scale displacement of rural populations to urban areas**)
- The World Class city concept

Land related Repercussions

- The old contraband smuggling organizations, with their international links became inoperative because of removal of restrictions on the movement of capital and previously taxed goods.
- They turned to real estate leading to massive national, expatriate and international investment in property resulting in strong speculative anti-poor trends.
- The state has responded to these market pressures and made land available for development through land-use conversions, new development schemes and regulations and the bulldozing of low income settlements and relocating the victims to distant locations without infrastructure.
- Activists opposing these changes have often been killed.

The World Class City Concept Agenda

According to the World Class city agenda, the World Class city should:

- Have iconic architecture by which it should be recognized (such as, the highest building or fountain in the world)
- It should be branded for a particular cultural, industrial or other produce or happening (FIFA, Formula One, European Capital of Culture)
- Be an international event city and bid for it (Beijing and London Olympics, Delhi Asian Olympics)
- Have high-rise apartments as opposed to upgraded settlements and neighbourhoods (TOKI and in many countries)
- It should cater to international tourism (gentrification, eviction of hawkers, banning of para-transit transport modes)
- It should build flyovers, underpasses and expressways considered as investment-friendly infrastructure rather than restrict the purchase of automobiles and manage traffic better (congestion and environmental degradation supported by a powerful international nexus of the oil, automobile and banking sectors)
- Housing to be accessed through the market (developers, not the poor, benefit from state subsidies)

The above agenda increases the physical and socio-economic rich-poor divide and evicts the poor from locations near the city centre and places of work. (Mumbai, Karachi, Delhi in their official documents all want to be World Class cities)

World Class City Agenda and Evictions

- As a result of the World Class city agenda, evictions have increased substantially. Persons evicted:
 - Between 1998 and 2008, 18.59 million
 - Currently, 15 million annually
 - Delhi: 500,000 as a result of the Asian Olympics alone
- Causes of evictions:
 - Gentrification
 - Mega projects (mainly roads)
 - Mega events
 - Discrimination (**Romas**)
- All studies show that as a result of eviction and relocation the affected population became poorer in social, political and economic terms with a negative impact on their future generations
- Global “slum” population: 1990 / 650 million. 2000 / 760 million. 2010 / 863 million.

The Karachi Situation

- **Unprecedented Migration:** The village has become entirely dependent on urban produced goods which it cannot afford. This is primarily because of a change from barter and caste relations to a cash economy and new cropping and marketing systems. (**True for all of South Asia**)
- Result: Karachi's population increased from 9.8 million in 1998 to 22 million in 2011 and **most is housed in informal settlements** (katchi abadis). This will continue.
- It was estimated in 2010 that as a result of the creation of 500 special economic zones and the concept of corporate farming about 400 million people would be forced out from rural to urban areas in India by 2015. (www.dsharma.org)

Un-precedented Population Growth

<u>Country</u>	<u>2015</u>	<u>2011</u>	<u>1991</u>
Jakarta	30,539,000	22,000,000	
Delhi	24,998,000	20,995,000	9,420,644
Karachi	22,123,000	13,085,000	8,236,000
Dhaka	15,669,000	10,135,000	6,530,000

History of informal settlements in Karachi

- 1947-1951: Unorganized invasions
- 1951-1958: Bulldozing and relocation
- 1958-1962: Social housing in satellite towns
Discontinued after four years
- 1962-1968: Plot townships with no services
- 1955 onwards: Informal subdivisions (ISD or katchi abadis) on public land
- 1979 onwards: Regularization
- 62% of Karachiites live in ISDs
- 72% of ISDs have either been regularized or marked for regularization

Post-liberalization Government Housing Policy

- Access the market
- Government facilitates by liberalization of credit terms whose main beneficiaries are the developers
- Individual households also benefit but the poor do not because for accessing house loans
 - Collateral required: Poor do not have it
 - Formal sector job required : 72% work informally
 - Land required but no credit for purchase of land is available
- The developers do not cater to the lower income groups and where they do the product is between 16 to 20 square meters (**to make it affordable**) creating multi-storey “slums” where living conditions are much worse in than in the old informal settlements (**Mumbai, Delhi, Bangkok, Cairo**)

Housing Demand-Supply Gap

- Housing demand : 120,000 per year
- Formal sector housing supply : 62,000 per year
(Average over last 5 years)
- Accommodated in katchi abadis : 32,000 per year
- Rest accommodated through densification of existing settlements
- Katchi abadi population : 13 million or 62% of Karachi's population
- Unlike before, creating katchi abadis is difficult and living where they can be created is problematic

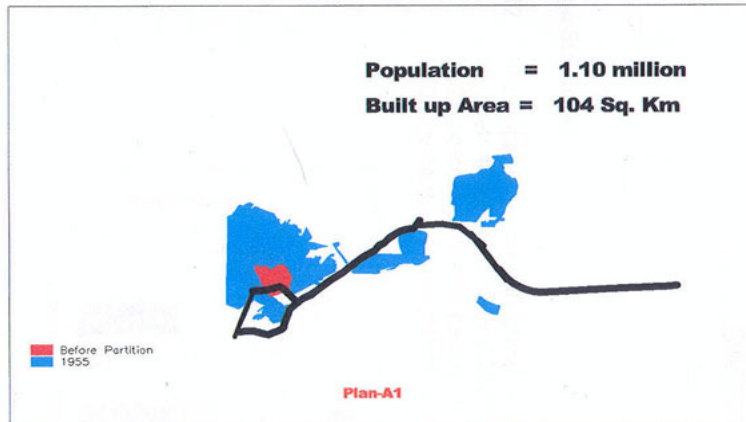
Living in new katchi abadis is problematic

Because:

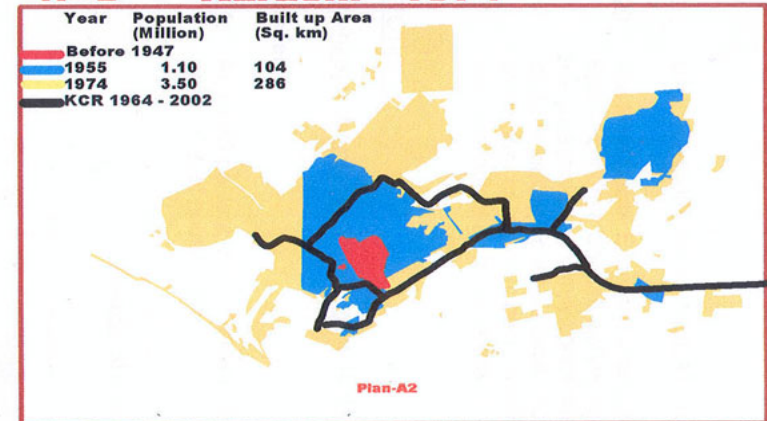
- Before the city was small, land was cheap, there was no middle class demand and the city periphery was near the city work places
- Now the city periphery, where cheap land is available, is far away from work areas
- Hence living on the periphery has serious problems of travel, time and social costs in addition to absence of jobs and social amenities
- Middle income housing and elite gated communities are occupying the immediate periphery pushing new katchi abadis further away from work areas
- As a result, it is now cheaper to rent or get an apartment on pugri in a settlement nearer to the city than living in ones' own house on the periphery

The changing locations of low income settlements

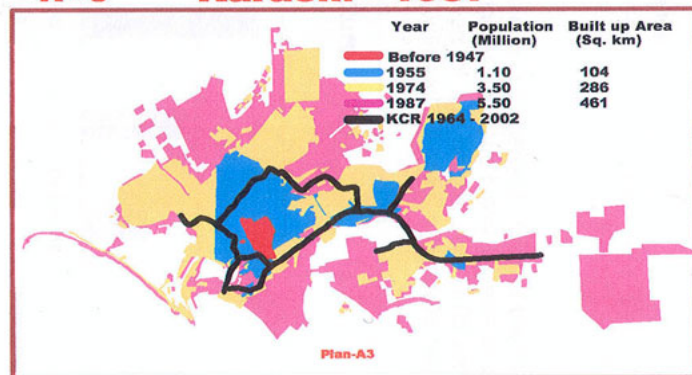
A - 1 Karachi - 1955



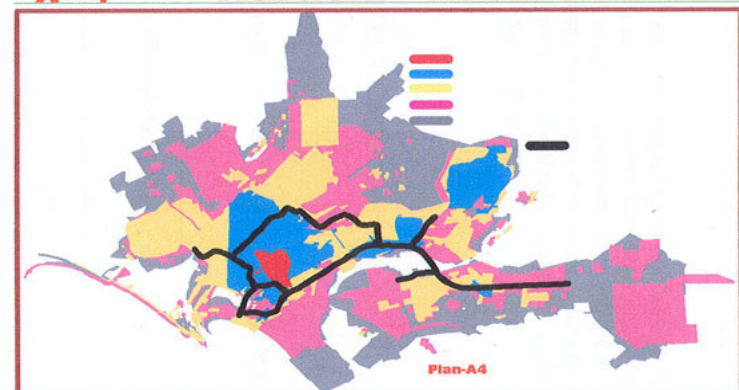
A - 2 Karachi - 1974



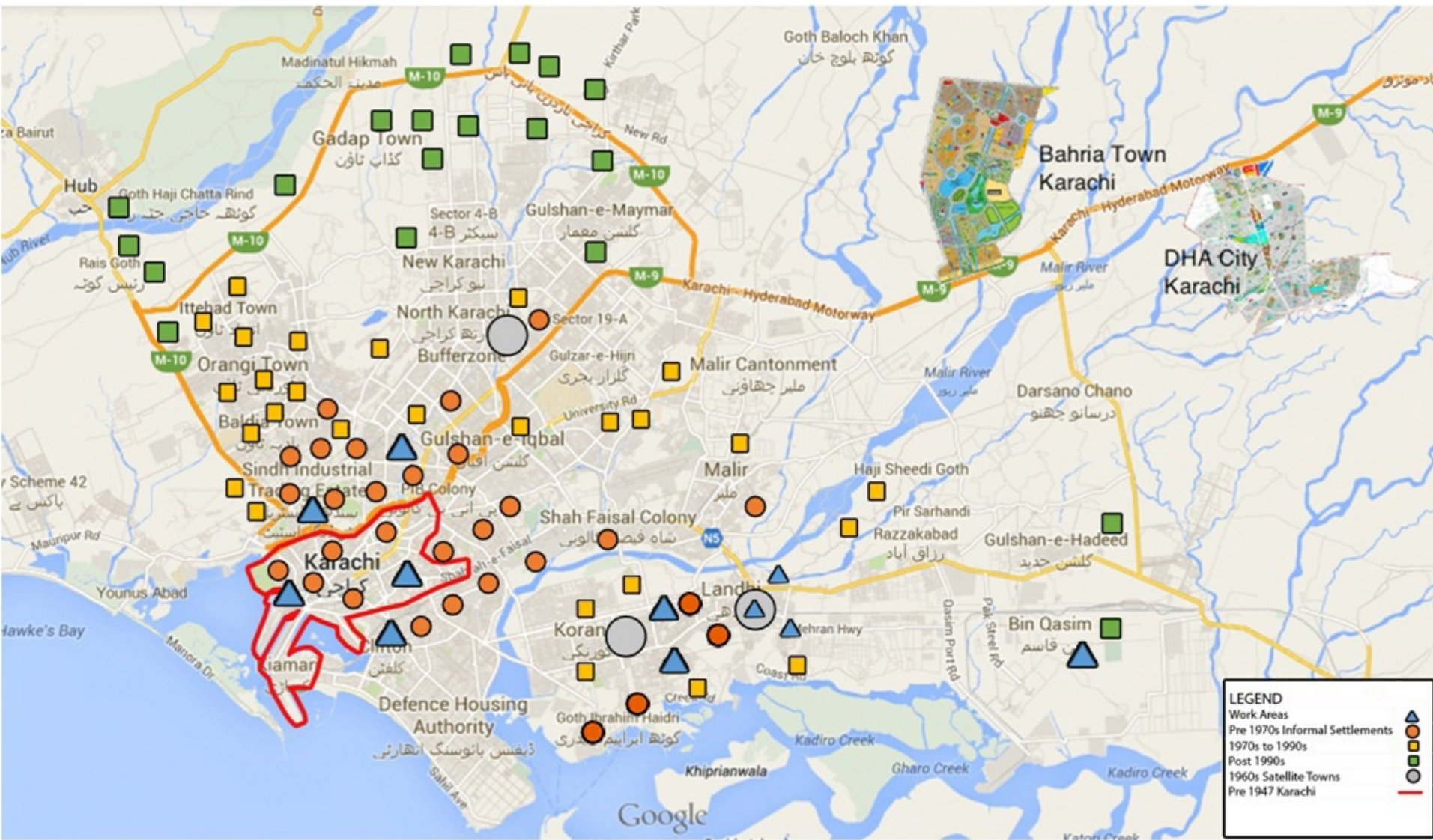
A - 3 Karachi - 1987



A - 4 Karachi - 2002



Source: ECIL



Other reasons for katchi abadis being history

Increase in housing costs 1991- 2007

	Cost per Square Metre	
	1991	2007
Land in new peri-urban katchi abadis	Rs 176 (US\$ 2.35) or 1.7 times daily wage for unskilled labour	Rs 2,500 (US\$ 33.33) or 10 times daily wage for unskilled labour
Construction cost of semi-permanent house in katchi abadis	Rs 660 (US\$ 8.8)	Rs 5,000 (US\$ 66.66)
Rent for semi-permanent house in katchi abadis	Rs 350 (US\$ 4.66) or 2.5 times the daily wage for unskilled labour	Rs 2,500 (US\$ 33.33) or 10 times the daily wage for unskilled labour

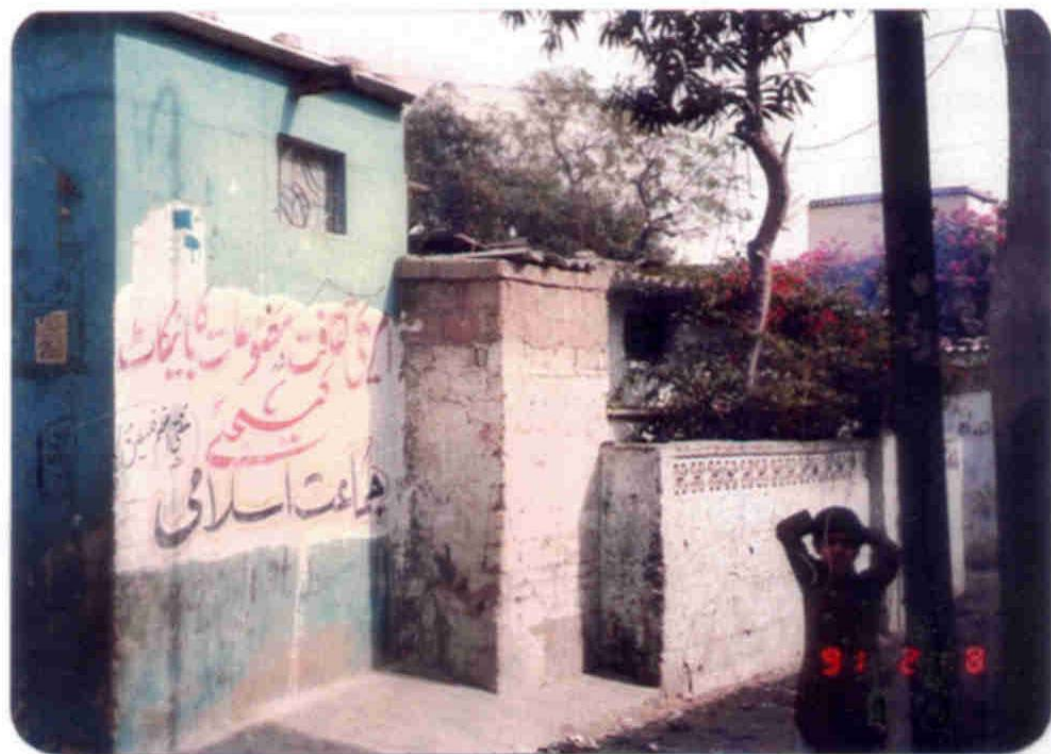
The informal market response

Densification of existing katchi abadis by changing one or two storey informally built homes into multi-storey buildings in three ways:

1. House owners building upwards to accommodate the expanding family
2. House owners building upwards to create rentals for additional income
3. Informal developers purchasing land from house owners and paying them in cash plus two apartments on the top floor



Old katchi abadis





Old katchi abadis



EPI 73%
H0116
9/3/08

Village 676







Katchi abadis high-rises near city centre











Bombay “densification”

Informal Densification Issues

- Smaller and smaller units to make them affordable : 6-15 persons per room
- No lifts : Effect on women, children and old persons
- Loss of the street for economic and social activities for women and playgrounds for children
- Freedom of husbands and grown-up kids to stay away from home
- Formation of gangs
- The issue of toilets
- The growth of rentals : Their vulnerability
- Political control easier in apartment complexes
- Increase in household size by 10% between 1998 to 2011 through fertility rates have dropped.

Study of three informally densified neighbourhoods

1. Labour Square Apartments

Built 1976

No. of persons per apartment in 1976: 5.8

No. of persons per apartment in 2010: 10

2. Nawalane: Inner city informal settlement

Density in 1973: 450 p/ha

Density in 2010: 3,500 p/ha

3. Paposhnagar: Formal sector lower middle income settlement

Density in 1955: 250 p/ha

Density in 2010: 1,180 p/ha

We are told to densify

Yet, the three most dense cities in the world are in South-Asia

	Actual Density	Maximum Permissible as per regulations
	<hr/>	<hr/>
Dhaka	4,400	1,200
Mumbai	3,230	900 ?
Karachi	2,280	1,625



Hujrat Colony

Bath Island

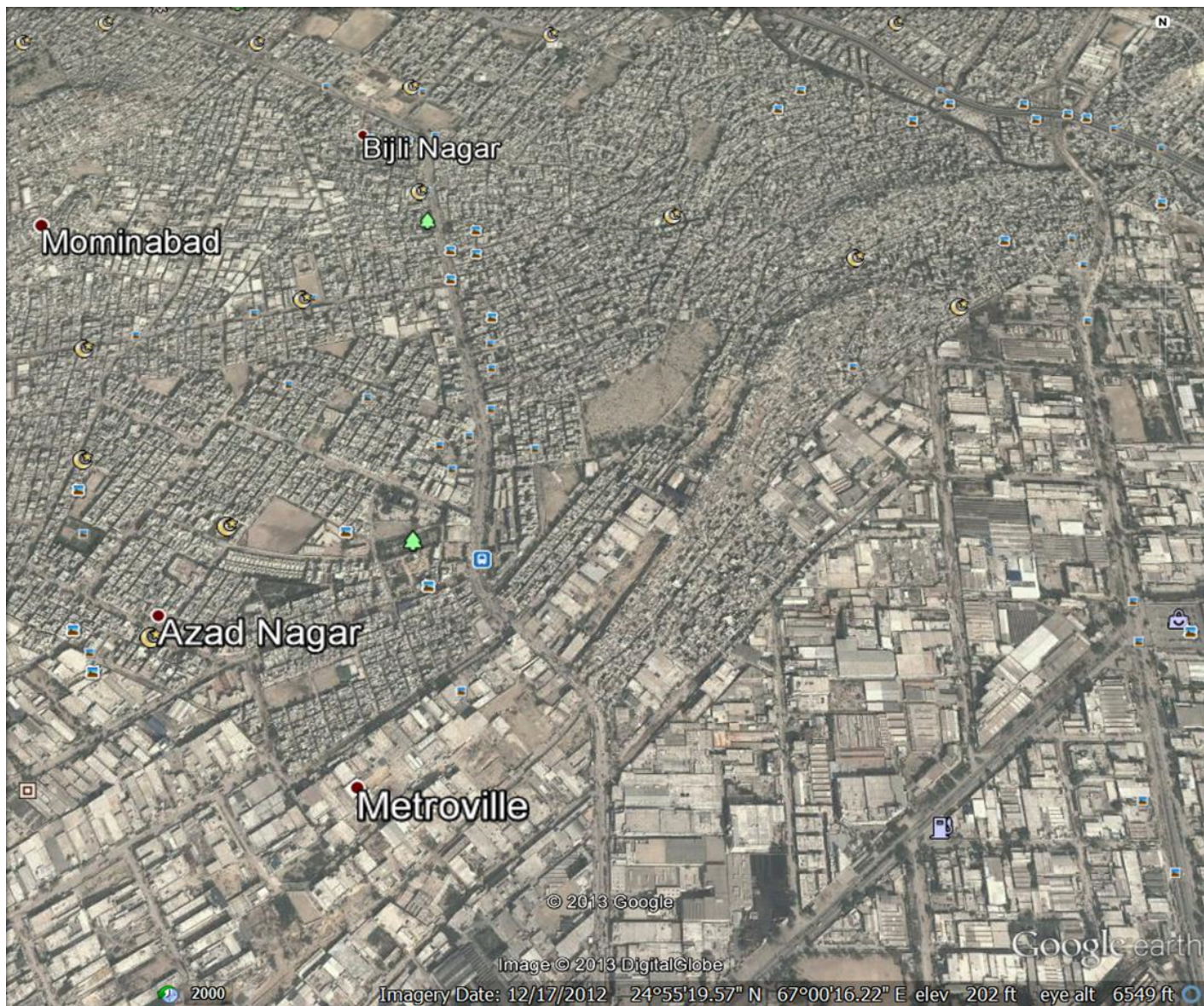
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Google earth

2000

Imagery Date: 12/28/2012 24°50'06.29" N 67°01'33.06" E elev 28 ft eye alt 2441 ft



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Google earth

2000

Imagery Date: 12/17/2012 24°55'19.57" N 67°00'16.22" E elev 202 ft eye alt 6549 ft

Karachi Residential Land-use

- 62% (about 13 million) of Karachi's citizens live in informal settlements on 23% of the city's residential lands.

Densities in these settlements are between 1,500 – 4,500 persons per ha
and continues to increase

Persons per room: 6 – 15

The issue of toilets

- 36% (about 7.5 million) of Karachiites live in “planned” settlements on 77% of the city's residential lands.

Densities can be as low as 80 persons per ha **and continue to decrease in new settlements**

Houses versus Apartments

- People invariably prefer houses to apartments and would like their settlements to be upgraded. This was acceptable to the state till the early part of 2000
- Governments wish to bulldoze the settlements and create medium-rise apartment blocks by providing land to developers
- Governments reasoning is that in apartments you can get higher densities and that they give the city a “modern look”
- Our work shows that the housing option can provide higher densities than permitted (1625 persons per hectare) by the Karachi building bylaws and zoning regulations





DRAWING TITLE: CONCEPTUAL 3D-MODELLING

DRAWING NO: PRO-20

SCALE: NTS

DATE: JANUARY 2010

CASE: MEHRAB KHAN ESA KHAN ROAD, UC 11, FAHAD APPARTMENTS



DRAWING
TITLE: NEIGHBOURHOOD
CONTEXT

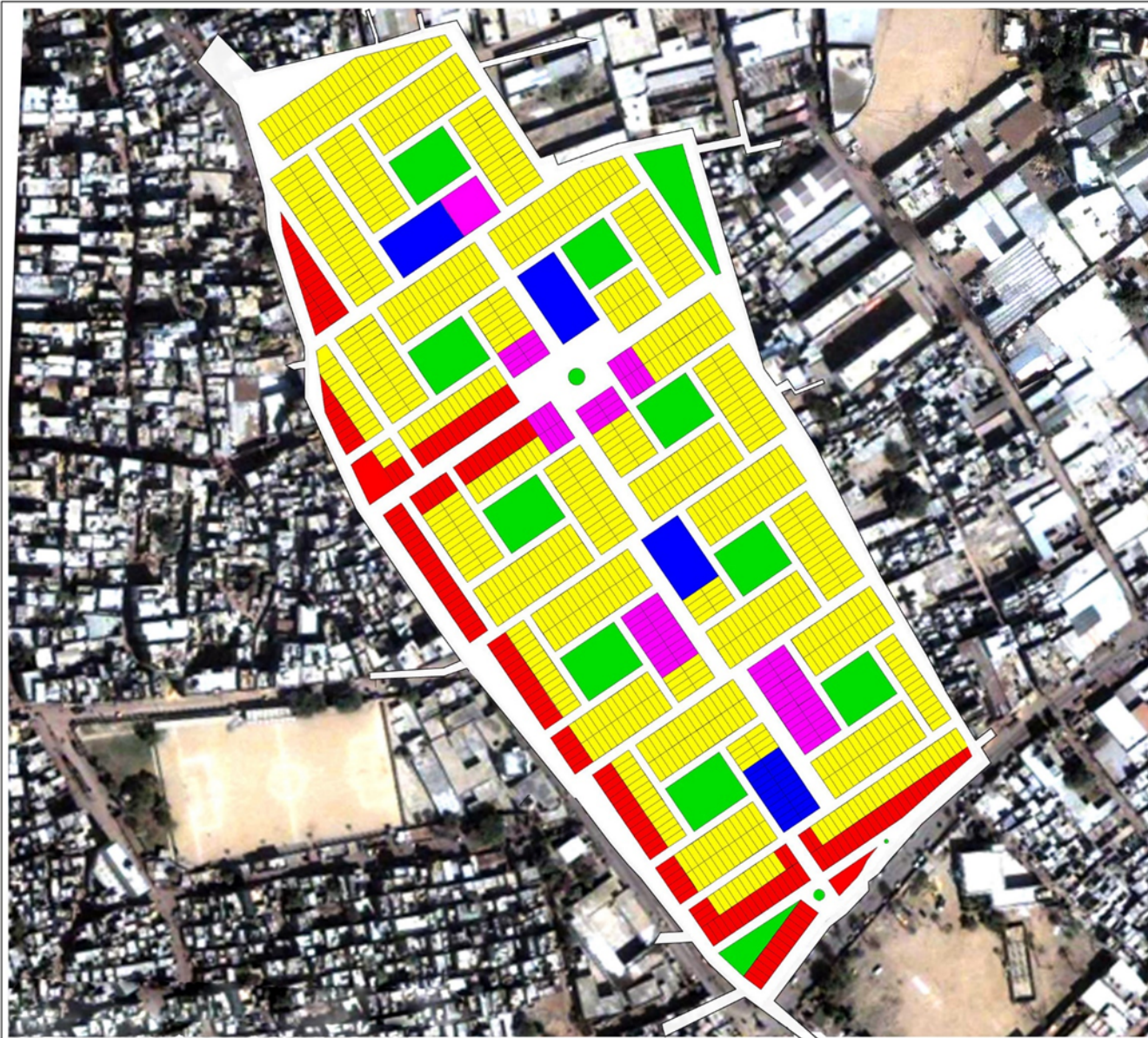
CASE MEHRAB KHAN ESA KHAN ROAD, UC 11,
NAWALANE, LYARI (NL)

DATE: JANUARY 2010

DRAWING
NO.: NL - 02

SCALE: NTS





NAWALANE (NL)			
	KBCA* REGULATIONS FOR LOW INCOME APARTMENTS	EXISTING CONDOTIONS : LOW INCOME HOUSES	REMODELLED VALUES : LOW INCOME HOUSES
AREA in Acres / Hectares	As per site	20.9 / 8.4	20.9 / 8.4
Housing Type	Can vary	Low Income Houses on Avg. 120 sqyd / 100 m ²	Low Income Houses on 56 sqyd / 47 m ²
NO OF RESIDENTIAL UNITS	Can vary	769	982
PERSONS PER PLOT	Can vary	36.8	27.0
DENSITY per Acre / Hectare	650 / 1625	1354 / 3376	1262 / 3157
LANDUSE %			
Residential	55	60.5	55
Commercial	5	0.02	5
Residential cum Commercial	-	10.65	-
Empty Plots	-	4.98	-
Parks and Playgrounds	10	0.12	8
Public Use Amenities	5	1.81	4.5
Education	3	2.32	4.5
Roads	22	19.6	23

* Karachi Building Control Authority

- RESIDENTIAL
- PARK
- COMMERCIAL
- EDUCATION
- AMENITY

DRAWING TITLE: **CONCEPTUAL REMODELLING**

DRAWING NO: **PRO- 06**

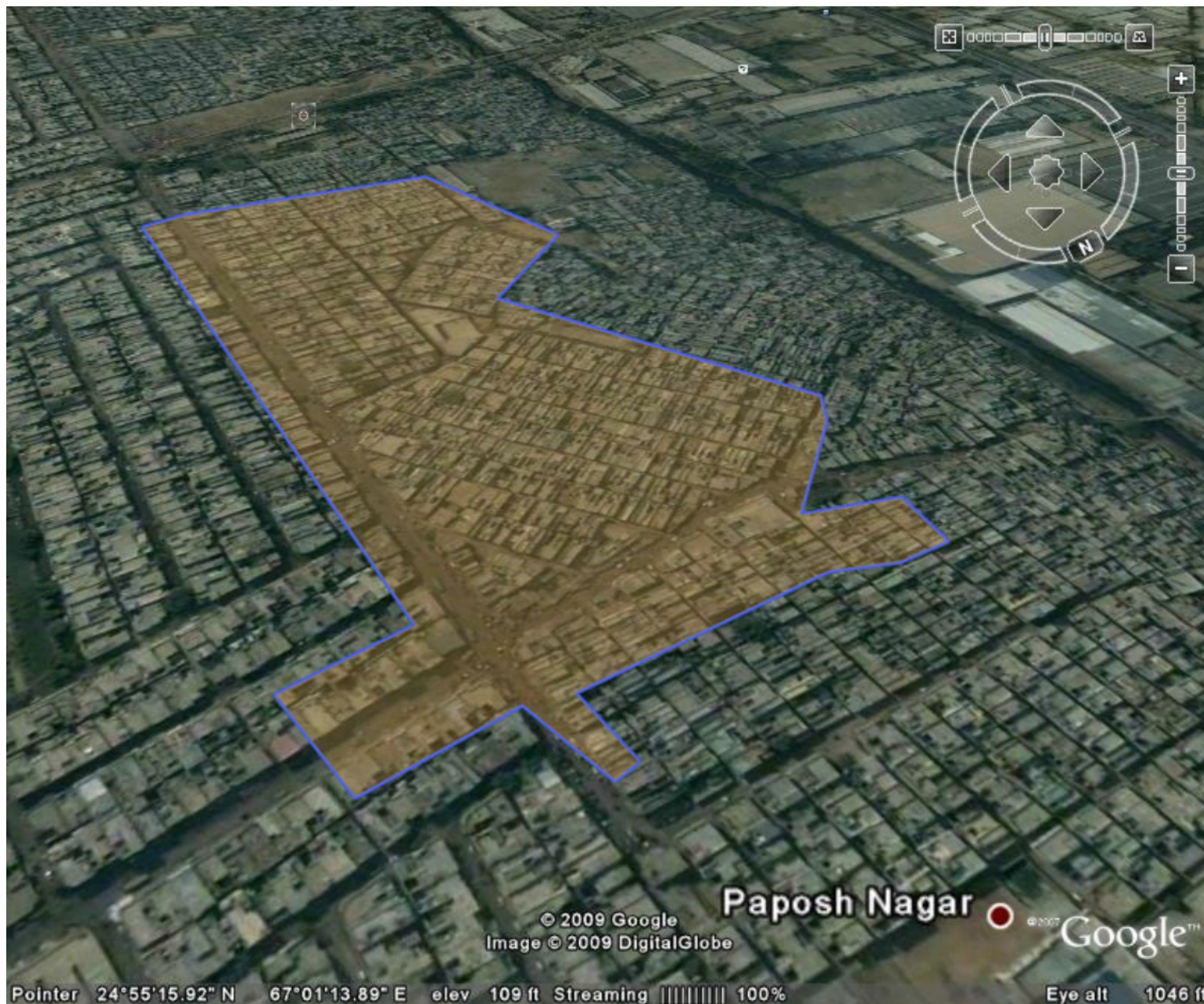
SCALE: **NTS**

DATE: **JANUARY 2010**

CASE: **MEHRAB KHAN ESA KHAN ROAD, UC 11,
NAWALANE LYARI**

ORIENTATION





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Image © 2009 DigitalGlobe

Paposh Nagar

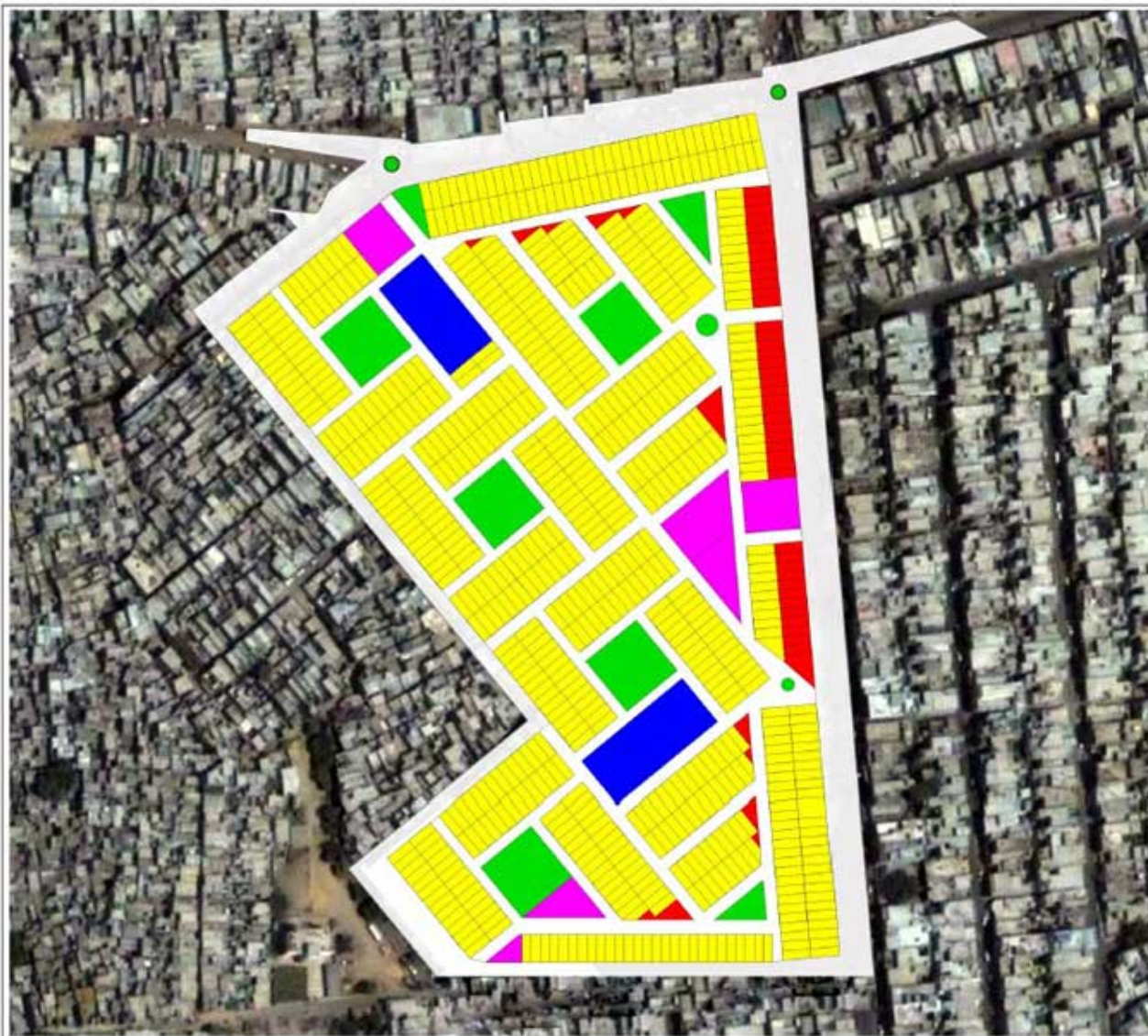


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Pointer 24°55'15.92" N 67°01'13.89" E elev 109 ft Streaming 100%

Eye alt 1046 ft



PAPOSH NAGAR (PN)			
	KBCA* REGULATIONS FOR LOW INCOME APARTMENTS	EXISTING CONDITIONS: LOW INCOME HOUSES	REMODELLED VALUES: LOW INCOME HOUSES
AREA in Acres / Hectares	As per site	13.8 / 6.07	15.0 / 6.07
Housing Type	Can vary	Low Income Houses on 81.6 sqd / 88.2 sq	Low Income Houses on 78 sqd / 87 sq
NO OF RESIDENTIAL UNITS	Can vary	714	749
PERSONS PER PLOT	Can vary	10.05	13.4
DENSITY per Acre / Hectare	650 / 1625	478 / 1182	661 / 1655
LAND USE %			
Residential	75	66.9	78
Commercial	5	4	4
Residential (non)	-	0.96	-
Commercial	-	-	-
Empty Plots	-	3.38	-
Parks and Playgrounds	10	4	8
Public Use Amenities	5	7.85	4
Education	5	2.60	4
Roads	22	16.03	22

* Karachi Building Control Authority

- RESIDENTIAL
- PARK
- COMMERCIAL
- EDUCATION
- AMENITY

DRAWING TITLE: **CONCEPTUAL RE-MODELLING**

DRAWING NO: **PRO-10**

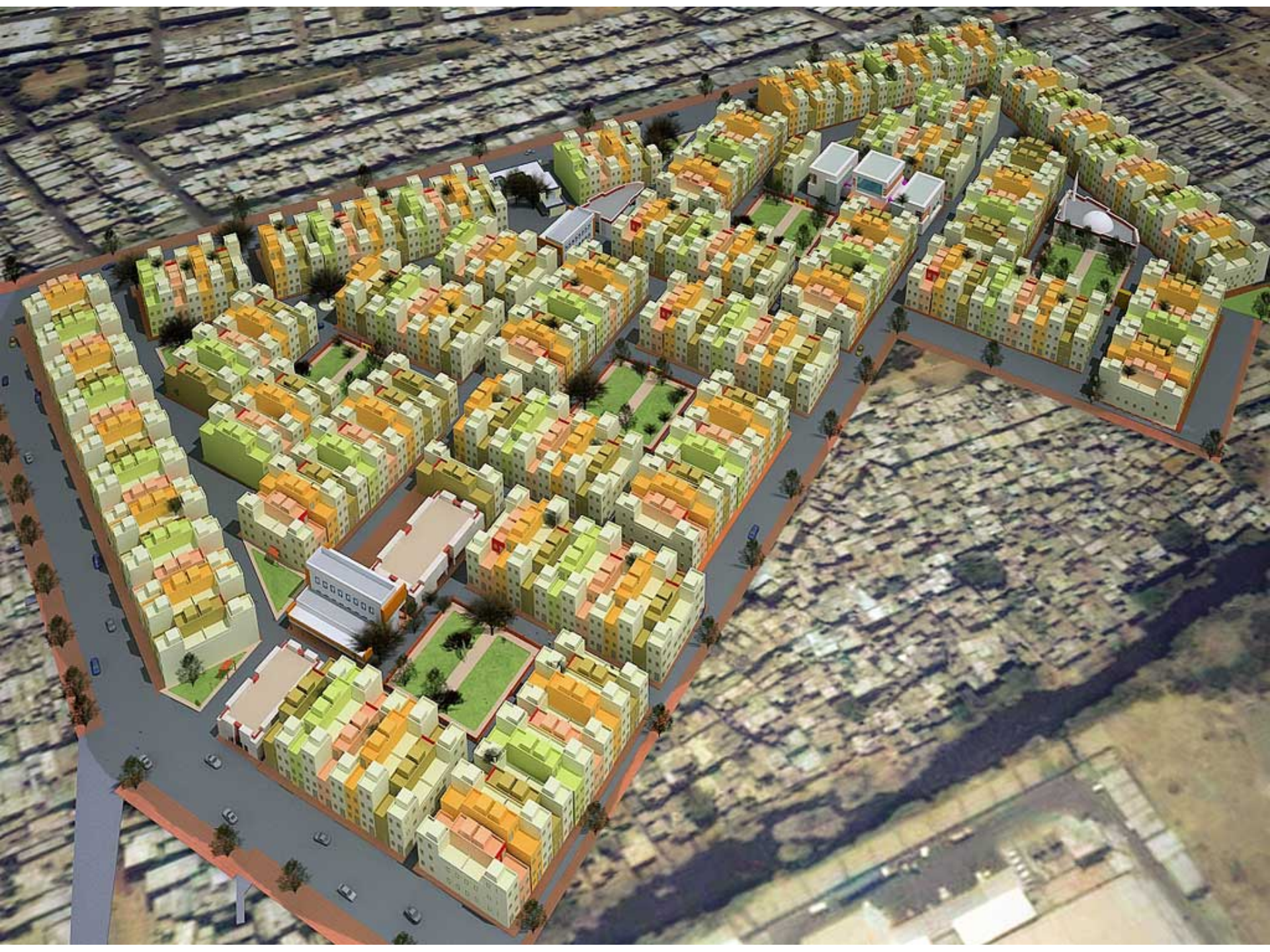
SCALE: **NTS**

DATE: **JANUARY 2010**

CASE: **PAPOSH NAGAR**

ORIENTATION







**TAN HOA-LO GOM PROJECT
RESETTLEMENT AND UPGRADING IN HOCHIMINH
CITY**





TAN HOA-LO GOM PROJECT

- Upgrading Cost: US \$ 325 per household
(No one in debt)
- Apartment Cost: US \$ 5,400 per household
(70% in debt after shifting. Previously none in debt)
- Reason for debt:

Monthly Earning=	US \$ 75
Utility=	US \$ 08
Installments=	US & 21
- No economic activity permissible in apartments.















New Developments

- 30,000 hectares of gated housing for the elite on the city fringe and outfalls to the sea complete with golf courses, clubs and five and six star hotels
Density: 98 p/ha
Population: 3,000,000
For whom: ?
Creation of expressways to link the developments to the city work areas
- Heritage sites (Stone age, Buddhist, Islamic)
- Speculation
200,000 developed plots are lying vacant
62,000 apartments are unoccupied
- **Attempts by international capital to purchase 16 kilometer of Karachi beaches for development of high-end residential, recreational and commercial activities. Project cost US\$ 150 million. Resisted by citizens, fishermen cooperatives, academia, NGOs and schools. Eventually cancelled.**
- “Land has replaced gold”

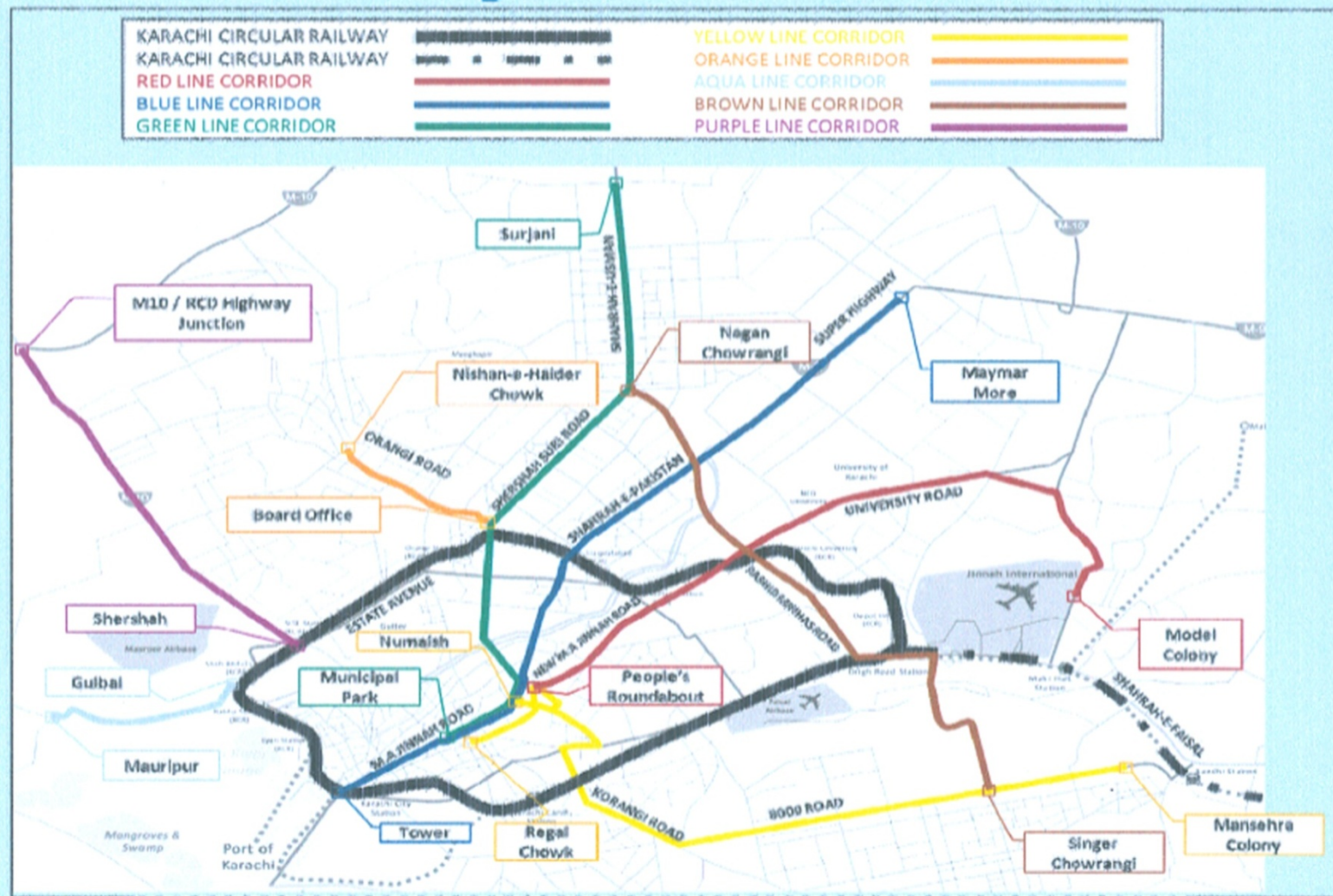
The Impact on Ecology

- The city floods, **not because of climate change**, but because of encroachment on the outfalls to the sea by elite housing projects and land reclamation for informal settlements. **Will flood more** (Same with other South and South-Asian cities)
- Reclamation from mangroves (about 15,000 hectares in the last 5 years) has damaged flora and fauna
- The city expansion evicted 2,800 plus villages destroying the rural economy and impoverishing the rural population
- In 1985, 70% of Karachi's vegetable/fruit requirements came from its rural areas. In 2013, this was reduced to 10%.
- 60 billion cubic feet of sand and gravel has been illegally lifted for construction from the seasonal rivers making recharging of the aquifer impossible and depleting the rainwater aquifer.
- **As a result of pressure from Urban Resource Centre advocacy and academia, laws have been made to guarantee free access to the beaches and to protect them from privatization and from development on the seaward of the road. In addition, mud flats and mangroves are also protected and so are the livelihood activities of fishing communities.**

Flooding



Karachi Mass Transit Master plan-2030



KCR (43 KM), 2 Metro Corridors (41 KM), 6 BRT Lines (92 KM)

BRT Yellow, Green, Red, Orange & Blue lines have been taken up.

Transport and Traffic

- Inadequate **transport** and housing locations are a major source of poverty. In spite of investment in expensive mass transit projects. These cater to only:

- Delhi: 9% of commuting public
- Bangkok: 6%
- Karachi: 8.7% when complete

Rest use run down insufficient bus services or para-transit

- Traffic congestion: Increase in vehicles per day in 2013
 - Delhi: 1,429
 - Bangkok: 1,700 plus
 - Karachi: 776 (Banks gave loans of Rupee equivalent of US\$ 539 million for purchase of vehicles)



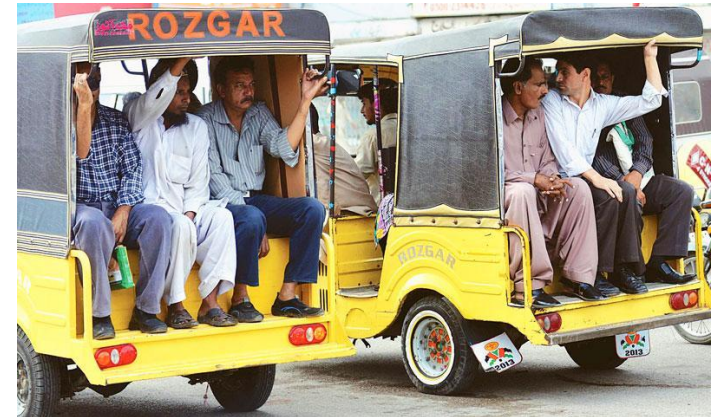
Motor Bikes

- Motor bikes in 1990: 450,000
 2004: 500,000
 2010: 1,000,000
 2013: 1,350,000
 2015: 1,730,000
- Preferred to public transport apart from capital expense cheaper, faster and flexible
- 82% men at bus stops want them
- 56% women want permission to ride them
- They will keep increasing
- Increase in fatal accidents
- Should they be promoted?



QINGQI

- Over 62,000
- Cheaper, faster, more comfortable
- No subsidy
- Ideal for families
- Creates congestion
- Should they be promoted?



HOW SETTLEMENTS CHANGE



SDC-012



Social Change

Age Group 15 – 24:

Married percentage		1981	2006
Men	13.39	7	(extrapolated from the 1998 Census)
Women	37.45	17	(extrapolated from the 1998 Census)
Literacy percentage		1981	2006
Men	68.08	85	(extrapolated from the 1998 Census)
Women	64.01	81	(extrapolated from the 1998 Census)

Nuclear Family Formation:

	1987	2006
Percentage of nuclear families	57.00	84.54

Court Marriages:

Data shows an increase in geometric progression

Women Students in Public Sector Universities:

- Karachi University 68 %
- Medical students 87 %
- Engineering University 50 % (about)
- Architecture and planning 92 %

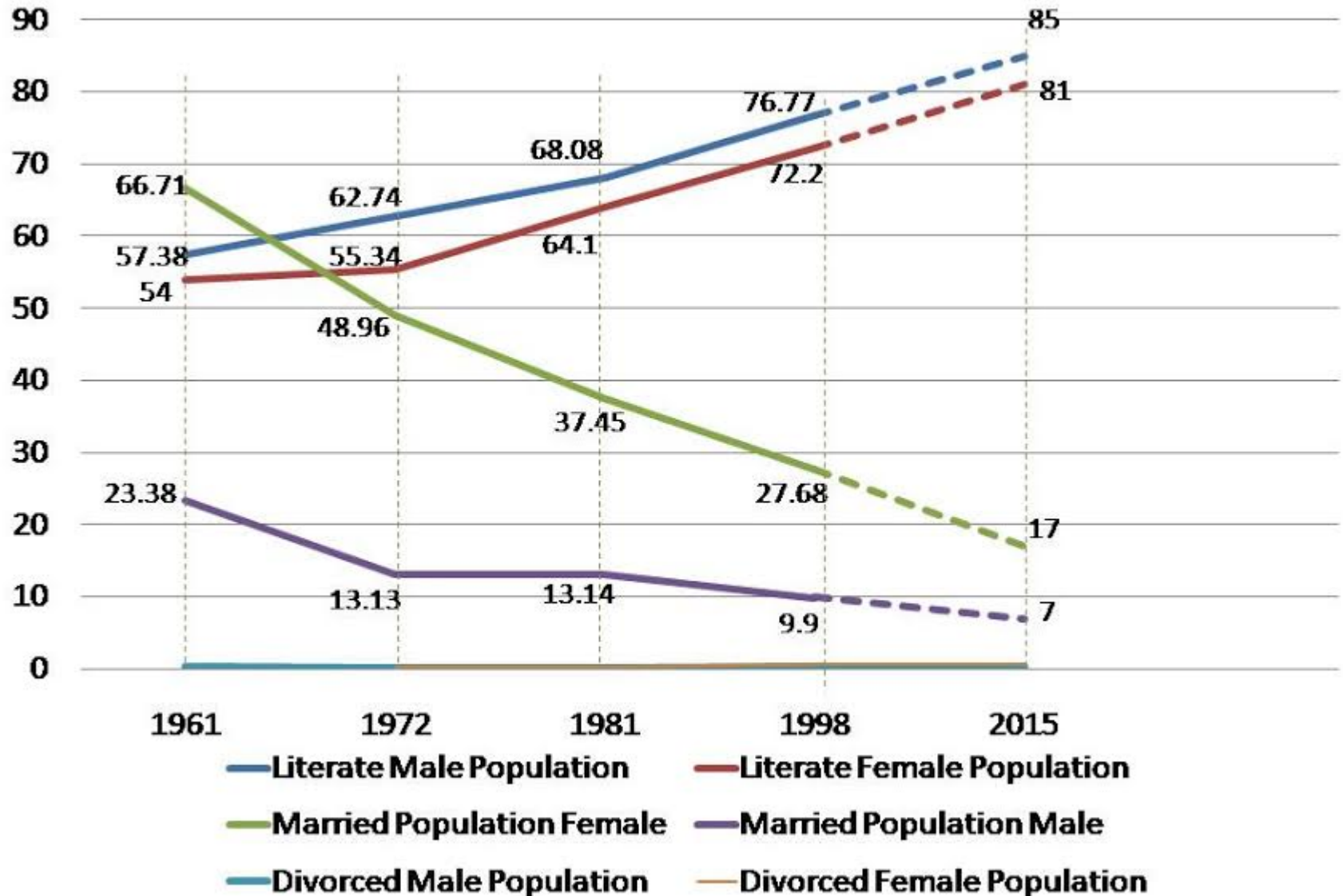
Repercussions of social change

- Changes in gender relations
- Changes in use of public space
- Conflict between tradition and social reality

The promotion of multi-class cultural events/spaces and appropriate school curriculum are required to cater to these new social realities and to unify the city

Karachi

Age group between 15 to 24 in population census in 72, 81 and 98; Keeping all things constant



Dealing with the urbanization related issues in Karachi

1. Bring the 4,000 hectares of vacant state land within the city into the land market for low income housing (**political will required**)
2. In all commercial and public housing projects 30% of land (not units) should be reserved for low income groups (**develop process to guarantee that the product reaches and stays with them**). Proposal is with the Supreme Court
3. Make the market accessible and affordable to families earning Rs 30,000 (US\$300) per month (**it is possible. The HBFC is looking into it**)
4. Carry out a comprehensive urban land reform to discourage speculation and protect ecology and land assets
 - impose a heavy non-utilization fee on land and property
 - minimum density for elite/middle income settlements should be not less than 800 persons per hectare
 - under law no one person should be allowed to own more than 500 square meters of urban land
 - no development should be allowed on ecologically fragile areas
 - bye-laws and zoning regulations should be modified to make them pro-street, pro-pedestrian, pro-dissolved space and pro-mixed land-use

5. Support the process of densification of informal settlements by providing technical support and managerial guidance (**Orangi Pilot Project methodology**)
6. Develop/support para-transport modes in support of existing and proposed MRT/BRT corridors (**non-mechanized and/or informal**)
7. Since projects will continue to dominate planning they should:
 - not damage the ecology of the region in which the city is located
 - determine land-use on the basis of social and environmental considerations and not on the basis of land value alone
 - serve the interests of the majority which are low and lower middle income groups
 - respect and enhance the tangible and intangible culture of the communities that live in the city
8. Support to research and advocacy networks/academic institutions promoting the above issues and opposing anti-people and anti-environment projects and programme (**planning, architecture, law, medicine curriculum reform**)
9. Develop Karachi's rural areas to serve Karachi's food and vegetable requirements
10. Present vision for Karachi is that it should be a **World Class city**. For the next plan the proposed vision is that it should be a **commuter and pedestrian friendly city**
11. Highly decentralized systems of governance and powerful mayors are not be the best manner in achieving the above goals (**needs discussion**)

An Oath for Architects and Planners

“I will not do projects that will irreparably damage the ecology and environment of the area in which they are located; I will not do projects that increase poverty, dislocate people and destroy the tangible and intangible cultural heritage of communities that live in the city; I will not do projects that destroy multi-class public space and violate building byelaws and zoning regulations; and I will always object to insensitive projects that do all this, provided I can offer viable alternatives.”

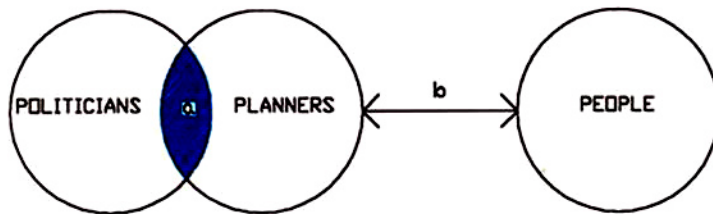
I took this pledge in 1983 and I have kept my word

Three Main Players

1. THE THREE MAIN PLAYERS AND THEIR PRESENT LINKS

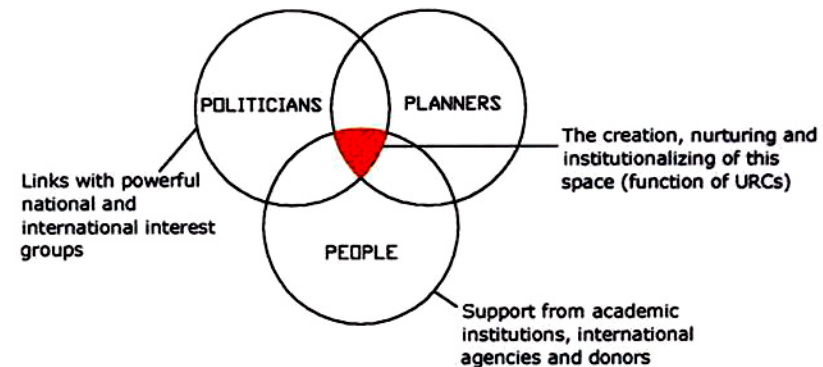


2. DEVELOPMENT DELIVERY: THE PRESENT SITUATION



'a' is directly proportional to 'b'

3. AS IT SHOULD BE



**The city we need is the city that does
not sell its assets, especially land, to
the highest bidder**







نان پان شاپ
لی فلم اور سیل دستیاب ہیں

محمد

ماشاء اللہ



نورانی



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36 والی فلم اور سیل بھی دستیاب ہیں













