

## RISING URBANIZATION IN PAKISTAN

### Some Facts and Suggestions

*Dr. Arshad Zaman and Iffat Ara \**

As elsewhere, in Pakistan too, urban population has been growing over the period. Presently, almost 33 percent of the total population resides in the urban areas. Although the urban population has not increased to the extent it was projected, the 1998 Population Census reveals that a large number of earlier rural communities now are being characterized as urban, and have several urban characteristics.

There is no denying with the fact that urbanization is strongly linked to economic growth. But, at the same time, rapid urbanization poses severe challenges to developing countries, as cities in these countries are ill equipped to deal with this increase. Without adequate planning and control, rapid urbanization may lead to: the development of informal and unauthorized settlements; shortages of housing; poorly serviced and designed residential areas; excessive pressures on the available services; and resultant problems of sanitation, air pollution, inadequate access to safe drinking water, overcrowding and social problems.

The purpose of this article is to examine the nature of urbanization in Pakistan and to look into its implications. It is divided into four sections. The first section gives the patterns and sources of urban growth; the second section illustrates the benefits and problems of urbanization; the third section points out shortcomings of urban development programs; and the last section proposes some suggestions for urban development.

#### 1. Urbanization in Pakistan

According to the 1998 Population Census, the population of Pakistan was 132.4 million with an intercensal growth rate of 2.6 percent per annum during 1981-98. Using this growth rate, population is estimated at 143.1 million in 2001. Against this, urban population has grown at a rate higher

---

\* *Dr. Arshad Zaman is the Former Chief Economist, Pakistan and Chief Executive of Arshad Zaman Associates.*

\* *Ms. Iffat Ara is an MSc Economics from Warwick University, UK and Research Associate at Arshad Zaman Associates.*

than that of the total population – 3.5 percent per annum during the same period. Urban population was 43 million in the 1998 Population Census and estimated at 47.7 million in 2001, using this growth rate. As follows, the share of urban population in total population (i.e. the level of urbanization) amounts to 33 percent.<sup>1</sup> During the period 1951-98, when the overall population of Pakistan increased by almost 4 times, the urban population rose by more than 7 times. The distribution of population by provinces and by urban/rural areas along with the proportion of urban population in each province, for the year 2001, is given in Table 1.1.

Sindh is the most urbanized province of Pakistan mainly because of the population of metropolis Karachi, which accounts for 33 percent of the total population of province. At present, almost 50 percent of the population of Sindh resides in the urban areas. It is interesting to note that by excluding the population of Karachi, the level of urbanization in Sindh declines to 28 percent. Although, Punjab carries highest number of urban population, it constitutes only 32 percent of the entire population of Punjab. The share of urban population is only 17 percent and 25 percent in NWFP and Balochistan, respectively. In FATA, the proportion of urban population is about 3 percent while Islamabad, being a capital city, accounts nearly up to 67 percent of urban population.

Table 1.1 also shows that out of total urban population of Pakistan, 53 percent live in Punjab, 35 percent in Sindh, 7 percent in NWFP, nearly 4 percent in Balochistan, 0.2 percent in FATA and slightly above 1 percent in the capital city Islamabad.

Table 1.2 provides the growth rates of urban population (i.e. the rate of urbanization) along with the growth rates of total and rural population, for Pakistan and its provinces for the period 1951-1998. The table shows that, on the whole, the rate of urbanization has declined, in the last two intercensal periods. The growth of urban population, during the intercensal periods

---

<sup>1</sup> *It is noted that this current level of urbanisation is much below the level projected by different institutions and students of urbanisation during the last two and a half decades. For example, in the early 1970s, it was estimated that by 2001 the nation's urban population will be 86 million and will make up nearly two-thirds of Pakistan's total population. The United Nation's projection made in the 1980s and early 1990s showed the level of urbanisation around 40 percent by 2001. Moreover, the Planning Commission's working group estimated the share of urban residents at about 35 percent in 1993. See Arif and Ibrahim (1998).*

Table 1.1  
Population of Urban and Rural Areas by Province, and Percentage Share  
of Urban, 2000/2001

(in numbers)

Region	Urban Population	Rural Population	Total Population	Urban % in Province	% share of urban in total urban population
Pakistan	47,708,128	95,422,698	143,130,826	33.3	100.0
Punjab	25,447,700	54,066,648	79,514,349	32.0	53.3
Sindh	16,462,760	16,606,347	33,069,107	49.8	34.5
N.W.F.P.	3,320,557	15,952,900	19,273,456	17.2	7.0
Balochistan	1,748,340	5,247,275	6,995,615	25.0	3.7
FATA	103,845	3,237,225	3,341,070	3.1	0.2
Islamabad	624,926	312,304	937,230	66.7	1.3

*Source: Government of Pakistan, 1998 Provincial Census Reports, Pakistan Census Organization, Islamabad. Government of Pakistan, 1998 District Census Report of Islamabad, Pakistan Census Organization, Islamabad. Government of Pakistan, Pakistan Statistical Yearbook, Federal Bureau of Statistics, 2001.*

*Notes:*

*These figures are computed by using the population figures of 1998 and, average annual, intercensal growth rates for the period 1981-98.*

1951-61 and 1961-72, was relatively rapid, increasing on average by 4.8 and 5.1 percent per year respectively. In the following intercensal periods 1972-81 and 1981-98, the urban population grew relatively slowly by 4.1 percent and 3.5 percent per annum, respectively. The slowdown in the urban population growth could be because of a decline in the flow of migration from Bangladesh and India as well as possible slowdown of migration from the rural areas.<sup>2</sup> It is feared that some communities adjacent to cities that were treated as urban in the 1981 census were counted as rural in the 1998 census. This might have increased the rural population and have lowered the urban calculation.<sup>3</sup>

<sup>2</sup> See Rukanuddin and Farooqui (1988).

<sup>3</sup> See Arif and Ibrahim (1988).

Table 1.2 Rate of Urbanization in Pakistan and Provinces - Intercensal growth rates of urban population along with total and rural population growth rates (average annual)												
Region	Total				Rural				Urban			
	1951-61	1961-72	1972-81	1981-98	1951-61	1961-72	1972-81	1981-98	1951-61	1961-72	1972-81	1981-98
Pakistan	2.4	3.7	3.1	2.7	3.5	3.5	2.6	2.2	4.8	5.1	4.1	3.5
Punjab	2.2	3.4	2.7	2.6	3.4	3.2	2.3	2.2	4.3	4.5	4.2	3.4
Sindh	3.3	4.6	3.6	2.8	3.5	4.5	3.0	2.1	6.0	5.2	4.4	3.5
N.W.F.P.	2.3	3.3	3.3	2.8	3.5	3.4	3.3	2.6	4.2	4.0	4.0	3.5
Balochistan	1.6	5.0	7.1	2.4	4.9	5.3	7.3	1.8	4.9	3.4	8.0	4.9
FATA	3.3	2.8	-1.5	2.1	7.8	2.8	-1.4	2.0	...	-5.4	...	...
Islamabad	...	...	4.4	5.2	...	...	-1.8	4.2	...	...	11.4	5.8

Source: Government of Pakistan, 1998 Provincial Census Reports, Population Census Organization, Islamabad, See Table 2.3.  
Government of Pakistan, Handbook of Population Census data, Population Census Organization, December 1985, Islamabad.

Notes: Rural population growth rates are computed using rural population figures from Government of Pakistan, Population Census Organization, Islamabad, Census reports for respective year.  
... implies not available.

The same is true for Punjab and Sindh while in NWFP it remained unchanged during 1972-81 and declined during 1981-98. In Punjab the urban population grew at an average annual rate of 4.2 percent and 3.4 percent during 1972-81 and 1981-98, respectively, while it grew at a rate of 4.5 percent during 1961-72. The average annual growth rate of urban population in Sindh has declined from 5.2 percent during 1961-72 to 4.1 percent during 1972-81 and to 3.5 percent during 1981-98. The rate of urbanization in NWFP that was 3.5 percent per annum, during 1981-98, had decreased from 4 percent, on average, during 1961-72 and 1972-81.

These statistics indicate that urbanization in Pakistan has proceeded at a moderate pace in comparison to the Latin American, East Asian and OECD countries. In these countries urbanization levels averaged 70-75 percent during the same periods.<sup>4</sup> As far as the growth rates are concerned, Pakistan has observed a declining trend in its total population growth over the period 1972-98 and so does the urban population growth. However, the urban growth rates have always remained higher than those of the overall population growth rates, in Pakistan and in provinces (except for the period 1961-72 in Balochistan), indicating the fact that urbanization is growing in Pakistan.

The discussion on urbanization remains incomplete without considering the sources of urbanization. Studies have found that, in Pakistan, the natural increase in population has been the major source of increase in urban population, followed by internal migration,<sup>5</sup> and reclassification.<sup>6,7</sup> This is true across all the provinces. However, the situation is greatly different when considering the major cities separately. During 1981-98, 58 percent of the total increase in population in Islamabad was because of internal in-migration, and more than 38 percent of the increase in the population of Karachi was because of in-migration. Followed by Karachi are Peshawar and Lahore, where almost 26 percent of the increase in population during the same period was because of internal migration.

The proportion of migrants from other provinces is prominent in Sindh while in Punjab and NWFP migration to urban areas takes place mostly from within the province. According to 1998 Population Census, large

---

<sup>4</sup> *United Nations (2002).*

<sup>5</sup> *Internal migration means migration within Pakistan – from one district to another.*

<sup>6</sup> *Reclassification includes two elements: the annexation of a town into an urban area and the transformation of formerly rural area into an urban area.*

<sup>7</sup> *See Arif and Ibrahim (1998) and Khan and Rahman (99/2000).*

number of internal migrants originates from Punjab followed by NWFP. In Karachi, which is situated in Sindh, above 38 percent of the immigrants are from Punjab, 29 percent are from NWFP while 24 percent are from the other areas of the same province. In Lahore, Faisalabad, Gujranwala and Multan, which are situated in Punjab, nearly 86 to 91 percent of immigrants are from different parts of Punjab itself. However, in Hyderabad (Sindh), up to 84 percent of the internal immigrants arise from Sindh.

Cities in Pakistan have also gone through massive changes and urbanization has increased rapidly in the last few decades. A much higher proportion of urban population now lives in large cities and metropolitan areas. During the period 1951-98, the number of cities has increased to more than twice. While the number of big cities (over 100,000 inhabitants) and medium sized cities (10,000-100,000 inhabitants) has increased from 9 to 52 and from 82 to 356, respectively, the number of small sized cities (under 10,000 inhabitants) has declined from 107 to 64. The population living in big cities increased from 53 percent to 72 percent while in medium and small sized cities it declined from 35 percent to 27 percent and from 12 percent to 1 percent, respectively. Karachi is the only primate city of Pakistan, which accommodates more than 21 percent of its total urban population.<sup>8</sup> Table 1.3 reports the urban population of ten largest cities of Pakistan, for the period 1951-98.

## 2. Benefits and Problems of Urbanization

Cities, and policies that affect them, play a major role in building a market economy and in achieving stable and equitable growth. Lahore, Rawalpindi and Faisalabad from Punjab; Karachi and Hyderabad from Sindh; Peshawar from NWFP; and Quetta from Balochistan are relatively developed districts of Pakistan.<sup>9</sup> These are the districts that include the highly urbanized cities of Pakistan. Even the relatively developed provinces, Punjab and Sindh, have large underdeveloped pockets.<sup>10</sup> This indicates that development in these provinces is primarily because of the development of their cities – Lahore, Rawalpindi, Faisalabad, Karachi and Hyderabad. This supports the close association between urbanization and regional development.

---

<sup>8</sup> *Primate cities are those in which the process of urbanization is at a stage where the size of the largest city (or the "primate" city) is very much larger than the size of the next largest city (or cities).*

<sup>9</sup> *See Pasha et. al (1990).*

<sup>10</sup> *See, Pasha and Hassan (1982), Pasha et. al (1990).*

**Table 1.3**  
Urban Population of 10 Largest Cities of Pakistan

Cities	Urban Population (in thousands)					Percentage Share				
	1951	1961	1972	1981	1998	1951	1961	1972	1981	1998
Pakistan	6,019	9,655	16,594	23,841	42,981	100.0	100.0	100.0	100.0	100.0
Karachi	1,068	1,913	3,515	5,208	9,269	17.7	19.8	21.2	21.8	21.6
Lahore	849	1,296	2,170	2,953	5,063	14.1	13.4	13.1	12.4	11.8
Faisalabad	179	425	823	1,104	1,977	3.0	4.4	5.0	4.6	4.6
Rawalpindi	237	340	615	795	1,406	3.9	3.5	3.7	3.3	3.3
Multan	190	358	539	732	1,182	3.2	3.7	3.2	3.1	2.8
Hyderabad	242	435	629	752	1,151	4.0	4.5	3.8	3.2	2.7
Gujranwala	121	196	360	601	1,125	2.0	2.0	2.2	2.5	2.6
Peshawar	152	213	273	566	988	2.5	2.2	1.6	2.4	2.3
Quetta	84	107	158	286	560	1.4	1.1	1.0	1.2	1.3
Islamabad	-	-	77	204	525	-	-	0.5	0.9	1.2

Source: Federal Bureau of Statistics, Pakistan Statistics Yearbook, April 2001.

Pakistan's ten major cities play a prominent role in the acceleration of its economic development. Of the total value added in large-scale manufacturing in Pakistan, about 48 percent is generated from these cities. Of this 48 percent, Karachi alone produces 29 percent while Lahore, Faisalabad and Hyderabad produce 6.3 percent, 5 percent and 3 percent, respectively.<sup>13</sup>

The existing agglomeration economies in these cities not only attract capital but also generate internal and external economies as well and thus also provide incentives for investor. Moreover these cities have a vast informal sector, particularly in Karachi and Lahore, which accommodates large number of illiterate unemployed. The dominance of employment in commerce and services, in these cities, too implies enough share of urbanized cities in economic growth.

#### 2.1.2. Large markets, industry and trade

The prominent centre of economic activities is Karachi which accounts for about 32 percent of the total industrial establishment of Pakistan. Pakistan Steel Mill is the country's largest industrial unit having a production capacity of 1.1 million tones of steel. Not only large manufacturing industries are established here but also the largest small-scale industry zone (having more than 3,000 industrial units) of Sindh is also located here. About 90 percent of these units are export oriented. Lahore is the next biggest industrial city of Pakistan. Industries in and around it has been continuously expanding. In Faisalabad, Hyderabad, Gujranwala and Multan industrialization has made great progress.

Textiles and garments produced/manufactured in these urban centers are supplied not only to other parts of the country but also are exported abroad (more than 65 percent of export earnings come from this sector).

Moreover, in Karachi and Lahore there are a number of trade centers and markets having all kinds of commodities ranging from food items to household items, computers, electrical goods, and motor-cars. Trade has also expanded substantially in Faisalabad resulting in the setting up of new markets. Hyderabad is well known for its glass works and bangles, which are famous throughout Pakistan.

---

<sup>13</sup> *Since data regarding the GDP generated by the cities is not available, therefore, data on value added in large-scale manufacturing has been taken as a measure of income in urban areas of the district. This indicator has also been used by Pasha et. al (1990).*



### 2.1.3. Creators of jobs and employment

As theory points out that there are three main reasons for the concentration of jobs in the urban areas or cities. They are: comparative advantage, internal scale economies and agglomeration economies. It is apparent from the above discussion that the major urban centers of Pakistan hold these characteristics, particularly Karachi, Lahore and Faisalabad and thus they are prominent from employment point of view.

The major employment generator city of Pakistan is Karachi. Pakistan Steel Mills provides employment to more than 21,000 persons on a regular basis, while 3,000 work as daily wage workers and retainers. Quaid-e-Azam International Airport Karachi, Kimari and Bin Qasim Ports, also provide many employment opportunities to local residents as well as to migrants from all over the country. The small-scale industry zone, in Karachi, provides employment opportunities to more than 300,000 skilled, semi-skilled and non-skilled workers. Moreover, a large number of educated people look for better jobs, particularly in Karachi and Lahore as they absorb them because of their huge setup of multi-national firms and large markets of financial sector.

In addition, the urban areas provide amenities like better health services, quality education, a good network of roads and communication.

## 2.2. Major Problems

This section will state urban problems that are common in almost all cities of Pakistan.

### 2.2.1. Urban housing

In most of the urban areas there is a growing problem of housing provision. The housing facility in public sector is very minimal while in the private sector the prices are very high (both for purchase or rent). Persons per housing units or rooms per housing units determine the level of congestion of housing units. There are, on average, two rooms in every house in major cities of Pakistan. Each housing unit, on average, accommodates more than six persons in cities. This indicates that each room is shared by three or more persons.<sup>14</sup>

---

<sup>14</sup> *Government of Pakistan, 1998 District Census Reports, Population Census Organization.*

Rapid urbanization can be devastating. It can lead to the proliferation of slums and squatter areas as well as an unhealthy environment. In Pakistan, the expansive houses in the formal sector consequently have given rise to informal settlements. These informal settlements i.e. unplanned urban expansion (*katchi abadis*) and slums, over time, have grown in number and size. About one-third of urban population resides in 2,460 *katchi abadis* and 2,184 slums.<sup>15</sup> These houses are often overcrowded with unhygienic conditions such as, no proper sanitary facility, limited access to water supply, electricity and social services. This in turn results in the spread of diseases like tuberculosis and cholera.

### 2.2.2 Water supply

The availability of clean drinking water is another problem which the people have to face, despite the fact that they live in urban areas. A large proportion of the urban population does not have access to clean drinking water. The quality of water supplied through existing networks of water supply schemes does not meet the World Health organization (WHO) standards.<sup>16</sup> Only half of the urban population of Pakistan has the facility of tap water inside the house, whereas 5 percent has it outside house, 38 percent use hand pump and motor pump, and the rest use methods like digging wells, public standpipes, water sellers, etc. to fulfill their water requirements.<sup>17</sup>

### 2.2.3. Sanitation facilities

Urbanites are also confronted with the problem of lack of convenient toilet facilities. According to one source only 59 percent of urban population has sanitation and sewerage facilities. This indicates that the level of accessibility to adequate sanitation is disappointingly low.<sup>18</sup> Another study has found that only 45 percent of the houses in the urban areas of Pakistan are found to have flush toilets served by water-borne sewage systems. Another 33 percent of city dwellers use flush toilet connected with septic tanks, and 7 percent use covered dry toilets. Some 15 percent of households use toilet facilities that leave human excreta exposed.<sup>19</sup>

---

<sup>15</sup> *Government of Pakistan (2001b - Development Plan 2001-11).*

<sup>16</sup> *Government of Pakistan (2001b - Development Plan 2001-11).*

<sup>17</sup> *Government of Pakistan (1998-99 - PIHS).*

<sup>18</sup> *Government of Pakistan (2001b - Development Plan 2001-11).*

<sup>19</sup> *Government of Pakistan (1995 - Multiple Indicators Clusters Survey of Pakistan).*

## 2.2.4. Health services

Although urban areas have greater health facilities in comparison with the rural areas, the growing pressure of population in these areas affects the provision of health services. The statistics, shown in Table 2b.1 below, indicate that these are inadequate to fulfill the requirements of the entire population of urban households.

Table 2b.1 Health Indicators - 1998						
City	Population Per					
	Hospitals	Dispensaries	Hospital Beds	Dispensaries Beds	Doctors	Nurses
Karachi	60,882	16,043	7,037	36,712	2,885	6,169
Lahore	153,525	43,553	534	78,731	...	...
Peshawar	92,682	30,433	601	61,788	2,076	3,181
Quetta	26,536	37,150	261	33,773	2,452	2,972
Faisalabad	125,903	25,181	922	38,220	...	...
Hyderabad	36,498	3,729	337	75,277	994	3,170

*Source: Government of Sindh, 2000, District Development Indicators, Planning and Development Department, Sindh Bureau of Statistics, Karachi; Government of Punjab, 2000, Punjab Development Statistics, Planning and Development Department, Punjab Bureau of Statistics, Lahore; Government of NWFP, 2000, NWFP Development Statistics, Planning, Environment and Development Department, Bureau of Statistics, Peshawar; Government of Balochistan, 2000, Development Statistics of Balochistan, Planning and Development Department, Bureau of Statistics, Quetta.*

### 2.2.5. Urban environment

Urban development is often considered as economic development, with industrial development a priority target. While, this no doubt creates wealth and prosperity it also results in the waste of great amounts of natural resources.

The level of environmental pollution in these cities is increasing gradually because of smoke-emitting vehicles, emission of chemicals and release of raw waste by factories. Industrial clusters around the industrial cities generate huge quantities of untreated effluents that are ultimately discharged into fresh water lines. Karachi is one of the most polluted (air and water) cities of the world where total suspended particulates (TSP) is three to four times higher than the level determined as safe by WHO. Also sulphur dioxide and nitrogen dioxide that are hazardous for human health are notably above the safe levels. Similar conditions prevail in other major cities like Lahore, Faisalabad, Multan, Hyderabad, Rawalpindi, and Peshawar.<sup>20</sup> In addition to this, tons of rubbish and filth burnt by the sanitary workers of metropolitan corporations, in almost every part of the cities, further worsen this situation.

### 2.2.6. Urban unemployment and poverty

Perhaps, the most important and compelling problems are urban unemployment and poverty. In recent years (especially during the 1990s), economic growth has fallen behind the rate of population growth in Pakistan, leading to an increase in unemployment and poverty. In big cities this problem is more serious as migrants from other areas further add to the supply of their labor force. Unemployment thus contributes to social problems like crimes, prostitutions and suicides.

Poverty includes poor quality of life indicators as well as low income. Poverty is often accompanied with unemployment, malnutrition, illiteracy, low status of women, exposure to environmental risks, limited access to social and health services. With the growing urbanization and speedy expansion of cities it is evident that existing urban services in Pakistan are not sufficient to cater to the requirements of the urban population.

## 3. Shortcomings of Urban Development Program

Urban development appears inevitable, even if efforts at rural development and decentralization were more successful, not least because many people

---

<sup>20</sup> *Government of Pakistan (2001b - Development Plan 2001-11).*

have established themselves as more or less permanent urban residents. Conversely, one cannot preclude that large-scale urbanization also occurs as a result of weaknesses in the government's development policies, which fail to bring regional equity. The absence of such policies promotes development only in the urban areas and neglects it in the rural areas. In Pakistan, one finds that a part of the attraction of better employment, the provision of other facilities (for instance, education, health, transport and communication, infrastructure facilities), are far better in urban areas. While in rural areas the status of such facilities is not only inferior but in certain cases these are not available at all.

The biggest impediment in the way of economic and social development in Pakistan is related to the implementation of policies. Developing countries like Pakistan face certain constraints as far as urban development planning is concerned. The most binding constraints are the shortage of financial resources, dependence on foreign capital (aid and investment), high and disproportionate public expenditures (with debt service taking the lion's share). The others are mismanagement in the usage of whatever resources are available, and lack of effective urban governance. Urban planning and management are of limited extent even in the primate city Karachi.

Although Pakistan has achieved high economic growth in the past, population has also grown at a high rate, so that per capita income has grown at around 3 percent per annum.<sup>21</sup> There is also a feeling that the benefits of growth have not been shared equally among different regions and different sections of the society. The main economic factors behind this were high budget and balance of payments deficits, which resulted in accumulation of debt (both domestic and foreign). Also, this can be attributed to the factors like the neglect to improve social sectors (particularly education and health) and inadequate infrastructure development.

#### 4. Suggestions

As elsewhere, the three main ingredients for improving urban conditions in Pakistan are improvement in urban governance, in management, and in finance. The role of successful urban governance is extremely important, which is guided by four basic principles. These include accountability of public sector staff; community participation; predictability of laws and regulations (especially in terms of contract law, dispute resolution procedures

---

<sup>21</sup> See *Government of Pakistan, Eighth Five Year Plan, Part II.*

and clear allocation of responsibilities), and transparency in private dealings. With the shift in development fashions to minimal government intervention and near-exclusive reliance on the private sector, governments are likely to neglect these priorities.

The management and development of cities need greater consideration. The first thing is for governments to recognize the seriousness of urban problems. The next step then is to get the context right, that is, to create an appropriate strategy of development. This means economic growth, which requires a favorable climate for investment (both public and private). After that, it is imperative to structure the reform program; this first of all requires examining thoroughly the causes of poverty in urban areas. It is likely that many urban reforms and development program will be impeded if priority attention is not given to urban poverty reduction/alleviation as it decreases the productivity of urban labor force and thus urban economic growth, leads to social and political clashes, and creates health and environmental problems. In addition, it is also essential to adopt a program to control population growth.

As far as management of urban development is concerned four elements need to be kept in view. First, it is essential to have effective local authorities (i.e. appropriate institutions for delivery of services) and organizational structures to work (i.e. adequate availability of both human and financial resources). Second, it is necessary to ensure that there is coordination and integration of development proposals, ranging from land use to service provision, with the urban plans, as cities get larger. Third, it is crucial to formulate and implement urban plans and policies. Fourth, it is essential to involve local people in planning in order to get sustainable urban development. It is now realized that participation and empowerment are central to all facts of development. This requires improved education, workshops, involvement of NGOs and private sector.<sup>22</sup>

In addition, urban policies must address three systemic issues. These are: i) allocation of resources efficiently – set-in with the move from central planning to market pricing of production factor; ii) managing social safety nets – rooted in the transfer of responsibility for delivery of social services from state enterprises to local authorities; and iii) building strong local institutions – embedded in the changing role of local authorities from that of being responsible for executing central planning to that of being accountable to local citizens for management of municipal assets.<sup>23</sup>

---

<sup>22</sup> See Connell (2000).

<sup>23</sup> See Buckley and Mini (2002).

*This paper is drawn from the work done by Ara and Zaman (Forth coming).*

## References

- Arif, G. M. and Sabiha Ibrahim, 1998, The Process of Urbanization in Pakistan, 1951-98, *The Pakistan Development Review*, 37:4, Part II, pp.507-522.
- Bukley, Robert M. and Federico Mini, 2002, *From Commissioner to Mayors: Cities in the Transition Economies*, Infrastructure Sector Unit, Europe and Central Asia Region, The World Bank.
- Connell, John, 2000, Urbanization and Settlement in the Pacific, in *Resettlement Policy and Practice in Asia and the Pacific*, Asian Development Bank, Manila, pp. 43-54.
- Government of Pakistan, 1998-99, *Pakistan Integrated Household Survey (PIHS)*, Round 3, Federal Bureau of Statistics, Islamabad.
- Government of Pakistan, 1995, *Multiple Indicators Clusters Survey of Pakistan*, Ministry of Health.
- Khan, Amir Nawaz and Atta-ur-Rahman, 1999/2000, Urbanization: Trends and Prospects in Pakistan, *Pakistan Journal of Geography*, 9 & 10: 1 & 2, pp. 31-44.
- Khan, Asmatullah, 1996, Urbanization and its Impact on Rural-Urban Economic Integration in TWCs: The Case Study of Peshawar, NWFP, Pakistan, *Journal of Rural Development & Administration*, 28:1, pp.130-158.
- Pasha, Hafiz A., Salman Malik and Haroon Jamal, 1990, The Changing Profile of Regional Development in Pakistan, *Pakistan Journal of Applied Economics*, 10:1, pp. 1-26.
- Pahsa, Hafiz A. and Tariq Hassan, 1982, Development Ranking of Districts of Pakistan, *Pakistan Journal of Applied Economics*, I: 2, pp. 157-192.
- Rukanuddin, Abdul Razzaque and M. Naseem Iqbal Farooqui, 1988, *The State of Population in Pakistan, 1987*, National Institute of Population Studies (NIPS), Islamabad.
- United Nations, 2002, *World Urbanization Prospects: the 2001 Revision*, United Nation Secretariat, Population Division, Department of Economics and Social Affairs.
- Ara Iffat, Zaman Arshad (forth coming) country chapter: Pakistan in Gayle Ness and Prem Talwar "Asian Urbanisation in the New Millenium". Asian Urban Information Centre for Kobe (AUICK) Japan.

Although urbanization is essential for the path towards development as it contributes to economic growth and creates new social and economic opportunities, however in developing countries, it is found that urbanization has also increasingly been associated with development problems.

The benefits that accrue to a country with the increase in the level of urbanization are often offset by the concentration of urban populations. Across the developing world, the increase in population of urban areas is making greater demands on the basic needs and on the city's infrastructures that becomes problematic, particularly for countries with scarce resources.

This section is devoted to the discussion on the importance of cities and on the problems with which the cities of most of the developing countries are faced up to.

## 2.1. Major Benefits

The developed cities provide ample opportunities of employment and business due to large industrial base and other infrastructure. Since the urban centers have high development status, big development projects are directed towards them. These in turn directly attract people from other less developed areas in search of better employment opportunities and other facilities. Below are mentioned the major benefits of cities.<sup>11</sup>

### 2.1.1. Engines of economic growth

There is a general agreement that economic development and sustainable urbanization need not be mutually exclusive. Economic development is an absolute necessity and priority for many cities in order to generate jobs, to combat poverty, and to mobilize resources and revenues required to build-up urban (and rural) infrastructure and provide basic services. At the same time, increases in productivity and national wealth are also dependent on a rise in the productivity and wealth of cities. It has been found that "the most highly urbanized countries are generally the most "developed" and the most economically "advanced" countries must also be the most urbanized ones".<sup>12</sup>

---

<sup>11</sup> *This discussion is based on the information taken from Government of Pakistan, 1998 District Census Reports, Population Census Organisation.*

<sup>12</sup> *As mentioned in Asmatullah (1996), p.130.*