



Construction package: Not a silver bullet!

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PTI's incumbent government assumed office in July 2018 with many tall promises on their election manifesto and obviously, the slogans must have attracted masses to bring them in power. Among the promises, provision of 5 million houses and jobs stand prominent though PTI leadership was not able to validate their construction policy foresight clearly for another 18 months. People were in wait to see advertisements for jobs and dream houses- but the poor peoples' SANTA didn't arrive. All of us understand that no state can provide such large-scale employment and housing without engaging the private sector, and perhaps this is what policy circles have been trying to convince the government for long.

The current package is not the first of its kind, all past governments had such initiatives- starting from the President Ghulam Muhammad's era, then Z. A. Bhutto's regime followed with 'Roti, Kapra aur Makaan' slogan. During Zia's martial-law, his premier M. K. Junejo also launched a program for the provision of 5-7 Marla houses. PML (N) government first launched 'Mera Ghar' in 1992 and 'Aashiana' in 2010. Some other city level community-based programs are documented as success including the Orangi Pilot Project (OPP) in Karachi in the early '80s, 'Khuda Ki Basti' (KKB) 1985 in Hyderabad, Karachi, and Lahore, and Faisalabad Area Up-gradation Project (FAUP) in 1992. Federal OPF, provincial housing authorities/foundations, city development authorities, and private sector housing schemes developers also joined the housing bandwagon in the '70s. These programs largely failed because of their poor and far-off location (primarily utilizing state lands) except for 'Mera Ghar', and for their concentration over the plot-based single unit housing model. And somehow, all were executed as discrete projects without a well-thought-out vision.

The package, a policy reflection of PM's 'Vision

for Vertical Cities', was received with a mix of responses; builders/developers hail it as a silver bullet to inflect the sinking economy overnight, once the capital and promised concessions are in their hands. Economists and financial experts, being wary of the black and grey monies coming in, attempt to prophesize FATF's response in proxy. Urban planners and architects appear apprehensive of the lacking physical and car infrastructure essentially needed to construct high-rises.

Conservationists nuance to protect city heritage



against construction invasion. Tax experts fear that all the benefits will be privatized and the government will get nothing. Social activists see the package as a 'blessing in disguise' and a rare opportunity to provide every poor with a decent house. Bureaucrats argue that tenuous local consulting capacity and nature of tall order projects necessitate the 'import' of foreign consultants. City managers stand promising with their in-practice discretionary and restrictive zoning/building control tools which favor suburban plot-making and allow construction of fewer high/mid-rise buildings only on selective sites. Let's attempt to resolve the responses; our cities are over-regulated and offer fewer opportunities for businesses to thrive. Cities and the people need to understand that housing is not just a "MAKAAN", it has to be a complete eco-system of live-work-leisure interfaces. Cities need to have construction friendly regulations that must facilitate creating walkable, mixed-use, and denser communities, not just the suburban sprawl. Cities must revisit the regulations to facilitate mixed-use vertical construction to help ease insidious dearth of decent business and living spaces.



Eminent economist Dr. Nadeem ul Haque has long been convincing cities to integrate denser living inside mixed use developments, with ample walking/cycling opportunities and basic living must be a flat/apartment, not the suburban bungalows. Globally, city cores are considered 'Wealth of Cities'- generating revenues to run economies the way 'Manhattan' hosts prime financial/business powerhouses in a vertical setting. Our costliest city cores (both in terms of land price and rentals) are rundown and being sub-optimally used-cities must attempt to regenerate them. Development along transit corridors is another missed economic opportunity. Apparently, not too many people in our cities sleep under the sky.

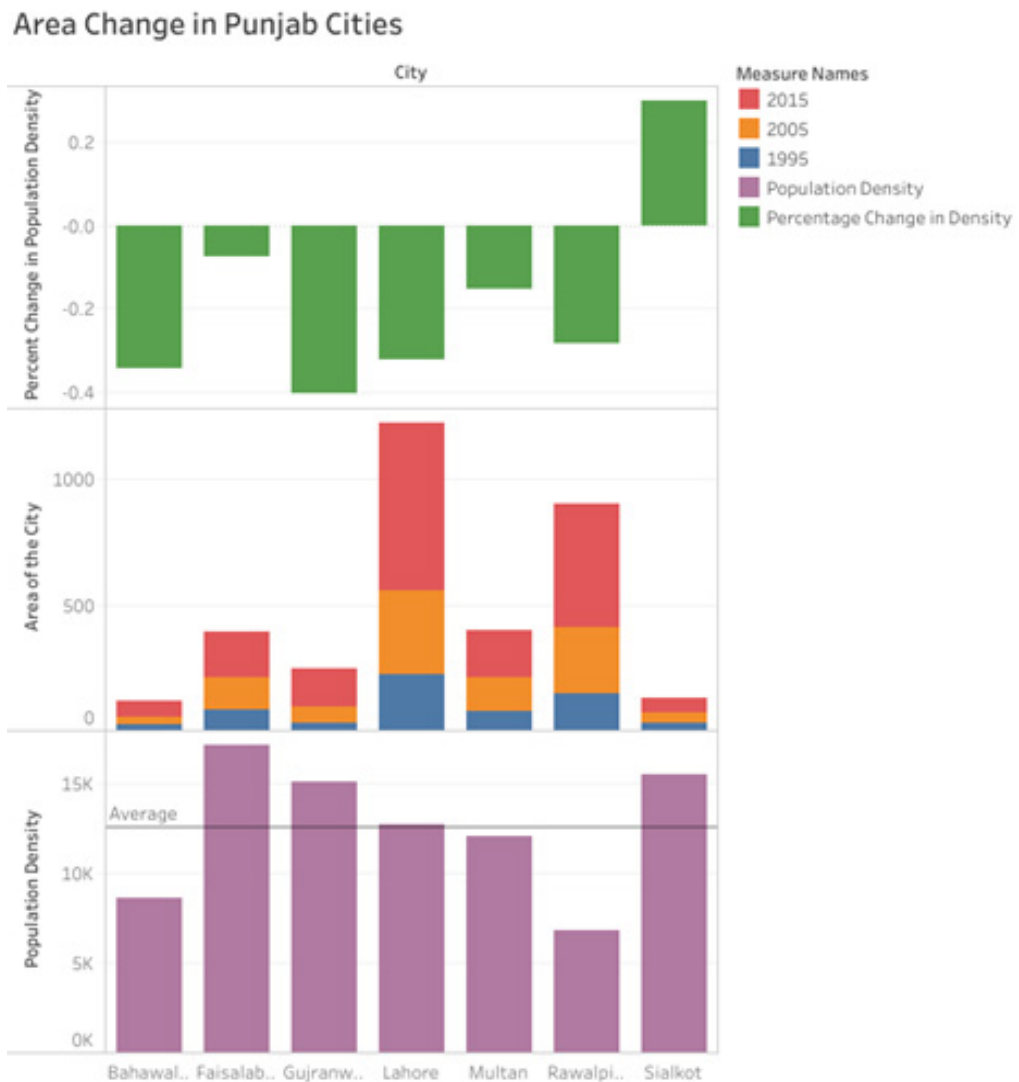
Mostly urban workforce commute daily to cities for work from their living in the city fringe. The government estimates that 47% of the urban population lives in squatters meaning the issue is not of quantity, this is about the poor quality of housing. And when quality urban housing remains unaffordable even for working middle-class, how the government will be able to provide each poor with a house from public exchequer without engaging the private sector? Any good housing model must work to prioritize the productive working class. Only spillover revenues from profit-generating mixed-use business developments would help create ample rental effect. housing for poor/less-affording people as a trickle-down effect. Further, the need is to create a rental housing market, not the essential plot/house ownerships. Around 10 million poor living in more than 4000 registered



slums/katchi abadis could be facilitated through augmentation of a minimal set of basic infrastructures to improve living conditions and also by giving them ample livelihood opportunities in parallel, so they are able to rise from a subsistence level. NGOs such as AKHUWAT can be practical partners to extend micro-finance. KKB and OPP are exemplary community-based housing development models developed by local brains, not foreign consultants. Mortgage financing has always been there, either by HBFC or commercial financial institutions but for mortgages to work well, we need a stable and sustained job market for both mortgage servicing and house maintenance.

Projects facilitated through the package are expected to help the economy grow in multiple ways; by creating jobs, attracting investments, improving urban services, adding to housing rental stock, enabling industries to thrive, and also offsetting grave environmental costs through the creation of denser mixed-use communities.

This can be hoped that profits will not be privatized solely if authorities are able to devise well thought-out implementation strategies to yield equal opportunities for city authorities, the private sector, and the masses. The package is expected to help city authorities to generate use/utility based revenues, create ample skilled/unskilled jobs, masses to have decent places for work-live-solace, consulting & construction industry to rise technically, help real estate market to thrive and eventually to support the crumbling economy.



Published in Business Recorder, 8th May, 2020.