

Economics of slums

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Slums are eyesores to every one except those who live there. In spite of being disliked by many they have become an integral part of urbanisation almost in all countries. They are a mirror image of societies where poverty is endemic. As long as poor people live in cities slums will persist to continue. Because poverty cannot be sent to museum any time soon, slums are unlikely to disappear from plain sight. There are two reasons why a city should learn to live with slums. Firstly, their economic and social benefits far outweigh their costs. Secondly, slums can be improved and upgraded, sprucing up their appearances. If the cost of improving slums still leaves a margin of benefit for the urban economy then justification can be found for their improvement and upgradation. Even without a rigorous cost-benefit analysis, a rough idea about what those costs and benefits consist of presents a strong case for improvement of slums. Items for which costs will be incurred (their magnitude depending on the size of the slums and their population) and type of benefits can be discussed in general terms. Before that it will be useful to know what slums lack that the modern parts of cities don't and what are the types of economic activities in which the slum dwellers are engaged. Slums have been defined as a compact settlement with a collection of poorly-built tenements, mostly of a temporary nature, crowded together usually with inadequate sanitary and drinking water facilities in unhygienic condition. Slums also lack in a good network of streets and lanes and access to electricity and gas connections. While the absence of civic amenities like water supply and sanitation make slum dwellers easy prey to various diseases, lack of access to utilities like gas and electricity results in unofficial use inflicting loss on the provider of these. Illness and morbidity lead to rise in cost of living for the slum dwellers through loss of employment and medical expenses. Absence from work due to illness and morbidity has negative impact on the urban economy. Poor and limited educational facilities make the young generation of slum dwellers less productive and under-employed, again at the cost of the urban economy. Unfortunately, slums have also been associated with crimes as they allegedly harbour criminals taking advantage of their crowded milieu and warrens of lanes and by lanes. The presence of slumlords with their nexus to political leaders help perpetuate the image of slums as havens of criminals. It is in the interest of slumlords and godfather of criminals to keep slums in the netherworld of backwardness. If the costs of slums are not always obvious, their benefits are visible to every one. Slums keep the service sector of cities humming. From providing the domestic help to supplying the hawkers who sell numerous useful items to city dwellers. The urban slums keep the city life ticking twenty four hours of a day and almost seven days a week and thirty days of a month. Slums give shelter to people engaged in urban transportation and to low paid employees in offices and factories (think of garment workers). Many medium scale industries outsource their work to slum dwellers reducing their cost of production. There is hardly any slum where cottage industries don't exist. From small and simple toys to sundry eatables slums are the main suppliers. Illiterate or semi-literate the slum dwellers may be, but their innovativeness in making useful items for daily use by urban people is beyond any shadow of a doubt. By some account 8 per cent of GDP of Dhaka city is contributed by its slums. The description of costs and benefits leaves no doubt about the economic significance of slums. It, therefore, behooves authorities to take up measures for the improvement and modernisation of slums. While improvement will enhance the contribution of slums to GDP (benefit), this will also reduce their costs to society (reduced illness, negligible pilferage of utilities, lesser criminality etc). It is from this perspective that the recently completed census of slums should be looked at. The first census of slums was initiated during 1985-86 in four major cities of Bangladesh. In 1997 the first comprehensive census of slums was undertaken all over the country. It is learnt that based on the above census certain measures were taken up for the improvement of life of slum dwellers. No evaluation of these measures are, however, available. It has been announced that the present census (2014) results will be used for correct policy making and planning to improve the standard of living of urban slum dwellers and for poverty alleviation. This is a laudable objective on the urgency of which there can be no two opinions. It is a matter of gratification that the recent census has been conducted with funding by the government of Bangladesh. A unique feature of the 2014 census is coverage of the floating population along with those living in slums. This was a daunting task but had become overdue. Slum development measures fall broadly into two categories. The first is the physical development including housing, roads, drainage and sanitation. The other category includes provision of civic amenities and utilities like electricity, gas, water, education and health care. Measures under the first category can be undertaken without delay in areas where the slum dwellers own the land. In slums where land ownership lies with others (e.g. government) physical development may entail short-term improvement and relocation to suitable areas on a permanent basis. In relocating slum dwellers the availability of transport facilities has to be kept in mind. Measures under the second category can be taken up without too much consideration about ownership of land. This is particularly applicable in the case of education and health care. The census on slums that has been completed recently (May 5) is a welcome step towards improvement and modernisation of slums. Much more important is the formulation of projects and plans for immediate implementation. There is urgency in this because the greater the delay in implementation, more complicated will be the task. Hasnat Hye <hasnat.hye5@gmail.com>

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