

## 「論文の内容の要旨」

### Government Land Development and Private Response in Market Led Land Supply - Eastern Fringe of Dhaka City, Bangladesh

(政府による土地開発と市場主導による土地供給  
—バングラデシュのダッカ東部地域におけるケーススタディ)

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#### **Introduction**

Rapid urban agglomeration in Third World cities has been one of the predominant discussions in population geography and urban economics. About half of the total 1.2 billion in poverty worldwide live in the cities of South Asia (UNCHS 2001). Many are accommodated in deplorable housing characterized by informality, without the security of tenure, and in an environment that is life threatening. Access to housing remains a cause and consequence of poverty, and the cycle continues even after subsequent intervention through policy promotions of local and global actors.

The scenario of Dhaka city is not different from other South Asian cities, rather an acute example. The stringent supply of buildable land is one of the biggest challenges for a rapid housing supply. Government provisions are insufficient and prioritize a few selected groups, and land use regulations are not conducive to private supply. Due to the crippling shortage of government resources (finance and manpower), resource pulling from every sector is necessary to step-up the land and housing supply (Sengupta 2006). Currently, the World Bank's neo-liberal urban policy – a market mechanism in which the private sector plays the upper hand and governments are expected to enable the market – is the official doctrine of land transformation in most of the developing countries. Market-led private subdivisions, though mostly illegal or informal, are considered as a cheap solution to the extreme housing demand.

In operational terms, the enabling policy will limit direct government supply and promote market-led land and housing development (Sengupta, 2006: p. 450). However, government intervention persists in direct violation of the planning system and the national housing policy. Private land developers respond to the government projects by locating in the vicinity in order to take advantage of connectivity, utility and community facilities. Therefore, government projects can dictate the direction and intensity of development in any particular area. Recently the government is developing a new town (*Purbachal*) in the eastern fringe of the Dhaka Metropolitan Development Plan (DMDP) area. A huge number of private developers responded accordingly with proposed subdivisions. However, there is no provision in the DMDP for residential development in the vicinity of the new town, and land developers are legally halted outside the DMDP.

This research asks and answers the following research questions:

1. Why and how do governments intervene in the land and housing market in Dhaka city?
2. How do private land developers respond to the government land and projects and how do they operate in absent of the formal recognition?
3. What are the factors that determine the illegal land market?
4. In view of the above, what are the measures that can ensure an efficient land market?

### **Methodology and Research Design**

A mixed method approach, both quantitative and qualitative, is used for the analysis. The influence zone of the new town where private land developers are located is taken as the study area, both inside and outside the DMDP area. Field surveys were conducted under the guise of a land buyer in August, 2011 and September, 2012, one month each, among the land developers, capital city development authority (RAJUK) and subdivision planners and Real Estate and Housing Association of Bangladesh (REHAB). Chains of connections and groupings or clusterings of friend-like relations of this author's education and job contacts were used to collect and facilitate the primary and secondary data collection. In addition, previous research and government reports, newspaper reports, blog posts, and past work experience of this researcher were secondary sources, which added to the broader understanding of the investigation. The analysis and findings are based on qualitative analysis assisted by data analysis. The Hedonic technique is used to analyse and determine the influencing factors of the subdivision price. However, due to the illegality and informality of the market, one extra variable, the reputation of the company was added to the model to explain the land price and market. Unavailability of panel data is the biggest constraint; however, it does not limit the broader understanding of the case.

### **Analysis and Findings**

The new town (*Purbachal*) is the biggest government land project ever, about 6,150 acres with 26,000 residential land plots. The land allocation process will take place via a lottery, and access to 78% of the plots is limited by quotas. Also, higher priority is given to formal job holders. Only 22% of the total serviced plots are dedicated to private job holders and wage earners. Therefore, government land projects are highly self-benefiting, and it does not provide housing solution to the majority of the urban residents. Also, the standards of the government projects are high. As in this case, the new town, about 25.9% of the total area is kept for roads. Government projects are by default legal, which ensures utility and service provisions, making the land price 20 to 30 times higher than private subdivision.

A total of 62 private developers were found in the study area during the first field survey in 2011 – the actual number can be as many as double this. The proposed area of the 30 surveyed land developers surpasses the actual land available in the study area, almost all developers overlap in their proposed areas. The subdivision design considers only the cul-de-sac or the gridiron pattern to maximize the number of plots. Even though the proposed design provides space for social and community services; in reality, these spaces are not retained when the developments are finished. In addition, the actual subdivided land parcels are not uniform, and land size is dependent on the individual's capacity to pay. The present status of the proposed subdivisions is mostly low-lying agricultural land, and considering the overlapping areas, the subdivisions rarely have tenure security. Land transaction continues in the absence of formal recognition. The payment is mostly in

instalments by the buyers, which are then reinvested by the developers to extend the project; so far, none of company has acquired more than 10-20% of its proposed area.

The stakeholders in the land development process can be divided into four groups: i) RAJUK staff and DMDP guidelines as land use controlling agencies and policies; ii) REHAB, land developers, local leaders and middlemen who are major protectors and gainer of the land developments; iii) the environmental NGOs and civil societies, whose main concern is to protect the environmentally sensitive areas; and iv) the land owners and purchasers, who have direct stake at the outcome of the land subdivision. From the field survey and interviews, except the few environmental NGOs and civil society organisations, all the stakeholders are against the proposed DMDP land use plans. Also, RAJUK staffs, local political leaders and middlemen are directly involved in the land development process.

The price of a private subdivision is lower than a government one, and this is due to the uncertainty of tenure security, connectivity, utility and community service provision. However, because of the competition among the land developers, land prices have risen significantly, as has the subdivision price. The land developers vary in their size and types, and in their price offerings. Also, according to the layout design, land price varies within the same subdivision, for example, residential land is cheaper than commercial ones. From the field survey, it is noticeable that the large companies and those of good reputations stay away from the metropolitan area to avoid government intervention and to acquire large areas. The project size of the land developers is an important consideration for their reputation. Bigger project size can often be translated into higher political, financial and muscle power which can be used to overpower the legal obstacles.

The regression result shows that along with the reputation, distance from the proposed road, and the character of the land (residential or commercial) significantly influence the land price (with 90% confidence level). A stepwise regression shows that four factors contribute to the market price: distance from the new town; land character (commercial land and/or residential land); and reputation of the company (good or not); land character (corner plot or not). Subsequent analysis shows that the reputation of the company is a function of the acquired land, proposed area and socio-economic and political influence. In addition, a good reputation is synonymous with the possibility of actually receiving buildable land, contrary to the developers with medium and bad reputation.

### **Conclusion, Implication and Recommendation**

The study has addressed the issue of government intervention and private response in market led land supply in Dhaka city, Bangladesh. Based on the above analysis and findings, several conclusions can be made. Firstly, government land supply in Dhaka city does not provide housing solution to the majority, but prioritizes a few selected groups that provide immediate financial gain. Also, government projects violate the planning system and housing policies, but are considered legal. Secondly, private subdivisions respond to the government project due to the better connectivity, utility and social services. Though the private subdivisions are illegal based on the planning system, and except the few environmental NGOs and civil associations who are against the private developers, major local stakeholders and public administrations are directly involved in the process; thus, the planning system is rarely effective in controlling the land transition. Thirdly, due to the illegality and overlapping areas of the subdivisions, tenure security is in question; therefore, reputation of the company to acquire and deliver land is the biggest determinant of land price. Finally, the subdivision price in the study area depends mainly on the reputation of the company, and not on other hedonic assumption of land price – making the land market distorted.

Subsequently, reputation of the company is determined by the socio-political and economic power of the land developers.

Based on the findings and conclusion, the study can predict several implications of the current land development process. Firstly, large scale land developers are outside the DMDP area due to the low land availability inside. Also, due to the mutual co-operation among the stakeholders e.g. RAJUK, land developers, political leaders, land owners, land developments will also take place inside the DMDP area. Therefore, the current planning system will not be successful controlling private land development and/or conserve the environmentally vulnerable areas. Secondly, the land price is extreme which suggest that most majority of the urban resident cannot afford to buy land. Therefore, along with the international experiences e.g. Jakarta, land developers may create new town type exclusive residential areas for the high income groups. Therefore, the findings of this research contradicts with the literatures suggesting that subdivisions in the peripheral parts of Third World cities are a solution to the demand for land and housing, especially for the low and middle income people.

Considering the successful cases of land and housing supply, the pragmatic recommendation is: first, mobilisation of public and private land through compulsory Land Acquisition Act to acquire land cheaply, especially the environmentally important areas, as it is done for the new town; second, Public-Private Partnership (PPP) to provide a cross-subsidy whereas the prices of land and housing can be set at the discretion of the private partners to capture the economic rents of the housing and services; and third, intensive use of land by high-rise-high-density housing. Finally, the ideas are there, but the housing problem cannot be solved unless there is a political commitment.

**Key Words:**

Urban Planning, New Town, Land and Housing, Subdivision, Informal/Illegal Land Market, Land Price, Hedonic Assumption, Eastern Fringe, DMDP, Dhaka City, Bangladesh.

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