**Bundal Island development, a policy disaster in waiting.**

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Bundal, a small island off the coast of Sindh, is at the center of a political storm. The Prime Minister Imran Khan is determined to develop Bundal into a world-class island city under the jurisdiction of the recently established Pakistan Island Development Authority. But this move has sparked yet another dispute with the Sindh administration over ownership and control of the
province.

This kind of all-too-familiar controversy has obscured any reasonable analysis of the pros and cons of the Urban Development and Bundle Island Project (UDBSP). It is worth asking, for instance, whether the UDBSP is feasible from a cost perspective; which economic and social sectors it will likely benefit; how the project will affect Pakistan’s economy; and if it will have a negative impact on the sustainability of Sindh’s coastal communities and wildlife.

When analyzed from a policy perspective, the UDBSP comes off as a pie-in-the-sky initiative that is likely to exacerbate, rather than solve, the urban, economic, and ecological problems currently facing Pakistan.

First, the PM has argued that an island city will “save” rapidly expanding Karachi. Presumably, the island will provide additional land to house the city’s growing population, and thus address the transport, service access, and sanitation problems currently facing residents due to runaway urbanization. This is, at best, a misinformed hope and at worse a damaging expectation given how access to housing in Karachi is structured.

Unfortunately, recognizing a poorly formed policy is much more of a challenge that it should be given that Sindh’s coast is rapidly becoming politicized

A 2016 study by the United States Institute for Peace (USIP) found that, in 2012, a staggering 55 percent of Karachi’s population lived in low-income, unplanned settlements that covered only 8.1 percent of the city’s land. The USIP study found that, by contrast, 27 percent of the city’s land was devoted to formal housing projects such as DHA where middle and high-income residents are likely to reside. The difference between densely crowded, ad-hoc housing on one hand, and large bungalows on the other, suggests the housing problem in Karachi is first and foremost an issue of socioeconomic inequality.
One wonders, then, how an island city on Bundal, with its world-class amenities and tourist attractions that “rival Dubai”, will take the pressure off Karachi if its viability as a profitable endeavor entails targeting a small segment of the elite that already occupies the lion share of housing land.

More likely, the island city will provide an escape (for those who can afford it) from an increasingly polluted and congested Karachi.

Second, Sindh Governor Imran Ismail has stated that the project will boost the economy by stimulating the constructions sector. In general, as a nerve point for many industries, the construction sector can have a considerable impact on a country’s economic fortunes. But, in Pakistan, stimulating activity in this area has often required heavy incentives such as tax breaks, subsidies, and waivers. The present moment is no different. Indeed, the National Committee on Housing and Development established by the PM earlier this year guarantees nearly tax-free investment opportunities for developers and buyers in an attempt to eliminate the red-tape around projects like Bundal. But, while this package might generate short-term activity, it robs the exchequer of considerable tax revenue on one of the government’s most valuable assets: land. This loss of revenue has historically contributed to fiscal deficits which are only remedied by international borrowing.

The UDBSP might therefore have a counterintuitive and negative long-term effect on the economy.

Then, there is the political economy of construction in Pakistan which can put off economic gains for years. A closer look at large-scale development projects shows that they can quickly become economic liabilities. Take, for instance, the case of Bahria Town Karachi. Once touted as an economy-boosting endeavor that could provide jobs and attract foreign investment, the 45,000-acre gated community is now tied up in ongoing litigation pertaining to illegal land allotment on the city’s outskirts. This means that the value Bahria Town can contribute to the economy by attracting foreign investment is also delayed in court cases. As such, Bahria Town is currently a financial liability that is scaring rather than attracting investment due to controversy.

Though not certain, Bundal’s development might also end up in legal limbo, especially if the petitions filed by lawmakers and environmental activists are successful in delaying or fundamentally altering development plans for Bundal Island.

This conveniently brings us to a point that developers and government officials have either ignored or simply paid lip-service to; the UDBSP’s effect on the Sindh coast’s indigenous communities and delicate ecology. It should be said that building cities on the sands that sustain and regulate a complex ecosystem complete with fishing villages, marine life, and forests is irreconcilable with the PM’s recognition of – and commitment to preserving – the environment.

But the policy implications for this about-turn run deeper than a failed campaign promise. At stake here is the culture and livelihood of fishing communities that have occupied the coastal waters for hundreds of years. Additionally, Karachi’s already depleting mangrove forests – one of the largest ecoregions of its type in the world – are also threatened by the UDBSP. These forests provide a natural barrier against coastal flooding. Pakistan is a country is already at high risk from climate change. The loss of its mangrove ecosystem due to Bundal’s urbanization can conceivably set of a chain reaction that begins with the devastation of Sindh’s coastal communities and wildlife and culminates in threatening Karachi, Pakistan’s economic center, with storm surges and tsunamis.

It is clear that Bundal Island does not meet Pakistan’s urban development, economic, or environmental goals. It is, surprisingly, quite the opposite situation where issues in these sectors will likely be made worse by the UDBSP. Unfortunately, recognizing a poorly formed policy is much more of a challenge that it should be given that Sindh’s coast is rapidly becoming politicized. But the stakes are far too high to allow for that. Bundal, instead, should be seen as an example where policy – here understood as a policy cautioning against coastal development and urbanization – should take precedent over politics.

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