

Trends and Processes of Urbanisation in India

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1. Introduction

Rapid growth of urban population in Asian countries during a few of the decades in the second half of the last century has led to the speculation of urban explosion in the Region. Scholars have posited the thesis of over-urbanisation, pseudo urbanisation etc. and argued that “the fulcrum of urban growth” has dramatically shifted from Africa and Latin America to the countries in Asia. With the “mean latitude of global urban population moving steadily to the south”¹, India has been considered to be a major contributor to the incremental urban population, both due to its large demographic weight as also to dynamics of urbanisation. Several stylized facts such as India’s share in projected World urban population going up from the present level of 10 per cent to 14 per cent and that in Asia, increasing from 21 per cent to 26 per cent by 2050 and furthermore the number of 10 million plus cities by then becoming 4 while there was none in 1950, have been cited as evidences of an “unprecedented urban growth”² in the country. It would, therefore, be important to begin the analysis of demographic trend in India by examining the empirical validity of the proposition that the country is exhibiting hyper urban growth and that rural urban migration is higher than that of other countries/regions in the world or what has been observed in the country itself, in recent past.

A section of development analysts hold that the measures of structural reform in the country adopted since early nineties, which has been the basic factor responsible for the rapid acceleration in economic growth, the rate being over 8 per cent per annum in real terms for over half a decade, have opened up job opportunities in several globally linked sectors located in and around the cities, giving a boost to rural urban (RU) migration. They argue that these measures would further accelerate urban growth by linking the country with global economy, leading to rise in indigenous investment as also inflow of capital from outside the country. This, in turn, would give impetus to the pace of urbanisation since much of the investment would be either within or around the existing urban centres. Understandably, there will be significant increase in employment opportunities in the cities, strengthening the pull factors attracting migrants. Even when the industrial units are located in neighboring rural settlements, in a few years, the latter would acquire urban status. The Eleventh Five Year Plan of India (2007-12) holding urbanization as the “key indicator” of economic and social development and that the cities “will be the locus and engine of economic growth over the next two decades” for the realization of “an ambitious goal of 9%–10% growth in GDP”³ is in line with this perspective.

There is, however, an equally strong and vocal viewpoint that the process of urban development in India is not necessarily positive as it is associated with accentuation of regional and interpersonal inequality and, unfortunately, little reduction in poverty. It has been argued that a low rate of infrastructural investment in public sector - necessary for keeping budgetary deficits low – has slowed down agricultural growth. This, coupled with open trade policy, has resulted in “contraction of purchasing power” and destabilisation of agrarian economy, causing high unemployment and exodus from rural areas. Employment generation in the formal urban economy, however, has not been and is unlikely to be high due to capital intensive nature of industrialization. Consequently most of the migrants are and will be absorbed within informal economy. Thus, the protagonists as also the critics of economic reform

¹ Rakesh Mohan and Dasgupta (2005)

² “This phenomenon of such rapid urbanisation is indeed unprecedented and it has changed human geography beyond recognition” Rakesh Mohan and Dasgupta (2005)

³ Planning Commission (2008)

converge on the proposition that urban growth in the post liberalisation phase would be high although they assess their implications quite differently. The recent data from the Population Census, however, cast serious doubts on the proposition.

Given these alternate perspectives, the present paper begins with a historical overview of the urbanization process in India during the colonial period. This has been done in the second section which follows the present introductory section. The next section attempts a stock taking or urbanization scenario in the post colonial phase in the context of the demographic and economic trends in Asia and the world and critically examines the urban scenarios projected by international and national agencies. The trends and patterns of urbanization and migration in India have been reviewed in some detail at the macro level while attempting to decompose urban growth into various components, in the fourth section. The next section presents the variations in demographic growth across different size categories of urban centres, investigating, into the problems of classification, as urban centres move in and out of a category over time. State level variations in the level and pace of urban growth have been analysed spanning the past five decades in the sixth section. The seventh section analyses the trends in employment and unemployment of various types, wages etc. A thesis of formalization of informal sector has been proposed in the eighth section which probes into its implications of new forms of organisation of production and service activities from the viewpoint of efficiency and wellbeing of the workers. An attempt has been made in the next section to determine the role of long duration and seasonal migration in poverty alleviation in different categories of settlements. It further speculates on if the entry of on the poor migrants has become difficult over the years. The new system of urban governance and empowerment of local bodies brought about through Constitutional Amendment and other administrative measures is the subject of investigation in the tenth section. The next section analyses the restructuring of financial institutions responsible for capital investment in urban infrastructure as also new mechanisms of resource mobilization adopted at local levels. The changed perspective for preparing and implementing city level plans and ushering of land market reforms to ensure greater efficiency and flexibility has been discussed in the twelfth section, highlighting their implications for future migration and urbanization. The next section overviews the policies and programmes for urban development launched by the central governments during the past three decades, keeping the thrust on the programmes in the current Plan. The final section summarises the results in the context of the problems and possibilities of adopting a proactive strategy for urban growth and build inclusive cities.

2. *Urban Processes in India: A Historical Perspective*

The genesis of the hierarchy of urban settlements and spatial structure in contemporary India can be traced to the development dynamics during the colonial period, essentially in response to the requirements of an imperialist regime. The colonial economy, through the establishment of few port and administrative towns, generated strong centrifugal pulls manifested in commodity and population flows towards them. This had the inevitable consequence of weakening the centripetal forces exerted by the inter-settlement linkages. The four urban agglomerations (UAs), namely, Calcutta, Madras, Bombay⁴ and Karachi (presently in Pakistan) served, un-like their Western counterparts in the medieval period, as focal points of a mechanism for generating economic surplus. The pre-existing rural-urban interactions were gradually replaced by export-import oriented commodity flows. Movement of population that became necessary to sustain the new urban centres (and the plantation fields) further disrupted the core-periphery relationship and strengthened the centrifugal forces. These cities, unlike their counterpart in the developed countries of the world, were not a product of economic development.

⁴ The names of the three cities have been changed in recent years as Kolkata, Chennai and Mumbai respectively.

The interactive system evolved through the centuries, between a large number of handicraft, service and commerce based towns and their hinterland of primary production as also between large cities and smaller towns in the hierarchy, were the major casualties of this process of urbanization. A few of these towns were inducted into a mechanism of surplus expropriation and became centres of collection and processing of primary goods while the others were allowed to wither away. The new urban centres, endowed primarily with instincts for trade, failed to disseminate growth impulses. Instead, they performed satellitic roles vis-à-vis the port towns that were themselves satellitic to the global metropolis. The former were by and large alien to the internal economic system "since the production activities and commerce transacted more with the world market rather than with the indigenous people". The colonial policy of industrialisation resulted in concentration of units producing mostly consumer goods in a few large cities. These, however, exerted powerful backwash effects, resulting in liquidation of the secondary activities in the rural hinterland. The substitution of an interactive and generally symbiotic relationship by an exploitative one resulted in an overall weakening of the economic base. The displacement of work force from the primary and the secondary sectors in the rural areas and their non-absorption in the formal urban economy led to serious problems of unemployment, informal employment and poverty.

As the rural-urban migration was not in response to the increased demand for labour in productive sectors of the economy, the urban centres did not have the capacity to assimilate the migrants who shuttled like refugees between place of origin and destination as also between various informal activities. As a consequence, the dysfunctionality of the cities in the context of regional economy increased and this, in turn, generated serious socio-economic distortions, affecting their internal organization. The cities were planned with a view to provide high quality civic amenities to the elites linked to the ruling class or those who could afford high prices. The segmented structure of the cities ensured that the service class resided nearby but did not over burden the infrastructure in the core areas.

As the country was gradually drawn into the orbit of the capitalistic system during two centuries of colonial rule, its political economy became the major impediment to technological advancement in agriculture and industries. This affected productivity levels of both the sectors adversely. In many of the developed countries, the high level of agricultural production, and the surpluses generated as a consequence, had facilitated the growth of cities. In British India, however, it was not the level of agricultural or industrial surplus but the socio-political organization that enabled the cities, directly or indirectly, to appropriate an increasing share of total production from their hinterland. Surpluses extracted through rents and taxation system were either transmitted across national frontiers or used to meet the increasing demand of the tertiary sectors having a high incidence of 'non-productive' activities. Imports entering the market in small towns and rural areas through the trading networks ushered in strong forces of deindustrialization. Most of the petty producers could not stand in global competition particularly when the policies of the government were far from being protective.

The twin processes hitting hard at the economic base of the rural industries and creating enclaves of apparent affluence in select urban centres struck at the very root of the rural-urban continuum. Public facilities got concentrated in the towns and cities and were made available to a few privileged sections of the urban community, the access of the rural population being negligible. Further, the cultural superstructure imposed on the urban areas was not rooted in indigenous institutions which led to the fragmentation of tradition along the rural-urban inter-face. 'Urbanism', cut off from the basic source of its strength, became rootless and imitative while 'ruralism' got bogged down within the confines of petty production and was emasculated under the burdens of superstition, obscurantism and parochialism.

With independence of the country in 1947, the political as well as the economic structure underwent some changes. The massive public sector investment in selected pockets, especially during the

second and third Five Years Plans (1955-65) helped in restructuring the urban hierarchy of nodes and sub-nodes. However, the regional disparities did not narrow down, despite public sector playing a major role in directing concentrated investments in backward areas. This is because the apex centres did not create viable system of urban settlements and left their neighborhood virtually untouched. The assumption of percolation and diffusion of growth impulses from the centre to the periphery - characteristic of the Anglo-Saxon regional development theories - proved to be invalid as the multiplier effects got impound within the large agglomerations. The transformation of large cities from colonial to national capitals meant only an increasing concentration of low productive manufacturing and service activities that could find a foothold more easily due to the changed political economy. The pace of urban growth was rapid during the first three decades since Independence but that led to greater informalisation of urban economy and growing deprivation in terms of basic services.

3. Contemporary and Projected Urban Trends in India in the Context of Asia

The postulates regarding India currently experiencing hyper urbanisation and the trend would continue for the next few decades, are mostly based on the absolute population figures (or increments therein) or the share in the regional or global totals. Understandably, these work out to be high due to the impacts of the base year rural or urban population of India which accounts for 67 per cent of the total population of South Central Asia and 29 per cent that of Asia. Needless to mention that inferences regarding dynamics of urban development based on the share of India in the total or incremental urban population and its comparison with that of other countries or regions can easily be misleading⁵.

An overview of the Table 1 reveals that the pace of demographic growth in urban areas of Latin America including Caribbean during the second half of the last century was spectacular, the percentage of urban population going up from 41 per cent to 75 per cent. Africa, too, registered similar urban growth during 1950-70, the rate slowing down after this period. Within Latin America, the sub region of South America recorded higher urban rural growth differential URGD than the former throughout the entire half century, similar being the case of Sub Saharan Africa falling in the African continent. It is argued that Asia now "will replicate the experience of these continents", with India and China determining the regional trends due to their demographic weights.

Contemporary Urban scenario in India however casts serious doubts on this perspective. The growth in urban population in India has at best been modest and fluctuated significantly over the past few decades (Table 1). The rate was reasonably high in the fifties, fell sharply during sixties largely due to definitional anomalies (as discussed below) but reached its peak in the seventies. These were below those of African or Latin America all along - even during seventies - the figures for Sub Saharan Africa or South America being even higher. Correspondingly, the Indian URGD was below 1 per cent during fifties, rose gradually to 2 per cent by the end of the eighties (Table 2). It fell during eighties and further in nineties but the corresponding fall for the two continents was more dramatic so much so that their figures came down to below that of India. The figure for the latest quinquennial period 2000-05 for India has been estimated by the Population Division of the United Nations (UNPD) as 1 per cent only. This is below all the continents of the world except Europe as also most of the countries in Asia except China, the countries coming out of erstwhile Soviet Union and those undergoing some kind of political instability. Both urban growth as also URGD are much below that of South America and Sub Saharan Africa during the entire period. All these tend to confirm the declining

⁵ Predictions such as "in Southern Asia, urbanisation rates varied due to specific country conditions. Generally urbanisation took longer to get underway but is expected to accelerate dramatically in the 1990s" (Forbes and Lindfield 1997) have proved to be wrong.

trend of urbanisation and question the popular theories of “urban explosion”, “over urbanisation” etc. in India.

The recent trends in urbanization cast serious doubts also regarding the future urban scenario, put forward by various expert committees set up by the government and international agencies over the past two and a half decades. In early eighties, Indian Planning Commission (1983)⁶ had projected urban population in the country for the years 1991 and 2001, using two alternate variants. The exercise was undertaken under the overwhelming shadow of “urban explosion” observed during 1971-81 and, consequently, the projected figures were much on the higher side. All other official projections made during eighties and nineties, too, reflect this “optimism” and give figures for future urban population even larger than that of the Planning Commission. The Expert Committee for Population Projections for the Eighth Plan, for example, had predicted urban growth (annual exponential) rate to be 4.4 per cent during eighties and 4.1 per cent during nineties. The Expert Group on the Commercialisation of Infrastructure Projects (1996), too, implicitly assumed a rapid pace of urbanisation as a consequence of new economic policy.

The projections of urban growth made by the UNPD are on a slightly lower side but yet make errors of “over optimism”. The World Urbanisation Prospects (WUP 1995) had placed the annual growth rate of urban population for 1990-95 and 1995-00 at 2.9 and 3.0 per cent which is about what was recorded by Indian Census during eighties (Table 3). The percentage of urban population was projected to go up from 25.5 in 1990 to 28.6 in 2000. Importantly, these figures were revised downwards in the subsequent WUPs. The growth rates for the periods 1990-95 and 1995-2000 were brought down to 2.75 and 2.80 while the percentage of urban population in 2000 was placed at 28.4 in 1998 Report. These figures are below those of WUP 1995, possibly because the former take into consideration the decline reported in the natural increase in population in Sample Registration System (SRS). These estimates, all coming out before the availability of 2001 Census results, however, are above what actually came out in the Census.

The WUP (1995) projection of future urban growth of 3.2 per cent during 2000-05 is lower than that of the government committees and closer to the recent Census figure. The latest WUP (2008), however, puts this at 2.35. Also, it implicitly admits that the projection of urban population, placed at 41.3 per cent by the year 2020 in WUP (1995) is much on a higher side⁷. WUP (2007) places this at around 37.5 only. What however is surprising that this gives higher projections of urban growth in future years than that given before four years in WUP 2004⁸. It is not clear what new information have become available that constitutes the basis for the ‘optimism’.

It is surprising that despite India reporting one of the lowest URGD among the developing countries during 2000-05 - much below that of Latin America and Africa - the projected URGD for 2020-25 or 2045-50 is one of the highest of the world. It is difficult to go with this perspective especially when India has registered a significant deceleration in urban growth rate and URGD in recent decades. Given these recent trends, all these projections - made by UN agencies as well as various committees of the government - can be considered as overestimates.

The high growth perspective on urbanization could partly be attributed to the methodology adopted by the UNPD and other national and international agencies, which is based on an exponential function,

6 Planning Commission (1983)

7 The parameters of the model (used for the projection exercise in the UN study), makes the increase in the percentage of urban population in the initial years to be low, going up subsequently (but coming down ultimately, at a high level of urbanisation).

⁸ The annual growth rates of urban population given in the WUP 2003 and WUP 2007 for 2025-30 are 2.5 and 2.6 respectively.

relating the percentage of urban population with URGD. It implicitly assumes that the URGD would increase in developing countries till these have half of their population living in urban areas. Despite several modifications in the methodology, allowing URGD to come down before these countries reach the fifty per cent level, the UNPD gives figures that are distinctly on a higher side. The policy concerns in developing countries urging to control RU migration and slowing down the growth of large cities has possibly motivated their administrators and policy makers to readily accept this perspective as it provides justification for imposing restrictions on population mobility. Furthermore, this allows the urban elites to demand and corner greater share in the total investible resources for infrastructure and civic amenities. Given urban bias in development planning in most of the less developed countries (Lipton 1977), it is understandable why such projections have largely gone unchallenged in India as also in many other developing countries.

It is only recently that the policy makers in India have started questioning the alarmist perspective and with that the measures for discouraging RU migration and decelerating urban growth. The Tenth Plan documents notes that “the moderate pace of urbanisation in the country has been a cause of disappointment” and the Eleventh Plan admits that “the degree of urbanization in India is one of the lowest in the world.” It would be important to examine how the new perspective has affected the policies, programmes and final outcome in terms of emerging urban morphology.

4. Urban Growth and Migration: Trends and Decomposition

The percentage of urban population in India has gone up sluggishly from about 11 in 1901 to 17 in 1951 and then to 28 in 2001 (Table 4). The growth rate of urban population during 1941-51 was fairly high, 3.5 per cent per annum, which came down to 2.3 per cent in the following decade. It has been pointed that the figure for the fifties was on a higher side as the definition of urban centre could not be standardised in the first Census, conducted after Independence, as also massive RU migration occurred due to partition of the country. Formalisation of the concept of urban centre in 1961 Census led to significant fall in the growth rate. Making adjustment for these anomalies (Graph 1), one would note that urban growth has been rising systematically during 1951-81, after which it has started going down, as noted in the preceding section. The highest urban growth of 3.8 per cent was recorded during seventies but subsequently it has come down to 3.1 per cent in the eighties and 2.7 per cent in the nineties.

The percentage of lifetime male migrants⁹ in urban areas declined from 33.6 to 32.4 and that of intercensal male migrants from 18.5 to 16.9 during 1971-81 (Table 5). This is very striking since the decade saw very high growth of urban population, as noted above. Correspondingly, the share of lifetime interstate migrants declined from 11.2 per cent to 10.0 per cent. The migration data from 1991 Population Census reveal further decline in these figures, the percentage figures for lifetime, intercensal and interstate (lifetime) migrants being 11.7, 26.0 and 8.0 respectively. Migration of females into urban areas, too, declined but at a slower pace, as that is governed by socio-cultural factors that change sluggishly.

The data from Population Census 2001 mark a slight departure from the past trend. Excepting the total intercensal migrants, the percentage figures for all other migration categories have reported a rise during nineties both for men as well as women, as may be seen in the Table 5. The former not falling in line with other types of migration, warrants further probing¹⁰. The percentage of migrants by the place of last residence (POLR) with less than 10 years of duration is noted to have declined both

⁹ A person who was born in a settlement other than his/her place of enumeration.

¹⁰ Annual exponential growth rates of intercensal migrants in rural and urban areas work out to be 1.4 per cent and 2.5 per cent per annum respectively that are less than that of the corresponding total population.

for men and women (Table 6). This confirms the pattern noted based on place of birth migration data, as discussed above. However, the shares of POLR migrants by all other longer durations have gone up. The maximum increase is reported in case of migrants for whom information on period of stay could not be ascertained. This can easily be attributed to uneasiness on the part of recent migrants to admit their arrival date due to the apprehension that this may disqualify them from certain officially provided benefits, most importantly the tenurial rights. The apprehensions of inviting wrath of civic administration and local population would be additional factors for the purposive misreporting.

The growth rate of migrants with less than one year duration, however, is higher than that of intercensal migrants (Table 6). This is understandable because, for the people who have just arrived, it is difficult to hide this fact. Also, a majority of them are contract labourers or transitory population, who have not much stake at the place of their current residence. The growth is the lowest for those with 1 to 4 year duration, followed by those reporting 5 to 9 year of stay. The growth rates of migrants with 10 to 19 year and more than 20 year duration, on the other hand, are much higher than that of the total migrants or total population. The question is how the percentage of intercensal migrants can go down in a decade which records relatively high growth in total migrants.

This paradoxical result can easily be explained as follows. Many people who have arrived during the nineties have falsely claimed their arrival date to be ten or more years. The reason for that apparently is the same which has forced many to keep their period of stay unspecified. This undoubtedly would create problems of data comparability in analysing temporal flow of migrants, particularly for urban areas wherein there are greater motivation for reporting longer duration of stay. There is thus a case for analyzing the robustness of data on migration, disaggregated by the period of residence at the destination.

As per the study by the Office of the Registrar General, New Delhi, East West Centre, Honolulu and Bureau of the Census, Washington (1993), the contribution of rural urban (RU) migration in the incremental urban population has declined over the previous decade and stood at 22.6 percent in the eighties. Making a slight departure from their methodology, an attempt has been made, here, to decompose the incremental urban population, using a simple identity, into four components. These are: (a) natural increase, (b) new towns less declassified towns (outside the agglomerations), (c) merging of towns and jurisdictional changes for cities and agglomerations and (d) RU migration. The first component, estimated by applying natural growth rate on base year population as well as intercensal migrants, can be noted to have gone up marginally from 35.4 million in eighties to 40.2 million in nineties (Table 7). These account for 61.3 per cent and 59.4 per cent of the total increase in urban population in the two decades respectively. It may be mentioned that in estimating this component, the decline in natural growth rate of population during 1991-01, as per the Sample Registration System data, (which is slightly sharper in urban than in rural areas) has been taken into consideration¹¹.

The components where the changes in the share have been substantial are (b), new (less declassified) towns and (c), merging of towns and areas with agglomerations¹². It is noted that the share of

11 The natural growth being much less in urban compared to rural areas, has been indicated by certain national level surveys as well (Registrar General 1999).

12 The net increase in urban population due to addition\deletion of towns in the terminal year, ($N_1 - D_0$), can be estimated through subtraction of the increment in population of towns that exist both in base and terminal year from the total increase in urban population over a decade. This may be expressed in the following equation:

$$N_1 - D_0 = (U_1 - U_0) - (C_1 - C_0)$$

component (b) in the total increment to urban population has declined from 9.4 per cent in the eighties to 6.2 per cent in the nineties. This suggests that urbanisation process, away from the existing agglomerations and urbanised regions, has become sluggish over the decades.

The third component is the addition to the population of common towns due to extension of municipal limits, merging of old towns or inclusion of new towns in the old UAs. This has been estimated as a residual category for the sixties, seventies and eighties. However, for nineties, it is computed here based on the assumption that there is spatial concentration in urban growth which would result in larger merging of towns with existing towns/UAs and their areal expansion¹³. The validation of the assumption comes from the fact that the number of towns merged with neighbouring towns/cities was 221 in 2001 which is more than twice that in 1991. In the absence of the data on areal expansions, the population increase due to this factor has been taken to be in proportion to that of the merged towns as both reflect the dynamics of development around the existing agglomerations. Based on this, the share of the third component during nineties works out to be 13.0 per cent compared to the figure of 7.6 per cent in the preceding decade. The fourth component, migration, has then been estimated indirectly as the residual factor. This has been done since questions have been raised regarding the reliability of migration data, obtained through direct questions, as discussed above. The following identity has been used to estimate the number of migrants in urban areas, as per the methodology discussed in the notes of Table 7:

Increase in RU migrants = Total increase less natural increase in urban areas – population in new towns less that in declassified towns – population in expanded area

It is interesting that migration as a percentage of incremental urban population through this indirect method works out to be 21 in the nineties, marginally less than noted in the previous decade. Further, the figure is almost the same as the percentage of lifetime intercensal RU migrants reported in the 2001 Census. This suggests that despite the erroneous reporting of the year of arrival in the urban areas, the data on total life time migrants can be taken as being temporally comparable. One may add that the percentage of lifetime migrants in 2001, which is slightly above that of 1991, is significantly below those of 1961 and 1971. There are thus reasons to believe that Indian population has not become more mobile, if their mobility has not actually declined over the years.

The data from National Sample Survey (NSS) for the past two and a half decades too confirm the declining trend of migration for males, both in rural and urban areas, although the fall is less than that reported in the Census. Importantly, the migration rates had declined to all time low levels in 1993, where after there has been slight recovery. The fact that the percentages of migrants in 1993-94 are marginally below the figures for 1999-00, similar to what was noted using the data from Population Census, may be attributed to more liberal definition of migrants adopted in the 55th round of NSS (Kundu 2006). However, considering the period from 1983 to 1999-00, one would reconfirm that mobility has declined over the period. In case of women, the percentage of migrants has gone up marginally as this is determined by socio-cultural factors that respond slowly with time. The general conclusion thus emerges unmistakably is that mobility of men, which is often linked to the strategy of seeking livelihood, has gone down over the past three or four decades¹⁴. These trends in migration

where N and D denote the population of new and declassified towns and U is the total urban population. C is the population of towns existing in the initial and terminal years that have been denoted by the suffix 0 and 1.

13 Unfortunately, the Census of 2001 does not report any increase in the number of urban agglomerations (UA) due to adoption of a definition of UA, much more stringent than the preceding Censuses.

14 In order to focus attention on mobility of labour due to economic reasons, one may like to focus attention on the pattern of male migration only, since a large part of female migration is due to marriage and other social factors.

further confirm the apprehension that projections of urban growth given by UN for the next few decades are on a higher side.

5. Urbanisation Pattern across Size Class of Urban Centres

An analysis of the distribution of urban population across size categories of urban centres reveals that the process of urbanisation in India has been top heavy or large city oriented¹⁵. This is manifesting in an increasing concentration of urban population in class I cities over the past several decades (Graph 2). The spatial concentration can be seen in terms of a massive increase in the percentage share of class I cities - having population above one hundred thousand population - from 26.0 in 1901 to 68.7 in 2001 (Table 8). This has often been attributed to faster growth of large cities, without taking into consideration the fact that the number of these cities has gone up over the years. Indeed, the primary factor for the increasing dominance of these cities is graduation of lower order towns into class I category. In 1901, there were only 24 class I cities that have gone up to 393 in 2001. One would note even a greater concentration of urban population in metropolitan cities - cities having population of a million or more. There was just one city with one million plus people in 1901 claiming just 6 per cent of the urban population. The number became 2 in 1911 and remained so till 1941, although their percentage share in urban population went up from 10.6 to 12.0. In 1981, the figure became 26.4 which increased further to 32.5 in 1991 and 37.8 in 2001. This further corroborates the thesis of top heavy urban development.

In addition to the factor of increase in the number of large cities, faster demographic growth in these has also contributed to the top-heaviness of urban structure. Importantly, Table 9 reports two growth rates for seventies and subsequent decades, for different categories of towns, one computed by considering the population in each category as given in Census Reports, the other (the adjusted rate), by classifying the towns in different size categories based on their base year population in both initial and terminal years (irrespective of their classification in the latter) and then recomputing the population for each category for the terminal year¹⁶. The differences between the two growth rates are due to towns moving in and out of a category over time. This largely explains the increase in the share of population in class I and metropolitan cities over the decades, as elaborated above. It may nonetheless be observed that the metro cities, on an average, have grown by 3.25 percent (adjusted rate, annual exponential) per annum, which is higher than the growth rate of class I cities, 2.96 per cent, both these being above that of all "common towns" (excluding the new and declassified towns), viz. 2.84 per cent (Table 10) during 1981-91. During 1991-2001, the rates have gone down across all size categories, including that of the metro cities. In case of the later, it has come down to 2.88 while that for the common towns has gone down by a smaller margin to 2.64 per cent. Also, the difference between the growth rates of metro and class I cities has gone down, making them close to each other. One may, therefore, stipulate that the thrust of demographic growth is shifting from mega or million plus cities to the second order cities, having population between 0.1 million and 0.5 million.

¹⁵ Analysing the changing pattern of urban structure across the countries in Asia, it has been pointed out that the maximum top heaviness occurs in South Central Asia where five million plus cities account for over 22 per cent of urban population. This is higher than all other regions of the world (Table 5). This figure for the region reflects basically the situation in India because of the demographic weight, over 70 per cent of the urban population in the region.

¹⁶ For further details see Census of India (1991)

Despite increasing concentration of urban population in larger cities over the years, several researchers and planners find no distortion in the system and talk of stable morphology in Indian urban structure (Rakesh Mohan and Pant 1982). They hold that population growth is more or less uniform across the size classes. It can be argued based on the figures in Table 9 that this is not the case. The class I cities, for example, show distinctly higher growth rates when compared to all lower order towns, except those in class VI. Importantly, the pattern has remained similar over the past three Census decades although there is a general deceleration in urban growth in all size categories. One can, nonetheless, note the class I cities maintaining their edge over class II, III, IV and class V towns in terms of their adjusted growth rates (using base year classification), the gap widening a bit during 1991-01. The annual exponential (adjusted) growth rate for class I cities during seventies and eighties are 3.46 and 2.96 respectively. The latest Census indicates a further decrease in their growth rate to 2.76 percent during nineties. In comparison, the rate for class II towns has gone down by a larger margin, from 2.75 per cent in eighties to 2.38 per cent in nineties. The same is the case of class III towns, the corresponding percentage figures being 2.59 and 2.27. The smaller towns (IV, V and VI together), too, indicate a sharper decline in growth rate - from 2.57 percent during 1981-91 to 2.22 per cent during 1991-01. One would, therefore, stipulate that the urban structure is becoming more and more top heavy due to the higher demographic growth in larger cities, in addition to the factor of upward movement of towns, as discussed above.

The case of class VI towns with population below 5,000 needs special mention. These record a higher growth rate than even the metro cities and thereby do not conform to the general pattern. One must hasten to add that these constitute a special category, as many of these are part of an expanded city, pilgrimage centres etc. or have come into existence through establishment of public sector units. Their growth dynamics, therefore, are outside the purview of the regional economy.

Higher demographic growth in the class I cities, as noted above, is due to both areal expansion and immigration. Many of these report emergence of satellite towns in their vicinity that have become part of the city agglomeration. These also have outgrowths, resulting in expansion in the municipal boundaries as these become parts of the city. Often large industrial units tend to get located or get pushed out of the municipal limits, thanks to the pressures exerted by the environment lobby and the City Master Plans. This process of limited dispersal is facilitated by easy availability of land, access to unorganised labour market, besides lesser awareness and less stringent implementation of environmental regulations in the urban periphery. The poor migrants are able to build shelters in these "degenerated peripheries" and find jobs in the industries located therein or commute to the central city for work (Kundu, 1989 and Kundu et al., 2002). The entrepreneurs, engineers, executives etc., associated with these industries, however, reside within the central city and travel to the periphery through rapid transport corridors. This segmented process of city expansion, variants of which are manifesting in all states, has been responsible for pushing out the squatter settlements and absorbing the new migrants in the rural peripheries in many large cities.

The national and state capitals in the country are growing differently from Class I cities or "common towns" during the past two decades. The demographic growth in these capital cities has been at par or even higher compared with the million plus cities during 1981-91, the rate being as high as 3.36 per cent per annum. The percentage of urban population living in these capital cities has, however, increased sluggishly from 25.7 to 25.9 during 1991-2001 (Table 10). This is because their growth rate has declined substantially in the nineties (to 2.79 percent only) compared to the previous decade. It is a matter of in-depth empirical investigation whether this is because of the strategy of structural adjustment, expenditure control, fall in the infrastructural investments by the public agencies etc., affecting the growth of the capital cities adversely.

Given the new dynamics of urban industrial development associated with the strategy of globalisation, the small and medium towns, located away from the "emerging global centres of growth", particularly those in backward regions, have failed in attracting much private investment. They find it difficult to finance any development project through internal resources or borrowings from capital market. The fiscal discipline imposed by the government, HUDCO, credit rating agencies and other financial intermediaries, make it impossible for them to undertake infrastructural investment of any kind, as discussed in the following sections. The deficiency in basic amenities is a serious hurdle in their attracting private investment from within or outside the country. With governmental investment in infrastructure and basic amenities also becoming less and less in smaller towns over the years, the disparity within the urban economy has increased over the years.

The weak economic base and deficiency in basic amenities in small and medium towns are reflected not merely in deceleration in their population growth but also declassification of many of these during the nineties. The Census towns have gone down for the first time from 1693 to 1363 during nineties¹⁷, primarily because the number of settlements that have lost their urban status has gone up from 93 in the 1991 to 445 in 2001. Besides, very few new towns have emerged on the scene which should be a matter of anxiety for regional planners in the country. The Eleventh Five Year Plan recognizes this problem as it observes that "the growth of rural settlements which are acquiring urban characteristic is very slow". These indeed are matters of serious concern as they reflect lack of growth dynamics in rural economy and smaller towns. The total number of urban settlements in the country has, however, gone up, as the State governments have identified a large number of statutory towns, due to their ushering in a system of decentralized governance through the 74th Constitutional Amendment Act of 1993.

6. Trends and Patterns of Urbanisation: An Interstate Analysis

The variation in the share of urban to total population across the states is high (Table 11). The pattern, however, has undergone significant changes over the past few decades. A large proportion is currently concentrated in six most developed states, namely Maharashtra, Gujarat, Tamil Nadu, Karnataka, Punjab and West Bengal, accounting for about half of the country's urban population. This can largely be attributed to colonial inheritance, all these states reporting percentage of urban population much above the national average of 27.8 in 2001. Several studies have shown that the levels of urbanisation in the states with high per capita income are generally high, the opposite being the case of less urbanised states (Sivaramakrishna, Kundu and Singh 2005).

The pattern of urban growth across states is significantly different from that of the levels of urbanisation. Since Independence until 1991, most of the developed states have shown medium or low growth of urban population. In contrast, high urban growth was registered in economically backward states, viz. Assam, Bihar, Uttar Pradesh, Rajasthan, Himachal Pradesh and Madhya Pradesh, the states also having low percentages of urban population (Table 11). The small north eastern states deserve special mention as they too have recorded rapid pace of urbanisation due to the process of their becoming economically integrated with the national economy. This, unfortunately, did not get reflected in their levels of economic development. On the whole, the relationship between level of urbanisation and urban growth works out to be negative. However, a couple of developed states like Maharashtra and Haryana may be considered as exceptions, as they have recorded urban growth slightly higher than that of the country.

Urban scenario in the post Independence period was characterised by dualism. The developed states attracted population in urban areas due to industrialisation and infrastructural investment but this was largely in and around large cities and upcoming industrial centres. Interestingly, the backward states too – particularly their backward districts and small and medium towns – experienced rapid urban growth.

¹⁷ Kundu et al 2003

This can partly be attributed to government investment in the district and taluka headquarters, programmes of urban industrial dispersal, and transfer of funds from the states to urban local bodies through a need based or what is popularly known as "a gap filling" approach. A large part of RU migration into smaller towns from their rural hinterland in backward states could, however, be explained in terms of push factors, owing to lack of diversification in agrarian economy.

The rate of urbanization has gone down significantly during 1991-01, as mentioned in the preceding section. More important than the decline in the growth of urban population, however, is the change in the pattern of urban growth in the nineties, which makes a significant departure from the earlier decades. During the four census decades after Independence until 1991, urban growth has generally been high in relatively backward states, as noted above. A few of the developed states, too, attracted reasonable number of migrants in their urban centres but the over all relationship between urban growth and economic development across states works out to be negative, though not very strong. Nineties, however, make a significant departure from this. Most of the developed states like Tamil Nadu, Punjab, Haryana, Maharashtra and Gujarat have registered urban growth above the national average (Table 11). Karnataka has remained slightly below the national average and West Bengal is an exception whose growth rate is low due to rural oriented strategy followed by the state government. The backward states, on the other hand, have experienced growth either below that of the country or, at the most, equal to that. Making a comparison over the past two decades, the growth rates for developed states have either gone up or remained the same as in the eighties¹⁸. The backward states, however, have recorded either a decline or stability in their urban growth.

Urbanisation process has, thus, become concentrated in developed regions and larger cities in recent years with the exclusion of backward areas and smaller towns. This could, at least partly, be attributed to the measures of decentralisation whereby the responsibilities of resource mobilisation and launching infrastructural projects have been given to state agencies, para-statal bodies and local governments, as discussed below. Large municipal bodies, particularly those located in developed states, tend to have a strong economic base, an advantage which is clearly been manifested in their high economic and demographic growth. The smaller towns in the backward states, on the other hand, have languished economically and reported low or negative demographic growth, many of them even failing to meet the criteria for being classified as urban centre.

An analysis of the dynamics of regional development in the nineties reveals that income growth has become uneven across states and so has been the incidence of poverty. Despite significant growth in per capita income and decline in poverty over the past the decades, the regional inequality in both has been accentuated. Rapid income growth has occurred in developed regions and in and around class I cities. Understandably, poverty has got concentrated in remote regions and problem areas in terms of their socio-economic characteristics. While the developed regions have over time developed resistance to in-migration, the backward regions do not seem to the capacity to export person-power with the skills that are required at the destination. Given this macro scenario, slowing down in the rate of urbanisation, concentrations of urban growth in relatively developed states as well as around a few global centres, seem to be the logical outcome.

7. Changes in Workforce Structure and their impact on Urbanisation

India has come to enjoy a distinct advantage in its labour market compared to several developed and less developed countries due to the fast changing age distribution of population. It is a late entrant in

18 Given a significant fall in overall urban growth rate at macro level, the marginal decline in case of Maharashtra and Karnataka may be treated as fluctuation around the rate of the previous decade. West Bengal is an exception but here the explanation lies in political economy of the state, giving greater emphasis to rural development.

the process of demographic transition. Its population growth which was maintained between 2.1 and 2.2 per cent per annum during the first four decades since Independence has come down to below 2 per cent during the nineties. As a consequence, the country has a high percentage of population in the age group 15-59 years which is likely to go up further in the next three to four decades. Further, worker population ratio in the adult age groups has been rising in recent years, as discussed below. Consequently, the country would enjoy significant demographic dividends during the next few decades, unavailable to most other countries.

India's age pyramid has the typical shape of a country with young and fast growing population. Currently, it has about 63 per cent of population in 15-64 age group. A rapid decrease in the percentage of children (aged less than 15) will continue to occur during the next few decades, much more than in case other Asian countries. This is because the process of fertility decline in the former has begun only recently and this would affect and alter its age structure in the next two decades. The figure for people in this economically active age group has been predicted to be 68 per cent in 2030 while that for China would go down from its current level to 67 per cent only (Graph 3). India would thus be overtaking most of the developing countries (EIAS 2006). The low share of children and aged in India would imply that it will have relatively low dependency burden. All these are being viewed as positive factors from developmental perspective of the country¹⁹.

The health expenditures for the aged (as a percentage to income) is growing exponentially in per capita terms in many developed countries due to increase in their aged population. This, however, may not shoot up in case of India (due to sluggish growth in life expectancy), enabling the country to make investment in water supply, sanitation and other infrastructure facilities where it is highly deficient²⁰. A large part of the female adult population in many of the states in India remains untapped and this would change in the next few decades. Stronger labour mobilization among women –in line with what has been recorded in most South-East Asian countries as also Bangladesh– is a distinct possibility

The nature of economic growth in the country, however, does not guarantee that the growth in job opportunities will equal the increase in working-age population or be higher than that, to wipe out the backlog of unemployment. There may be a surplus in labour supply on one hand and growing job expectations on the other. This can be explained in terms of the low employment elasticity of the industries experiencing high growth. The potential for further growth of human capital resources in India is very high. Its absorption in human-capital-intensive services sectors that are growing rapidly in recent decades can enhance India's demographic dividend. The actual benefit may however, turn out to less than projected or anticipated as the country's specific requirements of skilled personnel may not be met through expansion in university and technical education.

An attempt is made here to build an explanatory framework for urbanisation and migration trends by relating these to the changing employment structure in the country. It may be noted that the workforce participation rates (worker population ratio) by usual (principal) status in 15-59 age group have gone down systematically for all categories - males and females, in rural and urban areas - since late seventies (Table 12) up to late nineties. It is difficult to explain this secular trend in terms of higher enrolment in schools as the children (upto age 14) have been excluded from the calculations. Also,

¹⁹ By 2050 the percentage of economically active population in India would be much above all European and Asia countries. The three other countries that would have similar figures are Bangladesh, Nepal and Cambodia.

²⁰ Europe has long enjoyed advantageous population structures as the child population never exceeded one quarter of the entire population and the impact of increased longevity on age distributions was almost marginal. Unfortunately, this would no longer be so in the coming decades as the share of the elderly would rise steeply.

the numbers in college and university system would not be large enough to affect the figures at macro level by that margin. Even the government interventions as drought relief measures say in 1987-88 have not resulted in the trend being disturbed. As a result a few scholars have come to argue that Indian economy during these decades has experienced some sort of “jobless growth”. Particularly, the NSS employment and unemployment survey for the year 1999-00 reveals a dramatic decline in employment growth, leading to a sharp fall in work participation rate by usual, weekly and daily status. Understandably, planners and policy makers got very alarmed and immediately employment generation entered the political agenda of the government and most political parties in the country. This led to Government launching Constitutional and administrative measures for employment generation within or outside the macro level growth strategy.

The NSS data from the 61st round for the year 2004-05 marks a significant departure from the past trend. It is argued that the decelerating trend in employment growth particularly that of the nineties, often attributed to the programmes of structural reform, has finally been stalled. One may, however, add that the improved employment opportunities have still not restored the workforce participation rate by usual status to the level of 1993-94 for men in urban areas. By weekly and daily status of employment, however, one gets a still more satisfying picture. Male WPR by these concepts have gone up much more rapidly than by usual status and no single age group within 15-59 reports a decline which is not the case with usual status (Kundu and Sarangi 2008). For women, the increase in WPR is sharper than what was noted for men in urban areas (Table 12), resulting in WPR in 2004-05 being much above that of 1993-94, by all the three concepts of employment.

The age specific analysis reveals that urban employment for men has not been growing at a pace similar to that of population in many of the age groups during the period 1993-04, resulting in a fall in the figures over time (Table 13). This is surprising since the economy has registered reasonably high growth in income. The WPR among children and young adults (in the age group of 5-19) has gone down only marginally, both for boys and girls²¹. Possibly, it is the employment opportunities opening up within the household sector and various informal activities sector which is responsible for the low decline. The increase in the rate in the age group of 20-24 (by usual principal status) for urban male could also be a matter of concern as one expects this to fall due to boys going to colleges and other higher institutions of learning. This increase too can also be attributed to the growth of employment opportunities in the urban informal sector.

It is distressing that among the illiterate men, the urban WPR has gone down. Significant increase has, nonetheless been reported in case of literates with primary and middle education. No corresponding increase is reported in case of graduates. The urban labour market thus seems to have opened up opportunities for the semi-skilled men, most of them being absorbed in informal sector. For women, the growth of employment in case of semi-literates is much higher than that recorded for men. Most importantly, the growth rate for illiterate women too is exceptionally high (Table 14).

The labour market assessed through the trends in unemployment during 1999-04 gives somewhat different signals. Employment situation may be considered to have worsened compared to the late nineties, particularly for women; their unemployment rates have gone up by all the three definitions of unemployment²² (Table 15). What seems to be a matter of concern is that the daily status unemployment rates have gone up significantly for men and women, during 1999-04. Importantly, this kind of employment is expected to provide livelihood support to the poorest rung of households and indeed one has reasons to be optimistic with regard to poverty reduction, due to its higher growth rate

²¹ The corresponding decline in rural areas is much sharper (Kundu and Sarangi 2008) .

²² Urban unemployment rates are generally much above the rural rates by all definitions, both for men and women, by some concepts, the former are more than double that of the latter.

during the last five years. However, a sharp rise in daily status unemployment rate suggests that growth in employment is not matching the labour supply from these households.

The employment trend during the past two decades has implications not entirely positive for urban India. This can be linked with the fact that the annual rate of decline in urban poverty has been significantly below that in rural poverty (Himanshu, 2007). The rate of decline has been estimated to be higher in case of rural areas than urban areas and the gap between the two rates is very high during the second decade.

Importantly, the growth in the per capita consumption expenditure in urban areas has been higher compared to rural areas which needs to be examined against the sharper decline in poverty in the latter. One can argue with fair degree of confidence that job opportunities requiring no or low levels of skills have grown in rural areas. Furthermore, employment has become available on weekly or daily basis. All these have made a dent on rural poverty. Also, inequality in the consumption expenditure, measured through Gini coefficient in per capita consumption expenditure in rural areas during 1993-04 has increased by 0.17 percent only, which is significantly less than that in urban areas, its figure being 0.29 (Himanshu, 2007). One would possibly argue that while there is a direct effect of growth in terms of poverty reduction in rural areas, this is not so in towns and cities. Poverty in urban areas can partly be attributed to lack of growth and partly to growth itself which tends to accentuate inequality.

A landmark change in the urban labour market is that the percentage of casual workers among men which was going up steadily during from 1972-73 to 1999-00, had a 'set back' during 2000-05 (Table 16). The percentage figure has gone down but that has been matched by the corresponding increase in the share of self employed. It has been argued that many entrepreneurs are now offering jobs not on regular or daily basis, but on contract. The workers are thus being obliged to carry the job to their households and deliver the product as per stipulated specifications. A large part of the employment growth in manufacturing is taking place through a process of subcontracting, using self-employed workers, many of them being below poverty line. Several of them are getting classified under tertiary sector, resulting in a decline in the share of industrial employment. A part of the increase in the self-employment can also be linked to the government policy of providing self-employment rather than wage-employment under its anti-poverty programmes. The evaluative studies for these governmental measures are however equivocal with regard to their success in enabling the "beneficiaries" to move above poverty line on a sustainable basis.

In case of woman, there has been a much sharper decline in the share of casual workers during 1999-2004 compared to the last three decades. It is important that the percentage of regular workers has gone up for women during the past two and a half decades. Many who were employed as casual workers are now being engaged on a somewhat regular basis. The important question would be whether the change in work status has improved their working conditions and earnings. It is well known that many of the activities that employ women on a regular basis like domestic help and other household supporting service activities that offer working conditions marginally better than what is available for casual workers.

8. Changing Labour Relations and "Formalisation" of Informal Activities

Given the nature of industries, experiencing rapid growth after launching of the programmes of liberalisation, it is not surprising that employment in the organised manufacturing (ASI data) and service (DGET data) sectors has shown negligible growth. Private industries within this sector, where growth in output has been significant during past one and a half decades, have high capital intensity and a low potential for employment generation. The public units, on the other hand, have registered a negative growth in their workforce. Importantly, there has been a steady decline in the proportion of regular/salaried male workers, as reported by the NSSO survey.

It may be argued that the informal sector in recent years has experienced some amount of formalization leading to employing people on a regular basis. This is easily understandable. Entrepreneurs seeking to take advantage of the emerging global market have come to recognize that they would fail in competition unless they go in for standardization of their products, meeting the specifications of the customers, respecting the schedules of delivery and organising production and marketing activities on a somewhat formal basis. In order to take advantage of this global market, they have resorted to a model of 'informal formalization' in the unorganized sector. Many of the rapidly growing sectors of urban economy - in small scale manufacturing, trade, commerce and entertainment activities - have tended to employ workers on a regular basis. Employment of domestic help and other supporting services too have followed a similar pattern, as the men and women working in global sectors must have a regular support system in the house, to meet the time requirements of these sectors.

The increase in the rates of unemployment can at least partially be attributed to this process of informal formalisation. Many of the illiterate rural migrants like dispossessed farmers, rural artisans etc., not having the minimum level of conversation skills or market smartness are not able to put a foothold in the urban job market (Kundu and Sarangi 2007). This has reduced the possibility of disguised employment since work is regulated as per certain (mostly unwritten and non legal) contracts and specifications. This could be a reason why the growth in demand for labour in informal sector is not commensurate with that in supply.

A disturbing development in labour market is the reduction in the real wages of regular and casual workers during 1999-04 in urban areas where the growth of informal employment has been very high (Table 17). It is noted that the real wages of casual workers have gone down both for men as well as women by one per cent per annum or more. This suggests that despite the high growth of informal employment they have become worse off over time, even in non agricultural activities. It is more disconcerting that the legal and institutional mechanisms have failed in protecting the earnings and consequently real living conditions even for those engaged on regular basis. One would argue that growth of employment for illiterate and semiliterate men and women has been possible only because of their low wages. This can be linked to a lower reduction in poverty in the urban areas when compared to rural areas. Persons in regular and self employment are generally considered to be better placed than the casual workers, a large majority among them being above the poverty line. The difference between these categories, however, is no longer that sharp with the recent developments in labour market.

It has been argued that the high growth of employment during 1983-93 in informal sector which was characterized by large incidence of subsidiary or casual labourers, most of them being illiterate and unskilled. One would argue that employment opportunities during this period came up in the lowest economic strata and as a result, its impact on poverty reduction was very high. The growth of informal sector, thus, was a vehicle for bringing about significant reduction in poverty. The informal sector employment has grown rapidly during 1999-2004 as well. This was, however, mainly because there has been near stagnation in employment in public organizations and organized private sector, as noted above. The character of this informal sector is different as it has a low component of subsidiary employment compared to that of the eighties. Although, this component is growing in recent years, the percentage of subsidiary to total (usual status) employment has not reached the level of 1993-94. The other related development is the growth in employment by weekly and daily status with a stagnation or decline in that by usual status. This has resulted in a peculiar situation of high unemployment rate despite a high growth in employment by daily status. One can argue that the poverty reduction impact of this kind of employment generation is at best modest. All these raise the apprehension that the benefits of globalization and the changes in the character of employment -

moving from total informality to semi-formality – is not trickling down from the entrepreneurs to their workers in urban centres.

In view of all these, the industrial growth in the coming decades, even if is retained at 7 to 8 per cent per annum, may not generate large employment. The rate of unemployment in urban areas has been noted to be higher than that in rural areas. Further, rural and urban poverty levels have become about the same while the former was higher than the latter by at least five percentage points in the seventies and eighties which may be attributed to differential price rise in food-grains, pushing up the urban poverty line much more than that in rural areas. With economic differentials between urban and rural poor narrowing down, there is no basis for the stipulation that urban growth will accelerate in future years.

The sluggish growth in manufacturing employment in urban areas can also be attributed to location of large units outside the municipal limits, thanks to the emergence of environment lobby in big cities. This is facilitated by easy availability of land, access to unorganised labour market, besides lesser awareness or less stringent implementation of environmental regulations in the rural settlements in urban periphery. The poor are able to build shelter in these "degenerated peripheries" and find jobs in the industries located therein or commute to the central city for work (Kundu 1989 and Kundu et. al. 2002). The entrepreneurs, engineers, executives etc., associated with modern industries and business, however, reside within the central city and travel to the periphery through rapid transport corridors. This segmented structure of city growth, emerging in different variants in different regions, would bring in many of the prospective migrants to large cities into their rural peripheries.

9. Migration, Employment and Poverty Linkages across size class of Urban Centres

The urban centres in India are characterised by extreme heterogeneity in terms of their socio-economic characteristics. Large cities exhibit distinctly lower poverty ratios²³, besides higher demographic growth, when compared to the lower order towns, as discussed in an earlier section. Poverty in million plus cities is around 14 percent in 1999-00 compared the figure of 18 per cent in 1993-94 (Table 18). The medium category cities/towns, with population between 50,000 and 1 million, report poverty levels of 20 per cent and 28 per cent at the two time points. The corresponding percentage figures in small towns viz. with 50,000 or less people, are as high as 33 and 24, slightly higher than that in even rural areas. There are, thus, reasons to be concerned about the poverty situation in lower categories of urban settlements, as much as in rural areas. Low incidence of poverty in larger cities is due to expanded economic opportunities and semi-skilled employment available in the former. These cities provide better social and physical infrastructure including educational facilities which results in higher factor productivity (Sviekaukas, 1975).

An analysis of the pattern infrastructural investment as also the levels of basic amenities including those pertaining to education brings out the sharp disparity across size class of urban centres (Kundu et. al. 1999). Class I cities have been able to attract private investment from the national as also global capital market, particularly during the past couple of decades, resulting in significantly higher levels and quality of infrastructural facilities. Indeed, larger population coverage through primary, secondary and other schooling and technical training facilities is reflected in higher percentage of literate and educated persons in these cities. Also, these are able to attract educated migrants from all over the country seeking higher education or skilled employment in modern and capital intensive activities that have grown significantly in recent years.

A macro overview of the mobility pattern reveals that economic deprivation is not the only motivation for migration decisions, even for the seasonal migrants. People migrate out of both poor and rich households although the reasons for migration and the nature of jobs sought by them are different. A

²³ See Kundu and Thakur (2006) and Dubey, Gangopadhaya and Wadhwa (2001).

cross classification of migration data across consumption expenditure categories reveals that economic deprivation is less of a factor in migration of men (women migration being determined largely by socio-cultural factors), both in rural and urban areas. The migration rate is as high as 43.3 per cent in the category with the highest monthly per capita expenditure (MPCE), which goes down systematically, the rate being as low as 10.5 in the lowest class in urban areas (Table 19). This proposition has further been validated by tabulating the unit level data across five quintiles, as presented in Table 20. It reveals that the share of the highest quintile in the total number of migrants is above 26 per cent - much above its 20 per cent share in population. Correspondingly, the share of each of the bottom two quintiles is significantly below 20 per cent, reflecting lesser seasonal mobility in lower expenditure categories.

A large segment of the migrants are those who have gone to any other place for 60 days or more during the last six months from the date of survey and returned back. They could be termed as seasonal or short duration migrants. It is argued that many among them are those who adopt coping strategies for livelihood and survival by shifting from place to place. One would then stipulate a positive association of seasonal migrants with poverty. This short duration movement, on the other hand, can be due to factors like periodic transfer of regular workers, temporary posting of marketing and extension workers etc. Interestingly, migration pattern in Table 20 reveals that poverty is not the key factor even for seasonal migration. Indeed, this mobility is not very high among the poor when compared to middle class households. All these suggest that even such short term migration opportunities in urban areas are being cornered by the well off sections.

Poverty among urban households classified by the number of members reporting mobility brings out yet another dimension of social dynamics (Table 21). The poorest households are those that have one or a few of their members as in-migrants. However, when all the members are in-migrants, the households are observed to belong to economically better-off strata. These households are in fact more affluent than the non-migrant households as the incidence of poverty here is the lowest.

For identifying the key determinants of poverty for individuals and households residing in different size class of urban centres, a logit regression model has been employed to the NSS data for the year 1999-00, taking consumption expenditure, employment status, level of education, migration status etc. as explanatory factors. The results confirm that migration is an effective mechanism for improving economic wellbeing and escaping poverty for the adult population, the probability of being poor being much less among the migrants compared to local population in all size class of urban centres²⁴. The UU migrants have lesser risk of being below poverty line than the RU migrants. Further, the probability value is less in a large city compared to smaller towns, irrespective of the migration status, nature of employment, level of education, age etc²⁵ (Graph 4). The million plus cities have further edge over the other towns in this context.

Educational attainment emerges as the single most significant factor, impacting on poverty for different types of migrants and non-migrants and all size class of urban centres (Kundu and Sarangi 2007). At the aggregative level, one would note that with increase in level of education, probability of being poor reduces by a factor 0.855. Graph 5 shows that this probability declines monotonically with increase in level of education for all the categories of population. However, one would note a higher incidence of poverty among the locals than the RU migrants which again is higher than UU migrants, for all levels education. Understandably, the possibility of moving above poverty line is relatively less

²⁴ Probabilities for individuals to fall below poverty line have been calculated through the logit model. All the results discussed in the text are for the regression coefficients that work out as significant at one per cent level.

²⁵ The coefficients of the city size dummies emerge as negative and significant at 1 percent level, even after controlling for all other explanatory variables (Table 8).

in case of unemployed persons and casual labourers. Similarly, the size of household increases the risk of its members falling into poverty, the coefficient being 0.223 for all persons. The pattern remains similar across all employment categories, with some change in the value of the coefficient.

The coefficients of the indicator of RU migration being strong and negative for the aggregate sample as also for regular/salaried persons support the proposition that this mobility is a factor in poverty reduction, questioning the commonly held proposition that urban poverty is the spill over of rural poverty²⁶. The percentage of poor among the rural migrants into urban areas is less than of the local population. One can argue that migration itself is the factor responsible for increasing the earnings of the individuals, enabling them to get out of poverty. A stronger explanation would possibly be that it is the relatively better off sections of population who are able to migrate to urban centres since that requires initial staying capacity and certain levels of skill. With modernization, technological upgradation and formalization of informal sector, absorption of unskilled rural poor has become increasingly difficult. Migration, particularly to large cities both from rural and urban areas, is thus highly selective. It is, therefore, not at all surprising that their poverty levels among them are less than that the local population.

Seasonal migration does not show any impact in increasing or reducing the probability of falling below poverty line. This supports the hypothesis that seasonal (short duration) migration is not restricted to rural poor struggling for survival, but also common among better off households, shifting temporarily for better opportunities or posting to another village or a town for short duration.

10. Empowerment of Local Bodies through New System of Urban Governance and Spatial Inequality

A change in the perspective for urban development in favour of a liberal system for governance and management of cities is clearly discernable in India, as also several other developing countries, since the mid eighties. The problems of infrastructural deficiency and the incapacity of the state and local governments to make adequate investments to alleviate these, seen to be at the root of the impending urban crisis, has been responsible for this high profile policy shift. Empowering the urban local bodies to take up some of the developmental responsibilities along with management of infrastructure and civic amenities is perceived as the most crucial elements in this new perspective. Decentralisation is to be carried out also within the cities up to the locality levels, by engaging the civil society and community groups in city management and decision making regarding its future growth for meeting the challenge of this crisis. An attempt has been made here to empirically examine the validity of the stipulations scaffolding this perspective and analyse its impact on the availability of infrastructure and basic amenities in urban centres across different size categories as also across wards within the cities.

It was envisaged at the time of Independence that the government would assume the major responsibility of designing the settlement structure and morphology of the cities. The central government was responsible for designing the broad policy framework while the State governments were expected to promote emergence of the appropriate settlement structure through disbursement of funds and devolution of the powers of taxation. The role of the former came under criticism for promulgation of various Acts at national level that adversely affected the internal growth dynamics of the cities. Similarly, the state governments were criticised for adopting a gap filling approach for financial devolution to local bodies which promoted inefficiency and made the latter lax in matters of resource mobilisation. Also, investments made for developing urban infrastructure through government departments or para-statal agencies, like Development Authorities, Housing Boards, Water Supply and Sewerage Boards etc. did not select the towns or cities based on their performance or economic efficiency.

²⁶ Dandekar and Rath (1971)

The planning controls and devolution of funds through administrative procedures by government departments, however, had limited impact in restricting and directing the pattern of growth of cities. The para-statal agencies that had taken over many of the functions of local bodies, too, came in for sharp criticism on grounds of inefficiency, lack of cost effectiveness and continued dependence on grants for sustenance. Notwithstanding this, the state governments and para-statal institutions did exhibit some sensitivity in favour of small and medium towns in their resource allocation although that was not enough to stabilize their economic base. A strong lobby emerged, as a consequence, basically rooted in the interest of large cities, pleading for disbanding most of the zoning restrictions and making the cities relatively independent of state and central level controls in financial and planning matters. It was stipulated that decisions regarding location of industries, change in land-use etc. should be taken expeditiously at the local level and be more responsive to the market based indicators. A strong case was made for improving urban governance by giving the ULBs the responsibility of managing and developing their infrastructural facilities and transferring the commensurate financial powers to them²⁷.

The decentralisation of development planning responsibilities has been ushered in through the 74th Constitutional Amendment Act, which has led to empowerment of local governments, particularly in large cities that have relatively high tax and non-tax revenue base, although the willingness and initiatives taken by state governments to devolve the powers have varied significantly across the states. The allocations for the parastatal agencies have been cut down drastically along with that for the government departments, allowing them only limited scope to undertake capital projects. The responsibility of resource mobilisation for meeting the current and capital costs has, to an extent, been passed on to the local bodies. Unfortunately, this has been done without examining the economic base and resource raising capacity of these bodies on the one hand and their requirements on the other. As a result, the disparity in the income of local bodies in per capita terms has gone up.

The basic objective of the new system of governance is to create an institutional and legal structure that would enable the “deserving cities” to access resources, not only from public but also from private agencies based on a set of indicators. Unfortunately, serious operational problems exist for the central and state governments in building up indicators reflecting performance, potential etc., using the budgetary figures of municipal bodies and other local agencies. Consequently, devolution has often been linked to resource mobilization by the municipal bodies but this is dependent on the economic base of the bodies and delegation of functions and powers by the state governments. Understandably, the metro and class I cities that can generate large tax and non-tax earnings have been able to obtain greater resources from the government as also other sources.

The per capita municipal revenue for large cities, having population above five hundred thousand, was more than three and a half times that of small towns, having population below one hundred thousand, in the early nineties. The tax and non-tax revenue together constituted 90 per cent of the total revenue in case of the former while the figure for the latter was 70 per cent only. Correspondingly, the percentage share of grants in total revenue for the large cities was only 5 per cent while that for the small towns was as high as 18 per cent. The high dependence on external grants for the smaller towns is a major handicap in undertaking the development responsibility on their own. The capacity of the smaller towns has got further restricted since about twenty percent of its expenditure is on general administration as compared to a figure of 12 per cent only for the large cities.

Understandably, the large cities that are financially in a stronger position have been able to take up public works and infrastructure development projects on their own which is not so for smaller towns. This has resulted in accentuation of inequity in the provision of basic services across the states and size categories of urban centres. Similarly, the moves to make the para-statal agencies increasingly depend on their internal resources and institutional finance have accentuated the disparity. The large

²⁷ Planning Commission (2008)

cities have relatively strong economic base that are of help in acquiring larger investments from institutional sources as also attracting private entrepreneurs. As a consequence, these cities could offer enhanced livelihood opportunities, thereby recording higher demographic growth, as noted in the preceding section.

With the decline in central or state assistance in the era of decentralized governance, it is not surprising that small and medium towns, particularly those in less developed states, are not able to make any investment for improving infrastructure and basic services. The new system of governance has adversely affected the level of basic services which, in turn, has reduced their capacity to attract new economic activities and absorb future stream of migrants. Understandably, the towns located at a large distance from the "emerging global centres of growth", particularly those in backward regions, have benefited even less from the new system. Given the weak economic base, they have failed to attract private corporate sector from within or outside the country and banking institutions to partake in their development projects. Given their incapacity to finance capital expenditure through internal resources or borrowings from the capital market and the governmental investment in infrastructure and basic amenities declining over time, the economic disparity across urban centres has gone up. The vicious circle has set in as the infrastructural deficiency has been a serious hurdle in attracting private investment, which is reflected in their low demographic growth in the nineties.

Reduction in government grants and loans to the para-statal agencies has eroded their capacity to invest in smaller order towns particularly in backward states. Withdrawal of government support and making these agencies depend on market borrowing and as per stringent financial stipulations have created serious problems of inequality across regions and across size class of urban centres..

Decentralized governance has been ushered in, although to a limited extent, to the levels below the city. The Amendment, stipulates that the ward level committees are to be constituted in all cities having more than 0.3 million people and that these will have the powers to take decisions regarding the level and nature of amenities, based on the capability and willingness of the residents to pay. The slum populations in the heart of the large cities or their peripheries, with low affordability or willingness to pay, would understandably accept a low level of civic amenities. The elite colonies, on the other hand, would be able attract private entrepreneurs and even the subsidised government programmes for improving the quality of services, based on their capacity to pay higher user charges and political connections. There was, thus, an apprehension that active engagement of ward committees would accentuate intra-urban inequality and that between the city and the periphery, in the availability of basic amenities.

Interestingly, the participatory governance in the large cities has not been operationalised through ward committees as these have turned out to be extension of city level government and hence a non-starter. Instead, resident associations, formed largely by upper and middle income population, backed up by non-government organizations in many of the large cities have come to the centre-stage. The past couple of decades have witnessed a sea change in urban governance and planning through engagement of civil society organizations. This, to a certain extent, has made the public agencies accountable to the "citizens" and brought in transparency and accountability in their functioning. However, this at the same time has made it possible to provide differential levels of amenities across colonies based on their affordability or collective willingness to pay, leading to institutionalization of disparity in the availability of civic amenities and strengthening the process of socio-economic segmentation of large cities. This process, operationalised through governmental programmes and backed up by judicial interventions in favour of these non-governmental and community organisations, has adversely affected the inflow of population into these cities. Policing against encroachment by these organizations have proved to be far more effective than that of the police and bureaucracy. The low growth in density and slum population in high income colonies (Kundu et. al. 1999) is a clear manifestation of this. Inmigration of poor into these cities have been

low as access to basic amenities have become increasingly difficult, due to a reduction in public expenditure (particularly capital expenditure) on slum improvement and social sectors. This is reflected in a dramatic reduction in the percentage of poor in the eighties and nineties in case of the in the class I and metropolitan cities.

The major concern of the Resident Associations in large cities is to ensure safety for their residents, strive for better delivery of public amenities and more efficient management of development projects. In the process they have tried to sanitize their neighborhood by removing encroachments, slums, squatter and petty commercial establishments that pose a threat to local security and hygiene. Many of these associations have filed petitions against vendors, encroachment by squatters etc. Courts have taken a serious view of the PILs filed by them and often directed the local authorities to remove the squatters.

Given this perspective, urbanisation is likely to exhibit the same sluggish trend as in the past couple of decades. The developed states and large cities are likely to receive most of the migrants, a large part of these being absorbed in the degenerated peripheries.

11. Institutions and Programmes for Provision of Funds and ushering in Reforms

Under the new system of urban governance, the Central government and Reserve Bank of India, have tried to impose some kind of "financial discipline" on the concerned state government departments and urban local bodies to ensure that their programmes and projects rely increasingly on internal resource mobilization, loans from development cum banking institutions and capital market at non-subsidised interest rates. They have also launched measures for reforming the land and capital market and stipulated conditionalities for resource mobilization for the state governments and local bodies. After failing to persuade the lower tiers of governance for compliance through policy declarations and administrative measures, programmes have been launched and new institutions set up to provide special grants and subsidized funds, linked with the adoption of the measures. Attempts are also being made to get greater engagement of private agencies in the management and future development of city infrastructure and civic amenities.

It is nonetheless clear that private sector would not be able to bring about the changes in urban land and capital market and ensure the desired level of infrastructural investment without state becoming a partner. Public agencies are therefore being restructured and new institutions being created to help the cities take up the developmental responsibilities upon themselves, although the democratic structure and bureaucratic inertia have made the process somewhat slow. The major institutional reforms pertaining to financing of urban development are discussed below.

The major players linked to financing the urban sector have been given the mandate and autonomy to leverage large part of their funds from the market. Housing and Urban Development Corporation (HUDCO), the major player in public sector, established in 1970 basically to provide loans for urban development projects and associated institutional support has opened a new window in 1989 to provide funds for infrastructure projects. Availability of loans from this window, generally at less than the market rate, has made the state and city level agencies depend increasingly on it. This is more so in case of cities and towns with less than a million population since their capacity to mobilise internal resources are limited. HUDCO is also the premiere financial institution for disbursing loans under the government schemes like that for Integrated Low Cost Sanitation, which had a major subsidy component for different beneficiary categories. Also, the Corporation charges lower interest rates

from local bodies in smaller cities²⁸. Its loans for upgrading and improving the basic services in slums are available at a rate much lower than the normal schemes - below that under similar schemes of the World Bank.

The stipulations for these subsidised loans have, however, been modified to improve performance and accountability and consequently the volume of social sector loans has been reduced. It was financing up to 90 per cent of the project cost in case of infrastructural schemes for “economically weaker sections” which has declined over the years. The cost of borrowing for all social sector projects has increased, resulting in reduction in the interest rate differentiation. Furthermore, the bias in favour of smaller cities that had enabled a few of them to borrow funds in the past has been diluted. It is important that HUDCO has been upgraded as ‘miniratna company’ in August 2004 and consequently it is not entitled to any equity support from the government which has reduced its capacity to direct funds to social sectors at low interest rates. The cities with strong economic base, that are attracting private sector investment both from within as well as outside the country, are mostly able to get a disproportionate share of the subsidised HUDCO funds.

The Infrastructure Leasing and Financial Services (ILFS), established in 1989, have emerged as an important financial institution in recent years. Its activities have more or less remained confined to development of industrial townships and roads and highways where risks are comparatively less. With the increasing dependence on funds from private sector and capital market, the importance of ILFS has grown over time for ensuring projects' financial viability and safeguarding the interests of the investors. Its contribution to the total infrastructural finance in the country however is not high and its role is being recognized more as a merchant banker rather than of a mere loan provider.

ILFS has helped local bodies, para-statal agencies and private organisations in preparing feasibility reports for infrastructure projects, detailing out the pricing and cost recovery mechanisms and establishing joint venture companies called Special Purpose Vehicles (SPV). It has become equity holders in these companies along with other public and private agencies, including the operator of the BOT project. Given the fact that there is also a shortfall in the contracting capacity in the private sector and that large players in infrastructure industry have not yet taken up municipal infrastructure development because of uncertainty in enabling environment, ILFS has become “a promoter of a new perspective of development”. A major criticism of ILFS, however, is that the projects for the provision of basic amenities in slums or low income areas, not having clear stipulations for total cost recovery, and, therefore, not fancied by private or joint sector companies, are unlikely to find favour of this organization as well.

The funds made available to local bodies under Financial Institutions Reform and Expansion (FIRE) Programme and currently being provided through ILFS and even HUDCO are expected to be matched by an equal amount raised from the domestic debt market. Further, a mandatory agenda for policy reform pertaining to urban governance, land management, pricing of services etc. have been proposed for the participating institutions. Similarly, for obtaining World Bank loan under the IDA (International Development Assistance), the ULBs are required to maintain a separate account for the

²⁸ For urban centres with less than half a million population, the rate was 14.5 per cent; for cities with population between half to one million, it was 17 per cent; and for million plus cities, it was 18 per cent. No special concessional rate was, however, charged for the towns with less than a hundred or fifty thousand population that are in dire need of infrastructural improvement, as discussed above. These provisions no longer exist in HUDCO as it has adopted a need based approach and a uniform policy.

facilities created under the credit scheme, outside the overall municipal budget, as a pre-condition for getting the loan. Proposals have been put forward for revising the user charges for these facilities and making a group of sectors independent of the general municipal budget. All these, it is argued, would limit the authority of the local bodies in undertaking capital and even current expenditure out of their own revenues.

Despite these limitations, the new system of governance has enhanced the resources of several large cities²⁹ as these could guarantee compliance of the reform measures. They have, thereby, been able to get larger share of not only government and institutional resources but also that from international agencies that are urging them to push the reform agenda. A mechanism is now being developed to provide access to institutional funds to small local bodies by mobilizing resources through infrastructure bonds at state level. This requires the local bodies to route their revenue earnings through an escrow account in a bank. The states of Tamil Nadu and Karnataka have tried this mode of resource mobilization. The federal Ministry of Urban Development has proposed guidelines on the pattern of the two states for the reform agenda in other states under Jawaharlal Nehru Urban Renewal Mission (JNNURM). Unfortunately, mobilisation of resources for pooled funds for capital investment in small towns has been meager. Consequently, a new initiative has been launched to set up a Pooled Finance Development Fund in the Eleventh Plan for credit enhancement for the smaller ULBs.

Life Insurance Corporation (LIC) of India too provides loans directly to municipalities and other local and state level agencies and indirectly through financial organisations like HUDCO, for infrastructure development. Unfortunately, the LIC format of funding the local bodies has not been very popular since it entails substantial contribution from the borrowing organisations. Besides there have been problems with regard to their recovery of dues (Rao 1999).

Setting up of Infrastructure Development Finance Corporations at the state level has been hailed as a landmark. These are expected to play an important role in channeling the central government and HUDCO funds to local bodies and augmenting their infrastructural investment. Attempts have been made to provide subsidized funds to local bodies through URIF as an incentive to adopt the reform measures. The scheme has now been subsumed in a major programme, JNNURM, discussed in a subsequent section. Additionally, a national Urban Infrastructure Fund is being set up in the Eleventh Plan as a trust to provide source of funding to the ULBs for their bankable projects. The Fund will serve as a Special Purpose Vehicle for ensuring “necessary comfort level” for the financial institutions to lend to the local bodies.

Another important development in the context of investment in infrastructure and amenities is the emergence of credit rating institutions in the country. With the financial markets becoming global and competitive and the borrowers’ base getting diversified, investors and regulators prefer to rely on the opinion of the credit rating institutions or other intermediaries for their decisions. The rating of the debt instruments of the corporate bodies including ULBs, financial agencies and banks are currently being done by the institutions like Information and Credit Rating Agency of India (ICRA), Credit Analysis and Research (CARE) and Credit Rating Information Services of India Limited (CRISIL) etc.

A few of the large cities like Ahmedabad and Hyderabad have been able to mobilize resources through tax-free bonds. Most of the ULBs, however, find it extremely difficult to approach the institutions mentioned above or other banks due to their weak financial position, cumbersome procedures,

²⁹ National Institute of Urban Affairs (1998)

conditionalities and ceiling imposed on the loan amount. A few of these have, therefore, sought to tap the capital market through financial instruments like bonds, debentures, structured debt obligations etc. with assistance from credit rating agencies. The instruments are issued with the understanding that the borrowing agency would pledge or escrow their physical assets and/or certain buoyant sources of revenue like octroi, grants from the state etc. for debt servicing. This is a mechanism by which the debt repayment obligations are given priority and kept independent of the overall financial position of the borrowing agency. It ensures that a trustee monitors the debt servicing and that the borrowing agency does not have access to the pledged resources until the loan is repaid.

It is not easy for any rating agency to assess the strength of the local bodies through a select set of indicators and an overview of their legal and administrative jurisdiction. The rating institutions often process the information and compute the relevant ratios in their own way after obtaining the raw data from the concerned local bodies. They also bring in their own qualitative assessment in to the rating system. This approach can be advocated as a safeguard against the local bodies manipulating their accounts and other data, since the municipal budgets in India are not prepared within a standardized format. However, once the rating institution decides to process the data for building "appropriate indicators" on their own and use a procedure for their aggregation for the composite rating which is not widely publicized, they would be charged of lack of transparency and biased judgment.

The projects that are likely to be financed through such arrangements are commercially viable so as to ensure profitability to the investors and other stakeholders. It, thus, can lead to a situation wherein the finances generated from the common people get escrowed as a security for projects that are likely to benefit better off sections of population or upper class colonies. Similarly, the assignment of certain revenue channels to a separate fund, whose management is controlled by an outside financial institution or trustee could be seen as an infringement on the rights of the local bodies. It may jeopardize their overall financial situation, in case the project fails to generate profits for paying back the investors. The policy of liberating the local governments from the regulatory and legislative controls of the state has sometimes brought the former under stringent control of financial institutions. This would undoubtedly be desirable from the development of capital market and financial viability of the project but may not answer the needs of basic amenities for the majority of urban poor and migrant workers. Furthermore, the central government and Reserve Bank of India have proposed restrictions on the states for giving guarantees to local bodies and para-statal agencies, in an attempt to ensure greater fiscal discipline. As a consequence, in many of the states, only the para-statal agencies and municipal corporations have been able to get the state guarantee, with the total exclusion of smaller municipal bodies. Needless to mention that getting bank guarantee is even more difficult for the latter.

Given the resource crunch in the government agencies, the financial institutions, international donors and credit rating agencies that have come up with various innovative arrangements for resource mobilisation, could dictate the future urban scenario. Privatisation, partnership arrangements and promotion of community-based projects have become easier options for supplementing the budget. The projects sub-contracted to private agencies or being launched with public private partnership mostly have stipulations of cost recovery that make these financially self sustaining. However, the poor are finding it difficult to meet the stipulations. The same would be the case with public sector projects that are becoming increasingly dependent on institutional borrowings and capital market. All these are and would in future accentuate the gaps between rich and poor localities within the cities, particularly in the context of water and sanitation facilities, resulting in serious problems of health and hygiene. Growing disparity in the quality of micro environment has also been responsible for law and order problem resulting in individual and group violence.

12. Perspective of City Planning and Landuse Controls within A Participatory Framework

The pattern of demographic and economic growth, particularly in large cities, in the Post Independence period was sought to be determined by Master Plans, prepared often by para-statal agencies with support of the state government. This brought in physical planning controls on location of economic activities and urban land-use through Master Plans. This in effect tried to put some kind of ceiling on the absorptive capacity in different areas. To an extent, it helped in diverting population growth, low valued activities and squatters into marginalized areas within large cities or their peripheries, creating select high quality residential areas. The system of control, nonetheless, resulted in contraction of land supply in the market, enormous corruption and a large number of court cases that ultimately constrained investments on infrastructure and housing. These have been considered to be deterministic and rigid, inhibiting the dynamics of city growth through land use controls.

The Constitutional Amendment Act envisages assignment of the responsibility of preparing and implementing development plans to ULBs. A large majority of these are, however, not equipped to take up the responsibility of planning, especially of launching capital projects. Considerable expertise is required to identify the infrastructural and industrial projects appropriate for the growth of the city in the context of its resource base, assess environmental implications and mobilise corresponding resources. Given the difficult financial situation of the bodies, it is unlikely that they will be able to strengthen their planning departments by recruiting technical and professional personnel in immediate future. This assistance is unlikely to come from the state government departments since they too do not have adequate professional staff or the resources to employ them. The only choice for the local bodies has, therefore, been to resort to financial intermediaries, credit rating agencies and private consultants. A large number of such agencies have come up in recent years, a few with assistance from international organisations.

The metropolitan cities with strong economic base, state capitals and a few other globally linked cities have been able to take advantage of the new environment and prepared city development plans. The days of city Master Plans that required engagement of teams of researchers, analysing landuse pattern, population distribution and location of economic activities going to zonal or even ward level information, analyzing equity and environmental dimensions, however, seem to be over. These procedures delayed finalization of the plan and produced document that were mostly inflexible, impracticable and non implementable. Furthermore, the organizations implementing the Plans have no control or mandate over the socio-economic parameters and consequently need not bring these under the ambit of policy. As a consequence, several of the metropolitan cities have gone in for preparation of vision documents replacing the Master Plans. A vision document has been hailed as its preparation is less time consuming, and it gives only a framework, leaving the task of detailing out to stake holders. The responsibility has often been assigned to the national and global research agencies that bring in the perspective of other cities and countries. Once such a document is accepted and the stakeholders identified, it is for the latter to detail out the schemes, projects, and modalities for implementation through formal or informal consultation with interested companies and financial intermediaries as also deal with their socio-economic consequences emanating from it. The Eleventh Plan document reposes the responsibility of preparing City Development Plan (CDP) under JNNURM and UIDSSMT to local and State Governments "as a Vision Document". It holds that the CDP should also provide scope for community participation in the planning process and its implementation.

It is noted that many of the vision documents represent a some sort of "manufactured consensus", having plenty of rhetoric and stipulations concerning environment, equity, social justice etc. Unfortunately, it only delineates the broad contours of development strategy and the stakeholders are expected to work out the details within a participatory mode of governance. It gives no specific detail on, for example, the shifting of slums, access of basic amenities to poor, affordability etc. No definite

indicator is worked out by which the fulfillment of the broad objectives or stipulations can be monitored. This undoubtedly opens up the doors for vested interests that get identified as stake holders. The slum dwellers often inducted in the exercise of preparing the vision document often plays a decorative role, large because of their inability to understand the implications of the macro vision.

The local governments are currently facing two other problems in launching their development plans and attracting foreign and Indian business houses and industrialists to invest in their cities. One is that of scarcity of land at prime locations and the second is lack of capital. An ingenious method has been worked out in a number of cities to solve this twin problem. The local agencies have gone in for increasing the Floor Space Index (FSI), as being recommended by the federal government as also several international organisations. This has enabled multi-storied structures to come up, providing space for business houses, commercial activities and high income residential units in areas with high land values. The strategy has immediately enabled the local bodies to generate resources, directly or indirectly, for infrastructural development by selling the extra FSI. Often, there is an additional incentive for adopting this strategy, as sanctioning of loans by a few of the international agencies has been contingent on the acceptance of higher FSI by the local authorities (Kundu et. al. 1999).

It has been argued that the gradient of land values around the centre for many of the large Indian cities reflect departure from the global pattern due to inefficient landuse and failure of the market to push out low valued activities into the periphery (Bertraud). With the opening up of the land market through government initiatives, land is made available at preferred sites to upcoming activities. This is being facilitated by simplifying the legal and administrative procedures for changing landuse and by pushing out "low valued" activities from these sites. The low income and slum colonies are the obvious candidates for relocation in city peripheries.

The shift is being carried out sometimes directly through eviction of slum dwellers and banning the hawkers, pavement dwellers, rickshaw pullers etc. Mostly, it is done indirectly and discreetly through slum improvement schemes, "rehabilitating" them out in the peripheries. This, in a way, has strengthened the process of degenerated peripheralisation. Such relocations that uproot the slum dwellers from the local economic base by disrupting their livelihood, have taken place in most of the metropolises during the last couple of decades on a massive scale, bringing down their percentage of the poor to half the level of smaller urban centres. Some of the government schemes do have a provision for giving the evicted slum dwellers plots or flats, in the building being constructed at the original site. However, due to growing land values, relaxation in legal and administrative environment³⁰ and financial exigencies faced by the poor households, most of the allottees have been unable to hold on to them plots/flats for a long time. The system of allowing extra FSI to be traded in the land market has further helped the process of reorganisation of population and economic segmentation. Although the basic idea under the strategy is to promote greater efficiency in the use of land, this approach has led to no significant increase the density of population or give a boost to immigration.

13. Programmes and Policies: An Overview of the Proactive Role of State Agencies

³⁰ The major concern in the scheme for Rehabilitation of Slum and Hutment Dwellers, currently being implemented in Brihan Mumbai, for example, is not to ensure that poor hold on to their land but to prevent future encroachment in central areas. The Study Group (1995) set up for this purpose observes that "(e)ncroachment of any land need to be firmly and quickly removed. For this purpose action needs to be taken as the first signs of unauthorised construction surface. Machinery needs to be established and strengthened ward-wise with police force which should be well equipped."

A review of the evolution of policies and programmes in urban sector at different levels of governance indicates these have undergone significant changes during the past two and a half decades. Until the Sixth Plan (1980-85), these basically addressed the problems of housing, slums and provision of civic amenities. These did not put forward a vision of urban or regional development by proposing a hierarchy of urban settlements and their interactions with the global and regional economy, excepting the limited vision available from the Master Plans that were prepared for select cities. No programme was proposed to reflect an 'urban vision' at national or state levels. The Seventh Plan explicitly recognised the problems of urban poor but the issues of employment generation, pro-poor growth strategy, infrastructural requirement etc. did not figure in the strategy for this sector.

A National Commission on Urbanisation³¹ was set up at the highest level which for the first time tried to put forward a vision linking urban processes with economic growth by proposing a large number of Generators of Economic Momentum and Spatial Priority Urbanization Regions. One notices the impact of this perspective in the Eighth Plan (1992-97) as it mentioned urban policies that could directly contribute to the goals of employment generation and poverty reduction. The major emphasis nonetheless was on delivery of basic services within a market based perspective and building in cost recovery mechanism into the municipal finance system. The basic concern of public agencies in urban sector during the eighties and nineties was to address the deficiencies in water supply, sanitation, solid waste management and urban transport. The focus often was on large cities as may be inferred from the stipulated institutional structure and schemes of resource mobilization, as discussed above. The launching of Mega City programme for four metro cities and the strengthening of National Capital Region Plan in the nineties with massive central assistance indicates continuance of this perspective.

A perspective of macro economic growth has been brought within the urban sector in the Ninth Plan (1997-2002) which proposed a strategy based on the principle of market efficiency wherein the cities would act as engines of growth. It also puts forward a vision of infrastructural development through mobilization of resources from financial institutions and private corporate sector³² with substantial reduction in budgetary allocations. The Tenth Plan (2002-07) document further reinforced the perspective by underlining the need for broad-based reforms and stipulating that conformity to the reform agenda will be obligatory for the Central assistance under most of its programmes. External assistance came in a big way in the urban sector during the Ninth and Tenth Plan, the multilateral lending agencies like the World Bank, Asian Development Bank (ADB), and several bilateral agencies becoming the key players. Unfortunately, here again the thrust was in favour of metropolitan and other class I cities.

The Tenth Plan nonetheless expressed concern regarding decline in the rate of growth of urban population during nineties but failed to mention that this was primarily due to decline in the number of Census towns (as opposed to administrative towns) and significantly higher decline in demographic growth of small and medium town compared to average urban growth in the country. It recognized the need to address the disparity in the availability of infrastructure and services across different size class of urban centres underlining the fact that larger cities have the capacity to raise resources from

³¹ Government of India (1988)

³² "Privatisation of activities in the social service sector as well as projects with long gestation period should be stimulated through the fiscal route rather than through direct subsidy" Planning Commission (1997)

domestic as well as international sources while “very small towns with extremely limited resources rarely see any improvement”. Unfortunately, the Plan proposed very little to address the problems of serious deficiency in infrastructure and basic amenities in small towns.

The only programme addressing the problems of deficit in infrastructure and basic amenities in these towns is the centrally assisted Integrated Development of Small and Medium Towns programme launched in 1979-80. The programme covered 1854 towns and cities up to March 2007. The total disbursement under this scheme in per capita terms was low which went down further in the nineties. Furthermore, there was regional concentration of the central funds as eight states namely Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Tamil Nadu, West Bengal and Uttar Pradesh received 70 per cent, all except the last one being relatively developed. The programme has now been subsumed in JNNURM as Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT). A yet another programme, Accelerated Urban Water Supply Programme with focus on towns having population less than 20,000 launched in the nineties may also be mentioned in the context which currently has been subsumed under JNNURM.

In the context of promoting livelihood for the poor, the Tenth Plan had launched Swarna Jayanti Shahari Rozgar Yojna (SJSRY) which basically subsumed Nehru Rozgar Yojna, Prime Minister’s Integrated Urban Poverty Eradication Programme and Urban Basic Services for Poor, following the recommendations of Hashim Committee. The recent Evaluation Reports for SJSRY bring out serious problems in its designing and implementation. As the cost ceiling for individual projects, skill upgradation etc. are low, economic viability of the self help enterprises set up under the scheme has become a casualty. The problems in identification of poor beneficiaries and implementation of the scheme without any dedicated cadre have resulted in significant leakages. Bankability of the projects also has emerged as an area of concern due to lack of marketing support to the enterprises as also difficulties in passing on the risk of running the enterprises from an individual to a group of asset less persons under ‘the system of peer group monitoring’.

An analysis of Integrated Low Cost Sanitation (ILCS) programme indicates that only one-sixth of the towns and cities located in 23 states of the country have opted for this, designed for provision of clean environment especially for the poor. This reflects a basic flaw in its designing as it is being taken up in only 864 places, despite its substantial subsidy component and almost all the cities and towns in the country reporting deficiency in terms of coverage of sanitation facility. The funds under ILCS have been distributed in a highly uneven manner as four states namely Andhra Pradesh, Rajasthan, Uttar Pradesh and West Bengal have cornered over three quarters of the allocated funds.

The Eleventh Plan posits planned urbanization in the country and creation of new growth centres around existing small and medium towns as its major challenge. Like its predecessor, it expresses concern regarding concentration of demographic and economic growth in and around a few cities and underscores the need to bring about spatially balanced urbanization by promoting small towns and new townships. Further, it highlights the problem of deteriorating infrastructural situation in large cities that “provide large economies of agglomeration” and holds that urbanization is “a key” and “positive factor for overall development”. It stipulates that “the realization of an ambitious goal of 9%–10% growth in GDP depends fundamentally on making Indian cities much more livable, inclusive, bankable, and competitive”. The thrust is on “increasing the efficiency and productivity of cities by deregulation and development of land”. It proposes “dismantling public sector monopoly over urban infrastructure and creating conducive atmosphere for the private sector to invest”. JNNURM, launched in the fourth year of the Tenth plan in a mission mode, has been conceived “to achieve these objectives”.

Never before have the large cities received per capita allocation on such a scale for infrastructural investment through Additional Central Assistance, coming as grants as under JNNURM. Further, it is making a serious effort to get the state and city governments to commit themselves to structural reforms which the Central government had failed to do despite adopting several carrot and stick measures and incentive schemes. Sanctioning of the funds under the Mission is contingent on the preparation of City Development Plans (CDP) working out a long-term vision for the cities and detailed project reports being approved by the central government. A large part of the resources for the implantation of CDPs are to be mobilized from non-governmental channels. JNNURM, thus, envisages creation of ground conditions for market based macro economic growth through reform measures and select infrastructural investment (in 63 select special mission cities) and an appropriate enabling framework to enhance the creditworthiness of the municipal bodies.

The Mission has an Infrastructure Development (ID) component and a component of Basic Services for Urban Poor (BSUP), the former accounting for over sixty per cent of the total stipulated funds. Interestingly, the ID component is being looked after by the Ministry of Urban Development while BSUP is being administered by the Ministry of Housing and Urban Poverty Alleviation. An overview of the projects and schemes launched under ID component in different cities reveals that water supply, sewerage, sanitation and storm water drainage are the priority areas, besides of course roads and flyovers. Most of these have been designed to increase the total capacity of the services – basically water supply, sanitation and sewer treatment – at the city level. There is no explicit provision to improve the delivery of the facilities in the deficient areas within the cities or improve the access of the poor to these. Given the emphasis on reform, financial efficiency and cost recovery for each of the facilities and promotion of public private partnership, it is a risk that much of the benefits from this augmented system will be cornered by those who have affordability.

The milestones for implementation of reform agenda are unambiguous and easy to monitor as these can be ascertained based on an overview of the legislative changes, administrative orders etc. The indicators reflecting the pro-poor character of CDPs or realization of the goals of providing access to basic amenities and land to the slum dwellers, on the other hand, are far too complicated and difficult to construct based on official information. Unfortunately, the CDPs have not even tried to propose a framework or an institutional structure for fulfillment of these goals and the sanctioning authorities have failed to take note of this lacuna. Particular mention must be made of the thrust on housing activities (sometimes integrated with basic services) under BSUP component. Instead of proposing investment under this component to make the city level infrastructure and basic services accessible to the poor, the scheme attempts to provide subsidized and even free dwelling units in multi-storied complexes.

Provision of a fixed and limited space to rehabilitate the slum households and the permission to use the residual area and higher FSI at the same location understandably would allow the builder (in public, private and NGO sector) to create space for commercial activities, increasing profitability of the venture. While the issues concerning displacement of original residents, the nature of their space requirements for carrying on their activities, their capacity to meet the monthly installment for the house and maintenance costs, interest of the tenants etc. remain unresolved, the real estate lobby has shown keen interest as meeting the social responsibility of housing the poor has never been so profitable, particularly due to financial and administrative support from the government under the scheme. The programme would be considered successful as there will be massive demand for these subsidized dwelling units but it is unlikely that the households who would be able to make the required down payment and pay the EMI would be below the poverty line. The capacity of public agencies to ensure that these are allocated to those in the 'deserving category' and they are able to

hold on to their units is extremely limited. Undoubtedly those who would be able to get the units and have the affordability to stay in these after paying the service delivery charges would be living in a better environment. Critics has argued that BSUP would provide subsidized dwelling units to a few administratively or politically connected people and help in 'sanitization of the city', saving it from the imminent threat of epidemics and individual/group violence, often associated with slum conditions, so that commercial interests of national and global actors in the city do not have a set back.

Countering the criticism that the major Eleventh Plan initiative has limited itself in a few large cities, the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP) have been envisaged as a part of JNNURM for small and medium towns. The spatial disparity under the UIDSSMT, covering 321 towns can be inferred from the fact that 65 per cent of the resources under the scheme has been utilized by four states namely Andhra Pradesh, Maharashtra, Tamil Nadu and Uttar Pradesh. A disaggregative analysis of the disbursement of project funds clearly reveals that much of these are going to relatively larger towns and cities. IHSDP a counterpart of BSUP for the non Mission cities is replacing National Slum Development Programme and Valmiki Ambedkar Awas Yojana. However, the resources available for these towns work out as less than 20 per cent. In per capita terms the funds here works out to be 18 per cent of what is assigned to select mission cities, too meager to stall the alarming trend of urban deceleration, particularly in less developed regions and polarization of urban growth in a few cities.

14. A Summary of Conclusions and their Development Implications

An overview of the urbanization process in India reveals that the system of settlements based on interactions between a large number of handicraft, service and commerce based towns and their hinterland of primary production as also between large cities and smaller towns was disrupted during the colonial period. The country was gradually drawn into the orbit of the capitalistic system during two centuries of colonial rule but the political economy of the regime became an impediment to technological advancement in different sectors of the economy and led to a top heavy urban structure.

An analysis of the contemporary urban scenario shows that the growth in urban population in India has at best been modest and fluctuating over the past few decades. It casts serious doubts on this perspective that Asia will be the epi-centre of future urbanisation in the world, India playing a key role due to its demographic weights. It questions the future urban scenario as projected by various expert committees of the government as also Statistical Divisions of international agencies. It is argues that the high growth perspective on urbanization is largely due to the methodology adopted by the UNPD as also the negative or ambivalent attitude of the policy makers towards RU migration. The high growth perspective provides justification for imposing restrictions on population mobility as also strengthens the demand of the urban elites to demand for larger infrastructural investment.

The process of urbanisation in India has continued to be top heavy or large city oriented. This is because of higher demographic growth in larger cities, in addition to the factor of upward movement of towns. Given the new dynamics of urban industrial development associated with the strategy of globalisation, the small and medium towns, located away from the "emerging global centres of growth", particularly those in backward regions, have failed in attracting much private investment. Moreover, there has been declassification of many of these during the nineties.

This could, at least partly, be attributed to the measures of decetralisation whereby the responsibilities of management of civic amenities and investment in infrastructural projects have partly shifted from the

central and state governments to local bodies. The large cities that are financially in a stronger position have been able to take up public works and infrastructure development projects on their own. They could thus offer enhanced livelihood opportunities, thereby record higher demographic growth. This is not so for smaller towns. Decline in central or state assistance has made it extremely difficult for towns, particularly those in less developed states, to invest for improving infrastructure and basic services. All these have led to accentuation of inequity in the provision of basic services across the states and size categories of urban centres. Furthermore, urbanisation process has got concentrated in developed states and regions that could attract national as well as global investment.

The growth of employment during nineties has been low which is often attributed to the programmes of structural reform. The present decade has however, seen a reasonably high growth in employment by usual status. By weekly and daily status, however, one gets a more satisfying picture both for men and women. This can however be attributed to a phenomenal growth of informal sector. The character of this sector appears to be somewhat different from that of the eighties. Informal sector in recent years is exhibiting some amount of formalization, leading to more rapid growth in regular and self employment. This can be attributed to entrepreneurs going for standardization of their products, maintaining quality control, respecting the schedules of delivery etc. for getting linked to global market. Employment of domestic help and other supporting services too have followed a similar pattern, as the men and women working in global sectors must have a regular household support system. The recent increase in the rates of unemployment along with high growth in employment can be explained in terms of this process of informal formalisation. Many of the illiterate rural migrants like dispossessed farmers, rural artisans etc., not having the minimum level of conversation skills or market smartness are not able to put a foothold in the urban job market since work is regulated as per certain (mostly unwritten and non legal) contracts and specifications.

A macro overview of the migration trend suggest that in-migration in urban areas, has gone down over the decades. Particularly, mobility of men, which is linked to the strategy of seeking livelihood (as opposed to women migration often for family reasons), has gone down over the past three to four decades. Further, economic deprivation does not emerge as the most critical factor for migration decisions. One would argue that while both poor and rich households report migration, this 'window of opportunity' is becoming available more to the non-poor than the poor. Poor households in urban areas send out one or more of their adult members to other locations while in case of economically better-off strata, migration often means shifting of the entire family.

A logit regression model has been employed to the NSS data confirm the proposition that migration is an effective mechanism for improving economic wellbeing and escaping poverty for the adult population, the probability of being poor being much less among the migrants compared to local population in all size class of urban centres. The UU migrants have lesser risk of being below poverty line than the RU migrants. Further, the probability value is less in a large city compared to smaller towns, irrespective of the migration status, nature of employment, level of education, age etc. The million plus cities have further edge over the other towns in this context. The percentage of poor in class I and metropolitan cities has gone down significantly during nineties which reflects growth of high income jobs here as also exclusion of unskilled and illiterate migrants. Educational attainment emerges as the single most significant factor, impacting on poverty in all size class of urban centres, for different categories of labour force.

In the new system of urban governance, the civil society organizations have become very active and vocal in recent years, particularly in large cities with the objective of ensuring safety to their residents, better delivery of public amenities and more efficient management of development projects. In the process they, mostly coming up in formal colonies, have tried to sanitize their neighborhood by removing encroachments, slums, squatter and petty commercial establishments that pose a threat to local security and hygiene. Courts have taken a serious view of the Public Interest Litigations filed by

them as also other concerned individuals and often directed the local authorities to remove the squatters. All these had led to improvement in the quality of life in many formal colonies but at the same time, accentuation of disparity in the level of amenities within the cities.

Given the resource crunch in the government agencies, the financial institutions, international donors and credit rating agencies that have come up with various innovative arrangements for resource mobilization that are making significant impact on the urban scenario. The system of allowing extra FSI to be traded in the land market has been a convenient method of resource mobilization and participation of public agencies that are starved of funds. Although the basic idea is to promote greater efficiency in the use of land, this has helped the process of reorganisation of population, often leading to rich poor segmentation.

A large number of the ULBs have gone in for privatization, partnership arrangements and promotion of community-based projects to lessen pressure on their budgetary resources. The projects sub-contracted to private agencies or launched with public private partnership mostly have stipulations of cost recovery that make these financially self sustaining. However, the low income colonies find it difficult to meet the stipulations. The same would be the case with public sector projects that are becoming increasingly dependent on institutional borrowings and capital market. All these, it is apprehended, are and would in future accentuate the gaps between rich and poor localities within the cities, particularly in the context of water and sanitation facilities, resulting in serious problems of health and hygiene for the entire city. Growing disparity in the quality of micro environment has also been responsible for law and order problem resulting in individual and group violence.

Several of the metropolitan cities have gone in for preparation of vision documents replacing the Master Plans. Its preparation is less time consuming and, more importantly, it only gives a framework, leaving the task of detailing out the schemes and modalities for implementation to stake holders, including private builders, financial intermediaries etc. The responsibility of preparing the document has often been assigned to the national and global research agencies that bring in the perspective of other cities and countries. The Eleventh Plan document reposes the responsibility of preparing City Development Plan (CDP) under JNNURM and UIDSSMT to local and State Governments "as a Vision Document". It holds that the CDP should also provide scope for community participation in the planning process and its implementation.

A review of the evolution of policies and programmes in urban sector at different levels of governance indicates these have undergone significant changes during the past two and a half decades. A perspective of macro economic growth has been brought within the urban sector for the first time in the Ninth Plan (1997-2002). It proposes a strategy based on the principle of market efficiency wherein the cities would act as engines of growth. It also puts forward a vision of infrastructural development through mobilization of resources from financial institutions and private corporate sector with substantial reduction in budgetary allocations.

The massive programme for infrastructural investment through Additional Central Assistance, coming to state/city governments as grants, has been launched in the present Plan under JNNURM. The key objective is to get the governments to commit themselves to structural reforms which the Central government had failed in getting them to do despite adopting several carrot and stick measures and incentive schemes. An overview of the projects and schemes launched under ID component in different cities reveals that most of the projects have been designed to increase the total capacity of the services like water supply, sanitation and sewer treatment, besides of course roads and flyovers at the city level. There is no explicit provision to improve the delivery of the facilities in the deficient

areas that have low level of income and affordability. As such, the apprehension that much of the benefits from this augmented system will be cornered by better off sections can not be ruled out.

The Mission proposes to improve the living conditions of the poor through integrated housing projects, implemented through state governments and local bodies through engagement of private agencies. The capacity of state institutions to ensure that the dwelling units are allocated to those in the 'deserving category' and they are able to hold on to their units is extremely limited. Critics has argued that the Mission would provide subsidized dwelling units to a few administratively or politically connected people in select cities and help in 'their sanitization', so that commercial interests of national and global actors in the city do not have a set back. The diminished inflow of rural poor into large cities and deceleration of overall urban growth in smaller towns have thus come to stay in India urban scenario.

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Table : 1 Annual Exponential Growth Rate of Urban Population for Major Regions of the World and Asia

Period	World	More Developed	North America	Less Devel	Less dev exc.China	Latin Am with Caribbe	South America	Africa	Sub – Saharan Africa	Asia	Eastern Asia	South Cen Asia	South East Asia	Western Asia	India
1950-1955	2.97	2.33	2.66	3.83	3.9	4.44	4.58	4.66	1.84	3.5	3.66	2.87	3.93	5.06	2.36
1955-1960	3.06	2.27	2.61	4.02	4.04	4.36	4.41	5.01	1.87	3.64	3.81	2.95	4.15	4.96	2.29
1960-1965	3.06	2.08	2	4.15	4.21	4.39	4.4	5.1	1.93	3.76	3.78	3.41	3.98	4.89	2.98
1965-1970	2.75	1.76	1.63	3.73	4.12	4.01	3.94	4.65	2.08	3.44	3.01	3.51	4.02	4.79	3.14
1970-1975	2.62	1.47	0.98	3.67	4.06	3.81	3.75	4.4	2.20	3.37	2.56	3.95	3.96	4.57	3.75
1975-1980	2.73	1.19	1	3.96	3.98	3.53	3.56	4.43	2.32	3.8	3.39	4.18	4	4.1	3.89
1980-1985	2.66	0.93	1.23	3.86	3.72	2.98	3.09	4.3	2.39	3.81	3.57	3.63	4.29	4.9	3.32
1985-1990	2.69	0.94	1.28	3.75	3.42	2.67	2.72	4.16	2.27	3.8	4.05	3.34	4.11	3.88	3.15
1990-1995	2.34	0.74	1.57	3.19	3.03	2.38	2.33	3.87	2.10	3.13	3.09	2.92	3.97	2.78	2.88
1995-2000	2.19	0.56	1.51	2.96	2.8	2.18	2.17	3.52	1.98	2.91	2.84	2.64	3.91	2.57	2.63
2000-2005	2.07	0.61	1.42	2.68	2.56	1.86	1.95	3.38	1.80	2.62	2.53	2.42	3.47	2.35	2.35
2005-2010	1.98	0.54	1.31	2.53	2.48	1.71	1.7	3.31	1.66	2.46	2.23	2.53	3.06	2.19	2.39
2010-2015	1.91	0.52	1.2	2.39	2.4	1.51	1.48	3.23	1.48	2.31	1.99	2.63	2.63	2.12	2.50
2015-2020	1.81	0.49	1.08	2.23	2.3	1.32	1.26	3.12	1.25	2.15	1.72	2.67	2.25	1.99	2.57
2020-2025	1.7	0.46	0.96	2.07	2.19	1.14	1.07	3	.98	1.97	1.43	2.64	1.95	1.85	2.60
2025-2030	1.6	0.42	0.86	1.91	2.08	0.98	0.91	2.87	.72	1.79	1.16	2.54	1.73	1.71	2.56

Table: 2 Percentage of Urban Population and Urban Rural Growth Differential for World, Select Regions and India

Period	World		Less Developed		Less Dev (excl China)		Latin America & Caribbean		Africa		Asia		South Central Asia		India	
	Percent Urban	URGD	Percent Urban	URGD	Percent Urban	URGD	Percent Urban	URGD	Percent Urban	URGD	Percent Urban	URGD	Percent Urban	URGD	Percent Urban	URGD
1945-1950	29.06	-	17.98	-	20.22	-	41.35	-	14.51	-	16.77	-	16.44	-	17.04	-
1950-1955	30.86	1.70	19.66	2.20	22.10	2.25	45.08	3.04	16.39	2.88	18.18	1.94	17.30	1.22	17.58	0.76
1955-1960	32.86	1.85	21.67	2.44	24.08	2.22	48.91	3.07	18.69	3.19	19.84	2.17	18.08	1.08	17.92	0.47
1960-1965	34.73	1.67	23.74	2.37	26.33	2.39	53.04	3.31	21.31	3.27	21.50	2.02	19.20	1.49	18.78	1.15
1965-1970	36.01	1.12	25.27	1.65	28.65	2.32	57.01	3.20	23.60	2.63	22.66	1.36	20.45	1.57	19.76	1.25
1970-1975	37.25	1.07	26.97	1.77	31.07	2.32	61.06	3.35	25.72	2.28	23.97	1.46	22.19	2.08	21.33	1.93
1975-1980	39.10	1.57	29.56	2.55	33.61	2.32	64.93	3.33	27.86	2.18	26.32	2.5	24.31	2.38	23.10	2.04
1980-1985	40.95	1.54	32.29	2.56	35.88	2.00	67.90	2.66	29.89	1.98	28.97	2.66	25.86	1.65	24.35	1.38
1985-1990	42.96	1.65	35.13	2.55	37.97	1.79	70.64	2.58	32.00	1.98	31.91	2.77	27.21	1.39	25.55	1.28
1990-1995	44.72	1.43	37.60	2.13	39.76	1.51	73.05	2.38	34.08	1.88	34.39	2.24	28.30	1.09	26.59	1.09
1995-2000	46.60	1.51	40.18	2.17	41.60	1.53	75.35	2.40	35.95	1.65	37.05	2.32	29.46	1.12	27.66	1.08
2000-2005	48.58	1.59	42.74	2.11	43.40	1.48	77.52	2.41	37.89	1.68	39.74	2.27	30.63	1.11	28.70	1.02
2005-2010	50.60	1.61	45.29	2.07	45.30	1.54	79.36	2.18	39.94	1.73	42.47	2.26	32.18	1.45	30.07	1.32
2010-2015	52.70	1.69	47.86	2.07	47.37	1.66	80.93	1.97	42.16	1.83	45.27	2.26	34.20	1.81	31.91	1.73
2015-2020	54.91	1.77	50.48	2.09	49.61	1.80	82.30	1.83	44.57	1.96	48.12	2.30	36.68	2.18	34.26	2.13
2020-2025	57.23	1.88	53.17	2.16	52.08	1.97	83.51	1.71	47.19	2.12	51.06	2.36	39.65	2.51	37.17	2.54
2025-2030	59.69	2.03	55.97	2.26	54.75	2.15	84.65	1.70	50.02	2.26	54.13	2.46	43.02	2.78	40.60	2.89

Note: The percentage of urban population is for the terminal year for each period

Table 3 Annual Exponential Urban Growth and URGD for India as given in World Urbanisation Prospects (WUP UNDP) in Different Revisions

	WUP 1995(1994 Revision)	WUP 2004 (2003 Revision)	WUP 2008 (2007 Revision)
Urban growth 90-95	2.87	2.73	2.88
Urban growth 95-00	3.04	2.54	2.63
Urban growth 00-05	3.16	2.28	2.35
Urban growth 20-25	2.80	2.53	2.60
Urban growth 45-50	NA	NA	1.69
URGD 90-95	1.30	1.10	1.09
URGD 95-00	1.77	1.07	1.08
URGD 00-05	2.22	1.07	1.02
URGD 20-25	3.25	2.63	2.66
URGD 45-50	NA	NA	2.94

Table 4: Number of Towns, Percentage and Growth Rate of Urban Population in India since 1901

Census Year	No.of towns/ U A s	Per cent urban to total population	Annual. expn. g of urban pop.
1901	1827	10.84	-
1911	1815	10.29	0.03
1921	1949	11.18	0.79
1931	2072	11.99	1.75
1941	2250	13.86	2.77
1951	2843	17.29	3.47
1961	2365	17.97	2.34
1971	2590	19.91	3.21
1981	3378	23.34	3.83
1991	3768	25.72	3.09
2001	4368	27.78	2.73

Note : Estimated population has been taken for Assam and Jammu & Kashmir in 1981 and 1991 respectively

Source: Paper-2, Rural-Urban Distribution, 1981, 1991 & 2001 (Unpublished)

Table 5 Internal Migrants in Various Categories 1961-2001

	Percentage to total population				Migrants in millions	
	1961	1971	1981	1991	2001	2001
	Total Migrants					
Intercensal	15.0	12.4	12.2	9.7	9.5	98.3
Intercensal interstate	2.0	1.6	1.6	1.3	1.6	16.8
Lifetime	30.6	28.7	29.4	26.5	29.2	301.1
Lifetime interstate	3.3	3.4	3.6	3.3	4.2	42.3
	Male Migrants					
Intercensal	11.3	9.4	8.9	6.1	6.2	32.9
Intercensal interstate	2.2	1.8	1.6	1.2	1.6	8.5
Lifetime	18.3	17.2	16.6	13.8	16.4	87.2
Lifetime interstate	3.4	3.4	3.3	2.8	3.7	19.7
	Female Migrants					
Intercensal	19.0	15.7	15.7	13.5	13.2	65.4
Intercensal interstate	1.7	1.3	1.7	1.5	1.7	8.3
Lifetime	43.7	41.1	43.1	40.3	43.0	213.7
Lifetime interstate	3.2	3.4	3.9	3.8	4.6	22.7
	Rural Male Migrants					
Intercensal	8.4	7.1	6.3	4.2	4.0	15.2
Intercensal interstate	0.9	0.8	0.7	0.5	0.6	2.3
Lifetime	13.9	12.9	11.5	9.4	10.5	40.2
Lifetime interstate	1.4	1.3	1.2	0.9	1.1	4.4
	Urban Male Migrants					
Urban Male Pop. millions	42.8	58.7	84.9	114.9	151.2	

Intercensal	23.8	18.5	16.9	11.7	11.7	17.7
Intercensal interstate	7.9	5.6	4.4	3.3	4.1	6.2
Lifetime	37.5	33.6	32.4	26.0	31.2	47.0
Lifetime interstate	12.3	11.2	10.0	8.0	10.2	15.3

Notes:

- (a) The figures are in millions while the percentages to total (urban male) population are shown within brackets.
- a. (b) Population figures pertain to the whole country and include the estimated figures for Assam and Jammu & Kashmir for the years in which the Census could not be conducted in these states. The migration figures for 1981 and 1991, however, do not include Assam and Jammu and Kashmir respectively. The percentage figures (in brackets), however, are obtained by using the corresponding total population and not those given in the table.
- b. (c) Lifetime migrants are those that were enumerated at places other than that of their birth. Intercensal migration figures are based on the concept of place of birth for the year 1961. For 1971, 1981 and 1991 the figures are based on the concept of place of last residence, implying that people residing anywhere other than the place of enumeration are considered migrants.
- (d) The data are obtained from D-III table for the year 1961 and from D-2 tables of the Population Census for the years 1971, 1981 and 1991.

Table 6 Migrants with Different Durations of Stay as Percentage of Total Population and their Growth Rates

	Total migrants - 1991			Total migrants - 2001			Annual Ex Growth (1991-2001) excluding J & K		
	Persons	Males	Females	Persons	Males	Females	Persons	Males	Females
Total	27.43	14.64	41.22	30.63	17.57	44.62	2.98	3.66	2.71
Rural	25.84	10.12	42.6	28.37	11.5	46.19	2.53	2.82	2.45
Urban	32	27.41	37.14	36.5	32.98	40.41	3.97	4.46	3.54
Less than 1 year									
Total	0.84	0.75	0.93	0.87	0.79	0.95	2.22	2.36	2.09
Rural	0.76	0.64	0.89	0.82	0.71	0.93	2.27	2.54	2.06
Urban	1.05	1.04	1.05	0.99	0.98	1	2.1	2.03	2.17
1-4 years									
Total	4.71	3.19	6.34	4.6	3.12	6.19	1.66	1.63	1.68
Rural	3.99	2.13	5.98	3.9	1.98	5.94	1.38	0.83	1.58
Urban	6.76	6.18	7.42	6.42	6.02	6.87	2.13	2.36	1.92
5-9 years									
Total	4.16	2.27	6.2	4.1	2.28	6.05	1.76	1.92	1.69
Rural	3.7	1.45	6.1	3.61	1.3	6.06	1.38	0.54	1.58
Urban	5.49	4.61	6.48	5.37	4.77	6.04	2.45	3	2
0-9 years									
Total	9.7	6.21	13.47	9.57	6.19	13.19	1.75	1.83	1.72
Rural	8.46	4.22	12.97	8.34	3.99	12.93	1.46	1.01	1.61
Urban	13.3	11.82	14.96	12.78	11.78	13.9	2.26	2.58	1.97
10-19 years									
Total	6.45	2.99	10.18	6.76	3.15	10.64	2.36	2.36	2.36
Rural	6.04	1.85	10.49	6.26	1.69	11.09	1.97	0.65	2.2
Urban	7.65	6.21	9.27	8.08	6.85	9.45	3.2	3.61	2.89
20+ years									
Total	8.96	3.39	14.97	9.84	3.74	16.38	2.83	2.84	2.83
Rural	9.22	2.26	16.65	10.04	2.07	18.48	2.46	0.7	2.69
Urban	8.21	6.61	10	9.32	7.98	10.81	3.94	4.54	3.48
Duration not stated									
Total	2.31	2.05	2.59	4.45	4.49	4.4	8.35	9.61	7.14

Rural	2.13	1.79	2.49	3.73	3.75	3.7	7.12	8.86	5.55
Urban	2.84	2.77	2.91	6.32	6.37	6.26	10.58	10.85	10.3

Note: The figures excepting the first three rows are percentages to total population in the country. The figures for 1991 pertain to India (excluding J & K) while those for 2001 are all India figures.

Growth rates have, however, been computed by excluding the estimated figures for J & K from the all India figures of 2001.

Table 7 Disaggregation of Total Incremental Urban Population into Components

	Percentage distribution			
	1961-71	1971-81	1981-91	1991-01
Total increase	30.18	49.9	57.7	67.7
(a) Natural increase on base year pop and on inter censal migrants	64.6	51.3	61.3	59.4
(b) Population of new towns less declassified towns	13.8	14.8	9.4	6.2
(c) Net RU migration	18.7	19.6	21.7	21.0
(d) Increase due to expansion in Area and merging of towns	2.9	14.2	7.6	13.0

Note: (a) The first component, natural increase, has been estimated by using SRS data of birth rate and death rate for the urban population.

(b) The population in new towns less that of declassified towns, is obtained by subtracting the increase in the population of common towns from the total increase in urban population. Importantly, the new towns that emerge as parts of urban agglomeration (existing in the base year), would be included in the common towns. This second component would, thus, give the population of only those new towns that are not part of the UA.

(c) The third component has been estimated as residuals in the first three decades since it is very difficult to ascertain this directly. For nineties, this has been obtained based on the assumption that there has been larger number of merging of towns with urban agglomerations and areal expansion in the latter. Since the number of towns merging with the existing towns in the nineties is 221 compared to 103 in eighties, the third component has been taken as twice that in the eighties, as a conservative estimate.

(d) The net of RU migration has been obtained from the Population Census in the first three decades while in the fourth, it is a residual category.

Table 8: Number of Towns and Percentage of Urban Population in Different Size Categories

Census Year	Number of Towns						Percentage of urban population					
	Class I	Class II	Class III	Class IV	Class V	Class VI	Class I	Class II	Class III	Class IV	Class V	Class VI
1901	24	43	130	391	744	479	26.00	11.29	15.64	20.83	20.14	6.10
1911	23	40	135	364	707	485	27.48	10.51	16.4	19.73	19.31	6.57
1921	29	45	145	370	734	571	29.70	10.39	15.92	18.29	18.67	7.03
1931	35	56	183	434	800	509	31.20	11.65	16.8	18.00	17.14	5.21
1941	49	74	242	498	920	407	38.23	11.42	16.35	15.78	15.08	3.14
1951	76	91	327	608	1124	569	44.63	9.96	15.72	13.63	12.97	3.09
1961	102	129	437	719	711	172	51.42	11.23	16.94	12.77	6.87	0.77
1971	148	173	558	827	623	147	57.24	10.92	16.01	10.94	4.45	0.44
1981	218	270	743	1059	758	253	60.37	11.63	14.33	9.54	3.58	0.50
1991	300	345	947	1167	740	197	65.20	10.95	13.19	7.77	2.60	0.29
2001	393	401	1151	1344	888	191	68.67	9.67	12.23	6.84	2.36	0.23

The towns have been placed in six categories, following demographic criteria as given below:

Class I towns - 1,00,000 or more	Class II	From 50,000 to 99,999
Class III From 20,000 to 49,999	Class IV	From 10,000 to 19,999
Class V From 5,000 to 9,999, and	Class IV	Below 5,000

Table 9: Annual Exponential Growth Rates of Urban Population in Different Size Categories

Census Year	Class I	Class II	Class III	Class IV	Class V	Class VI
1901-11	0.54	-0.73	0.46	-0.55	-0.43	0.72
1911-21	1.57	0.68	0.50	0.03	0.46	1.47
1921-31	2.24	2.89	2.28	1.59	0.89	-1.25
1931-41	4.81	2.59	2.51	1.47	1.50	-2.26
1941-51	5.02	2.10	3.07	2.01	1.97	3.31
1951-61	3.72	3.50	3.05	1.65	-4.05	-11.62
1961-71	4.29	2.93	2.65	1.67	-1.14	-2.32
1971-81	4.34 (3.46)	4.43 (3.09)	2.69 (3.33)	2.43 (3.00)	1.64 (3.15)	5.05 (3.90)
1981-91	3.84 (2.96)	2.38 (2.75)	2.26 (2.59)	1.02 (2.50)	-0.13 (2.62)	-2.45 (3.64)
1991-01	3.42 (2.76)	1.76 (2.37)	2.15 (2.27)	1.64 (2.19)	1.93 (2.22)	0.80 (3.26)

Note:

1. Size class wise figures exclude Assam in 1981 and Jammu & Kashmir in 1991
2. All classes exclude six towns in 1941, four each in 1931 and 1921 and two each in 1911 and 1901 of Goa, which could not be assigned to any size class as their population for these years is not available. Total number of towns therefore would not match with the figures of Table 1.
3. The growth rates for towns in a size category have been computed by taking the population in the category in the base and terminal year, without considering the change in the number of towns therein. The figures in brackets however computed by taking only the population of the towns that belonged to a category, both for base and terminal years.

Source: Paper-2, Rural-Urban Distribution, 1981, 1991. For 2001, unpublished data from website.

Table 10: Annual Exponential Growth Rates of Population in Different Categories of Urban Centres

	1981-91	1991-2001
Class I cities	2.96	2.76
Metro cities	3.25	2.88
Capital cities	3.36	2.79
Common towns (excluding New and declassified towns)	2.83	2.56
Total urban growth	3.09	2.73

Note: The population growth rates in the first three rows have been computed using the base year population for classification of cities

Table 11: Pattern of Level of Urbanisation and Growth of Urban Population Across States/UTs

Sl. No.	States	Percentage urban population				Annual exponential growth rate		
		1971	1981	1991	2001	1971-81	1981-91	1991-01
1	Andhra Prad.	19.31	23.25	26.84	27.08	3.94	3.55	1.37
2	Arunachal Prad.	3.70	6.32	12.21	20.41	8.32	9.28	7.00
3	Assam	8.82	9.88	11.09	12.72	3.29	3.29	3.09
4	Bihar	10.00	12.46	13.17	10.47	4.34	2.65	2.57
5	Chattisgarh	NA	NA	NA	20.08	NA	NA	3.09
6	Delhi	89.70	92.84	89.93	93.01	4.56	3.79	4.14
7	Goa	26.44	32.46	41.02	49.77	4.37	3.96	3.32
8	Gujarat	28.08	31.08	34.40	37.35	3.42	2.90	2.8
9	Haryana	17.66	21.96	24.79	29.00	4.65	3.58	4.11
10	Himachal Prad.	6.99	7.72	8.70	9.79	3.02	3.11	2.81
11	Jammu & Kas.	18.59	21.05	22.76	24.88	3.80	3.44	3.44
12	Jharkhand	NA	NA	NA	22.25	NA	NA	2.55
13	Karnataka	24.31	28.91	30.91	33.98	4.08	2.55	2.53
14	Kerala	16.24	18.78	26.44	25.97	3.19	4.76	0.74
15	Madhya Prad.	16.29	20.31	23.21	26.67	4.45	3.71	2.71
16	Maharashtra	31.17	35.03	38.73	42.4	3.35	3.27	2.95
17	Manipur	13.19	26.44	27.69	23.88	9.70	2.98	1.21
18	Meghalaya	14.55	18.03	18.69	19.63	4.87	3.10	3.16
19	Mizoram	11.36	25.17	46.2	49.5	11.79	9.57	3.27
20	Nagaland	9.95	15.54	17.28	17.74	8.49	5.58	5.27
21	Orissa	8.41	11.82	13.43	14.97	5.21	3.08	2.61
22	Punjab	23.73	27.72	29.72	33.95	3.62	2.55	3.19
23	Rajasthan	17.63	20.93	22.88	23.38	4.52	3.31	2.71
24	Sikkim	9.37	16.23	9.12	11.1	9.55	-3.23	4.83
25	Tamil Nadu	30.26	32.98	34.2	43.86	2.45	1.76	3.56
26	Tripura	10.43	10.98	15.26	17.02	3.26	6.19	2.53
27	Uttar Prad.	14.02	18.01	19.89	20.78	4.78	3.27	2.84
28	Uttaranchal	NA	NA	NA	25.59	NA	NA	2.84
29	West Bengal	24.75	26.49	27.39	28.03	2.75	2.54	1.84
	Union Teritorries							
1	Andaman & Nico.	22.77	26.36	26.8	32.67	6.38	4.10	4.40
2	Chandigarh	90.55	93.6	89.69	89.78	5.92	3.07	3.40
3	Dadra & Nagar H.	0	6.67	8.47	22.89	--	5.28	14.59

4	Daman & Diu	--	--	46.86	36.26	--	4.93	1.87
5	Lakshadweep	0	46.31	56.29	44.47	--	4.46	-0.77
6	Pondicherry	42.04	52.32	64.05	66.57	4.66	4.92	2.26
	All India	20.22	23.73	25.72	27.78	3.79	3.09	2.73

Note: (a) The figures for the states of Uttar Pradesh, Bihar and Madhya Pradesh for the seventies and eighties pertain to the undivided states as existed during that time. The figures for the nineties are, however, for the new states and hence these figures are not temporally comparable.

(b) In the absence of the Census data for total and urban population for the year 1981 in case of Assam, the urban and total population growth rates have been assumed to be constant during seventies and eighties. The same has been assumed for eighties and nineties for Jammu and Kashmir. The percentage of urban population have been arrived for Assam (1981) and Jammu and Kashmir (1991) based on these assumptions.

(c) Goa in 1971 and 1981 (*) corresponds to Goa, Daman and Diu.

Source: Population Census, Paper 2, 1981, 1991 and 2001.

Table 12 Percentage of workers in 15–59 age group in different NSS Quinquennial rounds by usual, weekly and daily status

Year/round	Rural male		Rural female		Urban male		Urban female	
	<i>Principal</i>	<i>Principal + subsidiary</i>	<i>Principal</i>	<i>Principal + subsidiary</i>	<i>Principal</i>	<i>Principal + subsidiary</i>	<i>Principal</i>	<i>Principal + subsidiary</i>
1977–8 (32nd)	90.2	92.0	40.7	54.2	79.6	81	19.3	24.6
1983 (38th)	88.4	90.4	40.1	54.5	79.5	81	18.7	23.4
1987–8 (43rd)	86.2	88.7	39.8	51.6	77.9	79.3	18.3	23.5
1993–4 (50th)	86.5	88.4	36.7	51.6	78.8	79.7	18.4	23.4
1999–00 (55th)	85.5	86.7	33.4	48.2	77.9	78.5	17.6	20.9
2004-05 (61st)	85.5	87.1	38.0	51.5	74.5	75.5	18.7	23.0
	<i>Weekly status</i>	<i>Daily status</i>	<i>Weekly status</i>	<i>Daily status</i>	<i>Weekly status</i>	<i>Daily status</i>	<i>Weekly status</i>	<i>Daily status</i>
1977–8 (32nd)	87.1	81.5	37.7	31.4	78.6	75.7	19.6	17.1
1983 (38th)	85.4	80.2	36.4	31.6	78.3	75.2	18.4	16.5
1987–8 (43rd)	84.0	83.5	35.3	33.2	77.3	75.1	18.5	17.0
1993–4 (50th)	85.1	80.9	42.0	34.3	78.2	76.0	20.9	18.1
1999–00 (55th)	83.4	78.1	40.8	32.9	77.1	74.4	19.1	16.7
2004-05 (61st)	83.8	78.1	43.2	33.9	78.5	76.0	22.3	19.4

Source: NSSO Rounds on 'Employment & Unemployment Situation in India', Ministry of Statistics and Programme Implementation, Government of India.

Table 13 Age specific work participation rates by usual (principal) status in urban areas from various NSS rounds

Age Group	Men			Women		
	1993-94	1999-00	2004-05	1993-94	1999-00	2004-05
5-9	4	3	2	3	1	1
10-14	59	46	44	35	28	24
15-19	337	303	314	94	87	92
20-24	654	644	662	136	130	155
25-29	892	878	900	175	161	186
30-34	961	958	965	208	198	236
35-39	982	973	975	233	235	265
40-44	980	973	977	257	242	262
45-49	971	968	965	253	234	227
50-54	941	933	925	240	225	224
55-59	845	803	819	185	181	192
60+	429	386	355	91	82	86
All	513	513	541	121	117	135

Table 14 Education level specific usual status WPR for persons of age 15 years and above in Urban Areas

	Males						Females					
	1993-94		1999-00		2004-05		1993-94		1999-00		2004-05	
	PS	PS+ SS	PS	PS+ SS	PS	PS+ SS	PS	PS+ SS	PS	PS+ SS	PS	PS+ SS
Illiterates	86.6	87.0	83.6	83.9	82.4	83.1	23.3	30.0	22.9	27.1	25.0	30.4
Literate upto primary	84.4	85.0	82.4	83.0	85.1	85.5	15.0	20.3	14.6	17.7	18.6	23.4
Middle	71.3	72.3	72.5	73.2	75.0	76.0	9.1	13.1	9.9	12.9	11.7	16.1
Secondary	66.3	67.7	66.1	66.8	66.2	67.3	10.8	13.4	10.4	12.4	9.5	12.3
Higher secondary	58.9	60.7	59.9	60.8	59.1	60.8	12.6	14.7	11.1	12.4	10.3	12.9
Diploma					77.2	79.8					42.3	48.6
Graduate and above	80.7	81.8	79.7	80.6	78.5	79.5	28.2	30.1	25.2	27.3	26.5	29.0
All	75.8	76.8	74.5	75.2	75.2	76.3	17.5	22.3	16.6	19.7	18.5	22.7

Table 15 Percentage of unemployed persons/person days to labour force/labour days in urban areas

Year/Round	Male			Female		
	<i>Usual principal + subsidiary status</i>	<i>Weekly status</i>	<i>Daily status</i>	<i>Usual Principal + subsidiary status</i>	<i>Weekly status</i>	<i>Daily status</i>
1977-8 (32nd)	5.4	7.1	9.4	12.4	10.9	14.5
Jan-Dec 83 (38th)	5.1	6.7	9.2	4.9	7.5	11.0
1987-8 (43rd)	5.2	6.6	8.8	6.2	9.2	12.0
1989-90 (45 th)	3.9	4.5	-	2.7	4	-
1990-1 (46 th)	4.5	5.1	-	4.7	5.3	-
July-Dec 91 (47 th)	4.1	4.8	-	4.3	5.6	-
Jan-Dec 92 (48 th)	4.3	4.6	-	5.8	6.2	-
1993-4 (50th)	4.1	5.2	6.7	6.2	8.4	10.4
1994-5 (51 st)	3.4	3.9	N/A	3.4	4	N/A
1995-6 (52 nd)	3.8	4.1	N/A	3.1	3.5	N/A
1997 (53 rd)	3.9	4.3	N/A	4.4	5.8	N/A
1998 (54 th)	5.1	5.4	N/A	6.8	7.8	N/A
1999-2000 (55th)	4.5	5.6	7.3	5.7	7.3	9.4
2004-05 (61st)	3.8	5.2	7.5	6.9	9.0	11.6

Table 16 Percentage of Usually Employed Persons (P+SS) by Type of Employment in Urban Areas

Year/round	Men			Women		
	<i>Self employed</i>	<i>Regular employees</i>	<i>Casual labour</i>	<i>Self employed</i>	<i>Regular employees</i>	<i>Casual labour</i>
1977-8 (32nd)	40.4	46.4	13.2	49.5	24.9	25.6
Jan-Dec 83 (38th)	40.9	43.7	15.4	45.8	25.8	28.4
1987-8 (43rd)	41.7	43.7	14.6	47.1	27.5	25.4
1993-4 (50th)	41.7	42.1	16.2	45.4	28.6	26
1994-5 (51 st)	40.4	43.1	16.5	42.6	30.1	27.3
1995-6 (52 nd)	41.0	42.5	16.5	40.0	33.2	26.8
1997 (53 rd)	40.0	41.5	18.5	39.7	31.3	29
1998 (54 th)	42.5	39.5	18.1	38.4	32.7	28.8
1999-2000 (55th)	41.5	41.7	16.8	45.3	33.3	21.4
2004-05 (61st)	44.8	40.6	14.6	47.7	35.6	16.7

Table 17 Growth rate of Real Wages of Regular and Casual Workers in Urtban Areas (1999-00 to 2004-05)

	Women		Men	
	Agriculture	All	Agriculture	All
Regular				
Illiterates	-5.92	-5.24	-0.22	-1.73
Literate upto middle	-1.63	-3.94	-10.47	-2.92
Graduate and above	10.25	-1.39	-17.19	1.15
All	0.05	-2.35	-11.17	-0.53
Casual				
All	-2.66	-1.37	-1.54	-0.70

Table 18: Percentage Poor in Different Size Class of Cities /Towns

City /Town size	1987-88 URP	1993-94 URP	1993-94 MRP	1999-00 MRP
Large towns/ cities	35.2	22.6	18.4	14.2
Medium cities/towns	40.5	32.2	27.6	20.4
Small towns	45.3	36.2	33.2	24.2
All Urban Centres	41.2	31.4	27.4	19.9
<i>Rural Areas</i>	<i>47.6</i>	<i>41.0</i>	<i>35.7</i>	<i>23.9</i>

Source: Kundu and Sarangi (2005)

Table 19 Migration rate for Rural and Urban Males in Different MPCE classes 1999-2000

Rural		Urban	
MPCE classes (Rs.)	Per cent Migrants	MPCE classes (Rs.)	Per cent Migrants

0-225	4.3	0-300	10.5
225-255	3.7	300-350	13.0
255-300	4.0	350-425	13.4
300-340	4.6	425-500	19.7
340-380	4.9	500-575	21.1
380-420	5.8	575-665	23.9
420-470	6.3	665-775	27.8
470-525	7.3	775-915	30.7
525-615	8.6	915-1120	37.1
615-775	10.7	1120-1500	41.2
775-950	14.5	1500-1925	38.8
950 & above	23.3	1925 & above	43.3
All	6.9	All	25.7

Source: NSS report No. 470: Migration in India, 1999-2000.

Table 20 Distribution of Urban Migrants across Quintiles of Consumption Expenditure in 1999-00

Quintile Group	In-Migrants	Seasonal –Migrants
Lowest	14.2	13.9
2 nd	17.5	15.1
3 rd	19.2	29.0
4 th	22.9	19.1
Highest	26.1	22.8
Total	100	100

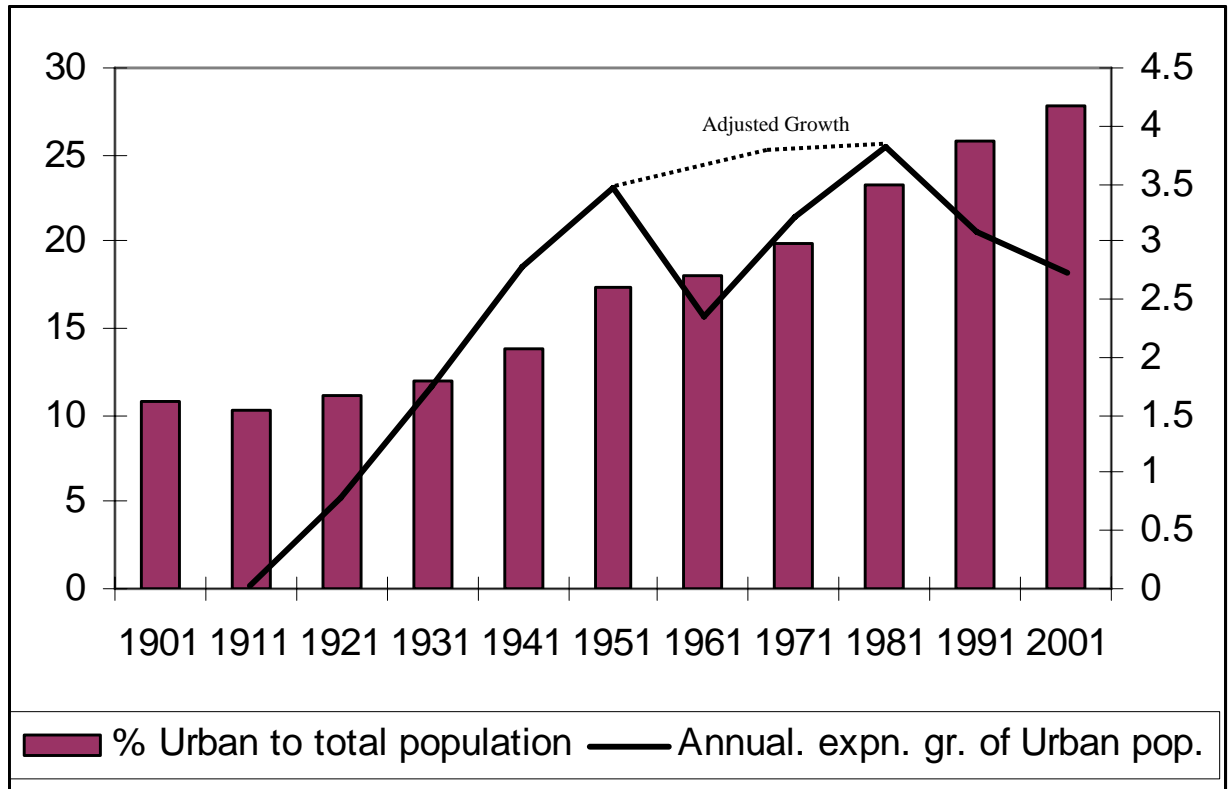
Source: Calculated from unit record data pertaining to the 55th rounds of Employment and Unemployment Survey of NSS.

Table 21 Households Classified by All or A few Migrant Members and Incidence of Poverty

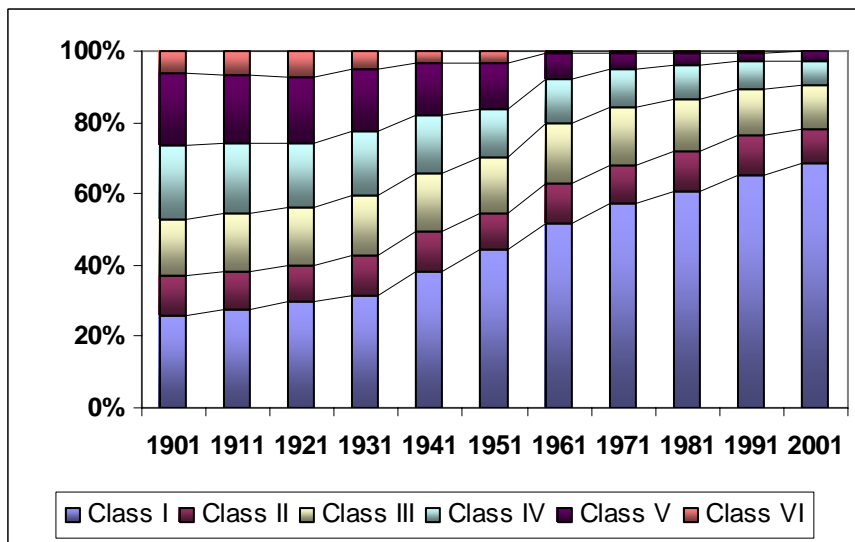
	Sample Households (Per cent to total)	Per cent Households below Poverty Line
Non-migrants	30.7	14.0
Household having migrant Members	50.4	19.3
All household Members being migrants	18.9	5.6
Total	100	15.1

Source: Same as Table 20.

Graph 1 Per cent Urban Population and Urban Growth Rates 1901-01

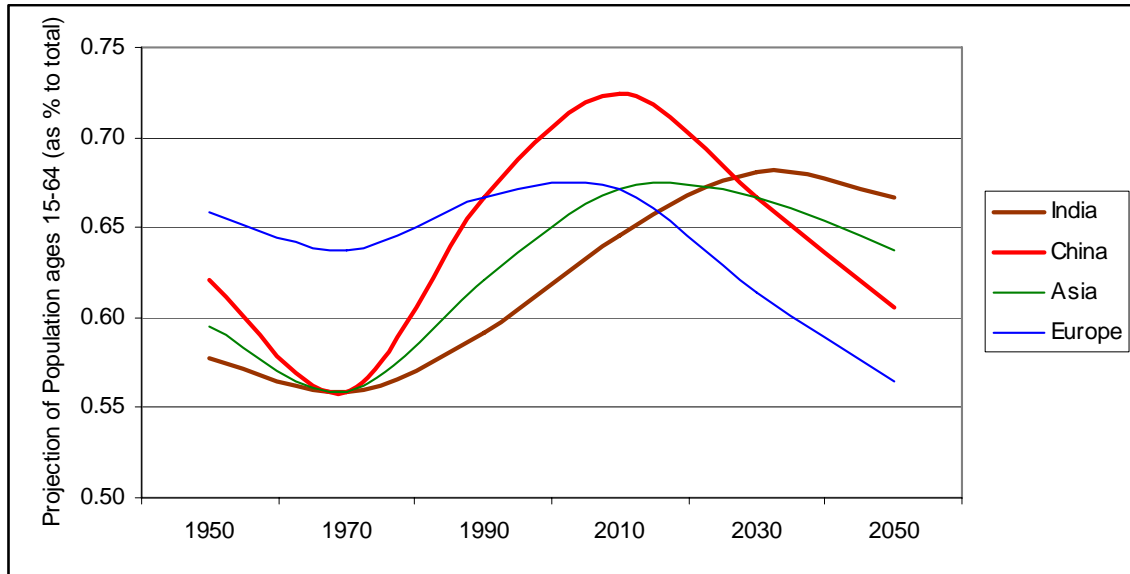


Graph 2 - Proportion of urban population in different size categories



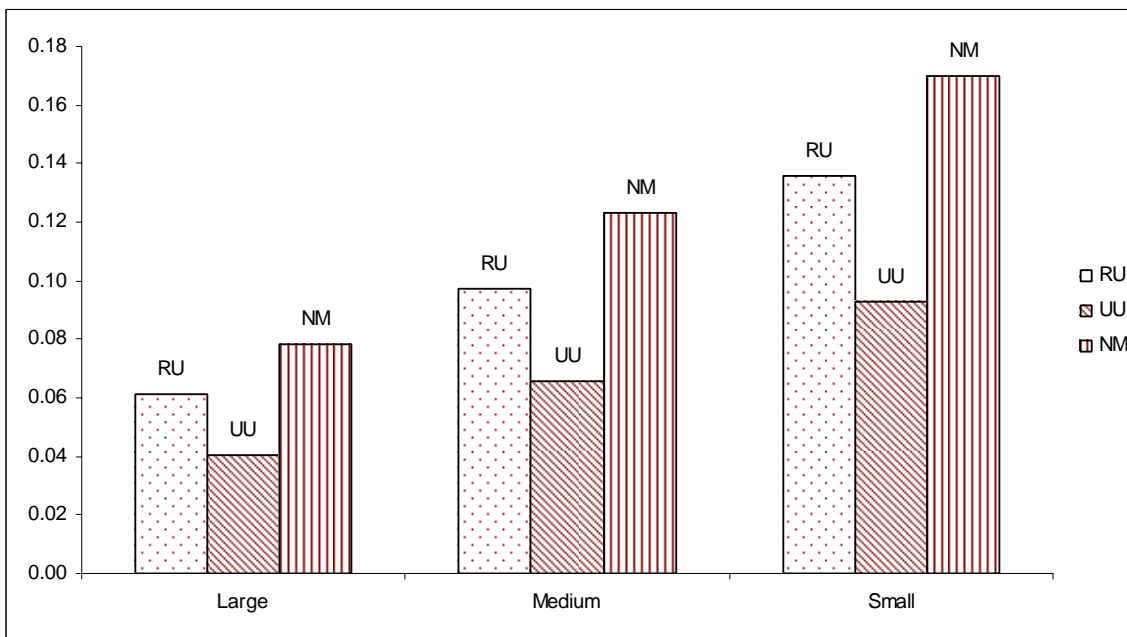
Source : Table 8

Graph 3: Projection of Percentage of population in the age group of 15-64 to total population



Note: Computed on the basis of the data obtained from World Population Prospects, 2004.

Graph 4 Probability of being Poor by Migration Status Across Size Class of Towns



Graph 5 Probability of being Poor by Migration Status across Levels of Education

