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# **Block-1 Definition of Urbanization**

## **Unit-1 Definition and Scope of Urban Economics**

- Definition of Urbanization meaning–causes urbanization
- Factors influencing urbanization- Different stages of urbanization-
- Features of Urbanization in developing countries;
- Issues in Urbanization policies;
- Contribution to the theory of the development of Urban Spatial Structure
- R.M.Haig, Burgess Theories of Urban Growth Analysis-
- Central Place Theory; Human Geographical Approach, Economic Basic Theory.

### **Definition and Scope of Urban Economics**

The discipline of urban economics is defined by the intersection of geography and economics. Economics explores the choices people make when resources are limited. Households make choices to maximize their utility, while firms maximize their profit. Geographers study how things are arranged across space, answering the question, Where does human activity occur? Urban economics puts economics and geography together, exploring the geographical or location choices of utility maximizing households and profit-maximizing firms. Urban economics also identifies inefficiencies in location choices and examines alternative public policies to promote efficient choices.

Urban economics is that it is a field of study which uses the analytical tools of economics to explain the spatial and economic organization of cities and to deal with their special economic

problems. Urban economics, a sub-category of regional economics, deals with the regions known as cities and metropolitan areas. Urban economics concentrates on the economic relationships and processes that contribute to the important spatial characteristics of urban and regional economies, especially to their size, density of settlement, and structure and pattern of land use. It provides useful tools to investigate the urban problems and find their solutions.

Governments and local authorities in most developing countries, including India, have not taken advantage of the tools of regional and urban economics to study the problems of urban planning, infrastructure, finance, service delivery, poverty, slums, housing, land use, transportation, and environment. These problems inherently involve the dimension of space and cannot be discussed in a meaningful manner without studying the highly complex urban-metropolitan environment in which they occur. Hence, both spatial and economic organisations of the city are to be understood clearly before urban issues are analysed and policies are determined.

Traditional economic theory assumes a spaceless framework in which households, firms and governments choose one and only one location. However, space is not only an input in production it is also an important element in cities for locational planning for economic agents and an appropriate source for local authorities to finance city development.

Land use decisions introduce strong non-convexity in consumers' preferences and production technologies. Secondly, the essence of cities is the agglomeration of many people and firms in close quarters. Face-to-face communication is one of the major reasons why people and firms co-locate in a city. This introduces an element of non-price competition, which complicates the

operation of market forces. Further, high density, traffic congestion, pollution, overexploitation of resources, environmental degradation and public services involve externalities. Thus, unlike traditional economics, externalities are a common feature in the study of city problems. Thirdly, the existence of distance among locations implies that the producers of local goods (both public and private) can enjoy a monopolistic situation. Monopolistic and oligopolistic competitions are common features of urban markets. Lastly, many spatial phenomena such as migration, concentration of population, urban sprawl, decay and renewal are inherently dynamic and cannot be studied meaningfully by the application of static economic analysis. The existence of durable buildings and other infrastructure amenities introduce indivisibilities and fixed costs.

## **The Process of Urbanization**

Urbanization, simply defined, is the shift from a rural to an urban society, and involves an increase in the number of people in urban areas during a particular year. Urbanization is the outcome of social, economic and political developments that lead to urban concentration and growth of large cities, changes in land use and transformation from rural to metropolitan pattern of organization and governance. Urbanization is a process of population concentration.

- Urbanization—”the movement of the population into towns and cities, away from the land—results when cities grow in population, perhaps partly through natural increase but mainly through migration from rural areas by people in search of the economic opportunities associated with urban life.” (Giddens:2018).
- “Urbanization is the process by which an increasingly larger portion of the world’s population lives in urban areas”

(Shepard:2010).

- “Urbanization is the concentration of population into cities. Urbanization redistributes population within a society and transforms many patterns of social life” (Macionis:2012).

Social scientists Robert Redfield and Milton Singer (1954) have identified two processes of urbanization: “primary” and “secondary.” The **primary urbanization** is characterized by the development of a “great tradition,” such as the ancient civilizations of Mohenjo-daro, Indus Valley, Egypt, Rome and Mesopotamia. The aim of primary urbanization is to coordinate political, economic, educational, intellectual and aesthetic activities to the norms provided by Great Tradition. The process of **secondary urbanization** took place in the industrial phase of the city. The migration, increasing activities of trade and commerce and establishment of production unit in cities and influence of formal regulatory and administrative bodies and institutions has created new form of society which is easily characterized by heterogeneity and replacement of traditional values and norm. This cultural transformation is defined as secondary urbanization that caused the disintegration from great tradition. Both these processes produce cultural transformations in cities. The secondary urbanization is seen as parasitic in nature, because it causes colonisation, capitalism, depletion of vital resources, and degradation social ties, relationship and shared norms.

Urbanization implies a cultural and social psychological process whereby people acquire the material and non-material culture, including behavioural patterns, forms of organization, and ideas that originated in, or are distinctive of the city.

The urbanization processes are largely driven by market forces and government policies that lead to simultaneous processes of

change in livelihoods, land use, health and natural resources management including water, soil and forests and often reactive changes in local governance. Government development policies and budget allocations, which often favour urban residents over rural areas, tend to pull people into the urban areas. In the cities, public investment, which often misses the urban poor, with expenditures biased towards the higher-income classes and poverty among vulnerable groups such as new migrants force them into slums and squatter settlements. The market forces result in a series of changes in employment, urban agriculture and peri-urban production systems. Ready market leads to an increase in production of horticultural crops and perishables such as vegetables given the high demand and proximity to urban consumers. These factors therefore, act as a great centripetal force in favour of urbanization.

## **Definition of Urban Area**

The **Census of India 2011**, the definition of urban area is as follows;

1. All places with a municipality, corporation, cantonment board or notified town area committee, etc. 2. All other places which satisfied the following criteria:

i) A minimum population of 5,000;

ii) At least 75 per cent of the male main working population engaged in non-agricultural pursuits; and iii) A density of population of at least 400 persons per sq. km.

The first category of urban units is known as Statutory Towns. These towns are notified under law by the concerned State/UT Government and have local bodies like municipal corporations, municipalities, municipal committees, etc., irrespective of their



demographic characteristics as reckoned on 31st December 2009. Examples: Vadodara (M Corp.), Shimla (M Corp.) etc.

The second category of Towns (as in item 2 above) is known as Census Town. These were identified on the basis of Census 2001 data.

- A densely settled geographical area with a minimum population of 2,500 people and a minimum density of 500 people per square mile. In 2000, there were 3,756 urban areas in the **United States**.

## **CAUSES OF URBANISATION**

### **1. Industrialization**

Industrialization is a trend representing a shift from the old agricultural economics to a novel non-agricultural economy, which creates a modernized society. Through the industrial revolution, more people have been attracted to move from rural to urban areas on account of improved employment opportunities.

The industrialization has increased employment opportunities by giving people the chance to work in modern sectors in job categories that aids to stir economic developments.

### **2. Commercialization**

Commerce and trade play a major role in urbanization. The distribution of goods and services and commercial transactions in the modern era has developed modern marketing institutions and exchange methods that have tremendously given rise to the growth of towns and cities. Commercialization and trade come with the general perception that the towns and cities offer better commercial opportunities and returns compared to the rural areas.

### **3. Social Benefits and Services**

There are numerous social benefits attributed to life in cities and towns. Examples include better educational facilities, better living standards, better sanitation and housing, better health care, better recreation facilities, and better social life in general. On this account, more and more people are prompted to migrate into cities and towns to obtain a wide variety of social benefits and services which are unavailable in rural areas.

### **4. Employment Opportunities**

In cities and towns, there are ample job opportunities that continually draw people from rural areas to seek a better livelihood. Therefore, the majority of people frequently migrate into urban areas to access well-paying jobs as urban areas have countless employment opportunities in all developmental sectors such as public health, education, transport, sports and recreation, industries, and business enterprises. Services and industries generate and increase higher value-added jobs, and this leads to more employment opportunities.

### **5. Modernization and Changes in the Mode of Living**

Modernization plays a very important role in the process of urbanization. As urban areas become more technology savvy together with highly sophisticated communication, infrastructure, medical facilities, dressing code, enlightenment, liberalization, and other social amenities availability, people believe they can lead a happy life in cities. In urban areas, people also embrace changes in the modes of living namely residential habits, attitudes, dressing, food, and beliefs. As a result, people migrate to cities and the cities grow by absorbing the growing number of people day after day.

## **6. Rural-urban Transformation**

As localities become more fruitful and prosperous due to the discovery of minerals, resource exploitation, or agricultural activities, cities start emerging as the rural areas transform into urbanism. The increase in productivity leads to economic growth and higher value-added employment opportunities.

This brings about the need to develop better infrastructure, better education institutions, better health facilities, better transportation networks, and the establishment of banking institutions, better governance, and better housing.

As this takes place, rural communities start to adopt the urban culture and ultimately become urban centers that continue to grow as more people move to such locations in search of a better life.

### **Positive Effects of Urbanization**

Especially for those coming from rural areas, urban areas can create an overall better quality of life in several ways. When urban areas become bustling cities and towns, they become a society of culture that can facilitate financial and educational growth.

#### *Employment Opportunities*

With industrialization comes the creation of jobs. Usually making a shift from an agricultural economy, industrialization paves the way for modern industries and will need more people to perform various jobs. Rural jobs such as farming and mining may be labor-intensive (that is, if they have not been taken over by machines or automatic devices), while urban employment opportunities — such as healthcare, business, and education — will need a considerable amount of people with a variety of skills to fill many jobs.

## *Modernization*

Modern technology provides for a better city infrastructure. With modernization, cities can adapt to cultural needs and provide support systems for future development. Additionally, modernization can make for a more sustainable city layout, with better housing/businesses, market centers, and public transit systems. For example, in advanced cities, mobile technology can assist large businesses in advanced mobility hubs for vehicles — significantly reducing the amount of traffic in growing cities.

The very presence of the Internet and IoT technology can expand communication to nearly any corner of the globe, and has the capability to efficiently run utilities and lighting for a whole city. These are just a few illustrations of how technology and modernization can provide efficient solutions to many facets of life, facilitating a better standard of living.

## *Access*

Industrialization coupled with modernization brings an ample amount of access for a city and the citizens within it. Accessibility to the Internet, better healthcare, education, recreational activities, social services, and more all improve livability. Additionally, modern cities have the potential to better plan their city for sustainability and boost their economy.

## **Problems of Urbanization**

In theory, urbanization is a brilliant concept. However, urbanized cities are running into major problems as a result of a rapidly growing population. As it stands today, urbanization has several major drawbacks.

## *Congestion*

With so many people moving from rural areas, many urbanized cities are starting to see an overcrowding issue. Major cities such as New York and Hong Kong are dealing with major congestion problems. Overpopulation is contributing to extreme traffic, the depletion of resources, pollution, and unemployment among many other issues.

### *Poverty*

Many urban cities have seen a population explosion that can be hard to plan for. As a result, employment opportunities may dry up quicker than expected — leading to unemployment. Additionally, housing problems may arise with a very high population density and can lead to poor housing conditions. These housing conditions are only exacerbated by unemployment issues. Unemployment and poor housing (or, the unattainability of adequate housing) is creating an influx of crime in urban cities as well.

### *Environmental Hazards*

Water and sanitation issues are surfacing because of rapid population increases. With so many people needing resources such as food, water, fuel, and waste management, the population of urbanized cities are suffering from a lower quality of life due to environmental reasons such as water scarcity, pollution, and sanitation. Additionally, this is leading to the spread of disease and poor health in heavily populated areas.

## **Solutions to Urbanization**

Urbanization is a double-edged sword. Experts are finding successfully reaping the benefits of urbanization while minimizing its major drawbacks may lie in the reconsideration of several aspects.

## ***Education***

It will fall upon the city government to prepare and plan for a rapidly growing population. Planting trees, conserving energy and resources, and educating the public can make for a more efficient city.

## ***City Planning***

Newly urbanized cities can take note from smart cities, and the technology they use to power their city in response to urban activity. Future-ready technology can solve many congestion issues facing urban populations by facilitating a more efficient transportation ecosystem. To reduce traffic congestion and pollution further, cities will have to consider technology that provides parking solutions to reduce the number of cars driving around on the roads.

Cities can work with hospitals, businesses, and hotels (all traffic-heavy enterprises) to create an efficient answer to parking and traffic issues. City planners also have to consider either controlling their population growth or expanding their city – and how to economically prepare and adapt for these changes.

## ***Create Opportunities***

To combat unemployment and crime, urbanized cities must create more job opportunities to accommodate their citizens. It will be essential for urbanized cities to foster job growth and creation by working with new technologies, creating new and innovative companies within its city, and considering new global markets.

## **Models of Urban Growth**

Urban Growth Theories explain the *internal* demographic, spatial, and economic growth of cities. These three features of a

city's growth are not entirely separable, however. All three are interlinked.

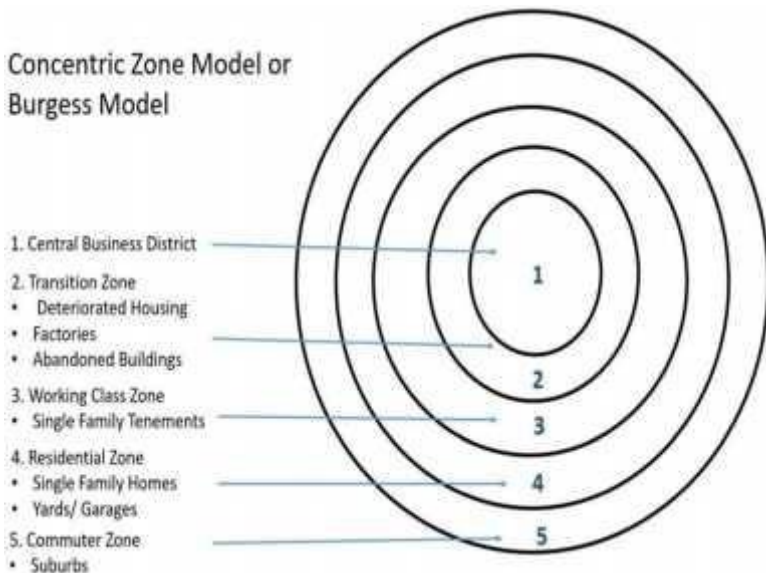
Although several theories have been developed to explain the dynamics of city growth, all such theories are based upon the operation of five ecological processes of concentration, centralization, invasion and succession and observations based upon it about actual city growth in concrete situations. However, one can hardly find a theory of an ideal pattern of urban dynamics as growth of particular city depends upon many factors, the basic one being natural location of a city .Nevertheless, one can notice a set of common principles which govern city growth everywhere. The major theories of internal structure of urban settlements have been advanced on the basis of empirical investigations conducted in the Western urban society, particularly in North America and Europe.

### **Concentric Zone Theory**

EW Burgess developed the concentric zone theory of urban land use in the mid-1920s based on an examination of the historical development of Chicago through the 1890s. It contrasts from the Von Thunen's approach in being descriptive rather than analytical (Harvey, 1996). The concentric zone theory of urban land use is based on the assumption that a city grows by expanding outwards from a central area, radially, in concentric rings of development. Burgess classified the city into five broad zones as shown in Figure. These five broad zones are:

- 1) The Central Business District (CBD): the focus for urban activity and the confluence of the city's transportation infrastructure.
- 2) The Zone of Transition: generally a manufacturing district with some residential dwellings.

- 3) The Zone of Factories and Working Men's Homes: a predominantly working class population living in older houses and areas that were generally lacking in amenities characterized this zone.
- 4) The Residential Zone: this band comprised newer and more spacious housing for the middle classes.
- 5) The Outer Commuter Zone: this land use ring was dominated by better quality housing for upper class residents and boasted of an environment of higher amenity.



While useful in a descriptive sense for explaining the location of land uses in a mono-centric city, both the work of Burgess and Von Thunen has (by extrapolation to urban cases), has been criticized on the grounds that the models are too rigid to ever accurately represent actual land patterns (the mono-centric city



assumption is perhaps the largest flaw). They have also been accused of overlooking the important influence of topography and transport systems on urban spatial structure and have been criticized for failing to accommodate the notion of special accessibility and ignoring the dynamic nature of the urban land use pattern (Harvey, 1996).

## **Criticism**

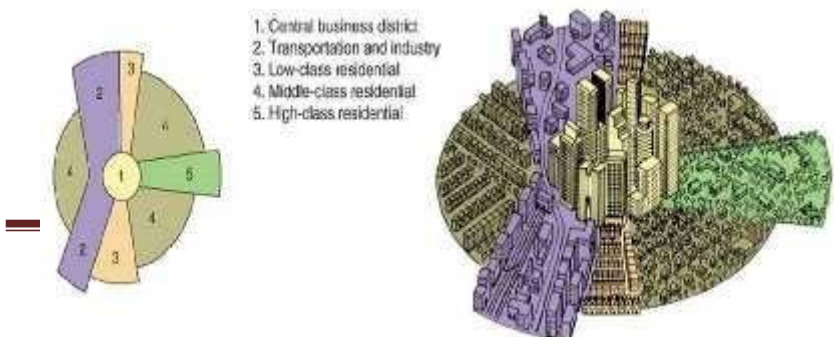
- Burgess himself was the first to point out that his proposition was not an actual description of patterns of city growth but an abstract scheme.
- This theory does not conform to the actual growth patterns of cities as proved by subsequent testing in relation to existing cities. It is very rare that we can find a city which has grown in well defined concentric cities.
- Nature itself is a major limiting factor deciding the limitation in the shape of a city. Further, this theory does not explain the patterns of commercial or cultural cities. Researches have shown that excess business, instead of flocking around, in the zone in transition flows away to more remunerative suburban shopping complexes which is a novelty.
- The concept of industrialization insists upon the starting of factories along waterfronts or at the outskirts of the city or breaks in transportation as convenient sport on grounds of health and availability of raw material.
- The prominence of the loop has been greatly reduced due to the opening up of suburban shopping centres. The idea of the commuter's zone has been reduced in importance with the growth of twin cities.

- Contrary to expectation, new business and industry does not always flock towards the city centre or to the immediate area but move towards the convenient available area within the city for their location without touching the existing pattern.
- The theory does not account for the growth of satellite townships. However, the idea that residential zone lies away from the city centre and factory area nearby conforms to facts. The theory on the whole provides a ground work for the understanding of the growth patterns of contemporary cities.

### **Wedge or Radial Sector Theory**

Development of the wedge or radial sector theory of urban land use is generally attributed to the work of Hoyt (1939). Hoyt's model concerns itself primarily with the location of residential uses across urban areas; it refers to business location only in an indirect fashion. The model seeks to explain the tendency for various socio-economic groups to segregate in terms of their residential location decisions. In appearance, Hoyt's model owes a great deal to Burgess's concentric zone model: Hoyt presents wedge-like sectors of dominant urban land use, within which he identifies concentric zones of differential rent. The model suggests that, over time, high quality housing tends to expand outward from an urban centre along the fastest travel routes. In this way, Hoyt transforms Burgess's concentric zones into radial or sectoral wedges of land use.

#### **Hoyt's sector model**



The innovative element in Hoyt's model was in considering direction, as well as distance, as a factor in shaping the spatial distribution of urban activity. Hoyt's model also goes further than its predecessors in recognizing that the Central Business District is not the sole focus of urban activity (Kivell, 1993). One major criticism, however, is that the model overlooks the location of employment, which itself is the major determinant of residential location (Harvey, 1996).

### **Components of Hoyt Model**

- CBD – Central Business District is placed at center. Sectors and the partial rings of land use/activities take place. This area is often known as down town and has high rise buildings.
- Industry – Industries are represented in form of a sector radiating out from the center. These forms sector because of the presence of a transport linkage along which the activities grew. Presence of railway line, river or road would attract similar activity and thus a continuous corridor or “sector” will develop.
- Apart from the industries this area also serves as residential area for lower class workers. Living conditions are bad because of proximity to industries.

### ***Low Class Residential***

- Low income groups resides in this area. Narrow roads, high population density, small houses with poor ventilation exist in this area.
- Roads are narrow and often connects to the industries where most of the people from this sector works. Closeness to industries reduces the travel cost and thus attracts industrial workers.

- Environmental and living conditions are often poor because of the closeness to factories.

### ***Middle Class Residential***

- This area has middle income groups who can afford larger travel cost and want better living conditions.
- The activities of people residing in this area consist of different activities and not just the industrial work.
- It has more linkages with CBD along with some linkages to industries. This area has the largest residential area.

### ***High Class residential***

- This is the outermost and farthest area from the downtown. Wealthy and affluent people live in this area.
- This area is clean, has less traffic, quiet and has large houses. Corridor or spine extending from CBD to edge has the best housing.

### **Significance of Hoyt Model**

- Ecological factors and economic rent concept to explain the land use pattern
- Stress on the role of transport routes in affecting the spatial arrangement of the city
- Both the distance and direction of growth from the city center are considered
- Brings location of industrial and environmental amenity values as determinants in residential location

- Example: Sectors of high class residential areas tend to grow towards higher grounds, sites with better view, more open space, the homes of influential leaders within the community and existing outlying, smaller settlements.

### **Features of sector model**

- Presence of low income groups near industries supports Hoyt Model
- The Hoyt model realized that transportation (in particular) and access to resources caused a disruption of the Burgess model.
- Activities and their locations are highly influenced by transport linkages. Low transportation cost and proximity to roads/railway reduces the cost of production.
- This model applies well to Chicago
- Account for major transportation routes and its effect on activities

### **Limitations of Sector Model**

- Only Railway lines are considered for growth of sectors and does not make allowances for private cars.
- It is a monocentric representation of cities, multiple business centers are not accounted in this model.
- Physical features – physical features may restrict or direct growth along certain wedges
- No reference to out of town development

### **Multiple-Nuclei Theory**

The work of Harris and Ullmann (1945) in developing a multiple-nuclei theory of urban land use is amongst the most innovative descriptive or analytical urban models. Their model is based on the premise that large cities have a spatial structure that is predominantly cellular. This, they explain, is a consequence of cities' tendencies to develop as a multitude of nuclei that serve as the focal point for agglomerative tendencies. Harris and Ullmann proposed that around these cellular nuclei, dominant land uses and specialized centres may develop over time. The novelty in multiple-nuclei theory lies in its acknowledgement of several factors that strongly influence the spatial distribution of urban activity, factors such as topography, historical influences, and spatial accessibility. The theory is also innovative in its recognition of the city as polycentric, as shown in Figure, in this sense, it moves closer to explaining why urban spatial patterns emerge.

### **Multiple Nuclei Model Harris and Edward Ullman**



## **Assumptions for Multiple Nuclei Model**

- Land is not flat – This provides a more practical application of the multiple nuclei model and is improvement over Burgess model.
- It is difficult to find a flat land for big cities and the terrain features effects the activities, development and direction of growth of urban area.

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- Even distribution of resources – Resources are evenly distributed within the city, no one enjoys privileges or have exclusive access to resources.
  - Even distribution of people in Residential areas – People are distributed homogeneously and not concentrated in a particular area or pocket. This is essential as unevenly distributed population has direct impact on markets.
  - Even transportation cost – Transportation cost are even in the city and not influenced by location.
  - Profit maximization – A particular activity will locate itself where maximum profit can be earned.
  - For this a different combination of rent, transportation costs, labor cost, proximity to market may be tried and the combination which yields best result gives the final location for the activity.
  - This location also takes into account the restrictions over the activity and the need to be separated from other non compatible activities such as locating residential areas away from industrial, locating large industries with more accessibility to reduce transportation cost and to ease the movement of goods.

### **Limitations and criticism of the Harris & Ullman's Multiple Nuclei Model**

- Multiple nuclei model was considered much better than the previous simple models which attempted to explain the structure of urban areas. However this model also had its limitations and could not be applied to many cities and did not entirely explain the structure of urban areas.



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- Formation of well defined zones or “nuclei” required considerable size of the city as the small or new towns do not have a very well defined locations because of which they are usually scattered.
  - Another drawback is the limited activities which are considered in the model along with the very rigid and specific boundaries of the activities.
  - *Some other drawbacks include:*
  - Negligence of height of buildings.
  - Non-existence of abrupt divisions between zones.
  - Each zone displays a significant degree of internal heterogeneity and not homogeneity.
  - Unawareness of inertia forces.
  - No consideration of influence of physical relief and government policy.
  - The concepts may not be totally applicable to oriental cities with different cultural, economic and political backgrounds.

### **Central Place Theory**

Central Place Theory is an attempt to explain the spatial arrangement, size, and number of settlements. A Central Place is a settlement, which provides one or more services for the population living around it. A German geographer Walter Christaller who studied the settlement patterns in southern Germany originally published the theory in 1933. In the flat landscape of southern Germany, Christaller noticed that towns of a certain size were roughly equidistant. By examining and

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defining the functions of the settlement structure and the size of the hinterland he found it possible to model the pattern of settlement locations using geometric shapes.

The theory consists of two basic concepts

- threshold — the minimum population that is required to bring about the provision of certain good or services and
- range of goods or services — the average maximum distance people will travel to purchase goods and services

From this he deduced that settlements would tend to form in a triangular or hexagonal lattice, this being the most efficient pattern to serve areas without any overlap. In the orderly arrangement of an urban hierarchy, Christaller, providing different groups of goods and services, has identified seven different principal orders of settlement. Settlements are regularly spaced - equidistant spacing between same order centers, with larger centers farther apart than smaller centers. Settlements have hexagonal market areas, and are most efficient in number and functions.

### **Weber's Theory of Location**

Alfred Weber, published the theory in 1909 which assumes that industrialists choose a least-cost location for the development of new industry. The theory is based on a number of assumptions, among them that: (i) markets are fixed at certain specific points, (ii) transport costs are proportional to the weight of the goods and the distance covered by a raw material or a finished product, and (iii) perfect competition exists. Weber postulated that raw materials and markets would exert a 'pull' on the location of an industry through transport costs. Industries with a high material index would be pulled towards the raw material. Industries with

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a low material index would be pulled towards the market. Industrial location may be swayed by agglomeration economies.

## **Modern Theories**

### ***Public Choice Theory***

Two theories emerged in the 1980s to explain the motivations and formulae pushing urban development and to comment on the conflicts and pressures facing modern American cities. These theories superseded the debate between the post-war theories of democratic pluralism and regime politics that had dominated the field for two decades. First and most significant of these new ideas was the “public choice theory” advanced by Paul Peterson in his 1981 book, “City Limits”. Peterson states that urban politicians and governing regimes are subordinate to the overall economic principles that force cities to compete to capture new investment and capital. He writes that the competitive nature of cities encourages the business elite and politicians to favor new development projects, concluding that successful cities require a local infrastructure that is supportive of the needs of business and economic development. In 1987 John Logan and Harvey Molotch published “Urban Fortunes” as the first substantial criticism of Peterson’s ideas. “Urban Fortunes” describes the combination of entrepreneurs and urban politicians as a “growth machine” — a powerful, pro-development network of business interests and local politicians whom favor increased economic development at the expense of neighborhood residents and other vulnerable stakeholders. Logan and Molotch argue that the close relationship between City Hall and the business world creates the growth machine and fuels its ability to overpower weaker forces attempting to influence the development process. Logan and Molotch also identify the costs and externalities created by the growth machines drive for economic development that were

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absent from Peterson's theory. The free market and fiscal growth models emphasized in Peterson's theory are the guides for city officials and entrepreneurs intent on spurring economic development within their city. The "public choice theory" of urban development outlined in *City Limits* suggests that market values and motivations drive city officials to pursue economic revitalization with the goal of attracting more private investment. This economically-based theory is built upon the belief that cities should "seek to upgrade their economic standing" by competing against other cities to attract new businesses and jobs through economic development. Cities are successful when they entice new jobs and development projects inside their boundaries following the logic that what is good for business becomes good for the city. Framing urban development in strictly economic terms, Peterson claims the decisions of the city are governed by rational principles designed to increase public utility.

## **Planning Theories**

### **i) Traditional Planning Theories**

Planning efforts in the field rarely make obvious reference to philosophical synthesis or organizational development theory, nor are much attention given to lessons of historical experience based on case studies of past planning efforts. Planning theory has long been at tension over its normative versus descriptive or predictive nature. Is planning theory philosophically oriented toward laying out the correct way to plan, in an ethical sense? Or is it scientifically oriented toward showing the likely implications of undertaking various planning behaviors? Both traditions have always existed, but movement seems to be away from philosophy and toward science. The notion of a contingency use of planning theories has accompanied this trend. In the 1970s, Hudson (1974) published a widely cited article likening the planning theory

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universe to an Indian sitar whose strings represent synoptic, incremental, transactive, advocacy, and radical planning. The practitioner plays the strings at appropriate times. (Christensen 1985; Alexander 1996). The most important of these other traditions include incremental planning, transactive planning, advocacy planning, and radical planning. These by no means exhaust the range of contemporary planning traditions, but they cover enough ground to illustrate the major developments in planning theory and practice since roughly 1960, developments which have grown up in response to recognized deficiencies in the synoptic approach.

## **ii) Synoptic Planning**

Predominant concern has generally centered on the tradition of rational comprehensive planning, also known as the synoptic tradition. The synoptic approach has dominated both American planning practice and the planning of development assistance programs overseas. The approach is well suited to the kind of mandate bestowed on government agencies: a set of constrained objectives, a budget, and accountability. There are, however, several other counterpoint schools of thought, most of which differ from the confines of the synoptic approach. Synoptic planning, or the rational comprehensive approach, is the dominant tradition, and the point of departure for most other planning approaches. Synoptic planning typically looks at problems from a systems viewpoint, using conceptual or mathematical models relating ends (objectives) to means (resources and constraints) with heavy reliance on numbers and quantitative analysis. Synoptic planning has roughly four classical elements:

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- 1) Goal-setting,
  - 2) Identification of policy alternatives,
  - 3) Evaluation of means against ends, and
  - 4) Implementation of policy.

The process is not always undertaken in this sequence, and each stage permits multiple iterations, feedback loops and elaboration of sub-processes. For example, evaluation can consist of procedures such as benefit cost analysis, operations research, systems analysis, and forecasting research. Forecasting can be broken down into deterministic models (trend extrapolation, econometric modeling, curve-fitting through multiple regression analysis); or probabilistic models (Monte Carlo methods, Markov chains, simulation programs, Bayesian methods) or judgmental approaches (Delphi technique, scenario writing, cross-impact matrices).

### **iii) Incremental Planning**

Incremental planning came up as a response to the synoptic planning approach that has been criticized for its bias toward central control-in the definition of problems and solutions, in the evaluation of alternatives, and in the implementation of decisions. The case for incremental planning derives from a series of criticisms leveled at synoptic rationality, its insensitivity to existing institutional performances capabilities; its reductionist epistemology; its failure to appreciate the cognitive limits of decision-makers, who cannot “optimize” but only “satisfies” choices by successive approximations. Charles Lindblom is one of the advocates of the theory of ‘Incrementalism’ in policy and decision-making (also called ‘Gradualism’) in 1959. The approach is to take “baby-steps”, or “Muddling Through”, in

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decision-making processes. In it, policy change is, under most circumstances, evolutionary rather than revolutionary. He stresses that policy decisions are better understood, and better arrived at, in terms of the push and tug of established institutions that are adept at getting things done through decentralized bargaining processes best suited to a free market and a democratic political economy. Incremental planning adheres more closely to the economic logic of individuals pursuing their own self-interest. Incrementalists also take issue with the synoptic tradition of expressing social values (a priori goal-setting; artificial separation of ends from means; presumption of a general public interest rather than pluralist interests).

#### **iv) Advocacy Planning**

The most influential of the 1960s challenges to rational planning came from a Hunter College professor who had worked with poor communities in Philadelphia and New York and believed in their lack of representation in the planning process. Paul Davidoff's (1965) article, "Advocacy and Pluralism in Planning," resonated with the frustration of many planners in their inability to meaningfully address the social and economic issues tearing at the fabric of American cities. Davidoff called for the distribution of planning services into low-income, minority neighborhoods through a cadre of advocate planners who would be physically located in neighborhoods and would represent the interests of neighborhood residents in city-level planning processes. Based on analogy with the legal advocacy system, Davidoff thought that many neighborhoods would arrange their own advocates. If these were not forthcoming, it was the duty of the city government to appoint advocates to represent the neighborhood. Debates among the various advocate planners would take place "in the coin of the public interest"- so that the prevailing positions would be those showing themselves as the most closely aligned with the broader

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needs of the city. The advocacy planning movement grew up in the sixties rooted in adversary procedures modeled upon the legal profession, and usually applied to defending the interests of weak against strong-community groups, environmental causes, the poor, and the disenfranchised against the established powers of business and government. (Alinsky 1971; Heskin 1977.) Advocacy planning has proven successful as a means of blocking insensitive plans and challenging traditional views of a unitary public interest. In theory, advocacy calls for development of plural plans rather than a unit plan (Davidoff 1965). The advocacy planning movement liberated planners from positions labeled as comprehensive or public interest defined. It quickly spread well beyond the inner city. The use of publicly supported advocates spread even beyond the realm of planning and they became common in the service of environmental groups, trade associations, and even corporations. In practice, however, advocacy planning has been criticized for posing stumbling blocks without being able to mobilize equally effective support for constructive alternatives (Peattie 1968). One effect of the advocacy movement has been to shift formulation of social policy from backroom negotiations out into the open. Particularly in working through the courts, it has injected a stronger dose of normative principles into planning, and greater sensitivity to unintended side effects of decisions. A residue of this can be seen in the increasing requirements for environmental, social, and financial impact reports to accompany large-scale project proposals, whether originating in the private or public sector. Another result has been the stronger linkage between social scientists and judiciary processes in policy decisions. Advocacy planning has both reflected and contributed to a general trend in planning away from neutral objectivity in definition of social problems, in favor of applying more explicit principles of social justice. Much of the previous assumptions of city planners

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became the subject of conscious discussion and debate. Reflections from the advocate planners showed their work to be enormously difficult and conflicted. Critics pointed out tendencies of advocate planners to be demographically quite different from the residents they served. Advocacy planning seemed to raise expectations that could not be met in those communities. Ultimately, Davidoff was moved by the argument that you have to be from a community to effectively advocate in its behalf. He relocated to the suburbs where his organization, Suburban Action Institute, became influential in promoting federal fair share housing requirements (Needleman and Needleman 1974; Mazziotti 1974; Davidoff, Davidoff and Gold 1974). By the early 1970s, it was normal to distinguish procedural planning theory focusing on planning process from substantive planning theory focusing on the growth and development of cities. Andreas Faludi, the Dutch planning theorist labeled these two subjects, theory-of-planning and theory-in-planning (Faludi 1973). The distinction was and remains controversial, with many scholars and practitioners arguing that one cannot study process without an understanding of substance, and vice versa. One aspect of the controversy is the tendency of the procedural emphasis to separate planning theory from design approaches to planning which are so rooted in the physical aspects of cities (Hightower 1969; Fischler 1995). Following the first experiences with advocacy planning, planning theorists began diverging in many directions. The rational planning model gradually lost ground. Indeed, in the late 1970s, it was common to talk about a “crisis in planning theory” resulting from the loss of a center to the field (Goldstein and Rosenberry 1978; Clavel, Forester and Goldsmith 1980).

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## v) **Radical Planning**

The criticisms of advocacy led to a wave of radical approaches to planning for the underprivileged. Stephen Grabow and Alan Heskin's (1973) wrote in the "Foundations for a Radical Concept of Planning," on the inabilities of the current planning framework to respond to the needs of the poor. They called for a systemic change including decentralization, ecological attentiveness, spontaneity, and experimentation. Yet, it spawned the progressive planning movement seeking out incremental changes that over time would result in structural changes promoting equality, participation, and legitimacy. Progressive planners promoted public ownership of land and job generating industries, worker-managed enterprises, tax reform, community organizations, and leveraging of public resources through partnerships with private organizations that would agree to serve public purposes. Notable examples include Berkeley, California; Hartford, Connecticut; and Burlington, Vermont. Some progressives worked outside the mainstream government doing opposition planning or organizing community self-help initiatives (Krumholz and Clavel 1994; Friedmann 1987).

## vi) **Urban Regime Theory**

Urban regime theory came to prominence with the publication of Clarence Stone's study of Atlanta in 1989, although earlier work by Fainstein and Fainstein (1983) and Elkin (1987) has also been influential. The urban regime theory holds that in certain places, community leadership has a certain framework, or regime, for examining issues. Individuals or interest groups that argue from outside that regime will find it very difficult or even impossible to win decisions. This results in an effective disenfranchisement of the outsiders. Implications for planners are both descriptive and normative: power lies in speaking the language of the

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dominant regime(s). If planners want to influence decisions, they will have to make arguments in a manner that the dominant regime(s) will understand and be responsive to (Lauria 1997).

### **vii) Transactive Planning**

During the development of the radical critique, other planning theorists were reconsidering the overtly political directions of planning theory. A series of new directions emerged; focusing on planners' facilitative roles in shaping decisions emerged. Often referred to as social learning theories, these contributions emphasized planners' roles in bringing stakeholders together, gathering and sharing information, and helping social structures to learn from their experiences. John Friedmann's transactive planning emphasized that citizens and civic leaders, not planners, had to be at the core of planning if plans were to be implemented. Others defined a social experimentation process using elements of incrementalism. Chris Argyris and Donald Schon began to articulate a theory of action in which the planner, acting as catalyst strives to create a self-correcting decision structure capable of learning from its own errors (Argyris and Schon 1974; Friedmann 1987). The transactive planning approach focuses on the intact experience of people's lives revealing policy issues to be addressed. Planning is not carried out with respect to an anonymous target community of beneficiaries, but in face-to-face contact with the people affected by decisions. Planning consists less of field surveys and data analyses, and more of interpersonal dialogue marked by a process of mutual learning transactive planning also refers to the evolution of decentralized planning institutions that help people take increasing control over the social processes that govern their welfare. Planning is not seen as an operation separated from other forms of social action, but rather as a process embedded in continual evolution of ideas validated through action (Friedmann 1973). In contrast to incremental

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planning, more emphasis is given to processes of personal and organizational development, and not just the achievement of specific functional objectives. Plans are evaluated not merely in terms of what they do for people through delivery of goods and services, but in terms of the plans' effect on people, on their dignity and sense of effectiveness, their values and behavior, their capacity for growth through cooperation, their spirit of generosity.

## **Urban growth**

Urban growth - the growth and decline of urban areas - as an economic phenomenon is inextricably linked with the process of urbanization. Urbanization itself has punctuated economic development. The spatial distribution of economic activity, measured in terms of population, output and income, is concentrated. The patterns of such concentrations and their relationship to measured economic and demographic variables constitute some of the most intriguing phenomena in urban economics. They have important implications for the economic role and size distribution of cities, the efficiency of production in an economy, and overall economic growth. As Paul Bairoch's magisterial work (1988) has established, increasingly concentrated population densities have been closely linked since the dawn of history with the development of agriculture and transportation. Yet, as economies move from those of traditional societies to their modern stage, the role of the urban sector changes from merely providing services to leading in innovation and serving as engines of growth.

'urban area', which is not standard throughout the world and differs even within the same country depending upon the nature of local jurisdictions and how they might have changed over time. Legal boundaries might not indicate the areas covered by urban

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service-providers. Economic variables commonly used include population, area, employment, density or output measures, and occasionally several of them at once, not all of which are consistently available for all countries.

The study of urban growth has proceeded in a number of different directions. One direction has emphasized historical aspects of urbanization. Massive population movements from rural to urban areas have fuelled urban growth throughout the world. Yet it is fair to say that economics has yet to achieve a thorough understanding of the intricate relationships between demographic transition, agricultural development and the forces underlying the Industrial Revolution. Innovations were clearly facilitated by urban concentrations and associated technological improvements. It also focuses on how changes in commuting costs, as well as the industrial composition of national output and other technological changes, have affected the growth of cities. Another direction has focused on understanding the evolution of systems of cities - that is, how cities of different sizes interact, accommodate and share different functions as the economy develops and what the properties of the size distribution of urban areas are for economies at different stages of development. Do the properties of the system of cities and of city size distribution persist while national population is growing? Finally, there is a literature that studies the link between urban growth and economic growth.

### **Urbanization and the size distribution of cities**

The concentration of population and economic activity in urban areas may increase either because agents migrate from rural to urban areas (urbanization) or because economies grow in terms of both population and output, which results in urban as well as rural growth. Urban centres may not be sustained unless agricultural productivity has increased sufficiently to allow people to move

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away from the land and devote themselves to non-food producing activities. Such 'symmetry breaking' in the uniform distribution of economic activity is an important factor in understanding urban development (Papageorgiou and Smith, 1983).

The process of urban growth is closely related to the size distribution of cities. As the urban population grows, will it be accommodated in a large number of small cities, or in a small number of large cities, or in a variety of city sizes? While cities have performed different functions in the course of economic development, a puzzling fact persists for a wide cross-section of countries and different time periods.

### **Urban growth and city structure**

Understanding urbanization and economic growth requires understanding the variety of factors that can affect city size and therefore its short-term dynamics. All of them lead to the basic forces that generate the real and pecuniary externalities that are exploited by urban agglomeration, on one hand, and congestion, which follows from agglomeration, on the other. Three basic types of agglomeration forces have been used, in different varieties, to explain the existence of urban agglomerations (all of them were initially proposed in Marshall, 1920): (a) knowledge spillovers, that is, the more biomedical research there is in an urban area, the more productive a new research laboratory will be; (b) thick markets for specialized inputs: the more firms that hire specialized programmers, the larger the pool from which an additional firm can hire when the others may be laying off workers; and (c) backward and forward linkages. Local amenities and public goods can themselves be relevant agglomeration forces. The size of urban agglomerations is the result of a trade-off between the relevant agglomeration and congestion forces. Urban growth can therefore be the result of any city- specific or

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economy-wide change that augments the strength or scope of agglomeration forces or reduces the importance of congestion forces.

### **Urban and national economic growth**

Most economic activity occurs in cities. This fact links national and urban growth. An economy can grow only if cities, or the number of cities, grow. In fact, Jacobs (1969) and Lucas (1988) underscore knowledge spillovers at the city level as a main engine of growth.

urban growth affects the efficiency of production and economic growth, and the way agents interact and live in cities. Understanding its implications and causes has captured the interest of economists in the past and deserves to continue doing so in the future.

An understanding of urban economies, or more loosely the “regional sciences,” is essential for planners. Urban economics and urban analysis helps

- inform economic development activities
- assist in broad-based local government policy development in the areas of land-use planning, fiscal capacities, and social needs like housing, health, welfare, recreation, and cultural programs.
- Allows for measures of the effectiveness of policy decisions
- Allows for measures of the community and region-wide impacts of economic change

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- Lets us better study and understand the social consequences of economic change. With regard to the governance of a region and the ostensible distribution of private goods and services, a study of urban economics allows us also to assess both efficiencies and equities:

**Efficiencies** refer to the obtaining the most productive uses of private and public resources.

**Equities** are the concerns that we marshal in light of our characterization of the distribution of the region's resources relative to the distribution of the region's incomes. We may also characterize equity as distributive justice, or Rawl's elegant and simple term "fairness."

There are three logical and necessary characteristics of urban economic growth historically:

1. Increased industrial productivity, made possible by
  - water, steam, and fossil fuel-powered industries
  - increased mechanization and industrialization
  - specialization of labor
  - more recently, the broad development of infrastructure capable of supporting industrial production, including physical, electro/digital, and intellectual capital.
2. Transportation system development
  - waterways
  - hence the emergence of coastal and inland ports as early major trade centers



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- railways – allowed efficient and consistent exploitation of the nation’s interior resources
  - overall increased mobility and a reorientation of economic power in the nation spatially
    - allowance for re-defining the extent of exploitable resources, which led, therefore, to new nodes of urban efficiency.
  - modern information systems, broadband, and other digital conveyances

Some would argue that modern communications could be a logical, distinct aspect of urbanization. Indeed, they may be correct, but communications revolutions historically occurred simultaneously with transportation enhancements. The net effects of continuous declines in communications costs are the increased spatial separation of the functions of industries. What we often now characterize as a communications revolution is merely an incremental change in communications flow, cost, and timing relatively to a decade ago. It is a steady and non-linear progression.

### 3. Increased agricultural productivity

- Linked to industrial, transportation, behavior, and scientific advances
- Over the decades there has been a persistent decline in the number of farms and farms, a concomitant increase in average farm sizes, and incremental gains in yields.
- At the same time, overall food costs as fractions of household budgets have declined

All of this gives rise to an intriguing simultaneous system:

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Urbanization = f(agricultural productivity, technology transfer, transportation, etc.)

Agricultural Productivity = f(urbanization, technology transfer, transportation, etc.)

### **Residential area**

Housing may vary significantly between, and through, residential areas. These include single-family housing, multi-family residential, or mobile homes. Zoning for residential use may permit some services or work opportunities or may totally exclude business and industry. It may permit high density land use or only permit low density uses. Residential zoning usually includes a smaller FAR (floor area ratio) than business, commercial or industrial/manufacturing zoning. The area may be large or small.

### **Industrial park**

Industrial park (also known as industrial estate, trading estate) is an area zoned and planned for the purpose of industrial development. An industrial park can be thought of as a more "heavyweight" version of a business park or office park, which has offices and light industry, rather than heavy industry. Industrial parks are often notable for relatively economic to build and speedily erected single-space steel sheds, occasionally in bright colours.

# Block-2 Urban Labour Market

## Unit-2: Urban Local government

- Characterization of the Urban Labour Market-
- The Gravity Model of Labour Movements
- Problems of Urban Unemployment in India;
- Migration-Urbanization Cause-Effect Relationships-Pollution-
- Controlling measures with reference to India; Urban Transport, Urban Water supply and Public Health.

Urban Local government implies the governance of an urban area by the people through their elected representatives. 74th Constitutional Amendment Act, 1992 provided constitutional status to local urban bodies.

### 74th Constitutional Amendment

This act added a new part IX-A to the Constitution entitled as 'The Municipalities' and a new Twelfth Schedule containing 18 functional items for municipalities. The main provisions of this Act can be grouped under two categories—compulsory and voluntary. Some of the compulsory provisions which are binding on all States are:

1. Constitution of Nagar panchayats, municipal councils and municipal corporations in transitional areas (areas in transition from a rural area to urban area), smaller urban areas and larger urban areas respectively;

2. Reservation of seats in urban local bodies for Scheduled Castes / Scheduled Tribes roughly in proportion to their population;
3. Reservation of seats for women up to one-third seats;
4. The State Election Commission, constituted in order to conduct elections in the panchayati raj bodies (see 73rd Amendment) will also conduct elections to the urban local self-governing bodies;
5. The State Finance Commission, constituted to deal with financial affairs of the Panchayati Raj bodies will also look into the financial affairs of the local urban self-governing bodies;
6. Tenure of urban local self-governing bodies is fixed at five years and in case of earlier dissolution fresh elections are to be held within six months;

## **FUNCTIONS OF URBAN LOCAL BODIES**

It is a common practice to divide the organisation of a corporation or a municipality into two parts:

- (a) deliberative and
- (b) executive part

The corporation, council or municipal board or council consisting of the elected representatives of the people constitutes the deliberative part. It acts like a legislature. It discusses and debates on general municipal policies and performance, passes the budget of the urban local body, frames broad policies relating to taxation, resources raising, pricing of services and other aspects of municipal administration. It keeps an eye on municipal

administration and holds the executive accountable for what is done or not done. For instance, if water supply is not being properly managed, or there is an outbreak of an epidemic, the deliberative wing criticises the role of the administration and suggests measures for improvement. The executive part of municipal administration is looked after by the municipal officers and other permanent employees. In the corporations, the

Municipal Commissioner is the executive head, and all other departmental officers like engineers, finance officers, health officers etc. function under his/her control and supervision. In a large corporation, such as Delhi or Mumbai Municipal Corporation, the Commissioner is usually a senior IAS officer. In municipalities, the executive officer holds a similar position and looks after the overall administration of a municipality.

***Municipal functions are generally classified into obligatory and discretionary types.***

The obligatory (compulsory) functions are those that the municipal body must perform. In this category fall such functions as water supply; construction and maintenance of roads, streets, bridges, subways and other public works, street lighting; drainage and sewerage; garbage collection and disposal; prevention and control of epidemics. Some other obligatory functions are public vaccination and inoculation; maintenance of hospitals and dispensaries including maternity and child welfare centres; checking food adulteration; removal of slums; supply of electricity; maintenance of cremation and burial grounds; and town planning. In some States some of these functions may be taken over by State Government. The discretionary functions are those that a municipal body may take up if funds permit. These are given less priority. Some of the discretionary functions are construction and maintenance of rescue homes and orphanages, housing for low income groups, organising public receptions,

provision of treatment facilities, etc.

## **TYPES OF URBAN LOCAL GOVERNMENT**

There are eight types of urban governments in India.

**1. Municipal Corporation:** Municipal corporations are created for the administration of big cities like Delhi, Mumbai,

Hyderabad and others. A Municipal Corporation has three authorities namely, the council (legislative wing of the corporation), the standing committee (to facilitate the working of the council) and the commissioner (chief executive authority of the corporation). The council consists of councillors directly elected by people and is headed by a Mayor while the Commissioner is appointed by state government and is generally an IAS officer.

**2. Municipality:** The municipalities are established for the administration of towns and smaller cities. They are known by various other names like municipal council, municipal committee, municipal board, borough municipality, city municipality and others. In composition they are quite similar to municipal corporations except that head of council is called President /chairman and in place of commissioner they have a chief executive officer/chief municipal officer.

**3. Notified Area Committee:** A notified area committee is created for the administration of two types of areas- a fast developing town due to industrialisation, and a town which does not yet fulfill all the conditions necessary for the constitution of a municipality, but which otherwise is considered important by the state government. It is called so because it is created by a notification and unlike the municipality it is an entirely nominated body, i.e. all members, including the Chairman, are nominated by the state government. Thus, it is neither a statutory body (created

by law) nor an elected body.

**4. Town Area Committee:** It is set up by a separate act of state legislature for the administration of a small town. It is a semi-municipal authority entrusted with limited number of civic functions. It may be wholly elected or wholly nominated or partly elected and partly nominated as provided by state government.

**5. Cantonment Board:** It is established for municipal administration for civilian population in the cantonment areas (area where military forces and troops are permanently stationed). It is set up under the provisions of the Cantonment Act, 2006 by central government and works under Defence ministry of central government. It is partly elected and partly nominated body having the Military officer commanding the station as its ex-officio President. Vice president is elected amongst by the elected members of board. The executive officer of the cantonment board is appointed by the President of India.,

**6. Township:** It is established by large public enterprises to provide civic amenities to its staff and workers, who live in the housing colonies built near the plant. It is not an elected body and all members, including the town administrator, is appointed by the enterprise itself.

**7. Port Trust:** The port trusts are established in the port areas like Mumbai, Kolkata, Chennai and so on for two purposes: (a) to manage and protect the ports; (b) to provide civic amenities. It is created by an Act of Parliament and it consists of both elected and nominated members.

**8. Special Purpose Agency:** The states have set up certain agencies to undertake designated activities or specific functions that legitimately belong to the domain of municipal corporations, municipalities or other local urban governments. In other words, these are function based, not area based. They are known as

‘single purpose’, ‘uni-purpose’ or ‘special purpose’ or ‘functional local bodies’ like town improvement trust, housing boards, pollution control boards etc. They are established as statutory bodies by an act of state legislature or as departments by an executive resolution. They function as an autonomous body and are not subordinate agencies to local municipal bodies.

### **Cantonment board**

Cantonment board is a civic administration body in India under control of the Ministry of Defence. The board comprises elected members besides ex-officio and nominated members as per the Cantonments Act, 2006. The term of office of a member of a board is five years. A cantonment board consists of eight elected members, three nominated military members, three ex-officio members (station commander, garrison engineer and senior executive medical officer), and one representative of the district magistrate.

There are 66 Cantonment Boards in India.

Cantonments are divided into four categories, namely,

1. Category I – population exceeds fifty thousand
2. Category II – population exceeds ten thousand, but does not exceed fifty thousand
3. Category III – population exceeds two thousand five hundred, but does not exceed ten thousand
4. Category IV – population does not exceed two thousand five hundred.

### **Functions**

The cantonment board takes care of mandatory duties such as



provision of public health, water supply, sanitation, primary education, and street lighting etc.<sup>[3]</sup> As the resources are owned by government of India, it can't levy any tax. Government of India provides the financial assistance.

It is the duty of the president of the cantonment board:

- unless prevented by reasonable cause, to convene and preside at all meetings of the board and to regulate the conduct of business;
- to control, direct and supervise the financial and executive administration of the board;
- to perform all the duties and exercise all the powers specially imposed or conferred on the president by or under this act; and
- subject to any restrictions, limitations and conditions imposed by this Act, to exercise executive power for the purpose of carrying out the provisions of this Act.
- in case of gross misconduct during the course of meeting, to suspend a member other than a chief executive officer from attending the un-conduct part of the meeting of the Board.

### **Definition of Slums**

The definition of the term “slum” varies depending upon the interpretation of the prevailing housing situation. Normally slums are those part of the city which may be unfit for human habitation either because of the structure there in are old dilapidated grossly congested and out of repairs or because of lack of infrastructure facilities or because sites themselves are unhealthy (slum up gradation program, 1985). The definition of slum varies with different countries as the concept of slum has both physical as well as social aspects. The definition is derived after analysing the overall living condition, occupation and education of the

people.

The various definitions of slums are as follows:-

1. A compact area of at least 300 populations or about 60-70 households of poorly built congested tenements, in unhygienic environment usually with inadequate infrastructure and lacking in proper sanitary and drinking water facilities. (Census of India, 2001 and National Slum Policy)
3. Slums are neglected parts of cities where housing and living conditions are appallingly lacking. Slums range from high density, squalid central city tenements to spontaneous squatter settlements without legal recognition or rights, sprawling at the edge of cities. (Source: The World Bank)
4. “A group of individuals living under the same roof that lack one or more of the following conditions: access to safe water; sanitation; secure tenure; durability of housing; and sufficient living area.” (Source: UN habitat)
5. A slum is building; a group of buildings or area characterized by overcrowding, deterioration, and lack of facilities or amenities endanger the health, safety of its inhabitants. (Source: UNESCO)
6. As per National Sample Survey Organization (NSSO) a slum is a compact settlement with a collection of poorly built tenements, mostly of temporary nature, crowded together usually with inadequate sanitary and drinking water facilities in unhygienic conditions. Such an area, for the purpose of this survey, was considered as “non notified slum” if at least 20 households lived in that area. Areas notified as slums by the respective municipalities, corporations, local bodies or development authorities are treated as “notified slums”. (Source: Report no. 417, 429 (49th Round - 1993) & 486 (58th Round – 2002)

7. As per The UP Slum Areas (Improvement and Clearance) Act, 1962 , those residential areas where dwellings are in any respect unfit for human habitation by reasons of dilapidation, overcrowding, faulty arrangements and designs of such buildings, narrowness or faulty arrangement of streets, lack of ventilation, light or sanitation facilities or any combination of these factors which are detrimental to safety, health and morals. Thus, conceptually slums are compact overcrowded residential areas (and not isolated or scattered dwellings) unfit for habitation due to lack of one or more of the basic infrastructure like drinking water, sanitation, electricity, sewerage, streets etc. (Source: Under Section-3 of the Slum Area Improvement and Clearance Act)

8. A habitat area with following features:

- Compact areas of at least 300 populations or above & 60-70 households & poorly built congested tenement.
- Dilapidated houses / semi-permanent structures of less than 25sqm area.
- Poorly built congested tenements.
- Lacking in sanitary facilities.
- Lacking in access of safe drinking water within 150 m.
- Unhygienic environment & in adequate infrastructure.
- Specific preference to socially disadvantaged sections.

(Source: Rajasthan Urban Housing & Habitat Policy – 2006)

### **Policies and Programmes in India**

Polices are made to check the growth of slums in a city and

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balance among the capable and incapable by proper administration of recourses among all.

In India there are broadly three different kinds of programmes dealing with Housing and Infrastructure Provision for urban poor, which are

- Land tenure regularization programmes. (Tenancy reform Law)- The programme aims to provide the slum dwellers a permanent and legal place to live. It aims to provide them with the Occupancy Rights.
- Basic Services provision programmes. (BSUP)- The programme aims to provide basic infrastructure like drinking water, sanitation, electricity, sewerage, streets, clinics, schools etc. to the slum dwellers. It aims to improve the overall quality of life by providing them Hygienic and Healthy environment to live.
- Housing Construction Programmes.(RAY)- The programme aims to provide the housing demand of these people. It develops various schemes to construct low cost houses for slum dwellers.

The approach towards slums has changed in years. Initially schemes were launched to uproot slums from city, but over the years government realized the need of this sector. Slum dwellers played an important role in supporting the household work of the families; they took up most of the lower class jobs without which a city couldn't function. So, their potential was credited by the government and from uprooting them, it launched schemes to support and upgrade them. After independence various schemes are launched for poverty alleviation and slum upgradation. These schemes are part of Five year plans and they have their target to

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be completed in stipulated period. But failure of policies leads to formation of slums. Policies in India lack the ground level verification, which creates problems in their implementation.

Failure of policies can be understood as

- Failure of ownership based policy. There is a lack of tenure based policies in India, so the slum dwellers cannot enjoy the occupancy rights and always fear eviction. This finally results in degradation of their quality of life.
- Lack of policies compelling private players to supply housing to poor. Even in the large townships only 15% of the total housing has to be of EWS category which is very less as compared to other categories. Even this 15% goes in wrong hands instead of deserving people
- Unaffordable housing market scenario due to lack of policies to check real estate market. Due to increase in the income of HIG and MIG-a there is an overwhelming response in investments of real estate. Due to this the land prices have grown up tremendously, and now are far beyond the reach of many. Hence the balance in income and expenditure is lost.

### **Programmes for the poor in Five year Plans**

The Five Year Plans have incorporated many policies and schemes for poverty alleviation and slum up gradation in India right from first five year plan in 1951 to Twelfth five year plan in 2012. Initially the slum clearance was started which was transformed to providing of amenities & redevelopment by twelfth five year plan by integrating urban poor in economic activities. Initiatives in various five year plans are listed below:-

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### **First five year plan -1951-56**

Emphasis was given to build various institutions for working on the development of urban poor Construction of houses for the weaker section.

### **Second five year plan -1956-61**

Town and Country Planning Legislations were enacted in many states and necessary organizations were also set up for the preparation of Master Plans for major towns and cities of the country. New schemes were introduced, namely Rural Housing, Low Income Group Housing, Slum Clearance and Sweepers Housing

### **Third five year plan -1961-66**

The State Housing Schemes, Land Acquisition and Development and Town Planning schemes were added. A slum clearance and Improvement scheme was introduced in 1959 to clear some of the worst slums in big cities.

### **Fourth five year plan -1969-74**

Shift from formal housing to site and services Programs. Housing and Urban Development Corporation (HUDCO) was established to fund the remunerative housing and urban development programs. A scheme for Environmental Improvement for Urban Slums (EIUS) was undertaken in the central sector from 1972-73 to provide a minimum level of services, like, water supply, sewerage, drainage, etc.

### **Fifth five year plan -1974-79**

National level programs such as the Minimum Needs Program (MNP), public procurement and distribution of essential goods

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were introduced. The Urban Land (Ceiling and Regulation) Act was enacted to make available urban land for construction of houses for the MIG & LIG.

### **Sixth five year plan -1980-85**

Integrated Provision of services along with shelter particularly for the poor, provision of site and services instead of direct subsidy to EWS. Emphasis on setting up new industries and commercial and professional establishments .

### **Seventh five year plan -1985-90**

A responsibility of housing construction was given to private sector. Urban Poverty Alleviation Scheme known as Urban Basic Services for the Poor (UBSP) was launched. The Global Shelter Strategy (GSS), National Housing Policy (NHP) was followed up. Indira Awaas Yojana (IAY) was launched in May 1985.

### **Eighth five year plan -1992-96**

National Housing Policy (NHP) was launched. Schemes for NRI investors in housing were launched. Urban Poverty and Alleviation Program of Nehru Rojgar Yojana (NRY) was launched.

### **Ninth five year plan -1997-2002**

Direct investment by govt. in housing for lower segment. 2 Million Housing Program was launched. The Repealing of Urban Land Ceiling act and the Amendment in the Rent Control Act were enacted. Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched.

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## **Tenth five year plan -2002-07**

Encouraging the development of new integrated township through FDI/Private Entrepreneurship VAMBAY launched. The shelter up gradation components of both NRY and PMIUPEP has been merged with the National Slum Development Program. (NSDP). JNNURM was launched

## **Eleventh five year plan -2007-12**

BSUP & IHS DP came under JNNURM Housing and Habitat policy 2007. Emphasis on Rapid and inclusive growth.(Poverty reduction)

## **Twelfth five year plan -2012-17**

Rajiv Awas Yojana (RAY) launched. Focus on Faster, sustainable and more inclusive growth. “Housing for All by 2022” programme launched on 17th June, 2015, which aims at rehabilitation of slum-dwellers and promotion of affordable housing for the urban poor. The target is to provide nearly 20 million houses over seven years. (Source: Ministry of Urban Development)

## **Impact of these Programmes**

These programmes aimed to improve the living condition of slum dwellers by providing them with the basic infrastructure of shelter, road, drinking water, schools, dispensary etc. The idea was to make these unrecognized people, a part of society by integrating them with the growing city. Their contribution to the economy was important so, schemes were launched to provide them jobs. Few schemes even aimed at providing free housing to these people. But even after all the initiatives the population of slums is increasing in India which reflects the efficiency of the



programmes. Previous schemes of the government have not been successful in addressing the housing deficit. They have failed to achieve their goal in the stipulated period. The table showing the work of various schemes is shown below which clearly reflects the condition of these schemes.

Status of housing scheme	BSUP	IHSDP	RAY	AHP
Houses sanctioned	916196	525991	120912	20472
Houses completed	542104	273682	1154	3416
Houses occupied	384367	207394	0	965
Houses under construction	230516	153026	16064	3352

(Source: Ministry of Housing and Urban Poverty Alleviation)

Basic Services for Urban Poor( BSUP ) and Integrated Housing and Slum Development Programme (IHSDP )were part of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Affordable Housing in Partnership (AHP) was being implemented under the Rajiv Awas Yojana (RAY) by the Ministry of Housing and Urban Poverty Alleviation. Even till March 2015, 7731 houses out of the total sanctioned number of 1.9 lakh were completed under RAY/AHP.

## Urban poverty

Poverty has many faces, changing from place to place and across time. Poverty is not only about having income below the “poverty line”, but it is also about the inability to sustain a specified level of well-being. There are many working definitions of "poverty," with considerable debate on how to best define the term. Income security, economic stability and the predictability of one have continued means to meet basic needs as all serve as absolute indicators of poverty. More recently, numerically non-

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measurable aspects such as ‘quality of life<sup>1</sup>’ parameters and ‘dignity of one’s life<sup>2</sup>’ have gained importance in assessing poverty. Such assessments include within them a larger range of needs and are flexible enough for the minimum standards to be revised from time to time depending on social, economic and technological changes.

***Extreme (or Absolute) poverty:*** Living in extreme poverty (less than \$1 a day) mean not being able to afford the most basic necessities to ensure survival. 8 million people a year die from absolute poverty. ***Moderate poverty:*** ***Moderate poverty***, defined as earning about \$1 to \$2 a day, enables households to just barely meet their basic needs, but they still must forgo many of the things-education, health care-that many of us take for granted. The smallest misfortune (health issue, job loss, etc.) threatens survival. ***Relative poverty:*** Lastly, relative poverty means that a household has an income below the national average,(World Bank, 2000).

## **Urban Poverty in India**

Over the last 62 years since independence, India is rapidly transitioning into a nation of cities and according to UN projections, urban India is expected to race ahead of rural India in terms of population by 2025.

In India, urban poverty is defined in terms of minimum calorie intake, at 2100 calories per capita per day. The Planning Commission’s revised methodology of 1997 results in an average poverty line for India of Rs. 353 per capita per month for 1996-97. This equals approximately Rs. 21,180 per household per annum.

Poverty reduction is an important goal of the urban policy. Urban growth is a result of (1) natural increase in population (2) net

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migration from rural areas to urban areas and (3) reclassification of towns. The common notion that migration largely fuels urban growth is only partially correct. Therefore, it is necessary to view urban poverty as distinct from rural poverty and not as mere transfer of rural poverty into urban areas.

**Urban poverty leads to :**

- (a) Proliferation of slums and bustees;
- (b) Fast growth of the informal sector;
- (c) Increasing casualisation of labour;
- (d) Increasing pressure on civic services;
- (e) Increasing educational deprivation and health contingencies.

**Causes for Urban poverty**

*1. Uncontrolled migration:*

- The lack of infrastructure in rural areas, forces inhabitants of these regions to seek out work in India's mega-cities.
- As more and more people make this migration, the space left to accommodate them becomes less and less.
- Urban development can't keep up with the growing numbers of informal settlers and leads to an increase in the number of slums.

*2. Lack of investment:*

- Urban poverty is a result of the lack of opportunities and skills training for most of the working age population.

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- Over the years, a shortage of adequate investment in quality education and basic services like health, sanitation, waste management and skill training has had its consequences.
  - It has led to generations of malnourished, uneducated, unaware and unskilled or semi-skilled people who find it difficult to find decent paying jobs.

### *3. Lack of infrastructure in villages:*

- Due to lack of basic amenities and employment options in villages people migrate to cities.
- Agriculture is barely a lucrative option in villages, so their only job option is to seek out work in the cities' informal economies.
- Millions migrate to the cities every day to take up informal jobs such as domestic help, taxi driving, construction site work, etc.
- However, this creates overcrowding in the already packed urban infrastructure.

### *4. Lack of affordable housing:*

- The lack of affordable housing leaves urban poor address-less on paper.
- They settle wherever they can, but as more people join, a whole community of undocumented settlers emerges.
- This further complicates the procedure of accessing basic services like electricity, water and sanitation, etc. as the authorities and public utilities can only serve those registered-on paper – this is how poverty begins.

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## Urban poverty alleviation programs

### *Atal Mission for Rejuvenation and Urban Transformation (AMRUT)*

The Government of India has launched the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) with the aim of providing basic civic amenities like water supply, sewerage, urban transport, parks as to improve the quality of life for all especially the poor and the disadvantaged. The focus of the Mission is on infrastructure creation that has a direct link to provision of better services to the citizens. The purpose of “AMRUT” mission is to (i) ensure that every household has access to a tap with assured supply of water and a sewerage connection (ii) increase the amenity value of cities by developing greenery and well maintained open spaces e.g. parks and (iii) reduce pollution by switching to public transport or constructing facilities for non-motorized transport e.g. walking and cycling.

The major project components are Water Supply system, Sewerage, Septage, Storm Water Drainage, Urban Transport, Green Space and Parks, Reforms management and support, Capacity building etc. in that order of priority. The universal coverage of water supply and sewerage services have first charge in the Mission. There is maximum allocation of 2.5% of project cost for development of parks with children and elderly friendly features.

The Mission covers covering 500 cities that includes all cities and towns with a population of over one lakh with notified Municipalities.

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***The Government of India has launched the Smart Cities Mission on 25 June 2015.***

- • The objective is to promote sustainable and inclusive cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of ‘Smart’ Solutions.
- • The focus is on sustainable and inclusive development and the idea is to look at compact areas, create a replicable model which will act like a lighthouse to other aspiring cities. The Smart Cities Mission is meant to set examples that can be replicated both within and outside the Smart City, catalysing the creation of similar Smart Cities in various regions and parts of the country.
- • Some of the core infrastructure elements in a Smart City would include adequate water supply, assured electricity supply, sanitation, including solid waste management, efficient urban mobility and public transport, affordable housing, especially for the poor, robust IT connectivity and digitalization, good governance, especially e-Governance and citizen participation, sustainable environment, safety and security of citizens, particularly women, children and the elderly and health and education.

***The Swachh Bharat Mission - Urban (SBM-U),***

launched on 2<sup>nd</sup> October 2014 aims at making urban India free from open defecation and achieving 100% scientific management of municipal solid waste in 4,041 statutory towns in the country.

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**The objectives of the mission are mentioned below:**

- Elimination of open defecation
- Eradication of Manual Scavenging
- Modern and Scientific Municipal Solid Waste Management
- To effect behavioral change regarding healthy sanitation practices
- Generate awareness about sanitation and its linkage with public health
- Capacity Augmentation for ULB's
- To create an enabling environment for private sector participation in Capex (capital expenditure) and Opex (operation and maintenance)

**The Mission has the following components:**

- Household toilets, including conversion of insanitary latrines into pour-flush latrines;
- Community toilets
- Public toilets
- Solid waste management
- IEC & Public Awareness
- Capacity building and Administrative & Office Expenses (A&OE)

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## *Heritage City Development and Augmentation Yojana (HRIDAY)*

- The National Heritage City Development and Augmentation Yojana (HRIDAY), a central sector scheme of the Government of India, was launched on 21<sup>st</sup> January 2015 with the aim of bringing together urban planning, economic growth and heritage conservation in an inclusive manner & with the objective of preserving the heritage character of the City. Under the Scheme, twelve cities namely, Ajmer, Amritsar, Amaravati, Badami, Dwarka, Gaya, Kanchipuram, Mathura, Puri, Varanasi Velankanni, Warangal have been identified for development. The mission period of HRIDAY scheme ended on 31<sup>st</sup> March, 2019.

### *Urban Transport*

- The Scheme has supported development of core heritage linked civic infrastructure projects which includes revitalization of urban infrastructure for areas around heritage, religious, cultural and tourism assets of the cities. These initiatives include development of water supply, sanitation, drainage, waste management, approach roads, footpaths, street lights, tourist conveniences, electricity wiring, landscaping and such citizen services.
- Urban Transport Wing of Ministry of Urban Development is the nodal division for coordination, appraisal and approval of Urban Transport matters including Metro Rail Projects at the central level. All the interventions in the urban transport by the Ministry of Urban Development such as Bus Rapid Transit System (BRTS), urban transit infrastructure or financing of metro rail projects etc, are carried out as per the provisions of National Urban Transport Policy, 2006.



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- The UT division also deals in proposals that encourages innovative financing mechanisms in transport sector, capacity building at institutional and individual levels under Sustainable Urban Transport Project (SUTP), financing of various traffic/transportation studies and surveys under the Scheme for Urban Transport Planning to encourage cities to better plan and manage their urban transport systems etc. It also organizes annual conference and exhibition on urban transport for knowledge sharing amongst experts and stakeholders.

### ***The North Eastern Region Urban Development Programme (NERUDP)***

The North Eastern Region Urban Development Programme (NERUDP) has been taken up by the Ministry of Urban Development (MoUD) with the financial assistance from Asian Development Bank (ADB). ADB contribution is 70% of the cost as loan to the Government of India. The scheme is being implemented in the capital cities of 5 North Eastern States viz. Agartala (Tripura), Aizawl (Mizoram), Gangtok (Sikkim), and Kohima (Nagaland) covering priority urban services viz. (i) Water Supply, (ii) Sewerage and Sanitation, and (iii) Solid Waste Management besides capacity building, institutional and financial reforms at an estimated cost of Rs 1371 crore. The projects under the NERUDP scheme have been spread over three Tranches and are under execution in the project cities since 2009. These projects have been planned for completion by June, 2019.

Funds are released by the Ministry to the participating States on reimbursement basis in the ratio of 90% grant and 10% loan.

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### ***Pradhan Mantri Awas Yojana- Housing for All (Urban)***

At the slum decadal growth rate of 34%, the slum households are projected to go upto 18 million. 2 million non-slum urban poor households are proposed to be covered under the Mission. Hence, total housing shortage envisaged to be addressed through the new mission is 20 million.

The Mission is being implemented during 2015-2022 and provides central assistance to Urban Local Bodies (ULBs) and other implementing agencies through States/UTs for:

1. In-situ Rehabilitation of existing slum dwellers using land as a resource through private participation
2. Credit Linked Subsidy
3. Affordable Housing in Partnership
4. Subsidy for beneficiary-led individual house construction/ enhancement.

Credit linked subsidy component is being implemented as a Central Sector Scheme while other three components as Centrally Sponsored Scheme (CSS).

### ***Rajiv Awas Yojana (RAY)***

Envisages a “Slum Free India” with inclusive and equitable cities in which every citizen has access to basic civic infrastructure and social amenities and decent shelter.

Encourage States/Union Territories (UTs) to tackle slums in a definitive manner, by focusing on:

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- Bringing all existing slums, notified or non-notified (including recognized and identified) within the formal system and enabling them to avail the basic amenities that is available for the rest of the city/UA;
  - Redressing the failures of the formal system that lie behind the creation of slums by planning for affordable housing stock for the urban poor and initiating crucial policy changes required for facilitating the same.

**Objectives:**

- Improving and provisioning of housing, basic civic infrastructure and social amenities in intervened slums.
- Enabling reforms to address some of the causes leading to creation of slums.

***National Urban Livelihoods Mission (NULM)***

was launched by the Ministry of Housing and Urban Poverty Alleviation (MHUPA), Government of India in 24th September, 2013 by replacing the existing Swarna Jayanti ShahariRozgarYojana (SJSRY).The NULM will focus on organizing urban poor in their strong grassroots level institutions, creating opportunities for skill development leading to market-based employment and helping them to set up self-employment venture by ensuring easy access to credit. The Mission is aimed at providing shelter equipped with essential services to the urban homeless in a phased manner. In addition, the Mission would also address livelihood concerns of the urban street vendors.

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## ***JNNURM***

the JNNURM was launched in 2005 as the first flagship scheme of this Ministry. JnNURM implemented by MoHUPA has two components e.g. Basic Services for Urban poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) which aimed at integrated development of slums through projects for providing shelter, basic services and other related civic amenities with a view to providing utilities to the urban poor.

The Mission was initially for a seven year period i.e. up to March 2012 which was extended upto March 2014 for completion of the already approved projects. During March 2013, the Mission period was extended by one more year i.e. upto March 2015 to complete ongoing works. 65 Mission Cities identified based on urban population (Census 2001), cultural and tourist importance was covered under BSUP and the remaining cities were covered under IHSDP (887).

## **URBAN CRIME AND MANAGEMENT**

Urbanization is the process of growth in urban areas; for which industrialization, specialization, and economic development are key indicators. Rapid urbanization and the expansion of cities due to continuous migration have invited many problems in the cities of India. Theories propound that urbanization is good for promoting the growth of industries and developing the economy, but at the same time, urbanization may promote crime since crime normally occurs in large cities that accommodate high density and high mobility in urbanized areas. Crime is an activity that goes against the law. Tappan (1960, p.10) defines it as “an instrumental act or omission in violation of criminal law, committed without justification and sanctioned by the state as felony or misdemeanour”. Due to the complex nature of the subject of

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crime, its varied causes and consequences, various academic disciplines such as criminology, sociology, geography, psychology and demography, study it from their own perspective. In rural areas, due to lower population density, criminals have less chance of hiding themselves because people know each other. The opposite is true for urban areas. Gerben J.N. (2007) propounded that the residents in rural areas confront fewer number of crimes because of higher levels of social cohesion and informal social control, and lower offending rates in well-ordered physical surroundings. Criminals prefer living in cities for frequent and likely crimes concentrated in city centres and the surroundings. The greater the distance from the city-centre, the lower the crime rate. A clear distinction in the levels of fear of crime has also commonly been cited, being higher in larger towns and cities (Hough, 1995), and lower in rural areas (Kennedy and Krahn, 1984).

### **Urbanization and Crime in India**

In India, studies on rural communities indicate that the ‘fear of crime’ is lower than that of urban

areas, and is focused on certain parts that are particularly vulnerable, such as dark and lonely places,

unattractive and uncared for places, poor design of subway, housing, bus stand or bus terminal,

railway station, inadequacy of street lights, and so on, is often implicated directly. If one goes by the

direct proportionality of crime with urbanization, statistical data of Table 1 show the highest degree

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of crime in Uttar Pradesh (14.77 per cent), West Bengal (8.36 per cent), Bihar (8.33 per cent), Madhya

Pradesh (6.8 per cent), Andhra Pradesh (6.07 per cent) on some selected attributes, whereas Mizoram,

Nagaland, Goa show the least crime rate (Figure 2). However, the universalisation in proportionality

can't be applied here, which also means it is not necessary that the crime rate increases with the

degree of urbanization and urban population

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According to the National Crime Record Bureau (NCRB), "Crime in India", 2011, a total of 4,75,369 cognizable crimes under the IPC were reported in 53 mega cities during the year

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2011 as compared to 3,68,883 crimes in 35 mega cities during the year 2010 (NCRB compendium, GOI's 2011). The cities of Delhi, Kanpur, Mumbai, and Bengaluru have accounted for 9.9 per cent, 7.3 per cent, 6.7 per cent and 6.3 per cent respectively of the total crimes reported from 53 mega cities. The average rate of crime in urban agglomeration centres was at 295.1, which was much higher than the national crime rate of 192.2. Kochi reported the highest crime rate of 1636.4 amongst the mega cities in the country followed by Gwalior (709.3) and Durg Bhilainagar (683.0). The crime rate for each city is compared with the corresponding crime rate of the 'Domain State in the Crime rate' (IPC) in cities and was generally higher than the corresponding crime rate of Domain State. The crime rate was lower than that of the respective Domain State in the case of Chandigarh, Chennai, Coimbatore, Delhi (city), Hyderabad, Kannur, Kolkata, Kozhikode, Madurai, Malappuram, Mumbai, Surat, Thiruvananthapuram, Thrissur, and Vasai Virar. The crime rate at the national level increased by 2.5 per cent (from 187.6 in the year 2010 to 192.2 in the year 2011), however, the crime rate in cities has decreased by 13.7 per cent (from 341.9 in the year 2010 to 295.1 in the year 2011)(Rupesh kumar,2020).

Block-3 Problems of Urban Housing  
Unit-3:

- Problems of Urban Housing-Nature and Magnitude
- Housing Finance Markets in India- Different Institutions in Housing
- Finances-Limitations-
- Economics of Urban Land Development and distribution-
- Role of Urban Development Organizations(UDO)-
- Their problems with reference to IndiaUrban Planning and Urban
- Land use Planning-Different Techniques-
- Control of Urban Land Use Pattern in India-Smart city.

### **Housing Finance Markets in India**

Housing Finance markets play a pivotal role in relation to urban competitiveness and cohesion, just as the employment relation is a crucial link between the economic and social domains.

Historically, urban unemployment resulting from economic weakness and deficient demand for labour was an important cause of poverty, hardship, homelessness, disease, crime and other social problems (see e.g. Stedman Jones (1971)).

In every developed economy, cities are the center of economic activity and opportunity. They bring together businesses, workers, and customers into close physical proximity, which offers firms and workers advantages that lead to more efficient markets, enhanced productivity, and greater economic success. These benefits come about in several ways. Large metropolitan areas allow firms and workers to specialize in activities in which they hold a comparative advantage. By being close to suppliers and customers, firms can build efficient supply networks that



lower costs and enhance productivity.

Urban environments enhance the flow of ideas and the transfer of technology through informational networks, which create growth enhancing spillovers to firms. Workers also rely on informational networks to add to their general knowledge, establish support groups, enhance job-related skills, and gain access to job openings. Consequently, the physical and informational proximity of businesses and workers within metropolitan areas yields the nation's most productive activities, spawns technological and organizational innovations, and launches new business ventures.

For most urban residents, economic success is determined by the jobs and income generated by labor markets. A labor market rewards those people with the appropriate skills, energy, and ideas. Acquisition of these qualifications results from long-run decisions to invest in education and training, to choose work over leisure, and to be networked with people who have been successful. Labor markets also provide the signals and incentives for individuals to make these decisions and to be in a position to take advantage of opportunities when they arise.

By offering the greatest opportunity for economic success, cities attract both the nation's most talented and successful individuals and the most disadvantaged. While people of all skills are important to generate the economic complementarities that enhance productivity, many of the least skilled people do not find the success they had hoped for. Therefore, cities stand as a stark dichotomy of those who have succeeded and those who have not. They generate a large proportion of the nation's wealth but also house much of the nation's poverty and homelessness.

Cities have always exhibited this stark contrast between those who have achieved economic success and those who have not.

experienced improvements in real income; people with high school degrees or less saw their real earnings decline.

The slowdown in earnings and the rise in income inequality has placed considerable stress on cities. Many cities have been unable to make sufficient investments in physical and human capital required for efficient markets and the easy flow of information.

The Indian Labour Market appears to be floating along the equilibrium with abysmally low participation of women in the labour market, enormity of low wage informal employment, and scarcity of decent regular wage employment. In view of the emerging demographic milieu of aspiring youth and burgeoning aged population, it is important to innovate the labour market policies that integrate skill development, inclusion of women and aged person in the labour market, and substantial increase in the provisioning of social security. Moreover, urban-rural dichotomy is quite evident in wages and formal employment; the differential in favour of urban region. This pattern points to the need for generating high value adding economic activities in rural areas that create substantial size of formal employment. Further, the rural to urban migration needs to be more fluid and gainful for the job seekers.

Urban labour market distinct from rural is that, the share of regular wage/salaried in urban employment remained significantly higher in the range of 34-45 per cent for female, while the range for male is 41-44 per cent(Bino Poul,2014).

**Table 5: Structure of the Indian Labour Market for the Age Group 15-64 (Male + Female; Rural + Urban) 2009-2010**

	Gender		Total
	Male	Female	
Worked in household enterprise self-employed own account worker	29.2%	3.9%	16.8%
Employer	1.0%	0.1%	0.6%
Worked as helper in household enterprise	9.0%	8.4%	8.7%
Worked as regular salaried wage employee	15.0%	3.4%	9.3%
Worked as casual wage labour in public works	0.5%	0.2%	0.4%
In other types of work	26.0%	10.4%	18.3%
Did not work but was seeking and or available for work	1.9%	0.9%	1.4%
Attended educational institutions	14.0%	9.5%	11.8%
Attended domestic duties only	0.3%	38.5%	19.0%
Attended domestic duties and was also engaged in free collection of goods for household use	0.2%	22.3%	11.0%
Aentiers, pensioners remittance recipients	1.0%	0.7%	0.9%
Not able to work due to disability	1.0%	0.6%	0.8%
Others	1.0%	1.1%	1.0%
Population	100.0%	100.0%	100.0%
<b>Self employed</b>	<b>39.1%</b>	<b>12.4%</b>	<b>26.0%</b>
<b>Regular</b>	<b>15.0%</b>	<b>3.4%</b>	<b>9.3%</b>
<b>Casual</b>	<b>26.5%</b>	<b>10.6%</b>	<b>18.7%</b>
<b>Unemployed</b>	<b>1.9%</b>	<b>0.9%</b>	<b>1.4%</b>
<b>Not in labour force</b>	<b>17.5%</b>	<b>72.7%</b>	<b>44.6%</b>
<b>Population</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Computed from National Sample Survey (NSS) 66th Round unit level records, 2011

Indian labour market is characterised by predominance of informal employment with more than 90% of India's informal

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workforce. Working as self-employed and casual workers. This implies that much of the increase in the labour force was absorbed by the unorganised sector. The fact that there has been a casualisation of the labour market in the economy as a whole has been noted result of trade liberalisation is also a factor for increased in informal employment. But it is important to note that women have a high level of casual employment than men. It has taken place both in rural and urban areas. This has resulted in a decline in the share of both self-employed and regular employees. The casualisation could be the combined impact of a number of processes.

## **Developed and Developing Economies**

Countries are divided into two major categories by the United Nations, which are developed countries and developing countries. The classification of countries is based on the economic status such as GDP, GNP, per capita income, industrialization, the standard of living, etc. **Developed Countries** refers to the sovereign state, whose economy has highly progressed and possesses great technological infrastructure, as compared to other nations. The countries with low industrialization and low human development index are termed as **developing countries**.

## **Definition of Developed Countries**

Developed Countries are the countries which are developed in terms of economy and industrialization. The Developed countries are also known as Advanced countries or the first world countries, as they are self-sufficient nations.

Human Development Index (HDI) statistics rank the countries on the basis of their development. The country which is having a high standard of living, high GDP, high child welfare, health care, excellent medical, transportation, communication and

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educational facilities, better housing and living conditions, industrial, infrastructural and technological advancement, higher per capita income, increase in life expectancy etc. are known as Developed Country. These countries generate more revenue from the industrial sector as compared to service sector as they are having a post-industrial economy.

The following are the names of some developed countries: Australia, Canada, France, Germany, Italy, Japan, Norway, Sweden, Switzerland, United States.

### **Definition of Developing Countries**

The countries which are going through the initial levels of industrial development along with low per capita income are known as Developing Countries. These countries come under the category of third world countries. They are also known as lower developed countries.

Developing Countries depend upon the Developed Countries, to support them in establishing industries across the country. The country has a low Human Development Index (HDI) i.e. the country have low Gross Domestic Product, high illiteracy rate, educational, transportation, communication and medical facilities are not very good, unsustainable government debt, unequal distribution of income, high death rate and birth rate, malnutrition both to mother and infant which case high infant mortality rate, high level of unemployment and poverty.

### **Key Differences Between Developed and Developing Countries**

The following are the major differences between developed countries and developing countries

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1. The countries which are independent and prosperous are known as Developed Countries. The countries which are facing the beginning of industrialization are called Developing Countries.
  2. Developed Countries have a high per capita income and GDP as compared to Developing Countries.
  3. In Developed Countries the literacy rate is high, but in Developing Countries illiteracy rate is high.
  4. Developed Countries have good infrastructure and a better environment in terms of health and safety, which are absent in Developing Countries.
  5. Developed Countries generate revenue from the industrial sector. Conversely, Developing Countries generate revenue from the service sector.
  6. In developed countries, the standard of living of people is high, which is moderate in developing countries.
  7. Resources are effectively and efficiently utilized in developed countries. On the other hand, proper utilization of resources is not done in developing countries.
  8. In developed countries, the birth rate and death rate are low, whereas in developing countries both the rates are high. (<https://keydifferences.com/difference-between-developed-countries-and-developing-countries.html>)

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## **Informal sector**

### *Definition:*

The informal sector is broadly characterised as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned,(ILO).

These units typically operate at a low level of organisation, with little or no division between labour and capital as factors of production and on a small scale. Labour relations - where they exist - are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees.

It comprises more than half of the global labour force and more than 90 per cent of micro and small enterprises (MSEs) worldwide. Informality is an important characteristic of labour markets in the world with millions of economic units operating and hundreds of millions of workers pursuing their livelihoods in conditions of informality.

“Informal economy” encompasses a huge diversity of situations and phenomena. Indeed, the informal economy manifests itself in a variety of forms across and within economies. Formalization processes and measures aiming to facilitate transitions to formality need to be tailored to specific circumstances faced by different countries and categories of economic units or workers.

Work in the informal economy is often characterized by small or undefined work places, unsafe and unhealthy working conditions, low levels of skills and productivity, low or irregular incomes, long working hours and lack of access to information, markets, finance, training and technology. Workers in the informal

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economy are not recognized, registered, regulated or protected under labour legislation and social protection. The root causes of informality include elements related to the economic context, the legal, regulatory and policy frameworks and to some micro level determinants such as low level of education, discrimination, poverty and, as mentioned above, lack of access to economic resources, to property, to financial and other business services and to markets. The high incidence of the informal economy is a major challenge for the rights of workers and decent working conditions and has a negative impact on enterprises, public revenues, government's scope of action, soundness of institutions and fair competition,(ILO).

***Definitions recommended by National Commission for Enterprises in the Unorganized Sector (NCEUS)***

**Informal Sector:** “The unorganized sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers”.

**Informal worker/employment:** “Unorganized workers consist of those working in the unorganized sector or households, excluding regular workers with social security benefits provided by the employers and the workers in the formal sector without any employment and social security benefits provided by the employers”.

**Informal economy:** The informal sector and its workers plus the informal workers in the formal sector constitute the informal economy.



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## ***Definitions used in India***

The First Indian National Commission on Labour (1966- 69) defined, unorganised sector workforce as –“those workers who have not been able to organize themselves in pursuit of their common interest due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments”.

## **Segmentation**

**Labor market segmentation** is the division of the labor market according to a principle such as occupation, geography and industry. One type of segmentation is to define groups "with little or no crossover capability" such that members of one segment cannot easily join another segment. This can result in different segments, for example men and women, receiving different wages for the same work. 19th-century Irish political economist John Elliott Cairnes referred to this phenomenon as that of "noncompeting groups".

Segmentation occurs when the labour market is divided or structured in a way which is reflected in the forms taken by the employment relationship or contract. It is associated with the division between ‘core’ and ‘atypical’ employment in some contexts, and with that between ‘formal’ and ‘informal’ employment in others. In industrialized economies, atypical work takes the form of part-time, fixed-term and temporary agency employment, and casualized forms of work such as zero-hours contracts, task contracts and ‘false’ or ‘sham’ self-employment.

In developing economies, segmentation is identified with a distinction between a ‘formal’ sector in which employment is stable and regulated, and an ‘informal’ sector of casualized work relations which are, in varying degrees, undocumented, untaxed,

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and beyond the scope of collective agreements and legislative protections.

Labour market segmentation is regarded as problematic because of its association with inequality and discrimination. The rationing of high quality jobs to those in a protected ‘core’ or ‘formal’ sector and the resulting marginalization of others is linked to earnings inequality and to the perpetuation of discrimination based on gender, age, and ethnic origin. Segmentation may also have implications for efficiency.

### **Dualism**

The first ‘dual labour market’ theories of the 1970s identified a division of the market into a ‘primary’ segment consisting of stable employment in firm-specific internal labour markets, and a ‘secondary’ segment of low-paid, unskilled and short-term jobs (Doeringer and Piore, 1971).

Employment within the vertically-integrated firm was seen as based on formal, bureaucratic rules and procedures, whereas work in the secondary market was governed by unfettered competition (Edwards, 1979)

Dual labor market theory asserts that the American labor market is sharply divided between good jobs and bad jobs, and that mobility between these two segments of the market is severely restricted.

### **Impact of globalization on labour**

Globalization can generally be defined as the integration of the world economics by removing barriers to trade and encouraging the free flow of foreign investment, private portfolio capital and labour across national boundaries. It has opened broader

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communication lines and attracted more companies as well as different organization into India.

It assumes availing of more employment opportunities for both men and women workers in India. However, it would be challenging task for the companies to cope-up with existing labour laws and ensure activities promoting labour welfare to suite the emerging needs of contemporary labour force. Due to cutthroat competition in the market exploitation of labours is likely to increase.

***Impact of globalization on unorganized sector:***

In the era of globalization, it became a matter of concern to have industrial harmony and socio-economic balance in the society especially in the developing country like India. The exploitation of the unorganized sector labors were increased the competition were increased from the world market due to this small scale industries like weavers, handloom workers, fisher men and fisher women, toddy tappers, leather workers, plantation workers, beedi workers life became more complicated. To improve their situation so many new regulations were passed.

***Employment and Wage Effects from Globalization***

One of the key developments observed in empirical studies of industrialized country labour markets, has been the increase in relative wages of skilled (graduate educated) to (high school or less educated) unskilled workers over time (Katz & Murphy,1992; Bound & Johnson,1992; Autor et al, 1998). The demand for educated workers, relative to less educated workers also increased.

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## **Relative Wage and Employment Shifts**

A Structural change in the world economy was happened , with a significant movement in shares of GDP away from agriculture toward the services sector in particular. The declining share of agriculture in developing country GDP, and the increased share of services (and in some cases industry as well) – has resulted in fairly widespread reallocation of employment. As a result of this employment shift the relative employment and wage movements that have occurred in the developing world during the decade of the 1990s.

### ***Globalization and women workers:***

Globalization has increased the exports of different countries and wages in export sectors are much higher than other sectors and in many cases women get higher wages than men in formal industrial sectors. So globalization has increase average wages of women, also the bigger portion of wages goes to women. With globalization, women’s employment opportunities have increase, and now they are also contributing in family expenses which support the creation of new resources and raise the level of income of family.

Multinational companies offer job without discriminating between men and women because they work in competitive environment and choose the best employees regardless of their gender. It motivates more women to get the jobs.

### ***Trade Unions***

The decline of unions in the era of globalisation is widely acknowledged. As the organised sector has shrunk, concomitantly the numerical strength as well as the bargaining leverage of unions has been eroded. But the shrinking of numbers is only one factor that has underlined the weakening of unions

## **Urbanization in India**

Urbanisation is an integral part of economic development. As the economy develops, there is an increase in the per capita income and also in the demand for non-farm goods in the economy. These goods are not heavily land-dependent and use more of other factors of production, especially labour and capital. They are cheaper if produced in the urban sector of the economy, since urban settlements enjoy economies of agglomeration in manufacturing, services and provision of infrastructure. Economic growth influences the rate of urbanisation, while urbanisation in turn, affects the rate at which the economy grows. As the country urbanises, the share of national income that originates in the urban sector also increases.

Urbanisation brings in its wake a number of challenges such as rapid population growth in urban settlements, which is cited as the biggest challenge in most literature on this subject. This is a consequence of births exceeding deaths, migration of rural population to urban centres and also the classification of rural settlements as towns. Apart from growing population, there are other challenges too.

- The first set of challenges relates to the inadequate growth of formal employment, resulting in the growth of the urban informal sector, open urban unemployment and underemployment.

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- The second set of challenges arises out of the inability of the urban physical and social infrastructure to grow in step with population, resulting in the deterioration of the quality of urban life.

The former is identified as set of “economic” ills, while the latter is set of “social” ills of urbanisation. Many of these inadequacies are the result of inefficient and faulty management of cities, rather than population growth. These problems are visible in most cities in India.

## **Characteristics of Urbanisation**

### **Economic Development**

The level of urbanisation is regarded as an index of economic development. The two processes bear a high positive correlation. Urbanisation is related to the level of economic development measured, for want of a superior indicator, by per capita income. However, the relationship is not linear. When per capita income increases, urbanisation also increases though not as much. Economic growth leads to a shift in demand, and therefore, to a reallocation of resources - land, labour and capital - out of agriculture and into manufacturing and services. Till recently, cities in the developed countries (DCs) were based on industry but in the post-industrial age, they are dominated by services and yet no one considers them over-urbanised, a term that used to be applied to the Third World cities to emphasise their narrow industrial base.

### **Industrialisation and Density**

An urban settlement is not just characterised by the relative importance of manufacturing and services but more importantly, by high density of population. Much of manufacturing is cheaper

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when produced on a large scale because of the economies of scale. Besides, there are external economies, ready availability of inputs, particularly, skilled labour, information and repair services, from which each producer profits when he is one of the many clustered in one location. People like to live near their place of work. Economies of scale and the cost of transport cause concentration of production and people in a specific location. Most services are produced on a small scale and require face-to-face contact of the producers with the customers and are therefore limited to areas where people and production of goods is concentrated.

### **Inequality and Urban Bias**

The urban form or structure of cities in a country is determined by the nature of the society. The greater the inequalities in a society, the more unequal will be the urban structure. Egalitarian societies cannot produce cities. Cities cannot grow without a central power and mechanism to create a surplus, over consumption and concentrate it in urban areas. Such concentration is justified by the contribution that the cities make to national growth.

### **Historical Evolution of Cities: Colonisation and Capitalism**

Cities in the Third World have been shaped by colonisation and capitalism. India is no exception to this rule. Pre-colonial cities in India were interior cities but the British built new coastal cities. Calcutta, Bombay and Madras, not to mention New Delhi, grew in prestige as the British rulers lived in these cities in large numbers. The elite of provinces also shifted to the capital cities. A new hierarchy of cities reflecting the status hierarchy in society came into being. The coastal cities were developed to handle the export-import trade with England. Consequently, they attracted many financial, commercial and trading firms. The growth of

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commercial capitalism soon gave rise to native industrial capitalism and the coastal cities increased their primacy in the region. Technological superiority enabled the Europeans to dominate the regional patterns of trade and the new cities served the interests of the mother country by dominating the hinterland through the hierarchy of cities.

## **Technology, Globalisation and Their Impacts on Cities**

Advances in production, transport and telecommunications made possible by the application of computers and microelectronics to these fields have annihilated distance and made decentralised production profitable. Globalisation and liberalisation have turned cities into junction points for movement of goods, capital and people and switchgears for transfer of information. Cities of not-too-distant a future would be producers of knowledge, research and development, innovations and inventions rather than of goods. The new phase of international division of labour, ushered in by globalisation and structural adjustment has led to a gradual decline of manufacturing in industrially advanced countries, hastening their transformation into service economies. Manufacturing has shifted to the new industrial economies (NIEs).

## **Trends and Patterns of Urbanisation**

### **An Overview of Urbanisation**

Growing at 1.9 per cent per annum compound over the 1990s, India crossed the one billion mark and enumerated 1027 million persons in 2001. So, almost 17 per cent or one sixth of the global population lived in India in 2001 (Registrar General, 2001a). Urban population increased at 2.6 per cent a year and improved its share in the total barely, by 2 percentage points, from 25.5 per cent to 27.2 per cent between 1991 and 2001. These urban dwellers lived

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in 5161 cities/towns and were estimated at 285 million. Urban population is reported so far, for only 5151 of them, which is 279.84 million (Registrar General, 2001d). Population living in urban India is indeed large, considering that 281.4 million lived in USA in 2000 (Registrar General, 2001a).

In all the censuses conducted in independent India, a larger share of Maharashtra's, compared to that of India's, lived in urban areas. In 1961, barely 17.8 per cent of India's while 28.2 per cent of Maharashtra's lived in urban locations. Levels of urbanisation increased both in Maharashtra and India. In 2001, 27.8 per cent of India's while 42.4 per cent of Maharashtra's population was enumerated as urban (Director of Census Operations, Maharashtra, 2001b).

Maharashtra was the most urbanised state among the 16 large states of India. In 2001, with regard to the urban population, Maharashtra ranked second, with a share of 42.4 per cent, next to Tamil Nadu with a share of 43.9 per cent. Yet in absolute terms, Maharashtra's 41 million of urban population far exceeded Tamil Nadu's 27 million. These two states are closer to the World, with regard to the extent of urbanisation than India.

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## Total population and urban population from 1901 - 2011

Census year	Total population (million)	Urban population (million)	Percentage of urban population to total population
1901	238.3	25.8	10.83
1911	252.1	25.9	10.27
1921	251.3	28.1	11.18
1931	278.9	33.5	12.01
1941	318.6	44.2	13.87
1951	361.0	62.4	17.29
1961	439.2	78.9	17.96
1971	548.1	109.1	19.91
1981	683.3	159.4	23.33
1991	846.3	217.6	25.71
2001	1027.1	285.4	27.78
2011	1210.2	377.1	31.16

Source: Data computed and compiled from 1901-2011 Census report

### Components of Urban Growth: Natural Increase and Migration

India's population in the post- independence era has increased only through natural increase. International migration hardly contributed to India's population growth. As far as urban population in India is concerned, rural to urban migration has emerged as an important factor only in recent years. But it nevertheless is a secondary factor of urban population growth, next to natural increase in the last five decades (NIUA, 1998; Dyson, 2003). There are signs that inter-state migration rates, both of out-migration from poor states and of in-migration into better off states have fallen in the recent past (Kundu and Gupta, 2000). While rates of so-called circulatory migration have declined, commuting has increased significantly (Visaria, 1997).

But certain basic features of the overall pattern of interstate migration persist. People continue to move out of U.P and Bihar. They are attracted mostly to Delhi and Haryana in the north and in Western India to Maharashtra and Gujarat; the two locations characterised by dynamic urban systems (Dyson, 2003).

### Growth of Urban Units/Settlements and Population

Between 1961 and 2001, the share of settlements in the country as a whole, declined from 10 per cent to 7.3 per cent, however, Maharashtra retained its share of a little over 14 per cent in the total urban population in India.

### Trends of urbanization in India census from 1901-2011

Census year	Number of towns/UA	Total population	Urban population	Percentage of urban population
1901	1827	238396327	25851873	10.84
1911	1815	252093390	25941633	10.29
1921	1949	251321213	28086167	11.18
1931	2072	278977238	33455989	11.99
1941	2250	318660580	44153297	13.86
1951	2843	361088090	62443709	17.29
1961	2365	439234771	78936603	17.97
1971	2590	548159652	109113977	19.91
1981	3378	683329097	159462547	23.34
1991	3768	844324222	217177625	25.72
2001	5161	1027015247	285354954	27.78
2011	7935	1210193422	377105760	31.16

Source: Data computed and compiled from 1901-2011 Census report

Among all the States and Union territories, the National Capital Territory of Delhi and the Union territory of Chandigarh are most urbanized with 97.5 percent and 97.25 percent urban population respectively, followed by Daman and Diu (75.2 percent) and Puducherry (68.3 percent). Among States, Goa is now the most

urbanised State with 62.2 percent urban population, a significant increase since 2001 when urban population of Goa was 49.8%. Another significant instance of rapid urbanisation is that of Kerala, its urban population is now 47.7 per cent, while a decade ago it was just 25.9 percent. Among the North-Eastern States, Mizoram is most urbanised with 51.5 per cent urban population, though in terms of absolute contribution to total urban population in the country, Mizoram's contribution is just 0.1 percent. Similarly Sikkim, which was just 11.0 urbanised a decade ago became almost 25 percent urbanised in 2011. Among major states, Tamil Nadu continues to be the most urbanized state with 48.4 percent of the population living in urban areas followed now by Kerala (47.7 per cent) upstaging Maharashtra (45.2 percent). The proportion of urban population continues to be the lowest in Himachal Pradesh with 10.0 per cent followed by Bihar with 11.3 percent, Assam (14.1 percent) and Orissa (16.7 percent). In terms of absolute number of persons living in urban areas, Maharashtra continues to lead with 50.8 million persons which comprises 13.5 percent of the total urban population of the country. Uttar Pradesh accounts for about 44.4 million, followed by Tamil Nadu at 34.9 million

Table 1: Trend of Urbanisation in India

Census Years	Number of Individual Towns/Cities	Urban Population (in million)	Percentage of Urban Population to Total Population	Annual Exponential Growth Rate
1961	2657	78.94	17.97	-
1971	3081	109.11	19.91	3.24
1981	3891	159.46	23.34	3.79
1991	4615	217.57	25.79	3.11
2001	5161	286.12	27.81	2.74
2011	7933	377.11	31.14	2.76

Source: NUA-SMC: Making Cities Work - Policies and Programmes in India, 2019

The total urban population living in India's towns and cities has increased consistently over the last century. Between the period of 1961- 2011, the rate of urbanization, spurred by post-

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independence agrarian transitions (1950- 70s) and the economic policies of liberalisation (1990's), increased from 17.6 per cent in 1961 to 31 per cent.

As it stands, about two thirds of India's economic output is located in its cities. These cities are where 70 per cent of net new jobs between now and 2030 are also expected to be generated. Yet, urbanization in India has proved itself to be distinct in many ways and the patterns of human settlement emerging as a result, far from uniform. Whilst urbanization in the post-Independence period was predominantly led by migration to the cities, today, although metropolitan regions are expanding, parallel processes of sub-urbanization are also occurring at their peripheries. Breaking away from the rural-urban dichotomy, we also see smaller towns merging to form into urban agglomerations, and the emergence of statutory and census towns through the in-situ development of rural areas into manufacturing and service-based economies. This is further complicated by regional variations. States with higher economic growth and a greater concentration of industries. for example, exhibit particularly high levels of urbanization, whilst most others are far from achieving this status.

In India out of the total population of 1210.2 million as on 1st March, 2011, about 377.1 million are in urban areas. The net addition of population in urban areas over the last decade is 91.0 million. The percentage of urban population to the total population of the country stands at 31.6. There has been an increase 3.35 percentage points in the proportion of urban population in the country during 2001-2011. The provisional results of Census 2011 reveals that there is an increase of 2774 towns comprising 242 Statutory and 2532 Census towns over the decade. Growth rate of population in urban areas was 31.8%. Further the number of million plus cities/urban agglomeration UA has increased from 35 in Census 2001 to 53 in Census 2011.

The new entrants are Srinagar UA Jam-mu and Kashmir, Union Territory of Chandigarh UA, Jodhpurs UA and Kota Rajas than, Ghaziabad UA Uttar Pradesh, Ranchi UA Jharkhand, Raipur UA and Durg-Bhilainagar UA Chattisgarh, Gwalior UA Madhya Pradesh, Vasai Virar and Aurangabad UA Maharashtra, Kozhikode UA, Thrissur UA, Malappuram UA, Thiruvananthapuram UA, Kannur UA and Kollam UA Kerala, and Tiruchirapalli US Tamil Nadu. So while the States of Jammu and Kashmir and Chattisgarh now also have million plus city/UA, Kerala now has as many as 7 million plus cities/UA, a quantum jump from the situation in 2001 when just Kochi UA was a million plus city/UA. Population Census 2001 and 2011(GoI,2021)

**Table 2: Number of Urban Centres in India**

Type of Towns	2001	2011	Addition
Statutory Towns	3799	4041	242
Census Towns	1362	3892	2530
Urban Agglomerations	384	474	90
Outgrowths	962	981	19
Metropolitan Cities	35	52	17

Source: MUA-SHLC: Making Cities Work - Policies and Programmes in India, 2019

**Table 3: Regional Pattern of Urbanisation in India, 2011**

Level of Urbanisation (in %)	States
80 and Above	N.C.T. of Delhi, Chandigarh
60-80	Lakshadweep, Daman & Diu, Pondichery, Goa
40-60	Mizoram, Tamil Nadu, Kerala, Dadra & Nagar Haveli, Maharashtra, Gujarat
20-40	Karnataka, Andaman & Nicobar Islands, Punjab, Haryana, Andhra Pradesh, West Bengal, Uttaranchal, Manipur, Nagaland, Madhya Pradesh, Jammu & Kashmir, Tripura, Sikkim, Rajasthan, Jharkhand, Chhattisgarh, Arunachal Pradesh, Uttar Pradesh, Meghalaya
Below 20	Odisha, Assam, Bihar, Himachal Pradesh

Source: NUA-SHCC, Making Cities Work - Policies and Programmes in India, 2019

## **Urban Development Policy in India**

The urban development issues and challenges can be effectively addressed only through proper policies and programmes of urban development. In India, the Ministry of Urban Development is responsible for formulating policies, supporting and monitoring programmes and accommodating the activities of various Central Ministries, State Governments and other nodal authorities in so far as they relate to urban development in the country.

Urban development policies and programmes have been vogue in independent in India as can be seen through the Five Year Plans. In this section we will discuss these policies and programmes in holistic manner and, thus, attempt to present you an overview of the same.

Since the First Five Year Plan the Government of India has been laying focus, among other things, on the issues of urban development including poverty alleviation. The first three five-year plans focused on housing up-gradation and slum clearance programmes. During fourth to seventh Five Year Plans the focus

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was on urban community development and environmental improvement of slums. From eighth plan onwards urban poverty began to get attention and a series of programmes relating to basic services and livelihoods and employment-generation were launched (<http://urbanindia.nic.in/moud.htm>).

A three pronged strategy of ‘inclusive growth’ is being followed at present to address the various problems of urban poverty and slums. It includes provision of housing and services through Jawaharlal Nehru National Urban Renewal Mission(JNNURM), institutional reforms as given in 74th Constitutional Amendment Act and through programmes like National Urban Sanitation Policy, National Urban Transport Policy, Policy for Urban Street Vendors and Swama Jayanti Shahari Rozgar Yojana(SJSRY), Urban Infrastructure Development Scheme for Small and Medium Towns (LWSSMT) and Integrated Housing and Slum Development Programme(IHSDP), among others.

The important policies and programmes of urban development implemented in India include the following.

- Urban Community Development Programme, 1958.
- Constitution (Seventy-Fourth) Amendment Act, 1992.
- Swama Jayanti Shahari Rozgar Yojana(SJSRY), 1997.
- National Policy for Urban Street Vendors, 2004.
- Jawaharlal Nehru National Urban Renewal Mission (JNNURM), 2005.
- Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), 2005.



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- Integrated Housing and Slum Development Programme(IHSDP), 2005.
  - National Urban Transport Policy, 2006.
  - Capacity-Building for Urban Development Project for India, 2006.
  - National Urban Sanitation Policy, 2008.

### ***Urban Community Development Programme, 1958***

In India, the first Urban Community Development Project was initiated in 1958 in Delhi with the help of grant from Ford Foundation. It was subsequently followed by Ahmedabad (1962), Baroda (1965) and Calcutta (1966) Projects. The Rural-Urban Relationship Committee Report(1966) did some detailed thinking on urban community development programme and made recommendations about the lines on which urban community development programme could be undertaken on nation-wide scale.

During the last year of third Five Year Plan, the Union Ministry of Health initiated 20 pilot projects in selected cities with a population of 1,00,000 or more. Each project was designed to cover a population of 50,000 split into approximately mohalla-level committees with a population of 6,000 each, to be further sub-divided into 12 primary units each consisting of a small population of 500. The scheme provided a specific staffing pattern of a Project Officer and 8 Community Organisers supported by some voluntary workers for which a sum of Rs.50,000 per annum was allotted. A separate grant of Rs. 1 5,000 was provided for local developmental activities undertaken by the neighbourhood community on the basis of matching contribution. It was, however, decided that the expenditure would be shared on

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the basis of 50% to be paid by the Central Government and the remaining 50% to be met by the State Government and the local body concerned. The expenditure on training, evaluation and research was to be borne by the Central Government (Subhash Chandra, See [http:// cdj.oxfordjournals.org/content/9/3/19](http://cdj.oxfordjournals.org/content/9/3/19) 1. extract).

### **Constitution (Seventy Fourth) Amendment Act, 1992**

The Constitution of India has detailed provisions for ensuring protection of democracy in Parliament and in State Legislatures. Hence, democracy in these institutions has survived and flourished. However, the Constitution did not make Local Self-Government in urban areas a clear-cut Constitutional obligation. As a consequence of inadequate Constitutional provision for Local Self-Government, democracy in municipal governance was not stable. Though the respective municipal acts of the States provided for regular elections to municipal bodies, they were frequently suspended for indefinite periods, thus, eroding the very basis of local self-government and had a negative effect on democracy at the grassroots level. The Constitution (Seventy Forth Amendment) Act, 1992 was hence introduced with a new Amendment, Part IX A in the Constitution, 'which deals with the issues relating to municipalities ([http://www.urbanindia.nic.in/programme/lsg/74<sup>th</sup>\\_CAA.pdf](http://www.urbanindia.nic.in/programme/lsg/74<sup>th</sup>_CAA.pdf)).

The main provisions introduced by the above Act are given below.

**Constitution of Municipalities:** For constitution of 3 types of municipalities depending upon the size and area, namely: i) Nagar Panchayat for an area in transition from rural to urban area; ii) Municipal Council for smaller urban area; and iii) Municipal Corporation for larger urban area.

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**Composition of Municipalities:** The seats shall be filled by direct elections. Besides, some seats may be filled by nomination of persons having special knowledge and experience in municipal administration. **Constitution of Wards Committees:** This provides for constitution of Wards Committees in all municipalities with a population of 3 lakhs or more.

**Reservation of seats:** In order to provide for adequate representation of SC/ST and of women in the municipal bodies, provisions have been made for reservation of seats for them.

**Duration of Municipalities:** The municipality has a fixed term of 5 years from the date appointed for its first meeting.

**Powers and Functions of the Municipalities:** All municipalities would be empowered with such powers and responsibilities as may be necessary to enable them to function as effective institutions of self-government.

**Finances of municipalities:** It has been left to the Legislature of a State to specify by law matters relating to imposition of taxes.

**Committee for District Planning:** Planning and allocation of resources at the district level for the Panchayati Raj institutions are normally to be done by the Zilla Parishad.

### **Swarna Jayanti Shahari Rozgar Yojana (SJSRY), 1997**

The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) has been in operation since 01. 12.1997. The Revised Guidelines have come into effect from 1.4.2009. The three key objectives of the revised Swarna Jayanti Shahari Rozgar Yojana (SJSRY) are as follows:

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- Addressing urban poverty alleviation through gainful employment to the urban unemployed or under-employed poor;
  - Supporting skill development and training to enable the urban poor have access to employment opportunities provided by the market or undertake self-employment: and
  - Empowering the community to tackle the issues of urban poverty through suitable self- managed community structures and capacity -building programmes.

The delivery of inputs under the Scheme shall be through the medium of Urban Local Bodies (ULBs) and community structures. Thus, SJSRY calls for strengthening of these local bodies and community organizations to enable them to address the issues of employment and income-generation faced by the urban poor.

The revamped SJSRY has five major components, namely:

- Urban Self-Employment Programme (USEP).
- ii) Urban Women Self-help Programme (UWSP).
- iii) Skill Training for Employment Promotion amongst Urban Poor (STEP-UP).
- iv) Urban Wage Employment Programme (WP).
- V) Urban Community Development Network (UCDN).

The above programmes have to be implemented in convergence with other programmes relating to slum development/urban poverty alleviation such as Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Prime Minister's Employment

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Generation Programme (PMEGP), Am Aadmi Bima Yojana (AABY), Rashtriya Swasthya Bima Yojana (RSBY), National Rural Health Mission (NRHM), Sarva Shiksha Abhiyan (SSA), Mid-day Meals Scheme (MMS), Integrated Child Development Scheme (ICDS), Janani Suraksha Yojana (JSS), National Social Assistance Programme (NS AP), Skill Development Initiative Scheme (SDIS) Modular Employable Skills (MES). etc.

Delivery Mechanism and Administrative Support: The SJSRY Guidelines envisage that setting up of a dedicated cadre / service of officers specializing in urban poverty alleviation / community mobilization and development for supporting the implementation of urban poverty alleviation and related programmes in States/UTs. These officers are 10 he appointed at ULB /District / State levels, with suitable promotion avenues for implementation of various urban poverty alleviation schemes including SJSRY with a Professional approach. The instant guidelines aim at guiding the creation of an appropriate programme administration structure, supported by experts engaged on outsourcing / contract / deputation basis to effectively implement SJSRY and other urban poverty alleviation programmes in cities and towns (<http://mhupa.gov.in/w-new/SJSRdmnMechanism-OperationalGuidelines-2tH9-2010.pdf>)

### **National Policy for Urban Street Vendors, 2004**

The National Policy for Urban Street Vendors, introduced by the Government in 2004 and revised afterwards first in 2006 and then in 2009, claims to give legitimacy to the vast population of crore of street vendors. The National Policy recognizes the 'positive role' of the street vendors, their Constitutional right to livelihood as well as the right to be able to practice trade or business as a fundamental right. This policy recognizes that street vendors constitute an integral and legitimate part of the urban retail trade

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and distribution system for daily necessities of the general public." And "the street vendors assist the Government in combating unemployment and poverty; it is the duty of the State to protect the right of these micro-entrepreneurs to earn an honest living. Accordingly, the Policy aims to ensure that this Important occupational group of the urban population finds due recognition at national, state and local levels for its contribution to the society." But, "At the same time, it will be impracticable that every hawker be provided a permanent site because most cities / towns suffer from severe constraints of land for commercial vending." Therefore, there is need to 'regulate' vendors by earmarking restriction-free, restricted and no-vending zones in cities (reasons given are flow of traffic, pedestrians, cleanliness and hygiene, etc).

Street vendors form a very important component of the urban informal sector in India. In most Indian cities, the urban poor survive by working in the informal sector primarily due to poverty, lack of gainful employment in the rural areas, shrinkage of employment in the formal sector, and low levels of skill and education required for the better paid jobs in the formal sector. Street vendors are mainly those who are unsuccessful or unable to get regular jobs. They try to solve their problems through their own meager resources. Street vendors are regarded as public nuisance and it is said that they encroach public spaces. The objective to be achieved through the National policy for Urban Street Vendors, 2004 is to provide and promote a supportive environment for earning livelihoods to the vast mass of urban Street Vendors. Street Vendors provide valuable services to the urban population while trying to earn a livelihood and it is the duty of the State protect the right of this segment of population to earn their livelihood. This Policy also aim to ensure that this important section of the urban population finds m recognition for

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its contribution to society, and is conceived of as a major initiative for urban poverty alleviation.

For the purposes of this Policy, a Street vendor is broadly defined as 'a person who offers goods or services for sale to the public without having a permanent built-up structure in a street'. This Policy recognizes three basic categories of Street Vendors. First, those Street Vendors who carry out vending on a regular basis with a specific location; Second, those Street Vendors who carry out vending not on a regular basis and without a specific location, for example, Vendors who sell goods in weekly bazaars during holidays and festivals and so on; Third, the Mobile Street Vendors. Thus, the overarching objective to be achieved through this Policy is to 'Provide and promote a supportive environment for earning livelihoods to the vast mass of urban Street Vendors while ensuring that such activity does not lead to overcrowding and unsanitary conditions in public spaces and streets.

### **POLICY NARRATIVE POST INDEPENDENCE: 5-YEAR PLANS (1947–2014)**

The Five-Year Plans prepared by the erstwhile Planning Commission included policy guidelines, planning priorities and patterns of investment for different sectors of the economy. A brief summary of the discourse on urban planning and development in these Plans has been given in this section.

**The First Five-Year Plan (1951–56)** accorded topmost priority to agriculture, irrigation and power. Housing for those displaced due to Partition was also given importance. At the time of the launch of the Plan, only 6% of Indian towns reportedly had protected water supply. Also, only 23 of 48 cities and 12 towns had sewerage systems. The Plan blamed the dismal condition of

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towns on haphazard growth and substandard housing, including slums. It suggested:

- There should be a National Town and Country Planning Act, which would provide for zoning and planned use of land, diagnostic surveys, clearance of slums, and master plan preparation.
- ‘Regional planning’ should be undertaken, keeping in mind the implementation of several river valley projects and for the integration of urban and rural areas.
- Community Development Programmes should be launched in the rural areas to address problems such as the availability of drinking water, sanitation, and connectivity via road. A national programme on water supply and sanitation was consequently formulated by the Health Ministry in 1953.

ii. **The Second Five-Year Plan (1956–61)** sought to achieve a balanced and coordinated development of the industrial and agricultural sectors to bring about higher standards of living. It also advocated that slums and urban housing shortage should not be viewed in isolation but as part of the bigger problem of planning for urban areas. It suggested:

- Enactment of town and country planning legislation in all States and undertaking the necessary steps for its implementation.
- Preparation of master plans of all important cities like Mumbai, Kolkata, Delhi and Chennai.
- Preparation of regional plans for towns like Durgapur, Bhilai, and those likely to come up in the future as industries flourish,



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and for areas with river valley projects like Damodar, Hirakud, etc.

- Expansion of existing facilities for training of town planners and architects.
- Initiation of water supply and sanitation schemes for urban areas.
- Adoption of an administrative system of planning at the district level—from integration of activities of various departments in the district to regional coordination for development programmes to linking local institutions with government agencies for this purpose.
- Need for an agency at the village level that can represent the community and assume responsibility for development.
- Need for a statutory panchayat in every village, with functions such as civic work, land management and reforms, etc.
- Integrated implementation of all multi-sectoral development programmes and schemes

**In the Third Five-Year Plan (1961–66)**, the pattern of economic development and the approach towards selection of industrial locations were considered to be the most decisive factors in the process of urbanization. Deteriorating living conditions in rapidly growing urban areas were attributed to high costs of urban development (e.g., housing, water supply, drainage), unemployment and the growth of slums.

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The broad objective of the Plan was to secure balanced development. It suggested: New industries should be established far from large and congested cities.

- The concept of ‘region’ should be adopted while planning and deciding on the location of industries.
- There should be economic interdependence between towns and the surrounding rural areas for community development projects. Other areas should be strengthened by blending urban and rural components of development into a composite plan.
- Master plans should be prepared. (A tentative list of 27 metropolitan cities, State capitals and port towns, 27 industrial centres and 5 resource regions was given.)
- A town and country planning act should be enacted.
- Town planning organizations should be established by State governments with adequately trained personnel.
- Measures should be undertaken to control land prices. Municipal administration should be strengthened with resources and personnel. Public health and engineering departments should be established in States.
- Statutory water and sewerage boards should be set up and empowered to float loans and levy cesses.
- Development at the village, block and district levels should be entrusted to panchayats, panchayat samitis and zila parishads, respectively.

**The Fourth Five-Year Plan (1969–74)** observed that during the period 1963– 69, interim development plans for 40 cities were

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completed. However, due to lack of adequate financial and organisational resources, they could not be implemented, except in a few metropolitan towns and new towns. The Plan's major recommendations were:

- To prevent the further growth of population in large cities, decongestion and dispersal measures should be undertaken.
- For implementation of regional plans, there needs to be legal provisions.
- Development plans for cities and towns should be self-financing.
- A radical policy on urban land should be developed. Water supply and sewerage schemes should be formulated.

The main thrust of the **Fifth Five-Year Plan (1974-78)** was on the removal of poverty and attainment of self-reliance. The key objectives were augmentation of civic services, efforts to tackle the problems of metropolitan cities on a comprehensive and regional basis, development of small towns and new urban centres, and support for the enlargement of scope and functions of industrial townships set up by Central Government undertakings. In addition to these, to address the problems posed by rising urban land values, it was stressed that the objective of urban land policy should be on promoting the optimum use of land, reducing/preventing the concentration of land ownership and speculations, and allowing land to be used as a resource for financing urban development.

The key recommendations were:

- National Urbanisation Policy, National Human Settlements Policy, and National Population Policy should be formulated.

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- Policy instruments for urban land should be developed.
  - Differential taxation on urban land depending on the nature of its use should be developed. Programmes for the construction of housing colonies should be augmented.
  - Environment improvement programmes for slums should be undertaken.

The **Sixth Five-Year Plan (1980–85)** made significant observations and suggestions in the context of urbanization and urban development. The process of urbanization was desired to be seen as aiding employment and income generation in rural areas rather than as a competitive process. Further, the deteriorating environment, depletion of non-renewable resources and increasing migration to metro cities should be a focus of planning. The Integrated Development of Small and Medium Sized Towns (IDSMT) was started during this plan.

The key recommendations were:

- Evolution of a National Urbanization Policy.
- Provision of adequate infrastructure in small, medium and intermediate towns for strengthening them as growth and service centres for the rural hinterland. Formulation of water supply and sewerage programmes.
- Conservation of energy in the design of urban areas.
- Strengthening of the planning machinery at all levels.

The **Seventh Five-Year Plan (1985–90)** said a proper urban development approach must consist of two constituents. First, the interaction between physical and investment planning, and

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second, the preparation of regional and subregional urban development plans to realize the first.

The key measures and recommendations were:

- Industrial location policy must be made to sub-serve regional and urban planning.
- The procedure for planning of metropolitan areas should be examined and a new approach should be evolved while providing for coordination of city-level plans with Central and State level planning, resource allocations, relationship between norms and standards of physical planning with socio-economic realities.
- The strategy of urban development to include measures to strengthen capability of local bodies. The Central Government should extend aid to a select number of institutions for promoting research in the areas of urban infrastructure planning, finance, administration, etc.
- Emphasis to be placed on major programmes like Environmental Improvement of Slums (EIS), Integrated Development of Small and Medium Towns (IDSMT), Integrated Rural Development Programme (IRDP), Drought-Prone Area Programme (DPAP), Community Development and Panchayati Raj.

**The Eighth Five-Year Plan (1992–97)** stated that an integrated plan of hierarchy of rural and urban settlements should be prepared. In order to realise the objective of a more balanced distribution of urban growth, small and medium towns should offer economic opportunities to potential migrants, the Plan said. To operationalise this planning approach, development of small

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and medium towns in a spatial context with the existing district planning process should be attempted. It suggested that:

- Urban development programmes should not be implemented in an ad-hoc and isolated manner.
- The aim of land reforms in the Eighth Plan must be the fulfilment of all the five principles of the National Land Reforms Policy: abolition of intermediaries, tenancy reforms with security to actual cultivators, redistribution of surplus ceiling land, consolidation of holdings, and updation of land records.
- An enabling environment must be created to achieve ‘Housing for All’.
- An action plan to operationalise development strategy for small and medium towns should consist of strengthening the regulatory/organisational base of ULBs and providing an appropriate investment package on related infrastructure and employment-promoting activities.
- **The Ninth Five-Year Plan (1997–02)** stated that the lack of comprehensive urban planning in the past to promote regular upgradation and renewal resulted in a large backlog of development activities. The plan mentioned that the key urban concern is the growing gap between demand and supply of basic services. The plan pointed out the lack of sustainability of the assets created in the planning process, and stated it as the primary reason for the deteriorating conditions of assets and low-capacity utilisation. It also acknowledged the importance of energy planning in transport sector. Further, the Plan addressed the need for strengthening the monitoring and evaluation system and accountability of implementing agencies for non-adherence to the plan of work. The major

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sectoral objectives of the Ninth Plan, among other things, were:

- Development of urban areas as economically efficient, socially equitable and environmentally sustainable entities.
- Creation of a National Water Policy.
- Making India a global information technology powerhouse.
- Programmes such as Urban Basic Services for the Poor (UBSP) and Prime Minister's Integrated Urban Poverty Eradication Programme (PM IUPEP) focused on shelter upgradation and neighbourhood development for the urban poor.
- Promotion of energy efficiency by encouraging better design of vehicles through fiscal incentives,
- Better surfaces of roads, and promoting greater awareness in the driving community.
- Development of pollution standards, Environmental Impact Assessment (EIA), river conservation programmes and Integrated Wastelands Development Projects Scheme.
- Assistance for planning and development of hilly areas under Special Area Programmes.

**The Tenth Five-Year Plan (2002–07)** highlighted that importance of the issues that impact the quality of life in urban areas. The approach to urban management issues in the Tenth Plan revolved around the strengthening of ULBs, with the assistance of State Governments, parastatals and the urban development authorities. It mentioned:

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- Capacity building in the urban sector as a relatively neglected area in terms of action.
  - Lack of progress in the components of the land reforms programme— implementation of ceiling laws, rent control act, security of tenure to tenants, and consolidation of land holdings—remains a matter of serious concern.
  - Lack of availability of maps/urban data is concerning; preparation/maintenance/ upgradation of land records through computerisation is suggested.

*The Plan, among other things, recommended the following measures:*

- Importance of benchmarking service standards for making recommendations regarding the allocation of resources for augmentation and maintenance of services such as water, sanitation, waste treatment and transportation.
- Public-private partnership for improving the efficiency of service delivery in urban areas.
- Importance of urban public transport, its inadequacy and need to redesign the approach towards traffic problems.
- Restructuring priorities in favour of small and medium towns and slums in larger cities.
- Redesigning/reconstructing settlements with the participation of residents.
- Special Area Programmes for the development of hilly areas.

**The Eleventh Five-Year Plan (2007–12)** envisioned cities to be the engines of economic growth over the next two decades. It



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mentioned that the Master Plan concept is not well suited for rapidly growing Indian cities. And that it has also not been useful in addressing the problem of India's large and widely spread slums. Therefore, the Plan suggested that new management and service delivery approaches across the board must be developed. The Plan also focused on interlinkages between water, sanitation, solid waste management, environmental pollution, and health/death of residents. Towards this vision, it suggested:

- Formulation of a long-term National Urbanization Policy, indicating emerging patterns of urbanization and measures to channelize future urban growth in an equitable and sustainable manner.
- Interlinking the planning framework at various levels, comprising the national-level spatial strategies, regional-level strategy plans, metropolitan regional strategy plans, and city- and ward-level land use and development plans.
- Need to prioritize the availability, quality, and conservation of water in both urban and rural areas.
- Need to foster the development of various transport modes in an integrated manner, which would lead to the realization of an efficient, sustainable, safe, and regionally balanced transportation system.
- PPP (BOT model) ventures for the development of logistic hubs, high-speed passenger services and stations.

**The Twelfth Five-Year Plan (2012–17)** envisioned that urbanization should be guided towards inclusive, equitable and sustainable growth of towns and cities with proper civic amenities. The urbanization strategy under this plan focused on

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strengthening governance, planning, financing, capacity building and innovation.

The Plan observed that:

- The projects/activities are implemented in the urban areas without adequate or holistic planning.
- The Master Plan approach is barely linked to any financial and operating strategy and, in many cases, has been used as a regulatory tool instead of a blueprint for the development of dynamic and smart cities. Often its provisions do not consider the potential of the city to grow and results in sub-optimal use of land.
- Lack of sufficient capacity across all levels of the Government needs to be resolved.

*In this regard, the plan suggested:*

- Setting up of five Indian Institutes of Urban Management (IIUMs) to help prepare the future generation of urban managers/regulators with world-class training in urban issues.
- Improving the quality of land and soil, their rational utilization, conservation of water and sensitizing the farming community about environmental concerns should receive high priority.

On 1 January 2015, NITI Aayog replaced the erstwhile Planning Commission of India. NITI's ***Three-Year Action Agenda (2017–20)***, published in 2017, stated that poor management of cities leads to scarcity of residential and commercial spaces, slums, absence of greenery, stress on infrastructure, air pollution, traffic congestion, solid waste issues and so on. And so, India needs to

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introduce more fundamental changes to turn cities into twenty-first century spaces. Further, spatial planning should be able to simultaneously address developmental needs of metropolitan, municipal and ward-level areas. The agenda document, among other things, concluded that Indian cities need to overhaul their municipal staffing and introduce appropriate skills to achieve administrative efficiency.

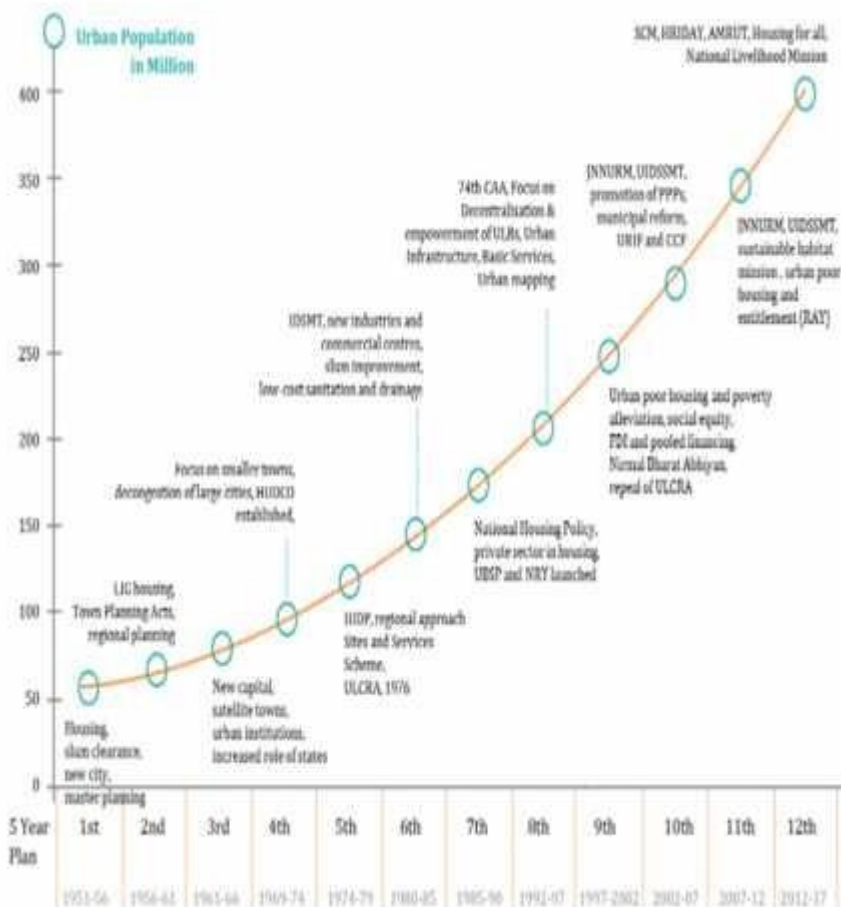
In its ‘Strategy for **New India @75’ (2018)**, NITI Aayog referred to the specific constraints faced in multiple sectors. These included: inadequate capacity in ULBs to formulate and design mass housing projects, and absence of a modern spatial planning framework. Heavy under-staffing of the municipalities and significant gaps in the skills required for urban management were also observed. The document identified 41 different areas that require either a sharper focus on implementing the flagship schemes already in place or a new design and initiative to achieve India’s true potential. These included multiple aspects in the context of urban planning capacity, such as the need for:

- Synchronous and modern national framework for the spatial planning of cities.
- Guaranteed land titling to foster a transparent land market.
- Capacity building for municipal jobs and strengthening institutions.
- Adoption of GIS-based maps.
- A dedicated Metropolitan Urban Transport Authority.
- Setting up of dedicated cells for integrated planning, coordination and delivery of transport services in smaller cities.

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- Integrating land-use and transport planning for enhancing economic activity, reducing commuting time and improving environmental quality.
  - Building on the work done in cities on geographic information systems (GIS) and applying these for geo-locating and mapping public assets in the city such as parks, playgrounds, public toilets, bus stops, streetlights, water and sewerage lines, storm water drains, power lines, etc.
  - Linking the geo-located assets in the cities to grievance redressal, participatory budgeting, transparent works management, and contractor payments.
  - Digitization of textual as well as spatial records at the State level.

The evolution of urbanization-related policies in the national planning framework indicates that the importance on urban development, housing and related infrastructure kept growing with time. However, the approach towards city master planning has largely been on the physical land use planning aspect and the need for integrating spatial with economic planning still persists. Also, the gaps in urban planning capacity at the local level have been only somewhat filled but still pose a challenge

**Figure : Plan period-wise policy focus**



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## **Jawaharlal Nehru National Urban Renewal Mission (JNNURM), 2005**

Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in 2005- 06. Some of its details are as follows (<http://jnnurm.nic.in/wp-content/uploads/2011/11/11UIGOverview.pdf>).

**The Mission Statement:** The aim of JNNURM is to encourage reforms and fast-track planned development of identified cities. Focus is to be on efficiency in urban infrastructure and service delivery mechanisms, community participation, and accountability of CEBs / Parastatal agencies towards citizens.

**Objectives of the Mission:** The objectives of the JNNURM are to ensure that the following are achieved in the urban sector.

- Focused attention to integrated development of infrastructure services in cities covered under the Mission;
- Establishment of linkages between asset-creation and asset-management through a slew of reforms for long-term project sustainability ;
- Ensuring adequate funds to meet the deficiencies in urban infrastructural services;.
- Planned development of identified cities including peri-urban areas, outgrowths and urban corridors leading to dispersed urbanization;.
- Scale-up delivery of civic amenities and provision of utilities with emphasis on universal access to the urban poor;

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- Special focus on urban renewal programme for the old-city areas to reduce congestion; and
  - Provision of basic services to the urban poor including security of tenure at affordable prices, improved housing, water supply and sanitation, and ensuring delivery of other existing universal services of the government for education, health and social security.

**Scope of the Mission:** The Mission shall comprise the two following Sub-Missions. i) Sub-Mission for Urban Infrastructure and Governance: This will be administered by the Ministry of Urban Development through the Sub-Mission Directorate for Urban Infrastructure and Governance. The main thrust of the Sub-Mission will be on infrastructure projects relating to water supply and sanitation, sewerage, solid-waste management, road network, urban transport and re development of old city areas with a view to upgrading infrastructure there in ,shifting industrial and commercial establishments to conforming areas,etc.

*Sub-Mission for Basic Services to the Urban Poor:* This will be administered by the Ministry of Urban Employment and Poverty Alleviation through the Sub-Mission Directorate for Basic Services to the Urban Poor. The main thrust of the Sub-Mission will be on integrated development of slums through projects for providing shelter, basic services and other related civic amenities with a view to providing utilities to the urban poor.

**Strategy of the Mission:** The objectives of the Mission shall be met through the adoption of the following strategy:

- Preparing City Development Plan: Every city will be expected to formulate a City Development Plan (CDP)

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indicating policies, programmes and strategies, and financing plans.

- ii) Preparing Projects: The CDP would facilitate identification of projects. The Urban Local Bodies (ULBs) / parastatal agencies will be required to prepare Detailed Project Reports (DPRs) for undertaking projects in the identified spheres. It is essential that projects are planned in a manner that optimizes the life-cycle cost of projects. The life-cycle cost of a project would cover the capital outlays and the attendant O & M costs to ensure that assets are in good working condition. A revolving fund would be created to meet the O & M requirements of assets created over the planning horizon. In order to seek JNNURM assistance, projects would need to be developed in a manner that would, ensure and demonstrate optimization of the life-cycle costs over the planning horizon of the project.

*Release and Leveraging of Funds:* It is expected that the JNNURM assistance would serve to catalyze the flow of investment into the urban infrastructure sector across the country. Funds from the Central and State Government will flow directly to the nodal agency designated by the State, as grants-in-aid. The funds for identified projects across cities would be disbursed to the ULB / Parastatal agency through the designated State Level Nodal Agency (SLNA) as soft-loan or grant-cum-loan or grant. The SLNA /ULBs in turn would leverage additional resources from other sources.

*Incorporating Private Sector Efficiencies:* In order to optimise the lifecycle costs over the planning horizon, private sector efficiencies can be inducted in development, management, implementation and financing of projects, through Public-Private Partnership (PPP) arrangements.



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**Duration of the Mission:** The duration of the Mission would be seven years beginning from the year 2005-06. Evaluation of the experience of implementation of the Mission would be undertaken before the commencement of Eleventh Five Year Plan and if necessary, the programme calibrated suitably.

**Expected Outcomes of the JNNURM:** On completion of the Mission period, it is expected that ULBs and parastatal agencies will have achieved the following:

- Modern and transparent budgeting, accounting, financial management systems, designed and adopted for all urban service and governance functions.
- ii) City-wide framework for planning and governance will be established and become operational.
- iii) All urban residents will be able to obtain access to a basic level of urban services.
- iv) Financially self-sustaining agencies for urban governance and service delivery will be established, through reforms to major revenue instruments.
- v) Local services and governance will be introduced in a manner that is transparent and accountable to citizens.
- vi) C-governance applications will be introduced in core functions of ULBs / Parastatal resulting in reduced cost and time of service delivery processes.

Thus, with a view to bridge the resource-gap that cities and towns were facing, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched. JNNURM is a Mission mode approach that integrates the two vital needs - massive investments

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/resource required for infrastructure development, and urban reforms required to sustain big investments. The Mission has helped focus attention on all three tiers of the government about the challenges faced by the cities and towns of India. The aim is to encourage reforms and fast-track planned development of identified cities. Focus is to be on efficiency in urban infrastructure and service delivery mechanism, community participation, and accountability of ULBs / Parastatal agencies towards citizens.

### **Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), 2005**

Urban Infrastructure Development Scheme for Small & Medium Towns was launched on 3.12.2005 for improvement in urban infrastructure in towns and cities in a planned manner. It is one of the components of JNNURM. The Mission is the single largest initiative of the Government of India for planned development of cities and towns (<http://urbanindia.nic.in/pmgramme/ud/uidssmt~overview.pdf>).

The higher productivity of any urban area depends on the availability and quality of infrastructure services. Urban economic activities are dependent upon urban infrastructure like roads, water supply, power, telecommunication, mass transportation and other civic infrastructure like sanitation and solid-waste management. JNNURM would provide grant to 63 identified large cities in the country and Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) will cover all other census towns. The Mission aims to encourage reforms and fast-track infrastructure development. Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) scheme subsumed the existing schemes of

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## Integrated Development of Small and Medium Towns ( IDSMT) and Accelerated Urban Water Supply Programme (AUWSP).

The objectives of the scheme are to:

- Improved infrastructural facilities and help create durable public-assets and quality –oriented services in cities and towns;
- Enhance public-private-partnership in infrastructural development; and Promote planned integrated development of towns and cities.
- Promote planned integrated development of towns and cities

## **Integrated Housing and Slum Development Programme (IHSDP), 2005**

Integrated Housing and Slum of the Development Programme aims at integrated approach in improving the conditions of urban slum-dwellers that do aims not at possess adequate shelter and reside in dilapidated conditions. The scheme is applicable to all cities and towns as per 2001 Census, except cities/towns covered under Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

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Block-4

Unit-4:

Definition and scope of Regional Economics–  
Importance and Objectives-Causes for Regional  
Imbalances-  
Measures to Reduce Regional Imbalances-  
Regional Development and Regional Planning



## Unit-5

Regional Economic Problems- Perspectives on Economic Growth and Development. Regional planning in Rural India.

# Block-5

## Unit-5

Regional Economic Problems- Perspectives on Economic Growth and Development. Regional planning in Rural India.

**Is regional economics a pure science?** Regional and local economics is a study of political economy. Therefore, it cannot be separated from the political questions of the day. Thus, it can be argued that regional and local economics, at the macro level, is conditioned as much by political ideology, as by the science of economics itself. The main theories that underpin the analysis are rooted in the various political economy schools of thought like interventionist (Mainstream or Keynesian); free market (Conservative or Monetarist); and Marxist. Not surprisingly, the policy prescriptions usually also fit the relevant political and economic ideologies. Therefore, local economies are seen as working in a similar fashion to a national economy – they are just smaller at the micro level, the divide is not so evident. Traditional demand and supply theory is used coupled with the theory of the firm, etc. There are indications that a consensus has been building for several years about the types of policies that ought to be employed, particularly as there is increasing acceptance that a range of tools rather than one or two policy prescriptions are inevitable to address regional problems. For instance, the solution to chronic unemployment is not just about the level of demand or capital investment, it includes supply-side questions such as vocational training, life skills, education, mobility and migration, technological advancement and also entrepreneurial activity.

**Is it relevant?** Given the above, it is not surprising that regional and local economic analysis is concerned with real questions about the real economy. Whilst there is a theoretical underpinning and much debate about the merits and demerits of particular theories and models, practitioners use a range of available and emerging tools to try and answer the questions for which policy makers seek solutions. These are as hereunder:

1. Forecasting the impact of an event such as the start-up or closure of a significant enterprise on a local economy.



2. Quantifying the direct and indirect benefits of an existing enterprise on the local economy or determining the spatial impact of the decline of a whole industry on a regional economy.
3. Identifying significant clusters of economic activity within a locality.
4. Tracking the progress of a local or regional labour market or benchmarking a region's competitiveness.

**Why is regional or local analysis important and who is interested?**

Regional and local economic analysis is important to a number of groups in society, some of which are mentioned below. Apart from that, it has a strong tradition in the academic community and has spawned a number of successful research centres and units. The Centre for Local and Regional Economic Analysis, carries out academic research and commercial consultancy work. Clients include businesses, government, (local and national) and other institutions (such as, Learning and Skills Councils, not-for-profit organizations and national industry bodies).

**Armstrong and Taylor views:** Armstrong and Taylor suggest there are six important issues that economists might be interested in, i.e.,

1. What factors determine output and employment levels in a region?
2. Why are living standards higher in some regions than others?
3. Why does labour productivity vary so much between regions?
4. What factors determine regional specialisation and inter-regional trade?
5. Whether the migration of people between regions be explained by economic factors?
6. Why some regions have persistently high levels of unemployment?

**Interest of the physical planner:** The physical planner might be interested in:

1. Land requirements for new homes, commercial and industrial use and social capital.
2. Re-use of derelict land, refurbishment of infrastructure etc.
3. Transport routes, congestion, waste disposal, natural resource consumption and environmental degradation.
4. Facilitating foreign direct investment and encouraging entrepreneurship

and indigenous industrial growth.

**Interest of governments and other public policy makers:** Governments and other public policy makers are interested in:

1. The policy prescriptions that enable more efficient use of resources and economic assets (is the economic potential of the country, region, local area being realised or is it being held back).
2. The affect on public expenditure and social cohesion of economic underperformance (i.e., crime, transfer payments, i.e., benefits and urban and rural decay).
3. Ameliorating the effect of integrated markets (European single market) by attempting to narrow the gap between the leading and the lagging regions. It is the second most important policy sphere after agriculture, accounting for over one- third of EU expenditure.

Putting in place policy to enable individuals to realize their economic potential (i.e., local and national training initiatives, encouragement of entrepreneurial activity), industry and commerce need to be aware of relative performance because:

1. It has an effect on market demand (i.e., is the region a growing or declining one).
2. They need to know the availability and price of inputs (i.e., labour, materials, supply chain etc.).
3. The costs of congestion and the ease of access to markets.
4. The availability of subsidies and advice to counter disadvantage.

**What is a regional or local economy?** There are a number of definitions, but fundamentally the regional and local economy is all economic activity taking place in a specific geographically defined area. This suggests that the regional or local economist is concerned with the both the broad and particular aspects of the regional or local economy such as the labour market, factor markets, industrial activity and productivity. Most are concerned with the differences in the performance of these markets between different regions or localities.

## Definitions in the Economic Text

**Armstrong and Taylor adopt a pragmatic Approach:** In its broadest sense, a regional economy is a geographical sub-set of the national economy. It may be as large as a

state or province or as small as a local authority area. The choice, in terms of analysis, is often governed by the availability of data.

**McDonald, J., Fundamentals of Urban Economics, 1997, American View:** The field of urban (local) economics is closely related to its sister field, regional economics. Both urban and regional economists are interested in the variety of economic experience that can occur within a single nation. Both study economic units that are defined geographically, as opposed to industry units, demographic groups, occupational groups, or any other possible disaggregations of the entire economy. Indeed because both fields study geographic sub-units of the national economy, urban and regional economics makes use of some of the same economic models and methods.

**Marion Temple, Regional Economics (1994):** Depicts the regional and local economies graphically as a series of concentric circles with the local economy at the centre and the international economy at the extremity. She concedes that in both the UK and EU, the definition of a region remains essentially complex and qualitative in many respects, influenced by convention and custom as well as by administrative convenience or even – sometimes – economic cohesion.

**Griffiths and Wall, Applied Economics:** Define a region, thus, a region is a portion of the earth's surface that possesses certain characteristics (physical, economic, political, etc) which give it a measure of unity and differentiate it from surrounding

areas, enabling us to draw boundaries around it. They then go on to describe how the geographical boundaries of regions in the UK have changed over time with the latest revision in 1994.

**Concept of Regional and Local Economies:** Most people will be more familiar with their local area be it a city, town or village. They may also identify with a larger spatial area, e.g., country, particularly if it has tax raising powers. Standard planning regions are often less familiar and represent the spatial aggregation at which government tends to work. Clearly, the regional and local economy are part of the larger economic system. Regions viewed from “top down” are subdivisions of the nation’s economic space. Viewed from the “bottom up”, they are aggregations of urban and rural areas. Local and regional economies are usually defined by administrative boundaries.

## **Functions at the Standard Planning Regions**

1. Main Government departments work through regional offices and it co-ordinates the work of other government departments in every region. These are Department for Communities and Local Government, Department for Transport, Department of Trade and Industry, Department of the Environment, Food and Rural Affairs, Department for Education and Skills, Home Office Department of Culture, Media and Sport, Department of Work and Pensions, Cabinet Office and Department of Health.

2. Subsequently, regional development agencies were set up and these business-led agencies are funded by government but can also generate profits from land development. They are arms-length organizations, answerable to government but not directly controlled by them.

3. Health Care was organized on a regional basis.

4. Regional physical planning is generally undertaken by Regional Offices in conjunction with local authorities.

5. Local government sometimes organizes regionally.

6. Education and housing are not organized on a regional scale. These are the responsibility of local government although the Department for Education and Skills does release information on a regional basis.

**Features of a Regional or Local Economy:** Regional analysis is mostly based on the theories and analytical tools developed for national economies. Many models are based on the assumption that similar sorts of fundamental components and relationships exist at the regional or local level as are present at the national level. This is often a second-best option brought about by the lack of hard data at the sub-national level. Researchers are well aware that regional dynamics will be different from national dynamics. For instance, production of one unit of output in a given industry may involve a greater proportion of imported inputs in one local economy (a) than an adjacent local economy (b). Hence, increases in demand for the given product nationally will be more beneficial in income and employment terms to local economy (b) than local economy (a).

Whereas national governments and policy makers are able to exercise a degree of control over external trade, domestic consumption, private domestic investment and government expenditure, than that of regional or local government. External trade plays a more crucial part in the economic life of a regional/local economy than the national economy. For a start, by definition, region or local firms may be exporters (and importers) both within the country and outside it. Viewed in national terms, only external trade is classified as imports or exports. Therefore, regional or local economies are much more open than national economies.

Regions also tend to be much more specialized than national economies. Further, factors of production also flow more easily between regional and local economies than they do between national economies for the following reasons.

**Barriers to trade are missing at the local level:** It implies:

1. Distance to market is shorter – transportation costs (lower).

2. Labour and capital are more mobile within the region than between countries.
3. There are no defence or political considerations.
4. Cultural and language differences do not exist.
5. Legal tools – tariffs – quotas etc. (restrictions to trade) are not present.

In the region, income is largely determined by what happens outside the region, e.g., government spending, taxation, national wage rates etc.; import and export flows are large; factors of production are mobile; taxes and savings may be lost to the region; thus leakages are higher, and consequently multipliers lower.

**Regional or local economies are unique entities:** It implies smaller and more open than that of national economy, more specialized and less hampered by political, legal and cultural diversity.

**Measures to analyze the regional or local economy:** Highlighting and differentiating regional and local economic performance requires an understanding of the processes and interconnections of the various markets that comprise the economy and often, significant amounts of data. The economist job is to inform policy makers, so that they can make policy decisions based on sound, impartial analysis, free from vested interest. Further, the researcher has basically three different perspectives from which to view the economy – Past, Present and Future.