



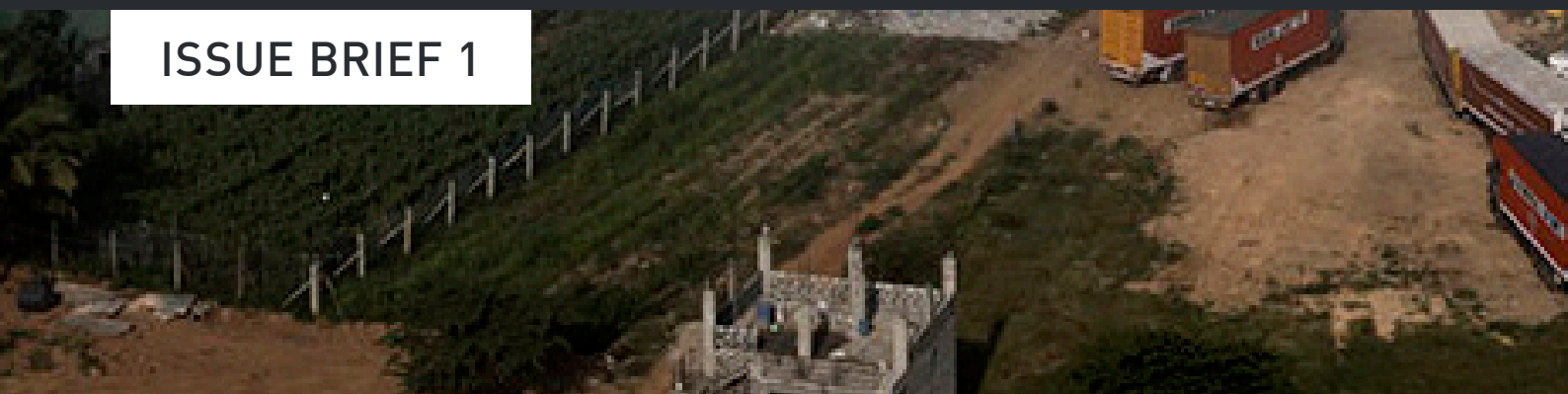
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INDIA'S URBAN TRANSITION: DEFINING THE 'URBAN'

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ISSUE BRIEF 1



| TABLE OF CONTENTS

1. ABSTRACT	1
2. CONTEXT	1
3. THE PROBLEMS OF CLASSIFICATION	2
4. THE CONUNDRUM OF CENSUS TOWNS	3
5. CONCLUSION	4
6. BIBLIOGRAPHY	5

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ABSTRACT

The first in the Issue Brief Series on India's Urban Transition, 'Defining the Urban' highlights the definitional issues with available data on urbanisation, with a special focus on Census Towns and the impact these ambiguous definitions have on the growth potential of these semi-urban spaces.

CONTEXT

India's rapidly expanding urban population (see Figure 1) has become a key signifier of modernity, engendering a culture that subsumes existing forms of governance and gives rise to novel socio-economic issues. Though urban centres have existed in India since antiquity, the development of the country's modern cities picked up pace during the British Raj with the advent of 'presidencies'¹. The process of urbanisation spurred on in independent India, wherein the newly formed state highlighted development and economic growth as the primary drivers of modernisation. As such, methods of classifying the urban population took up centre stage in the country's demographic mechanism, as well as urban policy discourse.

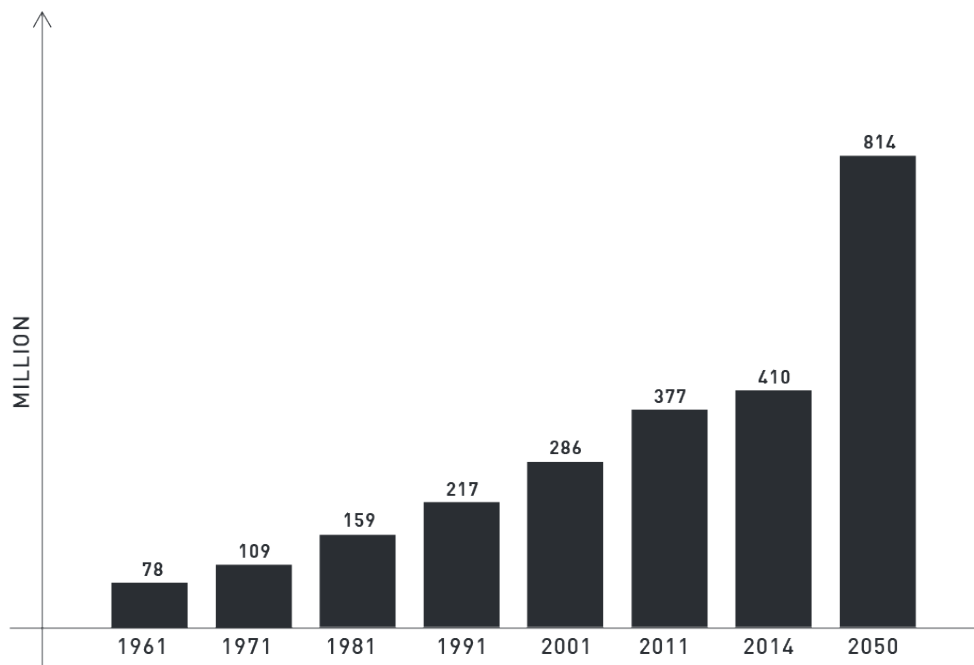


FIGURE 1: INDIA'S URBAN POPULATION SINCE 1961 (BHAGAT, 2015: 4)

1 Early trading ports of East India Company such as Madras, Bombay, and Calcutta that gradually became towns.

THE PROBLEM OF CLASSIFICATION

The Census of India makes a broad classification between rural and urban based on criteria that have remained unchanged since the Census of 1961. Dividing the 'urban' amongst statutory towns, census towns, outgrowths, and urban agglomerations, the Census provides a classificatory definition for each, as listed in Table 1 below.

S. No.	Type of Urban Area	Definition	Count	
			2011	2001
1	Statutory Town (ST)	A place with a municipality, corporation, cantonment board or a notified town area committee under its ambit, as per the state government's statute.	4041	3799
2	Census Town (CT)	A place with a minimum population of 5000, at least 75% of male working population engaged in non-agricultural pursuits, and a population density of 400 per square kilometre.	3894	1362
3	Outgrowth (OG)	Viable units such as villages, or part of villages contiguous to a ST with its respective revenue limit, while at the same time having 'urban' features.	981	962
4	Urban Agglomeration (UA)	Continuous urban spread of towns and adjoining OGs.	475	384

The conceptualisation of the rural-urban divide, as evident in the way the census defines statutory and census towns, stems prominently from the nature of governance in an area and the occupation of the majority of its male working population. Rural areas in India are governed by rural local bodies such as panchayats, while urban areas are governed by urban local bodies such as municipal corporations. While rural areas are associated with agriculture-based occupations, economic growth, led by sectoral diversification, is linked to urban areas. For instance, economically better off states like Maharashtra, Kerala, Tamil Nadu and Gujarat have urbanisation rates higher than 40% compared to relatively poor states like Bihar and Odisha which have less than 20% urbanisation rates (Tumbe 2016: 5).

However, since urban development is a state subject in the Indian constitution, the power to classify urban areas for administrative purposes rests with state governments. The criterion for classification may include factors like population, revenue sources, major occupations and population density. However, this criterion remains ambiguous and non-binding. In many cases, economic and political expediency (particularly electoral benefit) can influence the decision to designate an area as urban.

India's urbanisation data, thus, is marred by definitional issues. Since state governments only consider statutory towns (ST) as urban areas, there are only 4041 urban settlements in India as per census data (Table 1), compared to 7935 urban settlements as per the census classification that includes Census Towns (CTs, hereafter). In sum, the Indian criterion to classify an urban area only incorporates administrative and demographic aspects, and employs a dualistic lens through which urban areas are modeled, thereby demanding a dire need of reorganisation (Bhagat 2002: 2413-2416). The limitations of this criterion are most evident in the case of CTs.

| THE CONUNDRUM OF CENSUS TOWNS

The census of 2011 recorded a massive growth in the number of CTs, from 1362 in 2001 to 3894, factoring as a ground-breaking component of Indian urbanisation. The rise in the number of such settlements in absolute terms shows a trend of urbanisation termed “dispersed” or “subaltern” by researchers. Such settlements are seen as semi-urban areas with growing economic potential led by sectoral diversification, primarily into construction and transportation services (Pradhan and Roy 2018). The increase in the number of CTs also indicates the potential for development of urban services and opportunities in small towns, as against the current concentration of such opportunities in big cities, paving the way for equitable economic growth in the long run. CTs, however, are governed by panchayats on account of being “rural” as per state government norms.

This ambiguous mechanism of defining CTs elaborates the conundrum of their existence, posing challenges to effective governance as well as provision of social amenities.

Illustrating a systemised process of dispersed urbanisation, CTs in India have not only emerged along the periphery of metropolises and big cities, but more often along national and state highways, which may not always share proximity with metropolitan cities. This augments the confusion that surrounds the classification of CTs as urban or rural. Administrative restrictions imposed through the state authority, which consider neither the size of the population residing nor the settlement agglomeration beyond revenue area, problematises the urban character of these areas.

With respect to metropolises, a clear lack of provision of urban civic amenities and taxation opportunities can be observed in CTs. Even with little to no funding and support to manage the social infrastructure in these areas, CTs utilise the capital generated in the farm sectors of neighbouring rural areas. In the absence of municipal bodies, these areas are heavily dependent on the state government for finances, from where only a fraction of funds may be supplied to them, opening them up to newer dimensions of obtaining funding, such as from the domestic capital market. In cases where smaller municipal corporations are tending to such CTs, accessing funds from the domestic market might be difficult due to administrative restrictions, thus creating a culture of urban poverty (Samanta 2014: 283-299).

For CTs, the provision of urban governance mechanisms can have significant economic outcomes. As mentioned briefly in section 1, trajectories of urban growth demonstrate a positive relationship between levels of industrial development and growth of urban areas, thus conclusively highlighting an intricate link between heightened economic activity and urbanisation (Suri 1968: 1247-1251). With urbanisation, there is a transition

from fragmented and dispersed economic participation, to one that binds economic actors together in a comprehensive structure. Scarce financing from banks as well as lack of labour and security is replaced by availability of formal banking and newer forms of maintaining work security. The connection of urban status with its social and economic outcomes impacts the local power structures present in these areas. Further, globalisation-led development causes a remarkable realignment of the traditional patterns of urbanisation in these towns, which grow at a faster rate than already urbanised areas (Mukhopadhyay et al. 2016: 4).

| CONCLUSION

With a projected urban population of over 800 million by 2050, for the first time in its history, urban India will be equally or more populated than rural India. This will engender immense opportunities, as well as significant challenges, for sustaining economic growth and a decent standard of living for the majority of India's population. In this context, there is a need for reappraisal of the existing classification mechanism for urban areas, at the state and central levels. Census towns, which are semi-urban spaces with growing populations and economic potential, lack the availability of urban services in part because of these ambiguous classification mechanisms.

At present, as urban development is a state subject within the ambit of the Constitution, standardisation of the classification mechanism at the state level is a fundamental necessity to address systemic issues in urban governance. Such a standardisation, in the long run, might lead to improved economic outcomes for small towns and urbanising villages that are steadily becoming drivers of India's urban transition.

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