

405

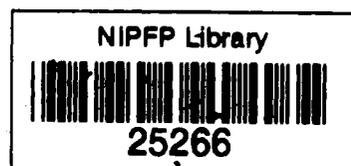


**RESPONDING TO INDIA'S  
URBAN CHALLENGE  
A RESEARCH AGENDA FOR THE 1990s**

**OM PRAKASH MATHUR**

**NO.8**

**OCTOBER, 1993**



## CONTENTS

	<b>Page</b>
Acknowledgements	(i)
Introduction: General Context and Scope	1
India's Urban Context	3
Urban Research in India, 1960-90: A Survey	10
Urban Transition in Nepal: Issues and Perspectives	27
India's Urban Challenge: A Research Agenda for the 1990s	31
Notes	38
References	40

## ACKNOWLEDGEMENTS

I would like to place on record my gratitude to the University of Toronto, Canada and the Ford Foundation for entrusting this study to me. In particular, I am indebted to Dr. Richard Strent and Dr. Patricia McCarney for their guidance. I am equally indebted to Dr. Yue-man Yeung, Director, Hongkong Institute of Asia Pacific Studies; Dr. Lisa Peattie, Professor Emeritus, Massachusetts Institute of Technology, and Dr. Rakesh Mohan, Economic Adviser, Government of India for their perceptive comments on an earlier draft of this study.

I would like to thank Dr. Ashish Bose, Nehru Fellow at the Jawaharlal Nehru University, Dr. D.D. Malhotra, Professor, Indian Institute of Public Administration, Dr. H. Ramachandran, Associate Professor, Department of Geography, University of Delhi, Professor Upendra M. Malla, Department of Geography, Tribhuvan University, and Dr. Jibgar Joshi, General Manager, National Housing Development Company Ltd., Kathmandu, for preparing draft papers on the demographic, social and economic aspects of urban research in India and Nepal.

Finally, I would like to thank Dr. Robert Buckley, Senior Economist at the World Bank, Washington, D.C. and Dr. Nasser Munjee, Chief Economist, Housing Development Finance Corporation, Bombay for their valuable inputs provided during the Manali Workshop, organised to discuss a preliminary draft of this study. Thanks are equally due to Ms. Shalini Gupta and others who helped in the review of urban research literature. I would also like to thank Ms. Rita Wadhwa for editorial assistance. Excellent secretarial assistance was provided by Shri Praveen Kumar.

No one excepting myself is responsible for this draft of the study.

**Om Prakash Mathur**

**September 1993  
New Delhi, India.**

## Chapter One

### INTRODUCTION : GENERAL CONTEXT AND SCOPE

On most counts, India is in the midst of a decisive transition from a predominantly rural to a quasi-urban society. During the past three decades, the country's urban population, currently placed at approximately 225 million, has risen steadily at annual average rates varying between 3.09 and 3.83 per cent. The level of urbanization as indicated by the proportion of total population living in the urban areas has risen from 17.97 per cent in 1961 to 25.72 per cent in 1991. As a result of the various forms of scale and agglomeration economies and high levels of productivity, the share of urban areas in the Gross Domestic Product has also registered a dramatic increase during these decades.

Significantly, the same decades, 1961-91, also witnessed an explosion of research studies and literature on urbanization and urban issues. Although it is virtually impossible to arrive at the right number, an indication is available from the National Institute of Urban Affairs (NIUA) which, in a major effort at documentation, estimated the number of urban studies, completed during the period 1962-82, to be a little over 25,500.<sup>1</sup> Since then, there has been a significant addition to the volume of urban literature, thanks to the work of the Task Forces on Housing and Urban Development and the National Commission on Urbanisation.<sup>2</sup> Numbers apart, the span of urban research in terms of the subject-areas has also grown enormously, and is continuing to grow and branch out to newer areas.

It must be asked why, in a country where the level of urbanization is low and which in no way can claim either high rates of urban population growth or a high index of primacy, so much attention has come to be placed on urban research. Where has the push come from? Has it come from scholars who have found the size of India's urban population daunting, and consequently hard to exclude from their research curricula? Has it been prompted by the challenges and problems that willy-nilly have accompanied the process of urbanization in India? Or, has the push come from that group of researchers who have found the field of urban studies more prestigious and esoteric *vis-a-vis* other social science fields? Has urban research been the prerogative of the centres and schools of urban and regional studies or has it stepped out to probe, investigate and deal with urban issues as these have arisen, and contribute to the policy needs in this area?

It must be simultaneously asked as to what changes will take place in the urban research agenda of the country when the rate of its urban population growth begins to accelerate, as indeed is most likely in the coming decade, and when it catches up with other middle-urbanized countries of the world. What new urban challenges will arise as a result of the acceleration in the growth rate, and what kinds of research responses will be needed to deal with those challenges? Can the research community face up the challenge of future urbanization?

It may also be asked by scholars who have interest in studies of comparative urbanization if India's problems and perspectives of urbanization are unique to itself or are representative of a wider group of developing countries, especially of South Asia with whom India happens to have strong historical and cultural linkages. Do the countries of South Asia, for instance, face similar urban challenges, and consequently similar responses? Is it of any advantage for these countries to pursue a common research agenda and benefit from each other's failures and successes?

As India moves forward to open up, liberalize, and structurally adjust and reform its economy, these questions - important as they are in themselves - assume added significance. There exists today widespread speculation in the country on the likely effects of new economic policies on the pace and pattern of urbanization. Will these policies lead to greater concentration of population in the metropolitan and other large cities, or result in greater dispersal? What will be the effect of these policies on the urban poor? Will they be negatively or positively affected? What changes will need to be effected in the working of the existing network of urban institutions and financial systems so that these are in tandem with the macroeconomic reforms? In this paper, we shall be concerned with these issues and concerns.

The paper is divided into five chapters (including the Introduction), beginning with a brief account of the existing urban situation in India. Apart from an analysis of the demographic shifts and changes, this chapter provides an overview of the nature of urban problems and sets the context for an agenda for urban research in the country.

In chapter three, we have reviewed the urban research literature of the past three decades, distilling from it - to the extent permitted by space - the main streams of thoughts and ideas. In addition, this chapter reflects on the perceptual changes that the research work of this period brought about in many of the deep-rooted but clearly misplaced notions about several urban issues. This chapter also discusses the institutional and support structures for urban research, with special reference to their strengths and weaknesses.

A comparison of India's urban problems and perspectives with those of Nepal - one of the countries in South Asia, is made in chapter four of the paper. Although essentially illustrative, it demonstrates that there are both similarities and dissimilarities in the way urban problems and perspectives are perceived in these countries.

The final chapter sets out an agenda for urban research for India. It speculates on the research implications of recent changes in the macroeconomic policies. Arguing for a break from many of the past research obsessions, this chapter emphasizes the need to adjust the research network and environment to the newly developing macroeconomic situation in the country. A few comments on the relevance of India's research agenda to Nepal are also added in this chapter.

## Chapter Two

### INDIA'S URBAN CONTEXT

It is customary in literature to portray India as among the low, if not among the least, urbanized countries of the world.<sup>3</sup> Such a portrayal is based on the fact that only about 26 per cent of the country's total population live in the urban areas, and that during the past three decades, the level of urbanization has registered an increase of only 7.7 per cent points. Combined with this is the fact that the urban population in India has been increasing at rates which are noticeably lower than the rates registered by most other Asian countries, and which can at best be described as "moderate".

There are, however, several features of India's state of urbanization that are exceptional and, therefore, worth noting, of which the first is the massive size of the urban population. *With a population of 217 million projected to rise to anywhere between 290-350 million, India has the second largest urban population in the world.*<sup>4</sup> Many scholars prefer to measure the urban significance of India not in terms of the level of urbanization or the growth rate but in terms of its absolute size.

**Table 1**  
**Trends of Urbanization, India**

Years	Urban population (million)	Level of urbanization (%)	Variation	
			Decennial (%)	Annual average (exponential)%
1961	78.94	17.97	-	-
1971	109.11	19.91	38.23	3.21
1981	159.47	23.34	46.14	3.83
1991	217.18	25.72	36.19	3.09

Source: Paper 2 of 1991 Provisional Population Totals, Census of India 1991, Series-1, Statement 5, p. 13.

*A second important feature of India's urbanization is the increasing concentration of urban population in the comparatively larger cities.* In 1991, 65.2 per cent of the total urban population was reported to be living in cities with over 100,000 population; the shares of medium-sized and small towns were 24.14 and 10.66 per cent respectively.<sup>5</sup> At the beginning of the century, the relative shares of large cities, medium-sized and small towns were 26.0, 26.93, and 47.07 per cent respectively. This shift in the population shares of the different sizes of cities and towns is one of the most visible changes that has taken place in the pattern of urban settlements in India.

**Table 2**  
**Distribution of Urban Population by size-class, India**

Years	Percent of Urban Population living in cities with a population of		
	100,000 & over	20,000 to 100,000	Less than 20,000
1901	26.00	26.93	47.07
1961	51.42	28.17	20.41
1971	57.24	26.93	15.83
1981	60.42	25.96	13.62
1991	65.20	24.14	10.66

**Source:** Paper 2 of 1991, Provisional Population Totals Census of India 1991, India, Statement 17, p.32.

Significantly, a bulk of the increase in the population share of large cities has come about as a result of what is known as the "size-class jumping" phenomenon, and not, as many allege, due to the high population growth of large cities.<sup>6</sup> The size class differences in the growth rates are nominal as shown in Table 3. At the same time, the refrain that large cities have grown faster persists, and lies at the root of many of the misconceptions that have become associated with the urbanization process in the country.<sup>7</sup>

**Table 3**  
**Growth Rate of Urban Population by size-classes, India**

Size-Classes	Decennial Growth Rates(%)	
	1971-81 (common town methodology)	1981-91
100,000 & over	41.41	34.49
50,000-100,000	36.15	31.60
20,000-50,000	39.53	29.57
10,000-20,000	35.00	28.41
5,000-10,000	36.99	30.02
Under 5,000	47.74	43.88
Total	39.68	32.81

**Source:** Paper 2 of 1991 Provisional Population Totals, Census of India 1991, India, Table 8, p.397, Table 10, p. 419.

Third, *the number and proportion of cities with over one-million population has grown dramatically in recent decades*, and given the existing distribution of cities in the different size categories the number of such cities is poised to rise further. In 1981, the number of cities in this category was twelve and their share in urban population was 26.8 per cent. By 1991, the

number had increased to twentythree and the population share to a little over 35 per cent.<sup>8</sup> However, *there are no trends towards demographic primacy and unlike several other countries, no single city in India enjoys a hegemonic position.*

Fourth, over a period of time, *natural increase has replaced rural-to-urban migration as the principal determinant of urbanization and urban population growth.* Although the census data on the components of urban population growth for the most recent census decade 1981-91 are not yet available, the Sample Registration System (SRS) data indicate the combined share of natural increase and population of new urban settlements to have risen to nearly 60 per cent, and that of migration declined to about 32-33 per cent. During the previous decade of 1971-81, the share of migration was estimated at about 40 per cent. Such trends in the role of migration in the urbanization process have been termed as inevitable, and in line with the trends in other countries; what is important here is to recognize that the persistence of such trends would make the process of urbanization less dependent on migration, and more on "natural increase" which in the case of India has always been very high.

**Table 4**  
**Rate of Natural Increase per 1,000 Population, India**

Period	Natural Increase (Urban)		
	Birth rate	Death rate	Rate of natural increase
1971-80	28.5	9.2	19.3
1981-89	27.3	7.7	19.6

**Source:** Paper 2 of 1991, Provision Population Totals, Census of India 1991, India, Statement 29, p. 52.

Finally, *the pattern of urbanization and urban growth in India continues to be highly diverse and uneven.* According to the 1991 census, nearly 6.5 per cent of the total of 442 districts have attained high levels of urbanization (over 50 per cent), and another 22 per cent had reached moderate levels (25.7 to 50 per cent). The other extreme is represented by nearly 50 per cent of the districts that have not been able to achieve even the 1951 level of urbanization. Although there are trends towards secularization, these have not been able to diminish the wide differences in the urbanization levels that exist in the different parts of the country.

*The process of urbanization has been accompanied by major economic and structural changes.* Census data suggest that although the proportion of urban work force in relation to rural work force is small, over 65 per cent of the total manufacturing employment, 64.7 per cent of employment in trade, commerce and financial services, and 68 per cent of transport sector

employment are concentrated in the urban areas.<sup>9</sup> In 1950-51, the contribution of urban India to net domestic product was 29 per cent. It grew to 41 per cent by 1980-81. Given the present economic trends, it is likely to increase to over 60 per cent by 2001 AD.<sup>10</sup> Similarly, on account of the different forms of scale, agglomeration and specialization economies, the levels of labour productivity are uniformly high in the urban areas. Thus, in the aggregate, a worker in the urban areas produces over three times the net domestic product as a rural worker. The process of change is not an economic one alone; there are strong fallouts in terms of the development of skills and diffusion of innovations.

**Table 5**  
**Percent Share of Urban Areas in the Net Domestic Product,  
and Levels of Rural-Urban Productivity, India**

Sectors	Percent Share of Urban Areas in the Net Domestic Product		Net Domestic Product Per Worker 1980-81 (Rs.)	
	1970-71	1980-81	Rural	Urban
Agriculture, forestry and logging and mining and quarrying	4.24	6.41	2,234	3,867
Manufacturing, construction, electricity, gas and water supply	69.06	64.74	5,211	9,907
Transport, storage and communications	77.70	77.01	4,022	6,770
Trade, hotels & restaurants, banking and real estate	76.05	66.84	13,444	17,259
Public administration and defence	57.79	65.72	7,974	9,675
Other services	62.12	57.14	4,281	5,630
Total	37.21	41.14	2,890	9,454

**Source:** Monthly Abstract of Statistics, Central Statistical Organisation, p. S-1 to S-10, July 1989.

This positive portrayal of the urban sector, however, stands overshadowed by widespread poverty and deprivation and, as the National Commission on Urbanization has called, "by the most brutal and inhuman living conditions, with large sections of the citizens (almost half in Bombay and Delhi) living in squatter settlements" (National Commission on Urbanisation 1988,

1 of Vol. 1). The negative aspects of urbanization are so visible and overwhelming that they are frequently used as an argument for slowing down of urbanization, and acceleration of rural development.

The severity of problems associated with poverty, deprivation and slums and squatter settlements is indeed real. *A little over 41 million persons, or 20.1 per cent of the total urban population live under conditions of absolute poverty*, in that they do not have the necessary incomes to secure 2100 calories per day, this being the official statistical cut-off point between the poor and the non-poor. Although the incidence of poverty has, in recent years, registered a decline, the differences in the average per capita consumption levels of the poor and non-poor households are wide, and constitute a major source of rising urban tensions in the urban areas.

**Table 6**  
**Incidence of Poverty, India**

Year	Number (million) and proportion of people below the poverty line	
	Urban	
	Number	%
1977-83	53.7	38.2
1983	39.4	22.4
1987-88	41.7	20.1

- Source:**
- (i) Planning Commission, Unpublished and provisional.
  - (ii) S.R. Hashim, "Monitoring Poverty - The India Experience", 1989, Unpublished.

**Table 7**  
**Gap between the Per Capita Consumption Expenditures of the Urban Poor Versus the Urban Non-poor Households**

Years	Per Capita consumption expenditure (Rs.) of		Ratio of Expenditure of poor to non-poor household
	Urban Poor Households	Urban Non-Poor Households	
1977-78	63.71	172.83	1:2.712
1983	67.85	175.51	1:2.586
1987-88	69.87	199.84	1:2.860

- Source:** S.R. Hashim, "Monitoring Poverty - The India Experience", 1989, Unpublished.

*The gap between the availability and demand for shelter, infrastructure and services has widened over the years.* In 1985, nearly 47 million people in the urban areas (27.1 per cent) had no access to safe water supplies, 124 million (71.6 per cent) were reported to be without any form of basic sanitation, and another 49 million (35.2 per cent) (population of over 5 years of age) without schooling. These figures may also be an underestimate, since the existence of a service does not necessarily imply that it is quantitatively and qualitatively adequate.

*Slums are the most visible manifestation of inadequate shelter and poverty in the urban areas.* In 1981, slum dwellers accounted for 17.5 over the total urban population, the absolute number being 27.9 million out of a total urban population of 159.7 million. In several States, slum population constituted a significant proportion of their urban population, Bihar (37.5%), Andhra Pradesh (22.9%), and West Bengal (21%) being among the worst-affected by them. It is important to mention that slums are a typical feature of particularly the large cities. In Calcutta, Bombay, Delhi, Madras, and Kanpur, one-third to one-half of the population live in slums and squatter settlements.

While open unemployment in India's urban areas is low, being 6.1 for males and 8.5 per cent for females (1987-88), *a large proportion of the urban population is affected by the non-availability of regular salaried employment.* Almost 15 per cent of the male and 25.4 of the female work force have no regular employment. The instability and increasing casualization of the labour market are emerging as major treats to the social fabric of the urban areas in the country.

*The net effects of widespread poverty and deprivations are evident in high infant and child mortality rates.* Although there have lately been significant reduction in these rates, these are still very high. According to recent estimates, the infant mortality rate in the urban areas is 61 per 1000 live births, and child mortality rate is estimated at 23 per 1000 child population. In the slum and low-income settlements, the infant and child mortality rates are reported to be often as high as in the rural areas.

*The pressures of urbanization have been particularly severe on the wide network of urban institutions and financial systems.* Created over 100 years ago, the municipal governments are today in no position to meet the service needs of the fast increasing urban population; the coterie of new institutions set up to supplement the municipal capacities too have been unable to fill in the void. The base of the financial resources of municipal bodies is narrow, and even that remains underutilized and underexploited. Most municipal bodies suffer from a wide gap between their resources and financial obligations, and increasing dependence for its sustenance on the higher levels of governments. The overall situation is typical of inadequacies in the availability of basic urban services, their unequal distribution, and major institutional constraints in the access of particularly the low income households to important services, shelter and land.

The urban situation in India is thus confusing and equivocal. On the one hand, urban areas are the engines of growth, creating skills, wealth and employment for the nation. On the other hand, these urban centres have generated the most brutal and inhuman living conditions, with large sections of the citizens living in squatter and high health risk settlements.

## Chapter Three

### URBAN RESEARCH IN INDIA, 1960-90: A SURVEY

#### 1. Introduction

Research on urbanization and urban issues in India occupies an important place in the social science literature of the country. Although its origins are not exactly known, there is sufficient evidence to suggest that many Indian cities were planned with mathematical precision which is said to have been possible only with extensive back-up research and investigation. The population census began in India in 1881, propelling a number of studies, relating especially to the morphology and growth of cities.

Organized urban research in the sense it is presently understood, is essentially a product of the 1950s, having received a boost from firstly, the 1951 census which showed that the urban population in the country had registered an increase of a little over 40 per cent during 1941-51 and, secondly, the serious problems of housing and employment that arose in several cities in the aftermath of partition of the Indian subcontinent. The Planning Commission sponsored socioeconomic surveys in twenty-one cities in order to come to grips with the nature and dimension of the problems. The Government of India set up a town planning organization to prepare the Master Plan for Delhi and to offer guidelines to other cities for similar exercises. It also established a school of Planning and Architecture for organizing post-graduate courses in town planning. These were modest but significant beginnings. Since then, there has been an explosion of literature on urbanization and urban issues in India. Many new institutions have been set up and are today the focal points for urban studies. Clearly, several questions arise: What issues or aspects of urbanization have most occupied the scholars in their research pursuits? What positions have emerged from their research work? What impact has it made? Where is urban research located? To what extent is it demand-led? To what extent is it supply-push? In this chapter we shall address these questions.<sup>11</sup>

#### 2. Issues in Urban Research: An Analysis

##### A. *Urbanization Trends and Processes*

Studies relating to urbanization trends and processes occupy a pivotal position in urban literature. There are four major issues within this group of studies which have occupied the researchers' attention --

- i. Nature of urbanization involving questions such as: is India overurbanized or underurbanized?

- ii. City-size distribution of population referring to questions such as: is the city size distribution of population skewed or balanced?; do the costs of maintaining services vary by city-size?; is city-size an important variable in urban policies?
- iii. The role of small cities in regional and national development, including rural-urban and small-large city dichotomy.
- iv. The contribution of migration to urban population growth.

*The nature of urbanization:* This has been an important theme of urban research in India. A review of studies on this theme shows at least three strands of thoughts having been advanced by foreign and Indian scholars. First: *India is grossly underurbanized* which as Kingsley Davis has shown and argued, owes itself to the "relative slowness of economic development". Second: *The nature of urbanization in India differs from that in the USA, England and Wales and various countries of Europe* (Hoselitz 1962). Comparing the urbanization trends in India with those in these countries, Hoselitz showed that at the same level of urbanization, the share of the labour force in manufacturing was substantially larger in Europe than in India in 1951, and the share of the labour force in agriculture was substantially smaller.

A third idea which finds a place in the research work of a number of scholars is that *India, at the present stage of development, is overurbanized* (Sachin Chaudhuri 1962). Using the data on urbanization and the share of the labour force in non-agricultural sectors, Chaudhuri showed that India was overurbanized as its "urbanization had gone ahead of economic development", leaving what he then called, "a wide development gap". According to him, the development gap appeared in two different forms: in the form of "overurbanization", i.e., urbanization exceeding the range of economic development, and secondly, in marked deficiency of urban facilities and services, akin to the scarcity of consumption goods in an economy in the initial stages of planned development.<sup>12</sup>

In his widely-quoted paper entitled, *The Analysis of Over-urbanization*, N.V. Sovani continued the discussion on the concept of over-urbanization questioning the relevance of using the historical experiences of USA, France, Germany and Canada as the norm for determining whether other countries were over or under-urbanized (Sovani 1964, 1966). Research interests in this theme are manifest in the work of other scholars who have referred to this phenomenon as "subsistence urbanization", "pseudo urbanization", "dysfunctional urbanization", or "urban atrophy".

*The city-size debate:* Considerable amount of research work has been done on issues of population growth rates in different size-classes of cities and towns where at least four sets of questions have been examined and tested:

- i. Do the growth rates vary by city-size? Which sizes of cities have grown at a faster rate?
- ii. Is the city-size distribution of population distorted?
- iii. Is there an optimum size of cities beyond which cities should not grow? What should determine the optimum size of cities?
- iv. Is "city-size" at all an important variable in urban policy?

The growth of the urban population in different size-classes is an extremely important aspect of urbanization which is closely related to the size-space pattern of settlements. In the case of India, the share of cities in the total urban population has continuously risen, which has led many scholars to argue that the size of a settlement itself is a factor in its further growth. Analysing the growth rates for the period 1901-61, Ashish Bose showed that *much of the growth of urban population in India had taken place in the big cities (100,000 +), and that small towns were growing very slowly (1973, 1978)*. Bose's analysis and conclusions have been disputed in literature by M.K. Jain (1977) who has shown that there is no appreciable difference in the population growth rates of different sizes of cities.

Rakesh Mohan has carried forward Jain's analysis of the rates of growth in different city-size classes with force and clarity. According to him, discussion on urbanization in India has been preoccupied with what many scholars have termed as "lopsided or dysfunctional growth of large cities", with the belief that large cities have grown faster than, and at the expense of, the small and medium-sized towns (1983, 47). He shows that such a belief has sprung from the fact that "growth rates of urban population are usually computed between two quantities that have different bases", and suggests that if the growth rates of urban population were computed by holding the city size constant in the base year, then towns and cities of all sizes would seem to be growing at roughly comparable rates for at least the last four decades. *"It is simply not true that large cities have grown faster than small cities" (1991, 252)*. Kundu and Thorat have put forward a similar view, although they criticize Mohan's calculations.

Notwithstanding the methodological clarification in respect of the growth rates and city size issue, there exists today a sharp schism between those who have taken an alarmist view of the city size distribution of urban population (Tangri 1962, Raza and Habeeb 1982) and those who do not see in it any kind of a distortion (Mills and Becker 1986). Raza and Habeeb, for instance, have argued that *the city-size distribution of urban population in India is unbalanced, distorted and top-heavy*. Mills and Becker, on the other hand, argue that *"India has among the most dispersed distributions of city sizes of any country in the world"* (1986, 49). None of the data, according to these scholars, indicates that India has an unusually large share of its urban

population in the large metropolitan areas. Using the Pareto frequency distribution, they have concluded that the trend during this century "has been towards a more nearly even city size distribution in India" (1986, 53).<sup>13</sup>

Is there an optimum size of a city beyond which city management becomes difficult and costly? Central to this debate has for many scholars been the question of the "cost" - which size of cities offers the least cost option. Is the U-shaped cost curve relevant in the context of city-sizes?

That unit costs are an important factor in weighing the comparative advantages and disadvantages of alternative patterns of urbanization has long been recognized (Harris 1962). However, the first field-based attempt to actually measure the costs was made in a pioneering study on the Costs of Urban Infrastructure for Industry by City Size in Developing Countries : India Case Study (Mathur *et. al.* 1968). It measured the direct costs of equipping cities of different sizes with infrastructure for industrial development, and focused on the "effect of city size on costs" and on the "combined effect on costs by changing the composition of industry by city size". This study showed that the unit costs of providing infrastructure decline with increase in city size from 48,000 to 132,000 population, decline slightly to the next city size, and then stabilize instead of showing a rise in large cities.

Issues relating to costs have continued to occupy the attention of institutions and scholars (Acharya and Mohan 1990). Acharya and Mohan have shown that infrastructure costs are not systematically different for large and small cities. Differences in costs are more related to differences in physical factors, such as geography, terrain, and climate, and to the different levels of service standards.

Results of a somewhat different nature have emanated from the studies of M.S. Gore and J.C. Sharma (1975). Their studies which focus on the cost of production rather than the cost of infrastructure show that the cost of production, in fact, increases with size beyond a certain limit. Gore and Sharma have accordingly suggested limiting the size of towns and cities as a measure of controlling financial costs as well as minimizing the social costs of urbanization. On the other hand, Satyendra Verma's study (1986) on the effects of city size on factor productivity shows that the ranks given by the productivity index have significant correspondence with the ranks by per cent urban. His simple correlation matrix between productivity and alternative measures of urbanization shows that greater the proportion of cities with at least 500,000 population, the more the contribution to productivity through agglomeration economies. "There appears to be a threshold level of city population size which is required to provide agglomeration economies. Cities with less than 500,000 population are just not large enough to exploit agglomeration economies" (1986, 117).

The confusion on the city size effects on costs thus persists. So also persists the belief that the existing city size distribution in the country is "socially inefficient", and that it should be altered by appropriate policy interventions.

*The role of small towns:* Issues relating to the development of small towns have been dealt with at length in urban literature. According to H. Ramachandran (1992), the genesis of research attention to small towns lies in (i) interest in the concept of growth centres, (ii) the large rural-urban gap, and (iii) deteriorating living conditions in large cities. The interest in growth centres which arose in 1960s led to a spate of studies that set about exploring questions such as: what makes a settlement a growth centre? What does a settlement need in order to become a growth centre? (Mishra 1971; Misra et. al. 1974). These research pursuits which had institutional and governmental support and followed certain methodological guidelines were further supported by a number of market towns studies.

In respect of the role of small towns in stemming the growth of large cities, it is relevant to refer to the report of a Task Force on Small and Medium Towns Development which advocated strengthening of the infrastructural base of small cities in order that they could become countermagnets to large cities. The report which forms the basis of an important central government-led programme (Integrated Development of Small and Medium Towns) rests on the premise that small towns have the capacity to productively absorb the rural-urban migrants, and thus avoid "crowding of the large cities" (Ramachandran 1992). A number of survey-based studies have consequently been carried out to ascertain the role of small towns in restricting the growth of large cities, and, in fostering rural-urban interdependence (Bhalla and Kundu 1982; Mathur 1982; Wishwakarma and Jha 1983; Bhooshan 1986). Studies have shown serious limitations of this programme in stemming the growth of large cities. On account of the wide use of dichotomous framework of analysis -- large versus small, rural versus urban -- these studies have done no more than to add bulk to the body of literature.

*Migration and urban growth:* The role of migration in the process of urbanization has been an important theme of urban research in India. Its importance was summed up in a comprehensive study by Donald Bogue and K.C. Zachariah when they observed --

Rural-to-urban migration is by far the major component of urbanization and is the chief mechanism by which all of the world's great urbanization trends have been accomplished. This being the case, there is a great potential profit in focusing on rural-urban migration as a way of deepening one's understanding of the urbanization process (1962, 28).

Others have underlined the importance of migration by saying that "India is a country of tremendous movement" (Cassen 1978, 119) and rural-to-urban is the most important stream of migration which makes significant contribution to the process of urbanization in India (Singh 1992).

While there are no major discordant notes in urban literature to these views, the fact that rural-to-urban migration has consistently declined has led many scholars to ask as to what could have caused it particularly when the country had successfully completed two Five Year Plans and undergone the concomitant social and economic changes and when the inter-State and intra-State inequalities had actually risen in the country (Kundu 1986). Did it mean, as Kundu has asked provocatively in his paper, that the neo-classical models according to which such inequalities should have encouraged migration had lost or were losing their relevance in the context of Indian conditions?

Scholars concerned with migration issues have also dealt with the profile of migrants in terms of their age and sex composition, occupational characteristics, and literacy. Premi (1984) shows that migrants have a higher literacy rate than non-migrants; similarly, the work participation rate among migrants is noticeably higher than that of the non-migrants. Taking these and related data into account, he concludes, that *the functional specialization of many cities has depended largely on the nature of activities pursued by the migrants.*

An important issue of research on migration is concerned with factors underlying migration. Several studies have questioned the conventional and widely-held view that poverty is the primary cause of rural-to-urban migration. A study by Michael Greenwood has brought out the fact that economic factors explain only 54 per cent of the variance in normalized migration from rural to urban areas (1971, 253-262). According to him, the *poor are less likely to migrate from village to town.* Biswajit Banerjee and S.M. Kanbur (1981) also endorse this finding by suggesting that "rural poverty acts as a deterrent to migration". They have cautioned against the uncritical acceptance of the view that a programme of rural development would discourage rural-urban migration. Ursula Sharma (1977) has also reached the same conclusion when she points out that *prosperity is more conducive to migration than poverty.* More realistic statements on migration appear in the report of the National Commission on Urbanization (1988) according to which migration, and consequently *urbanization is as much a function of agricultural prosperity as of rural poverty.*

## **B. Urban Labour Market**

Interest in labour market research is of a comparatively recent origin, and deals with two important sets of issues. One relates to the structure and influence of India's urban work-force - why has it been so slow to change? (Krishnamurthy 1984; Mohan 1989) and how does it affect the city growth (Mitra 1974); and the second relates to the unorganized component of the urban labour market, or the ill-defined but widely-used term, the *informal sector*.<sup>14</sup> The first set of studies have analysed and documented the changes in the pattern of work force. A. Mitra has used the industrial classification of census to show that the growth of cities depends not only on the population size but equally on their functions. Greater insights have, however, emerged from the second set of studies on the informal sector which came into being initially as a part of

the World Employment Programme (WEP) of the International Labour Organization, and later as the result of a growing impression that employment growth in the urban areas was taking place outside of the "formal sector", about which very little was known.

*The informal labour market:* Scholars in this field have focused on trying to understand the characteristics of the informal component of the urban labour market, their curiosity having been aroused by the rapidity with which it has grown without any financial or other form of governmental support. What characteristics does it have? What is the process of the entry of informal enterprises in the market? How well does it compete with other enterprises? Some scholars have preferred to even ask basic questions involving the concept and definition of the informal sector: whether it is a part of a continuum or whether it is a discreet component? (Kashyap 1984; Indian Council of Social Welfare 1983; Papola 1981). Papola takes the view that as the informal sector is generally identified in terms of criteria which are continuous in nature and are not discreet - criteria being the size of units, technology, and degree of organisation, any cut-off of the continuum is inevitably arbitrary. He points out that the concept does not seem to have an "independent meaning"; it derives a meaning only when it is contrasted with the formal sector - "What is not one is another".

Studies of informal sector enterprises have focused on the types of activities, the scale of operations, their technological component, capital base, value added, and linkages with the formal sector (Kundu 1984; NIUA 1987; Mathur and Moser 1984; NIUA 1987; Mathur 1989). Most seem to indicate that the *informal sector -- in whatever way it is defined, is highly heterogeneous, irreducible to any subset of specific rules of economic calculation*. Its problems vary with their access or the lack of access to technology, capital and market. It is not a euphemism for poverty, although many of those engaged in the informal sector may be poor.

NIUA's study has underlined the need to support the informal sector. Mathur (1989) has also argued that having come to terms with its existence, and having recognised that it in itself is not a problem, there was no reason to shy away from supporting it. The argument that "interventions through formal institutions which are external to the informal sector may be contrary to the spirit of the sector itself and could be detrimental to its interests" no longer holds (Mathur 1989, 18). Research on the informal sector has also brought to surface several new questions such as its role in cities of different sizes and functions. Does the informal sector increase or decrease with city size? Or, is it neutral to city size? (Mathur and Moser, 1984). However, such questions have not been seriously pursued by scholars in India.

*Women and the informal labor market:* A number of studies have appeared in recent years on the role of women in the urban informal sector (NIUA 1990, 1992; National Commission for Self Employed Women 1988; World Bank 1989, 1991; Mathur 1990). These are contemporary and represent, in many ways, the current policy initiatives to bring women into the mainstream of economic development. Owing themselves to the global concern for the neglect of gender issues, these studies have taken pains to point out that the *general notion that*

*women do not work or do not contribute is just not valid; they in fact carry the dual burden of work and households.* A wide variety of field level data on participation rates, hours of work, and earnings have been put out to reinforce the important role of women in the urban informal sector or, more appropriately, in the relatively poor households. Studies have cast blame on the existing social accounting and other classification systems and the manner in which terms like "work" is defined for the apparent confusion about their role in poor households.

The 1992 study of NIUA on the role of women in the urban informal sector is an important contribution to the literature on the subject. The distinctiveness of the study lies not only in terms of the variety of ways in which the contribution of women has been measured (inside/outside, and wage/non-wage/piece-rate) but in suggesting that constraints vary by categories of working women, and between different activities and sectors. It has drawn attention to the complex nature of the problem as many of the problems of working women are the problems of the "labour market", many of "poverty", and many are, of course, "gender-specific".

*Employment issues and urban policy:* Should issues relating to urban employment be the concern of "urban policies" or "macroeconomic policies" has lately begun to attract the attention of scholars (NIUA 1990; Mohan 1990). NIUA study points out that urban policies in the country have rarely looked at employment as an issue; the fact that the urban labour pool representing the population in the age group of 15-55 years is growing faster than the rate of urban population has brought this issue in the forefront. Mohan's study (1990) deals with macroeconomic constraints to employment generation, where he has tried to show that the policies involving cheap credit, labour legislation, overvalued exchange rates, and high excise rates have all had adverse effects on the creation of employment opportunities. His contribution assumes particular relevance in the present context of reforms in macroeconomic policies.

### C. *Slums and Urban Poverty*

*The profile of slums:* The 1970s witnessed in India a large number of researchers from the schools of planning and institutes of urban research increasingly drawn into studies of slum settlements. Their interest in slum and squatter settlements arose largely as a "reaction" to the government policies of removal and clearance of slums. Slums and squatter settlements had mushroomed in most large cities during a relatively short period and were housing anywhere between 15-25 per cent of the total urban population.

It is important that *no distinction existed between slums and poverty in the 1970s; it was assumed that poverty and slums were synonymous.* Only the poor lived in slums. Most studies were designed to find out the demographic, economic and social conditions of the slum dwellers; being carried out by sociologists and social planners, these studies looked at the

"caste" composition of the slum dwellers; studies were undertaken to ascertain whether "caste" and similarly, other factors like religion, language, sect, creed, and rural roots played any role in the establishment, organization and growth of slum settlements.

One of the outstanding studies of slums was made by Andrea M. Singh (1978) who rejected the notion then prevalent that slums were a haphazard conglomeration of a few huts. Based on her work in the slum settlements of Delhi, she came to the conclusion that:

The settlement of bastis is not a haphazard process but involves a good deal of social manipulation of physical space. This manipulation may strengthen or limit social interaction in many important ways. Families of dominant castes cluster together in such a way that exclude interaction with minority castes except for the minimal interaction brought about by the necessity of sharing public facilities. (p. 66)

Other researchers (Gore 1968; Desai and Pillai 1970; and Prakasa Rao and Tewari 1979) also drew attention to the distance and polarization between slum dwellers and others and among the slum dwellers. Tapan K. Majumdar (1978) undertook a massive survey of slum dwellers in Delhi, studying the process of socioeconomic change, social networks, changing life styles and emerging values. He found that "the democratic pattern of the polity and the corresponding ideal of social equality had percolated to the poor and had become a texture of their social life. The idea of one man one vote had given them a new sense of personal worth and the recognition that even a slum settler was important for the functioning of society" (1978, 59).

Madhu Sarin's work on Chandigarh brought in the planning dimension to the study of slum areas and settlements, showing that the living conditions and standards of infrastructure and construction in city's non-plan areas manifested the very problems that planning was supposed to overcome. The agencies responsible for enforcing the plan were not only unsuccessful in achieving their objectives but had in varying degrees participated in enabling the unplanned areas to continue to exist. In the same vein, many scholars observed that while caste, kinship, lineage, and language were important variables in the planning of slum settlements, how far these features could be incorporated was far from clear.

*The burden of poverty:* In 1971, V.M. Dandekar and Nilakantha Rath published their seminal work on Poverty in India, laying down norms of consumer expenditure for estimating the levels of poverty.<sup>15</sup> The Government of India followed by setting up in 1976 a Task Force on Projections of Minimum Needs and Effective Consumption Demand to give a final shape to such norms. Since then scholars and institutes of research have carried out a number of poverty studies. Besides the issue of measurement, three types of issues have been dealt with in these studies:

- i. Is poverty in the urban areas a manifestation of only nutritional deficiency? Or, does it have other manifestations?

- ii. Is poverty in the urban areas an extension of rural poverty? Or, is it now an autonomous phenomenon?
- iii. Who are the urban poor? What do they do? Where do they live?

NIUA's research programme on urban poverty has attempted to respond to these issues. While working with the official estimates of the number of urban poor, NIUA's studies have found that while the incidence of urban poverty has registered a decline in recent years, deprivation as shown by the proportion of people without productive employment, shelter, and services has increased substantially. According to NIUA, urban poverty in India appeared to be collective and multidimensional, and could not be adequately captured in unidimensional and sectoral terms.

Urban poverty being an outflow of poverty in the rural areas continues to be contentious with researchers. According to Dandekar and Rath, there is not much point in distinguishing the urban poor from the rural poor. They say: "The urban poor are only an outflow of the rural poor into the urban area. Fundamentally, they belong to the same class as the rural poor". (1971,17). Field-level surveys have, however, pointed out, as shown in the earlier section, that rural poor have a low propensity to move into the urban areas. NCU (1988) too has alluded to the autonomous character of urban poverty.

Field level studies have thrown up interesting sets of data on the profile of the urban poor which are, by and large, in line with similar studies in other developing countries. Thus, the studies show that the urban poor do not necessarily live in slums and squatter settlements; they are not all migrants; they are not unemployed; and they do not all work in the informal sector.<sup>16</sup>

The wide recognition that *the burden of poverty is unequally shared among household members* has triggered off a new set of studies on urban poor women and children in especially difficult circumstances. In this context, the work of social activists like Nirmala Banerjee, Meera Bapat, Ila Bhat and Shiela Patel deserve to be especially noted. They have documented the plight of women and children in urban slums and poverty with immense depth and sensitivity, pointing to the intrafamily biases against women. Studies have noted their vulnerability and disadvantaged position in urban poor households. As a World Bank study notes: "For all of them, earnings and job security are low, hours long, lifetime earning profiles flat, and working conditions physically stressful and often unhealthy" (1989, 103).

#### D. *Land and Shelter*

It is widely recognised that the transition of land use from agricultural to non-agricultural activities is central to the process of urbanization. When the process of urbanization is slow, the transition of land use is also slow, and interventions in the land market are neither necessary nor desirable. However, as the process accelerates, interventions to keep up with the demand for developed land become necessary.

In India, the need to intervene in the land and housing market began in early sixties when the pressures of urban growth simply overwhelmed the open market capacities to produce adequate developed land commensurate with the demand. Public interventions thus came into being, *albeit* in various forms which included the direct land acquisition by the public agencies under the Land Acquisition Act, 1894, and other legislative measures like the Urban Land (Ceiling and Regulation) Act, 1976, and establishment of parastatal agencies for developing the land. These measures were guided by two principal objectives, namely: (i) to make developed land available at affordable prices, and (ii) to prevent concentration of land in the hands of a few. Prevention of speculation was also one of the underlying objectives of these measures.

A number of studies of land and housing markets have been carried out by researchers, urban planners and administrators (Ribeiro 1981, 1982; Buch 1984; Wadhwa 1983a, 1983b, 1988; Mohan 1982; Mehta and Mehta 1989; and Mulkh Raj 1992). They have attempted to study the nature of constraints affecting the land and housing market, the process by which land enters into the market and by which land transactions take place, and the responsiveness of the low-income and poor households to the land and housing market conditions. As a result of the existing regulations and other related factors, these studies show that (i) *the volume of transactions in land has declined and the market activity has plummeted to a low ebb;* (ii) *speculative tendencies and activities have increased;* (iii) *monopolistic forces in the real estate market have become stronger;* (iv) *Urban Land (Ceiling and Regulation) Act has made no structural change in the land and housing market;* and (v) *on account of the low acquisition price, the allocation of land for various uses has been wasteful and inefficient.*

Dinesh Mehta and Meera Mehta (1989) have drawn attention to the high standards of shelter with the result that even with subsidies, shelter remains outside the reach of the low income households. Their study shows that the pay-off is better if instead of the high quality shelter, low-income households have access to better levels of infrastructure and improved forms of tenure. The key point that they and others (Kiran Wadhwa 1988) have made is that the effective demand for housing in India is very low, and even if housing standards were lowered, these groups can not be brought within the affordability limits. *Thus, a strategy based on lowering of standards to fit the affordability levels will end up in providing them with exactly the same housing conditions in which they are living at present - or even worse.*

Issues relating to land prices have also received attention of several researchers, although these studies are hampered by the unreliable and sparse nature of land price information (Wishwakarma 1977; Lakshmi pathy 1983; Misra 1991). B. Misra's study has analysed the characteristics of land markets on city fringes including the behaviour of prices at the fringes, and then discussed the rationale of public interventions in the urban land markets. Arguing in favour of intervention, Misra notes:

...in almost all large metro cities imperfections and, serious failures in the operation of land markets are commonly observed which implore the governments to intervene in such markets. The debate on the efficiency of urban land markets implies that left to itself, without public interference, the land markets would bring about the required equilibrium between the demand and supply conditions in due course and will also create conditions for its healthy sustenance. But, in reality, the urban development process, the socially undesirable ownership pattern of land, and the spiralling land prices prevent the land market to function efficiently. In the metro cities, the conditions are more pressing as the low income and poor income dominate the income profile. (1991, 90).

Those who are opposed to intervention have taken the position that the existing regulations have made it more difficult to acquire and develop parcels of land larger than the ceiling size, and consequently led to leap-frog development beyond the area of regulation and inefficient development patterns (PADCO 1991).

#### **E. *Municipal Finances and Governance***

Issues relating to municipal finance and governance have long been researched on and written about in India. It is important to note that the municipal system - the way it exists today, came to be established in India in 1882. The resolution that instituted the system laid the basis of local and municipal self-governance; it further laid down that local bodies be entrusted with adequate financial resources to enable them to perform basic local functions such as the maintenance of roads, street lighting, public health, and education.

Almost from the time the system was instituted, administrators, scholars and students of public finance have studied the working of the municipal system. One set of studies has focused on the finances of municipal bodies with respect to their growth pattern and behaviour. Almost invariably, these have shown that *the finances of municipal bodies have deteriorated over time and that they have been overtaken by the pressures of urbanization and are unable to meet their statutory responsibilities in respect of the provision of services* (Dutta 1969, 1970, 1990; Jha 1986, NIUA 1987, 1989). Barring the use of more forthright expressions, (e.g., municipal bodies have become sick), these studies are useful only to the extent that they are based on more recent data on the finances of municipal bodies. These studies have drawn attention to inequities in the distribution of revenue raising resources between the State and municipal bodies, to the disadvantage of the latter. The same set of studies has also brought out the administrative inefficiencies and rigidities in the functioning of the municipal system.

Questions relating to the ways in which the financial resources of urban municipal bodies could be enhanced has been the other issue with researchers. Among these, the property tax has been the most written about; many studies have referred to the role of party politics in the revision of property tax rates.

Scholars and research institutes have begun to tread on to more difficult, critical and hitherto unresearched areas of municipal finance and municipal functioning. Among these, the following deserve to be mentioned here -

- i. the issue of leakages and wastages and systemic failures in the delivery of services (K. Sarma 1990; NIUA 1986);
- ii. the issue of appropriate pricing of municipal services (NIUA 1991); and
- iii. the issue of alternative institutional service delivery systems particularly in this context, the role of the private sector, grassroot organisations and the users themselves (Mathur 1990; Mulkh Raj 1992; NIUA 1992).

Few municipal bodies today are able to meet the cost of services by what they collect from the users. A recent study (NIUA 1991) has brought out the fact that there exists virtually no relationship between the cost of providing a service and the price that the municipal bodies charge from the users. The price fixation exercise is largely, if not wholly, independent of what it costs the municipal bodies to provide the service. Studies have lately been conducted on the role of the private sector in the provision of municipal services (Mathur 1990; NIUA 1992), with striking conclusions. First, despite the fact that the provision of basic services falls within the statutory domain of municipal bodies, the private sector's share in service provision is significant, depending on the service. Indeed, the study shows that there is an hierarchy of public and private sector institutions in the urban services market. Secondly, the services market is highly heterogeneous which adjusts itself to meeting the demands of the different income strata of households. It refutes the notion that the services market is homogeneous and ruled by prices that are determined by the public agencies. Finally, it points out that while it is easier to build the case for private sector participation in the provision of urban services on the basis of the inadequacies of the public sector, the strengths of the private sector are far from clear.

The jurisdiction of urban research is not confined to the above-mentioned issues and themes alone; themes such as urban crime, pollution, urban energy systems, health care, architecture, and urban conservation have also been looked at by scholars, testifying to the diversity of their interests.

### 3. *Temporal Shifts in Urban Research*

Note should be taken of the fact that historically, research interests have shifted over the decades. In the 1960s, these were centred on studying the phenomenon of urbanization, its pace, pattern and processes as also the factors underlying urbanization. Scholars used the push-pull

(Kharagpur); the newly emerging interests in urban issues at the Indian Institute of Management, (Ahmedabad); and the Centre for the Study of Regional Development at the Jawaharlal Nehru University, New Delhi. The Centre for the Study of Regional Development is today an important multidisciplinary centre for urban research in the country. Likewise the Demographic Research Centre at the Institute of Economic Growth has a long history of quality research, particularly relating to the demographic aspects of urbanization.

The university-based urban research is characterized by three important features -

- i. the selection of research themes is guided by the preference of the faculty or researcher;
- ii. even though urban research is viewed as a multidisciplinary field, there is an overwhelming influence of the parent discipline of researchers in the selection of research themes. Thus, it is common for researchers in the department of Geography to work on the morphology, functions and delineation of upland and historical growth of cities; in the Department of Economics on issues relating to the economics of urbanization and the functioning of the urban labour markets; and in the Department of Sociology on poverty, slums, and gender issues. This segmentation is, however, showing signs of thinning out in recent years; and
- iii. it is strongly influenced by the rigor of analysis with less emphasis on the use of findings and results.

Research institutes specializing in urban studies constitute an important support structure for research in the country. These institutes came to be established in the country in the 1970s, principally to express disenchantment with both the university-based research which proved to be of little use to policy-making exercises and the in-house government research where it meant no more than collection and presentation of a few facts. These institutes include the National Institute of Urban Affairs (New Delhi), the Regional Centres for Urban and Environmental Studies (Lucknow, Hyderabad and Bombay) and the Centre for Urban Studies at the Indian Institute of Public Administration (New Delhi).

Since its establishment in 1976, the National Institute of Urban Affairs has completed research studies on a variety of subjects which include not only the urbanization trends, but also urban employment, urban finance, urban administration, urban infrastructure and services, urban poverty and urban environment. It has in recent years carried out special studies on women in the urban informal sector and children in especially difficult circumstances. Beside funds from the Ministry of Urban Development, it has been supported for specific studies by the Ford Foundation, the International Development Research Centre of Canada, the International Labour Office, Asian and Pacific Development Centre, and UNICEF.

The Centre for Urban Studies at the Indian Institute of Public Administration has carried out specialized research work on urban administration and municipal finance. In other institutes most of the research work pertain to the evaluation of urban sector programmes.

analysis on a large scale, and focused on examining the desirability of rapid urban growth and the changing pyramid of its distribution. According to Ramachandran (1992), larger questions of urban growth, economic development linkages, city size distribution and migration as research themes attained a peak during the 1960s, but continued to be researched in the 1970s.

The 1970s began to experience the strains of urbanization, leading the scholars into examining the issues of land and labour markets. A number of studies were taken up of slums and the informal sector which subsequently got expanded to studies of labour market segmentation (formal/informal, gender-related). In the 1980s, more specific concerns such as the access of the poor to land, shelter, employment and services, and rigidities of the existing financial and institutional systems were the dominant themes of urban research in the country. Municipal finance studies have been popular in all the three decades, but the focus is now shifting to studies on the alternative delivery systems, pricing, and management.

In many ways, the changes in urban research have followed the national level, if not the global, development trends and fashions. Issues of growth in the 1960s, of distribution and equity in the 1970s, and of management in the 1980s - this appears to be the sequence that urban research has taken in this country.

*Research of the past three decades has contributed significantly to changing many of the widely-held perceptions.* Thus, there is greater acceptance to the phenomenon of urbanization. The open hostility to slums and the informal sector activity has been replaced by more realistic assessments where these and other out-of-the market activities are not viewed as a problem in themselves; rather, they are seen as a part of the solution to the many complex urban problems. The view that public interventions help to correct the distortions is now gradually being jettisoned, by one where it is held that the market has the potential to correct its own distortions.

#### **4. Institutional Support for Urban Research**

Where is urban research in India located? What types of institutions are engaged in urban research? What role is played by the government in creating and promoting proper institutional structures? What contributions are made by the bilateral and international organizations in institution building? Is the existing institutional infrastructure adequate to meet the future research demands in this area?

It is necessary to point out at the outset that during the past three decades, there has been a noticeable expansion in the institutional infrastructure for urban research in the country. Indeed, *there exists today a network of formal and informal institutions*, which falls into several categories. The first category consists of the departments of Geography, Economics, Sociology, and Public Administration in Indian universities, the Demographic Research Centres at several universities and institutes, particularly the Institute of Economic Growth (Delhi); the schools of Planning and Architecture (Delhi, Ahmedabad), the Indian Institute of Technology,

Mention should be made here of the growing interest of the National Institute of Public Finance and Policy (New Delhi) in Housing and Urban Economics studies.<sup>17</sup> Although essentially concerned with research in fiscal and financial issues, this Institute has begun to look at urban issues in the context of macroeconomic reforms and structural adjustments.

There are other national level research institutes where urban research is a branch activity. These include the Gokhale Institute of Politics and Economics (Pune), the Institute of Economic and Social Change (Bangalore), the Sardar Patel Institute of Economic Research (Ahmedabad), the Giri Institute of Development Studies (Lucknow) and the Centre for Development Studies (Pune).

The third category of institutional infrastructure consists of in-house organizations to provide to the parent bodies substantive support in policy making and programme monitoring. It includes the Town and Country Planning Organization (Ministry of Urban Development) and the Human Settlement Management Institute (HSMI) of Housing and Urban Development Corporation at the federal level, and urban development authorities and urban management groups at the level of states. While the Town and Country Planning Organization has conducted research on planning standards, urban information systems and issues relating to land, HSMI has sponsored in recent years a number of small-scale case studies on low cost infrastructure, construction technologies, land development and housing finance.

The nongovernmental groups and the private sector form yet another component of the institutional infrastructure in the country. The emergence of nongovernmental groups (the Centre for Science and Environment, New Delhi; Development Alternatives, New Delhi, the Ahmedabad Study Action Group (Ahmedabad), and the Society for the Promotion of Area Resource Centre (Bombay) is significant in that they have begun to document the processes and the dynamics of urban development, and use them to influence the existing mindsets on several critical issues. The private sector involvement in urban research is a minor activity and currently dominated by the Operation Research Group and the Tata Consultancy Services.

Bilateral and international organizations have played a rather insignificant role in the creation of a proper institutional base for urban research in the country. The Ford Foundation supported in the late 1950s and early 1960s the setting up of the Town and Country Planning Organization (New Delhi), and Calcutta Metropolitan Development Authority (Calcutta) but gradually reduced its participation in these activities. In recent years, the Ford Foundation has provided support for specific studies to the National Institute of Urban Affairs. The International Development Research Centre of Canada has also provided financial support to NIUA and various NGO groups for urban research studies. The United States Agency for International Development (USAID) has shown increasing interest in strengthening the capacity of research institutes such as the NIUA by offering training facilities and support for research.

International organizations like the World Bank and the Asian Development Bank have played almost no role in institution building for urban research in the country. However, the lending programme of the Bank for urban projects (e.g., Bombay, Calcutta, Madras, Kanpur, and in several other states) provide for funds for consultancy assignments. Several organizations in the public and private domain have availed of these assignments and contributed to the body of urban research.

*Despite the expansion of the network, it can not be said to have accumulated during these years the capacity to identify and address critical urban issues.* It is this fact that explains the repetitive and descriptive nature of the urban studies. As Kundu has observed, studies relating especially to urban growth and processes have become "rituals", and the voluminous analysis of statistical data taking states, districts and urban centres as observational units have contributed to a better understanding only in a limited way.

It needs to be emphasized that the push for urban research in India has sprung from the supply side -- the universities, the research organizations, the inhouse institutions, NGOs and, to some extent, the international organizations. *The demand side of research is weak, if not entirely dormant.* Neither is strong research demanded in university teaching, nor is there effective demand from those responsible for policy-making. The result is that the supply is intermittent, ad-hoc and of low-quality. It is also one of the factors that explains the absence of systematic attempts at prescriptive and speculative research or at model-building.

## Chapter Four

### URBAN TRANSITION IN NEPAL : ISSUES AND PERSPECTIVES

An assessment of the state of urbanization and urban problems in Nepal must recognize at the outset, that it is a mountainous country where habitable space is scarce, and where the terrain and topography determine, to a significant extent, the pattern, growth and size of settlements. On this account, the settlements in Nepal are small, dispersed, and weakly linked with each other. This fact alone imparts a dimension to Nepal's urban issues that is noticeably different from its neighbouring country, India.

Urbanization is a comparatively new phenomenon in Nepal. Within a span of three decades, 1961-91, however, the urban population of the country has risen from a meager 339,000 to 1.68 million, yielding a rate which is extraordinarily high in itself as well as in comparison with other countries of South Asia.<sup>18</sup> The important point is that even though the proportion of urban to total population may continue to be low, given the rapidly deteriorating hill economy as reflected in the land:man ratios, urban population will increase substantially in the coming decades. According to Jibgar Joshi and U.M. Malla, "by the turn of the century, the existing 36 municipalities will contain over 15 per cent of the national population; at least 12 towns will exceed 100,000 population, two towns will reach 500,000 population and about six more settlements will be added to the list of municipalities (1992, 2).

**Table**  
**Urbanization Trends in Nepal**

Year	Population(000)		Urban as % of total population	Decennial Growth %
	Total	Urban		
1961	9,413	339	3.6	
1971	11,558	462	4.0	36.28
1981	15,119	954	6.3	106.49
1991	18,600	1680	9.1	76.10

There exists wide regional differences in the level of urbanization. Since the 1960s, for instance, the focus of urban growth has been the Terai, Nepal's food grain surplus region. The main "gateway" cities along the Indian border - Biratnagar, Birgunj, Siddarthnagar, and Nepalganj, have grown at a rapid rate. Other large Terai towns have also grown rapidly as a result of the extension of the main highway system and other public investments. In the upper regions, in contrast, the development of urban centres (outside of the Kathmandu and Pakhara

valleys) has been slow and is constrained by several factors: the subsistence economy, the poor natural base, rugged topography, the high cost of access and the competition between indigenous (cottage) and Indian manufactured goods (PADCO 1990:3).

Like in other developing countries, there is a close interconnection between urbanization and economic development in Nepal, with most urban areas, particularly of the Terai, serving as centres of production. These places are linked through trade with small and large Indian cities. These towns are also faced with serious deficits of urban services. Urban population coverage in 1987-88 was 83 per cent for water supply, 70 per cent for electricity, 47 per cent for adequate sanitation (large septic tanks and pit latrines), 18 per cent for solid waste disposal, and virtually no stormwater drainage (PADCO 1990, 3). Like in the case of India, the deficit figures obscure the frequent low quality of service.

As Joshi (1991) notes, "all urban areas have serious deficiencies in essential urban infrastructure and services. Physical quality of life and standard of living are far from satisfactory. Neglect of the existing built-up areas has threatened the life of the housing stock as well as the health of the population. Income distribution pattern has become more skewed during the past decade. The failure of planning is reflected in poor land management resulting in the wastage of valuable agricultural land, poor development performance, environmental deterioration and the erosion of cultural heritage" (Joshi 1991, 3-4).

## **2. The Status of Urban Research**

A review of urban literature in Nepal reveals that although systematic urban research did not appear until around the 1960s, it has expanded enormously since then. Moreover, it covers a variety of issues, involving not only the growth and distribution of urban population but also issues pertaining to urban land, environment, and institutional arrangements (Joshi and Malla 1992). What is significant is that in Nepal, a substantial part of urban research is overwhelmed by three concerns, namely --

- i. the organization and optimal use of space;
- ii. rural-urban and urban-urban linkages;
- iii. regional disparities in the levels of living.

As pointed out earlier, Nepal's major problems lie in the scarcity of habitable land, extremely weak linkages between different parts of the country, and wide regional differences in the living standard. There are thus a large number of studies on growth axis (Harka Gurung 1969; F.E. Okada 1970), growth poles and growth centres (Zahender Wolfgang 1975; M. Manandhar 1982), market towns (Dennis Roudinelli 1989), small towns (New Era 1986), regional development (P.S.J.B. Rana 1971; P. Pradhan 1973; F.H. Gaigi 1975; P. Blaikie 1980), and rural-urban linkages (CEDA 1973, 1983).

Scholars have also been concerned with infrastructure deficiencies in the urban areas. The Management Support for Urban Development Project (MSUD) undertook the preparation of a detailed inventory of urban infrastructure in the 33 municipalities of Nepal which has been used to develop a model framework for urban infrastructure service delivery in the country. USAID conducted a detailed urban land policy study which provided an inventory of urban land, and details in respect of the nature and development of land market, land valuation, land prices, land use regulations, and taxation as instruments of land administration and policy (USAID 1986).

In recent years, scholars have begun to look at environmental issues and issues relating to urban management and institutional development. The Centre for Economic Development and Administration (CEDA) conducted a study of the environmental problems in three towns, namely, Kathmandu, Biratnagar and Pakhra. It is an exploratory study on the air, water and noise pollution, and water, energy and resource problems concomitant to unplanned urbanization. It has referred to the emerging problem of squatter settlements in these towns (CEDA 1980). CEDA has also studied the impact of town planning in Kathmandu valley and suggested new institutional arrangements for plan implementation. Interest in studies on the institutional and financial aspects of urban development is on the rise as can be seen in the recent work supported by the German Technical Agency (GT2), MSUD and Jibgar Joshi.

The Planning and Development Collaborative International (PADCO) has recently prepared what appears to be a comprehensive document on urban issues and perspectives in Nepal. Titled as Nepal: Urban Development Policy Study, it deals with the demographic and economic context for urban development, current institutions and policies, and urban development issues and problems. The study suggests a framework for national urban policy.

The main themes and subject-matter of urban research in Nepal in the 1960s focused on town planning and engineering designs for the provision of infrastructure and city beautification. There was a concern for regional disparity, and regional planning slowly emerged at a conceptual level. The 1970s stressed on regional studies and central places, and structural and master planning. Geographers conducted field studies to correlate central place theory with the existing urban systems. Regional planners tried to bring in the spatial features into planning. Physical planners made extensive field studies at city levels to prepare Master Plans.

The difficulties in the implementation of plans brought changes in the planning thought from the early 1980s where research activities focused on urban management covering aspects such as institution-building, public participation, urban financing and cost recovery. Urban environment and urban infrastructure, although implicit in the research work of the 1970s, became specific fields of activity, with attention to question such as - who should take the responsibility and how cost should be recovered.

Interestingly, like in the case of India, disciplinary segmentation of urban research has blurred over time, and as Joshi and Malla have stressed, "a holistic approach with multidisciplinary teams has become more and more popular (1992, 26)".

A very large number of studies in Nepal have been funded by donors and executed by international consultants as well as local consulting firms and research institutions. Many academic institutes such as the Asian Institute of Technology, Institute for Housing Studies and Norwegian Institute of Technology have been actively associated with the urban research activities. In-country institutional support exists with CEDA, the Departments of Geography and Economics at the Tribhuvan University, and the newly set up agency, the New Era. The foreign assisted projects such as the MSUD and UDLE have played a significant role in urban development but the findings of the studies conducted by them have not yet been internalized. This is attributed to, as Joshi and Malla have pointed out, the absence of an institution exclusively devoted to urban research.

## Chapter Five

### INDIA'S URBAN CHALLENGE: A RESEARCH AGENDA FOR THE 1990s

#### 1. Introduction

Assessment of the past research and current urban situation bring us in this section to the main theme of this paper -- an agenda for future urban research. What should the agenda consist of? What kinds of issues should it address? What should it aim at? Such questions, it ought to be mentioned, have not been particularly fashionable with scholars, with only a few having attempted to define future priorities for the study of urbanization. Bert Hoselitz for instance, among the first to define an agenda noted in 1962 that India, as a part of its urban research activities, should build inventories of its urban centres and their functions. To quote from his paper:

...it is becoming more generally recognized that inspite of the scarcity of resources, present trends of urban growth in India make town and city planning imperative at this time, if serious future costs are to be minimized. Increased emphasis on the urban centres, not merely in their socioeconomic, but also in their topographical and morphological aspects, is a precondition of adequate town planning. Although this survey of the literature suggests that more is now known than ever before concerning Indian urbanization, India is still far from possessing adequate inventories of its urban centres, their populations, and their problems (1962, 442).

Twentyfive years later, the National Commission on Urbanisation (1988) envisioned the urban challenge and, inferentially the research priorities in altogether different terms. To quote:

In 1981 there were 160 million people living in urban areas; by 2001 these will increase to 350 million. Where will these people go? How will they earn a living? How will they be housed?

Our urban areas, particularly the metropolitan cities, are in severe crisis. Our planning processes have proved to be intrinsically defective, the cities are overcrowded, urban land has become extremely scarce, services are breaking down, city management is often ineffectual and human misery has increased beyond belief. How can we feel that we have progressed as a nation when, in just twenty years, almost every one of our major cities has been reduced to a virtual slum.

The inefficiency of our cities and towns is being perpetuated by obsolete, rigid and irrational laws, regulatory provisions and norms. The urban centres, with their concentration of diverse activities, should be generators of wealth; instead, they have degenerated into parasites looking elsewhere for support. This is a perversion of the economic system, because logically, it is the urban markets which should trigger off prosperity in the rural areas. Instead, the cities claim that they can not even pay for their own upkeep, and constantly hanker for subsidies. (NCU 1988, 1-2 of Vol. 1).

## 2. The Existing Environment for a Fresh Research Agenda

In setting out a research agenda four years after the National Commission on Urbanisation made the above observations, it is necessary to note that the climate for a fresh agenda of urban research in India is more favourable today than at any time in the past. For one thing, the 1990s have begun on a positive note, generally accepting the inevitability and irreversibility of the phenomenon of urbanization. Greater emphasis is thus being placed on how to deal with and manage urbanization rather than on how to reverse or slow it down. Moreover, thanks to the research work of the 1970s and 1980s, there is wider acceptance in the country of the fact that urban development makes important contributions to national economic well-being, and that it has the capacity not only to pay for itself but also generate surpluses. It is no longer treated as a drain or a resource-consuming sector.<sup>19</sup>

The favourable climate apart, the need for a fresh research agenda is also compelling. The past one year has witnessed in India major structural changes and reforms in the economic, industrial and trade policies. These changes have altered, in a sense, the parameters and basis of economic functioning more so in industrial, trade and other related spheres, and are expected to lead to greater reliance on the market. What do these changes mean for urbanization and the urban sector? Will they encourage urbanization, discourage urbanization, or change its pattern and distribution? What corresponding changes will be needed in urban laws, regulations, planning norms and standards in order to maximize the impact of the macro level changes? Such questions - critical as they are, have not yet engaged the attention of scholars in India, but they clearly open up new opportunities for future research and investigation.

The need for a fresh agenda also springs from the fact that a significant part of the past research has remained preoccupied with issues of urban population distribution, city-size, migration, and analysis of the published data on population, employment, and municipal finance. More practical concerns have been of lesser significance in the research agenda of scholars and institutions. As resources for research become scarce in the context of the rising international and domestic debt and pressures to reduce public expenditures, practical concerns will necessarily receive precedence over research issues that occupied much of the space in the earlier decades.

Finally, a fresh agenda is needed to make the country's transition from a predominantly rural society to a quasi-urban society a smooth and cost-effective process. Many of the urban problems that India is today faced with are unprecedented in scale and complexity. The dramatic changes in urban growth and the composition of urban activities over the past few decades have put much of the earlier work out of date.

It is in this broader context that an attempt is made here to set out an agenda for future urban research in the country. The agenda focuses on four issues that seem to be central to urbanization in India.

- *How to increase the supplies of land, shelter, infrastructure and services at costs that are affordable to households in the different income groups?*
- *How to respond to the complex issues of urban poverty and deprivations?*
- *How to respond to the deteriorating urban environment whose dimensions and costs are not yet known and understood?*
- *How to govern cities and urban areas?*

**A. *Strategies to meet the Urban Demands of Land, Shelter and Infrastructure***

The earlier section showed massive shortages of shelter, infrastructure and services in the urban areas, the impact of which is beginning to be felt on the overall urban productivity. The research question is: Why are the supplies lagging behind? What are the constraints in expanding the supplies? What is the nature of the constraints? More directly, the following sets of questions occupy a critical research agenda:

- *To what extent are the supplies constrained by the rigidities of the existing institutions and institutional norms that are concerned with land, shelter, infrastructure and services?*
- *To what extent are the supplies constrained by the existing laws and regulations? What is the effect of these laws on the costs of transactions?*
- *To what extent are the supplies constrained by the existing financial systems?*

The need for institutional, regulatory and financial reforms in India is critical. On the one hand, the existing institutional rigidities, inflexible regulatory framework, and unresponsive financial system act as a deterrent to the successful implementation of macroeconomic reforms; on the other hand, these act as an impediment to improving urban productivity and urban transition. While the need for reforms appears obvious, what is not obvious is the process, the mode, and the sequence of reforms. It offers to scholars and institutions one of the most critical and practical elements of a research agenda in the 1990s.

**B. *Targetting the Poor***

Irrespective of how poverty may be measured, there is no denying the fact that poverty and deprivation are widespread in the urban areas. Although recent years have seen in India an overall decline in the headcount ratio of the poor in the total urban population, it constitutes one of the most formidable urban problems in the country.

Research on urban as distinguished from rural poverty is of a comparatively recent origin. Until the beginning of the 1980s, poverty was viewed as a rural phenomenon. In the urban context, the common perception was that poverty, slums, and the informal sector belonged

to the same genus, and were largely indistinguishable. Urban poverty studies of the 1980s focused on determining the socioeconomic profile of the poor, and confirmed what was believed and known internationally. Thus, these studies showed that the poor do not necessarily live in slums and squatter settlements; they are not all migrants; they are not unemployed; and they do not necessarily work in the informal sector. The research however shed no light on --

- *Where do they live if they do not live in the slums and squatter settlements?*
- *Where do they work if they do not work in the informal sector?*

Studies did not either attempt to address more basic questions such as:

- *Where are the poor in relation to the poverty line?*
- *How variable are the incomes of the poor? What risks do they face?*
- *How is poverty correlated with age, gender and caste characteristics?*
- *What goods and services do the poor sell? Are these tradeable or non-tradeables?*
- *What are the specific instruments of policy for poverty reduction?*
- *Why is direct targeting of the poor so difficult?*
- *Who benefits from the subsidies meant for the poor?*
- *What are the growth and distributional implications of poverty reduction policies?*
- *How extensive are the existing safety net programmes? Are these cost effective and targeted to the most vulnerable?*

Research on such questions will be important in formulating appropriate urban poverty reduction strategies and programmes.

### C. *Stemming Environmental Decay*

Designing strategies to stem environmental decay and deterioration constitute yet another major research agenda for scholars in the 1990s. A candid review of the urban literature shows that almost no attention has been given to studying the urban environmental situation in the country; the concern for environmental issues is, at best, in the formative stages. The demand for a minimum quality of environment - be it related to water, waste or air, is confined to a small section of the urban population and has not shown any buoyancy. Unlike many developing countries where the supply side has filled in the void by creating a market for a better environment (e.g., new technologies), in India, even the supply side pressures have remained weak and depressed.

Environmental deterioration has spread out to most urban areas. A reinterpretation of the urban data already presented shows that over 47 million persons are exposed to water-related pollution, and approximately 125 million to waste-related health risks. Large scale use of biofuels in the low-income settlements have become a major source of indoor pollution, and consequently of a number of smoke-related diseases. Rapid increase in the number of personalized transport and the continuing use of leaded gas have led to significant increase in the levels of carbon monoxide and sulphur dioxide.

Over the years, it has become evident that the legislation can not help to control or regulate pollution. The research agenda is thus large and open: *if legislation is not able to control pollution, what other options are available? Do the options lie in appropriate pricing of inputs or outputs that contribute to pollution? Can principles like the "polluters pay" be applied in countries like India without affecting production, and consequently economic development efforts? To what extent is pollution a problem of the application of science and technology, as has been shown in the case of garbage recycling? Do the options lie within the realm of education and awareness?*

#### **D. Governing the Urban Settlements**

A final agenda for research lies in exploring ways to efficiently govern cities and urban areas. During the past several decades, the size of cities has grown enormously, with four cities having attained the megacity (10 million and more) proportions. How should such cities be governed without sacrificing the basic democratic norms? The various experiments that have been conducted with governance have brought out their total ineffectiveness. In many instances, the setting up of parallel and parastatal bodies has only led to the collapse of the age-old municipal systems. The municipal bodies for their part, have failed to anticipate urban demands, and have been overtaken by urbanization pressures, leading many to ask: *have the municipal bodies which came to be established in India over 100 years ago, lost their relevance under the compelling and complex demands of urbanization? Can the municipal system be still revived and made useful to the new pressures of urbanization and urban growth? Can they exercise greater flexibility in terms of designing alternative service delivery systems? Can they enter into partnership with the private sector for better and efficient performance of their statutory and non-statutory functions? Can other arrangements substitute for the existing municipal systems?*

### **3. Urban Research under Structural Adjustment**

Mention was made earlier of the major structural changes and reforms that have taken place in the country during the past one year or so. What is the possible impact of these changes on urbanization and the urban sector? How will the urbanization process be affected by these changes? Such questions have not yet attracted the attention of scholars in India. Assessments

made elsewhere also do not present any coherent scenario in respect of the likely impact of the changes in the macro level policies (George Peterson et. al. 1991; Michael Cohen 1990). Peterson, for instance, has pointed out:

The spatial impact of opening the domestic economy to international trade is unlikely to be the same in all countries. One body of planning theory has held that import substitution development strategies helped promote artificially large cities. Firms that sold only to the national domestic market naturally tended to locate in the largest market areas. Further, the economic health of these businesses was so dependent upon government protection that there was a strong incentive to locate near government offices in the capital city. These motivations undoubtedly led to inefficient concentration. However, the validity of the reverse theory, that switching to export-led growth will produce concentration in mega cities is far from clear (1991, 24).

Peterson believes that the switch to export-led development implies a shift in the relative importance of different cities and regions as well as a shift in the types of public investment that can maximize the contribution of cities to economic development. Michael Cohen's observations on the impact of macroeconomic adjustments are equally pertinent to note. He writes:

One of the most striking features of the macro-economic adjustment process in developing countries in the 1980s has been its impact on cities. Macro-economic policies to improve the productivity of agriculture, reduce protection of inefficient industries, reduce subsidies for public services, and reduce public expenditures have had major consequences for urban residents in countries such as Brazil, Mexico, the Ivory Coast, Morocco and the Philippines. Prices of food, water, energy and housing have increased, while real wages have frequently fallen in the face of inflation and dislocations in labour markets.

Faced with intractable problems of debt and recession, it is surprising that policy makers have not focused on the impact on the city nor considered these developments as problems requiring urgent attention. Yet this perception is short-sighted...(1990, 49).

These observations are of critical importance in the Indian context, and open up an entirely new field for research and investigation. The existing pattern of urbanization, city size distribution and regional urban growth are essentially a product of past policies. *What are the likely implications of these policies on the urban sector? What will be the effect of these policies on the distribution pattern of urban growth, labour markets, and the efficiency and viability of urban sector institutions?*

The above does not in any way exhaust the otherwise large urban research agenda. Admittedly, scholars and research institutions will continue to pursue their own interests irrespective of whatever may seem to be a priority agenda. No agenda would deny the scholars opportunities to continue to explore the dynamics of urban phenomena, or to even continue with their own research preoccupations.

Does this agenda have any relevance for Nepal where urban population has increased at a much faster rate, and where scarcity of space, absence of linkages and wide regional disparities are of critical national importance? Is there any mutuality of research interests between these two countries which exhibit a high degree of economic interdependence? In this regard, it is useful to refer to Joshi and Malla's paper (1992) which outlines a few themes for priority research. These include -

- formulation of a regional development strategy;
- planning for Greater Kathmandu, with focus on its decongestion by developing small trading centres along the east-west highway;
- planning for sustainable development, with a concern for environment; and
- development of participatory processes in dealing with the problems of environment and poverty;
- analytical studies of the structure of the urban economy versus the national economy.

If we take this assessment, then clearly, Nepal's research agenda is strikingly different from that of India. Yet, it is possible to argue that as Nepal's level of urbanization increases, it will encounter the problem of land, infrastructure and services. How to meet the growing urban needs will be one of the most formidable problems that Nepal will face in the coming years.

The network of urban research institutions in India appears to have entered a plateau, unable to expand or reach out to addressing the major urban issues. Indeed, an appraisal of the entire network shows that it stands segmented in that one part of the network strives to remain concerned with intellectual work, and the other with practical concerns. It suffers from the absence of effective demand for urban research. Addressing the research agenda as outlined above will necessitate a review of how the network should be restructured and adjusted. This will constitute one of the major tasks in the 1990s.

## NOTES

1. National Institute of Urban Affairs (1988), Urban Studies in India: A Bibliography, New Delhi.
2. Government of India, Planning Commission (1983), Task Forces on Housing and Urban Development, New Delhi, and Government of India (1988), Report of National Commission on Urbanization, New Delhi.
3. Criteria for treating a place as urban in India are: (a) all statutory towns, i.e., all places with a municipal corporation, municipal board, cantonment board or notified town area, and (b) all other places satisfying the following criteria - (i) a minimum population of 5,000; (ii) seventyfive percent of the male working population engaged in non-agricultural and allied activities; and (iii) a density of population of at least 400 sq. km. A settlement with a population of 100,000 is generally treated as a "city".
4. In 1950, India ranked third in the global urban hierarchy, i.e., behind USA (97.6 million), and USSR (70.8 million). In 1990, China was the only country whose urban population, placed at 380.8 million, was in excess that of India. On this account, scholars like Moonis Raza have pointed out that India has an important place in the global urban destiny. See, United Nations (1991), World Urbanization Prospects 1990, New York, and Moonis Raza, et. al. (1982), "India: Urbanization and National Development", in M. Honjo (1982), Urbanization and National Development, United Nations Centre for Regional Development, Nagoya.
5. Medium-sized cities and towns here refer to all urban settlements in the population range of 20,000 to 100,000. Small towns are urban settlements with less than 20,000 population.
6. This phrase was initially used by Harry Richardson in his paper contributed to Om Prakash Mathur (Ed), Small Cities and National Development, United Nations Centre for Regional Development, Nagoya, Japan.
7. Those who allege that large cities have grown faster have all along used the population of towns and cities as enumerated by the censuses under specific size categories. The growth rates worked out this way are relatively higher for the large cities size group. The growth rates in Table 2 have been worked out on the basis of common towns methodology.
8. It is estimated that there will be at least forty-nine cities with over one-million population by the year 2001 AD.
9. For relevant census data on the work force, see, Rakesh Mohan (1989), "Industry and Urban Employment, 1961-81, A Preliminary Exploration", Economic and Political Weekly, Nov. 4-11, p. 2482-83.
10. Central Statistical Organisation (1989), Monthly Abstract of Statistics, July, p. S-1 to S-10.
11. Mention should be made of the fact that urban literature in India has been periodically reviewed, with the first such review having been made by Bert F. Hoselitz. Presented at an international seminar on India's Urban Future (1962), Hoselitz noted that "during the last few years a flood of publications has appeared on various aspects of urbanization", and the reason for this was the "unprecedented growth of towns and cities". Since then,

urban literature has been surveyed by G.S. Gosal (1972) and Gopal Krishan (1979), eminent geographers; Victor D'Souza (1974, 1982), a sociologist; and Amitabh Kundu (1992), an urban economist, under a common format set by the Indian Council of Social Science Research.

12. It is interesting to note that while the concept of urbanization has gone out of usage, the problem of service deficiencies which is one form of expression of the concept of overurbanization has assumed alarming proportions. It is equally interesting to note that the scholars of that time viewed urban facilities and services as simply consumption goods and did not see them as linked with urban productivity.
13. Handerson reports that the city size distribution of countries with federal system of governments are much more nearly even than those of countries with unitary governments. Vernon J. Handerson (1982), "The Impact of Government Policies on Urban Concentration", Journal of Urban Economics, 12, No. 3.
14. I am conscious of the risk that I have taken in using the term "Informal Sector" in this paper. Lisa Peattie in a brief comment on Caroline O.M. Moser's paper had categorically suggested, and I quote: I suggest that future discussions of the informal sector topic start by barring use of the term "informal sector", and begin instead by working out a list of the questions we really have in mind to explore. See, Om Prakash Mathur and Caroline O.M. Moser (Eds), Regional Development Dialogue, a journal of the United Nations Centre for Regional Development, Vol. 5, No. 2, Autumn 1984.
15. I give here a quote from this study which indicates how poverty issues were viewed by them at that time: "For so poor a country as India, with limited land, capital and other means of production, communism offers a classic solution to the problem of poverty. Its key is collective ownership of all means of production and a strategy of economic development which aims at raising the bottom to a desirable minimum as early as possible. However, this strategy has its political costs so high that it is worth exploring another path. This has been a major preoccupation of the present study. Therefore, it takes for granted private ownership of the means of production and concedes as inevitable the inequality in its distribution". See Poverty in India (1971), Indian School of Political Economy, p. 144-45. This study was supported by the Ford Foundation.
16. The universality of such conclusions across the countries of different continents is beginning to cause me some discomfort, almost suggesting that research is being designed to reconfirm the findings reached in some countries.
17. A Chair has been created at the National Institute of Public Finance and Policy to organise research on housing and urban issues in the wider context of macroeconomic developments.
18. For comparable growth rates see, Om Prakash Mathur (1985), "Urban Growth in South Asia", in Population Geography, a journal of the Association of Population Geographers of India, Vol. 7, No. 1 & 2.
19. To say that this position is universally accepted will be incorrect. In fact, there is a large body of scholars and practitioners who, presumably on ideological grounds, believe that the present emphasis on urban development is misplaced, and India's future lies in rural development.

## REFERENCES

### A. Background Papers

(Prepared for the Regional Workshop on Urban Research in India and Nepal, 18-20 June 1992, Manali, India).

Bose, Ashish 1992, "Review of Research on Urban Demography in India and Some Critical Issues".

Joshi, Jibgar and U.M. Malla 1992, "Urban Research in Nepal".

Malhotra, D.D. 1992, "Review of Urban Research: Social Aspects".

Ramachandran, H. 1992, "A Review of Research on Economic Aspects of Urban India (1960-1990)".

### B. Bibliographical Reviews

Hoselitz, Bert F. 1962, "A Survey of the Literature on Urbanization in India", in Roy Turner (ed.) India's Urban Future, 425-443, University of California Press, Los Angles.

National Institute of Urban Affairs 1988, Urban Studies in India: A Bibliography, National Institute of Urban Affairs, New Delhi.

Bose, Ashish 1970, Urbanization in India: An Inventory of Source Materials, Academic Books: New Delhi.

D'Souza, Victor S. 1974, Urban Studies: A Trend Report in Indian Council of Social Science Research's *A Study of Research in Sociology and Social Anthropology*, Popular Prakashan, Bombay.

----- 1985, Urban Studies, in Indian Council of Social Science Research's *A Survey of Research in Sociology and Social Anthropology*, Satvahan Publications, New Delhi.

Krishan, Gopal 1979, "Urban Geography", in Moonis Raza (ed.) A Survey of Research in Geography, edited by Moonis Raza, Allied Publishers, Bombay.

Gosal, G.S. 1972, "Urban Geography: A Trend Report", in *A Survey of Research in Geography*, a publication of the Indian Council of Social Science Research, Popular Prakashan, Bombay.

Kundu, Amitabh 1991, "A Survey of Research in Urban Development in India", a report prepared for the Indian Council of Social Science Research, New Delhi.

### C. References

(Excluding those that have been footnoted in the text of the paper)

Acharya, Shankar N. and Rakesh Mohan (1990), "An Analysis of Projected Urban Infrastructure Investment Costs in India", in Review of Urban and Regional Development Studies, (2), Tokyo.

Arun Kumar (1987), "A Perspective on Urbanisation and Urban Land Policy", Nagarlok, a journal of the Indian Institute of Public Administration, Vol. xix No. 1, New Delhi.

- Banerjee, Biswajit and S.M. Kanbur (1981), "On the Specification and Estimation of Macro Rural-Urban Migration Functions: With an Application to Indian Data", Oxford Bulletin of Economics and Statistics, 43 (1): 7-29.
- Banerjee, Nirmala (1983), "Women and Poverty: Report of a Workshop", Economic and Political Weekly, 18, Bombay.
- (1985), Women Workers in the Unorganized Sector: The Calcutta Experience, Sangam Books, Hyderabad.
- (1988), "The Unorganised Sector and the Planner", in A.K. Bagchi (ed.), Economy, Society and Planning: Essays in the Political Economy of Indian Planning, Oxford University Press, Calcutta.
- Bapat, Meera (1981), Shanty Town and City: The Case of Poona, Oxford, Pargamon Press.
- Bhalla, G.S. and A. Kundu (1982), "Small and Intermediate Towns in India's Regional Development", in Om Prakash Mathur (Ed), Small Cities and National Development, United Nations Centre for Regional Development, Nagoya.
- Bhooshan, B.S. (1986), "Bangalore, Mandya and Mysore Districts, Karnataka, South India", in J.E.Hardoy, et. al., Small and Intermediate Urban Centres, Hadder and Stoughton, London.
- Bogue, Donald J. and K.C. Zackariah, "Urbanization and Migration in India", in Roy Turner (Ed), India's Urban Future, University of California Press, Berkeley, USA.
- Bose, Ashish (1973), Studies in India's Urbanisation 1901-1971, Tata Mc Graw Hill, New Delhi.
- (1980), India's Urbanisation 1901-2001, Tata Mc Graw Hill, New Delhi.
- (1983), "Migration in India: Trends and Policies", in A.S. Oberio (Ed), State Policies and Internal Migration, Croom Helm, New York.
- Buch, M.N. (1984), "Land Policy and the Urban Poor", Nagarlok, a journal of the Indian Institute of Public Administration, Vol. XVI, No. 4, New Delhi.
- Cassen, R.H. (1978), India: Population, Economy, Society, Holmes and Meila, New York.
- Chaudhury, Sachin (1962), "Centralisation and the Alternative Forms of Decentralisation: A Key Issue", in Roy Turner (Ed), India's Urban Future, University of California Press, Los Angeles.
- Chandrasekhara, C.S. (1979), "State Control over Urban Land and Social Objectives", Urban and Rural Planning Thought, 22(2), New Delhi.
- Cohen, Michael A (1990), "Macroeconomic Adjustment and the City", Cities, the International Journal of Urban Policy and Planning, Butterworth-Heinemann, Oxford.
- Dandekar, V.M. and Nilakantha Rath (1971), Poverty in India, Oxford University Press, New Delhi.
- Datta, Abhijit (1969), "Financing Urban Development", Economic and Political Weekly, 4, Bombay.
- (1970), Urban Government Finance and Development, The World Press, Calcutta.

- (1990), Municipal Financial Management in India, Indian Institute of Public Administration, New Delhi.
- Davis, Kingsley (1962), "Urbanization in India: Past and Future", in Roy Turner (Ed), India's Urban Future, University of California Press, Los Angeles.
- Desai, A.R., and S. Devadas Pillai (1970), Slums and Urbanisation, Popular Prakashan, Bombay.
- Desai, P.B. (1985), "Urban Informal Sector in Developing Countries: The Problems, Prospects and Perspectives", Urban India, a journal of the National Institute of Urban Affairs, 5(1), New Delhi.
- D'Souza, Alfred (1978) (Ed), The Indian City: Poverty, Ecology and Urban Development, Manohar, New Delhi.
- D'Souza, Victor S. (1977), "Some Socio-Cultural Aspects of Internal Migration in India", in A. Mitra (Ed), Indian Population Bulletin, New Delhi.
- Gore, M.S. (1968), Urbanisation and Family Change, Popular Prakashan, Bombay.
- Gore, M.S. and J.C. Sharma (1975), "City Size and Costs", India International Centre Quarterly, 2(2), New Delhi.
- Government of India (1963), Report of the Committee on Augmentation of Financial Resources of Urban Local Bodies, New Delhi.
- (1966), Report of the Rural Urban Relationship Committee, New Delhi.
- (1976), Planning Commission, Report of the Task-Force on Projections of Minimum Needs and Effective Consumption Demand, New Delhi.
- (1988), Report of the National Commission on Urbanisation, New Delhi.
- Greenwood, Michael J. (1971), "A Regression Analysis of Migration to Urban Areas of a less developed country: The Case of India", Journal of Regional Science, 11(2).
- Harris, Britton (1962), "Urban Centralization and Planned Development", in Roy Turner (Ed), India's Urban Future, University of California Press, Los Angeles.
- Hoselitz, Bert F.(1962), "The Role of Urbanization in Economic Development - Some International Comparisons", in Roy Turner (Ed), India's Urban Future, University of California Press, Los Angeles.
- Indian Council of Social Welfare (1983), The Urban Dead-End: Pattern of Employment Among Slum Dwellers, Bombay.
- Jain, M.K. (1977), "Inter-State Variations in the Trends of Urbanisation in India 1951-71", International Institute of Population Studies, Bombay.
- Jha, Gangadhar (1986), "Constitutional Protection to Municipal Authorities: An Overview", Nagarlok, a journal of the Indian Institute of Public Administration, New Delhi.
- Joshi, Jibger and U.M. Malla (1992), "Urban Research in Nepal".
- Kashyap, S.P. et. al.(1984), Facets of an Urban Economy: Economic Base Study of Ahmedabad, Sardar Patel Institute of Economic Research, Ahmedabad.

- Khanna, R.L. (1962), Municipal Government and Administration in India, Mohindra Press, Chandigarh.
- Krishnamurthy J. (1984), "Changes in the Indian Workforce", Economic and Political Weekly, 19(3), Bombay.
- Kundu, A. (1983), "Theories of City Size Distribution and Indian Urban Structure: A Reappraisal", Economic and Political Weekly, 18(3), Bombay.
- (1986), "Migration, Urbanisation and Inter-regional Inequality: The Emerging Socio-Political Challenge", Economic and Political Weekly, 21(4), Bombay.
- (1991), "Access of Urban Poor to Basic Amenities, Centre for the Study of Regional Development, Jawaharlal Nehru University, New Delhi, Mimeo.
- Kundu, A. and S.K. Thorat (1988), "Problems of Urbanisation and a Strategy for Urban Development", Report of the National Commission on Urbanisation, Vol. V, New Delhi.
- Lakshmi pathy, U. (1983), Urban Land Price: A Case Study of Vishakapatnam (Mimeo), Regional Centre for Urban and Environmental Studies, Osmania University, Hyderabad.
- Majumdar, T.K. (1978), "The Poor and Social Change: A Study of Squatter Settlements in Delhi", in Alfred D'Souza (ed.), op. cit.
- Mathur, Om Prakash et al (1968), Costs of Urban Infrastructure for Industry as Related to City Size in Developing Countries: India Case Study, Stanford Research Institute, Menlo Park, USA.
- (1982) (Ed), Small Cities and National Development, United Nations Centre for Regional Development, Nagoya, Japan.
- (1989), "Managing the Urban Informal Sector: A New Challenge for Developing Countries", presented at the International Workshop on Improving Urban Management Policies, East-West Population Institute, Honolulu.
- (1990), "Women, Urban Poverty and Economic Development", presented at APDC workshop on Gender and Poverty, at Hanoi, Vietnam.
- (1991), "Urban Services and the Private Sector in India: Realities and Issues", in APDC/Geeta Gauri (Ed), Privatisation and the Public Enterprise. The Asia-Pacific Experience, Hyderabad.
- Mathur, Om Prakash and Caroline O.M. Moser (1984) (Eds), Regional Development Dialogue, No. 2, United Nations Centre for Regional Development, Nagoya.
- Mehta, Dinesh and Meera Mehta (1989), Metropolitan Housing Market: A Study of Ahmedabad, Sage Publications, New Delhi.
- Mills, Edwin S. and Charles M. Becker (1986), Studies in Indian Urban Development, Oxford University Press, New York.
- Mishra, A.R. (1971), "Growth Pole and Growth Centre Strategy in Metropolitan Regional Development", Indian Journal of Regional Science, 3(1), Kharagpur.
- Misra, Bijayanand (1991), Urban Land Markets in Asia: The Role of Private Developers and Guidelines on Public Acquisition of Land, Helsinki University of Technology, Helsinki.

- Misra, R.P. et. al. (1974), Regional Development in India: A New Strategy, Vikas Publishing House, Delhi.
- Mitra, A. (1974), "Functional Classification of Indian Towns", Institute of Economic Growth, Delhi.
- Mutalib, M.A., and Khan, Mohd, Akbar Ali (1983), Theory of Local Government, Sterling Publishers, New Delhi.
- Rakesh Mohan (1982), "Urban Land Policy: some New Approaches", Nagarlok, a journal of the Indian Institute of Public Administration, Vol. CIV, No. 1, New Delhi.
- (1983), "India: Coming to Terms with Urbanization", in Cities, Butterworth & Co., London.
- (1985), "Urbanization in India's Future", Population and Development Review, Vol. 11, No. 4.
- (1989), "Industry and Urban Employment, 1961-81, A Preliminary Exploration", Economic and Political Weekly, Bombay.
- (1991), "Population and Urbanization: Strategies to cope with Growth", in Vasant Gowariker's, The Inevitable Billion Plus Science, Population and Development, Urmesh Publications.
- Rakesh Mohan and Chandrasekar Pant (1982), "Morphology of Urbanisation in India: Some Results from the 1981 Census", Economic and Political Weekly, 17 (38 and 39), Bombay.
- National Institute of Urban Affairs (1986), "Management of Urban Services, Research Study Series 14, New Delhi.
- (1987), "The Nature and Dimension of the Urban Fiscal Crisis", Research Study Series 18, New Delhi
- (1987), "Approach to Urban Poverty", Research Study Series 27, New Delhi.
- (1988) State of India's Urbanisation, New Delhi.
- (1989), "Upgrading Municipal Services: Norms and Financial Implications", Research Study Series 38, New Delhi.
- (1989), "Profile of the Urban Poor An Investigation into their Demographic Economic and Shelter Characteristics", Research Study Series 40, New Delhi.
- (1990), "Basic Series and the Urban Poor", Research Study Series 46, New Delhi.
- (1990), "Employment Issues and Urban Policy", Research Study Series 44, New Delhi.
- (1991), "Pricing of Urban Services", Research Study Series 48, New Delhi.
- (1991), "Women in the Urban Informal Sector", Research Study Series 49, New Delhi.

- Papola, T.S. (1981), Urban Informal Sector in a Developing Economy, Vikas Publishing House, Delhi.
- Peterson, George et al (1991), Urban Economies and National Development, The Urban Institute, Washington, D.C.
- Planning and Development Collaborative International, Inc. (PADCO) (1991), India: Public/Private Partnerships in Land Development, Washington, D.C.
- (1991), Constraints Affecting the Efficiency of Urban Land Markets in India, Washington D.C.
- Premi, M.K. (1991), "Role of Migration in the Urbanisation Process: A Case Study of India, Social Action, New Delhi.
- (1984), City Characteristics Migrants and Urban Development Policies, East-West Center, Honolulu.
- Mulkh Raj (1992), "Financing of Urban Infrastructure in India", presented at a Seminar on Urban Land, organised by the School of Planning, Ahmedabad.
- Ramachandran, H. (1987), "Class Differences, Housing & Urban Infrastructure", in Alam S.M. and F. Alikhan (Eds), Poverty in Metropolitan Cities, Concept Publishing, New Delhi.
- Ramachandran, H., and G.S. Sastri (1988), Urbanisation, Poverty and Inequality, Bangalore, Institute for Social & Economic Change.
- Rao, V.L. Prakasa and V.K. Tewari (1979), The Structure of an Indian Metropolitan: A Study of Bangalore, Institute of Social and Economic Change, Bangalore.
- Raza, Moonis, Atya Habib, et.al. (1982), "India: Urbanisation and National Development", Masahiko Honjo (ed.) Urbanisation and Regional Development, Maruzen Asia, Singapore.
- Ribeiro, E.F.N. (1981), Overview of Urban Land Policies and Land Use Control Measures in India, Delhi Development Authority, Delhi.
- Ribeiro, E.F.N. (1982), "Urban Land Policies in the context of the Development Plan for Delhi", paper presented at a Seminar on Land in Metropolitan Development, Calcutta.
- Sarin, Madhu (1982), Urban Planning in the Third World: The Chandigarh Experience, Mansell, London.
- Sarma, K.S.R.N. (1990), Financing Urban Development in India, Indian Institute of Public Administration, New Delhi.
- Satyaraja, R. (1985), "Informal Sector in Urban Labour Market: A Review of Literature", Nagarlok, a journal of the Indian Institute of Public Administration, 17(2), New Delhi.
- Sharma, Ursula M. (1977), "Migration from an Indian Village: An Anthropological Approach", Sociologia Ruralis, 17(4).
- Singh, Andrea M and A. D'Souza (1980), The Urban Poor, Slum and Pavement Dwellers.
- Singh, J.P. (1992), "Migration in India: A Review", Asian and Pacific Migration Journal, Vol. 1, No. 1.

- Sivaramakrishnan, K.C. (1991), "Urban Poverty in India: A Country Paper", presented at A Regional Seminar on the Urban Poor and Basic Infrastructure Services in Asia and the Pacific, Asian Development Bank, Manila.
- Sovani, N.V. (1964), "The Analysis of Over-urbanisation", in Economic Development and Cultural Change, 12(2), Chicago.
- (1966), Urbanisation and Urban India, Asia Publishing House, Bombay.
- Tangri, Shanti (1962), "Urbanisation - Political Stability and Economic Growth", in Roy Turner (Ed), India's Urban Future, University of California Press, Los Angeles.
- Tarlok Singh (1962), "Problems of Integrating Rural, Industrial, and Urban Development, in Roy Turner, India's Urban Future, University of California Press, Los Angeles.
- Tinker, Hugh (1967), Foundations of Local Self Government in India, Pakistan and Burma, Lalvani Publishing House, New Delhi.
- Tripathy, R.N. (1967), Local Finance in a Developing Economy, New Delhi.
- Turner, Roy (1962), India's Urban Future, University of California Press, Los Angeles.
- Verma, Satyendra (1986), "Urbanisation and Productivity in Indian States", in Edwin S. Mills and Charles M. Becker, Studies in Indian Urban Development, Oxford University Press, New York.
- Wadhwa, Kiran (1983a), "Land use Pattern in an Urban Fringe Area: A Case Study of Ahmedabad", Economic and Political Weekly, 18(4), Bombay.
- (1983b), "An Evaluation of Urban Land Ceiling Legislation - A Case Study of Ahmedabad", Nagarlok, 16(4), a journal of the Indian Institute of Public Administration, New Delhi.
- (1988), "An Evaluation of Urban Land Ceilings Act, A Case Study of Ahmedabad", in R.C. Sharma (Ed), Indian's Urban Land Policy and Development Finance, Seema Publications, New Delhi.
- Wishwakarma, R.K. (1977), "Land Values in Delhi - An Analysis of Spatial Variation", Nagarlok, a journal of the Indian Institute of Public Administration, New Delhi.
- Wishwakarma, R.K. and G. Jha (Eds) (1983), Integrated Development of Small and Medium Towns - Problems and Strategic Policy Issues, Indian Institute of Public Administration, New Delhi.
- World Bank (1989), India: Poverty, Employment and Social Services, Washington, D.C.
- (1989), Gender and Poverty in India Issues and Opportunities Concerning Women in the Indian Economy Vol. 1 & 2 (Draft), Washington, D.C.
- (1991), Urban Policy and Economic Development: An Agenda for the 1990s, Washington, D.C.
- Note:** For References on Nepal, see Jibgar Joshi and U.M. Malla (1992), "Urban Research in Nepal".