

## Public Policy and Urbanization in India: An Asymmetrical Approach

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### Abstract

Urbanization can be seen as a deliberate decision-making that involves political leaders and elites playing very decisive role. As the policies cannot be decided in a vacuum; the central and state governments have taken proactive efforts to facilitate urbanization in India. In post-independence era, there are specific and detailed statements of policy for industrial development, agricultural development, population growth but rarely one finds any national urbanization policy statement. It has been observed that urban growth and management have been rarely at the centre of development planning in India (Sivaramakrishnan, 2011). The paper tries to see how Public Policy's lopsided approach has underlined the rural bias in the urban policy.

**Keywords:** Public Policy, Urbanization in India, Urban Policy, Political Economy, Rurban, India

### Introduction

Public Policy is a very exciting area of study as it embraces the contestations rooted in the public sphere and also as it anchors diverse perspectives (Visvanathan Shiv, 2015). Public Policy has therefore become an important field of study world over. Policy is whatever government chooses to do or not to do (Dye, 2004). It is a multidimensional concept that involves the actual process of policy making with different agencies involved in setting objectives and different actors promoting their interests. Welfare state seeks to balance group interests, societal needs and government priorities while framing policies. Resources are always scarce as compared to ever-increasing demands on the system. Public policy has to deal with escalating demands, diverse issues, complex problems, changing priorities and conflicting interests.

Performance of Indian government in post-independence era is marked with adoption of different public policy measures in an attempt to overcome challenges of economic development. With the introduction of socialistic pattern, setting up of a Planning Commission and initiation of mixed economy, India carefully planned a development trajectory. It was supplemented by import substitute and export promotion measures. In late 1980s, with advent of liberalization, India deviated from the earlier path and adopted a policy of liberalization, privatization and globalization. In all its economic endeavours, industrialization and urbanization remain twin forces that gave a boost to economic development.

Against this backdrop, this paper tries to consider the policy aspect of the process of urbanization in India. Industrialisation and urbanization go hand in hand. The growth experienced by India during

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past two decades is closely related to the development of activities located in urban centers. But we witness that urban areas are grappled with numerous challenges. These areas call for relevant public policy intervention. Agarwal and Somnathan observe that India remained not only an underdeveloped country but is regarded as an under-performer, on the account of adopting the wrong public policies or poorly implementing the right public policies (Agarwal & Somnath, 2005).

### **Urbanization in India**

India is undergoing the phase of urban transition. For the first time since independence, India has witnessed in 2011, an absolute increase in urban population as compared to the rural population. This data leads to a question of how this level of urbanization has reached. Moreover, in coming 20 years, this urban population is projected to rise by over 200 million bringing up challenges related to land-use and expanding infrastructure development needs in new cities and metropolis (Planning Commission). The major trends of urbanization in India have been : a. a massive growth in the absolute number of people living in urban areas and b. an increasing concentration of urban population in the Class I towns or 'cities' with one million population (Planning Commission). Considering the intensity and spread of the urbanization, it would be interesting to see what has been the state response to this overwhelming phenomenon.

Urbanization in India is a product of economic change (Sivaramakrishnan, Singh). Urbanization being related to industrial advancement and economic development, different theoretical frameworks describing the phenomenon of urbanization are tied to larger issues of social change and economic development (Ganju, 1987). Urbanization can be seen as a deliberate decision-making that involves political leaders and elites playing very decisive role. Policies cannot be decided in a vacuum. Leaders and policy-makers are the real actors who decide the growth direction and also play a major role in making the land available (Mohanty, 2014). Urbanization has a profound influence on the character of politics. Central, state and local governments have taken proactive efforts to facilitate urbanization in India. But the political actors making the physical space available, indulged into land commoditization are veiled in the overall analysis.

### **Political Economy of Urbanization**

The concept of urbanization can be interpreted through understanding of political economy. Political Economy Model in Urban Planning studies the economic aspects of the government. It analyses the relation between impact of political actions such as policies and programmes on economics and studies the inter-relationships between the different economic factors (Planning tank 2015). In order to understand the political economy of urbanization, urbanization discourse in post-independent India can be a starting point. In post-independence era, there are specific and detailed statements of policy for industrial development, agricultural development, population growth but rarely one finds any national urbanization policy statement. It has been observed that urban growth and management have been rarely at the centre of development planning in India (Sivaramakrishnan, 2011).

Urbanization trends in India are a direct reflection of the structural changes that took place in the economy. There are four structural issues viz. a. legitimization crisis due to economic inequality, crony capitalism, rise in land price; b. sluggish job growth leading to unrest among youth; c. regional disparity and d. rise in land price that grappled the political economy of India. These impediments shaped the future of the political economy of India (Bardhan, 2015). As urban sector is a state subject, the central government can only provide assistance to state government for taking up development projects. Due to privatization, role of the state has been diluted. But the state can't remain aloof in urbanization process. Lack of proper land records and ambiguous land regulations give the state greater discretionary powers in deciding legality of the land. The state remains vital in order to have intensive industrialization and urbanization. Most of the development measures

undertaken by the state were like coming out with the industrial location policy, import substitution policy, transport policy, backward area development etc. that all had spatial implications (Deb, 2006). Despite the fact that states have been empowered to make urban policy, they have rarely done so (Ramchandran, 1989).

### **Economic and Political Framework of Urban Policy in Post-Independent India**

Economic and urban planning during first forty years of independence was bureaucratically implemented as top-down process. The pattern emphasized on the growth of import substitution industrialization (Frankel, 2005, 2012). Initially, Socialistic pattern coupled with Five Year Plans focused on rapid industrialization: Governmental priorities were nation-building and following development agenda, so the policy-making focused more on agriculture and later on manufacturing sector. Also thrust on green revolution, attaining self-sufficiency in food grains and agricultural products remained priority during Pandit Nehru and Indira Gandhi era. The modern outlook and scientific zeal was adopted in education, industrialization, however, policy initiatives for urbanization could not get the similar boost.

In early decades of independence, more new towns were created. Urban policies of 1960s and 1970s did not help to keep pace with the rapid growth in large cities or to develop strong second and third-tier cities. The government paid special attention on the extension of the city into newer and distant areas rather than planning the old core city. Many new areas got developed near the locations of heavy industries and power projects. Post-independence India inherited a dual pattern of urban development. *City building process was a planned response by the authorities as also unplanned extension made by poor and middle classes got rooted in cities* (Shaw, 2012). Larger cities in the urban systems have been planned while small towns and non-metropolitan areas have grown on their own and in their own way.

Five Year Plans in initial period assumed weak initiatives towards urbanization in spite of strong resolves. During initial couple of Five Year Plans different measures towards institution building have been undertaken such as conducting diagnostic surveys, preparing Master Plans for cities, enacting Town Planning legislation etc. As generating jobs was priority, heavy investment in capital and labour intensive industries was sought during early and rapid industrialization phase in India. Congress government could not carry out agrarian reforms and institutional changes that aimed at achieving rapid economic growth and more equitable distribution (Frankel, 2005).

Third Plan focused more on regional approach. It emphasized the need for urban land regulation. Urban policy and development planning began to acquire a cogent form from the third Plan period. 3<sup>rd</sup> plan linked the provision of financial aid to states for establishing town planning departments with the preparation of master plans for regional cities. Also, Para-statal development authorities were set up for implementation. During Fourth Plan development plans for 72 urban areas were undertaken. During Fifth Plan, Urban Land Ceiling & Regulation Act was enacted in 1976. State governments set up metropolitan planning regions to look after the growing areas outside administrative city limits.

In 1970s, national population planning policies for city development were adopted for population re-distribution and decentralization. Such policies overlooked economic forces behind urbanization. Other policies focused were of local planning by preparing master plans. The Sixth Plan stressed the need to develop small and medium sized towns. A scheme of Integrated Development of Small and Medium Towns (IDSMT) was launched in 1979. The Seventh Plan shaped the urban development policy and planning. In 1986, Rajeev Gandhi government constituted National Commission on Urbanization (NCU). It viewed urbanization as a catalyst for economic development. The commission considered cities as generators of wealth and gainful employment to the surplus of rural population.

But the urban situation in India was of deep crisis, due to decaying urban infrastructure, defective planning, administrative inefficiencies and inadequate resource mobilization. The commission examined crucial issues. It also acknowledged that there is urban-rural nexus due to geographical and economic continuum. The Commission recommended an active urbanization policy to carry out reforms. The commission stated that as two-third workforce is engaged in agriculture, urbanization should be visualized as a major instrument for agriculture and rural development. Also the commission suggested strategies for intervention to give attention on agricultural development and rural poor (Buch, 2015). This approach clearly brings out the bias of the policy-makers. Though the commission was meant for developing urbanization, it focused more on rural development. The commission submitted its report in 1988 and declared four largest metropolitan cities of Delhi, Kolkata, Chennai and Mumbai as national cities by assigning a fund of Rs. 500 crores to each of them.

During Eighth Plan, focus on metropolitan cities continued. Also IDSMT scheme was revamped through its infrastructural development programs for boosting employment generation for diverting migration from big cities to the small and medium towns. The Ninth Plan emphasized on decentralization and financial autonomy of urban local bodies. A new program called Swarna Jayanti Shahari Rozgar yojna (SJSRY) in 1997 with two sub plans viz. urban self-employment program and urban wage employment programme were launched to reduce urban poverty and for employment generation. The Tenth and Eleventh Five Year Plans considered cities as the locus of economic growth, holding urbanization as the 'key indicator' of economic and social development (Kundu, 2011).

In spite of the fact that urban population escalated six times from 1951 to 2011, basic planning juggernaut did not go beyond proposing a bunch of programmes not even came out with consistent policies. An Incentive Fund was launched in 2003 in order to bring out urban reforms. In 2005, Government of India launched Jawaharlal Nehru National Urban Renewal Mission (JNNURM). JNNURM was a demand-driven and reform linked approach to develop cities and emphasized the strong reform agenda to be pursued for making the cities livable places (Mohanty, 2014). A vast number of small and medium towns on the periphery of cities are ignored by policy makers, development planners and investors in spite of big-ticket programmes (Shastri, 2011). Planning Commission in the 12th Five Year Plan emphasized on the urban improvement and growth. Urbanization sprawling in all directions has evolved different demands on local bodies and pressure on them for providing quality services; however, local bodies are grappled with weak revenues.

Liberalisation of economy: Liberalisation of economy started in 1980s. A process of economic reforms was initiated by focusing on transition in economic policy. The focus of the government shifted from Import Substituting Industrialization (ISI) to Trade Led Growth (TLG). Privatization got boost in late 1980s and further it led to opening up of economy in 1991 (Mukherjee, 2011).

The process of globalization and increasing investments in various economic sectors led to the significant growth in manufacturing activity. This resulted into densification of urban areas posing different challenges for urban management (Sivaramakrishnan & Kundu, 2011). The rise of information and communication technology sector since 1990s provided further momentum to the process of urbanization. After opening up of economy, cities were considered as the preferred investment destinations. For strengthening cities better governance and management has remained essential, however the policy instruments dominated by the political actors allocate a different dimension to development mechanism. Government agencies try to balance on the one hand some goals of development and on the other, the demands of dominant interest groups. Dominant interests have been protected by the state (Shaw, 2004) as the politicians and the bureaucrats use

the power they hold for their own personal benefit through planning instruments and for consolidating global finance capital (Das, 2016).

According to the Planning Commission, *the process of urban development involves a wide variety of interest groups and touches many sensitive areas such as land, infrastructure, finance, economic linkages, community involvement and environment*. It has been seen that dealing with urban development issues dealt in a mechanical way and by neglecting the political implications for government policy, often leads to a failure of well-conceived plans. Private platforms and voluntary organisation have been used as a vehicle of transformation of the city and have forged a new relationship with stakeholders. It also brings out the future of many Indian metropolises where the state has been reduced to a mere service provider and the sphere of state intervention has shrunk the role of market also (Nair, 2006).

Other important issue has been the state government offering land near fringe at throwaway prices to public sector and provided infrastructure. Industrialists want to set up industries near the city for getting easy access to political machinery which controls industrial licensing, process of goods, taxes etc. State has to intervene as private investors are not keen on investing in infrastructure where gestation period is long and also harms the profit motives. Activities like garbage collection being not viable are not taken up by private investors. Therefore the state is forced to intervene through urban planning and produce the items of collective consumption (Deb, 2006).

In last couple of decades, there is a shift in the ownership of urban land from small private to large corporate, huge land mass is owned by builders and reality developers. The land is claimed for private than the public purposes hence it is the deep process of buying the urban land. Such a systematic transformation in the pattern of land ownership in the cities has significant implications on equity, democracy and rights (Sassen, 2014). Privatisation of city space has been done with the local government support. Sops offered to information technology companies, allowing corporate to operate from residential areas, space offered for corporate headquarters, luxury apartments and malls underline proliferation of privatization that got strengthened by post 1990 policies and has been continued. Both urban planners and government policy-makers are collectively enforcing so that the issue becomes one of law and order rather than that of inadequacies in the planning process itself. This seems to be one of the significant obstacles to contemporary India urban planning (Krishnamenon).

In urban growth pattern an element of actors such as industrialists and industrial and trade associations, chambers of commerce also played a role by giving inputs for favourable policies and for creating essential infrastructure for the industry. The local elements provided the required push or the needed inputs for the policy. Policy initiatives are introduced either by the policy makers themselves or are supplemented by the political actors.

### **Politics of being Urban**

Cities are grappled with unauthorized constructions. Politics of patronage led to demands for legalizing such unauthorized constructions. Rural urban periphery is in state of transition and is considered as urban-land-in-waiting by the owners (Venkatraman, 2014). Thus, urban growth is not just geographical expansion of boundaries but also an instrument for changing the character of the area. The fact that in Maharashtra, Urban Development Department is headed by the Chief Minister underscores its significant place for political gains. Also the relationship shared by MMRDA and Brihan Mumbai Municipal Corporation as also newly formed PMRDA and its relation with Pune Municipal Corporation can throw light on political equations.

Though urbanization is the overwhelming reality for India, it is not identical in all the regions. Rather, lopsided urban growth leading to regional disparity is a glaring feature of urbanization. There is

hierarchical distribution of urban areas. Economic resources, investment, infrastructure remains concentrated in larger urban centres, though some economic activities get distributed in second tier cities. Such a system leads to a biased governance systems and policies by which the urban centres get more financial outlays than the second order settlements (Luthra, 2014). In spite of cities being engines of growth, all the cities don't get equal attention and financial flow on a par. Four metros still dominate the urban scenario and the capitals of different states do get special focus as compared to other emerging industrial cities.

There are policy prescriptions for industrial dispersal, on the concentration of investments in existing urban areas and for creating new growth centres. Indian urban reality cannot be seen as homogeneous fabric. There are two realities coexisting together as Core and the Periphery. It is seen that central city growth may decline in the near future owing to land and physical constraints but in the peripheries there will be new growth centres (Sivaramkrishnan, Singh, 2011). But as there is a differential treatment given to core and peripheries. Two distinct realities coexist together which have been described it as city within the city syndrome by the 9<sup>th</sup> Plan.

Phenomenon of urbanization of India cannot be seen in isolation rather there is continuum of urban area with the rural hinterland. Peripheral growth that's why becomes an integral part of city growth. There is a mixed urban reality as there are no water-tight compartments. India needs to work on several areas by comprehending the uniqueness of its urbanization and by introducing balanced policy measures that take care of urban character.

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