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# India's Unbalanced Urban Growth: An Appraisal of Trends and Policies

Purva Sharma

## Abstract

India is considered as a low-level urbanized country. However, the country has experienced a sharp increase in the number of towns and peri-urban areas during the last decade. Despite India's efforts in planned development, the urban sector has generally remained unplanned and chaotic. It appears that policy interventions have not been able to achieve the desired goals and needs of the urban sector fully. This paper examines the urban policy measures taken since independence and highlights the inadequacies and dilemmas in the urban context of India. This analysis shows how metropolitan areas are spreading outwards due to shifts in population and economic activities from city cores to the peripheries and considers the policy implications of such trends.

## Introduction

The main purpose of this article is to review the processes and policies behind the urbanization pattern of India. The process of economic and social change is an important aspect of urbanization in India (Turner, 1962). At the time of independence, the country's economic condition was deplorable. In order to improve the structural and economic conditions India adopted a five-year planning model influenced by the Soviet economic planning model. The initial phases of planning stressed mainly on agricultural and industrial development (Pangannavar, 2015). Subsequently, the *Mahanalobis* model was adopted which was based on the assumptions of a closed economy and stringent regulation of private and foreign companies and this economic model continued until the early 1990s (Becker, Williamson & Mills, 1992). During this period, the economic growth rate of urban centers was slow and investing in urban areas was considered a herculean task due to large unemployment, in-migration to cities, and deteriorating or inadequate urban infrastructure (Batra, 2012; Shaw, 2012).

While regional development and industrial policies favored the rise of large cities in order to contribute to national income, substantial urban development was only realized after the 1990 economic reforms when the country's development strategy was substituted by export-orientation (Richardson & Bae, 2005). The shift in economic policies also resulted in significant changes in the urban growth pattern and urban policies. Currently, India's urban sector contributes 63% of the GDP

while representing only 31.2% of the country's total population (Business Standard, 2014). Moreover, it is argued that policy measures during pre- and post-economic reforms have created urban and regional disparities across the states in India. These disparities are often exacerbated as high – income states grow faster (Chakraborty, 2012). It has also been found that the new urban corridors and clusters are mainly concentrated around major cities such as Delhi, Bangalore, Hyderabad, Mumbai, and Pune (Shaw, 2012). Rapid increase in the number and share of small and intermediate towns along such corridors during the last decade with their weak governance and economic bases has become a major concern. In addition, the role of governance reforms in formulating city-related policies is an important determinant for the disparities in the urbanization pattern of India. Indeed, the unbalanced growth of urban sectors in India has become a major concern.

With this background, this article reviews three lines of questions. Firstly, what has been the trend of urban growth in India? Secondly, what are the main determinants of city growth in India? And finally, the overarching question of this study, how do urban reforms and municipal governance processes and policies shape the urbanization pattern in India? This article is divided into two sections. Section one presents an analysis of urban growth trends in India. It focuses on the major components of this growth, especially between 2001 and 2011. Section two reviews the theoretical underpinnings and policies and contextualizes the implications of urban reforms and governance on the urbanization process of India. It concludes with a summary of key findings from the analysis of urban trends, determinants of city growth, and urban policies that aid in understanding the gaps in the urban system of India.

### **Urbanization Trends in India**

The aim of this section is to critically examine the growth trends in the urbanization pattern of India over the last five decades. The population totals from 1961 to 1981 reveal a significant acceleration in the urban growth of the country. However, this rate declined slightly after 1990, and between 2001 to 2011 the growth rate of the urban population again increased. In absolute numbers, the urban population of India has increased almost fivefold in the past five decades. Presently, about 32% of the total percentage of population is classified as “urban” in India. This rate is much lower than in other major developing countries; for example, rates are 45% in China and 87% in Brazil (Ministry of Urban Development, 2011). Even though the level of urbanization is comparatively slow, India is still considered as having an “urban avalanche” with the shift of urbanization being most pronounced in developing countries (Kundu, 2014; Mathur, 1984; Planning Commission, 1983).

A major problem in interpreting the urban data in India is the definition anomalies of the “urban area.” The Census of India defines an urban area as “places which meet the following criteria; a minimum population of 5,000; at least 75 percent of male working population is engaged in non-agricultural activities; a population density of at least 400 persons per square kilometer.” The arbitrariness of this definition arises in terms of administrative notions in two main ways. First, large towns and cities extend their boundaries to include villages. Second, with the

increase in population large villages grow and acquire the status to town. This generic problem of defining an urban area has impacted the spatial distribution of population across the size classes of cities and towns in India. The full definition of urban areas in India is given in Table 1.

**Table 1**

**What is defined as “urban” in India?**

Urban areas are classified as:
<b>Statutory towns:</b> All places with a municipality, corporation, cantonment board, or notified town area committee.
<b>Census towns:</b> Places which meet the following criteria; a minimum population of 5,000; at least 75% of male working population is engaged in non-agricultural activities; a population density of at least 400 persons per square kilometer.
<b>Metropolitan cities:</b> are those which have a population of at least 10 lakhs (1 million)
<b>Urban agglomerations (UA):</b> are defined as continuous urban spreads constituting a town and its adjoining urban outgrowths, or two or more physical contiguous towns and any adjoining urban outgrowths of such towns.
<b>City – size classification (based on population size)</b>
Class I: 100,000 or more
Class II: 50,000 to 99,999
Class III: 20,000 to 49,999
Class IV: 10,000 to 19,000
Class V: 5,000 to 9,999
Class VI: Fewer than 5,000

*Source:* Census of India, 2011.

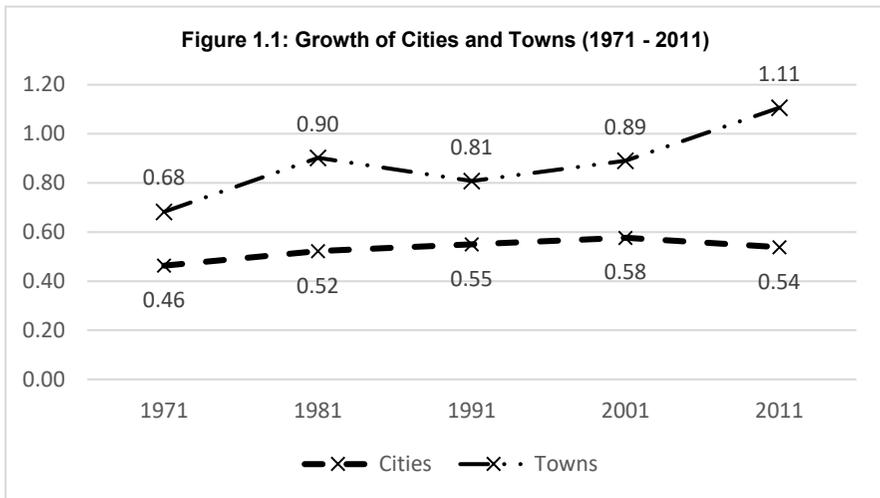
The smaller towns (Class IV, V, and VI) are generally referred to as census towns in India (Ramachandran, 1989).<sup>1</sup> Until 2001, the number and share of census of towns remained relatively constant. However, between 2001 and 2011 the increase in the number of “census towns” was remarkable, increasing from 1,362 in 2001 to 3,894 in 2011 (Karmakar, 2015; Kundu, 2011; Pradhan, 2012). These settlement units often lack basic services and infrastructure. In addition, many are administered under rural government or absorbed into larger urban agglomerations. Therefore, due to the sudden increase in the census towns during the last decade Indian urbanization has been described as “sudden, hyper urbanization, phenomenal

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<sup>1</sup> Census towns are supposed to be smaller than 5,000 people. However, the term census town is often used erroneously to include Class IV and V towns contributing to confusion and lack of precision.

and unprecedented” (Sircar, 2017). While India experienced a sudden growth in its urban population in absolute numbers, the percentage growth as compared to the overall population is much lower. Between 1951 and 2011, while the urban population increased fivefold, the percentage of urban to rural population increased only from 17% to 31%. The growth rate of the urban population only increased by 3.79% from 1971 to 1981, after which it decelerated continuously until 2001. During 2001–2011 the decline in the urban growth rate halted and the level of urbanization in the country increased from 27.7% in 2001 to 31.1% in 2011. This increase of 3.4% during 2001–2011 was considerably higher than the increase in each of the preceding two decades.

The unbalanced structure of urban settlements is another important feature of the urbanization pattern in India. It is a fact that the urbanization classification of India does not indicate any cities as primary cities (Mathur, 2014; Ramachandran, 1989; Schafer & Dimou, 2012). As per Census 2011, there are 7,933 cities and towns in India. In this total share, the growth rate of towns has been increasing since 1961. In absolute number, the total number of towns have increased from 3,984 in 2001 to 5,705 in 2011. However, the percentage distribution of population across different size classes shows the greatest share of population growth occurred mainly in Class I cities.



Source: Census of India (2011).

It is evident from Figure 1.1 and Table 1.1 that it is erroneous to assume that the number of cities is growing faster than the number of small towns. However, the proportion of the total urban population that lives in cities continues to increase (Mohan & Pant, 1982). Notably, overall policymaking may be seen as indicative of a general bias towards larger urban centers, mainly due to the considerable demands on infrastructure, service delivery, and governance made by large cities and

metropolitan areas. In this way, small towns that get absorbed by large cities have very little control over their development.

**Table 1.1**

**Percentage Distribution of Population in Cities and Towns (1961 – 2011)**

Year	Cities	Towns				
	Class I	Class II	Class III	Class IV	Class V	Class VI
1961	52.58	10.90	16.26	12.37	6.95	0.93
1971	58.15	10.69	15.26	10.81	4.52	0.57
1981	62.47	10.90	13.34	9.18	3.53	0.58
1991	65.98	10.54	12.85	7.66	2.62	0.36
2001	69.94	9.50	11.76	6.41	2.16	0.23
2011	70.20	8.53	11.09	6.37	3.36	0.44

Source: Kundu (2017)

The unbalanced urban settlement structure of India is also evident in the form of regional growth centers leading to fragmentation and disparities in the levels of urbanization. The regional urban system of India is centered on its four largest metropolitan cities: Delhi, Mumbai, Chennai, and Kolkata. This urban system forms a functional entity and their importance is mainly due to its high manufacturing base and technologies (Thakur & Thakur, 2016). However, in recent years their importance has been tapering off due to newly emerged metropolitan towns. Currently, there are 52 metropolises located in 16 states of India. Table 1.2 shows regional distribution of metropolises in relation to percentage variation in their area and population.

Though these large metropolitan cities are scattered all over the country, their concentration is more in the northern, southern, and western states of India. The variation by area over population is most pronounced in the metropolitan cities located in the southern and western states. For example, Malappuram (436.71), Kollam (364.05), Vasai-Virar (328.42), Thrissur (219.41), Vijayawada (180.22), Kozhikode (171.63), Kota (133.33), and Thiruvananthapuram (111.76) metros have registered highest increase in areal expansion during last decade, 2001-2011. When examining the phenomenal increase in these urban areas, it is evident that the metropolitan areas are spreading outwards due to shifts in population and economic activities from the core city areas to the peripheries.

**Table 1.2****Distribution of Metropolitan Cities in India (2001–2011)**

<b>Regions</b>	<b>Metropolitan Cities Percentage Variation in Area (2001–2011)</b>	<b>Metropolitan Cities Percentage Variation in Population (2001–2011)</b>
Northern (15)	Ghaziabad (63.32), Amritsar (0.00), Kota (133.33), Jodhpur (47.19), Allahabad (34.74), Srinagar (25.42), Delhi (24.87), Lucknow (16.62), Ludhiana (0.00), Jaipur (0.00), Kanpur (0.05), Meerut (1.62), Faridabad (2.64), Varanasi (3.82), Agra (11.27)	Ghaziabad (95.13), Amritsar (17.98), Kota (42.46), Jodhpur (32.23), Allahabad (16.33), Srinagar (27.93), Delhi (26.79), Lucknow (29.28), Ludhiana (15.76), Jaipur (31.15), Kanpur (7.55), Meerut (21.23), Faridabad (33.91), Varanasi (17.75), Agra (28.07)
Central (5)	Raipur (50.37), Indore (41.43), Jabalpur (15.60), Gwalior (1.97), Bhopal (12.59)	Raipur (51.12), Indore (43.07), Jabalpur (15.56), Gwalior (27.42), Bhopal (29.33)
Southern (15)	Malappuram (436.71), Kollam (364.05), Thrissur (219.14), Vijayawada (180.22), Kozhikode (171.63), Th'puram (111.76), Kochi (76.88), Vishakhapatnam (57.63), Kannur (57.08), Bangalore (38.63), Hyderabad (26.46), Chennai (18.23), Coimbatore (-0.09), Madurai (5.51), Tiruchirapalli (6.53)	Malappuram (445.31), Kollam (165.24), Thrissur (140.60), Vijayawada (42.08), Kozhikode (84.21), Th'puram (59.38), Kochi (50.26), Vishakhapatnam (28.40), Kannur (35.29), Bangalore (49.44), Hyderabad (27.22), Chennai (29.42), Coimbatore (12.87), Madurai (20.04), Tiruchirapalli (15.17)
Western (10)	Vasai–Virar (328.42), Ahmedabad (72.85), Surat (48.71), Vadodara (45.10), Rajkot (13.63), Pune (- 25.59), Gr. Mumbai (-6.31), Aurangabad (0.00), Nashik (0.00), Nagpur (0.00)	Vasai–Virar (135.71), Ahmedabad (29.41), Surat (62.79), Vadodara (22.21), Rajkot (38.65), Pune (34.21), Gr. Mumbai (11.93), Aurangabad (33.69), Nashik (35.54), Nagpur (17.30)
Eastern (7)	Jamshedpur (15.37), Durg – Bhilai (-1.50), Kolkata (0.92), Asansol (4.95), Patna (5.38), Dhanbad (7.89), Ranchi (8.39)	Jamshedpur (21.25), Durg – Bhilai (14.70), Kolkata (6.09), Asansol (16.49), Patna (20.68), Dhanbad (12.29), Ranchi (30.48)

Source: Census of India, A – 4 Tables, 2011.

Many studies on India, this one included, show that large cities are experiencing a declining population growth in the core and a higher growth in the

peripheral areas (Bhagat & Mohanty, 2009; Kundu, 2014; Sivaramakrishnan, 2014). It can be pointed out here that Gilbert's (1993) polarization reversal theory is a common feature of developing countries urbanization. The theory explains that the diffusion of jobs opportunities and economic activities takes place from the core city to the peripheral areas due to rapid industrialization and improvement in transportation. This phenomenon has ultimately led to polycentric urban form in India that is described as subaltern urbanization (Denis, Mukhopadhyay, & Zerah, 2012). The term *subaltern urbanization* refers to the growth of settlement agglomerations that are independent of the metropolis and autonomous in their interactions with other settlements (Denis, Mukhopadhyay, & Zerah, 2012). These settlement units are in between the countryside and the city where they are generally left out of larger policy questions related to economic and social transformation. The main concerns of these smaller settlement units is providing urban – rural linkages, supporting indigenous economic activities. and negotiating or flouting a mix of ever-changing and unpredictable regulations. Due to such pressures, small and medium towns and villages are often overwhelmed and encroached upon (Denis, Mukhopadhyay, & Zerah, 2012).

**Table 1.3**

**Components of Urban Growth in India (1991–2011)**

<b>Components of Urban Growth (Percent)</b>	<b>1991</b>	<b>2001</b>	<b>2011</b>
<b>Natural Increase</b>	62.3	57.6	43.8
<b>Net Rural-Urban Migration</b>	18.7	20.8	20.6
<b>Reclassification of rural into urban settlements and boundary changes of settlements</b>	19	21.5	35.6
<b>Rate of urbanization</b>	25.49	27.81	31.16

*Sources:* Bhagat (2015), Census of India 1991, 2001 and 2011.

The most salient features of urbanization in India are closely related to the city growth determinants. The apparent increase in urban growth during the last decade is mainly due to the addition of new towns moving from a rural to an urban classification. It is found that this component has been increasing for the last three decades. The extension of the municipal limits and reclassification of settlements indicates spatial expansion of urban population and dynamics around the existing cities and towns (Bhagat, 2015; Kundu, 2011).

While it might seem like a contradiction where recent studies show a declining trend in the rate of migration to urban areas, urban areas continue to see a rise in population occur mainly through the above mentioned reclassification of urban areas (National Sample Survey Office, 2010). Nonetheless, migration has declined because there are not enough jobs despite an 8% growth in the Indian economy.

What little job creation exists has occurred in the informal sector that makes up 90% of the workforce in urban areas. The repercussions of informal jobs are that workers do not have safeguards like social security, health and medical benefits, and work under worse conditions with little job security and working environment protection. In part, because migrants are increasingly aware of these issues, rural-urban migration did not increase between 2001 and 2011. At the same time, while the National Rural Employment Guarantee Act (NREGA) launched in September 2005 aimed to provide greater rural employment opportunities in India, because the program provides only a short period of relatively high wages, migrants can easily stay back in the villages for these short periods and migrate later back and forth to take advantage of informal opportunities in the cities and peripheral urban areas (Imbert & Papp, 2014).

To summarize, it is evident that expanding metropolitan areas that encroach on small cities and towns is a major feature of India's urbanization. The population in urban areas is growing mainly because of the reclassification and morphology of the urban settlements. Small and medium towns are growing largely due to the definition anomalies of "urban" as per the Census of India. In the urban classification system of India, the categories of towns comprising populations of fewer than 20,000 are grouped together and shown as small towns, and this category has grown faster than any other during the period from 2001 to 2011. Just as there is a need to reexamine classifications for small towns, there is also a need to reclassify mega-cities that are incomparable to the broader category of Class I cities. There is a need to fully review and revise India's urban classification system.

### **Urbanization Policy in India**

The national economic development of India started with the establishment of a Planning Commission in 1951. The successive plans focused on massive investments on core sectors like industry, agriculture, power, and irrigation but the issues of urbanization were largely ignored. During the first three phases of planning (1951–1966) there was a lack of vision for urban processes. The focus was on housing and land development, preparation of master plans, development of new towns and cities, and new industrial policy (formulated in 1956) and not necessarily the strengthening of more integrated rural-urban linkages. Therefore, the problem of spatial imbalances subsequently became visible. The new industrial policy led to the rapid growth of large metropolitan cities. The development of large cities incurred higher costs of urban infrastructure and industrial development. Due to higher levels of employment in industries, in-migration to urban areas increased the growth of slums and put increased pressure on basic services. On the other hand, small and medium towns received little attention or investments.

In order to release the employment pressure on large cities, the industrial policy of 1956 then shifted to the development of lower order towns by promoting small-scale and agro-based industries. Small and medium towns began to see the relationship between dispersed urbanization and rural development. Hence, these towns increasingly became growth foci, generally acting as market centers through various functions like marketing of the agricultural produce, distribution of

consumer goods, and other services (Nath, 1986). Basically, the third five-year plan focused on “balanced urban and regional development” through the development of small and medium towns. However, this goal was not achieved due to a wider range and higher quality of infrastructure, greater growth potential, and more investments in large cities. The multi-service role of small and medium towns was not recognized, and the little attention given was generally focused on the importance of agriculture, which led to their stagnation. Hence, effective planned development of urban and rural areas was not achieved due to this fragmented approach (Gnaneshwar, 1995).

Post-1970s urban development and policy formation gained attention in India. The first National Urbanization Policy was formulated in 1975. This policy focused on balanced development of settlements ensuring functional linkages, optimum utilization of resources, distribution of economic activities, and the maintenance of a minimum level of basic services. In the sixth plan (1980-1985), the scheme for the integrated development of small and medium towns was formulated (IDSMT). The components of the scheme included land acquisition and services, construction of new markets, provision of industrial estates, provision of other services, and processing facilities for the benefit of agricultural and rural development in the hinterland, and low-cost sanitation (Various plan documents, Planning Commission of India, 1983). The IDSMT scheme continued until the eighth plan (1992-1997) when it was dismantled, a topic that will be further discussed in subsequent paragraphs of this section.

The constitution of National Commission on Urbanization (NCU) in the year 1985 was an important step towards urban policy formulation in India. This commission identified 329 cities called GEMs (Generator of Economic Momentum) which were further divided into NPCs (National Priority Centers), SPC (State Priority Centers), and 49 Spatial Priority Urban Regions (SPURs). It was expected that the future growth in urbanization would take place in these centers and adjacent areas (Batra, 2012). However, the Commission failed to order its priorities and did not advocate proper solutions. Moreover, the Commission excluded any analytical assessment of the processes of urban growth or forces behind this growth. They did not analyze the impact of urban policies or assess the adequacy of investments made in basic services such as water supply, electricity, transport, and other necessities (Kundu, 1989; Mehta & Mehta, 1989).

The economic liberalization period of India had significant implications for urban development. The emphasis on urbanization and economic development continued; however, the focus was towards involvement of private sector for city infrastructure development, accessing capital markets and initiation of funds for structural changes in the city (Richardson & Bae, 2005). To fulfill the purpose of economic liberalization, the eighth plan (1992-1997) introduced the mega-city scheme (Mahadevia, 2011). Much of the investments were concentrated in major cities of Mumbai, Delhi, Chennai, Bangalore, Hyderabad, and Ahmedabad. The new economic development model had a profound impact on the urban and regional geography of India. First, there was selective migration instead of common migration since the growth of service sector and ITES had less demand for unskilled

labor. Second, large investments in infrastructure led to the emergence of urban corridors. These corridors are generally composed of adjacent smaller cities or towns that are attractive locations for industries, manufacturing, and services. This pattern of urban growth raised questions about the city size limits (Mahadevia, 2011). Third, due to the decentralization of new industries and economic sectors the spatial structure of cities changed and led to the development of peri-urban areas and suburbanization (Colmer, 2015). The effect of information and communication technologies and their agglomeration economies also promoted the growth of new urban corridors like Ahmedabad-Pune, southern urban triangle of Bengaluru-Chennai-Coimbatore, northern region centered upon Delhi, and new hubs of growth in the south focusing on Hyderabad, Vishakhapatnam, and Kochi. The remaining urban centers seem to have been neglected thus creating urban and regional disparities (Shaw, 2012). Hence, the skewed nature of urban development was concentrated in a few parts of the country and the IDSMT scheme that was launched mainly for balanced urban regional development never materialized.

In 1992, the enactment of 74th Constitutional Amendment Act marked the start of an era of decentralized governance in which a constitutional status to urban (municipal corporations, municipal councils, and nagar panchayats) areas was given (Qaiyum, 2004). The salient features of the Act included the devolution of fundamental duties such as planning, regulation and development aspects, formation of district planning committees and metropolitan planning committees, formation of ward committees, and constitution of state finance commission (India Infrastructure Report, 2006). The intention was that cities would have greater say and control over their own development.

However, the impact of decentralization was partial. The 74th Constitutional Amendment Act has been challenged mainly on the functions performed by urban local bodies. An important provision of the Act are the 18 urban functions as laid in its 12th schedule. The Act clearly states that these functions should be taken up by urban local bodies. However, due to financial constraints and lack of capacity, some of these functions were shared with state governments or performed concurrently by the urban local bodies, state governments, and parastatal agencies (Ministry of Urban Development, 2011). This mainly favored the development of large cities that were already major destinations of investment and external assistance. Whereas, smaller urban local bodies were largely unable to utilize their legal powers in improving their towns and thus maintained a weak administrative, institutional, and financial basis (Nandi & Gamkhar, 2013).

During the second decade of the economic reforms, a massive urban program was launched by the central government of India called the Jawaharlal Nehru National Urban Renewal Mission. The program covered a period of seven years (from 2005-2012) for infrastructure creation and improvement in urban governance (Shaw, 2012). The mission was divided into four sub-missions: urban infrastructure and governance (UIG), urban infrastructure development of small and medium towns (UIDSSMT), basic services to the urban poor (BSUP), and integrated housing and slum development program (IHSDP).

The overall funding of JNNURM was biased towards infrastructure development in large cities (Khan, 2014). UIG was allocated the biggest share

(42%), BSUP (21%), and UIDSSMT and IHSDP together just 37%. The funding allocation also shows that seven metropolitan cities Mumbai, Delhi, Chennai, Kolkata, Bangalore, Hyderabad, and Ahmedabad received 36% of the funds from the total UIG allocation. This allocation was based not only on the existing share of urban population, but also their economic and developmental potential (Kamath & Zachariah, 2015; Khan, 2014). The Renewal Mission also entailed two types of reforms (mandatory and optional) to avail the central government funding. Mandatory reforms were those which the urban local bodies were bound to complete. However, many cities were largely unable to complete the reforms due to a lack of technical and administrative capacity of the local government (Ministry of Urban Development, 2011). It has been argued by Mahadevia (2011) that the Mission was launched to promote the cities as “engines of growth.” However, the rapid transformation and creation of infrastructure and housing was not adequately achieved due to ad hoc planning, hasty proposal preparations, and undemocratically prepared city development plans.

At present, India is in the last year of its 12th five-year plan. The present ruling government launched another initiative in 2015 called the Atal Mission for Rejuvenation and Urban Transformation (AMRUT). According to the Ministry of Housing and Urban Affairs, Government of India, this program is “impact-oriented” where states and urban local bodies are responsible for the implementation and sustainable maintenance of urban infrastructure rather than rely on central assistance. Since, the mission is recently launched it is too early to measure its impact, but it is hailed as a means for maximizing the economic and infrastructure development impact on cities.

## **Conclusion**

This paper has reviewed the trends, processes, and policies behind the urbanization pattern of India. It is evident from the review that there is a strong relationship between these factors. There are a few important points that can be inferred about India’s unbalanced urban growth. First, India’s urban system is comprised of a top-heavy structure of large cities even though there has been a sharp increase in the number and share of intermediate and small towns. The spatial distribution of population between different size classes of urban centers shows that majority of the urban population lives in or near large ever-expanding cities. It can be argued that the development dynamism in the larger settlements is responsible for attracting higher population growth, economic investment, and better social infrastructure. This process is absent in smaller settlements that are, in part, hampered by their classification under the Census of India criterion.

Second, the planning policies of both the pre- and post-economic liberalization periods have mainly favored the development of metropolitan and large cities. The new industrial policy of 1956 focused both on the industrial development of large and small and medium towns. However, the small and medium towns were unable to grow due to their role as growth foci for rural markets and agricultural development. In the post-reform period, new economic activities such as foreign

direct investment, ITES, banking, financing, and real estate are concentrated mainly in large urban centers. These cities are mainly driven by the process of agglomeration economies due to access to both capital and skilled labor. However, the impact of economic liberalization was limited, and it led to unprecedented urban expansion and growth of tertiary and service sectors of the economy. This pattern of urbanization in India increasingly links the core to periphery development that is expanding metropolitan areas. Conceptually it is also referred to as “peripheral urbanization,” “suburbanization,” “exclusionary urbanization,” and “rurbanization” by various scholars (Denis, Mukhopadhyay, & Zerah, 2012).

Third, decentralized municipal governance was introduced to change the bureaucratic system in India. However, decentralization is only partially successful in providing functional responsibilities to the urban local bodies. Smaller towns continue to face the challenge of weaker financial basis and social capital, and thus are unable to compete. Lastly, from the evaluation of the massive NURM mission (covering a span of seven years) it can be interpreted that it was mainly finance-driven and large city biased.

To conclude, the morphology of urban settlements has changed drastically in the past two decades in India. Detailed investigations on the role of small and medium towns will be a significant step for the future of urban research of India. It is important to understand the importance of small and medium towns in the settlement structure since a complex relationship exists between city growth determinants and city systems. Hence, research on the relationship between the economic and social dimensions and hierarchical structure of urban settlements will help practitioners, planners, and scholars to understand better India’s unbalanced urban growth.

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