

Research Paper

Economics

Urbanization Some Issues and Challenges

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Introduction

Urbanisation in India has become an important and irreversible process, and an important determinant of national economic growth and poverty reduction. The process of urbanisation is characterised by a most dramatic increase in the number of large cities, although India may be said to be in the midst of transition from a predominantly rural to a quasi urban society.

In 2001, Indias urban population, living in approximately 5,200 urban agglomerations, was about 285 million. It has increased to almost 380 million in 2011. Projections are that by 2030, out of a total population of 1.4 billion, over 600 million people may be living in urban areas. The process of urbanisation is a natural process associated with growth. There is no doubt that the condition of the poor in rural India must continue to get major attention but the urban sector development should not be viewed as negating such attention or weakening it in any way. On the contrary, we must acknowledge that there is a synergistic relationship between rural prosperity and the continuum of urban development from small towns through larger cities to metros. A holistic approach to spatial development is needed if the country wishes to achieve more inclusive growth.

Urban Growth

An interesting aspect of the urbanisation trend revealed by the Census is that the number of towns in India increased from 5,161 in 2001 to as many as 7,935 in 2011. It points out that almost all of this increase reflects the growth of "census" towns (which increased by 2,532) rather than "statutory" towns (which increased by only 242). "Statutory" towns are towns with municipalities or corporations whereas "census" towns are agglomerations that grow in rural and peri-urban areas, with densification of populations, that do not have an urban governance structure or requisite urban infrastructure of sanitation, roads, etc. As more Indians will inevitably live within urbanized conglomerations, with densification of villages, sprouting of peri-urban centres around large towns, and also migration of people into towns, the quality of their lives and livelihoods will be affected by the infrastructure of India"s urban conglomerations. The infrastructure of India"s present towns is very poor. Sewage, water, sanitation, roads and housing are woefully inadequate for their inhabitants. The worst affected are the poor in the towns. As more urban conglomerations form and grow without adequate infrastructure, the problems will only become worse. Therefore, India"s urban agenda must get much more attention.

Level of Urbanisation

Among all the States and Union Territories, the National Capital Territory of Delhi is most urbanized with 93 per cent urban population followed by Union Territory of Chandigarh (89.8 per cent) and Pondicherry (66.6 per cent).

Among the major States, Tamil Nadu is the most urbanized state with 43.9 per cent of the population living in urban areas followed by Maharashtra (42.4 per cent) and Gujarat (37.4 per cent). The proportion of urban population is the lowest in Himachal Pradesh with 9.8 per cent followed by Bihar with 10.5 per cent, Assam (12.7 per cent) and Orissa (14.9 per cent).

In terms of absolute number of persons living in urban areas, Maharashtra leads with 41 million persons which is 14 per cent of the total population of the country. Uttar Pradesh accounts for about 35 million followed by Tamil Nadu 27 million3.

Causes of Urbanisation

Urbanization occurs naturally from individual and corporate efforts to reduce time and expense in commuting and transportation while improving opportunities for jobs, education, housing, and transportation. Living in cities permits individuals and families to take advantage of the opportunities of proximity, diversity, and marketplace competition

- · People move into cities to seek economic opportunities.
- A major contributing factor is known as "rural flight".
- In rural areas, often on small family farms, it is difficult to improve one"s standard of living beyond basic sustenance.
- Farm living is dependent on unpredictable environmental conditions, and in time of drought, flood or pestilence, survival become extremely problematic. In modern times, industrialization of agriculture has negatively affected the economy of small and middle-sized farms and strongly reduced the size of the rural labour market. Cities, in contrast, are known to be places where money, services and wealth are centralized. Cities are where fortunes are made and where social mobility is possible.

Businesses, which generate jobs and capital, are usually located in urban areas. Whether the source is trade or tourism, it is also through the cities that foreign money flows into a country. It is easy to see why someone living on a farm might wish to take their chance moving to the city and trying to make enough money to send back home to their struggling family. There are better basic services as well as other specialist services that aren"t found in rural areas. There are more job opportunities and a greater variety of jobs. Health is another major factor. People, especially the elderly are often forced to move to cities where there are doctors and hospitals that can cater for their health needs.

Economic Effects

In recent years, Urbanization of rural areas has increased. As agriculture, more traditional local services, and small-scale industry give way to modern industry the urban and related commerce with the city drawing on the resources of an ever-widening area for its own sustenance and goods to be traded or processed into manufactures. Research in urban ecology finds that larger cities provide more specialised goods and services to the local market and surrounding areas, function as a transportation and wholesale hub for smaller places, and accumulate more capital, as well as often concentrating administrative functions for the area in which they lie.

This relation among places of different sizes is called the urban hierarchy. As cities develop, effects can include a dramatic increase in costs, often pricing the local working class out of the market, including such functionaries as employees of the local municipalities. For example, Eric Hobsbawm's book The age of the revolution: 1789 – 1848 stated "Urban development in our period was a gigantic process of class segregation, which pushed the new labouring poor into great morasses of misery outside the centres of the government and business and the newly specialised residential areas of the bourgeoisie.

Environmental Effects

The urban heat has become a growing concern and is increasing over the years. The urban heat island is formed when industrial and urban areas are developed and heat becomes more abundant. In rural areas, a large part of the incoming solar energy is used to evaporate water from vegetation and soil. In cities, where less vegetation and exposed soil exists, the majority of the sun"s energy is absorbed by urban structures and asphalt. Hence, during warm daylight hours, less evaporative cooling in cities allows surface temperatures to rise higher than in rural areas. Additional city heat is given off by vehicles and factors, as well as by industrial and domestic heating and cooling units.

Urban Infrastructure

The India Infrastructure Report, 1996 estimates the annual investment need for urban water supply, sanitation and roads at about 28,035 crores for the next ten years. The Central Public Health Engineering (CPHEEO) has estimated the requirement of funds for 100 percent coverage of the urban population under safe water supply and sanitation services by the year 2021 at Rs.172,905 crores. Estimates by Rail India Technical and Economic Services (RITES) indicate that the amount required for urban transport infrastructure investment in cities with population 100,000 or more during the next 20 years would be of the order of Rs.207,000 crore. Obviously, sums of these magnitudes can not be located from within the budgetary resources of Central, State and Local Governments.

A compulsion has, therefore, arisen to access financial resources from the market and induces the private sector to participate in urban development programmes.

The Ministry of Urban Development is implementing a number of Central and Centrally Sponsored Schemes for assisting the States in meeting the challenge of rapid urbanisation. Brief details of the schemes are given below:

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched on 3rd December, 2005 with the objective of reforms driven and fast track development of cities across the country, with focus on bringing about efficiency in urban infrastructure, service delivery mechanisms, community participation and accountability of Urban Local Bodies and Parastatal agencies towards citizens. 65 Cities are covered under the Urban Infrastructure & Governance (UIG) component of the JNNURM. These cities have submitted their City Development Plans delineating their long-term vision for development. All the 65 Mission Cities have signed Memorandum of Agreement (MoA) with Government of India committing to a time bound agenda of reforms aimed at achieving sustainable urban transformation. The duration of the Mission is seven years beginning from 2005-06 to 2012-2013. During the period, the Mission seeks to ensure sustainable development of select cities.

The Roadmap Ahead

As urbanisation proceeds faster, the trend the world over is towards smart cities. It is assumed that 70 per cent of the world"s population will be living in such cities by the year 2050. In a smart city there will be integration among all concepts and tools in a variety of areas such as urban planning, mobility, energy efficiency and population management, all with a view to ensuring sustainable urban development. Innovation and technology leads to greater efficiency in the provision of clean energy, smart buildings, open government systems, better water and waste management, sustainable resource management, smart vehicles, integrated transportation, and so on.

The successful cities of the future will run on information. Today, in addition to cities trying their best to govern better so that all residents benefit from the best civic facilities, there is also intense competition among cities. Connectivity has become a critical element in how they function. The ability to connect businesses and people enables new services and capabilities; for businesses, being connected means access to the global market and a platform to offer their services to a larger outside market. Digital communication and the internet today have assumed the role of a fourth utility.

Not all the mission cities and towns have been able to achieve even this minimum target. There is a lot more to be done still to have e-governance spread in all the 4,000-plus municipal bodies, and to steadily extend it to more functions in cities which have already taken the first steps. Even though done in silos, some prominent examples of technology leverage in our cities are: Greater Hyderabad using GPS and GPRS technologies to cover solid waste management, and maintaining parks and street lights through cell phone images, subsequently put in the public domain; Surat introducing an on-line water quality monitoring system; Coimbatore's computerised building-plan approval scheme; Bangalore opting for geographic information systems (GIS) to standardise property tax administration; Jamshedpur Utilities Company providing an IT-enabled 24/7 single-window call centre and customer database; and Kanpur improving municipal revenues using a GIS-linked property database

Conclusion

Urban infrastructure needs to be strengthened across the board. Primarily:

- Provision of basic amenities like safe drinking water, sewerage, waste management facilities and sanitation facilities in urban conglomerations, while also ensuring that the urban poor have access to these facilities at affordable cost.
- 2. Improved water management, including recycling of waste water in large cities and new townships.
- Transportation in urban centres is a major constraint. Currently, public transport accounts for less than a quarter of urban transport in India. Therefore, urban mass transit including metro, rail, electric buses and trams as well as other forms of public transport must be greatly strengthened especially in under-served urban centres.