

Role Of Small and Medium Towns: New Drivers of Development in the Context of Metropolitan Planning.

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Abstract

Small and Medium Towns(S&MTs) play very an important role in country's economic development as they constitute 40% of the total urban population as per Census 2011 . Small and medium urban centres have long been seen as potentially offering opportunities for regional development encompassing urban and rural areas, people and enterprises. Census 2021 figures are not yet published,however,it is expected that more than half of the urban population shall reside in S&MTs. These towns especially in post pandemic times have assumed much significance . With work from anywhere concept gathering momentum ,these towns are bound to grow and prosper . The paper broadly highlights the role of S&MTs as new drivers of development and how with planned development they can redistribute the urban population in a metropolitan regional planning perspective.

Keywords: S&MTs, Metropolitan Regional Planning, Decentralization, JNNURM, AMRUT Mission.

Introduction

Hon'ble Prime Minister Sh. Narendra Modi while addressing mayors and elected representatives of urban local bodies on 21st September ,2022 pushed for holistic development of cities and localised plans for urbanisation and are key to national progress. He requested the Mayors and elected representatives of urban local bodies that States should create satellite towns and develop smaller cities into economic centres to ease the population pressure on metropolises, He also focussed on decentralised urbanisation as a critical driver of India's future.

There is no doubt that there is a huge potential of smaller towns and cities developing as economic centres. Apart from satellite towns in the metropolitan region, there is a need to focus on tier two and tier three cities

as these can also be centres of economic activities. Most of the start-ups now are being set up in tier two and tier three cities. This will certainly ease the pressure on the metropolitan cities and new economic opportunities in S&MTs can be provided. Hon'ble Prime Minister also stressed that there is also a need to develop industrial clusters in such places and understand what are the opportunities to be explored to unearth their potential?

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Role of S&MTs in Urbanization

As per Census of India 2011, there are 7933 towns in India with population 37.71 crore. These towns are classified in six classes on the basis of population. 505 towns are classified as Class I towns while remaining 7428 towns come under other class namely Class II to Class VI. These 7428 non Class I towns having 14.92 crore urban population, constitutes 39.57% of total urban population although 93.37 % of all towns comes under these categories of towns.

Table: Distribution of Class wise towns, Census 2011

Class	Class I (more than 1 lakh)	Class II (50,000 - 1,00,000)	Class III (20000 - 50000)	Class IV (10,000 - 20,000)	Class V (5,000 - 10,000)	Class VI Less than 5,000
Number of Towns	505	605	1905	2233	2187	498
Total Population	227898191 (22.7 crore)	41328224 (4.13 crore)	58174490 (5.81 crore)	31866174 (3.1 crore)	15882772 (1.5 crore)	1955909 (19.5 lakh)

Percentage of Total Urban Population	60.4	11.0	15.4	8.5	4.2	0.5
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Source: Census 2011

The Census 2021 figures have not yet been published. It would be interesting to ascertain that how many census towns would be added as the 2011-21 decade has witnessed corridor induced development wherein large number of gated townships could be observed being developed along the expressways and highways which may not come under the administrative controls of an urban local body. Further, as per United Nations-Habitat's World Cities Report 2022, India's urban population would be 49 .11 crore in 2021 and may attain 67.50 crore by 2035. The share of S&MTs population is likely to be more than 50% of the total country's urban population by 2021 census.

S&MTs-Centrally Sponsored Schemes

The Centrally sponsored scheme of Integrated Development of Small & Medium Towns (IDSMT) was initiated in the year 1979-80 and continued with timely amendments and modifications upto 2004-2005 and in December 2005, it was subsumed in Urban infrastructure development scheme for S&MTs (UIDSSMT) Scheme. It was envisaged that investments in the development of small urban centres would help in reducing migration to large cities and support the growth of surrounding rural areas as well.

The total release of central assistance amounted to Rs. 1069.90 crores for 1854 towns under IDSMT till 31st March, 2008. The states had released Rs. 707.82 crores towards matching state share. Against these releases an expenditure of Rs.1614.44 crores was reported by the States.

In 1990, National Institute of Urban Affairs conducted an evaluation study on IDSMT Scheme which gave the following important observations:

- i. Development of S&MTs is a process which requires attention over a relatively long period of time.

- ii. The more successful process will be one which focusses on the positive economic advantages of S&MTs rather than the fears of migration flows and concern of over concentration in large cities.
- iii. S&MTs development strategy, if to be successful must include the systematic building up of local management and financial capacity and
- iv. Such a strategy will also need to introduce flexibility in project identification and preparation of development schemes more suitable to the background and resource potential of S&MTs.

In 2005, Urban infrastructure development scheme for S&MTs (UIDSSMT) scheme was formulated in 2005-06 to bridge the resources gap that were faced by the Urban Local Bodies under the JNNURM mission, which integrated both needs of urban infrastructure and required investment for infrastructure and urban reforms to improve the urban governance. This scheme was for the remaining cities and towns which were not funded under JNNURM. The scheme focused on efficiency in development of urban infrastructure, services delivery mechanisms, community participation and accountability of ULB's or Parastatal agencies.

The objectives of this scheme were to improve the infrastructure facilities and create durable public assets in towns and cities, enhance public private partnership in infrastructure development projects, to promote planned integrated development of towns and cities.

UIDSSMT scheme was implemented in 31 states and union territories except Andaman & Nicobar Islands, Lakshadweep, Daman & Diu and Pondicherry. 1148 projects were sanctioned under UIDSSMT and only 50% of the projects were completed as on March 2014. Most of the projects implemented under UIDSSMT were water supply projects followed by road and sanitation sectors.

Delays in obtaining permissions from the various departments for land acquisition, delays in releasing Additional central assistance and litigations were the major issues in water supply projects for not being completed (Performance Audit of Jawaharlal Nehru National Urban Renewal Mission (JNNURM, 2011-12).

AMRUT (Atal Mission for Rejuvenation and Urban Transformation Mission) 1.0 focused on establishing an infrastructure for ensuring adequate sewage networks and water supply in the urban areas through the

implementation of the urban revival projects. The main objectives of the AMRUT 1.0 are mentioned below:

- To ensure a proper supply of water and a sewage connection in every household.
- To develop green and well maintained open spaces and parks to increase the amenity value of the cities.
- To reduce pollution by switching to public transport or through the construction of non-motorized transport facilities such as walking and cycling.
- Atal Mission for Rejuvenation and Urban Transformation (AMRUT) aims in covering around 500 cities that are having a population of over one lakh with notified municipalities.

The Mission was launched on June 25, 2015, with an overall budget of Rs. 1 lakh crore allocated for the development under this scheme. Of which, State action plans amounting to Rs. 77,640 crores for basic infrastructure projects were approved, against which projects worth Rs. 79,772 crores have been grounded. So far, i.e., as of June 2021, work worth Rs. 52,477 crores (66%) has been carried out.

The Atal Mission for Rejuvenation and Urban Transformation 2.0 (AMRUT 2.0) upto 2025-26 was approved by the Cabinet during October 2021 as a step towards Aatma Nirbhar Bharat and with aim of making the cities 'water secure' and 'self-sustainable' through circular economy of water. Taking forward the remarkable strides made under AMRUT, AMRUT 2.0, targets universal coverage of water supply by providing household tap connections in all 4,802 statutory towns. 100% coverage of household sewerage/ septage management in 500 AMRUT cities is other objective. Mission targets to provide 2.68 crore tap connections and 2.64 crore sewer/ septage connections to achieve the intended outcomes.

Total indicative outlay for AMRUT 2.0 is Rs 2,77,000 crore including central share of Rs 76,760 crore for five years from FY 2021-22 to FY 2025-26.

The Mission will be monitored on a robust technology based portal. The projects will be geo-tagged. There will be an endeavour to make it a paperless Mission. Cities will assess their water sources, consumption, future requirement and water losses through a city water balance plan. Based on

this, city water action plans will be prepared which will be summed up as State Water Action Plan and will be approved by the Ministry of Housing and Urban affairs. The funds for the projects will be shared by Centre, State and ULBs. Central funds will be released to the States in three tranches based on allocation to the State as per State Water Action Plan.

It is expected that all the statutory towns 4802 (December, 2022) are going to be covered under AMRUT 2.0 giving much fillip to infrastructure development in S&MTs.

With funds available under the AMRUT Mission-2.0 as well as Fifteenth Finance Commission Recommendations, there may not be much paucity of funds flow, however, it has to be ensured that all infrastructure development should be part of the planned development rather than having piecemeal approach wherein the intra-town disparities do not get reduced. The experiences of implementing these schemes signifies that

- If the S&MTs have the potential for growth can very much act as counter magnets and absorb the potential migrants to million plus cities.
- If large scale investments are made, then large number of employment opportunities can be created.

Metropolitan Regional Development Planning: Implications On S&MTs

Regional development that includes urban and rural areas, people and enterprises is crucial for sustainable development. This is especially the case for low and middle income countries undergoing the urban transition, and for countries where employment opportunities need to be created in both urban and rural areas for a growing and youthful population.

S&MTs are a crucial but often overlooked link between rural and urban areas. In most policy discussions, 'urban' is implicitly assumed to mean large metropolitan cities or medium-sized urban centres. This is despite the demographic significance of small towns with more than one-fifth of the world's urban population lives in centres with up to 50,000 population. It is also despite the economic importance of S&MTs, they are the key component of national and regional urban systems, and can play a crucial role in the development of their surrounding region.

While India is on the growth trajectory with the country aspiring to be \$ 5 trillion economy ,it is invariable that profound transformations are taking place in rural areas. The villages along the highways are also experiencing the transformation and are likely to transform into small towns as there is gradual shift towards non-farming activities. These places will be seen to form an important linkage between larger cities and the rural hinterland in terms of the flow of goods, produce, circuits of capital and migration of people. Small and medium towns in India are thus key locations for opening up an urban enquiry into the diversity of urban settlements and the role they play in the larger scheme of urbanization.

The National Sample Survey Office (NSSO) data on employment and unemployment have also highlighted the fact that the period after 2004-05 is the first since independence when the absolute number of workers in agriculture declined. The decline between 2004-05 and 2011-12 was around 35 million workers who moved out of agriculture into non-agricultural occupations. While rural areas accounted for the bulk of the increase in non-farm employment, a significant majority of them have also found jobs in these urban peripheries. Perhaps the data during the period 2011-2021 would be more revealing with regard to increase in the proportion of non-farm workers.

A recent study by Urmila Chatterjee, Rinku Murgai and Martin Rama from the World Bank suggests that small towns have contributed significantly more in generating non-farm employment as compared to large cities. Another study by John Gibson, Gaurav Datt, Rinku Murgai and Martin Ravallion also highlights the importance of small towns in rural poverty alleviation compared to large cities. Further, Census 2011, also shows that 48% of all workers engaged in activities other than agriculture and household industry are commuting to a distance of 2km and more for work. Almost 30% of these rural workers are commuting to a distance of more than 5km for work. This confirms the growing importance of these small towns as providers of employment but also as drivers of growth for new non-farm activities. Most of these new activities are at present casual and largely in construction, transportation and other service activities.

Improvement in communication and transportation have also encouraged accessing jobs in these S&MTs. The advantage of S&MTs is the availability of cheap labour which is looking for employment outside agriculture. It is interesting to note that most of these urban peripheries are towns in the

vicinity of large metropolitan cities and rural villages growing to acquire characteristics of urban areas. The emergence of market towns is also an important feature of these census towns and small towns. But proximity to rural areas has also allowed these S&MTs to become centres for growth, for demand for new services and goods consumed by the rural population. The close links to the rural and agrarian economy has allowed them to insulate themselves from the uncertainties of large urban cities.

It can also be stated that there is a late resurgence in the interest towards S&MTs, which may be considered as a part of the move away from the “metro-centricity” bias. Recent studies in India have suggested that large cities do not convincingly show that they are the drivers of economic growth. With limited jobs in the urban formal economy, except for the highly skilled jobs, leading to “exclusionary urbanization”, the process of urbanization in India is becoming dispersed—small towns have grown relatively faster in all the states during 2001 and 2011. It is now believed that S&MTs can play a major role in the process of development by maximizing their competitive advantages in manufacturing activities due to lower costs of production and living. They are also known to play a strong role in the diversification of rural economy and growth of towns matters more than that of cities in the reduction of rural poverty. They play an important role in the process of rural development by providing market facilities and services to the rural populations and by acting as linkages between villages and cities.

Role of S&MTs In The Integrated Metropolitan /State Capital Region Plans

The development of S&MTs should be seen as a strategy to encourage a more balanced urban hierarchy, and in turn to help reduce pressure on primate cities, moderate spatial inequities, enhance rural-regional development and foster embryonic or latent forces of polarization reversal. India, one of the rapidly-developing countries, has accepted the rationale of this strategy and is making efforts in this direction for more than a decade now. It may be appropriate to make an assessment of the Indian initiatives in this context in order to define orientations and directions for the future. S&MTs are in positions of disadvantage with not only limited support from both the national and state governments, but also little private investment which may be considered as constraint which is required to be overcome by proactive initiatives.

They are seen as “in between” or “transitional” places and are merely regarded as “conduits through which rural resources, both material and human, flowed up the urban hierarchy to the core.” However, there is a late resurgence in the interest towards S&MTs, which may be considered as a part of the move away from the predominance of metropolitan cities.

Hence, S&MTs can play a major role in the process of development by maximizing their competitive advantages in manufacturing activities due to lower costs of production and living. They also play a strong role in the diversification of rural economy. They play an important role in the process of rural development by providing market facilities and services to the rural populations and by acting as linkages between villages and cities.

S&MTs in Metropolitan City/ State Capital Region Plans:

Small and medium sized towns play an important role in Metropolitan /State Capital Regional Plans. In that respect a number of important issues arise:

- Strengthening S&MTs in rural areas as focal points for regional development and promotion of their networking.
- Maintenance of basic supply of services and public transport in small and medium sized towns
- Promotion and support of partnership-based cooperation between small and medium sized towns at a national and transnational level through joint projects and mutual exchange of experience.
- Many aspects have to various degrees determining impact on quality of life and future prosperity in small and medium

Role Of S&MTs in Post Pandemic Times

The corona pandemic brought the urban life to standstill due to lockdown. The role of digital communication virtually became the new order. Home office and remote work became the “new normal” especially for office goers and academic community. The boundaries between work and living got increasingly blurred. Digital work technologies have been pushed in an unprecedented way. After the crisis, it can be expected that firms /companies stick at least to some of the new routines of remote work: hybrid

work models and multilocal work including the use of home offices, co-working spaces and firm offices may play an increasing role .

The Collaborative work spaces offer not only new opportunities for remote work to office goers but also to the development of small and medium towns which might benefit from new entrepreneurs and business models. Collaborative work spaces can also be seen as new components of a town's social infrastructure which may contribute to more holistic and sustainable regional development. This might hold all the more true when new forms of working together are entangled with co-living models and community engagement leading to the establishment of multifunctional areas instead of segregated spaces for work, living as well as recreation and leisure activities.

Way Forward

Small and medium towns are significant to enhance urban-rural linkages because they are often more accessible to rural populations and also act as a bridge between rural populations and large cities. They present a strategic location for linkages to rural regions, and can promote more equitable economic growth in rural regions and spur balanced development, manage urbanization, attract investment and meet the demand for housing, land, infrastructure and basic services.

The States need to encourage delineation of metropolitan regions/state capital regions and make efforts towards preparation of metropolitan region plan and focus on decentralization of economic activities and give impetus to development in S&MTs based on their potential. With the availability of grants from central government, these towns need to strengthen the infrastructure and become the hub of creating new economic opportunities. With more focus on corridor induced development there is much scope for development of these towns and diversification of economy with both primary and non-primary sectors thrive thereby benefitting the regional economy. The access to digital communication with all towns getting connected to fibre optics also offer immense potential to work from S&MTs thereby cutting the operating and maintenance costs normally incurred on a very higher side in metropolitan cities.

Hence, the role of S&MTs would be crucial in future and shall pave the way for balanced urbanization with shift from overdependence on metropolitan cities in terms of investments as well as planned development.

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