CHAPTER - I
INTRODUCTION
1.1: INTRODUCTION

Urbanisation has often been regarded as a positive manifestation of economic development. Nevertheless, the relationship between urbanisation and development does not work out to be positive empirically in all the countries and regions. It is often argued that without urbanisation, the development of desired economic and social organisations may be slow, if they evolve at all. This argument places urbanisation as a pre-requisite to development. A review of the existing literature shows that the term 'urbanisation' has acquired a definite developmental connotation in the context of economic planning. It is also argued that urbanisation accelerates the process of development, where it does not imply only growth of national income but also qualitative changes in the levels of living, provision of basic amenities and emergence of healthy value system and modern culture.

Urbanisation, if broadly defined, is the process whereby people move from rural areas of habitation to urban areas, or rural settlements get transformed into urban settlements, resulting in large concentration of population in cities and towns along with a gradual and continuous change in their economic pursuits, with nature and levels of social amenities, and, above all, changes in the behaviour of the people. The important point to be noted here is that the city growth in all forms is not to be confused with urbanisation. Natural growth in population or growth due to natural and economic calamities may not be considered as a process of urbanisation. Mitchell (1956)
refers to the term as 'a process of being urban, moving to cities, changing from agriculture to other pursuits common to cities and corresponding changing behaviour patterns' (Breese, 1969:3). This implies that the process of urbanisation results in the release of working population from the task of providing food to the task of satisfying other physical and intellectual wants. In an ideal condition, this shift is made possible by an increasing efficiency of food production, requiring less and less people to work in it. The release of workforce from the agricultural pursuits makes labours available in industrial and other non-agricultural sectors of the urban economy.

The growth of urban centres leads to changes in infrastructure which in turn further helps in regional development, industrialisation, transportation linkages, population distribution and the entire rural urban continuum (Mandal and Peters, 1982:2). Hence, urbanisation is considered to be an important component of regional development.

It is generally observed that cities provide concentration of population from which industrial labour is drawn having greater variety of skills and resources. 'Even more important, perhaps urbanisation promotes values favourable to entrepreneurship and industrial growth, in particular cities tend to favour a propensity to analyse traditional institutions and to innovate and accept change since, in a relatively impersonal and fragmented setting of urban life, the all embracing bonds of traditional community systems are difficult to maintain' (Wellisz, 1971:39). Thus the term 'urbanisation' may be defined
as 'the reorganisation of space through redistribution of population among a hierarchical system of settlements of various sizes and having varying mixes of rural-urban attributes along a continuum in response to vertical shifts within the workforce of the national economy. The relationship between the vertical shift in the workforce, on the one hand, and of its horizontal mobility, on the other, is of crucial significance in the development process' (Raza and Mahmood, 1987:81).

The effects of the process of urbanisation are not confined to the economic transformation of a society alone, but their consequences are to be seen in the physical and social transformation of the people also. These consequences further act as forces conducive to the economic transformation of the society. Further, the economic function of an urban centre is not limited to the people living within the municipal boundaries of the city but covers the economic life of the surrounding non-urban areas as well. The urban centres, for example, provide demand for the surplus agricultural production, supply modern farm inputs and implements which help in augmenting the productivity levels. In sum, it can be said that the process of urbanisation has a series of direct influences on the economy of a society. In fact urbanisation is both a product of and a tool for development. In other words, urbanisation is to be seen both as a cause and effect of economic development.

Since the process of urbanisation is intimately associated with economic development, it deserves close attention for understanding the recent and future mechanisms of change in pre-industrial societies. In this context, the definitions of
urbanisation given by different scholars have played a vital role so as to have a conceptual clarity. Lot of research on urbanisation spawned by both early and more recent "Chicago School" (sociologists and human ecologists) has been done with the help of evolutionary framework. As a result a wealth of descriptive and theoretical material has emerged on the pattern of urbanisation over time and space (e.g. Davis, 1972; Hauser, and Schnore, 1965; Hawley, 1981), the relationship between urbanisation and other aspects of the industrial division of labour (Hawley, 1981; Gibbs and Martin, 1962), urbanisation and regional development (McKenzie, 1933) and the elaboration of city systems (McKenzie, 1929; Bougue, 1949 and Duncan, 1960).

McKenzie focussed on urbanisation at the regional level early in this century. His work has influenced later interpretations of the urbanisation process. According to him, changes in medium and long distance transportation technology and territorial specialisation are the motors responsible for integration of urban centres within regions. So the dominant centres emerge toward which the activities of other urban centres in a region become directed. Hence systems of towns and cities emerge gradually (Timberlake, 1985:6).

Gerald Breese has talked of urbanisation in the modernising process of newly developing countries. While talking of the scale and pace of urbanisation, he says that differences in urbanisation may arise because urbanisation has taken place in the periods of colonization and exploitation by foreign countries or in connection with the emergence of nationhood following the
end of colonial experience. According to him 'the relationship between the degree of national urbanisation and energy consumption appear to be a useful index - the countries most urbanised are generally those with high energy consumption rates (Breese, 1969:53).

It is a fact that urbanisation is treated as the child of industrial revolution. So with the rise of industrialisation, the pace of urbanisation increases. Five major factors, however, stand out as the determinants of urbanisation such as (i) agricultural revolution, (ii) industrial revolution, (iii) commercial revolution, (iv) increasing efficiency of transportation, and (v) the demographic revolution (Sundra Ranising, 1979:2).

According to Simon Kuznets, however, 'there is no inevitable technological connection between industrialisation and urbanisation, suggesting that it is technically possible to combine the pursuits of agriculture with urbanisation and the pursuits of modern industry with rural living albeit at a prohibitively high cost' (Jacobson and Prakash, 1971:16).

For Davis and Golden since urbanisation refers to a ratio where the urban population is divided by the total population, it is as much a function of the rural as of the urban population. The degree of urbanisation in a given country or region can vary independently of the absolute number of people living in the cities. They say that underdeveloped areas of the world are less urbanised than the developed ones. They emphasised that the degree of urbanisation increases sharply as industrialisation increases. It is noticed that the countries having peasant
agrarian stage of development are least urbanised. While showing the precise extent of the association between economic development and urbanisation they argue that Asia (excluding the erstwhile USSR) and Africa are mainly agrarian based with least urban share in the total population. The achievements of high levels of urbanisation anywhere in the world had to wait for the industrial revolution (Davis and Golden, 1954:8).

Several empiricists working on the urban problems have observed that the history of economic growth in the developed countries is associated with two broad processes - (i) change in the occupational structure due to industrial revolution whereby the agricultural labour shifted to manufacturing. This resulted in a continuous economic development and led to a majority of population being engaged in services or tertiary sectors, and (ii) shift of population from rural to urban areas, as a result of which the process of urbanisation occurred. So economic growth analysis in the developed countries should associate economic development with urbanisation.

It is a well known fact that since a large part of the studies on cities and urbanisation are on European and Western countries, many of the generalisations about urban phenomena are more appropriate to Western experiences. Unfortunately, however, they are taken as universal phenomena (Davis and Golden, 1954:6). But the experience of the developing countries or the Third world countries are not similar in terms of the process and pattern of urbanisation to that of the Western countries.

There is an extensive debate on this issue of urban
processes in two different worlds, and two opposite viewpoints seem to have emerged on the academic scene. Within the Marxian framework urbanisation processes are linked to the stages of development and the specific historical modes of production. So from this perspective, urbanisation can not be understood independent of the production relations in the system.

Castell has argued that urbanisation has accompanied industrialisation but not because 'industrialisation' per se has dominated, but because 'urbanisation' was the expression of the capitalist logic that lay at the base of industrialisation (Timberlake Michael, 1985:6).

The Marxian approach postulates that 'push' factors play important role in the process of urbanisation in the Third world countries. Due to heavy pressure on land, people started migrating from rural areas with a view to be employed especially in the non-agricultural sectors. They could not but engage themselves in unorganised urban sectors which is at a very low level of productivity. As a consequence the tertiary sector expanded without secondary sector, which is alleged to be nothing but a spurious development in such countries. Therefore, in the developing and underdeveloped economies, there is no systematic development from primary sector to secondary sector and then to tertiary sector, but a direct jump from primary to tertiary sector. No doubt, these 'push' factors help in the increase in urban population but can, in no way, help the process of healthy urbanisation and, therefore, it has been termed as 'urban accretion'.
While analysing the pattern of urbanisation in relation to the structure of economy, several scholars have argued that the percentage of urban to total population in India as well as several other developing countries has been much higher than warranted by their level of economic or industrial activity. Kingsley Davis and Golden, therefore, proposed the theory of 'overurbanisation', which seems to be stronger in densely populated agrarian countries (Davis and Golden, 1954:16). Subsequently, the idea of a lack of correspondence between urbanisation and economic development gained currency among a section of Western and Indian scholars.

T.G. Mc Gee argued that the process of urbanisation might be more accurately labelled as 'pseudo urbanisation'. In some Third world countries, city growth is not to be equated with urbanisation. Here, sectoral diversification is not occurring together with the redistribution of population from the rural to the urban areas. This raises questions regarding the possibilities of economic growth and the inevitability of the urban revolution (T.G. Mc Gee, 1971:25). Breese (1969) talked of 'subsistence urbanisation', a situation where an average urban dweller is denied of all amenities except the basic necessities of life (Kundu, 1992:105). Similarly, Friedman and Sullivan (1973) coined the term 'hyper urbanisation' for the phenomenal urban growth in the developing countries.

In the context of Indian economy, the theory of 'overurbanisation' was first challenged by N.V. Sovani (Kundu and Sharma, 1983:52). He questioned the 'push' factors as a result of increasing pressure on land in rural areas (Sovani, 1964:9).
He held that while the increasing pressure on land has been the phenomenon for the last one century, the tremendous growth in urban population in such countries has occurred mainly during the last three or four decades. He even argues that excess urban growth could possibly be explained in terms of governmental investments in the few urban centres besides the 'push' factors operating in the urban hinterland. He observes that the argument regarding the economic burden of rapid urbanisation hampering economic growth in underdeveloped areas through misallocation of scarce capital resources may not be correct.

1.2: THE PRESENT STUDY

From the foregoing discussion it appears that there exists two opposite viewpoints with regard to the interrelations between urbanisation and economic development. While one school considers urbanisation as a positive and necessary concomitant of development, other views it as a negative manifestation of structural backwardness of the economy, rural poverty, lack of sectoral transformation etc. In fact in a vast country like India both the models of 'urbanisation-economy' interrelations are found to be operating simultaneously, reflecting some kind of 'dualism' in the economic structure. Evidences reveal that the process of urbanisation in the developed states has been positively linked with the process of development. As against this, a rapid urban growth in the less developed states are mainly based on the 'push' factors operating in the rural areas in the wake of stagnant rural economy. This dualism in the economic structure, as reflected in the spatial correlates of
the urban processes is the main thrust of the present study. The states of Punjab and Orissa, representing developed and backward economies respectively, have been selected for this purpose.

1.3: OBJECTIVES

The main objectives of the study are as follows:

(i) to examine the spatio-temporal characteristics of the process of urbanisation in Punjab and Orissa during the period 1961 to 1991 in the context of the proposition of dualism in urbanisation.

(ii) to analyse the spatial structure of the economy and changes therein, of the two states during the period,

(iii) to examine the main contrasts in the economic correlates of the urban processes in the two states, and

(iv) to examine the differentials in the nature and levels of development in the urban centres of the two states in terms of their socio-physical infrastructural facilities, municipal receipts-expenditures etc.

1.4: HYPOTHESES

In order to accomplish the above mentioned objectives the following hypotheses have been formulated:

(i) In a developed economy the urban growth is propelled by economic development and, therefore, urban growth is positively associated with the levels of economic development.

(ii) In an underdeveloped economy the urban growth is generally associated with the process of strong 'push' factors operating in the rural areas. Therefore, the urban growth in such
economies is inversely related to the levels of agricultural productivity.

(iii) In an underdeveloped economy rapid urban growth is confined to small or lower order towns, while in a developed economy there is a balanced growth across different size class categories.

(iv) In a developed economy, with an efficient rural-urban linkages, the urban structure is found to be balanced. As against this, in the backward economies the urban structure is highly skewed toward the large cities.

(v) In developed economy the urbanisation process is accompanied by expansion of manufacturing and service sectors, whereas in the underdeveloped economies the urban processes are largely supported by the tertiarisation of the economy.

1.5: PLAN OF THE STUDY

After the introduction in the present chapter, Chapter II is devoted to the discussion on theoretical framework and methodology of analysis. A detailed account of the nature and type as well as source of data has also been presented in that chapter. Chapter III deals with the macro economic scenario of the two states. In Chapter IV, an account of the macro urbanisation processes during the period, using the state level data has been presented. A detailed micro level discussion on the urbanisation processes using the district level data for the period 1961 to 1991 has been presented in Chapter V. Similarly, in Chapter VI the main features of the regional structure of the economy have been discussed. Based on the district level analysis
of the process of urbanisation and spatial structure of economic development, in Chapter VII, the main features of the nature of association between urbanisation and economic development have been discussed. A detailed townwise analysis of the growth pattern and its socio-economic and physical correlates have been presented in Chapter VIII. An account of urban finance and growth of selected urban centres has also been presented in this chapter. And finally, the main findings of the study have been presented in Chapter IX.