CHAPTER - IX
CONCLUSION
9.1: There exists a very close and irrevocable relationship between urbanisation and development processes. In fact level and pattern of urbanisation is both a consequence as well as a cause of economic changes that take place as a country develops. Urbanisation has been defined as the reorganisation of space through the redistribution of population whereby people move from the rural areas to the urban centres and transformation of rural settlements into urban settlements in response to the vertical shift within the workforce of the national economy. Nevertheless, the nature of association between the two does not always work out to be positive empirically across different regions or nations.

Most of the generalisations that have been made on the interrelationship between the process of urbanisation and economic development are confined to the experiences of the European or Western countries of the world. But the experiences of the developing countries or the less developed countries are not similar in terms of the process and pattern of urbanisation to that of the Western countries. Therefore, these generalisations often do not hold good for the less developed countries of the world. In case of the developed countries, strong 'pull' factors operated behind the process of urbanisation. Contrary to this, the present day developing countries are undergoing rapid urban growth primarily due to heavy rural to urban migration in the wake of strong 'push' factors operating in the rural areas. Further, these migrants get
absorbed in the unorganised service sector of the urban areas. As a consequence the expansion in the tertiary sector in terms of employment is generally unaccompanied by a corresponding increase in the secondary sector. The resultant growth or expansion in the urban population has been, therefore, termed by scholars as 'accretion' and not urbanisation. It is in this context that the theories of 'overurbanisation', 'pseudo-urbanisation' and 'subsistence urbanisation' were proposed by the scholars from time to time. Notwithstanding, several scholars have rejected the alarmist view on the relationship between urbanisation and economic development in the less developed countries. They have highlighted a positive association between the two processes.

9.2: In the Indian context, though at the aggregate level, some of the generalisations regarding a positive association may hold good, the regional patterns of growth in the economy and urban population prove otherwise. In fact in a vast country like India, with a great amount of regional inequality in the nature and levels of development across different regions, both the models of urbanisation-economic development interrelations are found to be operating. And based upon this some scholars have proposed the theory of 'dualism' in the Indian economy.

9.3: This 'dualism' in the Indian economy as reflected in the urban process and its economic correlates across regions of contrasting economies, has been the main concern of the present study. The states of Orissa and Punjab were selected for this purpose. In terms of the per capita income, the two states have occupied two extreme positions among the Indian states throughout
most of the planned era. According to one estimate, Orissa with per capita income of well below 50 per cent of Punjab in 1988-89 occupied one of the lowest positions in India. Remarkably, in the same year, Punjab's per capita income was 1.74 times higher than that of India's average. Figures on per capita Net State Domestic Product (NSDP) also reveal an equally high range of disparity between the two states. Similarly, though in terms of the workforce participation rates (WPRs) the two states do not differ markedly, an uninterrupted decline in the same in Orissa, and more conspicuously in the urban areas, indicates an increasing incidence of unemployment in the state as these can not be attributed to higher enrolment in schools etc. As against this, in Punjab the WPRs have remained more or less constant over time, which indicates that the expanding economy has been able to accomodate the growing population. Further, the WPRs among the children and old aged people also reveal the contrasts in the economic structure of the two states. Orissa has constantly reported a higher participation of population in these age groups than Punjab which seems to have been necessiated by the economic exigencies in the wake of widespread poverty prevailing in the state. The analysis of the changing workforce structure showed that while in Orissa, the decline in the dominance of the primary sector occurred mainly in favour of tertiary sector, the structural transformations in Punjab has been reasonably balanced.

9.4: The urban population in Orissa has recorded a phenomenal growth during the last three decades, though it
remained one of the least urbanised states of India with hardly 13 per cent of the total population living in the urban areas. The urban growth rate in the state during 1961-91 has been significantly higher than the nation's average. The converse is true for Punjab, though it ranks very high in terms of the levels of urbanisation in India. The urban growth in Orissa has been higher than Punjab across all size categories. Nevertheless, when rates were worked out for the common towns in a decade and the size class pertaining to the beginning of the decade only, the pattern got reversed.

The urban structure in both the states is characterised by very top heaviness with a disproportionately higher share in the large towns/cities. However, the percentage of urban population residing in class I cities in both the states is significantly lower than the national figure. Nevertheless, if the urban structure is viewed in relation to the number of class I cities, the urban structure in Orissa appeared to be more skewed towards the large cities. In other words, in Orissa an individual class I city accounted for a larger share of the total urban population than that of Punjab. The fact that the urban process has been characterised by a very narrow base in Orissa was further revealed by the town density and the number of towns serving every million rural population. Despite the fact that the number of urban centres has more than doubled in the state during the last three decades, the state ranked one among the lowest both in terms of town density and the number of towns serving one million rural population.
9.5: In Orissa a rapid urban growth has largely been associated with the structural backwardness of the economy. The stagnant rural economy with a very low level of per capita income, has generated strong 'push' factors which consequently led to rural outmigration. This migration was mainly directed to the nearby small and medium size towns. Thus the districts with rapid urban growth in the state were characterised by higher urban-rural growth differentials (URGD). These districts were further marked with a very low levels of urbanisation and industrial development as well, negating any possibility of urban growth being linked with the 'pull' factors operating through the urban centres. The fact that the urban growth in such districts was caused by the strong 'push' factors was also established by its inverse association with the productivity levels and other development indicators during the sixties and the seventies. However, the eighties seem to have witnessed a qualitative change as reflected in a significant and positive association between urban growth during 1981-91 and land productivity in 1980-83. This change in the urban correlates is also reflected in the fact that urban growth during the decade 1981-91 was largely associated with growth of large and medium size towns unlike the previous two decades when urban growth was mainly confined to the lower order towns.

The rate of growth in urban population in these districts was found to be very rapid partly also because of a narrow urban base. Nevertheless, the absence of positive factors propelling urbanisation becomes clear when it is viewed in relation to the productivity levels in agriculture. It was interesting to note
that the urbanised districts were not necessarily better off in terms of the levels of agricultural development.

Despite a very low level of urbanisation, in general, the districts with a higher rate of urbanisation reported an equally larger share of the total urban population in the large urban centres and vice versa. Correspondingly these districts reported a very small share of the their total popualtion in small and medium size towns. Further, the economy of the more urbanised districts like Sundergarh, Cuttack, Sambalpur and Puri is largely dependent upon non-primary sectors of the economy. In such districts the proportion of the total secondary male workforce in the non-household manufacturing activities was significantly higher. The fact that the urbanisation process in the state was largely linked with the industrial activities was also established by the relationship between the rate of urbanisation and the number of registered working factories per 10,000 persons. Nevertheless, the fact remains that in the urbanised districts, there was an equally higher share of male workforce in the service sector. Obviously, a part of this workforce is engaged in the unorganised activities. This is indicative of the link between the urbanisation process and tertiarisation of the economy in the state.

9.5: Unlike that of Orissa, urban process in Punjab is more broad based. The urban growth has largely been caused by growth of large and medium size towns. It does not, however, imply that the small towns in the state have not been growing. However,
growth of small towns has not been large enough to be reflected in the overall urban growth.

In Punjab, too, the rapid urban growth is associated with higher URGD. But Punjab's situation cannot be equated with that of Orissa, where the intra district rural-urban migration is found to have widened the gap between the rural and urban growth rates. Unlike this, in Punjab it is likely that the expanding industrial and commercial activities led to considerable inter-district migration to the urban areas, leading to a faster growth in urban population than its rural counterpart. On an average, the URGD in Punjab was of a lower magnitude than that of Orissa. Nevertheless, the districts with rapid urban growth were not necessarily characterised by higher agricultural productivity.

However, the fact remains that Punjab presents a distinct case of rural-urban linkages manifested in a positive and significant association between the levels of urbanisation and land productivity. In other words, the districts with higher levels of urbanisation like Jalandhar, Ludhiana and Amritsar also ranked very high in terms of agricultural productivity. Not only this, these districts also rank very high in terms of the levels of industrial development as reflected in indicators such as share of factories, workshops and worksheds, number of registered working factories per 10,000 persons, and some of the economic characteristics of population. Thus, the urbanisation process in the state, if viewed in terms of the rate of urbanisation, seems to be linked with the overall levels of development, as against Orissa where only the industrial activities are found to be associated with the rate of
urbanisation. Nevertheless, there are some similarities also in the urban processes of the two states. Like Orissa, in Punjab too, the most urbanised districts reported a higher share of the total urban population in large urban centres. Consequently, the share of small or lower order towns in such districts has been relatively low.

9.6: To analyse the spatial pattern of urban growth and to probe into the process of variations in the growth rate within different size class categories, the fast growing and the slow growing or stagnating towns were identified. This was done by considering a growth of 50 per cent or more in a decade to be reasonably high, and 10 per cent or below as reasonably low.

In Orissa there appears to be an inverse relationship between the size class and the incidence of fast growing towns. From the spatial distribution point of view, there occurred a marked shift from one decade to another. During the sixties, there was a major concentration mainly in the coastal districts along the main rail/rad network connecting Calcutta with Madras. In the seventies it shifted to the western uplands mainly around the city of Sambalpur. In the eighties, when the total number of such towns is found to have declined considerably, a major concentration occurred in the mineral belt of Dhenkanal district along the state highway connecting Cuttack with Sambalpur city in the west. Nevertheless, some cities/towns recorded consistently fast growth and mention may be made of Bhubaneshwar, the state capital, and Sambalpur and Rourkela. The slow growing or stagnating towns did not exhibit any specific locational patterns.
In Punjab, on the other hand, the fast growing towns were more location specific. Though, there was significant dispersal of fast growing towns, particularly during the seventies, the Jallandhar-Ludhiana and Ludhiana-Chandigarh line had an edge over the other areas in terms of the location of fast growing towns. The simultaneous location of slow growing or stagnating towns in the neighbourhood of fast growing towns in this belt suggests a process of 'readjustment of economic base' within the region, as some towns would be growing at the cost of other.

9.7: The emergence of new towns has played a significant role in the overall process of urbanisation in Orissa. An interesting feature of the changing urban hierarchy in the state is that the number of urban settlements reverting to rural character has been exceptionally low during the three decades. This rules out the descretionary factors being crucial in the emergence of new towns in the state. A large concentration of new towns occurred in the coastal districts of Baleshwar, Cuttack, Ganjam and Puri in the neighbourhood of large cities along the National highway. If the new towns of 1971 were ignored, the entire upland appeared devoid of new towns. This is due to the fact that the upland districts lack villages large enough to qualify as urban centres. Moreover, the economic base of these settlements are, perhaps, too volatile to attract non-agricultural activities. It is, therefore, obvious that the development dynamics remained confined mostly to the coastal districts. The new towns located elsewhere in the state were either Taluka headquarters, owing their existence to public
investments in infrastructure and creation of employment opportunities in government sector, or in the neighbourhood of the district headquarters. In Punjab, too, though the new towns are widely distributed over space, a single large concentration is noted in the northern half of the state in the close vicinity of the large urban centres.

9.8: The pattern of urban growth in a region is governed, to a considerable extent, by the geographic location, connectivity of the urban centres, nearness to large urban centres, and the levels of basic infrastructural facilities. Other things being equal, the nearness of the urban centres to the large cities provide marketing facilities and the resultant backward and forward linkages give rise to rapid growth of towns. In a backward economy, the small towns are found to be largely stagnant, mainly because of the inadequate government investment. As their own revenues are not adequate enough to meet operational and maintenance expenditure, such towns heavily depend upon the financial assistance from the State and Central governments. As a result the district/taluka headquarters grow, in backward states, due to government investment.

The administrative headquarters of both the states have definite lead over the rest of the urban centres in terms of their growth performance. Obviously, they enjoy privileges in terms of government investments, besides a more dependable revenue collection system of their own. However, the proximity of urban centres to the administrative headquarters, particularly the district headquarters, determined the growth pattern of towns.
only in Orissa. In Punjab the growth pattern was not related to the proximity to the administrative seats.

The nearness of urban centres to large cities did not affect the growth pattern of towns in both the states. However, a comparatively large number of urban centres in Orissa are located beyond the influence zone of the cities than that of Punjab. This perhaps is the indicative of a somewhat undeveloped spatial organisation and growth of towns induced by 'push factor migration' from rural areas that can not absorb the growing population.

Further, the towns in Orissa are not adequately served by railways. Obviously, the lack of a satisfactory rail network in the state is compensated by the roadways only to a limited extent. Unlike this, a relatively smaller share of the total urban centres in Punjab are not connected by railheads and road system is extremely well developed. Nevertheless, in both the states accessibility of urban centres in terms of its distance from the nearest railway station did not affect the growth pattern of the towns due to the use of road network for movement of commodities.

The city size and workforce structure in both the states revealed some interesting correlates. While the economy of the large urban centres is heavily dependent upon the industrial and tertiary activities, particularly the non-household manufacturing and service industries, the small or lower order towns display a relatively greater dependence upon the primary activities.

The large urban centres are found to have a broader revenue collection base in both the states. The per capita municipal
receipt comprising receipts from taxes, government grants, loans and revenue derived from municipal properties etc. increases sharply with increase in the size of the urban centres. This was more so in the case of Orissa. Likewise, the per capita municipal expenditure on general administration, provision of basic services etc. is also high in case of big urban centres in both the states.

However, per capita availability of some of the basic services like road length, number of latrines, electric connections and social infrastructure like educational, medical, recreational and Banking facilities are generally poor in large urban centres. Importantly, the availability of these basic services and infrastructural facilities did not play a significant role in the growth pattern of towns.

9.9: When an explanation of urban growth pattern was attempted through a set of indicators pertaining to socio-physical infrastructural facilities using town level data, two different sets of determinants emerged in the two states. In Orissa, the distance from the district headquarters emerged as the most important determinant followed by number of electric connections (both domestic and industrial & commercial) and per capita municipal receipt. Nevertheless, all these indicators taken together explain a very small portion of the total variations in the growth rates of the urban centres. Similarly, in Punjab the total road length emerged as the most important determinant, followed by number of educational institutions, distance from the nearest railway station and per capita
municipal expenditure. However, in Punjab, too, a very small part of the variation in the growth rates is explained by these determinants. One may, therefore, argue that other economic characteristics of the urban centres have played a more important role in explaining the growth of the urban centres than the levels of these socio-physical infrastructural facilities.

9.10: An analysis of the levels of institutional loans from financing agencies like HUDCO and growth pattern of some of the selected urban centres reveals some interesting correlations. There are marked differences in the levels of government investments on various urban development schemes between the developed and the underdeveloped regions. Nevertheless, the consistently fast growing urban centres like Bhubaneshwar, in Orissa and Ludhiana, in Punjab, which are class I cities, have been getting much higher per capita investments than the respective state's average. On the other hand the slow growing or stagnating urban centres belonging to lower size categories, like Gopalpur, in Orissa and Hariana, in Punjab received a much lower per capita investment than the respective state average.

9.11: In the light of the above noted observations, one would suggest that the small and medium size towns of the backward states require urgent infrastructural support and institutional finance since they generally lack a broader revenue base of their own. Such institutional finance should particularly be directed to the small towns that have growth potential.