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URBANIZATION AND ECONOMIC DEVELOPMENT IN INDIA

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ABSTRACT The present paper seeks to study the relation that exsits between urbanization and Economic Development in India. Economic Development is measured here by a composite score of nine variables and its spatial pattern is compared with that of urbanization. The rate of increase of urban population has also been compared with the degree of urbanization in order to find out whether rapid increase is being registered by the relatively less urbanised states and vice versa. The urban concentration in the largest city of the State is related to the level of development of the State to find out if the states with a low level of development have large proportion of their urban population in a single centre - a condition approaching primacy. The study leads one to believe that, but for minor deviation, urbanization is positively related with the level of socio-economic development and negatively related with the rate of growth of urban population. The relationship between the level of development and the urban concentration in the largest city is, however, nondirectional and certain regional patterns can be identified.

The relationship between urbanisation and economic development is one of the most fiercely debated one. Without plunging into the more controversial issues of this debate, the present study seeks to cast light on certain widely accepted strains of thought on this count. Their applicability in the Indian context is the main focus of this study. The paper thus has a limited objective.

The correspondence between urbanisation and economic development is studied in order to examine (i) whether urbanisation has triggered a simultaneous economic development or whether it is a spurious urbanisation devoid of parallel economic developemnt; (ii) whether the states that are registering a high growth rate are also the ones that are already highly urbanised or whether they are the less urbanised ones; (iii) whether the proportion of urban population in the largest city is related with the level of economic development to unravel any relations that exist; that is, whether the states with a low level of development have a large proportion of their urban population concentrated in the largest city, a condition approaching primacy.

It may be mentioned at the outset that some of the constituent elements of the Indian Union have been left out for want of comparable data on certain variables. Seventeen States are thus the subject of this study. For each of these States, use has been made of nine development variables to arrive at a composite score of socio-economic development. With regard to urbanisation three variables have been made use of. The development and urbanisation variables are :

A. Development Variables

1. Daily factory employment per 1000 population, 1981.
2. Electricity consumption per capita, 1982-83 (in kwh)
3. Number of motor vehicles per 10,000 population, 1981-82.
4. Total road length per 100 sq. km. 1980-81 (in kms.)
5. Per capita bank deposits, December 1982 (Rs. in Scheduled Commercial Banks).
6. Population per hospital bed, 1982.
7. Daily Newspaper circulation per 1000 Population, 1981
8. Per capita income, 1981-82.
9. Number of villages electrified, 1982-83.

B. Urbanisation Variables

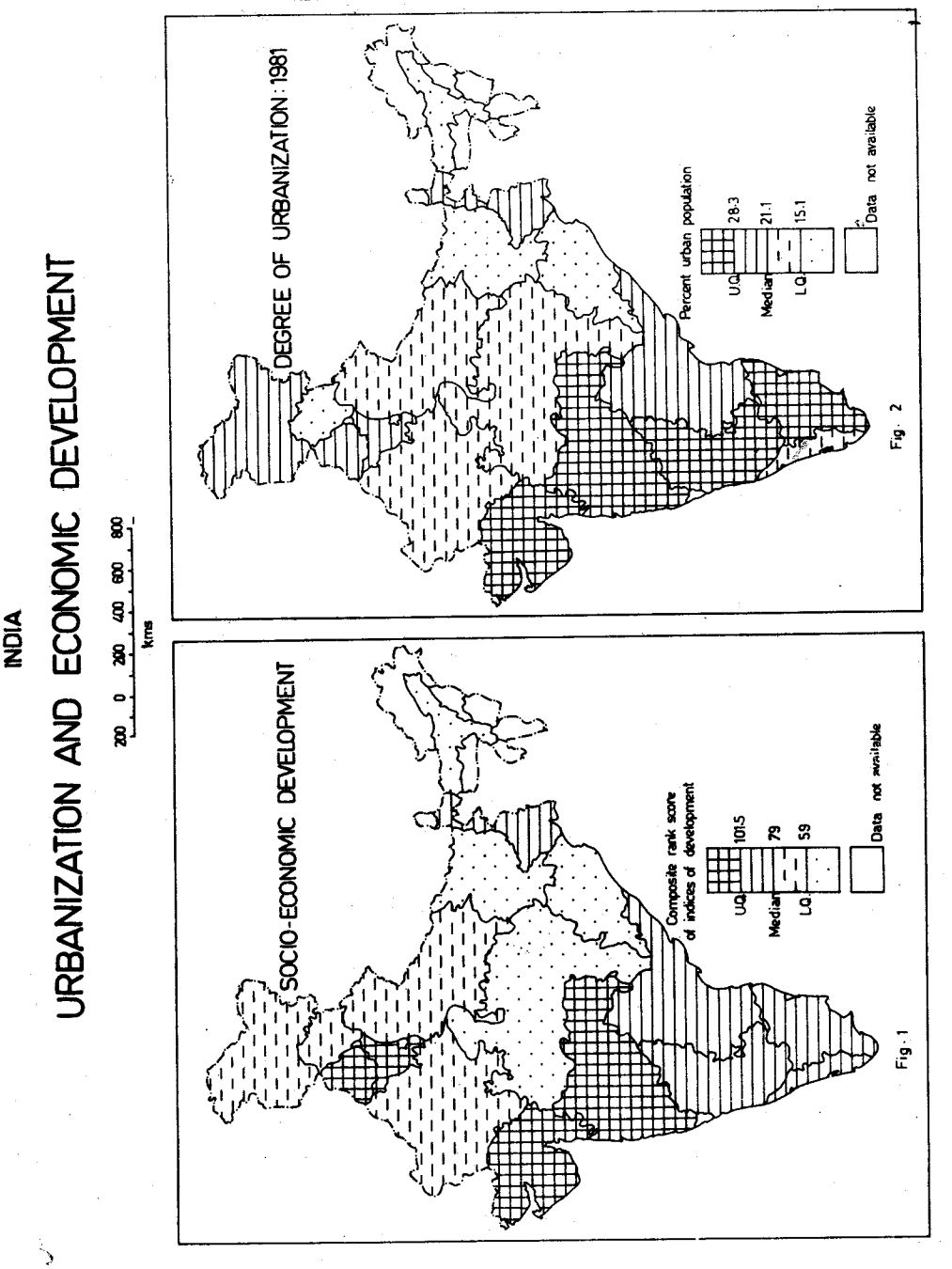
1. Percent urban population, 1981
2. Increase in urban population, 1971-81
3. Urban concentration in the largest city, 1981.

For each of these variables, the States are ranked in ascending order of magnitude. A composite rank score for the development variables is arrived at for each of the states by aggregating the ranks for each of these variables. This score and those for each of the urbanisation variables are mapped on the basis of quartiles. These four maps serve as the basic tools for deriving inferences about urbanisation and economic development. Correlation analysis is also used to complement and supplement cartographic analysis.

It is found on a comparison of Fig. 1 and 2 that most states have similar scores on levels of socio-economic development and urbanisation. For instance, Maharashtra and Gujarat have a very high score on both counts, Andhra Pradesh and West Bengal are high on both, Uttar Pradesh and Rajasthan low and Assam, Bihar and Orissa very low. This indicates a general spatial synchrony between the two variables which is further reinforced by a correlation coefficient (r) of 0.82 (Table 1). Two States, Punjab and Haryana which display a very high level of socio-economic development are not as high on the urbanisation scale. This is mainly because development in these states is rural based, emanating from a prosperous agriculture and urban centres which are largely centres of commerce catering to agricultural requirements, like marketing etc., are small in size. Karnataka and Tamil Nadu present a picture in contrast. They are very high on the urbanisation scale but not as high on the scale of socio - economic development. This is chiefly because the leading cities in each of these states are inordinately large for various reasons and make a disproportionately large contribution to the total urban population. Himachal Pradesh is low on the development scale and very low on that of urbanisation, whereas Madhya Pradesh is very low on development and low on urbanisation. A general agreement between the two sets of variables is, thus, perceptible. Only Kerala and Jammu and Kashmir present a rather different picture, with a discrepancy between the two variables. Whereas, Kerala is high on the development scale, it is low on that of urbanisation, evidently indicating that development here is spatially more diffused and not centered around the urban centres. Jammu and Kashmir, on the other hand, is high on the urbanisation, scale but low on that of development. The high level of urbanisation however, is more apparent than real, as will be observed later, for Srinagar, a large city in an otherwise sparsely

populated state, is singly responsible for this.

Thus, it is evident that states with either a high or very high count on socio-economic development also have a high or very high conunt on urbanisation, whereas, states with a low or very low count on either of these also have a low or very low count on the other. The only exceptions are Kerala and Jammu and Ka-



shmir, the former having a high level of socio-economic development but a low level of urbanisation and the latter *vice versa*.

A study of the relationshsip between rate of growth of urban population and degree of urbanisation (Fig.2 and 3) shows that in a broad way, a negative relationship obtains between the two. This is also attested by Table 1—a correlation coefficient of minus 0.52. Orissa which has a very high rate of growth of urban population has a very low degree of urbanisation. In fact, it is the state registering the most rapid rate of increase of urban population. Other states with a very high ranking on the rate of increase of urban population (Rajasthan and Uttar Pradesh) also

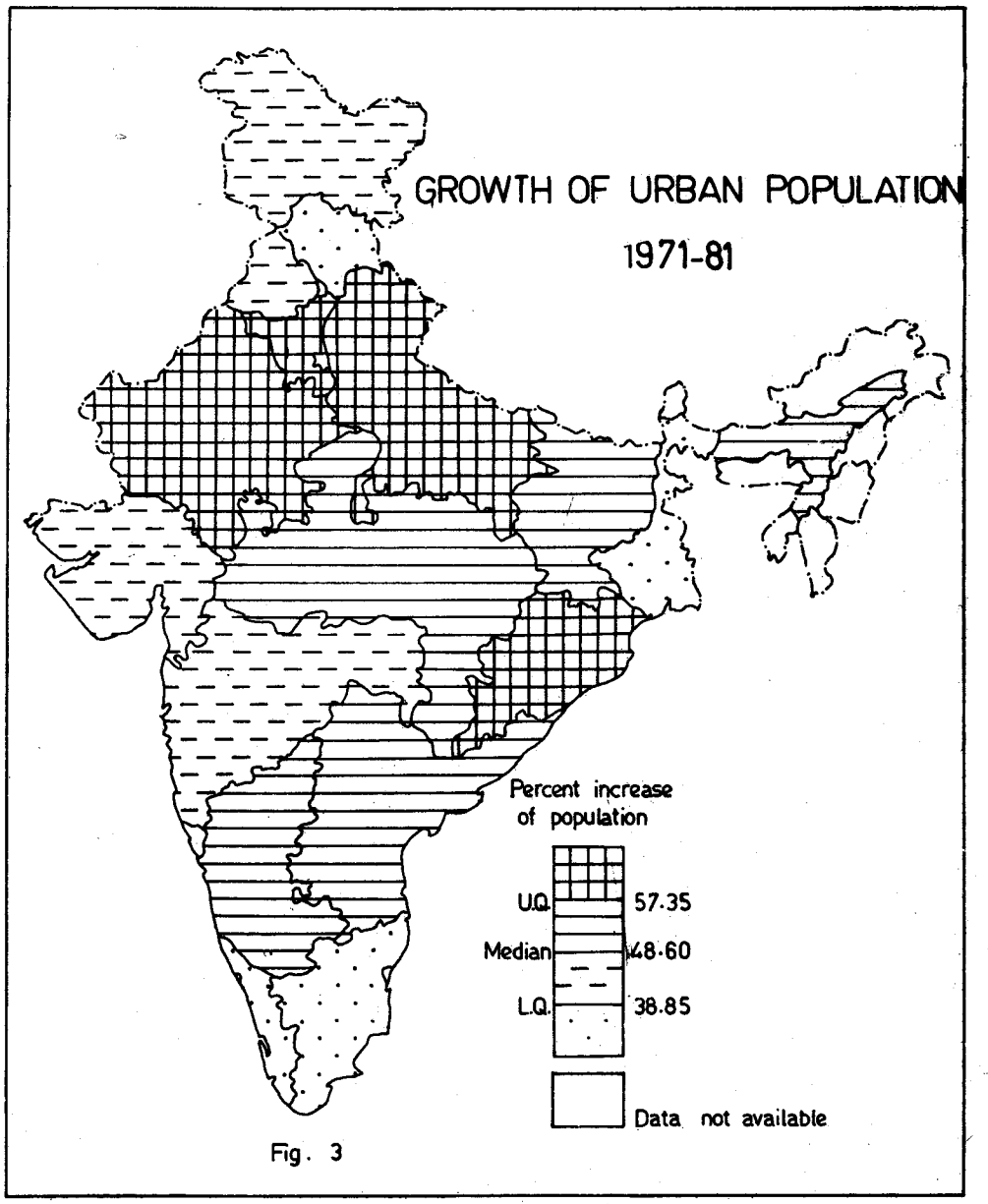


Fig. 3

TABLE - 1

INDIA : RELATIONSHIP BETWEEN DEVELOPMNET AND URBANISATION (RANK CORRELATION COEFFICIENT)

Variables	Degree of Urbanisation	Rate of urban Growth (1971-81)	Urban Population in the largest city
Degree of Urbanisation	-	-0.52	-
Socio-economic Development	0.82	—	0.38

have a low degree of urbanisation. Assam and Bihar both recording a high growth rate are very low in terms of degree of urbanisation as also Madhya Pradesh which is low on degree of urbanisaation and high on rate of growth of urban population. All this leads one to infer that states with a high or very high rate of increase of urban population are low in terms of degree of urbanisation. This means that there is an accelerated pace of urbanisation in states which are low on this score. It also is a reflection of the fact that growth registers a high rate against a nominal base compared to a substantial one. Against this background the cases of Andhra Pradesh and Haryana, are quite glaring. Andhra Pradesh which has a high rate of increase of urban population and Haryana which has a very high rating on this count are also high in terms of degree of urbanisation.

Tamil Nadu with a very high level of urbanisation and West Bengal with a high level of urbanisation have very low rates of urban increase, indicating that they have almost reached a level after which further growth tends to taper off. Maharashtra, Gujarat and Karnataka, also with very high levels of urbanisation are low on the rate of increase of urban population, further substantiating the above statement. Punjab and Jammu and Kashmir which are placed high with regard to the degree of urbanisation are also low so far as the rate of urban population increase is concerned. While in the case of Punjab all the towns are of small and medium size, in the case of Jammu and Kashmir also, apart from Srinagar all the other towns are of small size. Most of these towns of small and medium size do not seem to be growing fast as also Srinagar which is quite big and further growth is not much conspicuous. Himachal Pradesh and Kerala with a very low rate of urban increase are very low and low respectively with regard to urbanisation. Whereas in Kerala, urbanisation is low, but as the level of development is high, in general, the rate of increase of urban population is not high. The situation, with a more well spread pattern of development does not warrant great rural-urban migration leading to a rapid rate of growth of urban population. In Himachal Pradesh, however, the very low level of urbanisation coupled with a low level of development, presents a dismal picture and the vey low rate of urban increase is not surprising.

It could thus be conjured up that, with few exceptions, the general trend is for rapid urban increase, in relatively less urbanised states and

vice versa. The few exceptional cases find explanation in levels of development.

A comparison of Fig. 1 and 4 suggests that, while it is expected that states with a low level of development will have a large proportion of their urban population in the largest city, approximating conditions of city primacy and vice-versa, this is not essentially the case all through. The correlation coefficient between the two variables (Table 1) is 0.38, signifying a rather weak positive fit.

Some of the states conform to the hypothesised relationship. Jammu and Kashmir for instance, has a low level of development but a very high

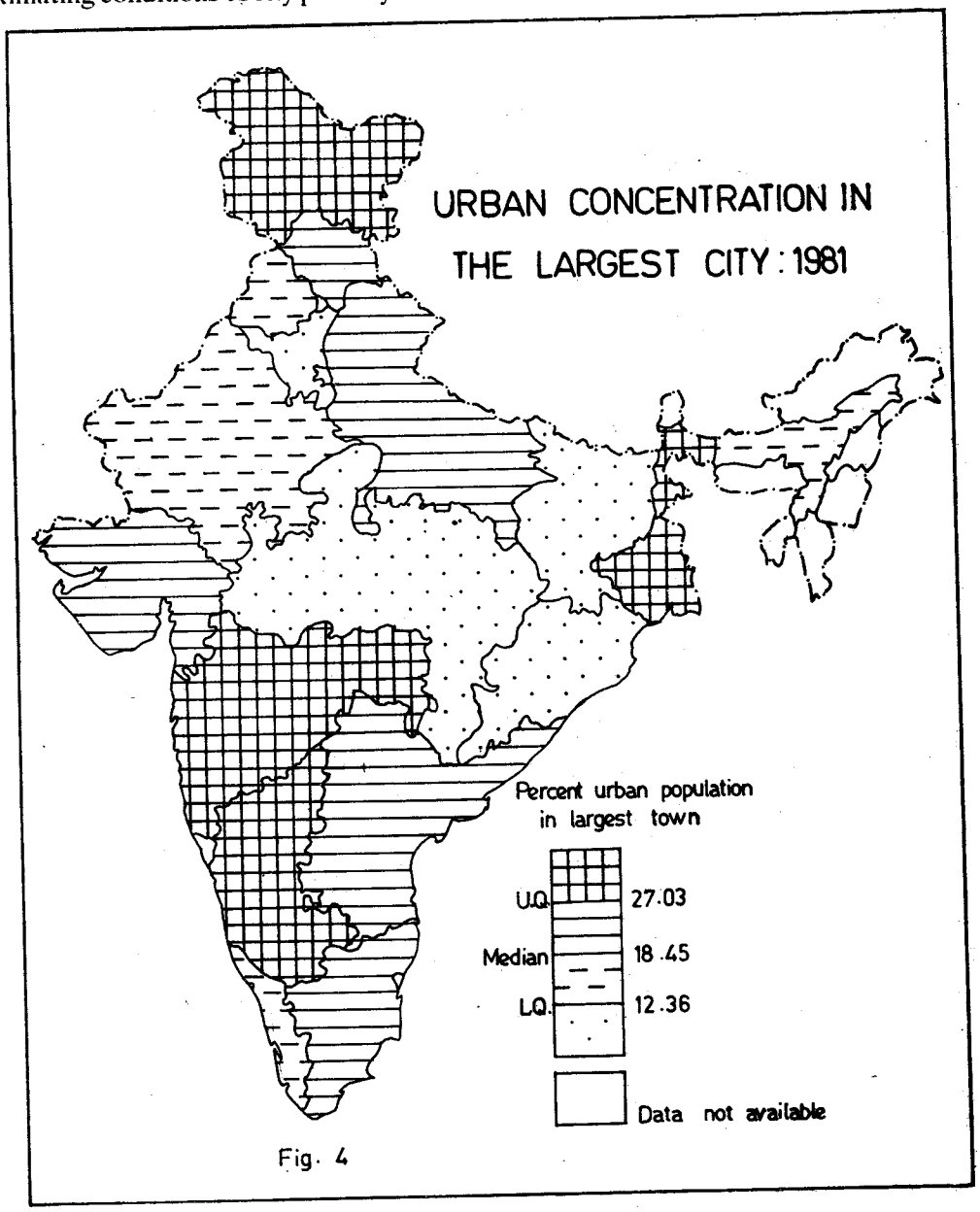


Fig. 4

concentration of its urban population in the largest city as also Himachal Pradesh and Uttar Pradesh which have low levels of development but a high concentration of their urban population in the largest city. Haryana, on the other hand, has a very high level of development but a very low concentration in the largest city as also Punjab and Kerala which, with very high and high levels of development, have a low concentration in the largest city. While settlement patterns in Jammu and Kashmir, Himachal pradesh and Uttar Pradesh approximate primate city patterns, Haryana, Punjab and Kerala display just the reverse pattern with a low concentration of urban population in the leading city. This means that development in these states is well spread and not concentrated in just one centre at the apex of the hierarchy.

Bihar, Madhya Pradesh, Orissa, Assam and Rajasthan have a low or very low level of development and also a low or very low concentration of urban population in the largest city. This coupled with the fact that they have low to very low levels of urbanisation as well, leads one to infer that the little urban population which they have is scattered in the various urban centres. The converse of this situation obtains in Maharashtra, Karnataka, West Bengal, Andhra Pradesh, Tamil Nadu and Gujarat which have high or very high levels of development and also a high or very high degree of concentration of urban population in the largest city, meaning among other things that the effects of development are concentrated around their leading cities.

A few regional patterns are thus discernible. Wheras, a belt extending in a north western-south easternly direction in the northern part of the country, covering Jammu and Kashmir, Himachal Pradesh and Uttar Pradesh, has one type of pattern where a high concentration in the largest city is associated with low levels of development; Haryana, Punjab and far away Kerala display a different pattern where high levels of development are associated with low urban concentration. Most of the states of the south, extending from Gujarat and West Bengal southwards and covering Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu, have a different pattern where high levels of development are associated with high concentration of urban population in one city. A low level of development associated with a low urban concentration is found in a contiguous stretch in central India covering Madhya Pradesh, Rajasthan, Bihar and Orissa.

It could thus be inferred that, notwithstanding minor deviations, urbanisation is positively related with the level of socio-economic development and negatively related with the rate of growth of urban population. The relationship between the level of development and the urban concentration in the largest city is, however, non-directional and certain regional patterns can be identified.

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