

Sustainable urban systems and economic development

Thankachan Jose Kaitharath

Principal, Christ Institute of Management, Rajkot

Email: dr.kjthankachan@gmail.com

Abstract

As per the 2001 Census results (Provisional), 285 million out of 1027 million persons lived in urban areas. In other words, slightly more than one-fourth of India's total population was enumerated in urban areas. When compared with the urban population projections made by the Experts Committee on Population Projections appointed by the Planning Commission (1987), enumerated urban population and level of urbanisation are on the lower side. This slackening of urbanisation process noticed during the last decade has posed some serious questions to the scholars studying this phenomenon. It has been contended that this could be due to a decline in natural growth rate and rate of immigration.

The paper gives a brief account of historical perspective of Indian urbanization and its trends in contemporary scenario. It analyses various components of urbanization and the favourable as well as unfavourable consequences.

The paper tries to analyze and infer the relationship of urbanisation with various economic variables like per capita income, rate of employment and Percentage of Population below Poverty Line and understand its impact upon those variables. It also analyzes and makes inferences on the relationship between urbanisation and human development index and understands its implications. Finally, the paper draws conclusions on sustainable urban systems. Effect of urbanisation with each variable has been weighed and findings are drawn. The methodology adopted for this paper is review of literature.

Key words: Urbanisation, Human Development Index, Census, Poverty line, Immigration

Access this article online	
Quick Response Code:	Website: www.innovativepublication.com
	DOI: 10.5958/2394-2770.2016.00012.0

Introduction

As per the 2001 Census results (Provisional), 285 million out of 1027 million persons lived in urban areas. In other words, slightly more than one-fourth of India's total population was enumerated in urban areas. When compared with the urban population projections made by the Experts Committee on Population Projections appointed by the Planning Commission (1987), enumerated urban population and level of urbanisation are on the lower side. Because, as per its medium population projections, 230 million persons constituting 27.5 percent were supposed to be urbanites. Further, the population living in cities and urban agglomerations having 100,000 and more population was also less than the population projected by the Task Force on Urban Development set up by the Planning Commission (1983) which had projected it as 150 million while the actual count showed approximate 139 million persons living in such places. Thus, the tempo of urbanisation i.e. the extent of urban population growth and cities population growth during the last decade has been less than that observed during preceding decade (1971-1981). For example, while the annual exponential growth of urban population fell from 3.83 to 3.09 the annual rate of gain

in percentage of urban population reduced from 1.72 to 1.02 over the last 2 decades (Census of India, 1991). This slackening of urbanisation process noticed during the last decade has posed some serious questions to the scholars studying this phenomenon. It has been contended that this could be due to a decline in natural growth rate and rate of immigration.

Objective of the study

The objectives of the study are as follows:

1. To analyze and infer the relationship of urbanisation with various economic variables like per capita income, rate of employment and Percentage of Population Below Poverty Line and understand its impact upon those variables
2. To analyze and infer the relationship between urbanisation and human development index and understand its implications
3. To draw conclusions on sustainable urban systems

Methodology

The methodology adopted for this paper is review of literature. Census 2001 Figures are extensively used in this. The material for this research paper is taken from my own research thesis.

Urbanisation in India: a historical perspective

Urban development in India has continued for a very long period. First trace of it has been found in the Harappa urbanism which prevailed during 2350 B.C. and 1750 B. C. It was flourishing in the North-West part of the Indian sub-continent where, a chain of urban centres was found which extended from Iran, Iraq and Asia Minor to Greece and Egypt.

This period was followed by the early historic period which lasted from 500 B. C. to around 600 A.D. and was largely confined to Middle Ganges Plain and parts of Coastal South India. After the fall of Gupta Empire, this urban development declined during the 7th century A.D. Later on, the invasion of Turks followed by the Sultanate rule helped in revival of urban development in India. This revival was largely due to opening of commerce between India, Central Asia and West Asia resulting from the process of political integration of the country. This phase was started around 11th century A.D. and continued with some changes till fall of Mughal Empire i.e. till the 17th century A.D.

With the arrival of British East India Company, the nature of urbanisation process changed remarkably. Because, the establishment of the British Imperial Government and the advent of railways in the second half of last century led to the replacement of centripetal inter-settlement linkages evolved over time through introverted road network by the centrifugal pulls generated by the metropolitan- economy through the establishment of new port towns and orientation of the railway network and internal commodity flow towards them. Due to considerable growth in overseas trade during the colonial regime, some prominent port cities like Calcutta. Bombay and Madras were set up and these dominated the urban scene along with Delhi and a few other metropolises.

As a result of growth of these primate cities, importance of old cities and-towns declined considerable not only in terms of population size but also in terms of economic and administrative functions, urbanisation in colonial India was thus characterised by the existence of a high degree of primacy.

Trends of urbanisation in India – the contemporary scene

In order to have a better understanding of the contemporary urbanisation patterns in India, it would be appropriate to have some idea about the type of settlements treated as urban in the recent censuses. A review of changes in the concepts and definition employed for treating a place as urban in the recent censuses of India clearly shows that the civil of statutory status of a places has served as the most crucial factor for treating it as the urban in India. In addition, some places having certain conspicuous demographic features were also treated as the urban since the beginning of census operations in India. The definition of an urban area has remained fairly constant throughout the period, however, this was made explicit and has been applied more rigorously and uniformly since 1961. Further, there has been no major change in it to date with only an exception relating to the exclusion of certain economic activities like fishing, livestock, logging, plantations, orchards, etc., in 1981 from the category of non-agricultural activities for computing the percentage of male workers engaged in such activities.

The definition of urban area, as per the 2001 Census is as follows:

1. **Towns:** The following are treated as towns:
 - a. Statutory towns, i.e., Municipal Corporation, municipal board, cantonment board, notified area etc.
 - b. Census towns which are non-statutory towns and are actually rural areas but satisfy the following criteria:
 - a. Minimum population of 5,000
 - b. Density of population of at least 400 per sq.km.
 - c. Seventy-five per cent of the male working population engaged in non-agricultural activity
2. **Cities:** Towns with population of 1,00,000 and above are called cities.
3. **Urban Agglomerations**

Sometimes two or more towns may be contiguous to each other making it necessary to consider them together for studies on urbanisation in the area. In some other cases there are large railway colonies, university campuses, port areas, military camps, etc., just outside the statutory limits of a town but adjoining it. Though these areas may not themselves qualify to be treated as towns, it would be realistic to treat them as urban. Such areas are termed as 'outgrowths' (O.G.) and may cover the whole or part of a village. The above two types of contiguous urban areas are called 'Urban Agglomerations'. An urban agglomeration may comprise.

- a. A town and contiguous outgrowths; or
- b. Two or more towns and their outgrowths, if any; all of them forming a contiguous spread of urban area.

Besides, the Directors of Census Operations in State/ Union Territories were allowed to include, in consultation with the concerned State Governments/ Union Territory Administrations and the Census Commissioner of India, some places having distinct urban characteristics as urban even if such places did not strictly satisfy all the criteria mentioned under category (b) above.

Apart from these, the outgrowths of cities and towns also have been treated as urban. These outgrowths include "fairly large well organised railway colony, university campus, port area, military camp, etc., which might have come up" around a core city of statutory town... "since such areas are already urbanised... although a few of them may not satisfy some of the prescribed eligibility tests to qualify themselves as independent urban units... have been termed as outgrowth (OGs) and reckoned along with town" (Census of India. 1991). Each such town together with its outgrowth(s) is treated as an 'urban agglomeration.' This concept of urban agglomeration was adopted in 1971 in lieu of the old concept of town group which was introduced in 1961. An "urban agglomeration" denotes "a continuous urban spread and normally consists of a town and its adjoining urban outgrowths (OGs), or two or more physiologically contiguous towns together with

contiguous well recognised outgrowths if any, of such towns" (Census of India. 1991).

Components of urban population growth

The rising trend towards urbanization, as reflected in the larger rise in urban population, and concentration of the major proportion of urban population in larger cities, is a phenomenon caused by several factors. These may be studied under the following three heads: natural population increase migrations; and boundary changes.

- a. Natural increase
- b. Migrations
- c. Boundary changes

At times the boundaries of the towns have been extended. As cities expanded, the outlying rural areas have been included in the urban areas. It is not that these rural areas suddenly become urban areas. They may even continue to retain most of the characteristics of villages. But their inclusion in the expanding cities put them under the areas classified as towns. Of course at the time of reclassification these areas held rural population. But they are counted as urban population by virtue of being classified as urban areas. In future these are bound to acquire the features of urban life. However, rural population falling in these areas swell the number of urban population.

Urbanisation and economic development

Impact of Urbanisation on Per Capita Income, Rate of Employment and Percentage of Population below Poverty Line: India ranks quite low among the countries of the world in the degree of urbanization. Two reasons can be attributed to the increase of population in urban areas: (a) natural increase of urban population, and (b) net migration from the rural areas. As India is passing through a period of high population growth, the natural increase of population in the urban areas is also quite high. Since the process of urbanization started in India about a decade or so ago, it has not gathered enough momentum so as to enable it to absorb a significant chunk of the rural population. In fact, the impact of industrialization in fostering urbanization is only marginal. With a slowing down of the population growth rate in the coming decades and with an acceleration in the tempo of industrialization, it is expected that the extent of urbanization in India may show a significant change.

The extent of urbanisation can be measured by measuring the relationship between urbanisation, Per capita Income, Rate of Unemployment and percentage of population below poverty line. Economic development is expected to achieve three things: (i) a rise in per capita income so that level of living of the people improves; (ii) a reduction in the rate and magnitude of unemployment; and (iii) reduction of population below the poverty line. To understand the degree of urbanization and its impact of urbanization on economic development, it would be appropriate to take a comprehensive view of

development and not restrict its impact on only one variable i.e., per capita income. In Table 1, state-wise data of the proportion of urban to total population in 1981, estimates of per capita income for 1981-82, rate of daily status unemployment (1977-78) and percentage of population below the poverty line have been juxtaposed.

The analysis is based on cross-sectional data for 16 states of India. It is assumed that rates of unemployment and percentage of population below the poverty line are fairly stable variables and, therefore, they can be safely used to understand the impact of urbanization on them (Table 1). The hypotheses tested are:

- i. Is urbanization associated with per capita income in a positive manner?
- ii. Does a higher degree of urbanization result in the lower degree of unemployment?
- iii. Does a higher degree of urbanization result in a reduction of the proportion of population below the poverty line?

The variables defined are:

- = percentage of urban population to total population
- 1 = Per capita income at current prices
- 2 = Rate of unemployment
- 3 = Percentage of population below poverty line.

The co-efficient of correlation between the proportion of urban to total population and per capita income was +0.78 which is significant. This indicates that the degree of urbanisation is positively associated with per capita income and is significant.(Table 2)

Correlation coefficient (r) between □ and 1 = +0.78 significant at 5 per cent level, □ and 2 = (-) 0.11 which shows the relationship between percentage of urban population and rate of unemployment is negative and weak □ and 3 = (-) 0.42 which shows there is mild correlation between percentage of urban population and percentage of people below poverty line. However, correlation between the proportion of urban population and the rate of daily status unemployment was - 0.11 which was negative though its impact was weak. It implies that a higher degree of urbanisation did reduce the degree of unemployment to some extent by absorbing the surplus labour force released from rural areas in urban employment. The expected negative correlation between urbanisation and unemployment did not get support from an analysis of the empirical data.

Correlation between the proportion of urban population and percentage of population below the poverty line is -0.42. It indicates a negative but mild, correlation. Obviously, the pattern of urbanisation that has developed in India did not make a deep impact on reduction of poverty.

In conclusion, it may be mentioned that whereas urbanization and per capita income are positively correlated, there is near absence of a correlation between urbanisation and unemployment and, urbanisation and reduction of population below the poverty line. Many factors may be responsible for the situation. Firstly, the neglect of slums in urban areas in our planning strategies

may be perpetuating poverty. For instance, the slum survey revealed that in Calcutta, 33 per cent of the population was living in slums. Secondly, whereas the organised sectors are able to improve their income levels by collective bargaining, the unorganised sectors are ruthlessly exploited by the capitalists, the landlords, the contractors and other owners of the instruments of production. Thirdly, the increasing use of capital-intensive technologies in urban areas results in increase in unemployment. Consequently, the absorptive capacity of the economy continues to be low and this explains to some extent the fact that urbanisation did not make a definite dent on the problem of unemployment. Last, but not the least, the benefits of growth may be unequally shared by various sections of the society and the resulting concentration of income and wealth may lead to an increase in per capita income without either improving the economic condition of the poor or enlarging employment at higher wage levels. In other words, the country may be experiencing an enclave type development whose spread effects are very limited.

Further the relationship between urbanisation and human development index has also been measured to know the extent to which urbanisation influences the physical quality of human life. 15 major states are taken into consideration for this purpose (Table 3). It has been observed that there is a high positive correlation between these variables i.e. urbanisation influences positively the human development index. An increase in urban to total population increases the physical quality of human life. In urban areas the human development index is more than that of rural areas. In 1981 the urban HDI was 0.442

while in rural it was 0.263 only showing an urban-rural disparity of 1.68. In 1991 the HDI in rural increased to 0.340 from 0.263 in 1981 while that of urban to 0.511 from 0.442 in 1981. In 1991, the urban-rural disparity decreased to 1.50 from that of 1.50 in 1981.

Consequences of urbanisation

The rapid urbanization has its healthy aspects as also unhealthy ones. The two sides may be mentioned to form an opinion on the subject as also to formulate an appropriate urban policy.

a. Favourable Aspects – Positive affects of urbanisation.

i. Increased Economic Growth

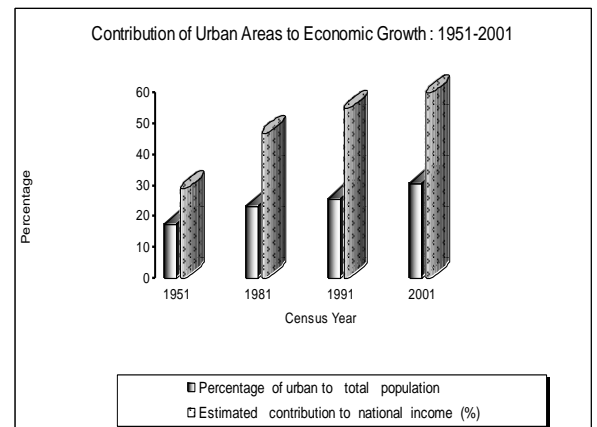


Fig. 1

Table 1: Degree of urbanisation, per capita income, rates of unemployment and population below poverty line

Sr. No.	States	Urban to Total Population ¹ (2001) (%)	Per Capita Income Current Prices ² (1996-97) Rs.	Rate of Unemployment (Daily Status) ³ (1999-2000)	Percentage of Population ³ Below Poverty Line (1993-94)
		□	1	2	3
1	Tamil Nadu	43.9	13382	11.78	35.0
2	Maharashtra	42.4	17825	7.16	36.9
3	Gujarat	37.4	16287	4.55	24.2
4	Karnataka	34.0	11772	4.57	33.2
5	Punjab	33.9	17447	4.03	11.8
6	Haryana	29.0	16454	4.77	25.1
7	West Bengal	28.0	9886	14.99	35.7
8	Andhra Pradesh	27.1	11224	8.03	22.2
9	Kerala	26.0	13050	2.97	25.4
10	Madhya Pradesh	25.0	8689	4.45	42.5
11	Rajasthan	23.4	10171	3.13	27.4
12	Uttar Pradesh	20.8	7743	4.08	40.9
13	Orissa	15.0	6401	7.34	48.6
14	Bihar	13.4	4965	7.32	55.0
15	Assam	12.7	7394	22.21	40.9
16	Himachal Pradesh	9.8	10728	2.96	28.4
	All India	27.8	11564	7.32	36.0

Note: (a) Urbanisation percentage for Bihar has been recalculated to include Jharkhand and that for Madhya Pradesh to include Chattisgarh (b) States have been arranged in the descending order on the basis of degree of urbanisation Source: 1. Census of India (2001) 2. Economic Survey (2001-2002) 3. Planning Commission (1998), Ninth Five Year Plan (1997-2002)

Table 2: Correlation chart for table 1 (significant at 5% level)

Variables	Correlation Coefficients	Interpretation
Between % of Urban to total population and Per Capita Income	(+)0.78	Strong Positive
Between % of Urban to total population and Rate of Unemployment	(-)0.11	Weak Negative
Between % of Urban to total population and Percentage of population below poverty line	(-)0.42	Mild Negative

Note: Calculated from Table 6.15

Table 3: Degree of urbanisation and human development index

Sr. No	States	Urban to Total Population (2001) (Percent)	Human Development Index (2001)
		A	1
1	Tamil Nadu	43.9	0.531
2	Maharashtra	42.4	0.523
3	Gujarat	37.4	0.479
4	Karnataka	34.0	0.478
5	Punjab	33.9	0.537
6	Haryana	29.0	0.509
7	West Bengal	28.0	0.472
8	Andhra Pradesh	27.1	0.416
9	Kerala	26.0	0.638
10	Madhya Pradesh	25.0	0.394
11	Rajasthan	23.4	0.424
12	Uttar Pradesh	20.8	0.416
13	Orissa	15.0	0.388
14	Bihar	13.4	0.367
15	Assam	12.7	0.386
	All India	27.8	0.472

Notes: States have been arranged in the descending order on the basis of HDI values.

Source: Planning Commission (2002), National Human Development Report.

Correlation Coefficient	(+)0.65
High Positive Correlation between Urban to total population and Human Development Index.	

The process of urbanization is often accompanied by major economic and structural changes. Urban areas reflect the general orientation of the region vis-a-vis trade, commerce, financial services, transportation, etc., generating major employment avenues in urban areas.

Urbanization also creates new job opportunities, brings in new talent from the countryside and provides improved services. Thus, it is the concentration of people that provides unique opportunities for economies of scale and resource conservation. There is a high positive correlation between the percentage of urban population to total population and the contribution of urban areas to the national income. In 1951 the percentage of urban population was 17.3 and its contribution to national income was only 29 percent. It increased to 47 percent in 1981 for 23.3 percent urban population and to 55 percent in 1991 and 60 per cent in 2001 for an urban percentage population of 25.7 and 30.5 percent respectively.

- ii. **Exposure to Mass Media:** An important factor, which contributes to the increase in a person's knowledge, is the exposure to mass media. More than half of the total population in rural areas in 1990 was not exposed to any type of media. Of course, with the spread of Satellite TV, things may have improved, but the difference is likely to have persisted. Research also shows that such type of media exposure results in greater contribution towards productivity, leading to an overall improvement of the economic status and a better quality of life.

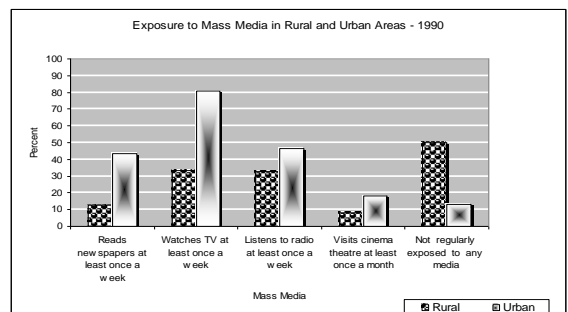


Fig. 2

- iii. **Industrial development and provision for basic amenities:** The urbanization associated with development is something normal as has been the

experience of the present developed countries. In the process of development, many industrial cities came into existence in these countries. Alongside manufactures, service sectors also developed. As a result, commercial, financial other activities like repair, maintenance etc., got expanded, with some cities specializing in them. The same can be said about the industrial to that have come into existence in India. These produce and service manufactures which symbolize the developing character of the economy. This has raised the proportion of the value of manufacturing and service sectors in the national product of the country, although the increase has small. The availability of basic amenities like electricity, safe drinking water, toilet facilities to the households in India are clearly indicate the demand-supply gap for infrastructure and resource gap for urban and rural population

- iv. **Expanded employment opportunities:** Another desirable aspect is related to the new and expanded employment opportunities that are created in urban areas. The benefits to the rural labour from the agriculturally advanced state/regions of the country have been particularly marked. With the increase in the demand for labour in the urban areas for non-food consumer industries producing radios, TVs, cycles etc. as also for capital goods industries producing machines, tools, equipment etc., and service industries, there has been a drawing of labour from agriculture which has surplus labour. This raised the product per head for the remaining labour in agriculture. In these rural areas modernization of agriculture (i.e., mechanization, use of chemical fertilizers etc.) has at the same time freed labour for urban areas where the industrial activities have been located. This is a familiar scenario of "industrialization-urbanization". Besides employment in the modern sectors, quite many in urban areas get work in the small establishments, largely producing traditional goods and goods/services for the large industries. Domestic service in the wealthy as also in the middle-class families is also a source of considerable employment, particularly for women.
- v. **Gains of external economies of scale:** There is also gain arising out of the external economies that cities give rise to. Growth in the city-size to some point, for example, makes it possible to reap the economies of scale in the provision of various services. It is cheaper, for instance, to provide infrastructure like transport, communication etc. It is also possible to meet the needs for education, water, drainage, medical facilities etc., at lower

costs. Many a cultural activities, as also entertainment etc., can be organized without much expenditure of resources for large many people.

- vi. **Change in attitude of the people:** A very important result of urbanization pertains to changes in attitudes that accompany it. This process is furthered also because of the large reduction in the costs of organizing and disseminating information. The many contacts among people from different backgrounds, as also the variety of jobs and existence of cultural activities, tend to promote modernization of behaviour and motivation. The changed attitudes, which replace the traditional ones, further promote the development of economic activities in urban areas. Together with the other facilities mentioned above, it is rightly said that urbanization itself becomes a powerful factor in further urbanization.

Unfavourable Aspects – Burden of urbanisation

Even though the process of urbanisation has many advantages, it is not out of limitations which are to be seriously taken in to account. Urbanization is an inevitable process. Hence, it is important to understand the relationship between economic change and urban growth and to examine the impact of urbanization on infrastructure, environment, human welfare, etc. The following are some of the unfavourable aspects of urbanisation.

- a. The problem of congestion
- b. Excess population in urban area and subsequent emergence of slums
- c. Large Scale rural to urban migration
- d. The problem of infrastructure
- e. The problem of energy
- f. The problem of Transport
- g. The problem of Pollution
- h. The problem of Water
- i. The problem of Sewerage
- j. The problem of Solid Waste
- k. The problem of Housing
- l. The problem of poverty

It is thus obvious that urbanization is not an unmixed blessing. It is no doubt an essential part of development. But, beyond a certain point, it is, in fact, a highly unhealthy phenomenon which negates the very progress itself.

Sustainable urban systems

Urbanization is a prerequisite to national economic growth since it supports the economies of production and consumption which are necessary to achieve the transformation to a modern economy. But when cities grow too large an excessive demand for land and housing, inflated land-and-property prices, and a residual housing sector associated among other things,

with high health-and-safety costs, insecure tenure and environmental degradation will arise. Massive urbanization is also a problem because the rapid and uncontrolled growth generates a series of negative territorial and social effects like the costs of supply of resources, changing land-use pattern, traffic congestion, pollution and ill-health in modern exploding cities. Unfortunately, urban planners are yet to respond to the call for urban renewal and restructuring. Socio-economic policy decision makers do not seem to have been able to comprehend the long-term implications of urbanization. Funds are generously made available for mega city projects in India. This prohibits investment in rural areas leading to an unproductive rural economy and relative rural poverty. Planners consider these problems to be really serious. It is not surprising, therefore, that in the name of economic rationality all urban areas are being turned into large untidy regions which are difficult to manage and control. They are deprived of energy supplies, constrained by mass transportation problems, choked by air pollution and troubled by religious and ethnic strife. And yet, the influx to urban centres continues unabated and the urban population is expected to double by the end of this decade! Why? The answer is obvious. It is uneconomic to modernize rural areas. As a result, an important conflict in developing countries today is not between capital and labour, but between rural and urban regions. The rural areas contain most of the resources but the urban areas contain power. So the urban classes have been able to grow at the cost of their rural counterparts. However, in doing so, they have made the development process unfair. The view is gaining ground that cities with a large number of inhabitants may not be sustainable in the long run and it is important to revisit urban planning strategies.

In the coming years, population growth as well as economic prosperity will increase resource utilization putting a heavy burden on housing, industry and service sectors. To achieve urban sustainability, the factors that could be considered most important are equity among various strata of society and efficiency of resource utilization. For a long-term sustainable urban development the government should plan a two-pronged strategy viz., immediate measures to make the existing congested mega cities sustainable and long-term strategies to reduce the burden on urban areas. For this, planners need to prepare programmes for economic revitalization and improvement of the quality of life of the urban population across the country. The success of programmes in shaping the future of our cities and particularly the quality of life of the poor and underprivileged, depend on the kinds of policies we pursue. The problems can be resolved by the creation of new institutional arrangements of urban governance through collective planning and participation of state as well as central governments and non-governmental organizations (NGOs), public, and a panel of experts - there is a need to upgrade such sectors as energy, infrastructure,

communications, etc. The involvement of the private sector as well as local user groups is essential to solve many of the problems. When the quality of urban life is improved, there will be greater pressure of rural-urban migration. For a long-term strategy, the planners should take initiatives to retain the rural population in rural areas so that rural migration to urban areas is reduced. This can be achieved through rural industrialization, increasing rural employment through agro-based industries, food-processing industries, etc. There is also a need to think in terms of integrated urban-rural policies which are required for sustainable development. Implementation of these measures raises a number of methodological and policy issues. It also requires the scrutiny and assessment of several components involved. It is important to critically examine the efficacy of various policy instruments such as reliance on market forces, administrative allocation of resources, capital, and technology, tariffs, taxes, subsidies and incentives, penalties and disincentives, dissemination of information, administrative setting of priorities and creation of appropriate policy agents.

Cities remain the productive and dynamic centres of human life. The concentration of large populations potentially allows for a fuller expression of what humanity can do together breaking down prejudices, and opening up possibilities for communication and interaction. That many of the cities in India are currently unattractive places to live is an argument for more development and design.

Findings

- A high positive correlation is found between urbanisation and per capita income implying the higher the rate of urbanisation the higher will be the per capita income.
- The relationship between percentage of urban population and rate of unemployment is very low negative which means urbanisation brings down the rate of unemployment at a very low level.
- The correlation between the proportion of urban population and the rate of daily status unemployment is found negative though its impact was weak. It implies that a higher degree of urbanisation did reduce the degree of unemployment to some extent by absorbing the surplus labour force released from rural areas in urban employment.
- A mild negative correlation is found between percentage of urban population and percentage of people below poverty line. Obviously, the pattern of urbanisation that has developed in India did not make a deep impact on reduction of poverty.
- Urbanisation influences positively the human development index. An increase in urban to total population increases the physical quality of human life. In urban areas the human development index is more than that of rural areas.

- The positive impacts of urbanisation are increased economic growth, exposure to mass Media, industrial development and provision for basic amenities, expanded employment opportunities, gains of external economies of scale, change in attitude of the people etc.
- The unfavourable impacts of urbanisation are the problem of congestion, excess population in urban area and subsequent emergence of slums, large scale rural to urban migration, The problem of infrastructure, the problem of energy, the problem of Transport, the problem of pollution, the problem of water, the problem of Sewerage, the problem of solid waste, the problem of housing, the problem of poverty.

Conclusion

However, despite of having a large number of positive impacts, the process of urbanisation is not able to bring down the rate of unemployment as expected. The reasons behind this situation are (a) Neglect of slums in urban areas by government body (b) Weak bargaining power of organized migrants (c) Increasing use of capital-intensive technologies in urban areas and (d) last, but not the least, the benefits of growth may be unequally shared by various sections of the society and the resulting concentration of income and wealth may lead to an increase in per capita income without either improving the economic condition of the poor or enlarging employment at higher wage levels.

Bibliography

1. Dr. K.J. Thankachan, (2007) 'A Study on Demographic Trends in Gujarat', Research Thesis submitted to Saurashtra University.