



Urbanisation in South India: Empirical Evidence and Some Policy Lessons

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Background

Urbanisation is a historical process with fundamental structural shifts having significant implications for economic development. Urbanisation is also one of the key indicators of modernisation. The transformation of rural societies into urban societies, from agrarian to industrial societies, has been the transformation that consists of structural transformation of sectors of economy, movements of population and change in the built environment. Economic, demographic, sociological and thereby, cultural shifts are at the centre of this transformation. Urbanisation also enhances formal freedoms for all, though in the existing scheme of things, it enhances substantive freedoms only for some. We say this because 29.4 per cent of the urban population lives in slums in India, and in cities, inequality is conspicuous. Even these formal freedoms are significant, such as freedom from caste hierarchy, restrictions of purity and pollution, impersonality, and anonymity therewith freedom from one's sect and creed; urbanisation also provides avenues for enhanced physical and social mobility. The impersonality and anonymity of the city is a crucial conducive factor for individual freedom. Thus, in a society such as the Indian, even these formal freedoms that accrue from urbanisation are a major gain for ordinary people. Therefore, urbanisation, along with industrialisation and sectoral change, hold key to the nature of social and economic transformation taking place in a country. Urbanisation along with economic change matters crucially to the lives and livelihoods of ordinary people.

Regarding the nature of urbanisation, the dominant and hegemonic view propagated by multi-lateral donors favours economies of agglomeration, and large cities over medium and small cities. The contrary view advocates a policy of decentralised urbanisation which can be potentially more inclusive. There is also a third view which argues that all three types of cities play their developmental role; therefore, large, medium, and small cities all have their own reason to be. This policy brief argues that in the current urbanisation scenario in India, decentralised and

inclusive urbanisation should be preferred over the concentrated urbanisation that favours large primate cities. The underlying assumption is that benefits of urbanisation are likely to accrue a large proportion of rural and urbanising population if the process of urbanisation is in terms of medium and small cities.

Introduction and the Context Urbanisation in South India

South India is one of the most urbanised regions of the country. The table below provides the details of the urbanisation till 2011. However, the process progressed rapidly after 2011 and now the South Indian states are generally considered to have reached or even crossed the 50 per cent mark in terms of the urbanisation process. While urbanisation is progressing apace in all the five south Indian states (Telangana been formed in 2014) the process is particularly rapid in Tamil Nadu and Kerala. The two states have reached near 50 per cent of urbanisation by 2011 itself, Tamil Nadu 48.4 per cent and Kerala 47.7 per cent.

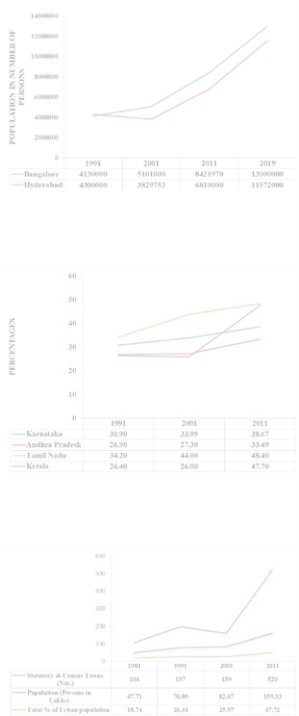
Table 1: Urbanisation in Four South Indian States 1991-2011

(Urban Population Figures in Percentages)

State/Year	1991	2001	2011
Karnataka	30.9	33.99	38.67
Andhra Pradesh	26.9	27.30	33.49
Tamil Nadu	34.2	44.0	48.4
Kerala	26.4	26.0	47.7

Source: Census of 1991, 2001, 2011.

According to the statistical evidence available, the south Indian urbanisation process can be described in terms of two models: one, the 'primate city urbanisation' model; two the 'dispersed urbanisation' model. The 2011 data for the then four (now five) south Indian states corroborates this classification. According to the 'primate city model of urbanisation', one capital city predominates over all other cities in terms of demographic and economic processes. The cases in point are Bangalore in Karnataka and Hyderabad in the united Andhra Pradesh. According to this model, while the other cities in the state too grow,



the growth of the primate city outstrips that of all other cities. The second ‘dispersed model of urbanisation’ can be seen in Kerala and Tamil Nadu. Here, the demographic and economic processes of urbanisation are spread across the entire range of cities of different size-classes. Therefore, while the states of Karnataka and united Andhra Pradesh, with Bangalore and Hyderabad as primate cities represent the first model, the states of Tamil Nadu and Kerala represent the dispersed urbanisation model.

Karnataka

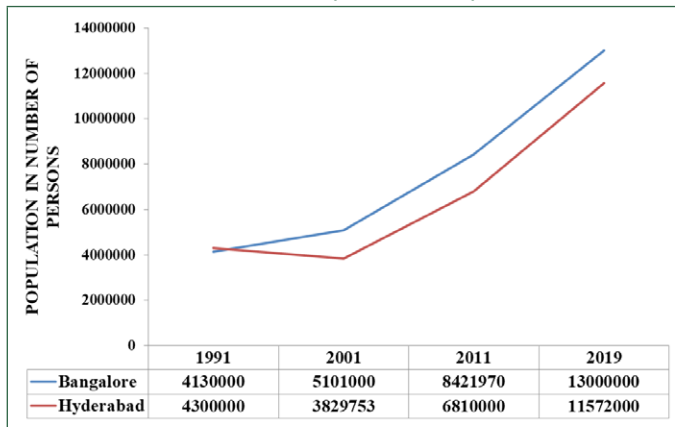
According to the 2011 census, Bangalore, with a 8.426 million population, is bigger by 9.49 times than Mysore, the latter with a population of 8,87,446. According to the same census, Bangalore, with a population of 8.426 million, is bigger by 8.9 times than the second biggest city of Karnataka Hubballi, with a population of 9,43,857.

Andhra Pradesh

According to the 2011 census, Hyderabad, with a population of 6.81 million, is bigger by the next biggest city in Telangana, Warangal, by 8.3 times. Warangal had a population of 8,11,844 (close to Mysore’s population). According to the census, Hyderabad is bigger than the next biggest city in Andhra Pradesh, Guntur, by 9.15 times. Guntur’s population was 7,43,654.

In an overall comparative perspective of south Indian states, when we compare these two sets of states i.e, Tamil Nadu, and Kerala with the other south Indian states i.e., Karnataka, Andhra Pradesh and Telangana, we find that the latter show a marked urban ‘primacy’, with the primate cities of Bangalore and Hyderabad being pre-eminent in the urbanisation process.

Figure 1: Population of Bangalore and Hyderabad (1991 – 2019)



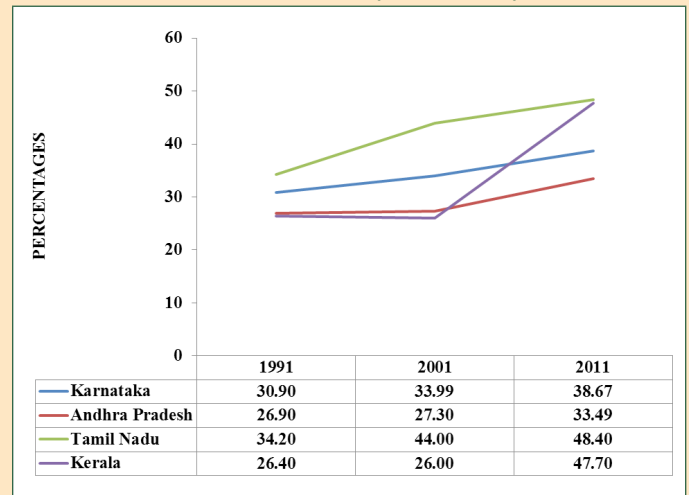
Source: Census of India (2019 figures are projections)

The concentration of all development in one primate city—which is the case with the primate city development model—leads to many difficult problems solve: These include congestion, skyrocketing of housing prices, transport related problems and problems of governance and that of law and order. Economies of agglomeration lead to negative externalities for governance of the ‘primate city’. The primate city growth becomes unmanageable by local and supra-local governments.

The second model of ‘dispersed urbanisation’ noted in the state of Tamil Nadu is a more inclusive model. Here the difference between the city and the countryside becomes demographically and economically less prominent. Such a process is also accompanied by the development of manufacture in Tamil Nadu, expanding the opportunities for employment for ordinary people. The development of dispersed urbanisation with the spread of manufacture can considerably elevate the lives and livelihoods of the people. In the case of Kerala, the urbanisation is dispersed too thinly and across size class 3, 4 and 5 towns. This is without the significant development of the manufacturing sector. The Kerala economy is largely service sector based. Thus, in the case of Tamil Nadu, urbanisation is dispersed and accompanied by the development of manufacturing. In the case of Kerala, urban development is too thinly dispersed without being accompanied by industrial development.

In the case of Tamil Nadu and Kerala, the urbanisation process is dispersed and spread across many districts with the respective capital cities of Chennai and Thiruvananthapuram not being the sole ‘primate’ cities. For example, in the case of Kerala, Ernakulum (32,82,388) and Kozhikode (30,86,293) seem to be more or less close in population to Thiruvananthapuram (33,01,437). Likewise, in Tamil Nadu, Vellore (39,36,331), Kancheepuram (39,98,252) and Coimbatore (34,58,045) have a population nearer to that of Chennai (46,36,732) in 2011. Therefore, urban ‘primacy’ does not seem to play a major role in the cases of Kerala and Tamil Nadu. This may also be owing to other processes such as the industrialisation process which is decentralised or owing to specific policies of development and urbanisation.

Figure 2: Urbanisation in Four South Indian States 1991-2011 (Percentages)



Source: Census of India (2019 figures are projections)

Urban agglomerations and slums in South India

It is generally considered that slums consist or urban poor. If so, what is the nature of development of slums in South Indian urbanisation? In 2011, Karnataka had only 5 per cent population living in slums. This is in contrast to united Andhra Pradesh which had indeed seen rapid growth of urban agglomerations—along with the growth of Hyderabad—from 37 in 2001 to 58 in 2011, and also had witnessed a slum population of 15.6 per cent. On the other

hand, Tamil Nadu had 8.9 per cent living in slums whereas Kerala had no population at all living in slums. It is well known that Tamil Nadu and Kerala are two of the most developed states along with high human development. It does not come as a surprise that there are next to nil urban slums in Kerala. When compared to the all-India figure of 29.4 per cent slum population, indeed it is noteworthy that all the south Indian states, including the united Andhra Pradesh, register a lower slum population.

Table 2: Number of Urban Agglomerations in South India and All India

State/ Year	1991	2001	2011
Karnataka	22	24	22
Andhra Pradesh	15	37	58
Tamil Nadu	34	27	25
Kerala	16	17	19
All India	374	384	474

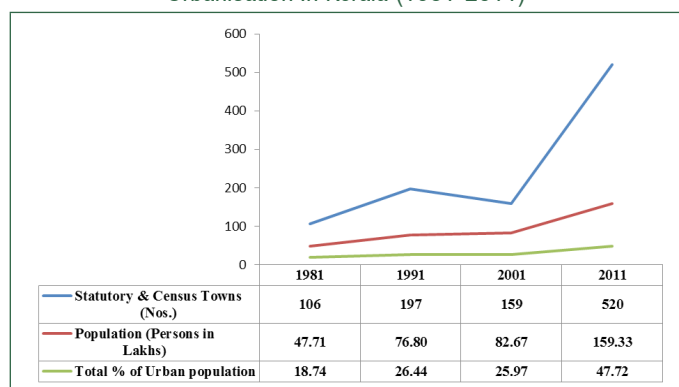
Source: Census of India, 2011(2019)

Table 3: Percentage of Slum Population to the Total Slum Population of India

State/ Year	1991	2001	2011
Karnataka	NA	4.5	5
Andhra Pradesh	NA	12	15.6
Tamil Nadu	NA	8.1	8.9
Kerala	NA	NA	NA
All India	54.9	41.5	29.4

Source: Census of India, 2011(2019) (NA= Figures Not Available)

Figure 3: Different patterns of urbanisation in Tamil Nadu and Kerala
Urbanisation In Kerala (1981-2011)



Source: Census of India (2019 figures are projections)

The case of Kerala is unique and highly path dependent. Kerala historically had a rural-urban continuum with no clear demarcation existing between urban and rural areas. Subsequent urban development, therefore, is not in terms of the formation of large cities but the development of towns and small cities. As table 4 shows, the Kerala model of urbanisation has many class 3, 4 and 5 towns rather than megacities. This creates a problem of another kind. There are no large economic benefits from this form of urban development. The urbanisation is too thinly spread across the entire state. Thus, too thin a spread of urban development is not conducive

to derive the benefits of urbanisation. Also, it may be noted that the spurt in the number of class 3, 4 and 5 towns in Kerala is from 2001 onwards. This is largely owing to the reclassification of some rural and emerging urban areas as clearly urban.

On the other hand, in the case of Tamil Nadu, the urban development is different. For example, regarding Tamil Nadu, Kalaiyaran and Vijayabaskar (2021) note the following:

‘Another significant aspect is the spatial dimension of industrialisation in the state. Enterprises are more evenly distributed across sub-regions within the state. Though the western (Coimbatore and Tiruppur regions) and northern (Chennai and Kancheepuram) parts are the most industrialised regions, industrialisation is still spatially diverse if one makes a comparison with Gujarat and Maharashtra. Each sub-region has specific industrial clusters dominated by small-scale enterprises and localised entrepreneurship (Damodaran, 2016). Such decentralised industrialisation integrates the countryside with urban areas and is likely to create more diversification options outside agriculture’ (pp.16-17).

While there is no doubt that the urbanisation in Tamil Nadu is dispersed without one primate city being prominent, it should also be noted that there is increasingly the growth of population of Chennai that is growing fast and in some distant future can outstrip other cities – which are now of equal population size – metamorphosing into a large primate city. This however is a conjecture. Since we do not have the latest census data, we may – or may not – be entirely incorrect to conjecture this.

This policy brief argued that two models of urbanisation can be discerned from the south Indian urban development: One, the ‘primate city model’ as it obtains in Karnataka and united Andhra Pradesh (and in a more pronounced manner after the formation of Telangana) and the ‘dispersed model’ of urbanisation as it obtains in Tamil Nadu and Kerala. The Tamil Nadu model also combines substantial development of manufacture along with urbanisation, whereas it is a thin urban spread of class 3,4 and 5 towns in Kerala with a predominance of the service sector. We would like to stress that urbanisation should be balanced in favour of multiple urban centres with sustainable employment generation sectors, preferably manufacturing which can provide jobs for less skilled workers as well and not only highly skilled workers as in the case of software-led development in Bangalore and Hyderabad.

Policy Implications

1. Less concentrated development is the need of the hour. Empirical evidence suggests that decentralised urbanisation would be more inclusive. Economies of agglomerations do not work beyond a point. Economies of urban agglomeration possess negative welfare and governance externalities. The bigger the city, the less amenable it is for governance. The policies such as ‘Beyond Bengaluru’ should be actively pursued by governments in all south Indian states.

Table 4: Urbanisation in Kerala 2001-2011: A Disaggregated Picture

Category of City/ Town	Population Range	No. of Towns in 2001	Total Urban Population in 2001	No of Towns in 2011	Total Urban Population in 2011
Class I	1,00,000 and above	10	36,92,165	9	32,62,380
Class II	50,000-99,999	24	15,87,908	29	18,88,254
Class III	20,000-49,999	72	27,96,457	254	79,25,828
Class IV	10,000-19,999	37	5,66,635	159	23,52,637
Class V	5,000-9,999	15	1,19,062	61	4,67,045
Class VI	Less than 5,000	1	4,699	8	36,027
Total		159	82,66,925	520	1,59,32,171

Source: Census of India (Provisional Population Statistics)

Table 5: The Growth of Class III, IV and V Towns in Kerala

Category of City/ Town	Population Range	No. of Towns in 2001	No of Towns in 2011
Class I	1,00,000 and above	10	9
Class II	50,000-99,999	24	29
Class III	20,000-49,999	72	254
Class IV	10,000-19,999	37	159
Class V	5,000-9,999	15	61
Class VI	Less than 5,000	1	8
Total		159	520

Source: Census of India, 2011 (Provisional Population Statistics)

- Economic development should be dispersed in a balanced way. The dispersed urbanisation should not be too thinly distributed urbanisation so as to miss the benefits of urbanisation. Multiple urban centres of class 2 type should be developed in a state with vibrant employment generating sectors.
- Urbanisation should be accompanied by the development of manufacturing and industry. Undoubtedly, the information technology and information technology enabled services as they are in primate cities of Bangalore and Hyderabad, too create employment, but this employment is largely for high-skilled jobs in those sectors, that too in an unsustainable way. It should be noted that while united Andhra Pradesh registered the high growth of Hyderabad, it also witnessed a quantum jump in the number of urban agglomerations, whereas this is not so in the case of Karnataka.
- Primate city urbanisation with over-reliance on service sector led economic development should be avoided. Primate city development with limited high skilled jobs and large service sector development is unsustainable owing to ever changing high-end technologies. The recent layoffs in most mega enterprises indicate this phenomenon.
- Dispersed urbanisation should be adopted in south India with focus on class 2 cities along with industrial and manufacturing development with primary focus on employment generation. The cities that should be developed should be neither too small

or too dispersed as in the case of Kerala, nor too large as in the case of Karnataka and united Andhra Pradesh, or, now in Telangana.

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