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## **THE OTHER JNNURM: WHAT DOES IT MEAN FOR SMALL TOWNS IN INDIA?**

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## **Abstract**

Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched to address the growing challenges of urbanization by improving infrastructure, governance and the quality of life in cities. This paper assesses all the four sub-missions under JNNURM i.e UIG and BSUP for big cities and UIDSSMT and IHSDP for small towns and cities. The analysis of all the four sub-missions of JNNURM affirms the notion of metropolitan bias that attributes greater policy attention and resources to the larger cities as compared to the small towns. The analysis proceeds to discover that a larger share of urban population resides in the small towns under UIDSSMT and IHSDP as compared to the large cities under UIG and BSUP. The paper proceeds to discuss the consequences faced by the smaller towns as a result of this bias that leads the smaller municipalities to further stagnation, leading to a higher incidence of urban poverty, poor performance in the delivery of basic services and project implementation. The paper finally attempts to emphasize the benefits of small town development that can help neighbouring villages access urban amenities, employment and eventually aid their transformation into urban centres.

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## Introduction

Urban planning has been at the forefront of political agenda in recent times. However post-independence development planning primarily focused on rural India. The need to focus on urban India was recognized only after a few decades. At the time of the first five year plan (1951-1956) around 80 per cent of the population was rural, hence rural development was seen as a major challenge by nationalist leaders and was prioritized over the need to develop and assess the role of cities in the future of India. The first two five year plans focused on housing and industrial development, the need to focus on urban planning was recognized in the third five year plan. The third five year (1961-1966) plan noted the need to prepare master plans for urban areas and provided an outlay for housing and urban development programmes. Today, however urban issues dominate public discourse and government policies. This realization can be attributed to the growing importance of cities as engines of economic growth in the globalizing world.

However in the recent past urban development programmes have been criticized for centring on the big cities, ignoring smaller cities that are in greater need of financial assistance. There was discussion of “urban bias” in the 1970s and 1980s, in development circles, where following Lipton (1977), development economists increasingly recognized a widespread tendency among nearly always urban-based governments to pursue policies that overtly taxed agriculture and transferred resources to industry and other urban activities. Similarly, Ferre, Ferreira and Lanjouw (2010) examine the case of eight developing countries, namely Albania, Brazil, Kazakhstan, Kenya, Mexico, Morocco, Thailand and Sri Lanka and believe that that there may be a “metropolitan bias” in the allocation of resources (including policy attention) to larger cities, at the expense of smaller towns, where most of the urban poor reside. They argue that *‘any strategy for urban poverty reduction that places greater focus on, or allocates more resources to, metropolitan areas, suffers from a “metropolitan bias” analogous to the urban bias of old’*.<sup>1</sup>

This notion of metropolitan bias can be seen in urban policy in India as since the very beginning all urban based schemes in India have focused on the big cities, neglecting hundreds of small towns. Shaw (2013) argues that during the nationalist period, a top down approach was followed

that gave priority to urban based industrial development, focusing on already developed areas i.e the large cities and particularly the metropolitan cities.<sup>2</sup> Similarly, Banerjee and Schenk (1984) argue that at that time, 75 per cent of the nation's industries were located in the three major cities of Bombay, Calcutta and Madras. This pattern however further lead to polarised development inherited from 200 years of colonial rule. Thus a bottom-up policy was also adopted for industrial decentralization focusing on small towns and cities. The government hoped to enable the growth of small scale industries through the establishment of industrial estates in small towns and cities since the infrastructure required for the growth of cottage and small industries was weak.

However investment allocations to small and cottage industries declined to 1.6 per cent in the fourth plan partly due to their limited success. The Fifth Plan introduced the Integrated Urban Development Programme (IUDP).<sup>3</sup> However the programme focused on metropolitan cities like Calcutta, Bombay and Madras and areas of national importance. The scheme was discontinued in 1979.<sup>4</sup> The sixth five year plan (1980-85) lay emphasis on the development of small and medium towns. The sixth five year plan notes that "*The thrust of the unbanisation policy during the next 'decade would be to give greater emphasis to the provision of adequate infrastructural and other facilities in the small, medium and intermediate towns which have been neglected hitherto in this respect. The aim would be to strengthen these market centres to equip them to serve as growth and service centres for the rural hinterland. For this purpose, increased investments are proposed in these towns in housing, water supply and communication facilities*"<sup>5</sup>

The Integrated Development of Small and Medium Towns (IDSMT) was thus launched in 1979-80. The IDSMT was applicable to all towns/cities with a population of upto 5 lakhs. The scheme continued till the middle of the 10<sup>th</sup> plan period and covered 1854 towns till 2004-05. After which it was subsumed in UIDSSMT. Thereafter the Megacity scheme was initiated during 1993-94. The objective of the scheme was to undertake infrastructure development projects of city-wide/regional significance covering a wide range of components like water supply and sewerage, roads and bridges, city transport, solid waste management etc. The Scheme was applicable to Mumbai, Kolkata, Chennai, Bangalore and Hyderabad. This phase of urban policy was marked by an emphasis on mega cities as central to urban development. This period also

saw the passage of the 74<sup>th</sup> Constitutional Amendment Act in 1992 that sought to make the third tier of governance more autonomous and participatory. However the larger municipal corporations with adequate finances were able to benefit from this act. The municipalities in the smaller towns have not benefitted much. The inability of the smaller municipalities would be discussed in greater detail later in the paper.

Thus Banerjee and Schenk (1984) argue that the top down approach continued to be the recurring theme in Indian development planning whereas the success of the Chinese lower order cities is a result of the bottom up approach.<sup>6</sup> Rajesh Gill (2013) also points to an academic bias in the conceptualisation of urban culture towards large cities.<sup>7</sup> He further states that it is these metropolitan cities that have fascinated anthropologists, sociologists and urban ecologists. Simmel and Weber and many other theorists identified the large urban centres as different from spaces that are community based and rural in character. Engels also studies the modern city as the centre of wealth and poverty. Marx identified the city as organized by capitalism, a place of class struggle determined to a large extent by the economy. The term city became synonymous with big cities. The thought of a small town almost never comes to mind when thinking of a city as it is considered to be primarily urban whereas small towns in India appear relatively rural in character. The popular notions that shape this idea are that cities are relatively industrial, high on infrastructure development, with skyscrapers and beautiful landscapes. With that popular notion none of the small towns in India can be categorized as cities in the recent future.

Thus even though the history of small town development in India clearly points to an early realisation of the need to invest in small towns and cities, every scheme on urban development after independence focused instead on the relatively large cities. This trend could have ended with the JNNURM as it was launched as the largest urban development scheme in India covering both small towns and big cities. This paper thus attempts to investigate whether a similar metropolitan/big city bias is prevalent in India by reviewing the largest urban development scheme in India, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in terms of both investments and coverage, covering both big cities and small towns, and attempts to highlight the possible consequences and drawbacks suffered by the small towns as a result of such a bias.

The paper is structured as follows. The first section reviews the central assistance committed and released by the central government under all the four sub-missions of JNNURM. Since all the four sub-missions cover different towns and cities, it is better to begin with a state wide comparison of the central assistance committed and released, arguing that (i) the big city shemes of UIG and BSUP have received a larger share of central assistance as compared to the small town schemes of UIDSSMT and IHSDP (ii) the economically advanced states have received a larger share of central assistance as compared to the less developed states. The following section begins with analyzing the big city schemes of UIG and BSUP, arguing that the notion of metropolitan bias does not exist within these two schemes as most of the cities covered under these schemes are considerably large and have received a considerable share of central assistance. The next section proceeds with reviewing the small town schemes of UIDSSMT and IHSDP, arguing that within these two schemes, the larger towns have received a larger share of central assistance as compared to the smaller towns and cities. The following section discusses the consequences faced by the smaller towns as a result of this disparity in the distribution of central assistance that has lead the smaller towns towards further stagnation, leading to a rise in urban poverty, lack of capacity building and poor performance in the delivery of basic services. The last section discusses the way forward by outlining the benefits of small town growth, arguing that small town development can help in rural poverty reduction by providing access to employment and other services to surrounding rural areas.

## **Urban Growth**

India's urban areas have expanded rapidly and even though the pace of urbanization has been slow, the level of urbanization in the country has increased from 27.8 per cent in 2001 to 31.2 per cent in 2011 that indicates an increase of 3.4 per cent during 2001-2011 as compared to an increase of 2.1 per cent during 1991-2001. The total population of India as per 2011 Census is 1.2 billion out of which 68.8 per cent is rural and 31.2 per cent is urban. According to the 2011 Census of India, for the first time India has added more people to cities than to its rural areas. Over the decade from 2001, Indian cities and towns added 91 million people, while agricultural areas added 90.4 million people.<sup>8</sup> Moreover, the population living in class I to III towns has

increased by 85 per cent from 1991 to 2001, the population in class IV to V towns has increased by 15 per cent whereas the population living in class VI towns has decreased by 15 per cent from 1991 to 2001. However from 2001 to 2011, the population living in Class I to III towns has increased by 88 per cent, the population in class IV towns increased by 41 per cent and the population in class V and VI towns has doubled. The increase in population represents the increase in the number of towns in each category as well as natural population growth. The increase in population however needs to be backed by increase in infrastructural investment that affects the delivery of services and the quality of life in these towns and cities. Even though there has been a decline in rural population from 72.2 per cent in 2001 to 68.8 per cent in 2011, urban transition continues to be a major challenge that needs an enormous expansion in urban infrastructure and services.

## **JNNURM**

Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched to address these growing challenges of urbanization and the need to invest in infrastructure and improve the quality of life in the cities. Urbanization in India has had an evident downside in proliferating slums, increasing homelessness, growing urban poverty, pollution and ecological damage. The Prime Minister in his speech at the launch of the JNNURM on 5<sup>th</sup> December 2005 mentioned this very downside of urbanization as a challenge to be fulfilled by the JNNURM.<sup>9</sup> The aim was to encourage reforms and fast track planned development of identified cities with a focus on efficiency in urban infrastructure and service delivery mechanisms, community participation, and accountability of ULBs/ Parastatal agencies towards citizens.<sup>10</sup>

The JNNURM incorporates four sub-missions – (i) the Sub-Mission for Urban Infrastructure and Governance (UIG) administered by the Ministry of Urban Development, with a focus on infrastructural development covering 65 cities (ii) the Sub-Mission for Urban Infrastructure Development of Small and Medium Towns (UIDSSMT) administered by the Ministry of Urban Development, aimed at planned urban infrastructural improvement in all towns/cities as per 2001 census except 65 Mission cities/ Urban Agglomeration covered under UIG and BSUP (iii) the Sub-Mission for Basic Services to the Urban Poor (BSUP) administered by the Ministry of Housing and Urban Poverty Alleviation with a focus on integrated development of slums

covering the same 65 cities as UIG and (iv) the Sub-Mission for Integrated Housing and Slum Development Programme (IHSDP) administered by Ministry of Housing and Urban Poverty Alleviation (MHUPA), aimed at holistic slum development, applicable to all cities and towns as per 2001 Census except cities/towns covered under UIG and BSUP. The JNNURM is applicable to all the statutory towns in India as per 2001 census i.e. towns that have an elected local body. Census towns however are not included in the mission since they are under rural panchayat administration.<sup>11</sup> JNNURM was launched with an estimated investment of Rs Rs 1,20,536 crore in the mission period of seven years beginning 2005-06.<sup>12</sup> Assistance under JNNURM is additional central assistance, which would be provided as grant (100 per cent central grant) to the implementing agencies or to the special purpose vehicles (SPVs) that may be expected to be set up.<sup>13</sup>

### **JNNURM: Sub-missions**

#### **Urban Infrastructure and Governance (UIG)**

The UIG is administered by the Ministry of Urban Development with a focus on infrastructure projects relating to water supply and sanitation, sewerage, solid waste management, road network, urban transport and redevelopment of old city areas with a view to upgrading infrastructure therein, shifting industrial and commercial establishments to conforming areas etc.<sup>14</sup> Initially the sub-mission had identified 63 cities however two more cities namely Tirupati and Porbandar were added in 2009 increasing the number of mission cities to 65. The sub-mission thus eventually identified a list of 65 cities that included 7 Cities/UAs with 4 million plus population as per 2001 census, 28 million plus cities and 30 cities with less than one million population. The financing patterns of these cities are different based on their population and are given in Table 1.

#### **Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)**

The UIDSSMT is also administered by the Ministry of Urban Development. It subsumed the schemes of Integrated Development of Small and Medium Towns (IDSMT) and Accelerated

Urban Water Supply Programme (AUWSP). All towns/cities as per 2001 census except 65 Mission cities/Urban Agglomeration covered under UIG and BSUP are eligible to be covered under the scheme.<sup>15</sup> The components for assistance under the Scheme include all urban infrastructure development projects such as water supply, roads, parking space, drainage, solid waste management, sewerage, urban renewal, preservation of water bodies and prevention of soil erosion. The objectives of the scheme are to improve infrastructural facilities and help create durable public assets and quality oriented services in cities and towns, enhance public-private-partnership in infrastructural development and promote planned integrated development of towns and cities.<sup>16</sup> The sharing of funds is in the ratio of 80:10 between Central Government and State Government and the balance 10% could be raised by the nodal/implementing agencies including ULBs from the internal resources or from financial institutions. However, in case of cities/towns in North Eastern States and Jammu and Kashmir sharing of funds would be in the ratio of 90:10 between Central and State Government.<sup>17</sup>

### **Basic Services to Urban Poor (BSUP)**

The BSUP is administered by the Ministry of Housing and Urban Poverty Alleviation. It focuses on integrated development of slums through projects for providing shelter, basic services and other related civic amenities with a view to providing utilities to the urban poor.<sup>18</sup> The objective of the sub-mission is provision of Basic Services to the Urban Poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuring delivery through convergence of other already existing universal services of the Government for education, health and social security.<sup>19</sup> The sub-mission initially identified a list of 63 cities that included 7 Cities/UAs with 4 million plus population as per 2001 census, 28 million plus cities and 28 cities of religious, tourist and historic importance.<sup>20</sup> However two more cities namely Tirupati and Porbandar were added in 2009 increasing the number of mission cities to 65.

### **Integrated Housing and Slum Development Programme (IHSDP)**

The IHSDP is also administered by the Ministry of Housing and Urban Poverty alleviation. It aims at combining the schemes of Valmiki Ambedkar Awas Yojana (VAMBAY) and National Slum Development Programme (NSDP) under the new IHSDP Scheme for an integrated

approach in ameliorating the conditions of the urban slum dwellers who do not possess adequate shelter and reside in dilapidated conditions. The basic objective of the Scheme is to strive for holistic slum development with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas.<sup>21</sup> The scheme is applicable to all cities and towns as per 2001 Census except cities/towns covered under UIG and BSUP.<sup>22</sup> The sharing of funds would be in the ratio of 80:20 between Central Government and State Government/ULB/Parastatal. States/Implementing Agencies may raise their contribution from their own resources or from beneficiary contribution/ financial institutions.<sup>23</sup> However, in case of special category states, the sharing of funds would be in the ratio of 90:10 between Central and State Government.

**Table 1: Funding Pattern under JNNURM**

Scheme	Category of Cities/Towns/UAs	Centre	State	Local <sup>24</sup>
UIG	Cities/UAs with 4 million plus population as per 2001 census	35%	15%	50%
	Cities/UAs with million plus but less than 4 million population as per 2001 census	50%	20%	30%
	Cities/towns/UAs in North Eastern States and Jammu and Kashmir	90%	10%	-
	Cities/UAs other than those mentioned above	80%	10%	10%
BSUP	Cities with 4 million plus population as per 2001 census	50%		50%
	Cities with million plus but less than 4 million population as per 2001 census	50%		50%
	Cities/towns in North Eastern States and Jammu and Kashmir	90%		10%
	Other Cities	80%		20%
UIDSSMT	Cities/towns	80%	10%	10%
	Cities/towns in North Eastern States and Jammu & Kashmir	90%	10%	-
IHSDP	Cities/towns	80%	20%	-
	Special category states	90%	10%	-

**Source:** Ministry of Urban Development, Govt. of India, Modified Guidelines For Projects of Jawaharlal Nehru National Urban Renewal Mission on Urban Infrastructure and Governance (September, 2006) Pg 13; Ministry of Housing and Urban Poverty Alleviation, Govt. of India, Modified Guidelines for BSUP, February 2009, Pg. 10

**Note:** Under UIG, for setting up de-salination plants within 20 km from sea-shore and other urban areas predominantly facing water scarcity due to brackish water and non-availability of surface source, the funding pattern is divided between 80% central share and 10% each for state and ULB.

## **Additional Central Assistance**

The Government of India had proposed substantial assistance through the JNNURM over a period of seven years. During this period, funds were provided for proposals that would meet the Mission's requirements. The project sanction process involves a project proposal prepared by the ULB for sanction by the Central Sanctioning and Monitoring Committee (CSMC). The Ministry of Urban Development and the Ministry of Housing and Urban Poverty Alleviation is the repository of funds targeted for the JNNURM scheme. On approval and sanction of assistance by the CSMC, funds are released by the Ministry of Urban Development and Ministry of Housing and Urban Poverty Alleviation. Under JNNURM financial assistance will be available to the urban local bodies and parastatal agencies which could deploy these funds for implementing the projects themselves or through the special purpose vehicles (SPVs) that may be expected to be set up. Assistance under JNNURM is additional central assistance, which would be provided as grant (100 per cent central grant) to the implementing agencies.<sup>25</sup> It refers to the amount the central government has agreed to share of the project cost approved as per sharing formulae applicable to different categories of cities over a period of seven years. Out of JNNURM's estimated investment of Rs 1,20,536 crore in the mission period of seven years beginning 2005-06,<sup>26</sup> Rs. Rs. 62933 crore have been committed by the central government for JNNURM projects till March 2012.

Table 2 compares the urban population residing in some of the major states and the central share committed to these states under JNNURM, arguing that (i) the big city schemes of UIG and BSUP have received a larger share of central assistance as compared to the small town schemes of UIDSSMT and IHSDP (ii) the larger and more prominent economically advanced states that comprise of large metropolitan cities have received a larger share of central assistance as compared to the economically lesser advanced states that comprise of smaller towns and cities. Table 2 shows that in Karnataka 71 per cent of the total central share has been committed to the UIG and BSUP cities of Bangalore and Mysore that account for only 2 per cent of the total urban population, whereas the remaining 4 per cent of the total urban population that comprises of all the remaining towns and cities in the state under UIDSSMT and IHSDP get only 29 per cent. Similarly in Tamil Nadu 74 per cent of the total central share has been committed to UIG and

BSUP cities of Chennai, Coimbatore and Madurai that account for 3 per cent of the total urban population whereas the remaining towns and cities under UIDSSMT and IHSDP that contribute 6 per cent of the total urban population get 26 per cent of the total central share committed. For these ten major states, 70 per cent of the total central share (i.e 46 per cent and 24 per cent under UIG and BSUP respectively) has been committed to the big city schemes of UIG and BSUP even though these schemes cover only a few large cities in these states whereas 30 per cent of the total central share (i.e 18 per cent and 12 per cent under UIDSSMT and IHSDP respectively) has been committed to the small town schemes of UIDSSMT and IHSDP.

Table 2 further points out that 35% of the total central share has been committed to developed states like Delhi, Maharashtra and Andhra Pradesh, even though these states together account for only 26 per cent of the total urban population. Whereas 17 per cent of the total central assistance has been committed to the less developed states like Rajasthan, Madhya Pradesh and Uttar Pradesh, even though these states account for 22 per cent of the total urban population. The poorer states are also investing less because historically they mobilized resources for public investment mainly through grants and assistance from the centre which are now declining due to fiscal constraints (Bhattacharya and Sakhtivel, 2004). Large municipal bodies that have a strong economic base, particularly those located in developed states, have an advantage that has clearly been manifested in their high economic and demographic growth (Kundu, 2003). The urban local bodies in the developed states have a stronger economic base and are thus capable of generating their own revenues as compared to the urban local bodies in less developed states which in turn has led to the widening income gap between the urban local bodies in the developed and less developed states.

## **Central Releases**

Central Releases refer to the Additional Central Assistance (ACA) released by the Central Government. The MoUD and MoHUPA is the repository of funds, on approval and sanction of assistance by the Central Sanctioning and Monitoring Committee, funds shall be released by the MoUD and MoHUPA. The funds are released as far as possible in four installments by the MoUD and MoHUPA as Additional Central Assistance (100 per cent grant in respect of Central share) to the State Government or its designated State level Agencies.<sup>27</sup> Funds would then be

released by the State Government or its designated State Level Nodal Agency. The nodal agency will disburse central assistance to ULBs or parastatal agencies as the case may be as soft loan or grant-cum-loan or grant.<sup>28</sup> The first installment of 25 per cent is released upon signing of a Memorandum of Agreement (MoA) by the State Government, ULB or parastatal agency. The balance amount of assistance is released as far as possible in three installments upon receipt of Utilization Certificates to the extent of 70 per cent of the Central fund and also that of the State/ULB/parastatal agency share and subject to achievement of milestones agreed for implementation of mandatory and optional reforms at the State and ULB/Parastatal agency level as envisaged in the MoA.<sup>29</sup> Under UIDSSMT, 50 per cent of the Central share is released on signing of Memorandum of Agreement with the State Government / State Level Nodal Agency, after ascertaining availability of state share. Balance 50 per cent of the central share is released on submission of Utilization Certificates by nodal agency for 70 per cent of funds (Central and State grants) released earlier.<sup>30</sup> Under IHSDP 50 per cent of the Central grant is released to the State nodal agency after verification of the State share, and on signing the tripartite Memorandum of Agreement. Second installment is released based on the progress.<sup>31</sup>

Out of the total additional central assistance committed of Rs. 62933 crore, Rs. 39290.3 crore have been released to the respective states/ULBs.<sup>32</sup> Table 3 depicts the same pattern as table 2 as the developed states like Maharashtra, Andhra Pradesh and Gujarat together account for 43 per cent of the total central releases, even though they account for only 28 per cent of the total urban population. Whereas the comparatively less developed states like Rajasthan, Madhya Pradesh and Uttar Pradesh together account for 18 per cent of the total releases, even though they comprise 22 per cent of the total urban population. In Tamil Nadu 70 per cent of the total central share has been released to the UIG and BSUP cities of Chennai, Coimbatore and Madurai that account for only 3 per cent of the total urban population whereas only 30 per cent of the central share has been released to the remaining towns and cities under UIDSSMT and IHSDP that contribute 7 per cent of the total urban population. Similarly in Karnataka 64 per cent of the total central share has been released to the UIG and BSUP cities of Bangalore and Mysore that account for 2 per cent of the total urban population, whereas the remaining 36 per cent is left for all towns and cities under UIDSSMT and IHSDP that contribute 4 per cent of the total urban population. In most of the states, more than 66 per cent of the central assistance has been

released to the big city schemes of UIG and BSUP whereas only around 34 per cent has been released to the small town schemes of UIDSSMT and IHSDP.

**Table 2: Central Share Committed for Some Major States (Rs. in crore)**

States (% of Total Urban Population)	UIG	UIDSSMT	BSUP	IHSDP	Total
Maharashtra (14%)	5171.2 18%	2234.4 20%	3020.0 20%	1704.0 22%	12129.5 19%
Uttar Pradesh (12%)	2696.6 9%	942.8 8%	1149.0 8%	843.4 11%	5631.9 9%
Tamil Nadu (10%)	2126.8 7%	706.3 6%	1047.7 7%	397.1 5%	4277.8 7%
West Bengal (8%)	2576.1 9%	485.3 4%	2057.6 14%	708.9 9%	5828.0 9%
Andhra Pradesh (7%)	2113.8 7%	1992.1 18%	1608.9 11%	675.3 9%	6390.2 10%
Gujarat (7%)	2475.0 9%	352.0 3%	1015.5 7%	249.6 3%	4092.0 7%
Karnataka (6%)	1454.0 5%	551.2 5%	412.6 3%	222.6 3%	2640.4 4%
Madhya Pradesh (6%)	1259.204 4%	998.945 9%	344.26 2%	255.78 3%	2858.1893 5%
Delhi (5%)	2519.0 9%	-	1472.7 10%	-	3991.7 6%
Rajasthan (5%)	765.6 3%	490.6 4%	172.7 1%	626.6 8%	2055.5 3%
<b>Sub total</b> <b>(79%)</b>	<b>23157.3</b> <b>80%</b>	<b>8753.6</b> <b>78%</b>	<b>12300.9</b> <b>82%</b>	<b>5683.3</b> <b>74%</b>	<b>49895.1</b> <b>79%</b>
Others (21%)	5725.169 20%	2520.809 22%	2791.27 18%	2000.73 26%	13037.978 21%
<b>Grand Total</b> <b>(100%)</b>	<b>28882.4</b> <b>46%</b>	<b>11274.4</b> <b>18%</b>	<b>15092.2</b> <b>24%</b>	<b>7684.0</b> <b>12%</b>	<b>62933.0</b> <b>100%</b>

Source: Census 2001; JNNURM database as on March 2012

Note: The figure below represents the % of total central share committed.

**Table 3: Central Share Released for Some Major States (Rs. in crore)**

<b>States (% of Total Urban Population)</b>	<b>UIG</b>	<b>UIDSSMT</b>	<b>BSUP</b>	<b>IHSDP</b>	<b>Total</b>
Maharashtra (14%)	3958.8 23%	1858.1 21%	1749.5 20%	644.9 13%	8211.3 21%
Uttar Pradesh (12%)	2047.7 12%	842.2 10%	823.5 10%	682.3 14%	4395.6 11%
Tamil Nadu (10%)	1411.7 8%	566.9 7%	649.4 8%	325.5 7%	2953.4 8%
West Bengal (8%)	1094.3 6%	318.9 4%	1000.5 12%	646.3 13%	3059.9 8%
Andhra Pradesh (7%)	1524.5 9%	1951.9 22%	1287.6 15%	557.9 12%	5322.0 14%
Gujarat (7%)	1837.2 11%	328.7 4%	680.1 8%	118.5 2%	2964.4 8%
Karnataka (6%)	952.8 6%	489.3 6%	316.7 4%	218.6 5%	1977.5 5%
Madhya Pradesh (6%)	668.8 4%	546.0 6%	226.5 3%	134.0 3%	1575.2 4%
Delhi (5%)	699.2 4%	- -	440.4 5%	- -	1139.6 3%
Rajasthan (5%)	424.9 2%	284.2 3%	85.5 1%	301.7 6%	1096.3 3%
<b>Sub total (79%)</b>	<b>14619.9 85%</b>	<b>7186.2 82%</b>	<b>7259.6 85%</b>	<b>3629.6 75%</b>	<b>32695.2 83%</b>
Others (21%)	2568.0 15%	1529.2 18%	1298.6 15%	1199.3 25%	6595.1 17%
<b>Grand Total (100%)</b>	<b>17187.9 44%</b>	<b>8715.4 22%</b>	<b>8558.1 22%</b>	<b>4828.9 12%</b>	<b>39290.3 100%</b>

Source: Census 2001; JNNURM database as on March 2012

Note: The figure below represents the per cent of total allocations

The following section examines the big city schemes of UIG and BSUP, arguing that the notion of metropolitan bias does not exist within these two schemes as they cover considerably large cities that have received a considerable share of central assistance.

## **Big City Schemes of UIG and BSUP**

Annex 1 shows that cities with 4 million plus population contribute 54 per cent of the total population of the 65 cities under UIG and BSUP and account for 36 per cent and 42 per cent of the total central share committed under UIG and BSUP respectively. Million plus cities contribute 36 per cent of the total population of the 65 cities under UIG and BSUP cities and account for 42 per cent and 34 per cent of central assistance committed under UIG and BSUP respectively. Whereas cities with less than one million population that contribute 10 per cent of the total population of the 65 cities under UIG and BSUP account for 22 per cent and 24 per cent of central assistance committed under UIG and BSUP respectively. Since all the three categories of cities comprise considerably large cities that have received a considerably larger share of central assistance, the notion of metropolitan bias does not exist within these schemes. However under UIG and BSUP a larger share of central assistance has been committed to the metropolitan cities like Mumbai, Bangalore, Hyderabad, Chennai, Kolkata, Delhi and Ahmedabad as compared to the comparatively smaller and lesser developed cities. These seven metropolitan cities account for 36 per cent and 42 per cent of the total central assistance committed under UIG and BSUP respectively. The total central share committed for these cities under UIG and BSUP is Rs. 16803.2 crore which is much more than the total central share committed for UIDSSMT and IHSDP for small towns i.e. Rs. 11274.4 and Rs. 7684 crore respectively. Delhi alone accounts for 9 per cent and 10 per cent of the total central share committed under UIG and BSUP whereas north-eastern cities like Agartala, Aizawl, Gangtok, Guwahati, Imphal, Itanagar, Kohima and Shillong together account for only 4 per cent and 3 per cent of the total central share committed under UIG and BSUP respectively.

Even though the megacities have a strong infrastructure base and governance set up as compared to the lesser developed cities and even though the centre contributes only 35 per cent of the cost for larger cities (4 million plus population), cities like Delhi end up gaining the highest central assistance due to the high project costs. Does India's urban future comprise of only these metropolitan cities? Even though smaller cities like Patna, Bhubaneswar, Raipur, Guwahati and Agartala etc are not as populous, the need for strengthening their infrastructure and reinforcing

and improving their governance are critical tasks. The metropolitan cities do account for a considerable proportion of the urban population however the smaller towns contribute a much larger share of urban population as will be discussed in detail in the following section. Also the prominent cities have had access to a variety of private sector investments over the years. The bigger cities continue to attract funding from outside as their problems are more visible while the smaller urban centres continue to be neglected. One of the reasons for this is the low investment in these smaller urban centres and the inability of the local bodies to raise independent revenues. Urban local bodies in small towns almost entirely depend on grants from the state government or centrally sponsored schemes to finance even the delivery of basic services (Sharma, 2012).

#### *Delhi: Special status?*

Among the large mega cities, Delhi being the capital city has always received considerable attention. Under UIG as well, Delhi accounts for the highest central assistance committed of Rs. 2519 crore.<sup>33</sup> Whether the capital city needed this kind of infrastructure investment, when there are lesser developed cities in need of proper infrastructure, is to be questioned. In December 2009, the Cabinet Committee on Infrastructure (CCI) approved 24 on-going and fresh projects in Delhi with an estimated cost of Rs. 5,033.9 crore. Generally, such projects are approved by the Ministry of Urban Development. However, in this case Cabinet Committee on Infrastructure had to consider and accord sanctions, as Government of Delhi had to be exempted from some of the reforms and procedural requirements, in view of the fact that land as a subject is not within the jurisdiction of Government of Delhi and due to urgency of Commonwealth Games, 2010.<sup>34</sup>

The following section reviews the small town schemes of UIDSSMT and IHSDP, arguing that even within these schemes, a larger share of central assistance has been committed to the large among small towns and cities.

## **Data and Methodology**

The JNNURM website provides the UIG and UIDSSMT project details while the BSUP and IHSDP data was collected from the Ministry of Housing and Urban Poverty Alleviation. The

Census of India classifies all the towns and cities according to their size/population in the town directory. A database was prepared by matching the towns and cities under all the four submissions of JNNURM to the town directory to classify their size and the population residing in each of them. The resulting database reveals the share of central assistance committed and released by city size.

## **JNNURM for Small Towns: UIDSSMT and IHSDP**

The JNNURM also includes small towns under its sub-missions on UIDSSMT and IHSDP. However, UIDSSMT and IHSDP account for only 18 per cent and 12 per cent of the total central share committed under JNNURM respectively. Whereas the 65 big cities under UIG and BSUP account for 70 per cent of the total central share committed under JNNURM. It is clear that the mission is targeted at the big cities and the remaining smaller towns only get limited attention in this mission of large scale urban development.

Table 4 shows that IHSDP has covered 903 towns with 25 per cent of the total urban population so far and UIDSSMT has covered 671 towns with 20 per cent of the total urban population so far. Whereas 3734 statutory towns excluding the 65 mission cities are applicable for UIDSSMT and IHSDP funding and account for 49 per cent of the total urban population out of which UIDSSMT and IHSDP together have covered 1274 towns with 32 per cent of the total urban population so far. However census towns that are not applicable to JNNURM as they are still under rural panchayat administration account for a considerable 7 per cent of the total urban population. Thus Table 4 shows that a larger share of towns and urban population exist outside the purview of the big city schemes of UIG and BSUP and hence need greater central assistance and policy attention to survive.

As in the case of UIG and BSUP, under IHSDP and UIDSSMT as well, the larger and more prominent Class I cities have received a larger share of central assistance. Table 5 shows that under UIDSSMT and IHSDP, 46 per cent and 37 per cent of the total central assistance has been committed to the Class I towns, 46 per cent and 49 per cent of the total central share has been committed to class II to III towns respectively under UIDSSMT and IHSDP whereas 9 per cent and 15 per cent of total central assistance has been committed to class IV to VI towns, but of

these, the smaller class V and class VI towns seem to be most neglected with only 2 per cent and 5 per cent of the total central assistance committed under UIDSSMT and IHSDP respectively. Annexure 2(a), 2(b), 3(a) and 3(b) provide a detailed state wide and class wise distribution of towns and central assistance committed and released.

Annexure 2 (a) and 2 (b) show that under UIDSSMT 46 per cent of the central share has been committed and released to class I towns that account for 21 per cent of the total towns covered under UIDSSMT so far, whereas 26 per cent of central assistance has been committed and released to the class II towns that account for 24 per cent of the total towns covered so far. However a much smaller share of central assistance has been committed and released to the remaining III, IV, V and VI towns. Around 25 per cent of the central share has been committed and released to class III and class IV towns that account for 48 per cent of the total towns covered so far. While around 2 per cent of the central share is committed and released to class V and class VI towns that account for 7 per cent of the total towns covered so far. Annexure 3(a) and 3 (b) show that under IHSDP, 37 per cent of the central share has been committed and released to class I towns that constitute around 19 per cent of the total towns covered under IHSDP. While 22 per cent of the total central assistance has been committed and 25 per cent of the total central share has been released to class II towns that account for 22 per cent of the total towns covered under IHSDP. Whereas 37 per cent of the central share has been committed and 33 per cent of the total central share has been released to class III and class IV towns that constitute 50 per cent of the total towns covered under IHSDP. However only 4 per cent of the total central share has been committed and only 5% of the total central share has been released to class V and class VI towns that account for 9 per cent of the total towns covered under IHSDP so far. The analysis clearly shows that the class I and II towns have received a larger share of central assistance. Even though a larger number of class III have been covered under the two schemes. Also, the class V and VI towns have received the least amount of central assistance when the smallest should have gained more. A more equitable distribution of central assistance across towns would have helped the smallest among small towns to improve their quality of life.

**Table 4: Classwise Distribution of Towns and Population**

<b>Scheme/ Towns</b>	<b>Class I</b>	<b>Class II</b>	<b>Class III</b>	<b>Class IV</b>	<b>Class V</b>	<b>Class VI</b>	<b>Grand Total</b>
UIDSSMT	52 (4%)	66 (2%)	117 (1%)	95 (0%)	29 (0%)	12 (0%)	371 (7%)
IHSDP	84 (6%)	103 (3%)	196 (2%)	143 (1%)	58 (0%)	19 (0%)	603 (12%)
Towns included in both UIDSSMT and IHSDP*	90 (9%)	98 (2%)	86 (1%)	23 (0%)	2 (0%)	1 (0%)	300 (13%)
Total (UIDSSMT+IHSDP)	226 (19%)	267 (7%)	399 (5%)	261 (1%)	89 (0%)	32 (0%)	1274 (32%)
Statutory Towns	370 (18%)	466 (11%)	1158 (12%)	1115 (6%)	502 (1%)	123 (0%)	3734 (49%)
Census Towns	10 (1%)	29 (0%)	226 (2%)	448 (2%)	540 (1%)	109 (0%)	1362 (7%)

**Source:** UIDSSMT and IHSDP database, as on March 2012; Census 2001

**Note:** The first number in the cell indicates the number of towns and the percentage in parentheses represents the percentage of total urban population. Statutory towns exclude the 65 cities under UIG and BSUP. Some census towns that were transformed into urban local bodies by 2005 have been included under UIDSSMT and IHSDP. Siddharthnagar town in Uttar Pradesh and Junardeo town in Madhya Pradesh could not be located under UIDSSMT. VAMBAY schemes under IHSDP in Kolkata, Chennai, Manipur, Jammu, Srinagar, Rajkot and Vadodara and Kohima have not been included. Under IHSDP, Saona town in Uttar Pradesh could not be located.

\*Silvassa and Amla have been included together under UIDSSMT whereas under IHSDP only Silvassa has been included.

**Table 5: Classwise distribution of Central Share Committed and Released under UIDSSMT and IHSDP (Rs in crore)**

Scheme/ Towns	ACA	Class I	Class II	Class III	Class IV	Class V	Class VI	Total
UIDSSMT	Committed	5144 (46%)	2875.3 (26%)	2200.4 (20%)	780.6 (7%)	158.7 (1%)	115.4 (1%)	11274.4 (100%)
	Released	3994 (46%)	2303.7 (26%)	1616.9 (19%)	586.5 (7%)	137.6 (2%)	76.7 (1%)	8715.4 (100%)
IHSDP	Committed	2810.6 (37%)	1709.5 (22%)	2041.3 (27%)	780.9 (10%)	277.5 (4%)	64.3 (1%)	7684 (100%)
	Released	1777.4 (37%)	1221.5 (25%)	1134.9 (24%)	468.9 (10%)	186.5 (4%)	39.8 (1%)	4828.9 (100%)

**Source:** UIDSSMT and IHSDP database, as on March 2012.

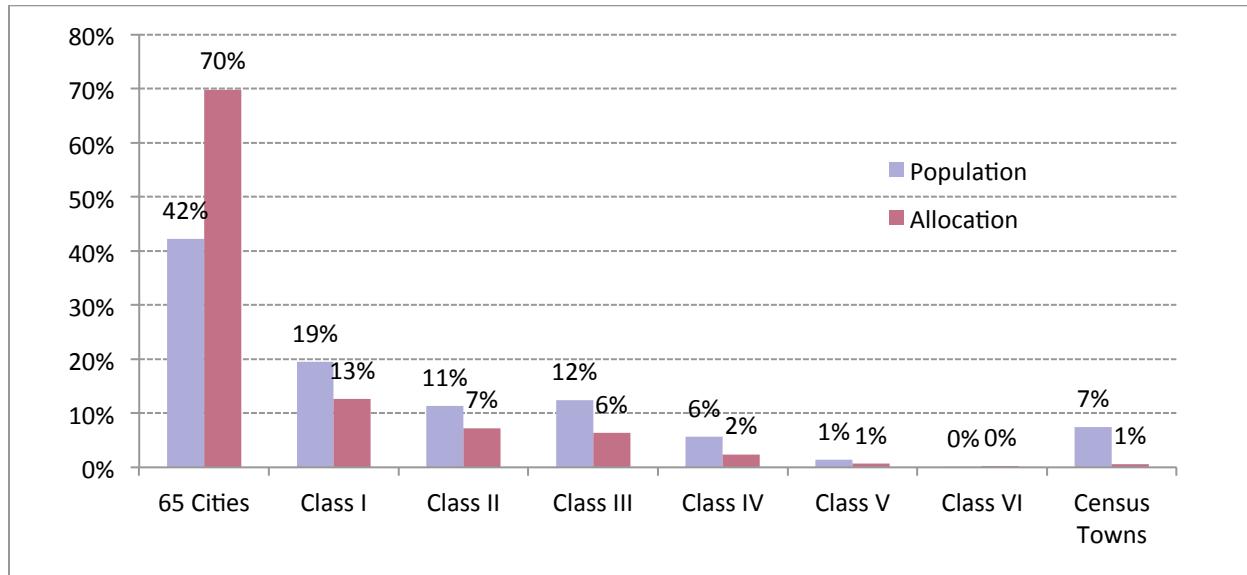
**Note:** The first number in the cell indicates the central share committed and released and the percentage in parentheses represents the percentage of the total central share committed and released under IHSDP and UIDSSMT. Siddharthnagar town in Uttar Pradesh and Junardeo town in Madhya Pradesh could not be located under UIDSSMT. VAMBAY schemes under IHSDP in Kolkata, Chennai, Manipur, Jammu, Srinagar, Rajkot, Vadodara and Kohima have not been included. Under IHSDP, Saona town in Uttar Pradesh could not be located.

### **Larger share of Urban Population in Small Towns**

United Nations Population Fund identifies that 52 per cent of the world's urban population continue to live in settlements of less than 500,000 people and indicates that smaller cities have always had more than half of the total urban population during recent decades (UNFPA, 2007). Figure 1 indicates that the scenario is no different in India where the 65 cities under UIG and BSUP account for 70 per cent of the total central share committed under JNNURM with 42 per cent of the total urban population residing in these cities, whereas only 30 per cent of the total central share is committed to the remaining towns and cities that account for 58 per cent of the total urban population. The metropolitan bias is also clearly evident outside the 65 cities as Class I to III towns account for 87 per cent of the total central assistance committed even though these towns constitute 75 per cent of the total urban population. Class IV to VI towns account for 11 per cent of the total central assistance committed even though these towns constitute 12 per cent of the total urban population. Census towns account for a meager 2 per cent of the total central

assistance committed even though they constitute 13 per cent of the total urban population. If access to JNNURM funds is indeed based on the extent of urban population, then the smaller towns should have benefitted more from the mission.

**Figure 1: Share of Population and Central Share Committed under JNNURM**



Source: JNNURM database as on March 2012; Census 2001

Note: Allocations include UIG, BSUP, UIDSSMT and IHSDP.

## Census Towns

Even though census towns are not included in the mission, they seem to have grown to be an important element of urban growth. Urban areas in India constitute three types – Statutory towns, Census towns and Outgrowths. Statutory towns are all places that have an elected local body such as municipality, corporation, cantonment board, notified town area committee etc. Census towns are places that satisfy (a) A minimum population of 5000 (b) At least 75 per cent of the male main working population engaged in non-agricultural pursuits (c) A density of population of atleast 400 per sq.km. Outgrowth is a viable unit such as a village or part of a village contiguous to a statutory town that possess urban features in terms of infrastructure and amenities. All statutory towns are supposed to be included under the JNNURM as they have an elected local body in position which is compulsory to access JNNURM funds. However, among the smaller (non class-I towns), a large component, that of the census towns is ignored and cannot access the JNNURM funds because they remain under rural panchayat administration.

The number of census towns has increased from 1362 in 2001 to 3894 in 2011, while the number of statutory towns has increased marginally from 3799 in 2001 to 4041 in 2011. The population of these census towns has more than doubled from 2001 to 2011 census and their share in the population of non-class I towns has grown from 18 per cent in 2001 to 32 percent in 2011. Census towns account for almost 30 per cent of the urban growth in the last decade (Pradhan, 2013). As a result, a large and growing and substantial share of the small town population is being denied access to the JNNURM programme.

An analysis of all the four sub-missions under JNNURM reaffirms the theory of metropolitan bias, as a larger share of central assistance has been committed to the big city schemes of UIG and BSUP as compared to the small town schemes of IHSDP and UIDSSMT, even within these schemes the focus seems to be on the large among small towns and cities. The following section discusses the consequences faced by the smaller towns as a result of this disparity in the distribution of central assistance that has lead the smaller towns towards further stagnation, leading to a rise in urban poverty, lack of capacity building and poor performance in the delivery of basic services.

## **Self-governing Cities**

The JNNURM was launched to enable self governing cities and provided an incentive for the implementation of the 74<sup>th</sup> Constitutional Amendment. It strengthened the commitment towards devolution of responsibilities at the local level, since access to Mission funds is linked to achievement of compulsory urban reforms for greater autonomy among municipal governments. One of the mandatory reforms under JNNURM is the implementation of the 74th Constitutional Amendment. The funding pattern under JNNURM was also supposed to further encourage the notion of self-governing cities by attributing a share of the project cost to the urban local bodies. Some of the ULB reforms like E-Governance, property tax reforms are also mandatory under JNNURM. However even though the 74<sup>th</sup> Constitutional Amendment was successful in creating a third-tier of governance, smaller urban local bodies are unable to perform most of the specified functions and their performance is dismal compared to the large municipal corporations in big metropolitan cities. One possible reason for their dismal performance could be the metropolitan bias that favors the flow of central assistance to the big cities. As a result, the big municipal

corporations perform better and have a stronger revenue structure as compared to the smaller municipalities. The 74<sup>th</sup> CAA thus provided a single structure to ULBs of all sizes, ignoring the several administrative constraints faced by the smaller ULBs. These financial and administrative constraints make it difficult for the smaller local bodies to carry out all the functions successfully.

## **Local Capacity Building**

Lack of capacity at the local level further impacts the process of project implementation. The JNNURM was launched as “*a city based programme, to build the capacity of our cities for management as cities have the financial muscle and the technical resources to rebuild themselves*”<sup>35</sup> However the metropolitan bias has lead to the further stagnation of the smaller ULBs rendering them incapable of generating independent revenues. Some smaller ULBs find it difficult to contribute their share of the cost for JNNURM projects and hence depend entirely on the state or parastatal agencies. They lack requisite staff and vision to implement JNNURM projects. Many lack technical capacity and orientation at the local level towards developmental works. Lack of project management affects the delivery of basic services in these small towns as infrastructure projects fail to achieve the desired goals. In the case of Asansol urban area<sup>36</sup> in West Bengal, under UIG the share of the ULB has been borne by the Asansol Durgapur Development Authority. This is because under JNNURM, parastatals have been equated with ULBs. However such ULBs could have been enabled to shoulder more responsibilities without depending on the parastatal agencies.<sup>37</sup> According to the UIG database as of March 2012 cities like Patna, Shimla and Nainital have not released their ULB share into project account. The 12<sup>th</sup> five year plan (2012-2017) has thus rightly acknowledged that “*Urban governance is very weak, with poor coordination amongst the many agencies that must work together to create and maintain good functioning habitats. Personnel and institutional capabilities for urban management have to be developed on a massive scale across the country. Capabilities for planning locally are woefully inadequate, which is leading to projects not aligned with local priorities and poor coordination amongst separate initiatives*”.<sup>38</sup>

## **Delivery of Basic Services**

Poor financial health and lack of capacity at the local level also leads to poor performance in the delivery of basic services. Sharma (2012) highlights the limitations of the existing system of governance in small towns after examining the case of seven small towns in North India - Madhubani, Jhunjhunu, Sehore, Janjgir and Rajnandgaon in Chhattisgarh, Narnaul in Haryana and Mirzapur in Uttar Pradesh and argues that municipal bodies in small towns are caught in a vicious cycle of low capability resulting in low collection of revenue leading to poor performance in the delivery of basic services. Infrastructure provisions like water supply, wastewater management and solid waste management are much better in metropolitan cities. An NIUA report published in 2005 on the “Status of Water Supply and Solid Waste Management in Urban Areas” stated that the coverage of population with basic services is higher for metropolitan cities than other urban centres as the investment levels are higher in the metropolitan cities due to large concentration of population in these cities.<sup>39</sup> Allocating large investments to big cities to transform them into global centres has lead to the stagnation of small towns in India. Declining governmental investment in infrastructure and basic services in smaller towns over the years and their failure to attract private or institutional investment has increased the disparity within the urban economy (Kundu, 2003). United Nations Population Fund also identifies that “*Smaller cities—especially those under 100,000 inhabitants—are notably underserved in housing, transportation, piped water, waste disposal and other services. In many cases, poor urban people are no better off than poor rural people*” (UNFPA, 2007)<sup>40</sup>. The approach paper to the 12<sup>th</sup> five year plan also rightly notes that “*a holistic approach to spatial development is needed if the country wishes to achieve more inclusive growth.*”<sup>41</sup>

## **Urban Poverty**

Since small towns receive a much smaller share of central assistance, their poor financial health contributes to the increase in the incidence of urban poverty. Kundu and Sarangi (2007) observe that large cities exhibit lower poverty ratios when compared to the lower order towns. The incidence of poverty seems to be higher in small towns as a larger section of population resides in these towns. Small and medium sized towns contain about 72.6 per cent of the urban population and because they are poorer, 84.5 per cent of urban poor (Lanjouw and Murgai,

2011).<sup>42</sup> As a much smaller share of central assistance is given to the small towns, the quality of employment, productivity and education provided by the small towns is much lower compared to the big cities. Ferre, Ferreira and Lanjouw (2009) examine the case of eight developing countries, namely Albania, Brazil, Kazakhstan, Kenya, Mexico, Morocco, Thailand and Sri Lanka and find that in all cases, poverty is lowest and service availability is greatest in the largest cities.

## **Rural-Urban Linkage**

What is currently seen in India, is a kind of exclusionary urban development that benefits the big metropolitan cities with large amounts of central investments whereas the small cities get only a small fraction which is not enough to realize their potential. Small towns have long been neglected and have hence stagnated to the point where they look more rural in character than urban. In the process, many benefits of small town growth have also been neglected. Growing literature points to the possible link between small town development and rural development and rural poverty reduction. Many scholars argue that the development of small towns can serve as a link that can help rural areas transform into urban as developing small towns will help the surrounding rural areas access employment and other services in these small towns and thus help in rural poverty reduction. Since a larger percentage i.e. 58 per cent of the total urban population resides outside the 65 big cities under UIG and BSUP, villages surrounding these smaller towns will be able to access employment in these small towns and build trade and commerce links and eventually transform into urban areas. Krishna and Bajpai (2011) examine the case of 'distance from town' that has affected villages located more than 5 kms away from the nearest town. They find that average per capita income has grown rapidly in villages that circle towns within a radial distance of 5 kms whereas real per capita income has fallen in villages located outside the 5 km limit. They further note that there is decline in rural incomes (in absolute as well as relative terms) with the fewest gains being made by people living further away from India's growing towns, that means that the village residents who live closer to towns can more easily gain from the lineal patterns of economic development, their lands grow in value and their labour is in greater demand.

Developing small towns can help neighbouring villages access urban amenities. Rondinelli (1983) argues that these towns serve as the links in the system of distribution and exchange between agricultural areas and urban centres. He further notes that “*towns and small cities have helped to transform the economies of rural areas by providing access to services, facilities, and nonagricultural employment opportunities and by providing incentives for the commercialization of agriculture.*”<sup>43</sup> Himanshu et al (2011) find that small towns facilitate rural non-farm activities and therefore have a role in urban and rural poverty reduction. They examine the case of Palanpur village in Moradabad and argue that “*a key feature of non-farm diversification in Palanpur is that it takes the form of many villagers commuting on a daily basis to nearby towns to seek casual, regular and self-employment opportunities in those localities.*”<sup>44</sup> They further argue that it is in such small towns and cities that the bulk of the urban poor are concentrated and these towns and cities are also more tightly connected to surrounding rural areas. Further, Denis, Mukhopadhyay and Zerah (2012) argue that many of the large towns today were relatively small in the past which signifies the vitality of some of these small towns and cities. Pradhan (2013) finds that 37.2 per cent of the new census towns are in the proximity of class I towns, many of them are not around the megacities and there are many more that are widely spread across the countryside, which further validates the need to develop small towns, as their growth is likely to benefit and spill over to adjoining rural areas and help in the reduction of rural poverty by providing access to employment opportunities in these small towns. Small town development can play a role in controlling migration to big cities as well. Sahasranaman (2012) emphasizes that well-planned development of these small cities can help disperse rural migration and prevent over-crowding of other metropolitan centres. Policy makers need to focus on these benefits of small town growth instead of overlooking their potential by allocating a much smaller share of central investments to these towns and cities that is straining their very existence.

## Conclusion

The challenges of urbanization can be met by building inclusive cities, improving urban governance, funding, planning, and promoting capacity building at the local level. Urban local bodies need to be strengthened with clear functions, independent financial resources, and autonomy to take decisions on investment and service delivery. The Central Government will have to take the lead in financing, facilitating and encouraging the involvement of state

governments and ULBs in the process of urbanization. Allocating adequate investments to small towns and cities that are not able to generate independent revenues and lack even the delivery of basic services would be the first step in this direction.

Inter-city spatial inequality can be dealt with greater equity in the provision of central assistance. Small and medium towns should receive a larger share of assistance from the central government as most of the inadequacies faced by the smaller ULBs are a consequence of the inequality in the distribution of central assistance across cities. If access to JNNURM funds is indeed based on the extent of urban population, then the smaller towns should have benefitted more from the mission. As small towns not only comprise a larger share of urban population, but also almost entirely depend on central investments for better governance and infrastructure provisions. The provision of central assistance thus should not only depend on the size of the cities but should also be need-based, as there are numerous small towns that comprise a considerable proportion of the urban population, but have historically been in a disadvantaged position and have not been provided sufficient investments to redeem themselves. Thus central investments should be directed to the financially poor ULBs that lack adequate infrastructure and governance provisions and will be more useful in these small towns than in big metropolitan cities.

What seems to be forgotten is that urban India also lives in small towns, that are witnessing rapid population growth, and that are growing because of expansion of public and private sector industries. However, this growth will be limited if there is no sufficient allocation of resources from the central government to these cities. The number of towns in India has increased from 5161 in 2001 to 7935 in 2011.<sup>45</sup> However the growth in the number of towns has not been accompanied by the supply of basic services, as a result of which most small towns appear more rural in character than urban, even as their economy is non-agricultural. Policy makers need to focus on reducing the strains of these small towns and maximizing the opportunities offered by these towns. Allocation of adequate central investments to poor ULBs, can help in improving their delivery of basic services and will raise their scope for industrial investments. Industrial investments can help to generate greater employment opportunities that in turn will help in controlling the problem of overcrowding and migration to big cities as well. In a country like India that has a significantly high share of rural population, central investments should be

directed to these smaller towns to enable them to transform into key urban centres. As even more than large metropolitan cities, a well spread network of cities will enable the rural-urban transformation of people more effectively.

## Endnotes

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<sup>1</sup> Ferré, Céline, Francisco H.G. Ferreira and Peter Lanjouw (2010) “Is There a Metropolitan Bias? The Inverse Relationship between Poverty and City Size in Selected Developing Countries” Poverty and Inequality Team, Development Research Group Working Paper, World Bank. Pg 21

<sup>2</sup> Shaw, Annapurna (2013) ‘Emerging Perspectives on Small Cities and Towns’. In R.N Sharma and R.S Sandhu (eds). Small Cities and Towns in Global Era: Emerging Changes and Perspectives. Rawat Publications.

<sup>3</sup> Government of India. Planning Commission. Fifth Five Year Plan (1974-79)

<sup>4</sup> Government of India. Planning Commission. Sixth Five Year Plan (1980-85)

<sup>5</sup> Government of India. Planning Commission. Sixth Five Year Plan (1980-85). Para 23.31

<sup>6</sup> Banerjee T, Schenk S, 1984, "Lower Order Cities and National Urbanization Policies: China and India" *Environment and Planning A* 16(4) 487 – 512

<sup>7</sup> Gill, Rajesh (2013) “The Academic Bias against Towns: A Cultural Audit” In In R.N Sharma and R.S Sandhu (eds). Small Cities and Towns in Global Era: Emerging Changes and Perspectives. Rawat Publications.

<sup>8</sup> Census of India 2011

<sup>9</sup> Prime Minister’s speech at the launch of Jnnurm, Dec 3, 2005

<sup>10</sup> Government of India, Ministry of Urban Development, “JNNURM Overview” document, Pg 5

<sup>11</sup> Since the mission was launched in 2005 some urban areas that were classified as census towns in 2001 census had transformed into urban local bodies by 2005 and thus were included in the mission. Thus for the purposes of this paper, the urban population figures pertain to the 2001 census.

<sup>12</sup> Government of India, Ministry of Urban Development, “JNNURM Overview” document, Pg 3

<sup>13</sup> Government of India, Ministry of Urban Development “JNNURM Overview” document, Pg 8

<sup>14</sup> Government of India, Ministry of Urban Development “JNNURM Overview” document, Pg 5

<sup>15</sup> Government of India, Ministry of Urban Development (2009) “UIDSSMT, Overview and Salient Features” Pg 3

<sup>16</sup> Government of India, Ministry of Urban Development (2009) “UIDSSMT, Overview and Salient Features” Pg 3

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<sup>17</sup> Government of India, Ministry of Urban Development (2009) “UIDSSMT, Overview and Salient Features” Pg 4

<sup>18</sup> Government of India, Ministry of Housing and Urban Poverty Alleviation (2009) “Modified Guidelines for Sub-mision on Basic Services to the Urban Poor” Pg 3

<sup>19</sup> Government of India, Ministry of Housing and Urban Poverty Alleviation (2009) “Modified Guidelines for Sub-mission on Basic Services to the Urban Poor” Pg 2

<sup>20</sup> Government of India, Ministry of Housing and Urban Poverty Alleviation (2009) “Modified Guidelines for Sub-mission on Basic Services to the Urban Poor” Pg 4

<sup>21</sup> Government of India, Ministry of Housing and Urban Poverty Alleviation (2009) “Modified Guidelines for IHSDP” Pg 1

<sup>22</sup> Government of India, Ministry of Housing and Urban Poverty Alleviation (2009) “Modified Guidelines for IHSDP” Pg 1

<sup>23</sup> Government of India, Ministry of Housing and Urban Poverty Alleviation, Govt. of India (2009) “Modified Guidelines for IHSDP” Pg 3

<sup>24</sup> Under UIG, ULB share can include Parastatal Share/Loan from Financial Institutions. Under BSUP, State/ULB/Parastatal share includes Beneficiary contribution

<sup>25</sup> Government of India, Ministry of Urban Development “JNNURM Overview” document. Pg 8

<sup>26</sup> Government of India, Ministry of Urban Development “JNNURM Overview” document, Pg 3

<sup>27</sup> Government of India, Ministry of Urban Development “Jawaharlal Nehru National Urban Renewal Mission, Framework and Process” Pg 9

<sup>28</sup> Government of India, Ministry of Urban Development (2006)“JNNURM Modified Guidelines (Sub-mission for UIG)” September Pg 10

<sup>29</sup> Government of India, Ministry of Urban Development “Jawaharlal Nehru National Urban Renewal Mission, Framework and Process” Pg 9

<sup>30</sup> Government of India, Ministry of Urban Development (2009) “UIDSSMT, Overview and Salient Features” Pg 4

<sup>31</sup> Government of India, Ministry of Housing and Urban Poverty Alleviation (2009) “Modified Guidelines for IHSDP” Pg 4

<sup>32</sup> JNNURM database, as on March 2012

<sup>33</sup> Jnnurm database as on March 2012

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<sup>34</sup>Government of India, Press Information Bureau “*Cabinet Approves Fresh Projects for Delhi under JNNURM*”, December 11, 2009

<sup>35</sup> Prime Minister’s speech at the launch of Jnnurm, Dec 3, 2005

<sup>36</sup> Asansol and Durgapur were linked together to form an Asansol Urban Area including two municipal corporations (Asansol and Durgapur) and three Municipalities (Raniganj, Kulti and Jamuria) according to the Asansol CDP (May, 2006)

<sup>37</sup> The funding pattern under JNNURM is that Cities with million plus but less than 4 million population will receive 50% central share/grant, 20% State share and 30% ULB Share. However the funding pattern for JNNURM in West Bengal in 2006-07 suggested that in the case of water supply projects the costs will be shared between the centre and the state and there won’t be any Ulb share. One of the main reasons for such a division can be the inadequacy of the Ulb. However the funding pattern was later revised by the State. The ULB/Development Authority share was included, which would share this 15% of the cost. In the case of Asansol out of the 15%, ULB share is only 5% whereas ADDA’s share is 10% in projects sanctioned after 2009-10.

<sup>38</sup> Government of India, Planning Commission (2013) ‘Twelfth Five Year Plan (2012-2017)’ Vol. I. Pg 34, Para 1.166

<sup>39</sup>Usha P Raghupathi et al (2005), “Status of Water Supply and Solid Waste Management in Urban Areas”, National Institute of Urban Affairs, New Delhi.

<sup>40</sup> (UNFPA) United Nations Population Fund (2007) “State of World Population 2007: Unleashing the Potential of Urban Growth” New York. Pg 10

<sup>41</sup> Government of India, Planning Commission (2011) “Faster, Sustainable and More Inclusive Growth: An Approach to the 12<sup>th</sup> Five Year Plan” Para 12.1, Pg 108

<sup>42</sup>Lanjouw, P. and R. Murgai. (2011). *Perspectives on Poverty in India: Stylised Facts from Survey Data*. New Delhi: Oxford University Press and The World Bank; Figures based on 2004-05 NSS

<sup>43</sup> Rondinelli, D A (1983): “Towns and Small Cities in Developing Countries”, *Geographical Review* 73(4): 379-95. Pg 379

<sup>44</sup>Himanshu, Peter Lanjouw, AbhiroopMukhopadhyay and RinkuMurgai (2011): “Non-Farm Diversification and Rural Poverty Decline: A Perspective from Indian Sample Survey and Village Study Data”, Asia Research Centre Working Paper no. 44, London School of Economics, London. Pg 38

<sup>45</sup> Census of India, 2001 and 2011

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## Appendices

**Annex 1: City wise Central Share Committed and Released under UIG and BSUP  
(Rs. in crore)**

City	% of total popn of 65 cities	UIG		BSUP	
		ACA Committed	ACA Released	ACA Committed	ACA Released
<b>Mega Cities/UAs</b>	<b>53.8%</b>	<b>10421.4</b>	<b>5663</b>	<b>6381.8</b>	<b>3453</b>
Greater Mumbai	13.6%	1881.7	1486.7	1213.4	740.6
Kolkata	10.9%	2211.4	943.3	1770.7	828.8
Delhi	10.7%	2519.0	699.2	1472.7	440.4
Chennai	5.4%	1294.4	820.0	600.4	364.5
Hyderabad	4.8%	880.3	552.9	807.1	651.3
Bangalore	4.7%	798.1	507.6	241.3	173.1
Ahmedabad	3.7%	836.6	653.3	276.2	254.4
<b>Million Plus Cities/UAs</b>	<b>35.9%</b>	<b>12180</b>	<b>8256.6</b>	<b>5123.7</b>	<b>3266.3</b>
Pune	3.1%	1553.8	1322.0	583.2	413.9
Surat	2.3%	909.1	723.0	332.5	281.4
Kanpur	2.2%	598.4	475.9	211.5	155.4
Jaipur	1.9%	361.0	183.2	88.1	43.2
Lucknow	1.9%	808.1	674.1	172.6	93.5
Nagpur	1.8%	749.9	357.3	319.6	111.1
Patna	1.4%	291.2	72.7	274.1	68.5
Indore	1.3%	407.6	209.5	75.0	54.7
Bhopal	1.2%	515.5	326.6	212.3	143.1
Coimbatore	1.2%	413.1	264.9	265.6	137.8
Ludhiana	1.2%	120.7	30.2	52.4	25.0
Vadodara	1.2%	376.5	287.6	250.5	108.4
Agra	1.1%	157.6	142.9	280.5	189.5
Kochi	1.1%	254.6	121.1	67.8	50.3
Visakhapatnam	1.1%	776.6	638.0	319.4	316.0
Madurai	1.0%	419.3	326.7	181.6	147.1
Meerut	1.0%	237.8	166.2	180.5	176.9
Nashik	1.0%	399.6	270.5	128.7	82.8
Varanasi	1.0%	463.3	281.7	113.9	72.0
Allahabad	0.9%	308.8	236.3	31.7	20.8
Asansol	0.9%	364.7	151.0	286.9	171.6
Dhanbad	0.9%	210.9	80.2	56.2	14.0
Faridabad	0.9%	347.4	239.6	31.2	31.2
Jabalpur	0.9%	244.7	88.5	43.7	18.7
Jamshedpur	0.9%	16.7	4.2	72.0	18.0
Vijayawada	0.9%	389.0	298.3	366.6	284.1
Amritsar	0.8%	242.0	116.6	32.0	1.4
Rajkot	0.8%	242.3	168.0	93.8	35.9
<b>Cities/UAs with</b>	<b>10.30%</b>	<b>6281</b>	<b>3268.2</b>	<b>3586.7</b>	<b>1838.8</b>

**Annex 1: City wise Central Share Committed and Released under UIG and BSUP  
(Rs. in crore)**

City	% of total popn of 65 cities	UIG		BSUP	
		ACA Committed	ACA Released	ACA Committed	ACA Released
<b>less than one million population</b>		(22%)	(19%)	(24%)	(21%)
Srinagar	0.8%	353.2	171.2	93.1	23.3
Chandigarh	0.7%	153.0	26.8	446.1	374.3
Guwahati	0.7%	284.5	248.1	97.6	48.8
Mysore	0.7%	656.0	445.2	171.4	143.6
Ranchi	0.7%	271.8	102.6	200.6	50.2
Thiruvananthapuram	0.7%	390.9	109.3	165.7	82.5
Raipur	0.6%	242.9	218.6	536.4	169.3
Bhubaneswar	0.5%	458.6	184.6	46.2	29.2
Jammu	0.5%	134.6	46.5	41.4	23.9
Ajmer-Pushkar	0.4%	404.5	241.7	84.6	42.3
Dehradun	0.4%	187.8	119.6	48.0	13.1
Nanded	0.4%	586.2	522.4	775.1	401.1
Pondicherry	0.4%	202.4	72.5	83.2	22.9
Ujjain	0.4%	91.4	44.2	13.3	10.0
Bodhgaya	0.3%	103.6	25.9	38.7	9.7
Mathura	0.3%	122.7	70.5	158.5	115.4
Tirupati	0.3%	68.0	35.3	115.8	36.3
Agartala	0.2%	160.4	64.2	14.0	14.0
Aizawl	0.2%	114.9	7.6	80.1	40.1
Imphal	0.2%	138.6	55.4	43.9	32.9
Porbandar	0.2%	110.5	5.3	62.5	0.0
Shillong	0.2%	196.2	122.0	40.4	26.1
Haridwar	0.1%	93.3	53.9	2.9	2.2
Kohima	0.1%	104.3	35.2	105.6	79.2
Panaji	0.1%	59.9	0.7	4.6	1.2
Puri	0.1%	178.5	44.6	8.0	2.0
Shimla	0.1%	126.0	32.6	18.3	7.4
Gangtok	0.0%	86.9	40.1	29.1	21.8
Itanagar	0.0%	162.4	108.3	54.5	12.7
Nainital	0.0%	37.0	13.3	7.4	3.6
<b>Grand Total</b>	<b>100.0%</b>	<b>28882.4</b> <b>(100%)</b>	<b>17187.9</b> <b>(100%)</b>	<b>15092.2</b> <b>(100%)</b>	<b>8558.1</b> <b>(100%)</b>

Source: Jnnurm database (As on March 2012); Census 2001

**Annex 2 (a): Class Wise Distribution of Towns and Central Share Committed under UIDSSMT (Rs in crore)**

<b>State</b>	<b>Class I</b>	<b>Class II</b>	<b>Class III</b>	<b>Class IV</b>	<b>Class V</b>	<b>Class VI</b>	<b>Total</b>
A and I Islands		4.5 (1)					4.5 (1)
Andhra Pradesh	829.4 (21)	863.5 (33)	299.2 (15)				1992.1 (69)
Arunachal Pradesh			4.1 (1)	19.9 (3)	9.3 (3)	2.1 (2)	35.4 (9)
Assam	14.6 (1)	6.5 (1)	74.8 (8)	45.9 (8)	39.4 (7)	8.5 (2)	189.5 (27)
Bihar	86.8 (2)		113.9 (8)	10.5 (1)			211.2 (11)
Chattisgarh	131.1 (2)		3.6 (1)				134.7 (3)
D and N Haveli			21.3 (1)				21.3 (1)
Daman and Diu			7.5 (1)				7.5 (1)
Goa				18.3 (2)	4.7 (1)		23 (3)
Gujarat	101.3 (8)	148.2 (19)	73.9 (17)	28.6 (8)			352 (52)
Haryana	150.4 (5)	6.5 (1)	5.7 (1)				162.6 (7)
Himachal Pradesh			10.4 (1)	57.9 (2)		33.2 (1)	101.5 (4)
J and K		181.6 (5)	26.7 (1)	152.4 (6)		25.5 (1)	386.1 (13)
Jharkhand	4.6 (1)	70.3 (3)	3.6 (1)				78.6 (5)
Karnataka	134 (3)	56.1 (3)	174.1 (12)	114.8 (10)	72.1 (2)		551.2 (30)
Kerala	78.3 (1)	122.7 (10)	144.3 (11)				345.3 (22)
Madhya Pradesh	495.8 (13)	179.2 (11)	291.1 (17)	20.2 (4)	4 (2)	8.6 (1)	998.9 (48)
Maharashtra	1366.9 (19)	500.6 (24)	313.3 (33)	53.5 (10)			2234.4 (86)
Manipur			24.6 (2)	26.9 (2)	5.2 (1)		56.7 (5)
Meghalaya		7.5 (1)		5.4 (1)			12.9 (2)
Mizoram			7.8 (1)	6.2 (1)			14 (2)
Nagaland				22.8 (2)			22.8 (2)
Orissa	90.1 (3)	57.6 (3)	43.2 (7)	16.4 (1)			207.3 (14)
Pondicherry			31.3 (1)				31.3 (1)
Punjab	211.9 (4)	62 (5)	33.6 (1)	10.4 (4)			317.9 (14)
Rajasthan	326.6 (11)	77.9 (5)	83.4 (16)	2.8 (3)			490.6 (35)
Sikkim					36.2 (5)		36.2 (5)
Tamil Nadu	83.5 (7)	303.7 (23)	205.2 (28)	95.5 (43)	17.1 (14)	1.3 (1)	706.3 (116)
Tripura			13.6 (1)	50.4 (2)	7 (1)		71 (4)
Uttar Pradesh	828.7 (31)	84.4 (7)	20.7 (5)	9 (2)			942.8 (45)
Uttarakhand			49.4 (1)				49.4 (1)
West Bengal	209.8 (10)	142.4 (9)	120.1 (11)	13 (3)			485.3 (33)
<b>Total</b>	<b>5144 (142)</b>	<b>2875.3 (164)</b>	<b>2200.4 (203)</b>	<b>780.6 (118)</b>	<b>158.7 (31)</b>	<b>115.4 (13)</b>	<b>11274.4 (671)</b>

Source: UIDSSMT database, as on March 2012; Census 2001

Note: The first number in the cell shows the central share committed and the figure in the parentheses represents the number of towns covered as per 2001 census. Siddharthnagar town in Uttar Pradesh and Junardeo town in Madhya Pradesh could not be located.

**Annex 2 (b): Class Wise Distribution of Towns and Central Releases under UIDSSMT (Rs in crore)**

State	Class I	Class II	Class III	Class IV	Class V	Class VI	Total
A and N Islands		2.2 (1)					2.2 (1)
Andhra Pradesh	827.6 (21)	829.7 (33)	294.7 (15)				1951.9 (69)
Arunachal Pradesh			4.1 (1)	19.9 (3)	9.3 (3)	2.1 (2)	35.4 (9)
Assam	7.4 (1)	3.3 (1)	49.7 (8)	27.4 (8)	31.6 (7)	4.2 (2)	123.6 (27)
Bihar	43.4 (2)		58 (8)	5.3 (1)			106.7 (11)
Chattisgarh	131.1 (2)		3.6 (1)				134.7 (3)
D and N Haveli			7.5 (1)				7.5 (1)
Daman and Diu			0.3 (1)				0.3 (1)
Goa				9.2 (2)	1.9 (1)		11.1 (3)
Gujarat	100.7 (8)	130.9 (19)	70.6 (17)	26.5 (8)			328.7 (52)
Haryana	105.1 (5)	3.3 (1)	2.8 (1)				111.2 (7)
Himachal Pradesh			10.4 (1)	31.9 (2)		16.4 (1)	58.7 (4)
J and K		91.6 (5)	13.5 (1)	77 (6)		13 (1)	195.1 (13)
Jharkhand	2.4 (1)	48.7 (3)	1.9 (1)				52.9 (5)
Karnataka	132.7 (3)	40.6 (3)	138.1 (12)	109.3 (10)	68.6 (2)		489.3 (30)
Kerala	39.8 (1)	60.9 (10)	72.6 (11)				173.4 (22)
Madhya Pradesh	276.5 (13)	94.4 (11)	158.6 (17)	10.1 (4)	2 (2)	4.3 (1)	546 (48)
Maharashtra	1036.9 (19)	478.2 (24)	304.7 (33)	38.3 (10)			1858.1 (86)
Manipur			12.4 (2)	13.4 (2)	2.6 (1)		28.5 (5)
Meghalaya		3.7 (1)		2.7 (1)			6.4 (2)
Mizoram			3.9 (1)	3.1 (1)			7 (2)
Nagaland				34.8 (2)			34.8 (2)
Orissa	45.8 (3)	28.8 (3)	21.7 (7)	8.2 (1)			104.5 (14)
Puducherry			31.3 (1)				31.3 (1)
Punjab	126.4 (4)	31 (5)	16.8 (1)	5.2 (4)			179.4 (14)
Rajasthan	187.9 (11)	43.7 (5)	50.3 (16)	2.4 (3)			284.2 (35)
Sikkim					36.2 (5)	36.2 (5)	
Tamil Nadu	57.2 (7)	236.8 (23)	165.2 (28)	91.8 (43)	15.1 (14)	0.7 (1)	566.9 (116)
Tripura			6.8 (1)	50.1 (2)	6.5 (1)		63.4 (4)
Uttar Pradesh	728.3 (31)	84.3 (7)	20.7 (5)	8.9 (2)			842.2 (45)
Uttarakhand			24.7 (1)				24.7 (1)
West Bengal	144.8 (10)	91.5 (9)	71.7 (11)	10.9 (3)			318.9 (33)
<b>Grand Total</b>	<b>3994 (142)</b>	<b>2303.7 (164)</b>	<b>1616.9 (203)</b>	<b>586.5 (118)</b>	<b>137.6 (31)</b>	<b>76.7 (13)</b>	<b>8715.4 (671)</b>

Source: UIDSSMT database, as on March 2012; Census 2001

Note: The first number in the cell shows the central share released and the figure in the parentheses represents the number of towns covered as per 2001 census. Siddharthnagar town in Uttar Pradesh and Junardeo town in Madhya Pradesh could not be located.

**Annex 3 (a): Class Wise Distribution of Towns and Central Share Committed under IHSDP (Rs. in crore)**

State	Class I	Class II	Class III	Class IV	Class V	Class VI	Total
A and N Island		13.6 (1)					13.6 (1)
Andhra Pradesh	339.5 (19)	250.7 (26)	85.1 (11)				675.3 (56)
Arunachal Pradesh				9 (1)			9 (1)
Assam	15.4 (2)	9.7 (2)	24.9 (5)	12.3 (3)	4.7 (3)	3.3 (1)	70.2 (16)
Bihar	112.9 (7)	100.3 (7)	84.2 (10)	61.1 (3)	22.2 (1)		380.8 (28)
Chhattisgarh	111.4 (5)	10.1 (2)	22.1 (6)	13.4 (3)	1.9 (1)		158.8 (17)
D and N Haveli			3.3 (1)				3.3 (1)
Daman and Diu			0.6 (1)				0.6 (1)
Goa				1.4 (1)			1.4 (1)
Gujarat	63 (8)	81.4 (13)	83.5 (13)	21.7 (5)			249.6 (39)
Haryana	212.9 (9)		24.7 (5)	9.9 (1)			247.4 (15)
Himachal Pradesh			21.7 (3)	10 (2)	12 (2)	5.1 (1)	48.8 (8)
J and K		20.6 (3)	18.1 (3)	23.3 (9)	24.7 (9)	25.3 (11)	112 (35)
Jharkhand	11.4 (1)	41.5 (4)	62.3 (4)	16.2 (1)			131.3 (10)
Karnakata	76.6 (8)	66 (8)	73.7 (14)	6.3 (2)			222.6 (32)
Kerala	47.3 (7)	65.5 (16)	86.1 (22)				198.9 (45)
Madhya Pradesh	148.3 (14)	24.6 (6)	18.5 (6)	43.7 (18)	20.7 (8)		255.8 (52)
Maharashtra	661.9 (17)	346.4 (20)	592.4 (42)	93.8 (11)	9.6 (2)		1704 (92)
Manipur			15.6 (2)	13.1 (2)	3.4 (1)		32 (5)
Meghalaya		9 (1)		13.5 (2)			22.4 (3)
Mizoram			12.9 (2)	14.3 (3)	2.6 (1)		29.8 (6)
Nagaland		40.7 (1)					40.7 (1)
Orissa	57.9 (6)	57.7 (10)	48.8 (13)	30.2 (6)			194.6 (35)
Puducherry		5.5 (1)					5.5 (1)
Punjab	66.4 (3)	13.6 (2)	23.1 (3)	42.6 (3)			145.6 (11)
Rajasthan	204.4 (10)	128.8 (9)	237.5 (28)	55.9 (10)			626.6 (57)
Sikkim					17.9 (1)		17.9 (1)
Tamil Nadu	106.5 (13)	148.4 (34)	95.5 (22)	39.9 (18)	6.8 (5)		397.1 (92)
Tripura			7 (1)	31 (4)			38 (5)
Uttar Pradesh	274 (23)	79.2 (13)	171.6 (28)	173.8 (47)	116.3 (20)	28.5 (6)	843.4 (137)
Uttarakhand	12.5 (1)	14.3 (2)	30.3 (7)	10.4 (3)	28.3 (5)	2.2 (1)	97.9 (19)
West Bengal	288.4 (21)	182 (20)	197.8 (30)	34.4 (8)	6.4 (1)		708.9 (80)
Grand Total	2810.6 (174)	1709.5 (201)	2041.3 (282)	780.9 (166)	277.5 (60)	64.3 (20)	7684 (903)

Source: IHSDP database as on March 2012; Census 2001

Note: The first number in the cell shows the central share committed and the figure in the parentheses represents the number of towns covered as per 2001 census. The table excludes VAMBAY schemes in Kolkata, Chennai, Manipur, Jammu, Srinagar, Rajkot, Vadodara and Kohima. Saona town in Uttar Pradesh could not be located.

**Annex 3 (b): Class Wise Distribution of Towns and Central Releases under IHSDP (Rs in crore)**

State	Class I	Class II	Class III	Class IV	Class V	Class VI	Total
A and N Island		5.5 (1)					5.5 (1)
Andhra Pradesh	258.5 (19)	221 (26)	78.4 (11)				557.9 (56)
Arunachal Pradesh				4.5 (1)			4.5 (1)
Assam	7.7 (2)	4.8 (2)	12.5 (5)	6.1 (3)	2.4 (3)	1.7 (1)	35.1 (16)
Bihar	35.6 (7)	33 (6)	36.8 (10)				105.3 (23)
Chhattisgarh	83 (5)	10.1 (2)	15.7 (6)	7.6 (3)	1.9 (1)		118.3 (17)
D and N Haveli			1.7 (1)				1.7 (1)
Daman and Diu			0.3 (1)				0.3 (1)
Goa							
Gujarat	26.4 (5)	62.9 (13)	21 (9)	8.3 (3)			118.5 (30)
Haryana	131.6 (9)		16.5 (5)	5.8 (1)			153.9 (15)
Himachal Pradesh			10.9 (3)	5 (2)	6 (2)	2.5 (1)	24.4 (8)
J and K		10.7 (3)	11.6 (3)	15.2 (9)	16.3 (9)	15.9 (11)	69.7 (35)
Jharkhand	5.7 (1)	20.7 (4)	31.2 (4)	8.1 (1)			65.7 (10)
Karnataka	72.7 (8)	66 (8)	73.7 (14)	6.3 (2)			218.6 (32)
Kerala	24.5 (7)	125.6 (16)	71 (22)				221 (45)
Madhya Pradesh	74.6 (14)	15.2 (6)	10 (6)	24.2 (16)	10 (7)		134 (49)
Maharashtra	302.3 (15)	136.7 (18)	174.3 (30)	29.3 (7)	2.3 (1)		644.9 (71)
Manipur			15.6 (2)	13.1 (2)	3.4 (1)		32 (5)
Meghalaya		4.5 (1)		6.7 (2)			11.2 (3)
Mizoram			12.9 (2)	14.3 (3)	2.6 (1)		29.8 (6)
Nagaland		29.3 (1)					29.3 (1)
Orissa	30.3 (6)	43.1 (10)	31.4 (11)	11 (4)			115.7 (31)
Puducherry		2.7 (1)					2.7 (1)
Punjab	29.4 (2)	6.8 (2)	9.3 (2)	21.3 (3)			66.8 (9)
Rajasthan	126 (10)	62.7 (8)	89.5 (21)	23.6 (9)			301.7 (48)
Sikkim					9 (1)		9 (1)
Tamil Nadu	92 (12)	122.8 (31)	63.4 (16)	40.6 (18)	6.7 (5)		325.5 (82)
Tripura			3.5 (1)	31 (4)			34.5 (5)
Uttar Pradesh	209.4 (23)	74.3 (13)	134.7 (28)	147 (47)	98.2 (20)	18.7 (6)	682.3 (137)
Uttarakhand	6.2 (1)	3.5 (1)	21.7 (7)	8.8 (3)	21.4 (5)	1.1 (1)	62.8 (18)
West Bengal	261.7 (21)	159.5 (20)	187.4 (30)	31.2 (8)	6.4 (1)		646.3 (80)
<b>Grand Total</b>	<b>1777.4 (167)</b>	<b>1221.5 (193)</b>	<b>1134.9 (250)</b>	<b>468.9 (151)</b>	<b>186.5 (57)</b>	<b>39.8 (20)</b>	<b>4828.9 (838)</b>

Source: IHSDP database as on March 2012; Census 2001

Note: The first number in the cell shows the central share released and the figure in the parentheses represents the number of towns Covered as per 2001 census. The table excludes VAMBAY schemes in Kolkata, Chennai, Manipur, Jammu, Srinagar, Vadodara, Rajkot and Kohima. Saona town in Uttar Pradesh could not be located.

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