

CHAPTER SIX

REGIONAL PATTERN OF URBANISATION AND URBAN EMPLOYMENT

The proportion of population living in the urban areas is considered for measuring the level of urbanisation in a region, state and country. The urban share of population increases as a result of population growth in urban areas that is partly due to natural increase of population and partly as a result of the migration from rural areas and small towns. The growth of large cities is result of high migration levels induced by economic opportunity offered to people and investment made in the city infrastructure enhancing comfortable living conditions. Ramachandran (1989)¹⁷⁵ identifies three processes that affect urbanisation; (a) the migration of people from rural villages to towns and cities, (b) the migration of people from smaller towns and cities to larger cities and capital cities, and (c) the spatial overflow of metropolitan population into the peripheral fringe villages. These three processes eventually results in general process of urbanisation, metropolisation and suburbanisation.

In the context of India, the urban areas are also an extension of immediate rural setup with continued rural-urban linkages through caste and kinship relationships. The traditional towns supported the caste structure of society by providing distinct residence to the primary urban castes of artisans and traders. The concentration of higher castes Hindus and specialized other religious minorities like Muslims, Christians, Parsis and Jains have traditionally been a common feature of the urban centres of India. Indian urban centres have even also provided opportunities to various lower caste Hindus and the sections of the tribal population, who move towards urban areas from the rural hinterland. This characteristic is common to all parts of India including Gujarat. It was pointed out by A M Shah that '*there are more 'sanskritized' castes in the urban areas of Gujarat than in its rural areas.*'¹⁷⁶

Urban areas are growth drivers of the economy and cities have been instrumental in sustaining economic growth of developed as well as developing countries. At present, more than half of the World population is urbanised and by the year 2030 it would reach 60 per cent, thereby putting immense pressure on the regional resources and urban areas. Since 1950, spatial distribution of urban concentrations has become more prominent in the

¹⁷⁵ Ramachandran, R. (1989): *Urbanisation and Urban System in India*, Thirty Second Impression 2009, Oxford University Press, New Delhi, p.91

¹⁷⁶ Shah, A. M. (2010): '*The Rural – Urban Networks in India*' in '*The Structure of Indian Society: Then and Now*, Routledge – Taylor and Francis, London/Delhi.

developed economies, particularly in the European countries, American continent and Australia. At present, over 75 per cent of the developed countries, 40.9 per cent of the developing countries and 45.3 per cent of the least developing countries are urbanized. By year 2001, about 42 per cent of Asia was urbanized and one in two urban people of the World lived in Asia¹⁷⁷.

Urbanisation process in India has kept pace with the growing economic prosperity and opportunities offered by the cities to the millions deprived population living in rural hinterland and smaller cities. About 3 million people per annum migrate from the rural areas to the cities, which has increased over the last two decades. Even with high flow of people to the cities, the urbanisation level has not reached to a proportion in comparison to the western countries wherein, high migration from the rural hinterland resulted in urban population to grow up to 80 per cent of total population in Europe. This was the result of industrial revolution, whereas, in India or in Gujarat the share of urbanisation (2011) has reached about 37 and 42 per cent marks respectively even with high growth in manufacturing sector.

The country could not maintain the pace of urbanisation as expected during the different census periods, with highest growth rate recorded during 1971-81 (3.83 per cent) which subsequently declined during 1981-91 and 1991-2001 to 3.09 and 2.73 per cent respectively. This negated the expected over urbanisation of the country by various experts and committees until the Ninth Five year Plan. The role of migration over the census periods for urbanisation has declined as a result of less movement of male-female migrants, decline in inter-state migration and increase in intra-state rural-rural and rural-urban migration at the country level.¹⁷⁸

6.0 Urbanisation and Regional Development

Given the fact that poverty is generally less in urban areas, and the continual rural to urban drift, overall poverty in a nation will probably decline, assuming the distribution of income in urban and rural areas remains the same. It is certain that the level of urbanization (*that is the proportion of people living in urban areas*) is associated in some places with numerous, positive outcomes such as technological innovation, forms of creativity, economic

¹⁷⁷ Forbes, Dean and Michael Lindfield (1998): *Urbanisation in Asia: Lessons learned and Innovative Responses*, AUSAID, Australia and UNCHS data, PDF.

¹⁷⁸ Shivaramakrishnan K. C., Amitabh Kundu and B. N. Singh. (2005): *Handbook of Urbanisation in India*, Oxford University Press, Delhi, pp. 8-17

progress, higher standards of living, enhanced democratic accountability and women's empowerment.¹⁷⁹

Besides, rapid urbanisation lead by large cities is an indicator of increasing regional income inequality and economic activities which affect the growth and stagnation of the small and medium cities across world. The primacy of the economy of the regions and the country is reflected in the number of cities of different order existing at any given time. The growth of metropolitan or larger cities also affects the growth of adjoining small and medium towns and in some cases stagnate the town's growth owing to their spatial linkages. It also affects the urban employment prospects in the poorer regions and contributes to migration from the small and medium towns to newer or emerging cities and economies.

6.1 Urbanisation in India

India is experiencing unprecedented movement of population towards the cities and natural growth of population in the cities. An estimate by McKinsey Global Institute (2010)¹⁸⁰, India is expected to have 68 million plus cities from the present (2008) 42 and expected to have 590 million persons living in urban centers by the year 2030. India is transforming itself into an urban society from a traditional rural society. Urban population of India has increased from 25.8 million (10.8 %) in 1901, 62.4 million (17.29 %) in 1951 to 285.4 million (28 %) in 2001 and 377.1 million (31.16 %) in 2011 thereby showing more than tenfold increase in the total urban population. According to Census 2001, the total urban population of India is more than 10 per cent of the total urban population of the World. The rate of urbanisation in the country declined during 1981-91 and 1991-2001 with 1.02 and 0.81 per cent during the respective periods. Some of reasons associated include the 'rural bias' of planners and politicians which allocates 1/6th of the total per capita to urban citizen than the fund allocated to rural citizens.¹⁸¹

Studies by Kundu and others¹⁸² show spatial concentration in the pattern of urbanization in India, which is characterized by high concentration of population and activities in the large cities. From the census data on urbanisation until 2001, it is evident that

¹⁷⁹ UNCHS (2010): *State of World Cities - 2010-2011: Bridging the Urban Divide*, UNCHS, Kenya (PDF document), Press Kit, Website (<http://www.unhabitat.org>)

¹⁸⁰ McKinsey Global Institute (2010): *India's Urban Awakening: Building Inclusive Cities and Sustaining Economic Growth*, McKinsey and Company, Mumbai/London, PDF

¹⁸¹ Sanyal, Sanjeev et.al. (ND): *Urbanisation and Sustainability in India: An Independent Agenda*, Mirabilis Advisory, WWF India, PDF

¹⁸² Shivaramakrishnan K. C., Amitabh Kundu and B. N. Singh. (2005): *Handbook of Urbanisation in India*, Oxford University Press, Delhi, pp. 8-17

number of cities by size class has increased in all categories except in case of class VI towns. The share of all other cities except the class I cities, especially class IV, V, and VI towns having less than 20,000 populations, has decreased. The contribution of class I cities with population of 100,000 or more has gone up significantly and the share of population in class I cities has increased from 26 per cent in 1901 to 68.6 per cent in 2001, that is almost three times. This shows the increase urban imbalance and inequality in the distribution of the urban population. This has also resulted in an unequal distribution of employment opportunities in the urban centers across the country. About 75 million people were living in slums and constituting 26 per cent of the total urban population in the year 2001. Under the situation, there are ample chances that the population might experience high rate of unemployment, under employment and malnutrition in the urban areas.

The urban share of the Gross Domestic Product (GDP) for the Indian economy is not available on a regular and consistent basis, and the underlying data base for estimating this share is very weak. Estimates by the Central Statistical Organisation (CSO), available for a few years, indicate that this share increased from 37.7 per cent in 1970-71 to 52 per cent in 1999-2000.¹⁸³

The Mid-Term Appraisal Report of the Eleventh Five Year Plan puts the urban share of GDP at 62-63 per cent in 2009-10. The report further projects this share to increase to 75 per cent in 2030.¹⁸⁴

Urban areas cover approximately 5 per cent of geographical area, shares 65 per centage of Gross Domestic Product (GDP) and support about 30 per cent of population. The regard to the impact of urbanization in India, the Report on Indian Urban Infrastructure and Services (2011)¹⁸⁵ mentions that,

“As the Indian economy moves up the growth trajectory with greater trade and investment, growth should become relatively more labour absorbing. In the years to come, with the nature of non-agricultural growth a crucial determinant of both the quantum and quality of agricultural growth, the growth in non-agricultural economic activity will entail a decline in the dependence of population on agriculture. This would suggest that migration from rural to urban areas is likely to be an important factor contributing to the process of urbanisation of the Indian economy.”

¹⁸³ Ibid, pp. 17-18

¹⁸⁴ Govt. of India (2009): *Mid-Term Appraisal Report*, Planning Commission, New Delhi, PDF.

¹⁸⁵ Govt. of India (2011): *Indian Urban Infrastructure and Services*, A Report by High Power Expert Committee, Ministry of Urban Development, PDF, p.4

6.2 Trend of Urbanisation in Gujarat (1961-2010)

The Gujarat state had experienced rapid urbanisation in the early nineteenth century as a consequence of expansion of modern textile industries and railways, persistent droughts in rural hinterlands and land reforms, which triggered migration of rural population to cities.

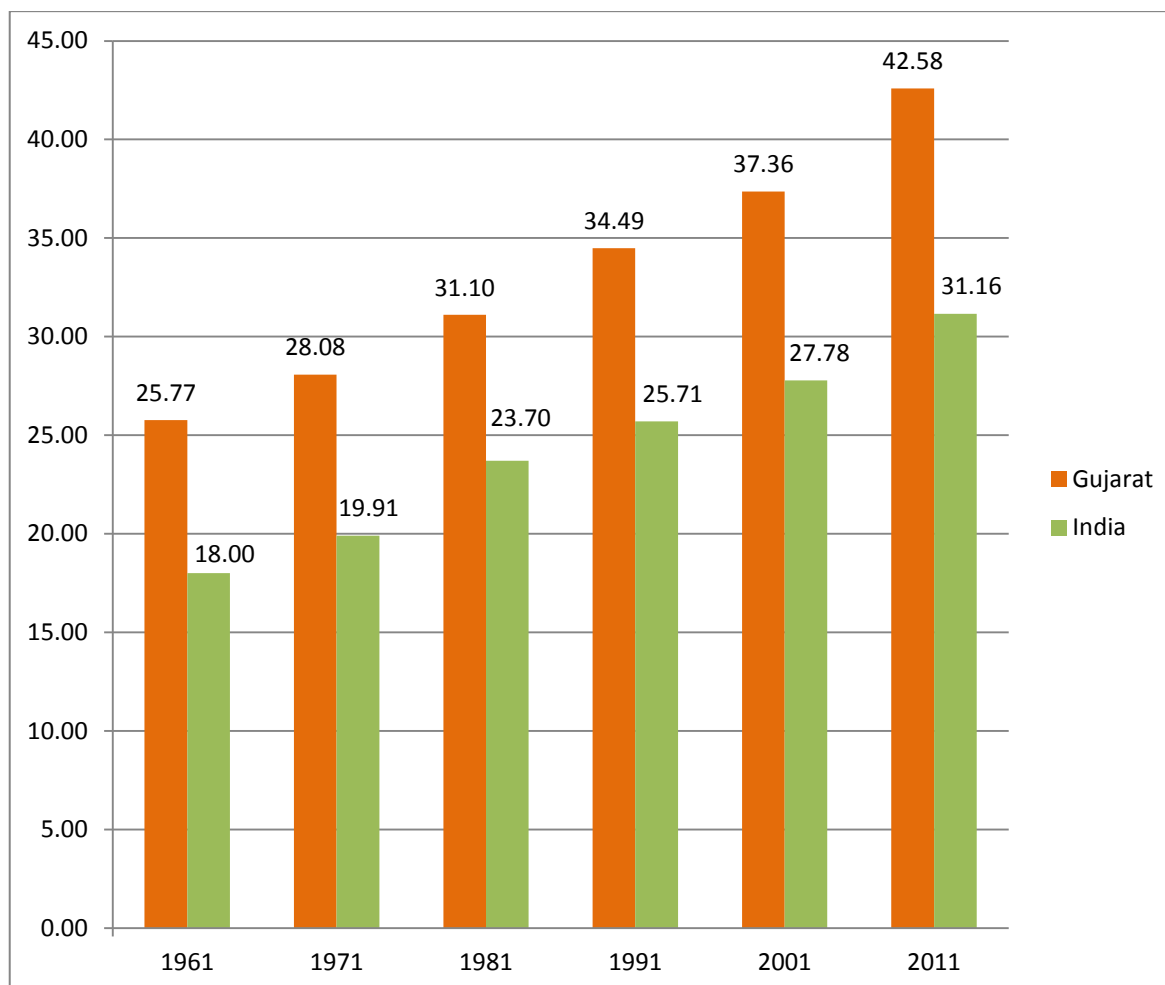


Figure 6.1: Trends of Urbanisation in Gujarat (1961-2011)

At the beginning of this century, Gujarat's population was 9.09 Million, of which 22 per cent people were living in the urban areas. In 1951, the State had about 27 per cent of urban population with major concentration in the six cities having population over a lakh namely, Ahmedabad, Vadodara and Surat in the mainland and Jamnagar, Rajkot and Bhavnagar in Saurashtra.

Table 6.1
Decadal Urbanisation Levels and Growth Trends in Gujarat and India
(1951-2011)

Year	Gujarat			India		
	Urban Population. (Millions)	Share of Urban population (%)	Decadal Growth Rates (%)	Urban Population (Millions)	Share of Urban Population (%)	Decadal Growth Rates (%)
1951	4.43	27.23		62.4	17.29	
1961	5.31	25.74	19.64	78.9	18.00	26.44
1971	7.49	28.06	41.05	109.1	19.91	38.22
1981	10.6	31.1	41.52	159.5	23.70	46.23
1991	14.24	34.47	34.34	217.2	25.71	36.09
2001	18.93	37.36	32.94	285.4	27.78	21.35
2011*	25.71	42.58	40.31	377.1	31.16	31.8
<i>Source: Census of India, *2011 based on provisional figures</i>						

During the last five decades, urban population has increased almost five times in the State (from 5.31 million in 1961 to 25.71 million in 2011). This was the outcome of industrialisation in the State, led by petrochemicals, pharmaceutical, textile, machine tools and other large industries. The growth of small and medium scale industries not only contributed towards spatial spread of existing cities but also helped second order cities to grow in mainland and Saurashtra regions. The expansion of the mineral-based industries in Saurashtra and Kachchh, such as cement and salt also contributed to its growth. During 1984-89 drought periods, the migration from the arid zones of north Gujarat, Saurashtra and Kachchh increased towards the mainland cities such as Surat, Ahmedabad and Vadodara.

Table 6.2
Projected Population of Gujarat State by Age Group (2007/2012/2017)

	Age Group (Million)				Age Group (Per centage)			
	0-14	15-59	60 +	Total	0-14	15-59	60 +	Total
Gujarat(2007)	16.7	35.1	4.2	55.9	29.8	62.8	7.4	100.0
Gujarat (2012)	16.2	38.6	5.0	59.9	27.0	64.5	8.4	100.0
Gujarat (2017)	15.8	41.6	6.2	63.6	24.8	65.4	9.8	100.0
<i>Source: Based on NCEUS Report, 2009¹⁸⁶</i>								

¹⁸⁶ NCEUS (2009): *The Challenge of Employment in India: An Informal Economy Perspective* (Volume I), National Commission for Enterprises in Unorganized Sector, New Delhi, PDF, Accessed on 15th Feb 2011.

By the year 2011, about 42.5 per cent of the population was living in 30 cities with lakh plus cities and four million people plus cities of Gujarat. The National Commission on Population predicts the State population to reach about 50 per cent by the year 2025¹⁸⁷, which is also likely to be much earlier than projected. About 60 million people would be living in cities of the State by the year 2025. The urban population would rise exponentially to 66 per cent by 2030. The present metropolitan cities Ahmedabad, Surat and Vadodara would cross population of 8.4, 7.4 and 4.2 million respectively by 2030.¹⁸⁸

6.3 Region-Wise Change in Urbanisation

According to the 1961 census, around 5.3 million people lived in the urban areas of the State. As is evident from table 6.3, the share of urban population in the total population was relatively higher in Central Gujarat (32.63 %) and Saurashtra (31.24 %). The North Gujarat (11.68 %) had the least share of urban population, followed by South Gujarat (19.69 %) and Kachchh (19.39 %), which was below the State urban population level (25.77 %).

Table 6.3
Regional Change in Urban Share of Population (1961-2011)

	1961	1971	1981	1991	2001	2011
North Gujarat	11.68	13.33	14.38	16.68	18.11	21.08
Central Gujarat	32.63	35.92	39.65	42.69	44.87	48.35
South Gujarat	19.69	23.57	29.63	35.48	42.42	52.91
Saurashtra	31.24	31.35	33.08	35.91	36.23	41.69
Kachchh	19.39	25.24	26.13	30.72	31.11	34.72
Gujarat	25.77	28.08	31.1	34.49	36.02	42.58

During the decades 1961-2011, the share of urban population in North Gujarat increased up to 21.08 per cent, with about 2.1 million people residing in urban areas. Though the rate of urbanisation in the region is better than Saurashtra, the region does not have high migration to the urban areas. Regional variation in urbanisation shows, South Gujarat (52.91), Central Gujarat (48.35), Saurashtra (41.69) and Kachchh (34.72). Thus half of the population in the plains reside in urban areas.

¹⁸⁷ Census of India (2006): *Population Projection for India and States 2001-2026*, Report of Technical Committee on Population, PDF, NCP, New Delhi.

¹⁸⁸ MGI, (2007): *India's Urban Awakening*, Oxford Economic Projection, PDF

Table 6.4
Regional Annual Growth Rate of Urbanisation

	1961-71	1971-81	1981-91	1991-2001	2001-11
North Gujarat	4.74	3.63	4.03	2.95	3.41
Central Gujarat	4.23	4.16	3.09	2.74	2.86
South Gujarat	5.45	6.12	5.3	5.87	5.79
Saurashtra	3.12	3.49	2.72	2.07	3.22
Kachchh	5.88	2.79	4.14	2.24	5.28
Gujarat	4.1	4.14	3.44	2.79	4.11

6.3.1 Block-Wise Urbanisation

Discussion of change in the levels of urbanisation at the regional level does not reveal clearly the inter-*taluka* urbanisation changes. In order to bring out the intra-district urbanisation trends at block level i.e. *taluka* level, urbanisation changes over the last five decades have been derived from secondary data. The highly urbanized districts also have *talukas*, which are less urbanised, indicating intensity of urbanisation in the State.

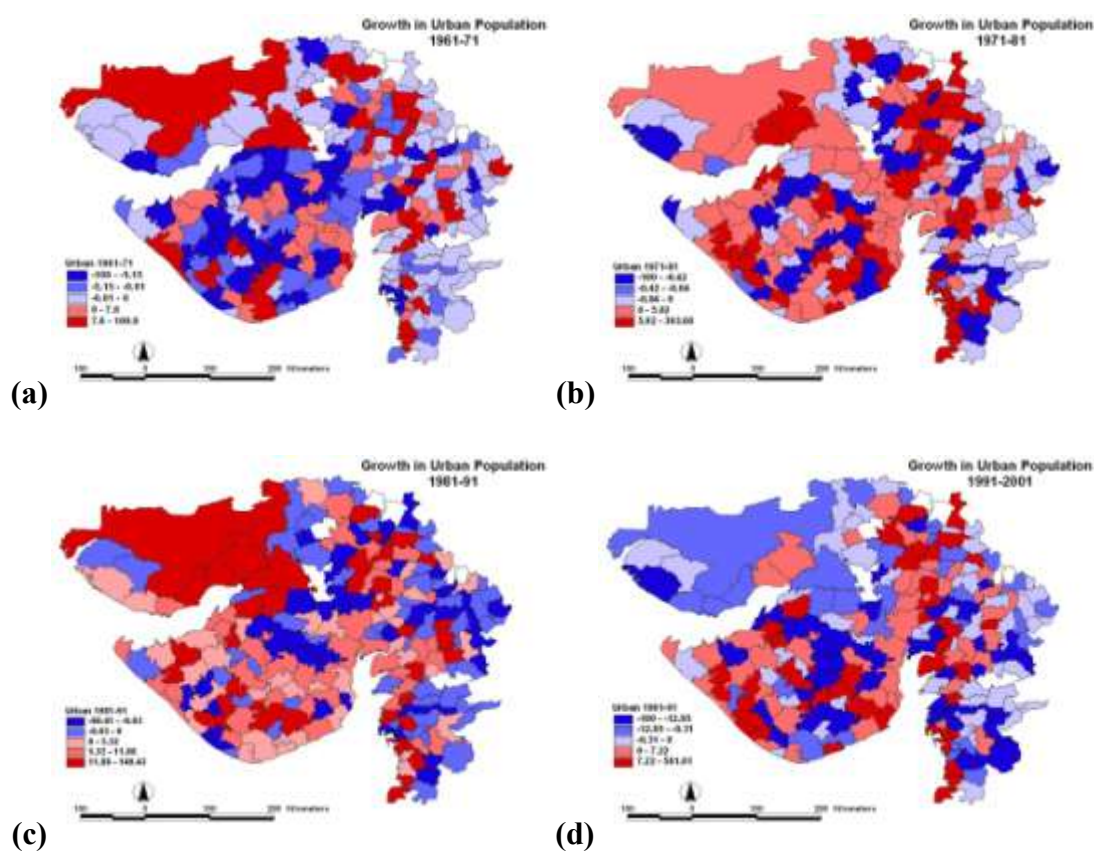


Figure 6.2: Urbanisation Change in Gujarat (1961-2001)

There is change in the urbanisation at the regional level; the block level distribution of change shows the variation in the urban growth for the periods 1961-2001. The figure (a) clearly brings out that during 1961-71, the major urbanisation was in the blocks, which were along the major National and State highways. While the growth rate declined in the Saurashtra region, particularly in Surendranagar, Amreli and Junagadh, the North Gujarat plains and Central Gujarat registered an increase.

During the subsequent decade of 1971-81, there was an increase in the urban population growth across the State, except in the backward *talukas* of North Gujarat, eastern hilly regions and hilly regions of Saurashtra. High urban growth was recorded in Central Gujarat, mainly near Ahmedabad and Vadodara, Surat and Valsad in South Gujarat, and Gandhidham and Anjar *talukas* in Kachchh. This may be due to increase in the industrial investment as well as improvement in the urban infrastructure in the State.

During 1981-91, the slow urban growth in Saurashtra, steep decline in eastern hills and North Gujarat was observed at the *taluka* level. Growth in urban population was however observed in Central Gujarat except in Kheda, Nadiad, fringe *talukas* of Ahmedabad and Surat city *taluka*. This indicates the decline of the small and medium towns in the region, largely attributed to the migration of the population to larger urban centers. Similarly, high growth was observed in Kachchh due to influx of rural population into the urban areas of the *taluka*.

The urban growth during the earlier periods was not sustained during 1991-2001, due to fall in the growth rates across Kachchh, Saurashtra, Central Gujarat (except Ahmedabad) and hilly region of South Gujarat. There is expected migration from the less urbanized block towards the more urbanized block. The backward *taluka*, despite encouraged investment through state policy measures, seems to have had little impact on sustaining the urban growth. The increasing trend of urbanisation continued all along the major corridors of Mehsana-Ahmedabad-Vadodara-Surat-Vapi and coastal corridors of Saurashtra along Bhavnagar-Veraval-Porbandar-Okha. This might be due to the shift in the investment base as well as deurbanisation of certain *talukas*.

During recent decade i.e. 2001-2011, there is further increase in intensity of urbanisation in developed districts such as Surat, Ahmedabad, Rajkot and Vadodara. In addition the industrialised districts like Mehsana, Valsad, and Kachchh also recorded substantial increase in the urban population.

6.3.2 Urbanisation in 1961

High level of urbanization was observed in Saurashtra, with Rajkot (74.29 %), Jamnagar (65.63 %), Bhavnagar (76.43 %), Junagadh (65.9 %), Veraval (59.9 %), Dhoraji (53.3 %), Porbandar (43.3 %) and Okha (64.5 %) recorded above 40 per cent population living in urban areas where the State urbanisation level was a mere 25.74 per cent. In the mainland Gujarat, only four *talukas* could record urbanisation level above 40 per cent. Those were Ahmedabad, Petlad, Vadodara, Surat and Navsari *talukas*.

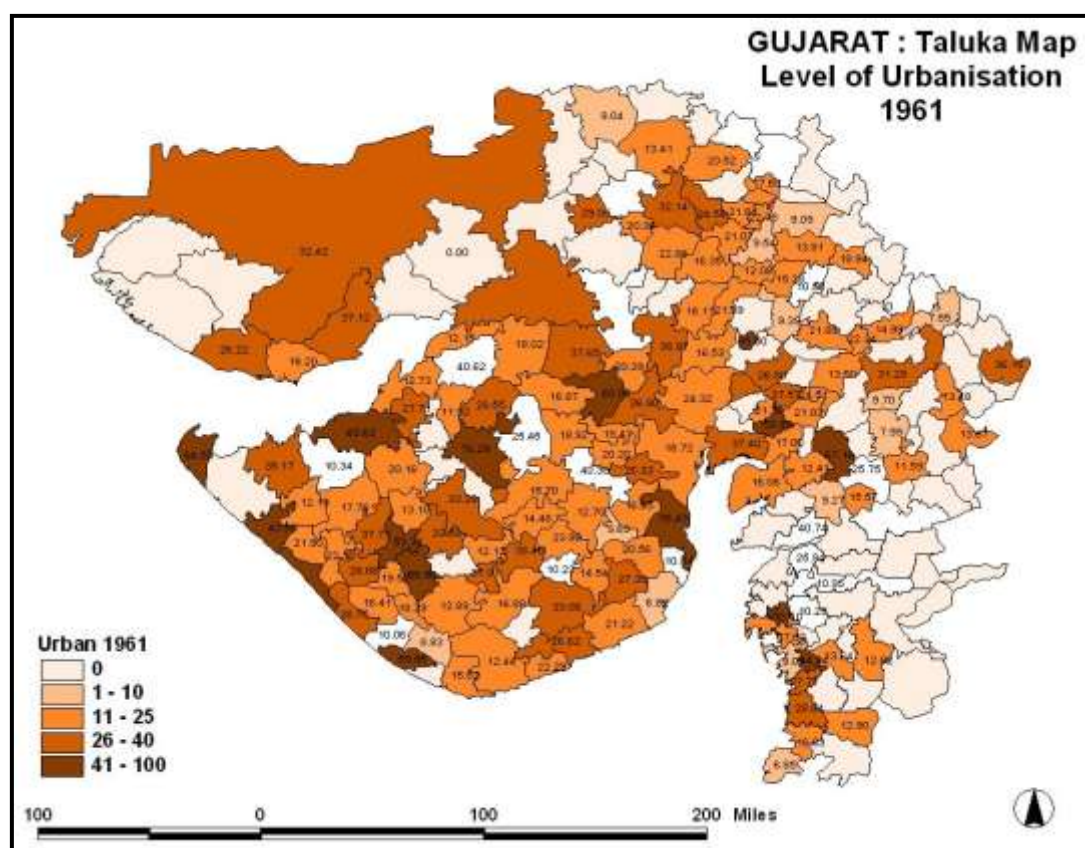


Figure 6.3: Level of Urbanisation - 1961

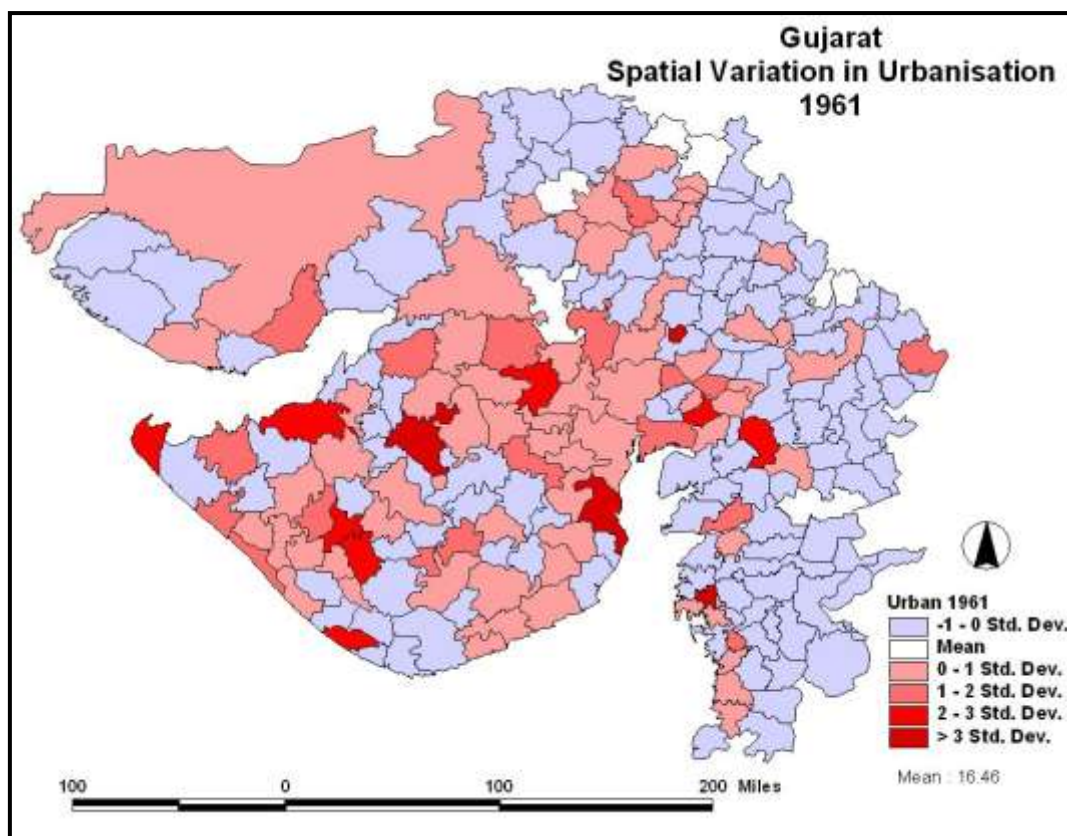


Figure 6.4: Spatial Variation of Urbanisation -1961

Spatial variation -1961

The spatial variation map shows that in 1961, the urban growth was concentrated to the towns of the *talukas* which were under the erstwhile kingdom. These were traditional growth centers, which attracted the *taluka* population. The increased urban concentration in North Gujarat also shows similar tendencies. The traditional towns, during the British regime, had also attracted some modern industries, and subsequent independence movement contributed towards the development of town infrastructure. The migration after partition added to the growth of towns in Kachchh (Gandhidham and Anjar), Ahmedabad, Mehsana, Jamnagar and Junagadh.

The backward regions of the State, particularly of the eastern tribal belt of South Gujarat (except *talukas* along the transportation corridors) show poor levels of urbanisation, nearing zero per centage in some. Excepting the concentrations around Patan, Siddhpur and Radhanpur, North Gujarat shows poor spread of urbanisation.

6.3.3 Urbanisation in 1971

During the census year 1971, urban growth increased in Navsari (47.0 %), Songadh (28.7 %), Valsad (30.29 %), Gandevi (28.9 %) and Pardi (18.9 %) *talukas* of South Gujarat region. There was reduction in urban share of population in Saurashtra region, particularly in Junagadh, Dhoraji, Upleta, Ranavav, Amreli and Bagasara *talukas*. During 1961-71 Jamnagar, Rajkot and Bhavnagar showed an increase in urban share of population. This might have been due to either high growth of population in rural areas and out-migration of people from these small *taluka* towns to large towns within Saurashtra and to other regions of the State. For example- the in-migration during same period increased in Surat and Ahmedabad city.

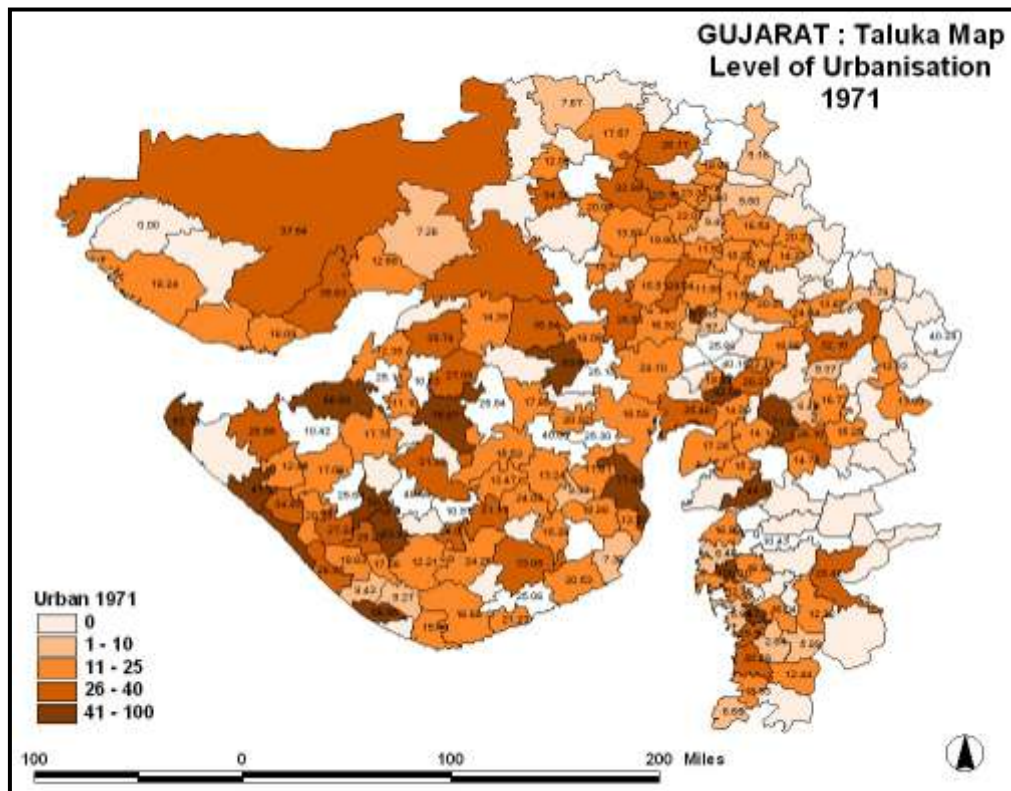


Figure 6.5: Level of Urbanisation -1971

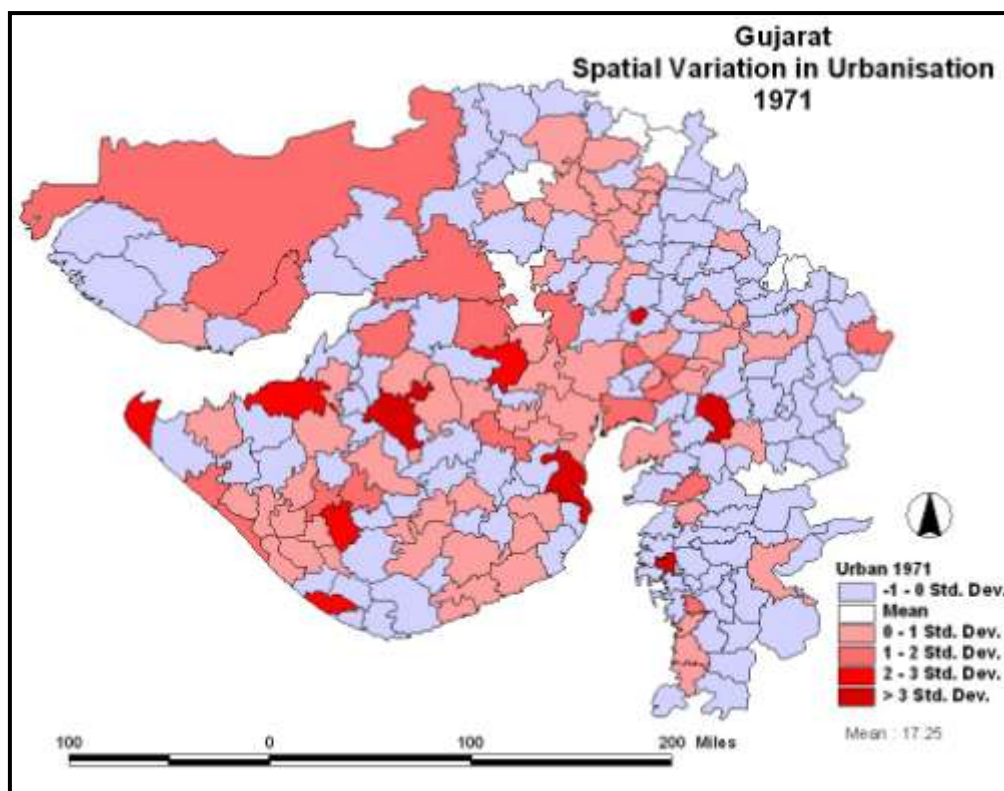


Figure 6.6: Spatial Variation of Urbanisation -1971

Spatial Variation - 1971

Spatial variation in urbanisation shows reduction in the growth differentials among the *taluka*, the above average growth of some urban *talukas* declined and remained within the mean rate. The *talukas* in Saurashtra continued to show above average growth rate of urbanisation than that of the State. The emergence of some urban centres in South Gujarat, Kachchh and Central Gujarat displayed increased urban share, whereas the backward regions like the eastern hilly region and North Gujarat plains recorded poorer growth rates. The differentiation in the pattern of urban growth in backward areas might also be due to lack of focus on the investment in cities whereas substantial enhancement of investments for agriculture and land improvement in the rural hinterland restricted the mobility towards small and medium towns.

6.3.4 Urbanisation in 1981

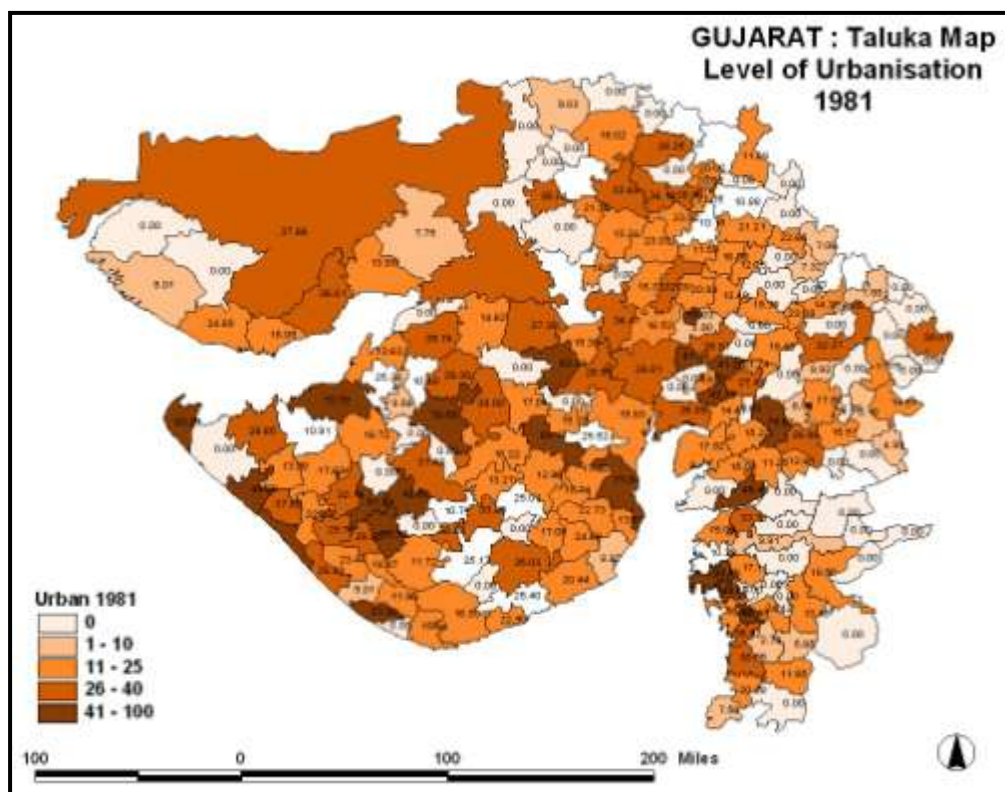


Figure 6.7: Level of Urbanisation - 1981

During the period 1971-81, the urban growth concentrated on the peripheral *talukas* of major urban areas. Increase in the urban share of population was observed in Vadodara, Anand, Surat, Olpad, Chorasi, Valsad, Navsari, Pardi, Bardoli, Ankleshwar and Bharuch *talukas* in Central and South Gujarat. Subsequent decline and stabilisation in urban share was also observed in Kheda, Kapadvanj, Balasenor, Songadh, Dahod and Godhra *talukas*. This may be ascribed to the shift in the population base from rural to urban, expansion of urban areas and investment in the cities, particularly pertaining to setting up of industrial estates and complexes causing immigration of people to the cities. The period also experienced improvement in the city infrastructure, particularly in the large urban centers, such as Vadodara and Surat, which attracted rural population from the hinterland.

Consistent migration to the cities of Saurashtra perhaps caused steady increase in the urban population of the region excepting decline in some of its *talukas*, such as Okha, Babra, Palitana and Paddhri. The population in major urban areas like Jamnagar, Rajkot, Bhavnagar, Porbandar, Dhoraji and Jetpur have grown, whereas urban share in the hinterland of these *talukas* remained stabilised. This shows that the inflow of people continued to the large cities from the rural areas as well as from the small towns.

North Gujarat however, displayed marginal increase in the urban share of population, mostly around Siddhpur, Unjha, Patan and Mahesana *talukas*. The decline in the urban share was recorded in Deesa, Radhanpur and Bhabar *talukas* of the region.

Spatial Variation - 1981

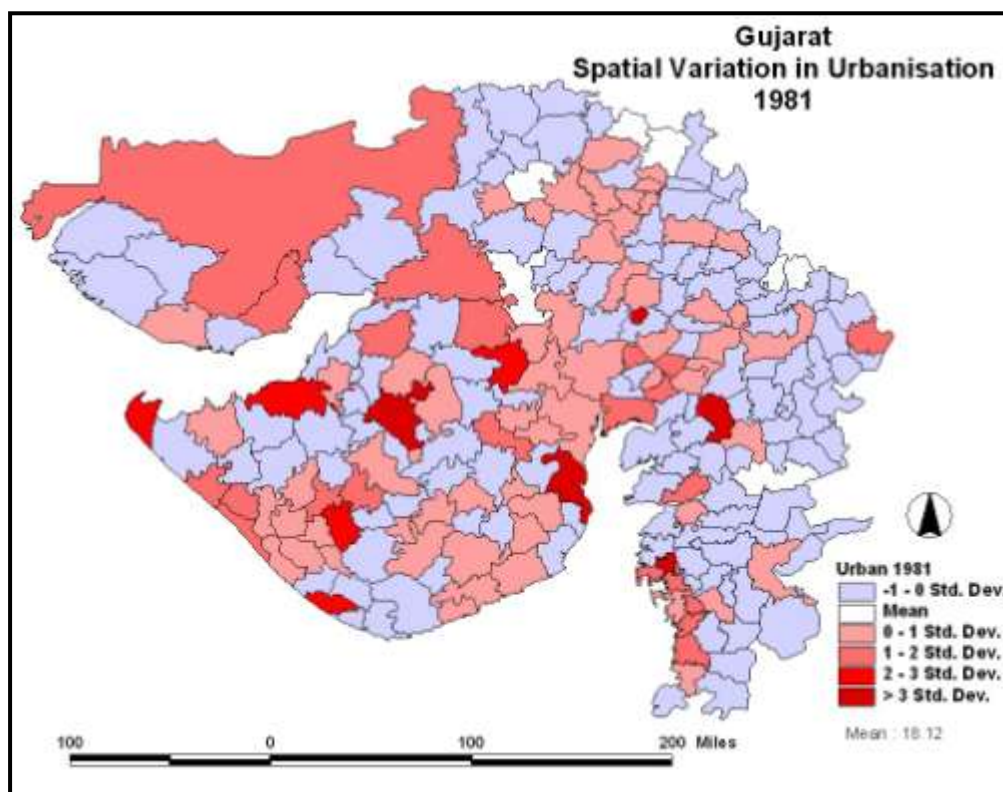


Figure 6.8: Spatial Variation in Urbanisation -1981

Spatial variation of urbanisation in the State shows that in 1981, there was clear emergence of key towns in Saurashtra, such as in Jamanagar, Rajkot, Bhavnagar, Veraval, Junagadh, Halvad and Okha *talukas*. The *talukas* adjacent to these *talukas* showed decline in urban growth rates, which might be the result of migration of population to other cities. Similarly, the growth of urban population in North Gujarat declined with most of the *talukas* in Banaskantha, Sabarkantha, Ahmedabad and Patan districts showing a little growth, excepting the Ahmedabad *taluka*, which continued to grow. Excepting Dahod, Godhra and Songadh *talukas*, most of the *talukas* in the eastern tribal region showed poor growth in urban areas. Bharuch, Ankleshwar, Surat, Olpad, Chorasi, Navsari, Pardi, and Umbergaon *taluka* in South Gujarat, showed increased levels of urbanisation. This might have been due to continued concentration of industries and subsequent migration from other *talukas* as well as inter-state migration (Figure 6.8).

Development of port activities in Kachchh, particularly in Kandla and Gandhidham also resulted in continued urbanisation, with migrations from within and outside the State. Industrial investment through setting up of the GIDC estates also helped in the shifting of the population base in these *talukas*.

6.3.5 Urbanisation in 1991

During 1981-1991, there was increase in rural-urban migration from within the *talukas*, showing likely pressure on the agricultural land due to increase in population as well as opportunities provided in the urban centres. The towns of Kachchh, such as Bhuj, Anjar, Gandhidham, Rapar and Bhachau registered increase in population.

The resultant urbanisation was mostly the resultant impact of loss of agricultural lands, depletion of grass lands and lack of opportunities in the hinterland to support the growing population. Similarly, in Saurashtra urbanisation picked up pace in *talukas* having the district headquarters, particularly in Junagadh, Bhavnagar and Amreli districts due to improvement in urban infrastructure under national scheme known as Integrated Development of Small and Medium Towns (IDSMT). On the other hand *talukas* having poor water resource availability and increase in salinity levels and lack of road network resulted in out-migration. Thus resultant 'deurbanisation' phenomenon can be observed during 1981-91.

The *talukas* of the hilly regions of Saurashtra, particularly in Jamnagar and Junagadh showed decline in urban growth rates. Even in the North Gujarat region, urban growth increased in *talukas* where investment in agriculture as well as industrial units encouraged more labour movement to urban areas. In addition there was also movement of people from the hilly regions to plains mainly to service towns. During the same period the mass mobilisation of people in northern hilly regions for land rights and dry areas of Banaskantha districts seems to have contributed towards the increasing urbanisation in some *taluka* headquarters (Figure 6.9).

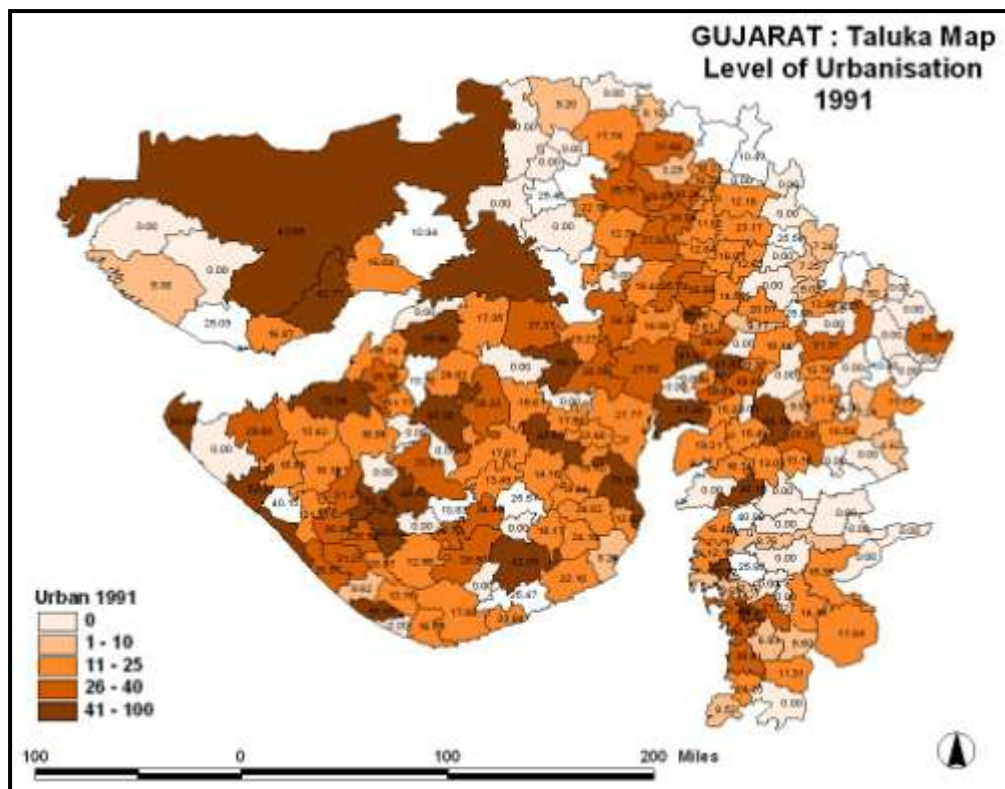


Figure 6.9: Level of Urbanisation - 1991

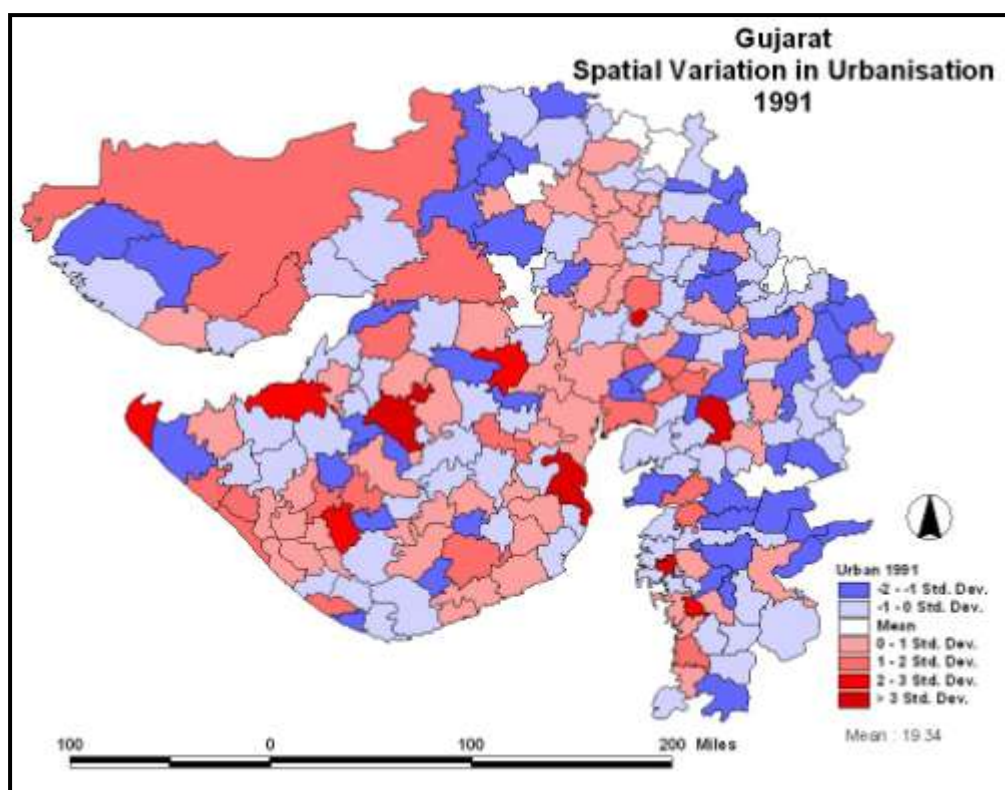


Figure 6.10: Spatial Variation in Urbanisation - 1991

Spatial Variation -1991

The decline in the urban growth was sharper in the backward regions indicating mass movement of people from the urban areas in the tribal *talukas* to other developed *talukas*. The administrative function based *taluka* headquarters in the tribal belts seems to have been emptied in favour of the economic centers. In Surat district, excepting Bardoli and Vyara, all the eastern *talukas* show significant decline in population growth. Similarly, in the Dahod and Panchmahals districts, most administrative centers experienced decline in urban population growth. The growth along the 'golden corridor' remains to be the highest, followed by the high growth along the Saurashtra coast both northern and southern part of the State (Figure 6.10).

6.3.6 Urbanisation in 2001

During the period 1991-2001 the population growth of large urban centers resulted in enhancement of the 'urbanized' *taluka* where above 60 per cent of population of *taluka* was living in urban areas, resulting in concentration of urban population. On the other hand, the urbanisation declined in the *talukas* of the Saurashtra region, particularly Lakhtar, Sayla, Halvad, Chotila in Surendranagar and Vallabhipur, Umralla, Palitana in Bhavnagar district.

Even in Central Gujarat, Barwala and Ranpur in Ahmedabad, Petlad and Sojitra in Anand, Jetpurpavi and Sankheda in Vadodara, and Devgad Baria in Dahod had declined urban share of population. Some of these declines can however be explained by citing high population growth rate in majority of tribal *talukas* (Figure 6.11).

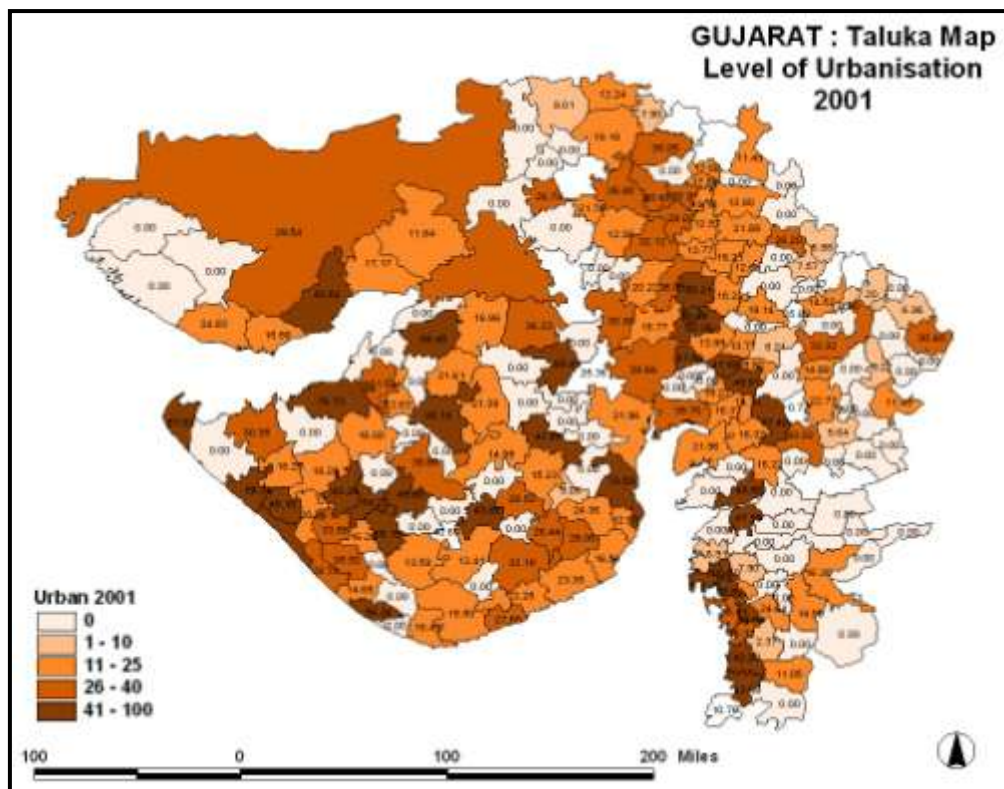


Figure 6.11: Level of Urbanisation - 2001

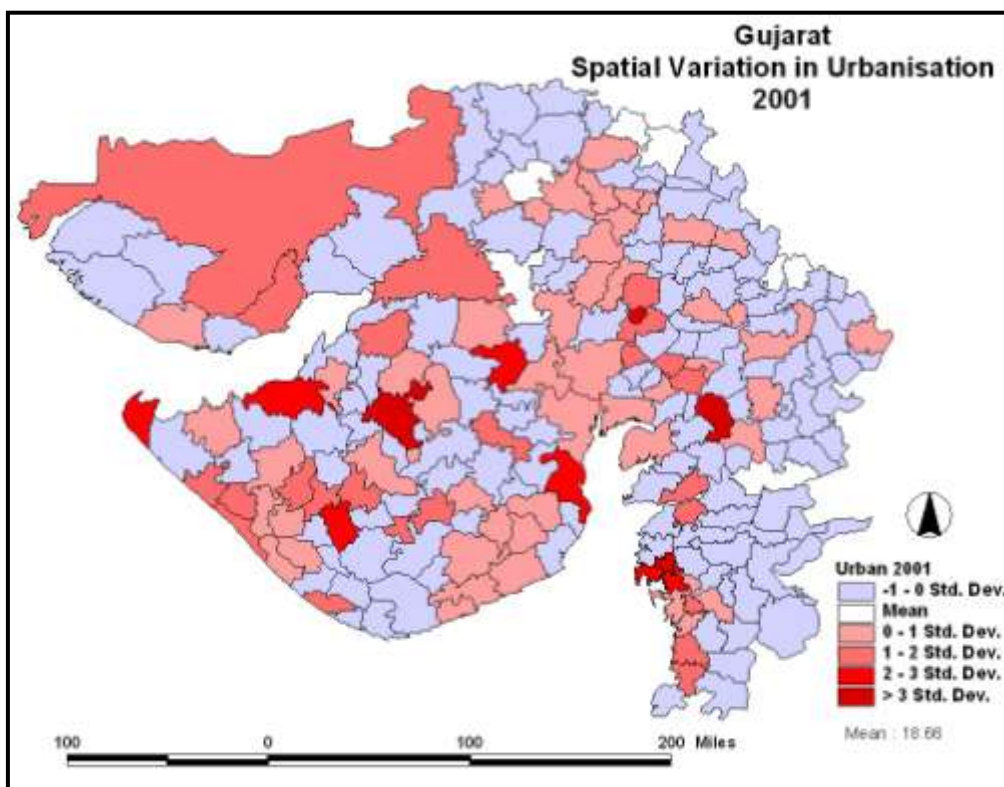


Figure 6.12: Spatial Variation in Urbanisation - 2001

Spatial Variation -2001

The State could now foresee the urban development activities concentrated in the metropolitan cities. Even many Class-I towns, both in the backward as well as developed regions of the State, faced poor urban growth rates.

The pull factor for the cities like Ahmedabad, Surat, Vadodara, Junagadh, Jamnagar, and Bhavnagar was strong enough to negatively affect the growth of small and medium towns in the State. The exceptions to these were the investment centers like Gandhidham, Mandvi, Bharuch, Ankleshwar, Kheda, Anand, Nadiad and Valsad *talukas* that experienced rise in the urban population above the mean (Figure 6.12).

6.3.7 Urbanisation in 2011¹⁸⁹

The recent census of 2011 shows unprecedented increase in the concentration of urban population in the metropolitan cities of the State. The district urbanisation data reveals that 42 per cent of the population in the State is living in the urban areas. On the regional scale, over 52 per cent of the population is reported to be living in the urban areas in the South Gujarat region, 48 per cent in Central Gujarat, 41 per cent in Saurashtra, 35 per cent in Kachchh and a meagre 21 per cent in the North Gujarat region. The regional growth differentials and rural development might have also affected the urbanisation level. Central Gujarat loses its leadership in urbanisation to South Gujarat during the recent census. The Surat city in South Gujarat has experienced massive surge in urban population, either due to inclusion of more hinterlands into the urban agglomeration or increase in migration.

The eastern tribal belt however continues to be a poor driver of urban growth in South Gujarat, due to lagging infrastructure and investment in this region compared to growth drivers available for the developed region of state. Even Saurashtra has experienced increase in the annual growth rate from a mere 2.07 per cent in 1991-2001 to 3.67 per cent during 2001-2011, perhaps due to growth of urban population in the leading by *talukas* particularly in the coastal areas where increased industrial investment, agricultural income and improvement in civic infrastructure have been common.

6.4 Deurbanisation

With the above analysis and description, it also becomes evident that during the 50 years of 1961-2011, there seems to be massive increase in urban share of population mainly

¹⁸⁹ 2011 census data was released on the latter half of 2011, the district level urbanisation data is being used to explain the variation in this section.

in the large cities. On the other hand, many *taluka* headquarters, which were earlier urban areas, have experienced decline in urban growth rate as well as decline in absolute population. Consequently the centres which were declassified by the Census of India¹⁹⁰ as urban are no longer confirming to the specified urban characteristics.

Declassification of towns due to insignificant growth and subsequent decay may be termed as deurbanisation. Gujarat has also seen decline in the level of urbanisation of such towns in its different regions during the various census periods. As one would examine the growth in urbanisation in order to predict the development characteristics, the de-growth must also reveal about the underdevelopment of the region. The present section tries to elucidate the spatial patterns of deurbanisation in the State.

Table 6.5
Number of New, Declassified and Merged Towns in
Gujarat (1961-2001)

Census Year	New Town	Declassified	Merged
1971	49 (6.11)	11 (1.05)	3
1981	48 (3.9)	7 (0.41)	0
1991	29 (2.40)	0	20
2001	43 (3.24)	63 (1.59)	2
Source: Derived from Sivaramakrishnan, K.C. & Others (2005), p.13-15, <i>Figures in parenthesis represents per centage urban population.</i>			

6.5 Primacy of Region

The State has experienced an increase in the urban share of population from 25.7 per cent in 1961 to 42.0 per cent in 2011, which is higher than the all India share of urban population. The growth in urban share of population in Gujarat has been higher over the decades despite relatively slow annual growth rate during 1981-2001. Among the regions, North Gujarat has the least urbanization level; in terms of urban population its share has improved from 11.68 per cent in 1961 to 21.08 per cent in 2011 with an annual average growth rate of about 3.5 per cent (Table 6.6).

¹⁹⁰ Discussion on the classification of towns by Census of India can also be found in A. Kundu and Others, *Handbook of Urbanisation in India*, 2005

Table 6.6
Regional Characteristics of Urbanisation in Gujarat (1961-2011)

Region	Total Population	Urban Population	Per centage to Total Population	Annual Growth Rate
Gujarat				
1961	20,633,350	5,316,624	25.77	
1971	26,697,475	7,496,500	28.08	4.10
1981	34,085,799	10,601,653	31.10	4.14
1991	41,309,582	14,246,061	34.49	3.44
2001	50,596,992	18,227,051	36.02	2.79
2011	60,383,628	25,712,811	42.58	4.11
North Gujarat				
1961	3,801,413	4,43,863	11.68	
1971	4,906,908	6,54,250	13.33	4.74
1981	6,201,712	8,91,609	14.38	3.63
1991	7,496,275	1,250,550	16.68	4.03
2001	8,940,627	1,618,889	18.11	2.95
2011	10,301,342	2,171,038	21.08	3.41
Central Gujarat				
1961	6,950,110	2,267,695	32.63	
1971	8,986,243	3,227,451	35.92	4.23
1981	11,528,302	4,570,644	39.65	4.16
1991	14,011,483	5,981,536	42.69	3.09
2001	16,988,476	7,622,793	44.87	2.74
2011	20,269,803	9,801,082	48.35	2.86
South Gujarat				
1961	3,457,429	6,80,829	19.69	
1971	4,462,994	1,052,082	23.57	5.45
1981	5,726,123	1,696,410	29.63	6.12
1991	7,313,291	2,594,715	35.48	5.30
2001	9,707,220	4,118,087	42.42	5.87
2011	12,287,469	6,501,627	52.91	5.79
Saurashtra				
1961	5,727,958	1,789,199	31.24	
1971	7,491,561	2,348,263	31.35	3.12
1981	9,579,501	3,168,618	33.08	3.49
1991	11,226,026	4,031,403	35.91	2.72
2001	13,434,348	4,867,282	36.23	2.07
2011	15,434,701	6,434,247	41.69	3.22
Kachchh				
1961	6,96,440	1,35,038	19.39	
1971	8,49,769	2,14,454	25.24	5.88
1981	1,050,161	2,74,372	26.13	2.79
1991	1,262,507	3,87,857	30.72	4.14
2001	1,526,321	4,74,892	30.00	-0.72
2011*	2,090,313	7,25,841	34.72	4.70
<i>Source: Based on Census Information, * Census 2011 Provisional Figures</i>				

The fastest urbanising region in the State is South Gujarat that had an annual growth rate of above 5.5 per cent during the last five decades. This increase in the urban share is due to the large-scale inter-district migration as well as migration from other states of India. The fast pace of industrialisation in the region led by cotton and sugarcane cultivation, and textile, diamond and chemical industries, have encouraged migration into the region. The proximity to Mumbai as a trade and commerce centre has also been a factor behind the high rate of urbanisation in the region (Table 6.6).

The Central Gujarat region being host to the two metropolitan cities of Ahmedabad and Vadodara, has about 9.8 million or 48 per cent of people living in urban areas as per the 2011 census, which was only 32.0 per cent in 1961. With over 60 urban centres, that are equitably distributed, the Saurashtra region has an urban population share of about 41 per cent in 2011. The Saurashtra region has been consistent in the growth of urban population, mainly due to good rural-urban linkages, equitable distribution of small and medium towns and mobility of people into the region. The 6.0 million urban population of Saurashtra is almost equal to the urban population of 6.8 million in the highly industrialized South Gujarat region.

The population share of larger towns such as Jamnagar, Rajkot, Junagadh and Bhavnagar together provide home to about 2.5 million persons, indicating the large segment of the urban population is distributed in other urban centres of the region.

Over the decades of 1961 to 2011, the urban population in Kachchh has been 1.35 and 7.25 lakh people respectively living in urban areas. There is an increase in urban share of population from 19.3 per cent in 1961 to 34 per cent in 2011. This is below the State average share of urban population. The poor growth in urban population in the key urban centres of the region is due to its differential population characteristics having occupation pattern relying mostly on the cattle rearing. However, the cities have shown increase in urban population which is due to inter-district migration as well as to intra-district migration in the recent decades. The loss of livelihood in the rural areas due to declining grasslands and CPR in addition to increase in literacy levels has increased the out-migration. The post-2001 industrialisation process has also helped in enhancing migration in the districts, which is mainly suspected to be inter-district owing to highly skilled nature of industries. The post-earthquake redevelopment of major towns in the region has also contributed towards the shift in the rural-urban base of its population. Geographically, the distinctive characteristic of the region has restricted the movement of people from across the region, except the seasonal rural-rural migration.

6.6 Regional Development and Concentric Urbanisation

Urbanisation in post-formation Gujarat has not only been slow but also is dominated by the metropolitan and Class I cities. About 72 per cent of Gujarat's urban population lives in cities with size of one lakh or more population. By the year 2011, the urban agglomerations around Ahmedabad and Surat already contain of 6.6 million and 4.2 million populations respectively. Vadodara, Rajkot, Jamnagar and Bhavnagar have grown in size but the quality of life has been severely compromised. These metropolitan cities and municipal corporations occupy significant mind, media and policy space when one talks of urbanisation in Gujarat. The fact, however, is that most of Gujarat's urban centres are small and medium towns. Out of the 245 urban centres/townships registered in the 2001 census, comprise only of 4 cities with a population of over 1 million distributed one each per region excepting the Kachchh region in addition to 26 class I cities (Table 6.7).

Table 6.7
Regional Distribution of Urban Areas (Class I)* (2011) in Gujarat

Regional	Metro	Class - I	Population	Per centage
North	0	7	1,046,161	5.81
Central	2	3	7,795,915	43.31
South	1	4	5,069,423	28.17
Saurashtra	1	10	3,691,327	20.51
Kachchh	0	2	3,95,828	2.20
Gujarat	4	26	17,998,654	100.00
*Class I: Population above 1 lakh persons, Based on Provisional Figures of 2011 Census.				

During the last two decades i.e., 1991-2001 and 2001-2011, the growth of small centres has been even lower. There is decline in importance of small towns as centres of economic and social activity. Towns like Nadiad and Patan which were active economic and cultural towns have been experiencing steady economic decline during the last fifty years. Social institutions in small cities, some of which were very vibrant earlier, have decayed due to onslaught of large urban centres and globalisation. The reason for this primacy as pointed out by Swami and Mukundan (2009)¹⁹¹, in their analysis of industrial investment and urbanisation trends in the State, is due to, '...concentration of industrial development in

¹⁹¹ Swami H M and Mukundan K (2008): "Gujarat Urban Development Dynamics", in Swaminathan R. (ed.), *Gujarat Perspectives of the Future*, Academic Foundation, New Delhi, p. 195

certain areas of the State, particularly around the corporation cities of Ahmedabad, Surat, Vadodara, Bhavnagar, Rajkot and Jamnagar.’

The migration patterns from rural areas have followed the middle class section of the society. Thus, urbanisation today is seen as an outcome of the direct migration of rural workers from undeveloped *talukas* to the big cities like Ahmedabad and Surat. The small *taluka* headquarter towns of Saurashtra and North Gujarat does not play a serious role as intermediate centers for employment and subsequent migration.

The decline of old trading, industrial centers and social institutions is another factor for unattractiveness of small and medium towns. Even when new industrialization was initiated in Gujarat in the post-independence era, little effort was made to link the industrialization with the wider urban community. This has resulted in slow growth of metropolitan cities like, Vadodara. For example in Vadodara, industrial giants like the GSFC or the IPCL (now RPL) play insignificant roles as drivers of urban re-generation. As a result, Vadodara is better known for its cultural and educational centres rather than its industries, despite billions of rupees it adds to the State GDP and historically playing an important role in triggering industrialization in the State.

Despite development of new economic centers due to implementation of SEZ and SIR, urbanisation would be more intense in existing as well as new cities. Amitabh Kundu in his paper¹⁹² concludes his analysis of Urbanisation in Gujarat state by mentioning;

“If the State continues to adopt the facilitator role, it would have couple of global cities with massive infrastructural and industrial investment around them within next decade or so. The spatial structure of development would, then, be characterized by accentuation of regional imbalances, high poverty and a low quality of life in urban centres, excepting the few cities linked to the national and world market.”

¹⁹² Kundu, Amitabh, (2002), “Urbanisation, Employment Generation and Poverty under the shadow of Globalisation: The Case of Gujarat, India” in Indira Hirway, S.P. Kashyap and Amita Shah (eds.), *Dynamics of Development in Gujarat*, CFDA, Ahmedabad, Concept Publishing Co., New Delhi. p.129

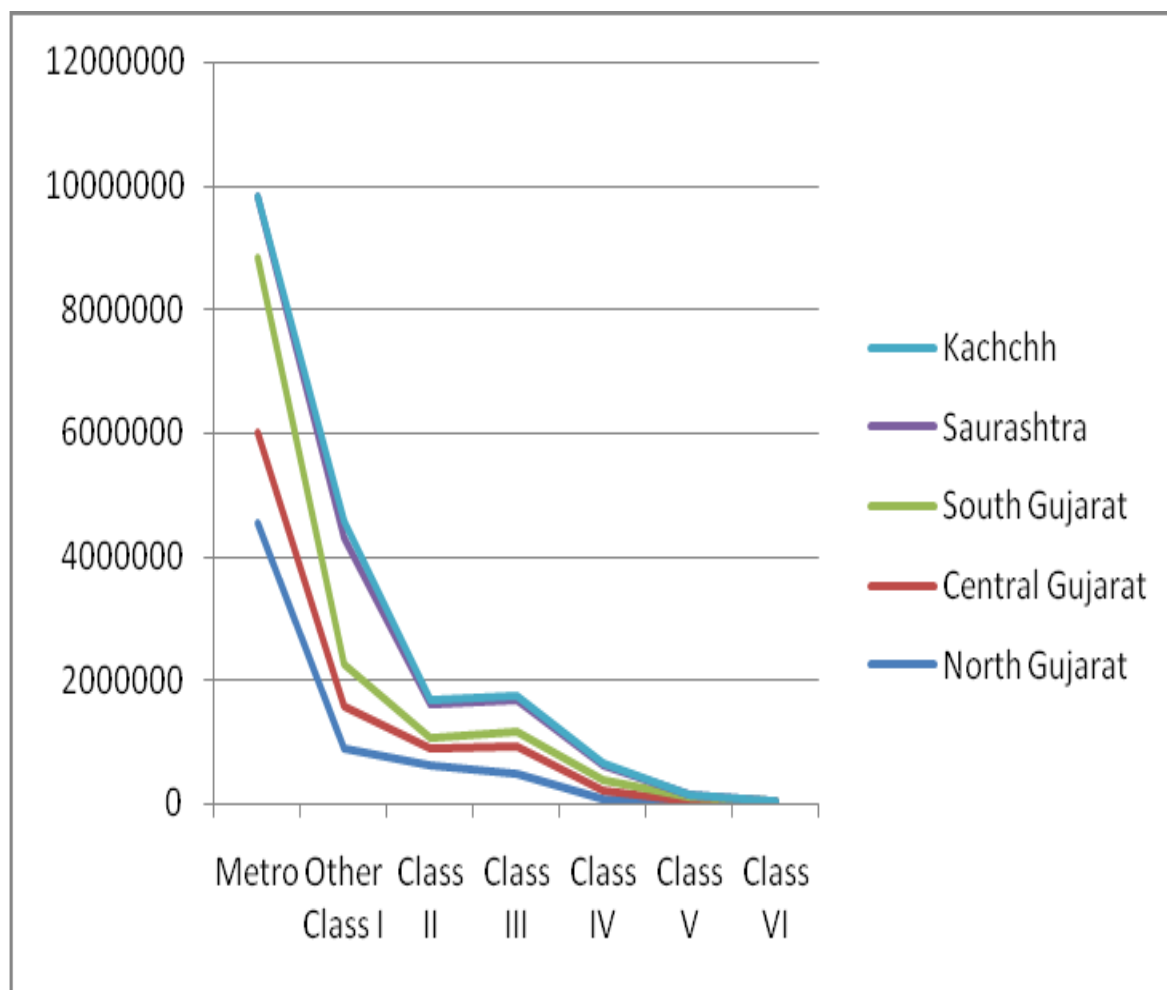


Figure 6.13: Population Share of Towns by Size Class in Gujarat – 2001

The figure 6.3 above illustrates the skewed state of urbanisation in Gujarat, wherein the metropolitan and class I cities subsume larger proportion of the total urban population across the regions while the smaller cities and towns have a much lower share in it.

As per the base year classification data by Kundu (2002) the growth rates for the Class I towns in Gujarat is higher than the small towns during the period 1971-91. This picture was true even in 1991-2001 when Class I towns grew faster than other towns.

Table 6.8
Per centage of Population in Different Size Categories in Total
Urban Population in Gujarat (1981-2011)

Class	1981	1991	2001	2011
Class I	57.92	66.43	76.50	68.00
Class II	14.53	12.73	9.67	NA
Class III	13.37	10.52	9.47	NA
Class IV-VII	14.38	10.32	4.36	NA
Total	100	100	100	NA
Source: Computed from Kundu (2005) table cited from page 65-68. For 2011, provisional figures of Census of India (web document) NA=Not Available				

The urban areas in Gujarat attracted population due to industrialisation and infrastructure investment. High growth rates in the larger cities were recorded during the post-1991 period, which many scholars (Indira Hirway [2000]¹⁹³, Morris S [2004]¹⁹⁴ [2009]¹⁹⁵, Ravindra Dholakia [2002]¹⁹⁶) have ascribed to the economic policies of the State, where large-scale investments have been made in industrial sector. Towns like Surat, Ahmedabad, Rajkot and Vadodara have shown tremendous growth during the last two decades. With exception decade 2001-2011 shows some decline in share of class –I in urban population mainly due to poor investment in infrastructure some class–I towns contributing to declining share. Additionally, increase in investment and industrialisation in some class-II towns contributing to their growth higher and increase in per centage share of population.

On the contrary, the growth of small and medium towns has been lower. However, the real deterioration has been in the decline of small towns as centres of economic and social activity. Towns like Nadiad and Patan, which were once active economic and cultural towns, have steadily declined during the last fifty years. Social institutions, some of them very vibrant in earlier times, have decayed under the influence of large urban centres (Figure 6.9).

¹⁹³ Hirway, Indira (2000): “Dynamics of Development in Gujarat: Some Issues”, *EPW*, XXXV (35-36), pp. 3106-3120.

¹⁹⁴ Morris, Sebastian (2004): “Study of Regional Determinants of Foreign Direct Investment in India, and the Case of Gujarat”, CGSD Working Paper (14), March, Centre for Globalisation and Sustainable Development, Earth Institute at Colombia University, PDF Document, www.earth.colombia

¹⁹⁵ Morris, Sebastian (2009): “Gujarat Growth Perspectives”, Working Paper, Indian Institute of Management, PDF Document, Accessed from www.iimahd.ac.in

¹⁹⁶ Dholakia, Ravindra (2002): “Economic Reforms and Development Strategy in Gujarat”, World Bank Paper, PDF Document, pp. 1-19

Table 6.9
Average Exponential Growth Rate of Population in Census
Towns/UA (1971-2001)

	Class-I	Class-II	Class-III	Class IV-VI
1971-1981	4.11	2.68	2.79	2.87
1981-1991	3.13	2.66	2.14	2.31
1991-2001	3.60	1.98	2.10	0.82

Source: Computed from Kundu (2005), p.72

6.6.1 Spatial Distribution of Cities

Indeed, there has been a systematic shift of population from small and medium towns to the metro-cities and class I cities. Besides, there is direct migration of rural workers from the undeveloped *talukas* to the metropolitan cities like Ahmedabad and Surat. The small *taluka* headquarter towns of Saurashtra and North Gujarat does not play a significant role as intermediate centres for employment and migration.

Table 6.10
Regional Distribution of Towns in Gujarat - 2001

Region	Metro	Other Class I	Class II	Class III	Class IV	Class V	Class VI	Total
	Population Size							
	(10,00,000 & Above)	(1,00,000 – 10,00,000)	(50000 - 99999)	(20000 - 49999)	(10000 - 19999)	(5000 - 9999)	(<5000)	
North Gujarat	1	6	10	17	6	5	3	48
Central Gujarat	1	4	4	14	7	0	3	33
South Gujarat	1	4	3	8	13	5	7	41
Saurashtra	1	8	10	20	16	5	0	60
Kachchh	0	2	1	3	2	0	0	8
Total	4	24	28	62	44	15	13	190

Sources: Derived from Census 2001 Information

Table 6.11
Regional Population Distribution in Towns of Gujarat -2001

Region	Metro	Other Class I	Class II	Class III	Class IV	Class V	Class VI	Total
	Population Size							
	(10,00,000 & Above)	(1,00,000 – 10,00,000)	(50000 - 99999)	(20000 - 49999)	(10000 - 19999)	(5000 - 9999)	(<5000)	
North Gujarat	4,525,013	9,05,085	6,24,891	4,94,096	87,523	40,571	6,837	6,684,016
Central Gujarat	1,491,045	6,58,477	2,55,841	4,45,670	1,17,328	0	1,967	2,970,328
South Gujarat	2,811,614	6,67,010	1,80,916	2,27,685	1,76,646	37,497	16,629	4,117,997
Saurashtra	1,003,015	2,064,747	5,37,263	4,88,766	2,32,705	43,563	0	4,370,059
Kachchh	0	2,88,122	68,343	90,801	27,626	0	0	4,74,892
Total	9,830,687	4,583,441	16,67,254	17,47,018	6,41,828	1,21,631	25,433	18,617,292

Sources: Derived from Census 2001 Information

There are many reasons behind this biased situation. A generalized deterioration of municipal governance in small towns of Gujarat has been a major factor. This should not be surprising since the district and *taluka* administrations in India are more oriented towards rural rather than urban areas due to its inherent administrative structure. There is now some recognition that the smaller urban centres need help and some efforts are being made in this direction while proposing industrial investment destinations in the State. However, as it is understood from the field interactions and investment data analysis (*see chapter three*), efforts are still not reaching down to a large number of small towns. This is a matter of serious concern, as the current orientation of the State towards the metro cities and class-I might result in social, political and economic stress on the small and medium towns.

6.7 Perspectives to Future Urbanisation in Gujarat

It is estimated that by year 2021, more than half of the State urban population, numbering around 30.5 million persons, would be living in the four million plus cities (15 million) and 30 Class I towns. The small and medium towns would be accommodating another quarter of the urban population in the State. The industrializing regions of the State particularly in South Gujarat, Central Gujarat and Saurashtra would experience higher urban growth in the coming two decades (Table 6.12). The rate of rural transformation in the State would be higher with the increase in the levels of literacy, improvement of infrastructure and increase in non-farm activities. Under the situation, a symbiotic relationship between the rural

Regions	2011	2021	2031	2041	2051	2061
North Gujarat	21.08	23.75	26.77	30.17	34.00	38.31
Central Gujarat	48.35	52.23	56.44	60.99	65.91	71.23
South Gujarat	52.91	64.46	78.52	95.65	98.00	98.94
Saurashtra	41.69	44.27	47.01	49.91	53.00	56.28
Kachchh	34.72	38.64	43.00	47.85	53.25	59.26
Gujarat	42.58	46.94	51.72	56.99	62.79	69.19
Note: Projection based on Geometric Progression Method						

There is of course, a chance of reduction in the existing rate of urbanisation because of rural transformation and its increased potential for attracting investment on its own. The State's increased investment prospects and emphasis on industries in the recent industrial summits, confirms the confidence shown by it in enhancing the potential of the rural areas. In fact, during 2003-12, the industrial investments have moved towards the rural hinterland, which has induced the setting up of new townships and urban centers.

All these scenarios can change the projected regional urbanisation scenario in the State. Since the adopted methodology for population projection does not include the scenario based estimation, the geometric progression method used to predict the trend line for future growth. The data shows the growth in urbanisation with current urban areas, where future shift from agriculture to non-agriculture has not been anticipated (Table 6.13).

[illegible]

The investment in the industries of Central and South Gujarat would require a large number of, mostly skilled workers, from other regions of the State as well as other states to maintain the urban growth. Large influx of population to these regions is predicted for sustainable economic growth. In scenario two, the urban growth may decline after 2031 in favour of small and medium towns. The declining rate of migration might help in even distribution of population in urban areas.

Gujarat would continue to urbanise in future due to its strong urban-rural linkages developed during the last two decades i.e. 1991-2001 and 2001-2011. The people living in the cities would continue to invest the surplus capital in the rural hinterland mostly in non-agricultural activities and the rural folks would invest the surplus capital in buying properties in the cities.

By the year 2030, more than 77 per cent of the State Gross Domestic Product (GDP) would come from the cities of the State (MGI, 2007), requiring the State to upgrade the urban infrastructure and its sustainability. The cities like Ahmedabad, Surat and Vadodara are predicted to have population above 4 million (Ahmedabad and Surat has already crossed 4 million mark) by year 2030. The cities in Gujarat are also going to play a significant role not only in enhancing the State economy but also the Indian economy.

6.8 Regional Urban Challenges in Gujarat

The high urban growth in the State and subsequent emergence of urban concentration poses serious challenges for the policy planners. The specific challenges are urban sprawl/fringe area development, land management, housing, environmental management, infrastructure development, urban administration and disaster preparedness including climate change mitigation. These challenges are explained in the regional context in the following paragraphs.

(a) Urban Sprawl and Fringe Area Development: The urban areas in the State unlike many large cities in the country have experienced expansion of urban limits as well as sprawl beyond the city limits into the rural hinterland. Cities like Ahmedabad, Surat, Vadodara, Rajkot, Jamnagar and Bhavnagar have grown beyond their limits. The up gradation of the Ahmedabad city as a mega city with an estimated urban region of 12,000 sq.kms. makes it the largest urban complex in the country close to the National Capital Region, Delhi. The sprawl in North Gujarat extents from Palanpur-Mehsana, Kadi-Kalol

to Gandhinagar merged with the Central Gujarat region. The Central Gujarat has experienced ribbon development, where the urban influence zones of two large



Figure 6.14: Projected Urban Sprawl in Gujarat (2030)

metropolitan cities, Ahmedabad to Vadodara, overlap with the cities of Anand and Kheda. Twin town development of Bharuch (including Dahej) – Ankleshwar and Surat-Navsari in South Gujarat makes it one of the fastest growing sprawl during the last two decades. Future urban concentration along Gandhidham-Anjar-Mundra-Mandvi region in Kachchh is also predicted based on high capacity industrial development and investment in infrastructure. The coastal region of Saurashtra has been experiencing fringe development all along the major highways nearer to the cities like Bhavnagar, Veraval, Porbandar, Okha-Jamnagar, Rajkot-Morbi and Junagadh.

(b) Urban Land Management:

The high rate of urbanisation also demands large volume of land for various uses within the urban areas.

The critical infrastructure requirements in the cities, necessitates land to be reserved for the current as well as future uses. The development plans and town planning schemes in the State is an excellent example of the land management across the country¹⁹⁷. Even then, the sprawl of cities for the increasing population has not declined.

- (c) **Housing:** The housing shortage in the State is estimated at 20 per cent of the 25 million urban populations, i.e. approximately, 5 million populations (1 million households). The

¹⁹⁷ TCPO (2009): *Case Study of Best Practices in Urban Planning*, Town and Country Planning Organisation, 55th Annual Conference, Institute of Town Planners, Hyderabad.

populations living in slums have increased in the cities like Surat, where there is an acute shortfall of approximately 1.5 lakh dwelling units. The people living in slums and other semi-pucca settlements have low affordability to purchase property through the open market. The Government on the other hand, despite implementation of centrally sponsored schemes, latest being JNNURM scheme (Integrated Housing and Slum Development Program and Basic Services for Urban Poor), the needs for housing are not met.

The housing related schemes initiated by the State through a separate Gujarat Township Act, have also not been much successful. The infrastructure requirement for the urban poor has been on the increase in the small and medium towns. The increasing pace of industrialisation, such as in Kachchh and South Gujarat has not met with the supply for housing units for the industrial workers. The institutional housing by the industries and Government agencies (Gujarat Housing Board etc.) are very low.

The housing supply, on the other hand has private players who cannot supply houses to the urban poor (LIG/EWS) in the absence of subsidies and assistance from the Government. Though, GoG has also initiated the slum rehabilitation scheme encouraging private developers to propose projects for the redevelopment of the slums in exchange of land for commercial development, there has been poor response to it. Urban planners and policy makers are now faced with the twin task of providing affordable housing as well as basic amenities to the poor.

(d) **Environmental Management:** The studies conducted during the late 1990s regarding the urban environment, such as, Health Risk Assessment for Ahmedabad [1997¹⁹⁸], Environmental Risk Assessment [1995¹⁹⁹] and the State of Environment Report [2005²⁰⁰] etcetera, reveal that there is more pressure on the facilities like transport services, housing and drainage as well as consumption and production of goods and services. Moreover, all these activities generate large volume of wastes and pollutants.

The large urban centers like Ahmedabad, Surat, Vadodara and Rajkot have caused environmental problems in their immediate hinterlands, such as reduction and contamination of underground water, air pollution, poor sanitation and generation of

¹⁹⁸ Study by CEPT University.

¹⁹⁹ Team led by IIM, Ahmedabad.

²⁰⁰ Study completed for state was sponsored by the World Bank under the project commissioned to Gujarat Ecology Commission (GEC) at Vadodara (*since then shift to Gandhinagar*)

enormous quantity of the solid and liquid wastes. The level of toxins in the rivers and water bodies in the urban areas have increased due to disposal of sewage wastes, excreta and chemical wastes in huge quantities. The industrial towns such as Ankleshwar (Bharuch), Vapi (Valsad), Nandesri (Vadodara), Morbi (Rajkot) etcetera, have posed serious challenges for the environmental managers in the State to mitigate various types of pollutants. The neighbouring rural hinterlands of these industrial areas have been suffering from both natural and human environmental degradation. The field visits to these areas, personal observations and discussion with the community leaders and the people, clearly unravelled these problems.

- (e) **Infrastructure Development:** The population pressure and unprecedented expansion of urban areas and agglomerations in the State also pose challenges to the planners for meeting the growing infrastructure demand. Apart from the large metropolitan cities, the small and medium towns also require up gradation of the civic amenities like, water supply, sewerage, storm water drainage and solid waste management etcetera. During the last thirty years the small and medium towns have received little attention for the improvement of their infrastructure. The initiative taken up by the State and the Central Governments since 2005 in the urban areas aimed at meeting the growing demand of infrastructure. The urban infrastructure programmes (UIDSSMT/IHSDP/BUSP) started by the GOI since 2006, have helped the towns in the State in preparing detailed project reports (DPR) on various infrastructure projects. Investments in infrastructure might enable the *taluka* and district headquarters to support the regional requirements of developed urban centers. However, much needs to be done in order to sustain the developed infrastructure in the context of its management and maintenance.

Cities and towns of Gujarat are visibly deficient in the quality of services they provide, even to the present day population. Considering that the State economy is now one of the fastest growing economies in the country, with increasing standards of living, current service levels are too low relative to the needs of urban households. They are also low relative to what will be required to sustain the economic productivity of cities and towns.

Based on the field visits and interaction²⁰¹, it can be mentioned that public services such as drinking water, sewerage, solid waste management, roads, and street lights must be accessible to one and all to achieve the goals of inclusion. At the same time, they must meet the service norms as set out by the Ministry of Urban Development in 2008 to ensure the contribution of cities to economic growth. To achieve both inclusion and economic growth will, however, require shifting the focus of policy from creating physical infrastructure to delivering services. The challenge is to focus on reforming governance for service delivery. Without this, additional capital investments in urban infrastructure will not result in improvements in service delivery.

- (f) **Urban Administration:** A large number of the stakeholders are responsible for management of the urban areas including the Government Departments, Non-Governmental Organisations and the Community Based Organisation. At present the urban management requires more than the traditional master plan for the urban areas. This is required in the urban areas to develop vision, identifying opportunities and competitive advantages in order to create cities of the future. The urban managers (in many cases they are representatives of Central and State Governments), who, till the new reform, acted as administrators, often engaged themselves in resolving the urban issues like housing, water supply, sewerage etcetera, over and above their other responsibilities. With the changing role of administrators to urban managers (professionals), there is a need to find technical solutions, funds from the market and contributions towards the master plans.

There is requirement for improvements in the municipal accounting and financial management reforms along with the financial options for the urban local bodies. For the latter, there are options available, such as loans/bonds, Infrastructure Development Funds, Built-Operate-Transfer, State tax revenues and State level financial instruments. The projects in Gujarat are funded by various agencies such as, World Bank, Asian Development Bank, DFID and other helps to improve the mechanism. The urban reforms in the State are required to qualify for the financial support, which rather opens up enforcement of the financial instruments from the top. The local bodies through their traditional approaches would find it difficult to access the required financial help. The introduction of reform is essential for meeting the increasing demand of urban infrastructure. The State is looking towards privatization of services in varying degree

²⁰¹ Findings mainly from 'Study of City Development Plans and Field Assessment' at Vadodara, Surat, Bhavnagar, Mehsana, Karamsad, Vyara and Anand

from city to city, with the basic intention of recovering the cost of providing infrastructure. The role of government as regulator and supervisor in such projects is advisable for providing sustainable infrastructure finance for future investments.

(g) **Disaster Management:** Nearly half of the State regions are prone to natural disasters, e.g. coastal areas and Saurashtra are prone to cyclones and earthquakes. The Kachchh falls into the Zone-V of the earthquake zoning in India. The persistent drought like situation in North Gujarat makes it vulnerable to agricultural failures. The urban areas in the earthquake and flood prone zones pose challenges for the administrators and planners alike in preparing the mitigation plans. The climate change phenomenon, mainly associated with seawater rise might also pose serious threat to the urban centers located closer to the coasts. The vulnerability of the cities has increased many folds with increase in population as well as investments. The cities like Surat, Dahej-Bharuch, Jamnagar, Porbandar, Okha, Mandvi, Mundra and Kandla where investments after 1991, have helped in increasing the State GDP, are in serious danger of getting affected by the changing sea water levels (Scenario between years 2070-2100 as predicted in IPCC report).

6.9 Urban Poverty and Employment

Urban areas are considered to be growth drivers of the economy, and World over, the cities have been instrumental in sustaining the economic growth in developed as well as developing countries. Given the fact that poverty is generally less in urban areas, there is a continual rural to urban drift and assuming that the distribution of income in urban and rural areas remains the same, it would not be wrong to believe that overall poverty in a nation will probably decline. It is certain that the level of urbanization (that is the proportion of people living in urban areas) is associated in some places with numerous, positive outcomes such as technological innovation, forms of creativity, economic progress, higher standards of living, enhanced democratic accountability and women's empowerment.²⁰²

The decreasing rate of urbanisation during previous census years (1991-2001) refutes the accepted statement that high growth in economy would lead to high urbanisation. May be employment opportunities offered in the urban areas were not attractive enough to induce

²⁰² UNCHS (2010): *State of World Cities - 2010-2011: Bridging the Urban Divide*, UNCHS, Kenya (PDF document), Press Kit, Website (<http://www.unhabitat.org>)

fresh migration from immediate hinterland. Kundu and others (2005)²⁰³ in their study hint that ‘the urban growth rate has decelerated significantly during past two decades. They further argue that the process of industrial growth during the 1990s has been capital intensive and consequently the demand for labour in urban areas has been low, dampening the rural-urban migration.’

It is important to note that despite a high growth in value addition in industrial production post 1990s in the State, employment in organised sector has not grown rapidly. Gujarat had been attracting private sector units within the organised sector where growth in output has been significant, have high capital intensity and a low potential for employment generation. According to the report (2009) prepared by National Commission for Enterprises in Unorganized Sector (NCEUS)²⁰⁴, there has been a significant growth in employment in the informal sector, estimated at around 94 to 95 per cent of the total work force in the country. The growth rate in employment of the poor and vulnerable groups is very poor in the State as compared to opportunities available to the middle and higher income groups. Besides, employment opportunities are expected to be higher in the mega and metro cities. As all regions in the State do not have equitable distribution of such cities, some regions may suffer from lack of employment opportunities.

The data on projected Labour Force Participation Rate (LFPR) shows merely 3 per centage point increase by 2017, whereas Female LFPR increases marginally during the same period. But even this marginal increase in women participation would be difficult to absorb in the current sector wise investment trends in the State (Table 6.14).

Table 6.14
Projected Rural Labour Force Participation Rate (LFPR) in
Gujarat

	2007	2012	2017
Male	59.98	61.95	63.41
Female	32.27	33.01	33.98
Person	46.78	48.23	49.52
Source: Based on NCEUS report, 2009			

²⁰³ Shivaramakrishnan K. C., Amitabh Kundu and B. N. Singh. (2005): *Handbook of Urbanisation in India*, Oxford University Press, Delhi.

²⁰⁴ NCEUS (2009): *The Challenge of Employment in India: An Informal Economy Perspective* (Volume I), National Commission for Enterprises in Unorganized Sector, New Delhi, PDF, Accessed on 15th Feb 2011.

6.9.1 Urban Employment: Usual Principal and Subsidiary Status (UPSS)²⁰⁵

The reported UPSS population projection (NCEUS, GoI:2009) for Gujarat in the urban areas was closer to 8.70 million by the year 2007, which is expected to grow up to 10.99 million by the year 2017. The implication for the presence of work force indicates more investment is required for the employment generation in the existing Class I cities of the State. The State's investment in particular regions or cities would pull the population from the small and medium towns to mega cities (Table 6.15).

Table 6.15
Urban Labour Force Projection (in Million) in Gujarat

	UPSS Labour Force			MCWS Labour Force		
	2007	2012	2017	2007	2012	2017
Rural						
Male	10.49	11.42	12.30	10.25	11.22	12.06
Female	6.94	7.54	8.17	5.79	6.49	7.22
Person	17.43	18.96	20.48	16.04	17.71	19.28
Urban						
Male	7.6	8.07	8.99	7.01	8.06	8.98
Female	1.65	1.83	2.01	1.50	1.72	1.94
Person	8.70	9.90	10.99	8.51	9.78	10.92
Total						
Male	17.55	19.49	21.29	17.26	19.28	21.04
Female	8.59	9.37	10.18	7.29	8.21	9.15
Person	26.13	28.86	31.47	24.55	27.49	30.20
Source: Based on NCEUS report, 2009 MCWS = Modified Current Weekly Status.						

The employment in informal sector has to absorb the surplus labour that is expected to grow in the State since the organised sector has low employment potential. The State would have 2 million women labour force by 2017 in the urban areas that would be facing lack of employment opportunities in the proposed industries. As a result, the informal employment for the females is likely to be more as compared to their male counterparts.

²⁰⁵ The Usual Principal and Subsidiary Status (UPSS) concept was introduced to widen the UPS concept to include even those who were outside the labour force on the basis of the majority time criterion but had been employed during some part of the year on a usual basis. In the NSS 61st Round Survey, all those who were either un-employed or out of labour force but had worked for at least 30 days over the reference year were treated as subsidiary status workers. UPSS is thus a hybrid concept incorporating both the major time criterion and priority to work status.

6.9.2 Urban Employment: Modified Current Weekly Status (MCWS)²⁰⁶

The measure used by NCEUS Commission which combines daily/weekly status to calculate MCWS enables better estimation of durable employment, distinguishing itself from underemployment and part time workers. The State is expected to have 10.92 million workers in urban areas by 2017, at least 1.94 million of which would be female workers. Thus, even the informal least employment scenario requires creation of female oriented job opportunities. This is not foreseen during the current provision of investments planned in the State. The people in this group would be primarily working in the unorganized sector, which would not have regular employment; work and social security making them informally employed at a work place.

6.9.3 Educational Levels and Urban Employment in Gujarat

According to NCEUS data (2009), out of the total 25.07 million labourers in Gujarat, 8.02 million was in the urban areas during 2004-05. The share of illiterate labour in the urban areas had reduced to 12.6 per cent in 2004-05 from 24.5 per cent in 1983. But the share of workers educated (56 per cent) up to primary level and below, constituted 20.88 per cent contributing to total 33.1 per cent urban labour force least educated. Middle level educated workers constituted 20.63 per cent of the urban labour force in the State. If the segment educated up to secondary level is considered for gainful employment in the new set of industries, about 53.73 per cent of the labour force would not be able to find employment. There were 31.89 per cent of the workers educated above secondary and higher secondary level and 14.4 per cent graduation and above in the labour force of the State.

²⁰⁶ Under Modified Current Weekly Status (MCWS), each surveyed individual is uniquely classified as within or outside the labour force, and again as employed or unemployed by consistently applying the majority time principle to the time disposition information relating to all the 14 half-days of the week. The labour force estimates based on MCWS includes only those who were in the labour force during major part of the week. A member of the MCWS labour force would have been working or unemployed or a combination of both *for at least 3.5 days in the reference week*.

Table 6.16
Projected Urban Labour Force by Educational Status, Sector and Sex (in million) in Gujarat

Level of Education	UPSS Labour Force			MCWS Labour Force		
	2007	2012	2017	2007	2012	2017
	Urban Male					
Illiterate	0.50	0.38	0.30	0.49	0.38	0.30
Primary	1.31	1.11	0.96	1.31	1.11	0.95
Middle	1.57	1.92	2.22	1.56	1.92	2.22
Secondary + Higher Secondary	2.57	3.31	3.98	2.55	3.30	3.98
Graduation +	1.11	1.35	1.52	1.10	1.35	1.52
Total	7.06	8.07	8.99	7.01	8.06	8.98
Urban Female						
Illiterate	0.52	0.46	0.42	0.47	0.44	0.40
Primary	0.30	0.30	0.31	0.27	0.28	0.29
Middle	0.29	0.39	0.49	0.27	0.36	0.47
Secondary + Higher Secondary	0.36	0.46	0.55	0.33	0.43	0.52
Graduation +	0.17	0.22	0.27	0.16	0.21	0.25
Total	1.65	1.83	2.02	1.50	1.72	1.94
Urban Total						
Illiterate	1.02	0.85	0.72	0.97	0.82	0.70
Primary	1.61	1.41	1.26	1.58	1.39	1.25
Middle	1.86	2.31	2.71	1.82	2.28	2.69
Secondary + Higher Secondary	2.93	3.76	4.53	2.88	3.73	4.51
Graduation +	1.28	1.57	1.79	1.26	1.56	1.77
Total	8.70	9.90	11.01	8.51	9.78	10.92
Source: NCEUS, 2009						

Lack of educational level in the labour force in the urban areas of the State is going to pose serious constraints in getting employment, since by 2017 some 2 million of them out of the total of 10.9 million would be below secondary level. This group would be inadequately educated to cope up with the challenges of the technologically oriented investment in the State. These would be vulnerable groups in the urban areas mostly belonging to lower income group and economically weaker section.

6.9.4 Industrial Investment, Urbanisation and Employment

During 1960-2010, Gujarat had nearly 23,308 units employing 10.93 lakh workers. Since October 2006, the small scale industries are included in the Micro, Small and Medium

Enterprises (MSME) through MSMED Act 2006, comprising about 2.30 lakh units employing 12.90 lakh persons.²⁰⁷

Most of the MSMEs are providing employment to the workforce in the urban areas. As per the data presented in the 4th Census of MSME (2006-07) report²⁰⁸ on Gujarat, of the total MSMEs reported, only 80 per cent were functional in the entire State. At the regional level, the share of functional enterprises was still lower at only 76 per cent (Table 6.17).

Table 6.17
Regional Distribution of MSME (2006-07)

Region	Working	%	Closed	%	Not Found	%	Total
North Gujarat	26,956	76.47	6,212	17.62	2,083	5.91	35,251
Saurashtra	61,187	77.48	13,016	16.48	4,767	6.04	78,970
Central Gujarat	80,045	81.43	4,727	4.81	13,523	13.76	98,295
South Gujarat	56,561	82.34	10,238	14.90	1,899	2.76	68,698
Kachchh	4,990	80.29	752	12.10	473	7.61	6,215
Gujarat	2,29,738	79.93	34,945	12.16	22,745	7.91	2,87,428
Source: 4th All India Census of MSMEs, 2009							

The share of female participation in the MSMEs is less than 6 per cent in the total (MSME) workforce in the State. This share is as low as less than 1 per cent in industrially dominated South Gujarat. The larger share of females is reported in Kachchh region at 16 per cent, might be due to the presence of small and cottage industries (Table 6.18).

Table 6.18
Regional Sex-Wise Employment in MSME (2006-07)

Region	Male	% M	Female	% F	Total	% T
North Gujarat	1,15,386	91.69	10,453	8.31	1,25,839	9.75
Saurashtra	2,59,319	92.28	21,703	7.72	2,81,022	21.78
Central Gujarat	4,50,483	89.57	52,433	10.43	5,02,916	38.98
South Gujarat	3,64,661	99.02	3,622	0.98	3,68,283	28.55
Kachchh	10,052	83.98	1,917	16.02	11,969	0.93
Gujarat	1,191,213	92.34	98,816	7.66	1,290,029	100.00
Source: 4th All India Census of MSMEs, 2009						

²⁰⁷ Govt. of Gujarat (2010): *Socio-Economic Review: Gujarat State 2009-10*, Directorate of Economics and Statistics, Gandhinagar, PDF Document.

²⁰⁸ Industries Commissioner (2009): *Report on Provisional Results of Gujarat 2006-07* (based on 4th All India Census of MSMEs), Government of Gujarat, PDF (www.ic.gujarat.gov.in).

Majority of the MSMEs are concentrated in the urban areas of the State, excepting in North Gujarat and Saurashtra, where these are evenly spread in the rural and urban areas. This may be the result of the nature and sector of the industries promoted by the State and setting up of estates by the GIDC. Central Gujarat and South Gujarat, which account for the maximum proportion of the MSMEs in the State, have these limited to urban areas. This urban concentration of industries would result in the employment seeking people to migrate to the cities. Besides, this concentration is also indicator of opportunities being provided only to enterprises in the urban areas (Table 6.19).

Table 6.19
Regional Distribution of Employment in MSME (2006-07)

Region	Rural	% R	Urban	% U	Total
North Gujarat	66,366	52.7	59,473	47.3	1,25,839
Saurashtra	1,14,875	40.9	1,66,,147	59.1	2,81,022
Central Gujarat	63,616	12.6	4,39,300	87.4	5,02,916
South Gujarat	3,522	0.96	3,64,761	99.0	3,68,283
Kachchh	0	0	11,969	100	1,1969
Gujarat	2,48,379	19.3	1,041,650	80.7	1,290,029
Source: 4th All India Census of MSMEs, 2009					

The investments proposed for the industrial clusters, SEZ and SIR projects during the last five Vibrant Gujarat Summits are located outside the existing urban centres. The prospective employment and investment data (2011) by Industries Commissioner reveals that it is expected to be less in the North Gujarat and Saurashtra. Even in Central and South Gujarat, the employment opportunities are limited to the developed *talukas* and districts. For example, in Saurashtra more employment opportunities were made available in Jamnagar and Rajkot districts, whereas share of Porbandar, Amreli, Bhavnagar and Junagadh districts is less than 10 per cent. In Central Gujarat major share of employment is provided in Ahmedabad and Vadodara districts, whereas the rest of the districts have less than 6 per cent share of the total opportunities created. Thus, small and medium towns in the deprived districts and regions would have poor growth prospects and would see enhanced outmigration of people to mega cities (Table 6.20).

Table 6.20
District-Wise Projects Under Implementation in Gujarat (IEM+LOI+LOP)
(1983 - March 2010)

Region/District	Number of Projects	Investment (in Rs. Cr.)	Employment	% Inv.	% Emp.	Emp./Unit
Central Gujarat				12.22	29.89	
Ahmedabad	225	46,672	1,21,904	42.86	77.83	542
Anand	17	339	2,031	3.24	1.30	119
Dahod	0	0	0	0.00	0.00	0
Godhra	84	2,767	9,337	16.00	5.96	111
Vadodara	185	10,713	21,179	35.24	13.52	114
Kheda	14	951	2,177	2.67	1.39	156
Subtotal	525	61,442	1,56,628	100.00	100.00	298
South Gujarat				25.04	30.74	
Narmada	3	315	214	0.25	0.13	71
Navsari	17	96	4027	0.08	2.50	237
Bharuch	365	67,997	83,983	54.02	52.14	230
Surat	545	54,012	54,797	42.91	34.02	101
Valsad	205	3,459	18,063	2.75	11.21	88
Dang	0	0	0	0.00	0.00	0
Sub Total	1,135	1,25,879	1,61,084	100.00	100.00	142
North Gujarat				6.56	4.74	
Banaskantha	14	24,684	4,214	74.80	16.95	301
Gandhinagar	41	1,554	6,930	4.71	27.88	169
Mehsana	60	2,270	9,630	6.88	38.74	161
Patan	7	4,185	438	12.68	1.76	63
Sabarkantha	21	308	3,644	0.93	14.66	174
Sub Total	143	33,001	24,856	100.00	100.00	174
Saurashtra				23.73	13.40	
Amreli	16	16,436	2,864	13.77	4.08	179
Bhavnagar	33	5,830	5,598	4.89	7.97	170
Jamnagar	54	70,083	26,163	58.73	37.27	485
Junagadh	23	21,340	7,413	17.88	10.56	322
Porbandar	6	2,713	1,289	2.27	1.84	215
Rajkot	92	2,739	17,280	2.30	24.62	188
Surendranagar	13	187	9,588	0.16	13.66	738
Subtotal	237	1,19,328	70,195	100.00	100.00	296
Kachchh	442	1,62,204	1,11,174	32.26	21.22	252
Not Decided	1	0	0			
Total	2,483	5,02,754	5,23,937			211

Source: Industries Commissioner website (www.ic.gujarat.gov.in, 18Feb2011)

IEM: Industrial Entrepreneur's Memorandum, LOI: Letter of Intent, LOP: Letter of Permission for 100 per cent Export Unit

6.9.5 Over employment and shortage of labour in Urban Gujarat

According to Golden, *“the problem of over employment refers to a situation where workers are willing but unable at their current jobs to reduce the amount of time they devote to earning an income. Many people go through a spell at some point when they would prefer shorter work hours. They are prepared to sacrifice income to attain it in order to avoid the more costly step of leaving an occupation or withdrawing from the labour force entirely.”*²⁰⁹

This situation is attained in the State when more people in urban areas are joining the work force in the informal and unorganized sectors. The nature of employment mostly contractual has forced the workers to engage in the activities not suited to their education or experience. The workers are made to have extended working hours in the industries such as diamond, textile, chemical and pharmaceutical industries. People engaged in such works often try to compensate the employment in the industry by doing some additional hours by engaging themselves in various occupations such as multi-level marketing, online job or trading etcetera.

According to National Sample Survey Organisation (NSSO) report, the State has the least unemployment ratio in the country, with only 5 out of 1,000 persons of the working population being unemployed. It can be assumed that the State with aggressive industrial policy would allow multiple and increased employment choice to its people. From the recent media reports published (see Business Standard²¹⁰, Economic Times²¹¹, web reported²¹², Diamond²¹³ and others), it can be estimated that the State is short of labour force in all sectors of its economy. Major industries like diamond, textile etcetera are failing to meet the labour supply from the traditional sources, i.e. mainly migrants from poorly developed states. It is expected that, the success of the rural employment guarantee schemes (MNREGA) in Gujarat could provide initial setback to the labour supply from the rural hinterland. The cost of production and labour accumulation in the State is stated to increase with increase in the labour demands in the competing non-agricultural sectors. At present, 60.99 lakh persons are employed in 24.26 lakh establishments engaged in different economic activities other than

²⁰⁹ Golden, L. (2003): “Forced Overtime in the land of the Free”, in J. de Graaf (ed.), Take Back Your Time, Berrett-Koehler Publishers, Inc., San Francisco, pp. 28-36.

²¹⁰ <http://www.thehindubusinessline.com/features/investment-world/personal-finance/article2462528.ece>, article by Virendra Pandit.

²¹¹ http://articles.economictimes.indiatimes.com/2011-11-22/news/30429005_1_price-rise-housing-project-cement comments by Confederation of Real Estate Developers, India (CREDAI), Nov. 2011.

²¹² <http://www.4textile.com/industry.asp?unit=587>, regarding shortage of labour in Surat Textile Market, Nov 2012

²¹³ <http://indiainteracts.in/videos/42830/Diamond-industry-in-Surat-faces-labour-shortage.html> about shortage of labour in Diamond industry

crop production and plantation in the State²¹⁴. In addition, the proposed investment in SIRs and SEZs are expected to generate employment for an additional 50 lakh skilled and semi-skilled workers in the next decade (Vibrant Gujarat, GOG, 2011)²¹⁵. This might result in a shift of working population from the primary sector to the secondary and tertiary sectors. In spite of the primary sector facing the shortage of labour required for commercial crops like cotton and tobacco, the industries would further trigger the exodus of people from this sector. In the final analysis, Gujarat is expected to have increased capital investment but might face shortage of skilled persons.

6.9.6 Employment and Urbanisation Scenarios for 2040 AD

In the event of successful investment in the new urban centres, primarily industrial investment would result in migration of population from the existing towns. The Special Investment Regions (SIR) like Dholera, which is planned for 2.0 million people to be populated during the next 20 years, is expected to pull people primarily from the neighbouring Ahmedabad, Bhavnagar, Rajkot and Anand urban regions. The Dholera SIR would be attracting investment above Rs. 1.0 lakh crores and would provide employment to 3.42 lakh persons by the year 2040.²¹⁶ Similarly, Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) situated at Dahej in Bharuch district is expected to attract 1.2 lakh persons for employment with an investment of above Rs. 50,000 crores by various industries. Similarly, the other 12 Special Investment Regions (SIR) located in various regions of Gujarat, would be able to attract more than 20 lakh persons for employment. These mega changes in investment and urban scenario would create huge employment potential for not only people of Gujarat but also fuel migration from other parts of country till 2040.

Growth Nodes such as proposed industrial centres in the Delhi-Mumbai Industrial Corridors (DMIC) and Special Economic Zones (SEZ) would also attract people by providing employment opportunities. Since the existing metropolitan cities would also emerge competitive in retaining the workforce as well as investments, the migration from the small and medium towns can be predicted to these new urban centres. One may see this as a warning for the demise of existing urban centres which do not remain or cannot conduct

²¹⁴ Govt. of Gujarat (2010): *Socio-Economic Review: Gujarat State 2009-10*, Directorate of Economics and Statistics, Gandhinagar, PDF Document.

²¹⁵ GIDB (2011): *Vibrant Gujarat: Sector Scenario - SIR & SEZ*, Government of Gujarat, PDF, accessed from <http://www.gidb.org>

²¹⁶ Govt. of Gujarat (2012): *Vibrant Gujarat 2011*, PDF, accessed from www.vibrantgujarat.com on August 2012.

themselves as centres of economic growth. Overall impact on the region's economy would be immense in Saurashtra, Central and North Gujarat due to urbanisation in future. Urban employment in the new urban centres would not be accessible to untrained or semi-skilled persons rather may add to the informal employment opportunities at the proposed centres. The State needs to accelerate the training and skill development programmes for the vast work force. However, the estimation of employment scenario till 2040 is dependent on implementation of proposed investment in new urban centres in state.

6.9.7 Spatial Threats and Opportunities

The latest National Sample Survey Organisation (NSSO) report²¹⁷, 'Migration in India' (2009), has found Gujarat to have the highest rate of urbanisation among all other states in the country. Based on a survey carried out by NSSO across India in 2007 and 2008, the report significantly suggests that fast pace of urbanisation in Gujarat is mainly due to intra-state migration with large sections of rural people migrating to urban areas within the State instead of going out.

The report has found that '6.5 per cent of all urban households in Gujarat are migrants from within the State, which is the highest in the country. About 90.6 per cent of Gujarat's rural migrants are moving within the State. Of these, 60.7 per cent go to another district and 29.8 per cent shift to another place in the same district. More people are moving from agriculture to non-agricultural occupations in Gujarat than elsewhere in India. It is estimated (NSSO: 2009) that in Gujarat just about 50 per cent of working population are engaged in agriculture, as against 70 per cent in the country. Significantly, 48.3 per cent of the rural population that migrates are wealthy, which is unique for India. Only four per cent of them say economic compulsions forced them to migrate to other places.'

The long term perspective of spatial threats is posed to urban centres in the State since more people would be able to move out from the rural areas to urban centres requiring improvement in city infrastructure and housing. The subsequent shortage of farm labours may also force the agriculturists to turn over to non-farm activities leading to development of megalopolis in Central and South Gujarat.

²¹⁷ NSSO (2009): "Migration in India", National Sample Survey Organisation, Delhi, PDF, www.planningcommission.gov.in

6.10 Summery

To conclude one cannot assume that more employment opportunities would mean growth of urban centres. The uneven distribution of regional investment would result in growth of one region at the cost of another. The future migrations from the small and medium towns to new urban centres are also foreseen due to lack of focus on the existing cities.

The importance of women in the urban areas should be compensated with suitable employment opportunities. The new investment destination would fuel the desired rural to urban migration of people, which may result in the shortage of labour in the farm sector and subsequently in the existing industries. The State needs to have realistic projection of employment generation from the investments made in the various sectors based on independent analyses of the various sectors.