

## URBANISATION IN INDIA: A DEMOGRAPHIC REAPPRAISAL

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### *Introduction:*

The United Nations estimates indicate that at mid 1990s, about 43 per cent of the world population lived in urban areas. With the urban population growing two and a half times faster than its rural counterpart, the level of urbanisation is projected to cross the 50 per cent mark in 2005. United Nations projections further show that by 2025, more than three- fifth of the world population will live in urban areas (U. N. 1993).

The growth rate of urban population of developing regions has been declining recently. It was estimated to be 3.9 per cent per annum during 1980-85, which declined to 3.79 per cent per annum during 1980-85, 3.62, and 3.43 during 1990-95 and 1995-2000 respectively. The decline in the rate of urbanisation is also continuing in developed regions of the world. As a result, some of the European countries have experienced negative urbanisation during 80s ( U. N. 1993 ). However, the continued absence, namely, adequate data on rural to urban migration in most developing countries as well as on natural increase in rural and urban areas separately precludes attribution of the slowing down of urban growth in most of the countries to any single demographic process. It reflects the effects the host of factors like the relatively weak expansion of urban industries and price shifts unfavourable to manufactured goods, population aging, policies to alter migration and spatial distribution patterns in some countries, and no doubt other forces (Brockerhoff , 1998;1999 ). The arguments of Kelly and William (1984a; 1984b) that the slow growth of agricultural land stock and high growth of population of labour force in developing countries are factors that presumably push rural population toward urban areas are not correct for the recent past. The sluggish performance of manufacturing (as compared to agriculture) remains largely responsible for the observed slower pace of urban growth in developing countries, and may have decelerated urban growth from what other wise would have been higher rates in the 1980s and 1990s by curbing net rural to urban migration. Even though manufacturing is performing well but can not generate adequate employment being capital intensive is unlikely to accelerate rural to urban migration. The likely deceleration of rural to urban migration could be the important reason for the slowing down of urbanisation in the developing countries in recent times. The fertility decline could also be the another important factor for lower urban growth in several parts of the developing world particularly in Latin America where total fertility rate declined from 6 in the early 1960s to 3 in the early 1990s ( United Nations 1993 ).

The push factors like population growth and unemployment etc. and pull factors like opportunities in the urban areas are debated in the studies of India's urbanization. The National Commission on Urbanisation ( 1988 ) has termed them as factors of demographic and economic momentum respectively. In this article, specific attempt has been made to examine the contribution of both the types of urban process mentioned above. The main objectives of the study are as follows:

- i) To study the level , trend and regional pattern of urbanization.
- ii) To examine the relative contribution of natural increase as well as rural to urban migration in urban growth in the recent past.
- iii) To examine India's future urbanisation in the light of new economic policy.

#### *Sources of Data and Method:*

Census is the main source of data on urban population for not only India but also most of the countries of the world. Census defines urban areas based on certain criteria. In India since 1961, two important criteria namely: i.) statutory administration and ii. ) economic and demographic aspects have been adopted to declare certain settlements as towns. The former includes civic status of towns such as municipal corporations, municipality, cantonment board, notified area committee, etc., and the latter includes criteria like population size, density of population and percentage of work force in non-agricultural sector. The former is also known as statutory town and the latter as census town. These two types of town based on two different criteria have added complexity to the urbanisation process in India. For example, the predominance of non-agricultural activities is expected to be found in urban areas, but surprisingly we have significant number of towns in the country which are predominantly agriculture oriented. Such paradoxical development creates doubts about the quality of urbanisation in India ( Bhagat 1992 ). Further, the definition of urban had changed from time to time. Although, the definition of urban areas of 1961 census continued in later censuses, but it has been slightly modified in constituents of non-agricultural activities since 1981 census. According to 1981 census, 75 per cent of male workers in non-agricultural activities is required for a settlement to be declared as urban. In addition to it, at a town level the change in boundary has been frequent, and in several cases adjustment for it is impossible due to lack of relevant information.

The sources of urban growth comprise natural increase in urban areas, migration, reclassification of rural areas into urban areas and the change in the boundaries of existing towns. The migration data and the information on reclassification of rural areas into urban areas are available from the census. But the information on emigration is not available in the country, although its effect is likely to be negligible. The data on natural increase are available from Sample Registration System ( SRS ) published by Registrar General of India annually. The contribution of migration in the urban growth could be estimated directly from the data available in Migration Tables. However, it underestimates the contribution of migration due to several inadequacies which are mentioned in

the latter section. Alternatively, therefore, the residual method could be preferred in case of India.

### *Indicators*

In order to understand the demographic and geographical dimension of urbanisation in the country, the following indicators of urbanisation have been considered in this study:

- i) Percentage of urban population to total population – This shows the level of urbanisation in an area.
- ii) Decadal growth rate – This provides the change in urban population in percentage related to base year.
- iii) No. of towns per ten-lakh rural population – This indicator shows the extent to which rural areas are served by urban centres.
- iv) Percentage of population in Class I cities/ towns – This indicates about the dominance of large towns in the process of urbanisation compared to medium and small towns.

The previously mentioned indicators of urbanisation have been analysed at the state level for the period 1981-1991. Smaller states and union territories are excluded from the study. Socio-economic variables like per capita net domestic product (NDP), literacy, work force in non-agricultural activities and infant mortality rate have been taken to examine their association with different indicators of urbanisation.

### *India's Place in World Urbanisation:*

The urban population of the world was estimated to be 2.96 billion in 2000 ( see Table 1). It was estimated that nearly 50 million people are added to the world's urban population and about 35 million to the rural population each year. The share of world's population living in urban centres has increased from 39 per cent in 1980 to 48 percent in 2000. The developed countries have higher urbanisation level ( 76 per cent in 2000 ) compared with the developing countries ( 40 per cent). The urbanisation level has almost stabilised in the developed countries. There

Table 1 : Percentage of Population Residing in Urban Areas by Region, 1980-2010

World/Region	1980		1985		1990		2000		2010	
	%	,000	%	,000	%	000	%	000	%	000
World	39.4	1752	41.2	1997	43.1	2282	47.6	2962	52.8	3779
More Developed Region	70.2	797	71.5	838	72.7	880	75.8	968	79.1	1060
Less Developed Region	28.8	954	31.5	1159	34.3	1401	40.3	1993	46.8	2717
Africa	27.3	130	29.6	164	32.0	205	37.6	322	44.2	493
Asia	26.2	678	28.6	813	31.2	974	37.1	1369	43.8	1845
Latin America	65.0	233	68.4	273	71.5	315	76.6	400	80.4	482

Source : World Urbanisation Prospects- The 1992 Revision, United Nations, New York, 1993.

Table 2 India: Indicators of Urbanisation

Census Year	No. of UA/Towns	Urban Population in Million	% Urban Population	Number of Towns / UA per 10 lakh Rural Population	Decennial Growth Rate of Population (%)
1901	1827	25.85	10.84	8.6	-
1911	1815	25.94	10.29	8.0	0.35
1921	1949	28.08	11.18	8.7	8.27
1931	2072	33.45	11.99	8.4	19.12
1941	2250	44.15	13.86	8.2	31.97
1951	2843	62.44	17.29	9.5	41.42
1961	2365	78.93	17.97	6.6	26.41
1971	2590	109.11	19.91	5.9	38.23
1981	3387	159.46	23.34	6.4	46.14
1991	3768	217.17	25.72	6.0	36.10
2000*	-	286.20	28.54	-	31.50

Notes :

1. As the 1981 Census was not conducted in Assam, the 1981 population figures for India include interpolated figures for Assam.
2. The 1991 Census has not been held in Jammu & Kashmir. The 1991 population figures for India include projected figures for Jammu and Kashmir as projected by the standing committee of experts on population projection ( October, 1989 ). For source : Census of India, 1991.

\* Refers to July 1, 2000 as figures from 2001 census on rural and urban break-up are not yet available. For source see NFHS Data Sheet ( Health and Family Welfare 1998-99, IIPS, Mumbai, 2000 ).

was about 3 per cent increase in the level of urbanisation in the developed countries during 1990-2000. On the other hand the increase in the level of urbanisation was faster in developing countries ( 6 per cent during 1990-2000 ). Table 2 shows that the level of urbanisation in India was 25.7 per cent in 1991 which was lower than the average level of urbanisation in the developing countries ( 34 per cent in 1990 ). In south Asia, India has an edge over some of the neighbours in urbanisation. The countries like Bangladesh ( 18 per cent ) Sri Lanka ( 21 per cent ), Bhutan ( 16 per cent ) and Nepal ( 10 per cent) have lower level of urbanisation than India. But Pakistan has higher level of urbanisation ( 32 per cent ) than India. It is however important to note that the comparison of the level of urbanisation at the world level is affected by definition of urban areas in each countries. For example, in Bangladesh places having a municipality (*Pourashava*), a town committee ( *Shahar Committee* ) or cantonment board are defined as urban; in Nepal, all localities of 9000 or more inhabitants are declared urban; in Pakistan places with municipal corporation, town committee or cantonment are declared urban; in Sri Lanka also Municipalities, urban councils and town are treated as urban. On the other hand in India both civic status as well as demographic aspect are taken as criteria for declaring a settlement as urban. The recent census of India defined the urban places on the basis of the following criteria:

- i ) All places with a municipality, corporation, cantonment board or notified town area committee etc.
- ii) All other places which satisfy the following criteria:
  - a) Minimum population of 5000
  - b) At least 75 % of male working population engaged in non-agricultural pursuits and
  - c) A density of population of at least 400 persons per square Km.
 Besides, the directors of census operations in states/ union territories were allowed to include in consultation with the concerned with state Governments, union territory administration and the census commissioner of India, some places having distinct urban characteristics as urban even if such places did not strictly satisfy all the criteria mentioned under the category ( b ) above ( Census of India 1991 ).

*Correlates of India's Urbanisation:*

The correlation co-efficient for the indicators presented in Table 3 shows that the decennial growth rate is positively associated with literacy and non-agricultural work force and negatively associated with infant mortality, although the correlation co-efficient are low and insignificant. The percentage of urban population is significantly positively related with non-agricultural work force, per capita income, and literacy and negatively related with infant mortality. The positive association between percentage urban population and percentage of urban population living in class I cities shows that urban population is highly concentrated in class I cities. The correlation matrix also shows that

higher is the per capita net domestic product higher is the number of towns per 10 lakh rural population. Literacy, infant mortality rate and percentage of work force in non-agricultural sector are significantly related with each of the indicators of urbanisation. While literacy and infant mortality have relatively weak relationship with indicators of urbanisation, non-agricultural work force is significantly positively related with percentage of urban population and concentration of population in class I cities.

Table 3 : Correlation Matrix of Different Indicators of Urbanisation and Socio-economic Variables, India, ( N = 15 )

S.N.	% Urban ( 1 )	Urban growth ( % ) ( 2 )	No. of towns Per 10 Lakh Rural ( 3 )	% Urban in class I cities ( 4 )	Per capita Income ( 5 )	% literacy ( 6 )	IMR ( 7 )	% work force in non- agricultural sector ( 8 )
1	1.0							
2	-0.13	1.0						
3	0.53	-0.01	1.0					
4	0.78 * *	-0.07	-0.02	1.0				
5	0.51	-0.24	0.47	0.24	1.0			
6	0.48	0.32	0.096	0.46	0.25	1.0		
7	-0.49	-0.29	0.06	-0.56	-0.35	-0.78**	1.0	
8	0.63 *	0.11	0.23	0.54	0.68 *	0.84**	-0.88**	1.0

\* significant at 0.01 level ; \*\* significant at 0.001 level

Table 4 : Trend in Natural Increase in Rural and Urban Areas, India, 1971-1999

Year	Rural Natural Increase	Urban Natural Increase
1971-80	19.99	19.27
1981-90	21.64	19.49
1991-99	19.57	15.75

Source : Sample Registration Bulletins for respective years ; Office of the Registrar General, India, New Delhi.

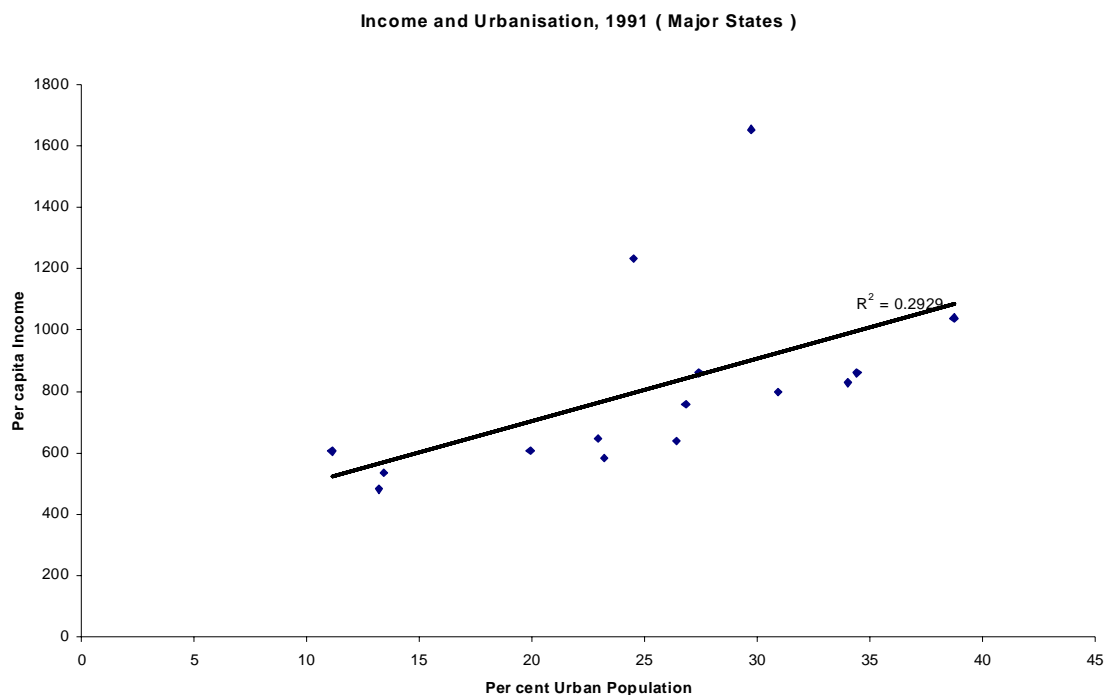


Table 5 India : Components of Urban Growth 1971-1991

Per cent Share	1971-81	1981-91
Natural Increase	41.7 ( 45.1 )	59.9 ( 58.7 )
Net Migration + Changes in Municipal Boundaries	39.4 ( 36.1 )	22.6 ( 23.7 )
Reclassification	18.8 ( 18.8 )	17.4 ( 17.5 )

Census of India 1991 ; Figures in parenthesis are from Pathak and Mehta ( 1995 ). Pathak and Mehta have also estimated the component of urban growth like Census but after adjusting for the declassified towns.

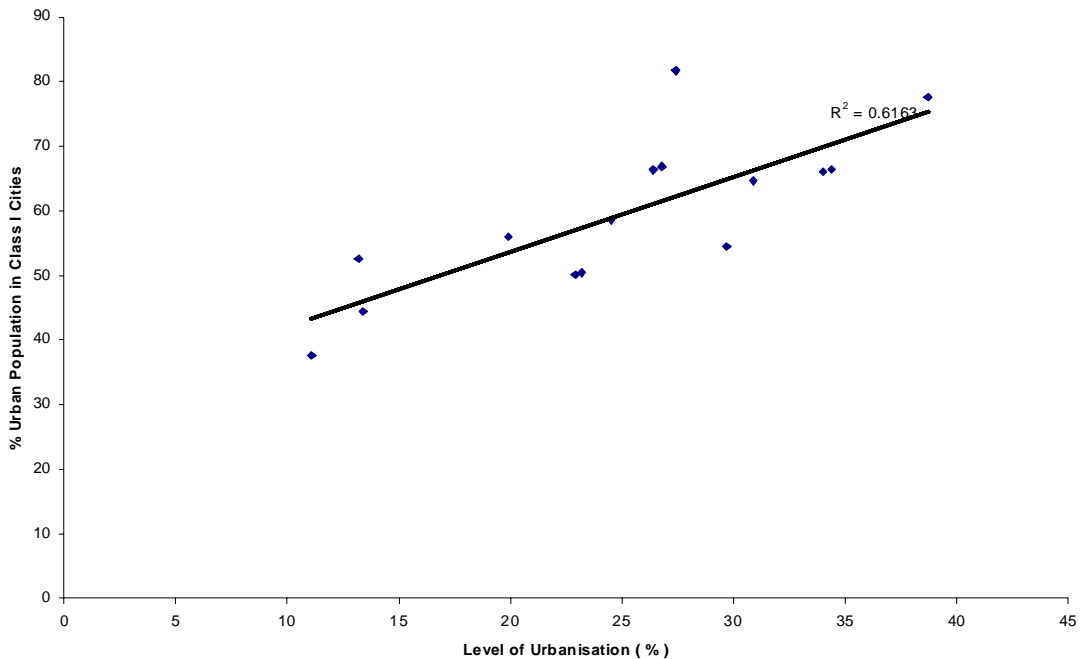
Table 6 : Urban Growth and Share of Natural Increase in Selected States of India.

States	Urban Growth ( % )			Share of Natural Increase 1981-91
	1961-1971	1971-1981	1981-1991	
<b>Relatively Rich States</b>				
<i>Industrial</i>				
Maharashtra	40.8	40.0	38.7	57.0
Gujarat	41.0	41.4	33.6	69.9
<i>Agricultural</i>				
Punjab	25.3	44.5	29.1	81.5
Haryana	35.6	59.5	43.1	62.1
<b>Relatively Poor States</b>				
Bihar	43.9	54.8	30.4	85.5
Rajasthan	38.5	58.7	39.2	65.3
Orissa	66.3	68.5	36.1	60.7
Uttar Pradesh	30.1	60.6	38.9	62.8

Source: Census of 1991.



Level of Urbanisation and Concentration of Population in Class I Cities, 1991



*Trend in Natural Increase and Migration:*

There are three components of urban growth viz., the natural increase, net migration and the areal classification i.e., addition of new towns minus declassification of existing towns. Besides the extension of boundaries of towns also tend to influence the urban growth. However, sometimes it could of small magnitude. As it is mentioned, the natural increase reflects the role of demographic momentum, on the other hand migration is sensitive to economic growth. Table 4 presents natural increase per thousand population at all India level for the years 1971 to 1999. Although the rural and urban difference in birth rate has remained significantly large in the early years of 1970s which narrowed down in the later 80s, the difference in natural increase between rural and urban areas was not significantly large and remains almost constant both in 1970s and 1980s. This is due to the fact that level of decline in death rate in both rural and urban areas were not uniform. The urban areas have advantages than the rural areas. The average natural increase was 19.99 per thousand during 1971-1980 for rural areas compared to 19.27 in the urban areas. The natural increase has increased during 1981-90 in the rural areas and remained constant in the urban areas during the same period. This shows that natural increase is not responsible for the slowing down of India's urbanization during 1980s. Therefore, the share of natural increase in the

decadal growth has increased and the share of migration has declined substantially ( see Table 5 & 6 ). In the decade of 1990s, the natural increase in urban areas has declined substantially from the level of 19.49 during 1980s to 15.75. This could lead to further slowing down of India's urbanization during the 1990s.

As it has been noted that urban growth at all India level has declined during the last decade, this trend is also visible for most of the states of India for the period 1981-1991. Further, it has declined both in better off as well as poorer states. The poorer states like Bihar, Orissa, Uttar Pradesh and Rajasthan have shown very high growth rate during 1971-81 ( 55 per cent and above ) which declined to below 40 per cent in these states. It has also declined in better off states like Maharashtra and Gujarat which are industrially advanced and agriculturally developed states like Punjab and Haryana also have registered decline in urban growth during 1981-91. The natural share of increase is very high in the urban growth in relatively poor as well as relatively rich states of India. This clearly shows that the urbanisation in India in recent times is predominantly led by demographic momentum. On the other hand, the role of economic momentum in terms of pull factors are largely restricted to the large cities only where also the new entrants are finding difficult due to over increasing size of informal sector and growing nativism.

#### *Evidences of Declining Trend of Migration:*

There are several ways to examine the contribution of migration to the urban areas depending upon the availability of data. One of the ways could be to examine the share of net decadal migration to urban areas to urban growth, but the census data have some limitations in estimating the net decadal migration to urban areas directly from *Migration Tables* as separate information in the wake of change in the area and population due to extension of municipal boundaries during the inter-censal period is not available either for the total or for the migrant population. Secondly, the migration data for new and declassified towns are not available separately and this could introduce error in estimating the contribution of migration in the share of urban growth over a period of time. It is found that share of migration estimated directly from Migration Tables underestimates the contribution of migration grossly. For example, Premi ( 1991 ) estimated 33.6 per cent contribution of net rural to urban migration along with increase due to changes in municipal boundaries compared with 39.4 per cent estimated by Jain ( Census of India 1991 ) and 36.1 per cent by Pathak and Mehta ( 1995 ) for the year 1971-81 using the residual method. Table 5 presents share of migration in urban growth along with natural increase and reclassification of towns for the census year 1971 to 1991 based on residual method. It may be seen that the share of migration along with changes in municipal boundaries was around one-third of the urban growth during 1971-81 which had declined to about one-fifth during 1981-91. The share of new towns adjusted for declassified towns was estimated to be

around 19 per cent during 1971-81 compared to nearly 18 per cent during 1981-91. The estimates clearly show that migration to urban areas had drastically declined during the 1980s. This is also reflected in the share of migrants in the total urban population as well as the share of decadal migrants to total migrants at the all India level as well as for the different states of India.

Table 7 India : Trend in Migration into the Urban Areas, 1981-1991

State/ Country	Percentage of Migrants to Total urban Population *		Percentage of inter-censal urban migrants to total urban migrants 1981			Percentage of inter-censal urban migrants to total urban migrants 1991		
	1981	1991	M	F	Total	M	F	Total
India	38.8	32.2	48.7	45.2	46.9	43.1	40.2	41.6
Andhra Pradesh	38.6	34.5	57.3	54.1	54.9	49.3	46.0	47.5
Assam	-	38.6	-	-	-	44.1	42.2	43.2
Bihar	38.5	31.8	53.1	42.3	47.1	42.1	32.3	35.9
Gujarat	39.6	38.1	42.1	44.7	43.5	42.6	41.8	42.2
J&K	-	-	-	-	-	-	-	-
Harlan	46.8	43.6	51.5	46.7	48.9	46.3	42.0	43.9
Himachal Pradesh	58.8	58.9	63.6	57.4	60.8	58.1	50.9	54.6
Karnataka	37.9	32.8	52.6	47.1	49.7	48.6	44.7	46.6
Kerala	25.0	25.5	53.9	48.0	50.4	48.3	43.7	45.5
Madhya Pradesh	41.8	39.1	53.6	46.8	49.9	45.5	41.5	43.2
Maharashthra	48.3	33.8	44.3	44.4	44.3	40.3	41.0	40.7
Orissa	47.7	37.0	59.9	52.6	56.4	49.4	43.4	46.3
Punjab	42.6	40.1	42.4	53.3	41.7	41.0	38.9	39.8
Rajasthan	32.9	30.0	55.9	43.2	48.5	49.3	39.0	43.1
Tamil Nadu	35.8	28.2	51.9	49.9	50.8	40.9	40.8	40.8
Uttar Pradesh	28.8	22.3	49.9	36.4	41.6	44.1	35.5	38.6
West Bengal	39.4	28.5	31.3	33.4	32.3	28.3	32.1	30.3

Source : Census of India 1991 Floppy Diskette, D-2 Tables.

\* It includes international migration also.

Table 8 India : Trend in Inter-censal Rural to Urban Migration ( 0-9 Years ) to Total Rural to Urban Migration, 1981-1991

State/ Country	1981		1991	
	Male	Female	Male	Female
India	49.7	44.3	44.2	40.1
Andhra Pradesh	56.4	50.9	49.0	44.8
Bihar	52.7	40.7	41.6	31.4
Gujarat	47.1	43.3	43.4	41.8
Haryana	61.5	51.0	50.7	43.5
Himachal Pradesh	64.4	55.0	59.6	45.5
Kerala	51.4	45.7	46.8	42.3
Karnataka	50.9	44.1	49.2	49.8
Madhya Pradesh	55.3	45.9	46.4	41.0
Maharashtra	59.0	58.8	40.0	40.6
Orissa	58.5	50.0	48.1	41.5
Punjab	49.8	50.7	46.4	40.6
Rajasthan	58.3	41.2	51.6	38.5
Tamil Nadu	48.7	46.2	40.1	39.3
Uttar Pradesh	51.0	37.8	45.1	34.9
West Bengal	34.4	38.7	32.2	34.9

Source : Census of India 1991 Floppy Diskette, D-2 Tables.

Table 7 shows that the percentage of migrants to total urban population as well as decal ( 0-9 years ) to total urban migrants for the census year 1981 and 1991. It may be seen that share of migrants to total urban population was nearly 39 per cent in 1981 which declined to 32 per cent in 1991. Similarly, the share of decal migrants to total urban migrants declined from 49 per cent in 1981 to 42 per cent in 1991. The decline was observed for males as well as females separately. This shows the increasing nativity in the urban areas confirming the role of increasing role of natural increase in India's urbanization. The increasing nativity was observed for most of the states of India except Gujarat, Kerala and Himachal Pradesh where the percentage of migrants to total urban population remained static between the 1981 and 1991 censuses. The increasing nativity was more pronounced in the states of Maharashtra, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal. The decline in the share of migrant population to total urban population was highest in Maharashtra where the share had declined to 34 per cent in 1991 compared to 48 per cent in 1981 followed by West Bengal and Orissa where decline was nearly 10 percentage points between the censuses

1981 and 1991. The share of decadal migrants ( 0-9 years ) had also declined sharply in most of the states of India indicating that the pace of migration has slowed down in the 1980s compared to 1970s ( Table 8 ). The share of inter-censal rural to urban migrants ( 0-9 years ) in the total rural to urban migration was around 50 per cent for males and 44 per cent for females in 1981 which declined to 44 and 40 per cent respectively in 1991. The decline in the recent rural to urban migration was very sharp for males and females in Maharashtra where decline was more than 15 per cent for both the sexes between the censuses 1981 and 1991. In Punjab, the female migration was much more affected in the 1980s compared with male migration. As such the share of inter-censal ( 0-9 ) female migrants to total rural to urban female migration has sharply declined from 51 per cent in 1981 to 41 per cent in 1991 whereas the figures for male was 50 per cent in 1981 compared to 46 per cent in 1991.

The unemployment data available from National Sample Survey show that unemployment was more in urban areas than rural areas and also the unemployment had increased in urban areas during the period 1983 to 1987. The metro cities show higher level of unemployment and females were more unemployed and unemployment among them had increased faster than males in urban areas ( see Table 9 ). This shows that educated and uneducated females also increasingly competing for skilled as well as unskilled jobs with their male counter parts due to rising cost of living in the urban areas. This is another factor dampening the rate of rural to urban migration in the country during the 1980s. The more recent data on the growth of employment in organized sector shows that the average growth in employment was only 0.87 per cent per annum during 1991 to 1999 in spite of impressive growth in national income during the said period ( over 6 per cent per annum). This is because if economic growth becomes capital intensive it is likely to generate lesser employment (Ministry of Finance, 2001). This has important implication so far India's urbanization is concerned. On the other hand the large metro cities which have a very dominating position in India's urbanisation stand as economic

Table 9 : Unemployment Rates as Percentage of Labour Force in Urban Areas, India, 1983-1992

Year	Usual Principal Status		Current Weekly Status		Current Daily Status	
	Male	Female	Male	Female	Male	Female
1983	5.8	6.9	6.7	7.5	9.2	11.0
1987-88	6.1	8.8	6.7	8.9	8.8	12.8
1989-90	4.4	3.9	4.5	4.0	-	-
1990-91	4.5	5.4	5.1	5.3	-	-
1992	4.6	6.7	4.6	6.2	-	-

Source : Economic Intelligence Service, **India's Social Sectors** , Feb. 1996, Centre for Monitoring Indian Economy Pvt. Ltd. , Mumbai.

island where new entrants have to face greater difficulties in finding a foot hold, let alone jobs. The natives of the big cities have advantages in preparing themselves in terms of opportunities for skill formation. In spite of that it is difficult for the cities even to accommodate its labour force on the account of natural increase, let alone the migrants. The likely impact in future will be reduced migration to urban areas and also to metropolitan cities.

The slowing down of migration to urban areas was due to rising parochialism in cornering jobs for the natives. In recent years, due to shrinkage of jobs and increasing unemployment among youth the concept of *sons of the soil* is very much appealing to the natives of even in states where such campaign were little invoked by the political parties in the past. In a recent study in Ahmedabad by Desai (1999) found that local people feel that 80 per cent of jobs should be reserved for *sons of the soil*, a feeling or attitude repulsing the migration to urban areas in the wake of growing urban crisis.

#### *The Future Urbanisation:*

India has launched the programmes of economic liberalisation since 1991. Some of the proponents of this strategy of linking the country with the global economy would accelerate rural to urban migration and boost urban growth in 1990s and the following decade. The expectation is evidently based on the assumption that there will be a massive inflow of capital both from within and out side the country resulting in rapid development of infrastructure and industrial growth. This is likely to give impetus to the process of urbanisation in the country since much of the industrial growth and consequent growth in employment would be within or around the existing urban centres ( Kundu 1997 ). This enthusiasm is not correct. The benefits of liberalisation will accrue to only those who could acquire new skills commensurate with the demands of liberalisation of the economy. In view of sluggish growth in employment that too of skilled nature, it impossible for the common man and the poor to benefit from the liberalisation. Secondly, foreign investments are coming only in selected sectors concentrated only few pockets of the country in around metro cities. And the magnitude of foreign investment is low in India compared to China. For example, in spite of several allurements only approximately 3.5 billion \$ (1.8 percent of total across the countries ) of the foreign direct investment ( FDI ) reached to India in 1998 compared with 43.8 billion \$ (7 per cent ) in China ( World Bank 2001 ). Moreover, it is not likely to benefit the urban centers of non-metropolitan nature. Therefore, it will not be correct to think that urban growth and rural to urban migration will accelerate in future. On the other hand, critics of new development strategy have pointed out that the opening of the economy will destabilise the agrarian economy, resulting in high unemployment and massive exodus from rural areas. This would lead to rapid growth of population in urban centres. This view is also not correct

because it is uphill task for the poor people to survive in a situation of rising cost of living and increasing difficulty to accommodate themselves in the bloated informal sector. There is an increasing casualisation of work in the post liberalisation period also ( Deshpande 1998 ). It has further strained the informal sector- a refuge for poor migrants from rural areas. Thus in view of sluggish growth in employment and increasing casualisation of work in the 1990s, and the persistence of the under currents of sons of the soil factor backed by regional-linguistic political parties in different states of India, it is difficult to believe that the pace of urbanization or rural to urban migration will likely to accelerate in near future. On the contrary, the liberalisation as such by benefiting the people and urban centres selectively is potentially loaded for likely increase in intra-urban and urban-rural inequality.

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