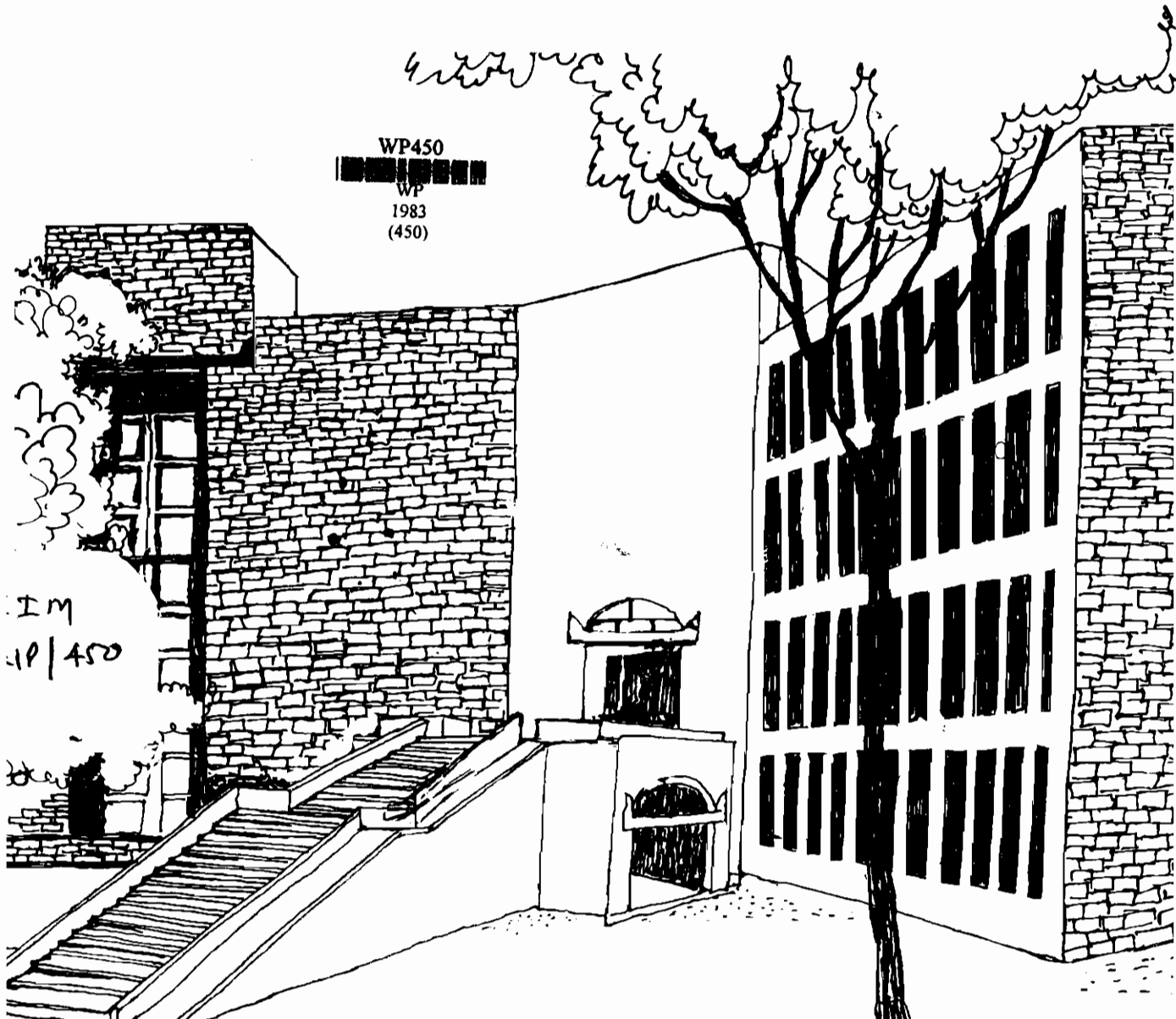




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SPATIAL UNDERDEVELOPMENT, SMALL  
TOWNS AND PUBLIC POLICY: THE  
INDIAN EXPERIENCE

By

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Abstract

Spatial Underdevelopment, Small Towns and  
Public Policy : The Indian Experience

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The role of small towns in national development has assumed significant importance in recent times in the light of renewed interests in decentralised development strategies. Conventional approaches which viewed small towns as growth poles in a hierarchy of settlements with backward and forward linkages have proved to be of little value. There has been a relative and secular decline of small towns. This paper reviews the historical growth of small towns and their role in different national development plans in India, critiques the growth pole concept, attempts to provide alternative explanations about small towns and finally develops a self-reliant strategy for the development of small towns in the coming years.

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Introduction:

The role of small towns in national development has assumed significant importance in recent times in the light of renewed interests in decentralised development strategies. Conventional approaches which viewed small towns as growth poles in a hierarchy of settlements with backward and forward linkages have proved to be of little value. There has been a relative and secular decline of small towns. This paper reviews the historical growth of small towns and their role in different national development plans in India, critiques the growth pole concept, attempts to provide alternative explanations about small towns and finally develops a self-reliant strategy for the development of small towns in the coming years.

2. Small Towns in the Indian Development Plans:

The basic question to be asked is why are towns small and how did they get that way. Defining them in terms of population size is primarily a neomalthusian view of shifting responsibility for existing state of affairs. Instead of subscribing to this grim algebra of population, we need to define small towns in historical and structural terms. The colonial period in India witnessed an inversion of industrialisation and corresponding dysfunctional organisation of space. Metropolitan cities and the

infrastructure (railways, ports, roads etc) were developed to suit the surplus-extracting interests of the colonial masters. Uneven development forms the very essence of colonial development of unequal exchange. Uneven spatial development is the reflection of underdevelopment on a world scale. Even after Indian Independence 35 years ago and initiation of national development efforts only a limited advance has been made to reverse this process of underdevelopment. There has been a relative and secular decline of small towns. Let us review briefly how small towns have figured in India's Five Year Plans.

Five year plans were initiated in the year 1950, The first two plans had very little spatial emphasis. Agricultural and Industrial development, it was thought, would take care of spatial inequality (interregional and rural-urban). In the Third plan, explicit statements were made about regional development needs and resource allocation did reflect this concern. Yet interregional disparity was growing. Towns and cities were left to fend for themselves or get subsidies from state governments.

In the Fourth and Fifth plans, four important means to combat spatial inequality were identified:

- \* More financial allocation to regions based on criteria of backwardness
- \* Policies to attract capital to backward regions (e.g. regional or area development authorities)
- \* Public expenditure to develop areas occupied by weaker sections (e.g: minimum needs programme to

improve water supply, housing, health, slums etc)

\* Industrial dispersal policies.

In the Sixth five year plan (1980-85)<sup>1</sup> the need for reducing regional inequalities is again stated. But more importantly, it is recognised that capital intensive industries create dualistic economic structures which has the potential for increasing inequality. Hence the emphasis on block level planning, use of local resources, strengthening local institutions, and public participation in this plan. In a sense, India has come a full circle. In the First plan of early fifties, community development programmes which were integrated plans were started. Later, functional priorities dominated the territorial approach and in early sixties, the Ministry of Community Development was merged with the Ministry of Food and Agriculture. Now, India seems to be emphasising the territorial approach again.

The Sixth plan allocates Rs.960 million (approx US \$ 100 mill - a wholly inadequate amount) for the integrated development of small and medium towns.(upto 100,000 population). In 1981, 902 small towns in India (out of a total of 2057) (with a population of 20,000 or less) did not have drinking water supply, sanitation and sewerage services. Small towns have declined in relative importance over the last 80 years. In 1901, 50 % of the urban population lived in small towns and by 1971 only 37 % of the urban population lived in small towns. Their economic base has weakened.<sup>2</sup> They have poor public services (infrastructure, housing, drainage) and significant environmental pollution. The terms of

trade seem to be against small towns in the present spatial hierarchy. Their ability to raise resources through taxes etc. or attract investment is limited. Their administrative and institutional infrastructure is very inadequate. Hardly any urban planning gets done in small towns. Major public sector investments or assistance from international agencies go to big cities or to new uninhabited areas. The new integrated plan for small and medium towns is intended to check migration into larger cities and to develop them as service and market centres for rural hinterlands. The central government will provide loan funds on a matching basis to states for infrastructure development to provide minimum needs. It is too early to say how this programme has worked. Clearly, this is seen as an "additional" programme to normal, sectoral development efforts.

Small town Development is a product of combination of factors such as government policies and programmes, social and economic structures, regional resource endowment, political development, history and mix of economic activities. Hence, an important premise is that small towns cannot be viewed in isolation for developmental purposes. In the Indian development efforts, we see little direct attention to small towns per se. Overall, they are relatively neglected. However, recently several functions and roles for small towns seem to have emerged.<sup>1</sup>

- \* Promoting and supporting rural development  
(through market and service centres)
- \* More balanced distribution of urban population
- \* Functional linkages between rural and urban areas



- \* Decentralising economic and social activities over space
- \* Special roles (where appropriate) in places of tourism, religious importance, mining, industry etc.

### 3. Small Towns as Growth Poles:

We noted that public policies in India have not contributed to the reduction of regional imbalances, slow-down of rural-urban migration, spatial redistribution of population or arresting the decline of small towns. One key concept that dominates public spatial programmes is the idea of a growth pole. The concept of a growth pole was introduced by the French economist F. Perroux in 1955. It implies that development appears in certain growth poles and spreads along diverse channels with variable intensity.<sup>3</sup> This concept is closely related to and reflective of Central Place Theory in Geography and Modernisation Theory in neo-classical Economics. In more general terms, growth foci at various levels (villages, service centres, growth points, growth centres, growth poles) represent a hierarchical scheme of settlements which are integrated by economic and social linkages.<sup>4</sup> In this scheme, development is defined as spatial diffusion of innovations from the centre outward to the periphery. The Central Place Theory in Geography has been a major source of influence in the development of growth poles. Linear growth 'stages of growth', 'trickle down' theories of development of the modernisation school imply that all spatial settlements (village, town, city, region or nation) follow the same path of development. There are some who are more advanced and the others can catch up with them, over time. In this view, small towns can become big and more 'developed' over time, through

modernisation. Development of small towns and backward regions, however, was not taking place as predicted by this theory.

The liberal response to the crisis in growth pole theory<sup>5</sup> has been to develop alternatives to the conventional innovation-adoption(modernisation) model, (which focusses on individual adopters, communication, education, extension, incentives). An infrastructural school has developed in India which focusses, as in the Sixth plan for small towns development, on infrastructural facilities, making them accessible to poor, using existing management structure or establishing new agencies and strategies before innovation diffusion. In addition, this school advocates, in a managerial-master plan framework, development of spatial programmes for certain classes and regions as normal market processes or institutional strategies might be ineffective. There is some evidence that this model is not effective particularly from the experience of backward area development programmes. In the area of small towns, evidence is yet to emerge about the efficacy of this model. This model is merely reformistic-incremental and does not question the fundamental assumptions of the growth pole or modernisation model: viz. spatial integration, market efficiency, and hierarchy of settlements.

The modernisation model has served as a basic ideological framework for regional development and development of small towns. There has been a powerful critique of this school in the recent years but it continues to be dominant. We will review here some major aspects of the critique of viewing small towns as

growth poles. This hierarchical model prescribes a universal framework, ignoring contextual conditions, as well as portrays development as a nonconflictual, harmonious non-zero-sum process. Real experience indicates that the centre instead of energising the periphery, impoverishes them and creates dependency. This model of development encourages centralization, concentration and accumulation in the centre. Development, as market based diffusion of innovations, is basically an unequal exchange, in which the centre continually accumulates surplus (for example observe the growth of Bombay in the last 30 years). The system of linear growth which can be apparently observed in the demographic structure of settlements, can be sustained only if the hierarchy continues to expand spatially through progressive peripheralisation, incorporation and proletarianisation. Crisis tendencies develop in the system (for example Calcutta) as they have now, if there is a breakdown in the process of exploitation because of economic crisis or when absolute spatial limits are reached.

This view considers small towns as autarchic existing in a historical and structural vacuum. Small towns are interdependent and cannot be independent of the structural attributes of the socioeconomic system. There is growing evidence that innovations (technological or otherwise) have a class, factor and spatial bias (for example, the impacts of green revolution in India). In an unequal system, innovations or development interventions tend to reinforce and reproduce inequality, however well articulated the intentions or objectives or strategies might be. The structural causes of underdevelopment of small towns or regions cannot be

halted by better programme management or targetting. Public investment in small town infrastructure (intended as a measure to correct the distortions of the market place) under the given social conditions, can only benefit a few landlords, the rich, merchants, professionals, by making them more powerful and the others less powerful.

The growth pole approach suffers from a number of questionable assumptions which have been proved to be untrue from the experience of many cities<sup>6</sup> (e.g. backwardness of Ratnagiri which is near Bombay and Burdwan which is near Calcutta).

- (a) Spatial incidence of multiplier effects of diffusion experience shows that instead of benefits filtering down the hierarchy they filter upward and the centre become more powerful. The analogy of consumer goods where this assumption is true is not valid in case of settlements.
- (b) The assumption of Central Place Theory which states that capital and labour markets operate efficiently in the vicinity of cities rather than far away is again borne out to be not true in the Indian context. This assumption would be valid only if there is a more or less homogenous market economy of small producers who should make use of the central place for their periodic transactions. In India where many live outside the exchange economy this assumption is not true.
- (c) An attempt to halt the growth of big cities through

development of satellite towns as counter magnets have failed. For example, the new Bombay experience to halt migration into Bombay city has been a massive failure. Small town development programmes still operate under the premises of a modified growth pole approach. Small towns are viewed as mini growth poles, distributed in space. It seems clearly illogical to expect minigrowth poles to work, when growth poles have failed !

(d) The idea of a growth pole has its origins essentially from a middle-class perspective (builders, businessmen and bureaucrats). Particularly, the bureaucracy finds this idea attractive as its administrative culture is also hierarchical. Urban planners too are committed to this idea of growth poles as it is politically neutral and physically an elegant concept. The architectural background of many of the planners focusses their attention only on the physical aspect of growth poles. The informal sector in this process gets totally neglected even though in many Indian cities nearly 50 % of direct and indirect employment is in this sector. In small cities this percentage may even be higher.

(e) The methodology of regional planning implied by growth poles is primarily quantitative and graphic. As space is considered primarily physical and objective this methodology is consistent with the theoretical perspective of using a general principle in a particular situation. Contextual factors are thus ignored in this

methodology. Again, empirical evidence shows that a case study approach focussing on qualitative indicators and political processes is far more relevant in planning for small towns.

(f) Urbanisation processes introduce class contradictions.

Private ownership of land, ghettos, migration, changes in production relations brought about by technology, the town-village dichotomy and the growth of specialised forms of interdependent economic activities are the main reasons for the crisis which small towns face today. The growth pole concept refuses to address this historically persisting reality and hence it is inadequate to solve the problem.<sup>7</sup>

(g) Even with reference to new centres of large scale industrial activities (e.g. the steel town of Bhilai) one moves from a node of most advanced technology to a neolithic hinterland very quickly. Even after twenty five years of this new town development one reaches the distance of 3000 years within 16 kms from Bhilai. This is also the experience of many other industrial towns where growth refuses to diffuse.<sup>8</sup> Such enclaves are very common in the map of India.

4. Myths about small town development :

There are several myths about small town development which I would like to discuss here.

i) In Indian planning for small towns, there is a predominant technical emphasis. The problems of small towns are

seen as technical problems requiring physical development and government controls only.<sup>9</sup> The social nature of the crisis of small towns is ignored. Spatial equity cannot be achieved without a simultaneous emphasis on social equity.

- ii) There is a myth about optimum size of towns. This myth follows the idea that small is beautiful. Hence small cities are seen as more humane, liveable and having low social costs. They also seem to have improved access to facilities and mitigate the ill effects of congestion. It is believed that smallness can be achieved by design and planning and city size can be controlled by reliance on market mechanism and regulation.
- iii) It is believed that small towns can be developed in isolation of the regional context and the resulting diffusion will benefit the rural hinterland.
- iv) Public control rather than private initiative, in lands to protect the interests of the poor, to bring about orderly development and to generate more funds for urban development is thought to be desirable. A classical example where this myth is shattered is the experience of Delhi where the price of land has increased sixty times in the last fifteen years making it far beyond the reach of the poor. The supply of work places and housing also falls far short of the requirements. As mentioned earlier while the rhetoric of public control continues, urban land has been captured by the rich

and powerful for their benefit.

- v) Most of the small town development programmes that are envisaged in the Sixth plan and even earlier with the support of state governments are really for new projects rather than for redevelopment. Small towns programme is seen as an 'additional' investment rather than one that is integrated with other socio-economic development efforts. It is somehow felt that new projects will generate enough momentum for development rather than redevelopment or renewal projects. Such efforts in the past have obviously not borne fruit as the structure of economic activities continues with obsolete property tax structure and rent control regulations.
- vi) Small town development is seen primarily as a result of financial investment for physical infrastructure. Strengthening the institutional capabilities for planning, administrative action as well as public participation are hardly emphasised. Moreover, the maintenance of physical infrastructure is a major burden on expenditure of the municipal government which is usually ignored in planning capital projects.

These myths continue to persist in India in spite of experience to the contrary. The historical experience of relative decline of small towns because of their peripheral nature and unequal spatial exchange over a number of decades stands out starkly in the face of planning attempts in the diffusion framework.



5. Towards an Alternative framework for the development of small towns:

The reality of small towns is both spatial (material and physical) and social.<sup>10</sup> Space is not an objective entity capable of transformation without a corresponding change in the social organisation. In this section we would like to develop an alternative framework for the development of small towns. This framework has not been tested on a national scale but micro-level experiences and a critical understanding of the history of small towns in India enables us to propose this framework. The main characteristics of this framework are:

- (a) A return to democracy by building community and reducing the domination of government is absolutely necessary in the development of small towns. Public participation is a central element in planning for small towns. Such participation should not be only in form but a genuine political process. This flies in the face of 'technical', 'objective' notions of small town planning. Small town development thus, cannot be seen as social engineering.
- (b) Small town planning should necessarily attempt to reduce the spatial inequalities through shifting emphasis from more effective functional integration (on a national or international scale) to a greater stress on internal territorial integration, promotion of self reliance and as a necessary policy corollary, selective regional closure. This self-reliant strategy stresses the importance of mobilising indigenous

resources of the area towards the goal of satisfying basic needs.<sup>11</sup>

- (c) The mix of economic activities in the region should primarily address the production of basic needs and then only the production of goods and services for export. The idea is that the community of the small town should have substantive control/autonomy over their affairs and the surplus generated be retained within the region itself for developing their own productive capacity and economic base. The force of innovation is wilful community action. Rural development planning is undertaken for small town development and not the other way around. Such planning is not planning for the local area at the state or central level but ought to be an endogenous process.
- (d) The equalisation of access to the bases of social power (productive assets, finance, information, knowledge and skills, social and political organisations) is an essential prerequisite in such a self-reliant strategy. The endogenous nature of development focusses on use value and local need.<sup>6</sup>
- (e) The role of state will have to drastically change from one of representing the class interests of the rich and urban classes and for promotion of more integration with national and international economic system. Public expenditure, regulation and other policy measures will be to facilitate the building up of community capability

to solve their problems. State, then, become developmental, redistributive and facilitative. The liberal state response of more incentives, more public expenditure and more infrastructure building within the same structural context, need to be given up in favour of a more radical role of state. State must encourage a civil society not dependent on it as welfare or subsidy recipients. Such a non-dirigist view of the state is admittedly very radical in the current context.

- (f) The nature of integration with the external economic system must necessarily be selective and be based on local capabilities after the basic needs are met.
- (g) The spatial arrangements of homes, places of work, education, community services should be designed in a small town to build a sense of community and social interaction. There should be no sharp separation of land use into industrial-commercial-residential districts. In other words, if efficiency is not the primary goal uneven development that characterises economic activities and spatial forms will not occur. Rather, the community is stressed encouraging interaction and engagements of the masses. In such a small town, there is less consumer choice but a greater sense of involvement and participation in society. Elaborate consumer choice fosters competition, weakens commitment and emphasises the fetish of privatization.<sup>12</sup>
- (h) In such a framework, development of a theory/model for

change follows the practice. In other words, we build a model (understand the nature) of regional development through the transformation of the region. It is not a model to be replicated or implemented in other contexts but needs to be reinvented each time. If it were not so, what we will achieve is regional reproduction and not regional transformation.

(i) We mentioned the futility of planning for small towns in isolation as a separate programme. Unless regional planning is integrated with socio-economic planning and with non-spatial policies like trade, price etc the results will be ineffective. Rural-urban integration has to be accomplished on the basis of mutuality and not dependency. The most important challenge in this regard, is the management of tension between national coordination and local decentralisation of development.

(i) Based on the above the following research agenda is suggested.

- \* Structural causes of spatial underdevelopment
- \* Linkages of spatial and nonspatial policies
- \* Preconditions needed for effective implementation of spatial decentralisation policies
- \* Formulation of spatial policies, design of programmes, mix of policy instruments, implementation studies and evaluation in a comparative, cross-national framework
- \* Research - Practice linkages.

6. Conclusion :

This paper critiques the conventional approach to the development of small towns in India and presents an alternative framework. The alternative may appear idealistic, even unrealistic at the present historical moment. However, a critical understanding of the growth of small towns in the context of national and international economy, leads us to the framework suggested. Whether this alternative framework can be implemented without fundamental structural change is a valid question. In the short term, political movements, administrative reforms and critical education can lead us toward that goal. But there are obvious limits to this approach. In the long run, only a fundamental structural change in the social relations of production can bring about the renewal of small towns in India and elsewhere. The small towns will become lively, humane and communal places of living. The constraints of the present power structure and opposition by established interests (functional organisation of bureaucracy, centralized resource allocation processes, economic interests of the rich and powerful etc) are likely to be major impediments in the realisation of this goal. A structural understanding of the predicament small towns face today, will enable us to bring about progressive change and not continue to advocate liberal-reformistic policies.

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