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Republic of India

Understanding India's Urban Frontier

What is behind the emergence of Census Towns in India?

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GSURR

SOUTH ASIA



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GLOSSARY

<i>Bazar</i>	market
CT	Census Town
GP	Gram Panchayat
HQ	Headquarter
IAY	Indira Awas Yojana, central scheme for rural housing
MLA	Member of Legislative Assembly
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
NOC	No objection certificate
NP	Nagar Panchayat
<i>Panchayat</i>	Elected group that governs a village
PMGSY	Pradhan Mantri Gram Sadak Yojana, a central sector scheme for road infrastructure
<i>Pradhan</i>	Head of gram panchayat
<i>Samiti</i>	A collective, cooperative or union
<i>Sarpanch</i>	Head of gram panchayat
SA	Settlement Agglomeration
ST	Statutory Town
<i>Zilla Parishad</i>	District Council

EXECUTIVE SUMMARY

1. The definition of urbanization in India is unique. Settlements are grouped into three broad categories: (i) villages, (ii) statutory towns (STs) and (iii) census towns (CTs), the latter two being urban areas. While STs includes all manner of urban local bodies under the 74th Constitutional Amendment and are defined variously under state municipal acts, CTs are rural settlements that satisfy three criteria: population (at least 5,000), density (at least 400 persons per square kilometer) and workforce (at least 75% of male main workers in non-farm sector) set by the Registrar General of India for defining an urban area. CTs are thus in-between settlements: they are large dense settlements that are administratively rural governed by a panchayat under the 73rd Constitutional Amendment, with most of their population engaged in non-farm activity, i.e., places that are possibly urban in character, which are governed as rural areas.

2. It is important to study CTs because they currently account for 15% of urban population (which includes population of CTs) and 36% of small town (below 100,000) population and are sharply increasing in number. The 2011 census identified 3,894 settlements as CTs while there were only 1,362 such settlements in the 2001 census. Of the total urban growth of approximately 90 million people, almost a third is attributed to the new census towns, i.e., change in the character of settlements, due to re-classification of rural areas into urban areas because of increase in non-farm activity. There is limited literature on census towns since they are neither studied separately as urban areas or rural areas. With the recent acknowledgement of their role in urban growth though, the questions around the contestations on their status (the trade-offs between rural and urban status) their hybrid nature, their nature of urbanization, and relationship to existing urban settlements is an emergent theme in the literature.

3. The aim of this study is to contribute to a better understanding of the nature of census towns. It provides a quantitative picture of CTs, relying upon settlement level data from the census to describe their character and service levels, as well as a detailed qualitative study in five locations in four states of Eastern India (Satghara in Bihar, Gopalpur in West Bengal, Erein in Odisha and Bishnugarh and Cherra in Jharkhand). In Bihar, two more sites, a large village (Simri) and a statutory town (Jhanjharpur) were chosen to enable a comparison with the CT in terms of economic transformation and governance.

4. The study asks three main research questions, viz. (i) the nature of economic transformation (ii) spatial transformation and (iii) the governance of CTs and its relationship with levels of service provision.

5. The **nature of economic transformation** of the CTs can be grouped into three categories: (i) the everyday economy, (ii) town-specific activities (which may not exist in all towns) and (iii) new activities, all of which, with the possible exception of transport, are largely financed through non-formal sources.

6. The everyday economy, which is organically rooted in servicing the demand from surrounding settlements, is facilitated by improved connectivity and transport options. This everyday economy is organized around the local market, i.e., the *bazaar* economy, but is insufficient to generate surplus capital, though it is an important and resilient source of employment and of interactions with the surrounding villages. In some settlements, there are also additional external drivers, such as the Dhamra port project in Erein and a hospital and college in Bishnugarh. However, in the state of Bihar, there is a visible absence of such drivers, of industry and a lack of public investment beyond roads.

7. Town-specific activities are varied and differ between settlements, but they are generally small-scale and often embedded in traditional caste occupations, e.g., Gopalpur's yoghurt industry, the small-scale foundries in Bishnugarh and Cherra or jewellery making in Bihar. Improvements in connectivity and transport help to increase the market for these products and expand the size of such activities.

8. Five new activities are common to all sites, the major two being para-transit and construction. In addition to these two, three other common activities are private education, private healthcare and services around cellphones, their sales, servicing and value-added services.

9. Growth in para-transit transport is driven by effective public investment in rural roads, increased user demand based on travel needs for education and general consumption and relatively easy supply of finance for vehicles through their manufacturers or banks. In some places like Gopalpur, there are also locally manufactured vehicles such as battery powered electric rickshaws that operate as shared public transport. In Bihar, people engaged in this para-transit activity are often migrants returning from large cities, where they acquired finance and the skills required for driving vehicles.

10. Data on houses provided by the Census and field work results indicate a rise in the construction sector, in particular for residential purposes. However, commercial real estate activity is limited, with the exception of Erein, thanks to its location near the district headquarters and large external factors, such as the investment in connectivity to Dhamra port.

11. **Spatial transformation** or land use change in a CT is not confined within its administrative boundaries. In all the settlements, expansion occurs outside the CT boundaries, a process also observed in the case of the ST studied. In part, this spatial spillover is driven by the lack of building regulations and lower taxes outside the ST, but in the CTs, this is simply the inability of a small settlement area to contain the growth of economic activity.

12. The governance of CTs and its relationship with levels of service provision is complicated. The form of governance (rural vs. urban) in these five settlements is a matter of vigorous local discussion and proposals for alternative administrative formations (which are developed at different scales) can be traced, in varying degree, to four axes of contestation.

13. The first axis of contestation is service provision. Though there are local variations in service delivery according to the effectiveness of the state governance mechanisms and nationally, controlling for size, there is little evident difference in service provision between CTs and statutory town (STs), it remains a major axis of mobilization.

14. In addition, there are three other axes of contestation, viz.: (i) the role of taxes and public schemes, (ii) the nature of non-farm activity and related land use changes, and (iii) local socio-political formations. In particular, the field work highlights the importance of the social grouping and conflicts of the area in influencing the debate on governance. The grouping overlaps with the economic divide between the *bazaar* (that includes some members of the local elites and traders) and *basti*, which benefits from various social welfare schemes. The aspirations for urban status appear to be pushed by local elites and resisted by the poorer groups, as for instance in Erein in Odisha where Dalit, Muslims and tribals are apprehensive about a shift to urban status. In Bihar, though, since access to welfare schemes is poor, it is not a strong argument to remain rural. Nevertheless, coalitions contesting the shift from rural to urban status are clearly embedded in specific local socio-political configurations that are also linked to caste.

15. Beyond these contestations, the transition to urban governance is also shaped by State legislations that define criteria to become urban. In West Bengal and Jharkhand, the settlements studied are too small in population to claim this status. However, in Bihar, the study demonstrates numerous practices on the ground to put up proposals for urban status, or district headquarters (which is perceived as an instrument to attract public investment) that are based on realignment and agglomeration of territories that concentrate non-farm activities. In Odisha, while the boundary of the nearby large town has been expanded, Erein has been excluded from the expansion.

16. Some of these results from the qualitative fieldwork may be specific to poorer states, and in more developed states, the monetization of land may, inter alia, play a more central role and can trigger a potential for capital surplus later invested in more productive activities. Even within the four states, some results, e.g., the importance of migration and the lack of association between statutory status and service provision may be specific to Bihar, as illustrated by a pair-wise comparison of Simri and Satghara as well as Satghara and Jhanjharpur. The purpose of this comparison was to illustrate the position of a large village, a CT and a ST with regard to their governance and their economic structure. Interestingly, our results show that these three types of settlement cannot be seen as being on a linear continuous process from rural to urban. If services define a form of urbanity (or urban quality of life), Jhanjharpur is comparable to Simri but much worse than Satghara, in particular in terms of electricity provision. Even in its employment structure, Jhanjharpur's percentage of males employed in non-farm activities is closer to Simri, at below 50 per cent as compared to 81 per cent in Satghara. In other words, the reason for Jhanjharpur becoming a NP either is linked to its higher population (30,000 people) or to other governance processes such as the presence of the block headquarters.

17. A major policy implication in terms of governance, not just for the four states, but more generally, is the need to plan at a more aggregated level, like the panchayat (though we also find that land use changes can occur in adjacent panchayats), tehsil or the district, and not at the level of the settlement. The existing separation between rural and urban that structures all public interventions is not in sync with the spatial and economic reality of these settlements. Various options can be envisaged that would require more or less intervention, ranging from evolving solutions to activate efficient district planning committees as exists in today's administrative organization to more radical solutions such as ending the binary rural/urban created by the 73rd and the 74th constitutional amendment on decentralization.

18. In terms of service provision, the study shows that even with the expansion of market and increased regional transport, the level of basic amenities can remain very low. Since these CTs are sites where increasing numbers of people live and work, even in states like Bihar with high levels of migration, public investment to ensure higher levels of service provision such as water and sanitation, solid waste management and street lights may be needed.

19. In terms of economic activities, an important implication relates to the need to improve access to space-neutral services like formal finance and electricity, in addition to transport connectivity, to enhance the economic potential of CTs.

20. In conclusion, the study identified two areas of further inquiry: (a) comparative work in more developed states, such as Haryana, Punjab or Maharashtra to explore other economic dynamics in CTs and (b) better understanding of the role of migration; how it is influenced by policies in the larger cities, and the manner in which this feeds back to smaller settlements.

I. RATIONALE OF THE STUDY

21. According to the latest Census of 2011, the urbanization level in India has increased from 27.8% in 2001 to 31.2% in 2011, and for the first time, the absolute increase in urban population exceeded the increase in rural population. At the outset, it is useful to understand clearly what is defined as urban and rural by the Registrar General of India. Settlements in India are grouped into three broad categories: (i) villages, (ii) statutory towns (STs) and (iii) census towns (CTs), the latter two being considered as urban areas for statistical purposes. Statutory Towns include all manner of urban local bodies¹ and are defined variously under state municipal acts, as summarised in Table I.1. Census Towns are settlements that are administered as rural areas but satisfy the three criteria: population of at least 5,000, density of at least 400 persons per square kilometer and workforce of at least 75% of male main workers in non-farm sector, set by the Registrar General of India for defining an urban area.

22. This definition of urbanization in India is unique internationally. It is the only country to use population, density and economic character together as criteria. International comparisons of urbanization levels are therefore fraught with difficulty. The extent of difference due to definitions can be quite large. Uchida and Nelson (2010) tried to evolve a common definition across countries by applying a common proximity measure (uniform commuting distance from existing large cities) as a uniform criterion across countries. By this measure, they estimated that 52% of India's population live within an hour's distance of such cities, compared to 36% in China, based on the census of 2001 and 2000 respectively.²

23. In India, the 2011 census highlighted a new feature in its urban transformation. A total of 3,894 settlements were identified as CTs while there were only 1,362 such settlements in the 2001 census. Thus, a large number of settlements were reclassified from rural to urban, because of the change in their demographic and workforce characteristics. Importantly, of the total urban growth of approximately 90 million people, about 44% is due to natural population growth in urban areas that existed in 2001, 21% is due to migration from urban to rural areas and the remaining, i.e., more than a third is because of reclassification of rural settlements as urban areas due to the change in the character of settlements, i.e., mostly new CTs (with a small proportion due to villages being reclassified as urban local bodies).³ As such, the 'morphing' of places is more important in urban growth in India than the 'movement' of people.

24. Two characteristics of this feature bear emphasis. First, this morphing of places is not a phenomenon that is happening on the periphery of existing large urban areas. Only about a third of the new CTs are close to existing class I towns (urban areas of 100,000 or more), the rest being either isolated or part of a group of smaller rural settlements. Second, understanding this phenomenon is important not only for understanding urbanization, but also for rural poverty alleviation. A critical element of economic growth is the rise in non-farm employment and incomes. Himanshu, et. al. (2010) find that rural non-farm

¹ Such as Municipal Corporation, Municipal Council, Nagar Panchayat, etc.

² See Uchida, Hirotsugu and Andrew Nelson "Agglomeration index: Towards a new measure of urban concentration" in Jo Beall, Basudeb Guha-Khasnobis, and Ravi Kanbur (eds.) *Urbanization and Development: Multidisciplinary Perspectives*, Oxford: Oxford University Press 2010. Large cities are defined as settlements of more than 50,000 persons, similar to the Metropolitan Statistical Area in the United States.

³ Pradhan, Kanhu Charan. "Unacknowledged Urbanization." *Economic & Political Weekly* 48.36 (2013): 43.

diversification is more rapid when neighboring urban centers grow and this association is stronger if the urban center is a small town as compared to a large city.⁴

25. In order to do this, it is not sufficient to study the statutory small towns. While the share of small towns (i.e., towns with a population of less than 100,000) in total urban population has actually increased marginally over 2001-11, the share of CTs has almost doubled from 7.4% to over 14%, and within small towns, it rose from 19% to 36%. The aim of this study is to contribute to a better understanding of the sharp increase in the number of CTs observed in the 2011 census and growing importance of small urban settlements.

26. This is especially interesting also because India has different administrative arrangements for rural and urban areas, which are based on the 73rd and 74th amendments to the Constitution of India respectively. Since the CTs continue to be governed by rural administrative arrangements this situation raises an additional set of questions, in addition to the nature of economic transformation, related to the trade-offs-between rural and urban status. The report, in particular, shall try and find answers to the following questions:

- a. How does their governance affect the settlements economically and spatially?
- b. What underpins the economic dynamics of these settlements?
- c. What are the drivers of change in land use and what relationships, if any, are there between agglomeration of settlements and economic and social and governance processes?

27. The report is organized into two main parts. The first one provides a reading of the existing literature on small towns along the three main axis of research: governance, employment and spatial change. It also provides a detailed rationale for the choice of sites and expands on the methodology chosen. The second part of the report is constituted of four sections: (i) the first considers the CT as a liminal notion, enabling to unpack our reading of urbanization; (ii) the second is concerned with the shift towards non-farm employment, the reality (or not) of sectoral differentiation in CTs and the analysis of the new types of jobs existing in the towns; (iii) the third is concerned with the existing debates and practices around the idea that some CTs should become statutory towns; (iv) the fourth looks at the various urban services and attempts to assess which variations (rural/urban; state) explain differences in services.

28. This report is a synthesis of a number of reports that have been submitted separately. These include in particular, the methodological report, which is a part of the inception report at the beginning of the study, which details the method of selection of these sites, and the individual case studies for the various sites, namely: Satghara, Simri, and Jhanjharpur in Bihar; Gopalpur in West Bengal, Erein in Odisha and Bishnugarh-Cherra in Jharkhand. These studies provide more detail about the specificities of governance, economic activity and spatial transformation of these sites. For the most part, this report focuses on elements that are common to these sites, while pointing out particular exceptions, if any.

⁴ Himanshu, Himanshu, Peter Lanjouw, Abhiroop Mukhopadhyay, and Rinku Murgai. Non-farm diversification and rural poverty decline: a perspective from Indian sample survey and village study data. London School of Economics and Political Science, LSE Library, 2011.

Table I.1. Criteria for Defining Urban Local Bodies in Select States of India*

State	LARGE URBAN AREA					SMALL URBAN AREA					TRANSITIONAL URBAN AREA				
	Pop.	Den.	Emp.	Rev.	Econ.	Pop.	Den.	Emp.	Rev.	Econ.	Pop.	Den.	Emp.	Rev.	Econ.
1. Andhra Pradesh	4 lakh and more	10,000/ Sq. km	> 85% in non-agriculture		Availability of civic structure	40,000 - 4 Lakh	1,000 / Sq. km	> 60% non-agricultural occupation		Market facilities, industry potential	25,000 – 40,000	1,000 /Sq. km	> 50% in non-agriculture		Availability of market facilities
2. Bihar	2 lakh and more					40,000- 2 lakh					12,000-40,000				
3. Haryana	3 lakh and more					50,000- 3 lakh					50,000 and less				
4. Jharkhand	1.5 lakh and more					45,000 -1.5 lakh					20,000 - 40,000				
5. Karnataka#	3 lakh and more	3,000/ Sq. km	> 50% in non-agriculture	> 6 cr. per year		20,000 – 3 lakh	1,500/ Sq. km	> 50% in non-agri.	Higher of Rs 9 lakh p.a. or Rs. 45 per cap. per year		10,000 – 20,000	400 / Sq. km	> 50% in non-agriculture		
6. Maharashtra	3 lakh and more					25,000 – 3 lakh		> 35% in non-agri.			10,000 – 25,000		See note ##		
7. Odisha	3 lakh and more					25,000 – 3 lakh					10,000 – 25,000				
8. Punjab	3 lakh and more			2 cr. or more /year		10,000 -3 lakh			Up to 2 cr. /year		5,000- 10,000			Rs 150 or more per capita	
9. Tripura	5 lakh and more	500/ Sq. km	> 50% in non-agriculture			50,000 – 5 lakh	500/ Sq. km	50% and more in non-farm			Less than 50,000	500/ Sq. km	50% and more in non-farm		
10. West Bengal\$	5 lakh and more	3,000/ Sq. km	> 75% in non-agriculture			The conditions for other municipalities are Population of 30,000 and more, density of 750 and more per sq. km., Non-agricultural employment of 50% and more. It does not further classify between the small and transitional area.									
11. Goa	There are three types of municipalities based on population, namely Class A: 50,000 and more; Class B: 10,000- 50,000; Class C: 10,000 and less. However it does not further specify the corresponding size of urban areas (large, small and transitional). The Panaji municipal corporation has a separate act.														
12. Uttar Pradesh	A Municipality constituted under clause (1) of Article 243 Q of the Constitution in accordance with Part IX – A														
13. Uttarakhand	A Municipality constituted under clause (1) of Article 243 Q of the Constitution in accordance with Part IX – A														

NB: For Chhattisgarh, Madhya Pradesh, Manipur and Tamil Nadu, the Governor may having regard to the population of the area, the density of the population, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic importance or such other factors as he may deem fit, specify by public notification [the urban areas] under the Acts. No criteria are specified for Jammu and Kashmir, Gujarat, Kerala, Meghalaya and Rajasthan, where the Government by notification can declare the urban areas as Municipalities

Notes

* This Table is based on ongoing work by Bhanu Joshi and Kanhu Charan Pradhan

Taluk headquarters, even if population less than 10,000 is also a consideration for transitional urban area;

\$ There is separate act for all the municipal corporation except Kolkata Municipal Corporation and Howrah Municipal Corporation for which separate act is in place;

25% and more in non-agricultural, if less than 20 kms away from M Corp or Class A Municipal Council OR 50% and more in non-agricultural. if more than 20 kms away from M Corp or Class A Municipal Council

II. LITERATURE REVIEW AND RATIONALE FOR THE CHOICE OF SITES

This subsection includes a summary of the scarce literature on Census Towns and the methodology of the study. The review of the literature points to four important dynamics: CTs are places in between rural and urban and that their classification raises a number of question trade-offs-between rural and urban status; despite insufficient evidence, CTs seem to suffer from low levels of service and show an economic transformation towards non-farm, an important trend in India, and CTs are not confined to their boundaries. All these four elements point to the CTs as a very important site of urbanization that needs to be studied. The methodology of the research is based on a study conducted in four poorer states. Seven sites were selected that included CTs that are part of an agglomeration, close to larger towns, as well as CTs that are stand-alone and those that are part of agglomerations with other CTs or villages. A two track approach was used, one focused on Bihar, and another on Odisha, Jharkhand and West Bengal. In Bihar, the study tried to understand in what respects is a CT different from a village or a statutory town by selecting through the use of a composite index three types of settlements: (i) a CT of a median size, (ii) a Statutory Town (ST), and (iii) a large village.

29. Research on small town dynamics in India is not a new phenomenon. It was an important site of research by historians, on the relationship between economic development, trade, capital networks and social change in early and colonial India. Later, in post-colonial India, small towns were seen as an important site for balancing economic development, enhancing rural urban linkages and avoiding concentration in large towns. With the focus on metropolitan cities that arose around the 1990s with the process of reforms, small town research has waned, though recently, there has been more attention, subsequent to the census findings.

30. One such research programme with a strong research agenda on small towns is SUBURBIN, which also includes some of participants in this study. As part of SUBURBIN, there was an in-depth (though not exhaustive) literature review on small towns⁵. From this, it appears that research on small town covers a range of urban settlements but has not focused precisely on the nature and on the role of CTs that we consider to be a specific subgroup of urban settlements. Consequently, in order to better devise a research agenda, the study first attempted to get an understanding of the issues raised in research focused on CTs, to identify prominent unresearched issues or blind spots.

II.1. On Governance and Census Towns

31. The first issue is the governance of CTs, since they are urban in character but continue to be governed under rural administrative frameworks. Since the Indian governance structure is different for rural and urban local bodies, what is the effect of this, if any?

II.1.1. Census Towns as a “Places in Between”

32. Since CTs remain villages in terms of their administrative status: they are governed by a rural panchayat (governed by the 73rd Amendment to the Constitution of India). Statutory Towns are the only

⁵ See Bhuvanewari Raman, Mythri Prasad-Aleyamma, Rémi De Bercegol, Eric Denis, Marie-Hélène Zerah. Selected Readings on Small Town Dynamics in India. USR 3330 "Savoirs et Mondes Indiens" Working papers series no. 7; SUBURBIN Working papers series no. 2. 114 pages. 2015

ones with the administrative apparatus of a town (governed by the 74th Amendment to the Constitution of India). Therefore, among settlements, CTs is a specific subgroup defined as urban by the Census of India but under rural governance. The emergence of a large number of CTs during the 2001-2011 decade and their role in the urban growth has generated some interest as to what these settlements represent⁶ and the reason for their emergence⁷. In spite of this particular status, there has been limited research on Census Towns so far. On the one hand, research on small towns has been centered either on small urban local bodies, comparing cities of different sizes but without a specific focus on Census Towns per se. On the other hand, rural studies, both quantitative and qualitative, have not highlighted the specific status of CTs.

33. The main question raised by the limited research on CTs with regards to governance and its relationship with the urban is what we refer as to the “politics of classification”⁸. This term encapsulates the idea that in most states urban local bodies are more restricted in their autonomy as compared to rural ones. In addition to the objective situation, a set of other factors could play a role when States decide to classify a settlement as rural or urban. Bhagat⁹ presents different elements of this cost-benefit analysis in favor of rural settlements, such as lower levels of taxation, cheaper electricity and the absence of urban by-laws and especially access to public schemes, in particular Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), which is supposed to provide guaranteed unskilled employment of 100 days to each rural household and Indira Awas Yojana (IAY), which provides subsidies for house construction to targeted poor households. As Sivaramakrishnan (2011) summarizes “these places “in between” will be better off as panchayats since government funding and various other concessions available to panchayats are more in number and much larger” (p. 50)¹⁰. On the other hand, once a settlement reaches a certain level of population and density, the need for networked urban services can only be financed through resources allocated to urban local bodies and there might be a certain need for planning. In other words, there is a form of cost-benefit analysis at work that can differ from one settlement to another and that can mobilize different types of actors and of interest. This leads to the question of whether a process of municipalisation is required to enhance governance.

34. Field research that has explored these dynamics in specific states or locations reinforces these hypotheses and opens up new insights. First of all, studying the case of Maharashtra, where a number of settlements that fulfil the criteria to become urban remain rural, the authors of the Tata Institute of Social Sciences study on this state argue that the urban is a “contested terrain”¹¹. They consider that the importance of agriculture and primary sector and the local and economic stakes also shape decisions to become urban. Denis, Mukhopadhyay and Zérah¹² also refer to a number of field examples where political factors play a role in the governance boundary between the urban and the rural. They cite the case of Tamil Nadu, where in June 2004, 566 town panchayats (small urban local bodies) were reclassified as rural panchayats due to the resistance to urban taxation. These two examples point to the variations between States. For instance declassification from urban to rural is possible in Kerala and in Tamil Nadu but not in all other states. For example, in West Bengal and in Kerala, the two states with the highest number of new Census Towns, the provision available in the 74th amendment to have town panchayat or nagar panchayat for transitional urban

⁶ Pradhan, (2013): *ibid*

⁷ Kundu, Amitabh. "Method in Madness: Urban Data from 2011 Census." *Economic and Political Weekly* 46.40 (2011): 13-16.. and Bhagat, R. B. "Emerging pattern of urbanization in India." *Economic and political weekly* 46 (2011): 10-12.

⁸ Denis, E., P. Mukhopadhyay, and M.-H. Zérah. "Subaltern Urbanization in India." *Economic and Political Weekly* XLVII, no. 30 (2012): 52-62.

⁹ Bhagat, Ram B. "Rural-urban classification and municipal governance in India." *Singapore Journal of Tropical Geography* 26.1 (2005): 61-73.

¹⁰ Sivaramakrishnan, K. C. "Urban Development and Metro Governance." *Economic & Political Weekly* 46.31 (2011): 49.

¹¹ See p. 43 in Bhide, A. and S. Waingankar. "Maharashtra State Level Background Paper." *TISS Papers* (2011).

¹² *Ibid*.

areas does not exist (see Table I.1), which lead some authors to argue for these states to enter this first step of municipalisation¹³. Indeed, since the definition of the urban varies from one state to the other, it requires probing the politics of classification in diverse sites. Finally, other examples provided in the Denis et al. paper based on exploratory field work also show that social stakes can also influence the rural vs. urban classification.

35. In this context, this study, which is based on field-work in four States of Eastern India, will try to explore the trade-offs-between rural and urban status and explore further the hypothesis of a politics of urban/rural classification. By studying different settlements located in four different states, we aim to weigh the role of the different factors identified such as the type of settlements, the types of schemes and regulations at the State level, the role that some actors (local or regional) play. A second research question is, at the level of each locality, to find out the types of debates around the question of governance, and the types of arguments that are put forward by the different actors.

II.1.2. Census Towns and Basic services

36. As mentioned above, one potential advantage of being an urban settlement concerns the funding available with urban local bodies for the development of urban services. The available literature is again limited on the level of urban services in Census Towns and on the capacity to design, operate and maintain networked services. There are a number of papers comparing variations in services from metro-cities to small towns that show a systematic decrease in the level of basic services as one moves down in the size of towns¹⁴, with marked inequalities in some specific states, two of them (Bihar and Odisha) of interest to this research¹⁵. Small towns are therefore described as deprived of funds and as suffering from a weak governance capacity¹⁶. Nevertheless, these papers do not differentiate between CTs and STs. The only available paper that addresses the question that the administrative status plays in service provision in a comparative manner is Mukhopadhyay (forthcoming). He uses a unique constructed data set of matched settlements from two census periods and defines indicators related to access to piped water supply, and improved sanitation and finds limited differences between STs and CTs both in the levels of service (Fig II.1) and in their growth over 2001-11 (Table II.1). But, CTs close to larger towns have better improvements in levels of service.

¹³ Kuruvilla Y. (undated), Census Towns in Kerala: Challenges of Urban Transformation, available at <https://tiss.academia.edu/YacoubKuruvilla> and Karmarkar J. (2015), Emergence of Census Towns and its Socio-Economic Condition: Case of West Bengal, *Pratidhwani the Echo*, Volume-III, Issue-IV, April 2015, Page No. 22-34.

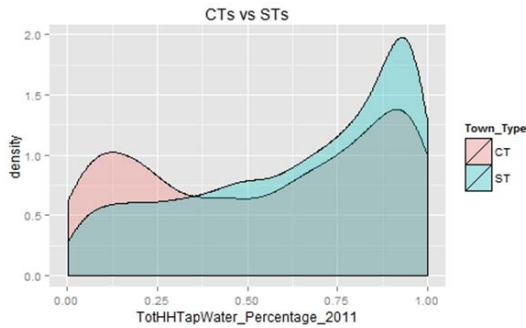
¹⁴ Dubey, A., and S. Gangopadhyay. "Poverty and occupational structure in size class of towns in India." *Regional Development Dialogue* (1999). and Raghupathi, U.P. "Status of Water Supply, Sanitation, and Solid Waste Management in Urban Areas." New Delhi: Central Public Health and Environmental Engineering Organisation, 2005.

¹⁵ Kundu, Amitabh, Soumen Bagchi, and Debolina Kundu. "Regional distribution of infrastructure and basic amenities in urban India: issues concerning empowerment of local bodies." *Economic and Political Weekly* (1999): 1893-1906.

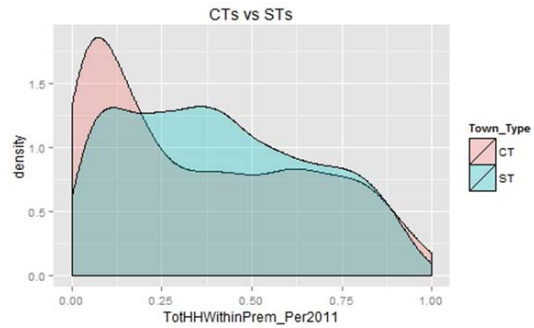
¹⁶ See for instance the study of the financial capacities of 29 small towns in 8 states in Shastri, P. *How Small Towns Live (or Die)? Making Sense of Municipal Finance*. New Delhi: Academic Foundation, 2011. Or of four small towns in Uttar Pradesh by De Bercegol, R., "L'émergence Des Municipalités. Analyse De La Réorganisation des Pouvoirs Issus De La Décentralisation Sur La Gouvernance De Petites Villes d'Uttar Pradesh. ." Université Paris-Est., 2012.

Figure II.1 Comparison of Service Levels in CTs and Statutory Towns 2011

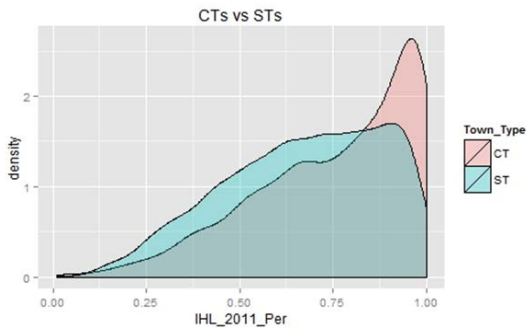
Tap Water (84.9% overlap)



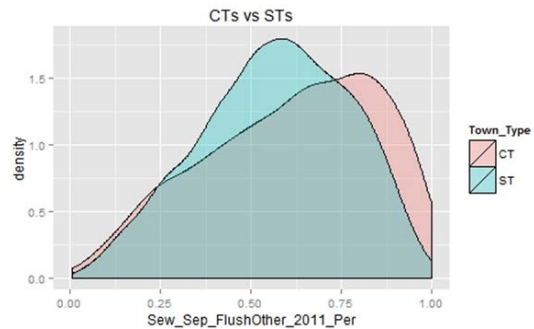
In-house Tap Water (85.9% overlap)



In-house Toilets (84.9% overlap)



Water Closet (WC) (81.5% overlap)



Source: Mukhopadhyay (forthcoming)

Table II.1 Comparison of Census Towns and Statutory Towns for Select Services

Amenity	Level of amenities in 2001				Change in Level of amenities 2001-11			
	Tap Water	In-house Tap Water	In-house Latrine	Water Closet	Tap Water	In-house Tap Water	In-house Latrine	Water Closet
Mean value in Statutory Towns	57.9%	35.9%	59.0%	28.2%	5.7%	5.4%	8.0%	28.4%
Mean value in Proximate Census Towns	47.87%	27.96%	66.34%	32.46%	8.15%	7.77%	11.96%	29.38%
Mean value in Other Census Towns	49.20%	32.64%	64.69%	37.72%	4.85%	4.34%	8.84%	23.18%

Source: Mukhopadhyay (forthcoming), op. cit. Proximate CTs refer to CTs that are close to larger towns.

37. There is an emerging, but still very limited, literature that focuses on some selected CTs, and it comes either from field research or from journalistic coverage.¹⁷ These works provide insights into the low level of services, even in CTs located in the periphery of large metropolitan cities and into some of the governance issues that impact service delivery. The cases of Molachur (50 km from Chennai) and Chakan (30 km from Pune)¹⁸ that benefit from the shift of manufacturing into rural areas highlight the problems raised in rapidly transforming places of the absence of physical and social infrastructure. However, this is not the case in other types of Census Towns where growth seem to be more related to real estate growth, such as Neral in Maharashtra¹⁹. This article acknowledged the difficulty that Panchayats face in providing services to a population that almost doubled in ten years.

38. The research work of Samanta in the state of West Bengal highlights the existing service gaps in CTs. In Barjora,²⁰ water supply is provided only partly through the panchayat but people have to rely on their own arrangements because supply is insufficient. Most households have their own well in their courtyard, which raises some quality issues with the increased pollution of the ground water due to polluting industries. The panchayat tries to find solutions to its insufficient supply by relying on tankers. There are no covered drains and no solid waste management services due to paucity of funds. She finds very similar results in Singur²¹. What she also highlights in her work is the difference between the village of Barjora and the other villages in the agglomeration, hinting at the possibility of discrepancies within villages that are located in the periphery of CTs, as is also the case in Singur. She also places this situation within the specific situation of West Bengal where the criteria to become urban is strict (a minimum of 30,000 people and density and employment criteria). This work underlines the difficulty of panchayat to handle service provision for settlements that have urban features and density levels that would require networked services. Debroy (2014), in a recent op-ed, also points to the question of fragmentation of authorities²², in particular in CTs located in Delhi, raising the question of the place of CTs in larger metropolitan cities.

39. Based on this limited literature on the intersection of CTs and urban services, research questions that explore the relationship between governance and access to basic amenities are multifold. Put simply, with the rise in population and spatial expansion, there is a change of scale in terms of service provision. In particular, for water and sanitation services, it might be necessary to develop networks and to shift from on-site sanitation or community or individual water systems. For roads and solid waste management, expansion of services and better organization might be required. One of our questions is as to whether there is a difference between census towns, villages and statutory towns both in terms of the level of services and the manner in which people make demands (or not) on urban services. This will require understanding how services are provided in different types of settlements as well as the level of differentiation in different parts of the town studied, or even beyond its boundaries.

¹⁷ The Mint newspaper carried a series of articles on Census Towns (see below) and a few articles have appeared in other newspapers after the publication of the Census results that showed the large number of new CTs in 2011.

¹⁸ <http://www.livemint.com/Politics/51FuOuvRXWXhxmwrRTBMXbN/New-paths-to-urbanization-from-farms-to-factories.html>

¹⁹ <http://www.livemint.com/Politics/364m2CaVtj2HoR88spSpNM/Zero-amenities-yet-census-towns-hit-the-property-jackpot.html>

²⁰ Samanta G. (forthcoming), *New Urban Territories: Transition, Transformation and Governance* in Denis E. and Zerah M-H. (eds.) *Subaltern Urbanization in India*, Springer.

²¹ Samanta G. (2014), *The Politics of Classification and the Complexity of Governance in Census Towns*, in *Economic and Political Weekly*, vol XLIX no 22, 55-64.

²² <http://blogs.economicstimes.indiatimes.com/policypuzzles/an-urban-chaos-issue/>

II.2. On Economic Activities and Census Towns

40. As stated earlier, the literature on CTs is sparse and within that the economy of CTs is sparser still. Most news report such as those in the Mint referred to above indicate a diversified broad based service dominated economy, but at relatively low scale²³. In some places like Barjora investigated by Samanta, the mainstay is mining and small sponge-iron plants, and in others, such as in Garbeta, recently reported by Sircar, the basis is farm processing (in this instance, cold storage for potatoes). However, in other more detailed studies of census towns like Banerjee and Roy²⁴, who study CTs in northern West Bengal, the overall impression is one of a variety of small scale service activities. In CTs that are close to larger towns, there is also spillover of economic activity. Punia (op. cit.) finds that periphery of Yamunanagar has cement and packaging industries, numerous small-scale enterprises in timber business as well as thermal power plants and educational institutions. In Manakpur, an industrial enterprise cluster of metal and alloys has developed). In the district of Karnal, many CTs are growing due to real estate. The possible drivers of change in north along the national highway are real estate builders, demand from agro processing industries like rice and wheat flourmills and government cooperatives for housing projects.

41. As one moves up the scale, some interesting trends become visible in small towns. Raman's work on Tiruchengode shows a home-grown well drilling industry, along with manufacture and export of equipment. Kundu and Bhatia find a flourishing mini-steel industry in Gobindgarh and Kaur documents an established furniture industry in Kartarpur.

42. Such 'anchor industries' are not usually seen in the limited literature on CTs. This is not unexpected unless the CT is the consequence of a large public or private investment, since its relatively small size would not initially attract such large industries.

II.3. On spatial transformation and Census Towns

43. As stated by Mukhopadhyay²⁵, Census Towns are morphing places and this is not only the case for those CTs located at the peripheries (or in the influence zone) of metropolitan cities but also applies to stand alone CTs or CTs located in not very urbanized districts. Accordingly, the sharp increase in the numbers of census towns between 2001 and 2011 did not only translate into the expansion or consolidation of metropolitan areas, but has also led to a significant spatial transformation of rural areas. According to Lall,²⁶ in the 2001-11 decade, the total urban area grew by about 24,000 sq.km which was roughly equivalent to the amount of agricultural land whose use shifted to non-agricultural and more than a third of the increase in urban areas, about 9000 sq.km, was on the account or reclassification of villages into Census towns. Further, the importance of job creation in the construction sector between 2004 and 2012 (around 65% of job creation) also point to the increase in built up areas and therefore a considerable process of land use transformation. Some of the papers mentioned above on West Bengal and Kerala have highlighted the relationship between regional spatial changes and the emergence of CTs. However, there is limited work on the explanatory factors of spatial transformation on CTs with the exception of research work on the very rapid land use transformation in the peripheries of large cities and the administrative of these CTs is not

²³ The census towns reported on in Mint were mostly close to other larger urban settlements

²⁴ Roy A. (2012) Transformation of urban agglomeration in an agricultural belt- Malda, Master Thesis, School of Planning and Architecture, Delhi.

²⁵<http://www.livemint.com/Opinion/b4AVxWTKCmduNCTNIgGUjO/Moving-people-and-morphing-places.html>

²⁶ http://www.business-standard.com/article/opinion/rajiv-lall-urban-nightmares-and-the-politics-of-land-114012801164_1.html. The details of the calculation are not provided.

considered as a specific factor²⁷. However, most of the work on periphery of large metropolitan cities does not engage with the question as to whether the administrative status of the peripheral settlement does influence its transformation process. Among the main questions that are raised are the role of proximity and connectivity and the role of industries and real estate. In West Bengal, some areas where CTs are concentrated are related to the shift of economic activities as well as the role of migration. The role of connectivity and corridors as seen in Bhopal with villages (today fitting the CTs criteria)²⁸ or in Maldah in West Bengal does appears in the literature²⁹.

44. A second question raised in the literature is the agglomeration process around CTs as seen in Singur or in Barjora where the population of the agglomeration would make them candidates for statutory urban settlements. This also implies that there is a spatial change even in CTs that might go beyond its boundaries. It is to some extent related to the much faster growth rate of built-up area as compared to population growth rate, a phenomena studied for Haryana by Punia, who finds that in some settlements, the built-up growth is much higher than the population growth rate³⁰.

45. Consequently, within the framework of this research, we aim at asking the following: What is the change in land use pattern and the factors driving the expansion of settlement? Who are the actors driving spatial changes? What is the role of (i) the State -- town planning schemes, master plans, public investment, etc.; (ii) large scale private investment and (iii) household investments, e.g., in housing and land use transformation, such as small scale industries? Finally, what, if any, are the inter-relationships between spatial processes and economic and social and governance processes?

II.4. Methodology design

46. The study was conducted in four states in seven sites. These states were chosen to better understand the type of urbanization transition in poorer states with low rate of urbanization and in West Bengal, which ranks second in 2011 for the increase in the number of CTs. Table II.2 provides an indication of the existing urbanization process. As one can see, census towns are an extensive contributor to the extent of urbanization in all the states, except Bihar. In the three other states, the contribution of new CTs to the urban population is significantly higher than the Indian average. In the case of West Bengal, the increase is as high as 66% (second only to Kerala). Even in the case of Bihar where the contribution of new CTs to the urban population growth is lower than in the other States, 52 new CTs have been added in 2011. This raises a set of questions related both to the urbanization process itself as to the governance of these settlements. In West Bengal, the considerable increase of new CTs appears as an excellent case study for the reasons behind an increase of urbanization without official recognition of urban status.

47. In Odisha and Jharkhand, with lower urbanization, the absolute increase of number of towns raises another set of questions linked to the type of development in states endowed with rich natural resources. In Bihar, the share of CTs is to lower than in other states, while at the same time there is a considerable amount of large villages. From the point of view of an urban/rural definition specific to India, it is a relevant case study to assess the relevance of the economic activity criteria to define urban and rural.

²⁷ See for example, the work on Phadke on Mumbai: Phadke, Aparna. "Mumbai Metropolitan Region: Impact of recent urban change on the peri-urban areas of Mumbai." *Urban Studies* 51.11 (2014): 2466-2483.

²⁸ Gupta, A. (2013) "Measuring Urbanization around a Regional Capital - the Case of Bhopal District " In *SUBURBIN Papers Series*. New Delhi: CNRS.

²⁹ See Roy A. (2012) *ibid*.

³⁰ Punia M., Kumar R. and Singh L. (forthcoming), Comparison of Peripheral Metropolitanization in Haryana and Rajasthan, India in Denis E. and Z erah M-H. (eds), *Subaltern Urbanization in India*, Springer.

Table II.2 Census Town (CT) and Extent of Urbanization 2011

	Census level of Urbanization (% of state population)	Population of New CTs as share of growth in state's urban population (%)	Number of New CTs in 2011	Number of Total CTs in 2011
Bihar	11.3	13.9	52	60
Jharkhand	24.1	44.7	107	188
Odisha	16.7	38.3	86	116
West Bengal	31.9	66.0	526	780
All India	31.2	29.5	2553	3892

Source: Author's analysis

48. One of the common perceptions about CTs is that they are in the peri-urban areas of larger towns. However, this is not supported by data. As shown in Table II.3, based on the Census data and the methodology devised by Pradhan (op. cit.), Jharkhand and Bihar have a configuration similar to the national average, i.e., around one third of the new census towns are close to a large city, defined as a class I town in India with a population of more than 100,000. West Bengal departs from the norm with a higher proportion of CTs, which are located close to a larger city, especially Kolkata. However, a closer look at the location of the new CTs and the analysis that has already been conducted in West Bengal indicate a shift in the spatial distribution of urban settlements in the state.³¹ We also classify CTs by contiguity of built-up area, which we call settlement agglomerations (SA).³² The results, as shown in Table II.3, differ slightly between the two approaches.

Table II.3: Census Towns close to Large Urban Areas by Number and Population

	Bihar	Jharkhand	Odisha	West Bengal	All India
Proximity measured by distance buffer					
Number	38.3	34.6	11.2	48.7	41.0
Population	37.6	44.6	13.8	52.5	49.0
Proximity measured by contiguity of built up area					
Number	31.7	13.3	3.4	38.1	37.3
Population	29.6	32.7	6.2	42.0	51.4
Note: Large Urban Areas are those with more than 100,000 in population					

Source: Author's analysis

³¹ Chatterjee, Mahalaya. "Regional Variation in Urbanization in India and the Emergence of New Towns." *ERSA conference papers*. No. ersa14p1459. European Regional Science Association, 2014.

³² Denis, Eric, and Kamala Marius-Gnanou. "Toward a better appraisal of urbanization in India. A fresh look at the landscape of morphological agglomerates." *Cybergeo: European Journal of Geography* (2011).

49. As indicated later in the discussion on specific case studies, the study includes CTs that are part of an agglomeration, close to larger towns, as well as CTs that are stand-alone and those that are part of agglomerations with other CTs or villages. A two track approach was used, one focused on Bihar, the state with the lowest level of urbanization but with a disproportionate number of large villages and the second track focused on three other states in the region, namely Odisha, Jharkhand and West Bengal.

50. Track 1 involved a rapid study of one CT in each of the three states (in Jharkhand, a pair of CTs that formed a SA was chosen, as seen later). These rapid studies involved a total of 15 days of visits to the site by one researcher. Track 2 focused on three settlements in Bihar: (i) a CT of a median size in Bihar, (ii) a Statutory Town (ST), and (iii) a Large village

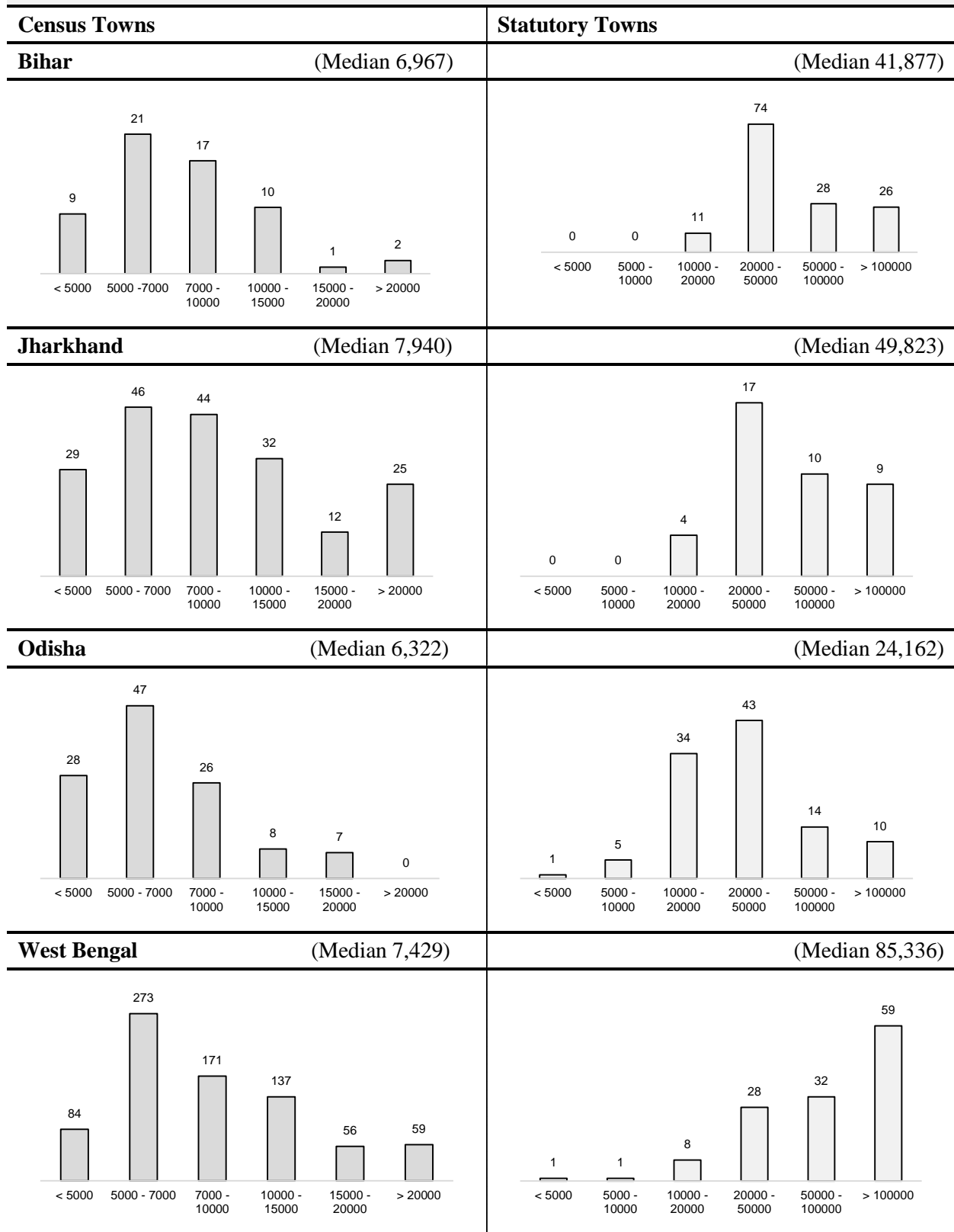
51. This enabled the study to situate the CT in the spectrum settlement typology and size, as illustrated in Table II.4 below. The CT was compared with the statutory town, to study the effect of differences in governance structure, given similarity in workforce structure. Similarly, the CT was compared with the large village, to study the effect of differences in workforce structure, given similarity in governance arrangements. Thus, in Bihar, the study tries to answer: ‘In what respects is a CT different from a village or a statutory town?’

Table II.4 Similarities and Differences in Settlement Characteristics

		Is it an urban local body?	
		Yes	No
Is the settlement of adequate size and density and the male main workforce sufficiently Non-Farm (more than 75%)?	Yes	Statutory Town	Census Town
	No	Can be a Statutory Town	Village

52. In addition to proximity to large urban areas, the size of the settlement was criterion for selection. Figure II.1 presents the distribution of settlement size separately for CTs and statutory towns (STs) for the selected states. As can be seen, their median sizes vary considerably, given that STs are much older and the larger settlements are more likely to acquire statutory status. While the distribution of CTs is relatively similar across the four states, there is visible difference across states with respect to STs. West Bengal has a distinctive distribution, skewed towards larger towns. Given that the criterion for becoming a statutory town is more stringent in West Bengal (see Table I.1); this is to be expected.

Figure II.1 Population Distribution of Urban Areas in Selected States



Sources: Analysis based on Census of India, 2011

II.5. Selected Census Towns in Odisha, West Bengal and Jharkhand

53. This section outlines some characteristics of the selected study sites in Odisha, West Bengal and Jharkhand. The study sites in these three states were selected opportunistically, drawing upon other concomitant of statutory towns in the field in order to make future comparisons by selecting CTs in the same districts as the statutory towns being studied. It also situates the study sites with respect to other settlements, using a composite development index of seventeen variables and population of the settlement. These seventeen variables are male and female literacy, non-farm workforce, child gender ratio, possession of at least one asset, household size, share of households with phones, electricity, television, two-wheelers, access to banking, households using LPG for cooking, houses with burnt brick walls, concrete roofs, flush latrines and tap water within the house. The following section presents the characteristics for Bihar.

54. In the case of Odisha, Erein (pop: 7,890), which is about 65km away from Baleshwar Municipality (pop: 144,373) and 6km away from Bhadrak Municipality (pop: 121,338). Erein is very close to Bhadrak railway station and is part of a panchayat with a number of other villages. It is also on NH-5, part of the four-lane national highway Golden Quadrilateral. The new rail line that connects Dhamra port to Bhadrak passes through lands of Erein and substantial land acquisition has taken place, which is a possible source of capital.³³ According to the port's website, it:

“has acquired a 125 meter wide corridor from Dhamra to Bhadrak which can accommodate two rail tracks and a four lane road along with service lines viz. transmission line and pipe lines. For Phase-I, DPCL has constructed the 62 km rail connectivity (single rail track) from Dhamra to Bhadrak/Ranital Link Cabin on the main Howrah-Chennai line... As part of Phase-II, DPCL will construct a four lane freight road along the corridor to service its upcoming container and general cargo terminal. Doubling of the rail track is also proposed during Phase-II”³⁴

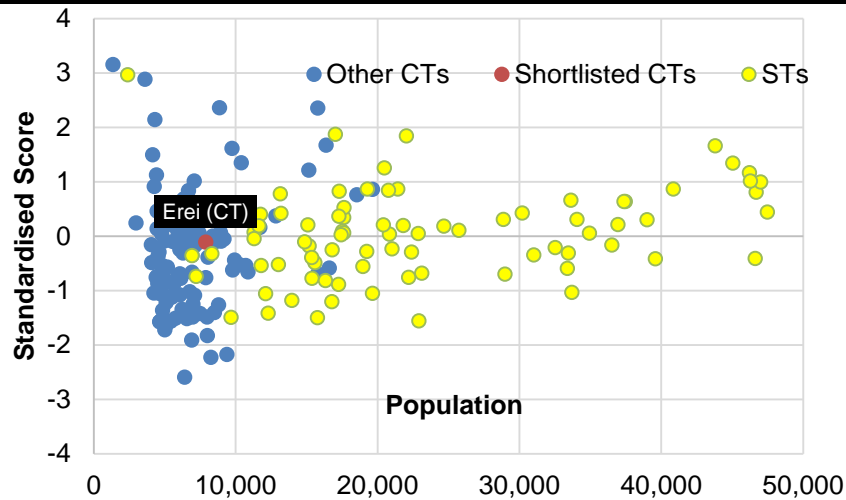
55. While urban features like paved roads and street lighting are not present, there is considerable activity in residential construction, with relatively elaborate buildings becoming increasingly common. A number of people from outside the settlement are taking up residence in Erein and there is evidence of land development and renting.

56. The area has a number of rice mills, which are located outside the municipal boundary. There is also a FCI procurement godown nearby. These mills provide casual employment for unskilled labour. In addition, there is also a transport industry, including vehicle repairing, etc. which is understandable, given its proximity to road and rail networks. In Figure II.2, Erein is plotted with respect to the composite index of development and population size. As can be seen, Erein is quite ‘average’ for Orissa.

³³ The nature of livelihood transformation for those who worked on the land that was acquired was not documented in this preliminary visit. This was an issue raised in our initial presentation on 13 May 2014.

³⁴ <http://www.dhamraport.com/connectivity.php> In May 2014, this port was bought from Tata and L&T, who were co-owners of the port by the Adani group, who also operate the Mundhra Port and SEZ in Gujarat. <http://www.asianage.com/business/adani-buys-dhamra-port-tata-steel-It-589>

Figure II.2: Erein in relation to other urban settlements in Odisha

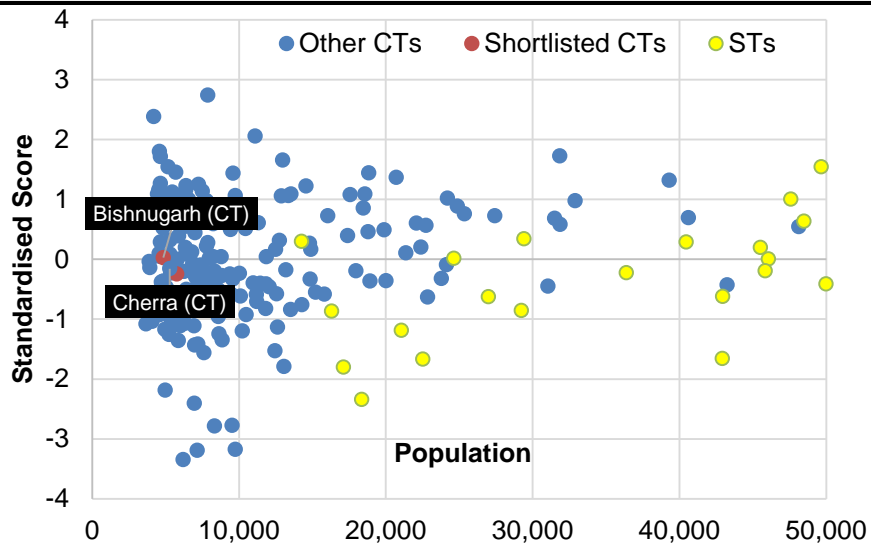


57. In Jharkhand, a study of statutory towns, specifically, Hazaribagh (pop: 142,489) is being undertaken. There are 16 CTs in the district that can be classified in three categories: (i) six, which located close to Hazaribagh (ii) CTs which stand alone and located further away from Hazaribagh, but often located on a main road (Charhi: 77 km., Urimari: 53 km, Chauparan: 64 km); (iii) group of CTs that make for a form of agglomerations that could be studied as one case study.³⁵ From the last group, Cherra (pop: 5,279) and Bishnugarh (pop: 4,847), which form a settlement agglomeration were selected. Not only are both at the boundary of classification as an urban area (Bishnugarh actually does not meet the three-fold test of urbanization, even though it has been declared as a census town³⁶), which will permit investigation into the nature of classification, their proximity to each other permits a closer look at the regulatory issues relating to rural administration. While both Bishnugarh and Cherra belong to Bishnugarh Panchayat Samiti, they are in different Gram panchayats – Bishnugarh is in Bishnugarh Gram panchayat with two other villages, while Cherra is in Chedra Gram Panchayat, with one other village. We plot these two CTs in a manner similar to Erein. As seen in Figure II.3, both Bishnugarh and Cherra are ‘average’ in terms of their development index. It should also be noted that Jharkhand has a number of large CTs, such as Saunda (81,915), Gumia (48,141) and Kopali (43,256). Most of these are factory towns built around mines and power stations.

³⁵ These are Gidi, Religara alias Pachhiari, and Dari, three CTs around a coal field 60 km from Hazaribagh; Cherra and Bishnugarh: separated by a road, 42 km away and Barhi and Konra: 2 CTs 5 km apart.

³⁶ This is because there is a predictive component to the classification of rural and urban areas. To recall, CTs are settlements satisfying the three urban characteristics of population (at least 5,000), density (at least 400 per sq. km.) and male non-farm workforce (at least 75 per cent). Since CTs are identified prior to the census operation, information from the last census is used for such identification. For CTs in 2011, all villages having a population of 4000 or more at the 2001 census are taken up for examination with the assumption that such settlements are expected to cross 5000 population by the time of the 2011 census. For such units the density and the male main workforce composition of population are examined to see whether these qualify to be categorised as CT.

Figure II.3 Bishnugarh and Cherra vis-à-vis other urban settlements in Jharkhand



58. In West Bengal, the selected site is Gopalpur (pop: 7,016) in Dakshin (south) Dinajpur district, about 40km from Balurghat (pop: 153,279), a statutory town that is being studied; but relatively close (5 km) to the smaller town of Gangarampur (pop: 56,175). There is a ferry crossing across the Purnabaha river near Gopalpur. Like other states, here too, Gopalpur is plotted against other urban settlements. As seen in Figure II.3, Gopalpur's development index is relatively poor, about one standard below the state mean. The Institutional Strengthening of Gram Panchayats (ISGP) program, supported by the World Bank, is being implemented in the panchayat.

Figure II.4 Gopalpur vis-à-vis other urban settlements in West Bengal

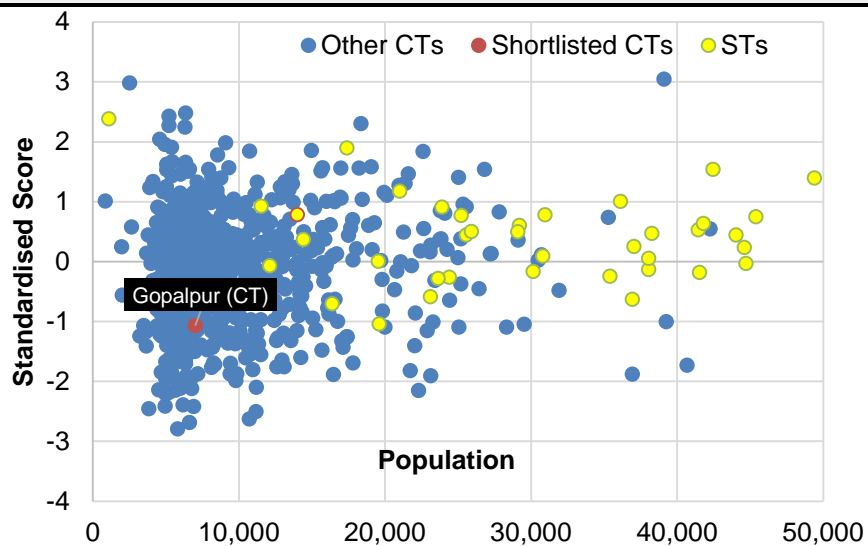
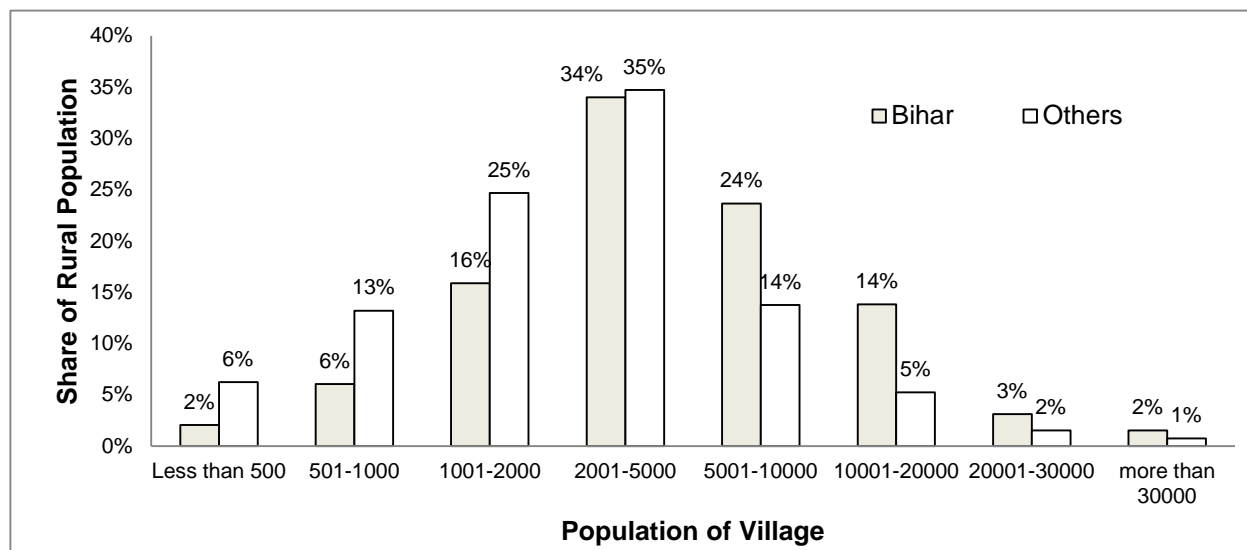


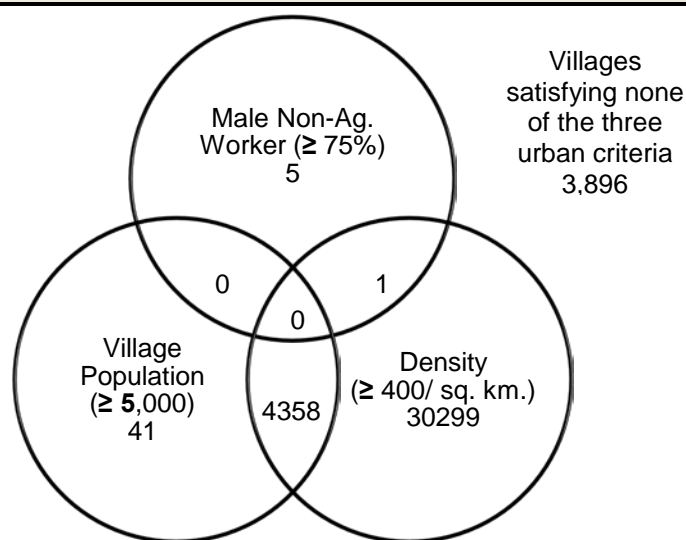
Figure II.5: Share of Population by Village Size: Bihar and Other States



Source: Census of India; CPR Analysis

59. While only 11% of Bihar's population is officially urban, about another 42% of the population classified as rural lives in settlements that are large enough and almost always also dense enough (almost 90% (34,657 of 38,599) of Bihar's villages are above the urban density threshold) to be classified as urban, but whose share of male workforce employed in the non-farm sector remains below the threshold of 75%. The share of the population living in large villages in Bihar is twice that of the rest of India, where only 21% live in such villages. Figure II.6 details Bihar's settlement structure.

Figure II.6 Bihar Settlement Structure of Bihar's Villages 2011



Source: Census of India; CPR Analysis

60. The site selection for Bihar was done more systematically given the state's specific characteristics, including a low official level of urbanization, and a high proportion of people living in large villages. A first selection was done at the district level using the following measures of development:

- a. The composite development index developed based on census data for 17 variables, as in other states.
- b. A second, additional separate index, utilizing 71 variables in six different groups – Economic, Governance, Infrastructure, Social, Finance, Primary — was built using data from the Bihar Economic Survey. This involved building weighted (generated using principal components analysis) sub-indices for each of the groups and then building a weighted index of the sub-indices.
- c. Third, a rank based on the district domestic product
- d. Fourth, the rural poverty headcount ratio for the district³⁷

On each of the above four measures, districts were divided into three groups. The intent was to focus on districts which were in the middle third, across multiple measures.

61. In addition, given our strategy, the district also had to have a large village, a Class III statutory town (between 20,000 and 50,000) and a census town. Fourteen districts met this criterion. Together with the above criterion, three districts, Madhubani, Samastipur and Paschim Champaran emerged as likely candidates.

62. In Samastipur, all the four CTs were in the agglomeration of Samastipur municipality while in Paschim Champaran; all three Census Towns were in the agglomeration of Bettiah. In Madhubani, there are two CTs; of which Madhubani (CT) is part of the Madhubani municipality built-up agglomeration. The other is Satghara. All the three statutory towns, Jhanjharpur, Jainagar and Ghoghardiha, are part of a mixed SA – a collection of settlements whose built up areas are connected which has both rural and urban settlements. In the last two towns, the town is smaller than the largest village in the agglomeration. Given this, the field sites chosen were Satghara (CT) and the statutory town of Jhanjharpur (Nagar Panchayat). A large village, Simri (pop: 10,846) was the third site. The details of the final sites are in Annex I.

63. Multiple visits were carried out in the selected sites, with the research teams engaging multiple interviews with a wide variety of stakeholders and direct documentation in order to understand the processes of change that were occurring in the CTs and what implication they had for the three questions of economic, governance and spatial transformation. In addition, secondary data associated with the provision of amenities, the administrative data on schemes, such as MGNREGS and IAY, spatial spread using Google maps, the district census handbook, etc. were utilised to arrive at a full picture for each settlement.

³⁷ This was generously made available to us by Rinku Murgai.

III. CENSUS TOWNS AND THE SIZE OF URBAN INDIA

64. This section comes back to the larger question of what is the urban and what the real size of urban India is. The results show that land use change in a CT is not confined within its administrative boundaries and that CTs do not provide an accurate measure of the size of the built up area. In all the settlements, expansion occurs outside the CT boundaries, a process also observed in the case of the ST studied. In part, this spatial spillover is driven by the lack of building regulations and lower taxes outside the ST, but in the CTs, this is simply the inability of a small settlement area to contain the growth of economic activity. This has important implications since CTs as the unit of intervention may be unsuitable for planning purposes, which may be better done at a higher level of aggregation.

III.1. Probability of Becoming a CT is not Neutral

65. Census Towns are based on existing revenue village boundaries. Existing revenue villages are of very different sizes both in terms of their population and their area. The first criterion that can therefore increase the probability of becoming a CT is the population size of the village. As seen in Table III.1, in all the states concerned, there are a number of villages, representing up to 21% of the population in Jharkhand, where more than 75% of male employment is non-farm but that does not fulfill the population criterion. In other words, one can assume that only villages above a certain population size will be more likely to become census towns.

Table III.1 Proportion of Villages Below 5,000 with more than 75% non-farm

	Bihar	Jharkhand	Odisha	W. Bengal	India
% of Villages	5.9%	23.0%	10.4%	12.3%	9.9%
% of population	2.5%	21.6%	10.1%	9.6%	6.4%

Source: Census of India Primary Census Abstract

66. However, as Table III.2 below shows, that there is a wide variation in terms of density and size of our study settlements, which indicates that the original size of the village is not the only criteria that can influence the CT status. Another important and structural factor is the level of connectivity both in terms of the location of the settlement in relationship to the larger cities or in terms of the location of the settlement in relation to the other villages.

67. The case of Satghara in Bihar illustrates this situation. Its proximity to the railway station and a cross-roads has led to a concentration of commercial activities within its boundary. Erein in Odisha is another example of the role that external drivers can play, given its proximity to the railway station and to the district headquarters of Bhadrak and infrastructure being built to connect Dhamra port. Gopalpur in West Bengal is connected with the surrounding urban centers by private bus and auto-rickshaws, which run at a relatively high frequency. In many of the settlements studied, the rise of para-transit vehicles (see section on economic activities) has reinforced concentration and density in these settlements.

68. The extent of some facilities such as electricity or phone connectivity is another way to explore structuring factors that could increase the likelihood of some settlements to become CTs. However, we do not have sufficient information to back up this hypothesis since the amenities data at settlement level is only available for 2011.

Table III.2 Area and Density of Selected sites

	Simri (Village)	Jhanjharpur (ST)	Satghara (CT)	Bishnugarh (CT)	Cherra (CT)	Gopalpur (CT)	Erein (CT)
Area (sq.km)	5.73	12.44	1.49	1.97	2.10	2.45	4.6
Density (hab./sq.km)	1892	2459	5409	2460	2513	2863	1715

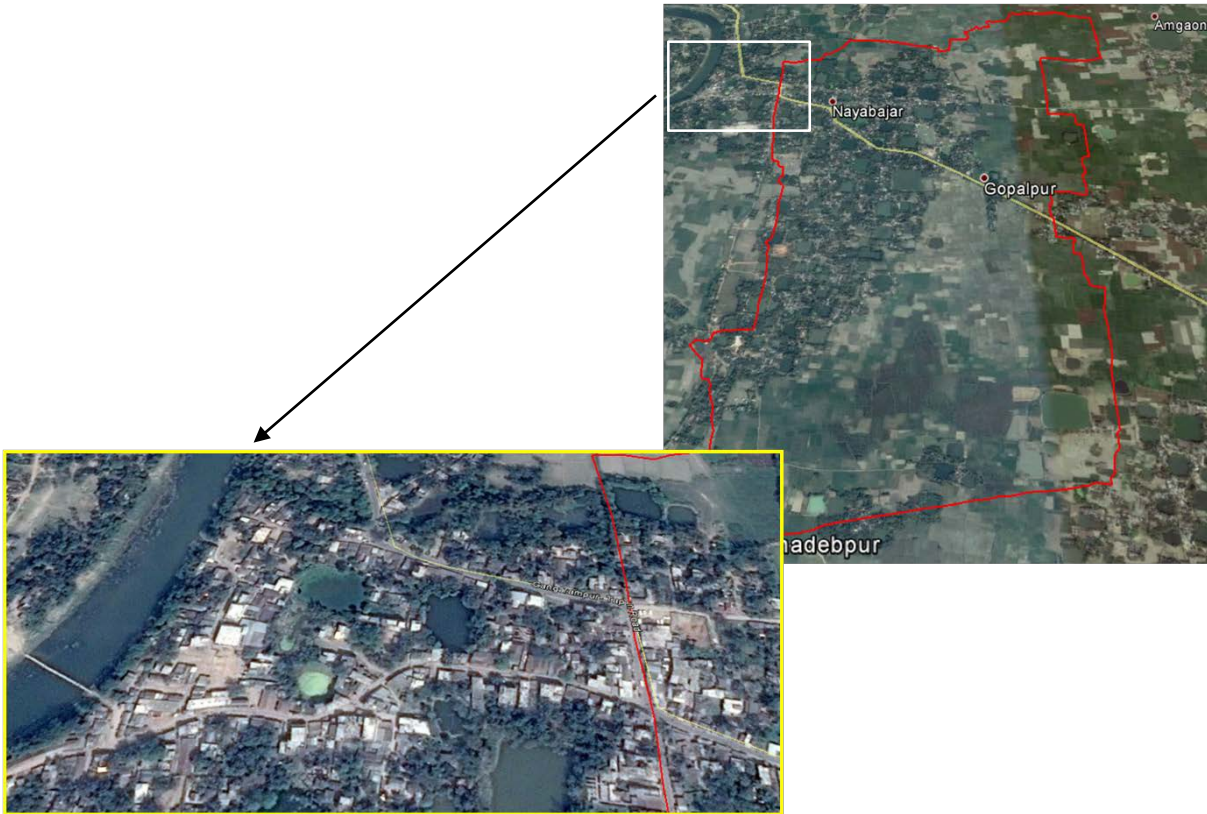
III.2. The limits of Census Towns do not reflect necessarily the urbanization process

69. The literature review has highlighted the examples of Barjora and Singur, both located in West Bengal where the urbanization lies outside the boundaries of the CTs, giving rise in reality to a much larger agglomeration. In the case of Singur for instance, the population of the CT was 21,382 people in 2011 but the built-up area of Singur agglomeration was more than 55,000 people. In Barjora, the population of the CT is 14,012 while the population of the built-up area is 32,535. In both cases, the population of the CTs and its surrounding villages is twice the population of the CT, which even in West Bengal (which has a high threshold for recognition, see Table I.1) would cross the threshold to become an urban local body. Our field work in multiple sites reinforces the conclusions of Samanta's work. In Gopalpur, the CT located in West Bengal, part of the economic activity, in particular the expansion of the market takes place next to the ferry crossing visible in the left corner of the Map III.1.

70. This area is however administratively in Bazrapukur village (from a different panchayat) and the change in economic activity of residents in this location does not add to the non-farm population in Gopalpur. Within Bazrapukur itself, this change in economic activity is not sufficient to change its status to a CT. Thus, the transformation engendered by this small market, which forms a local agglomeration with the market in Gopalpur is not 'visible' in the census count on urbanization.

71. In Satghara, in Bihar, as we will discuss later in the governance section, the proposal to incorporate a number of villages provides us with an idea of the size of the built-up area. Satghara has a population of 8,060 people but the inclusion of other villages with a total population of 14,500 points to an agglomeration of more than 22,000 people, more than two and a half times the population of the Census Town. Similarly, in Jhanjharpur, which is a statutory town, the expansion of the town happens outside the boundary as indicated in Map III.2. What is referred to as Jhanjharpur are in fact two nearby but separate locations. The first, Jhanjharpur Nagar Panchayat [NP], is located immediately south of the National Highway 52 and is a part of Jhanjharpur C.D. Block The second, Jhanjharpur Railway Station [RS], is located mostly to the south of the Railway Station in South Behat Gram Panchayat. This is a part of the Lakhnaur C.D. Block and is at a distance of around 3 km from the NP headquarters. The ST is locally known as the "town" and has the "Old Bazaar"; the RS is referred to as "New Jhanjharpur" or "RS Bazaar".

Map III.1. Gopalpur and its surroundings

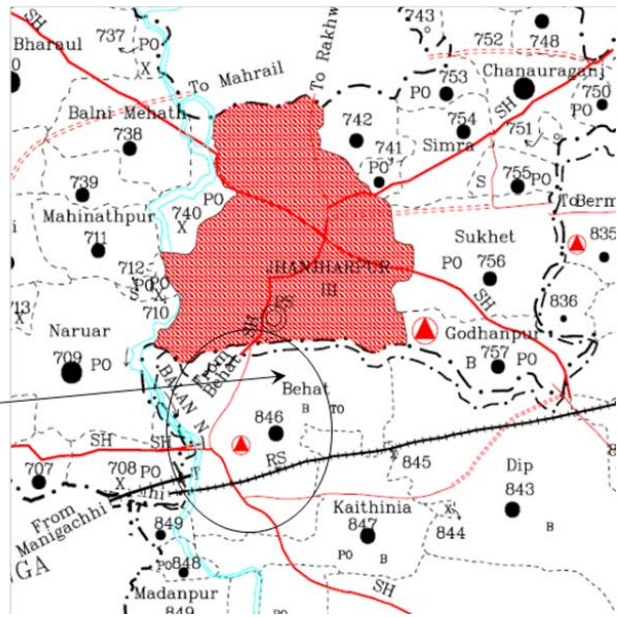


72. In these cases, the location of the economic activity is centered on a transport hub, the railway station in Satghara and Jhanjharpur and the ferry crossing in Gopalpur. The nearest settlement to the transport hub may not be the administrative village in which it is located, as seen in all three cases. In such instances, it is natural that there will be dissonance between the spread of economic activity and the relevant administrative boundary of interest.

73. The two Census Towns examined in Jharkhand provide insight into another possible configuration. Both these towns form a contiguous built-up area and were even part of a single panchayat (the Bishnugarh Gram Panchayat) till the creation in 2010 of a Cherra Gram Panchayat which included the village of Cherra. Both of them having been declared CTs signify that their increasing urban economy is recognized but the formation of a small 10,000 people agglomeration is rendered invisible. Further, like in all our other case studies, connectivity does play a role in the spatial transformation of these settlements. The state highway cuts across the middle of Cherra and as a consequence, Cherra witnesses significant spatial change and is much more dynamic than Bishnugarh. Land values are higher and have increased rapidly and extensive commercial (and partly residential) growth is taking place along the state highway. Consequently, the main increase in built-up area is taking place in Cherra but also in its adjoining areas, which lie outside the boundaries of the CT as seen in Map III.3.

Map III.2. Jhanjharpur and its surroundings

This is where the expansion is occurring; in a different block (Laknaur), near the crossing of the rail and road



Map III.3 Location of Cherra and Bishnugarh



Note: The village boundaries are in red

74. In Odisha, Erein is a case of CTs whose growth is driven externally (partly by the Railway station) mainly by its proximity to Bhadrak, which is the district headquarter and recently by the acquisition of land for the rail connection to Dhamra port. It is one example in our sample of a peripheral CT, rather than a stand-alone one. Consequently, its recent status of CT is an improved step to measure the actual urbanization of Bhadrak. However, a significant part of the non-farm activities growth does occur on the stretch between Erein and Bhadrak in the Charampa market, located in Charampa village. Recently, four villages in the tehsil, north of Erein, were included in the Master planning area of the district headquarters, Bhadrak. However, none of these four villages have a substantial non-farm workforce, nor are many of them of significant size. What is curious is that the location of some of these villages is further from Bhadrak than either Charampa or Erein, which have not been incorporated into the master plan.

III.3. Statutory towns may not fit the Census criteria

75. While embarking on this project, and as explicated in the methodology, in Bihar, we decided to have a comparison between a large village, a CT and a ST. As noted earlier, a ST does not need to meet the census criteria for urbanization and it is interesting and important to note that Jhanjharpur fails to satisfy the census criteria because of its low level of non-farm employment which is in fact comparable to Simri village. Further in terms of service quality, Jhanjharpur is comparable to Simri but much worse than Satghara, in particular in terms of electricity (see Annex A1). In other words, the reason for Jhanjharpur becoming a NP either is linked to its higher population (30,000 people) or to other governance processes. In fact, the other potential ST that could have been studied in the Madhubani district, Ghoghardiha has an even smaller share of non-farm male worker of 28% and 32% in 2001 and 2011 respectively.

76. To conclude here, there are a few points to make about how research on CTs enables to deepen further our understanding of the urbanization transition in India. First, the choice of six settlements spread over four states demonstrate that CTs provide at first a better reading of the urban transition since it includes newer dense settlements that have benefitted from their location and higher levels of connectivity. In a previous work, in which two authors of this report participated, a distinction was made in terms of administrative status of four types of settlements: (1) invisible, or not recognized as urban; (2) denied, or classified as a census town; (3) recognized, as a statutory town; and finally (4) contested, where the settlement is contesting its administrative status³⁸. The field work conducted in five Census Towns validates that in each case, there is a form of invisible urbanization occurring outside the boundaries of the CTs. This result makes evident that the emerging urban transition cannot be bounded or reduced to the new CTs. In other words, the inclusion of CTs in understanding urbanization tell us more about urbanization on the one hand but does not tell us enough on the other hand. **This recognition inevitably raises the question of the relevance of the definition of urbanization itself and as to whether a definition solely based on density and spatial built-up would be more appropriate to fully capture the ongoing transformation.**

77. However, and this is a second point, if urbanization is related to the type of economic activities, as the Indian definition applies, then the two statutory towns, other than Madhubani, in the district selected do not fulfill the official criterion. This suggests that in this case, it leads to an overstatement of the existing level of urbanization. The recent work of Swerts³⁹, based on the Indiapolis data base that considers the built-up morphology and does not use any administrative criteria shows that, though it questions the level of urbanization, it faces limitations in the case of India where there are large and very dense settlements whose

³⁸ Denis, E., P. Mukhopadhyay and M.-H. Zérah (2012). "Subaltern Urbanization in India." *Economic and Political Weekly* XLVII(30): 52-62.

³⁹ Swerts E. (forthcoming), The substantial share of small towns in India's system of cities, in Denis E. and Zérah M.-H. (eds.), *Subaltern Urbanization in India*, Springer.

economy remain mainly dominated by rural activities. Her mapping of such settlements shows a very high proportion of those types of settlements in Bihar.

78. Finally all the CTs studied in West Bengal, Jharkhand and Odisha, however small in population size, exhibit a significant share of non-farm employment, an increasing level of connectivity and an expansion outwards that put them on a trajectory where the shift from rural to urban seems evident. The case of the district of Madhubani, in Bihar, on the contrary seems to be different. There is evidence, for all the settlements of increased connectivity, that favor some settlements above others (requiring to think also urbanization in terms of regional connectivity and therefore territorial governance) but there is also evidence of a low level of urbanization in terms of economic activity that indicate that there is a disjunction between densification and urbanization that would need to be probed further. To do so requires turning the attention to the shift towards non-farm employment (Table III.3) in order to qualify the nature of the urbanization process.

Table III.3 Trend of nonfarm male main worker share

Name and 2011 Civic Status	1991	2001	2011
Simri (Village)	14.1	34.3	43.7
Satghara (CT)	70.2	85.8	81.5
Jhanjharpur (NP)	29.5	54.0	45.0
Ghoghardiha (NP)	..	28.0	32.0
Gopalpur (CT)	56.9	80.2	64.7
Bishungarh (CT)	61.1	81.0	90.8
Cherra (CT)	73.6	86.4	80.8
Erein (CT)	54.2	80.5	82.9

Source: Primary Census Abstract (PCA) of respective Census year

IV. THE SHIFT TOWARDS NON FARM EMPLOYMENT

79. *The nature of economic transformation of the CTs can be grouped into three categories: (i) the everyday economy, (ii) town-specific activities (which may not exist in all towns) and (iii) new activities, all of which, with the possible exception of transport, are largely financed through non-formal sources. The everyday economy, which is organically rooted in servicing the demand from surrounding settlements, is facilitated by improved connectivity and transport options. This everyday economy is organized around the local market, i.e., the bazaar economy, but is insufficient to generate surplus capital, though it is an important and resilient source of employment and of interactions with the surrounding villages. In some settlements, there are also additional external drivers. However, in the state of Bihar, there is a visible absence of such drivers, of industry and a lack of public investment beyond roads. Five new activities are common to all sites, the major two being para-transit and construction. In addition to these two, three other common activities are private education, private healthcare and services around cellphones, their sales, servicing and value-added services*

IV.1.1. 'Old' Economic Activity

80. As noted earlier in the review of the literature, CTs may not be characterized by 'anchor industries'. The study also finds that the nature of economic activity in these settlements is fragmented and dispersed, relying largely on a number of services. However, this does not mean that there is no manufacturing. In Jhanjharpur, there was an attempt to establish an industrial base. An old complex of mills that included sugar and paper mills is located within the Jhanjharpur NP area, but has been defunct since within a year of its inception. The factories have been vandalized and the machines have been stolen. There is a Jhanjharpur NP Trade Corporation Rice Mill, Machen Processing and Trading Center and a Food Grain Godown in one compound located immediately north of the Highway Junction. This is a part of the Notified Area, but is not included within the NP. These units have been constructed around five years ago, but have been defunct after a year of functioning. There is a small rice mill in Jhanjharpur NP industrial area that employs fifty persons, but only in the period after the monsoon paddy crop. Most respondents cite lack of electricity and other infrastructure as a hindrance to the growth of industry. Other reasons include lack of financing from banks, lack of labour and lack of security.

81. By contrast, in Bishnugarh, there is a large employment base provided by the manufacture of foundry industry for brassware, which is retailed in the region. It has also a thriving jewelry industry. In Satghara, as in other settlements in Bihar, there is the manufacture of storage units, like metal trunks and cupboards, which are visible in the marketplace. Jewelry is present in the Bihar settlements also, and indeed, even in Simri village, there are jewelry workers who work on a 'putting-out' basis for shops in nearby markets like Rahika and Madhubani.

82. Another group of economic activity is agro-based, as in cold storages in Garbeta, referred to in the literature review. While both the Makhana factory and the rice mill in Jhanjharpur (where a large proportion of the workforce is still in farming) is defunct, a number of private rice mills are very vibrant in Erein. Bishnupur is engaged in the production of local alcohol and Gopalpur has a thriving industry manufacturing curd, which is supplied to the region. By contrast, defunct sugar mills dot the landscape in Madhubani, a testament to the significant nexus with government policy and possibly the associated lack of reliable electricity.

83. In addition to this, there is the more banal, everyday form of non-farm economic activity in terms of both small manufacturing like the drums and trunks that are omnipresent in Bihar's bazaars or grocery stores, hairdressers (beauty salons for women, a sub-set of this category, is also more visible and is often

home-based), tailors, jewelers, etc. However, since there is better communication to a given location, thus increasing the size of the 'hinterland' and more consumption per household, there is a higher level of such activity that can be supported at a given location, thus making it more possible that a specific location would cross the 75% threshold of male main workers in non-farm occupations.

IV.1.2. New Economic Activity

84. While each site has specific features associated with its transformation, it would not be totally out of place to note that there are some common new elements across these sites. A few of them are highlighted, as points of departure from older forms of non-farm work.

85. First, there has been a relatively rapid increase in construction. This is not just of public works projects associated with MGNREGS, Pradhan Mantri Gram Sadak Yojana (PMGSY), the rural roads scheme, Sarva Siksha Abhiyan (SSA), which constructs school rooms and other such schemes, but also importantly in the everyday improvement in housing and building quality, as more of them acquire brick walls and concrete roofs. Indeed, in one of our interactions in Madhubani, we were told that it was much easier now to find the skills for 'modern construction', in part seeded by return migrants who worked as construction workers in the cities, than it was to find skills for more traditional construction using mud and straw, which may be more cooling and cost-effective. Associated with the increase in construction is the activity of brick-kilns to supply these areas and not just the cities. These brick-kilns provide another avenue of employment for unskilled labour who were previously engaged as farm workers.

86. A second visible activity is based around transport, especially low-capacity vehicles (a formal capacity of four to seven, but which seat many times more) like three-wheelers, or in some cases, depending on route capacity, buses and SUVs of various forms. It would be natural to speculate that much of this is supported both by transport demand from rising incomes and by improvements in road quality at all levels, major district roads, rural roads, etc. The availability of formal banking finance for vehicle purchase (as compared to the difficulty of finding finance for other types of activities) and the relatively low entry costs and sunk costs for this activity make the growth of this activity even easier.

87. A third sector, is the growth of private education at all levels and price points. These are schools staffed by local persons with school education, managed by similar people with college degrees. Many of the larger schools often provide transport services to pick up and drop children (thus generating a transport demand of their own). There is also demand for add-on education services like coaching even for children in public schools.

88. Fourth, there is the economic activity generated by cellphones and the ecosystem that surrounds them. Not only is there indirect activity, there is also direct activity in terms of sales of phones, repair, recharge of talk-time, downloads of music and videos, etc. This is a relatively low cost entry business and success would depend on location of the shop.

89. Finally, there is health services, with the growth of private health care, some of it based on tele-medicine as in the Sky health centres in Bihar as well as non-certified health care providers of varying hues. There are also supportive activities, such as chemist's shops, diagnostic centres, and pathology sample collection centres, supported by the relative large share of private out of pocket health expenditures.

IV.1.3. Financing

90. Since the financial scale of most of these activities is small, they are usually provided by friends and family or from personal savings, which may depend on remittances and savings as a result of migration. Formal bank finance is available for transport. Funds are also generated by the sale of agricultural land. In

Erein, it was found that compensation received for land acquisition was invested in small economic activities. In Gopalpur (and Erein too), there were also co-operative financial institutions who extended finance.

Box IV.1 Women and labor participation

In all the settlements studies, there are women involved in the local governance structure thanks to the quota provided in the 73rd and 74th, but their role appeared to be limited.

In terms of employment, their participation is also limited. Women are involved in agriculture in Satghara and in South Behar (Jhanjarpur). In Satghara, the rising involvement of women in agriculture seem to be triggered by the departure of men for migration while in Gopalpur women engaged in agriculture mostly belong to lower caste group.

Women jobs in services is limited though one finds teachers in Gopalpur and in Jhanjarpur, where women are also employees of the urban local body.

The only location where women seem to be involved at a large scale is the bidi industry in Gopalpur. An estimated 500 to 600 bidi makers are working in Gopalpur, a number that is increasing every year. Women, particularly, are joining the industry as they can complete their household chores and make bidis during the remaining time. On an average, each woman makes Rs. 4000 to 5000 bidi per week. Of late, they are getting paid Rs. 78 for 1000 bidi as their labor charge.

There are some informal work, at times prompted by the Self Help Groups that exist in Simri and Gopalpur. In Gopalpur, women make puffed rice but in Simri, the Self Help Group does not work very well. Other casual activities are selling fruits and vegetables in the markets or the involvement in traditional caste-based activities. This is the case in Bishnugarh Cherra where women are involved in the local wine making industry and in Satghara where 250 to 300 women are engaged in bangle making. In Jhanjarpur, around 50 women are employed in a rice mill located outside the town boundaries and Gopalpur where some women are involved in rice mills and ice cream factories.

Finally, in Simri, there is mention of the difficulty to open bank accounts that is a hurdle for women since they depend on remittances and for widows who are beneficiaries of government schemes. This problem is not mentioned in other settlements but would be worth exploring since it does affect women livelihoods.

V. THE MANY STAKES THAT CHARACTERIZE GOVERNANCE

91. This section examines the manner in which the existing rural/urban dichotomy is debated by local actors and shaped by the state legislation's definition on urban settlements. In these five settlements, the results show that the form of governance of these CTs (rural vs. urban) is discussed locally and their status is contested. Four common factors shape these debates: (i) the comparative level of service provision, (ii) the role of taxes and public schemes, (iii) the nature of their non-farm activity and the related land use changes, and (iv) local socio-political formations. However, the aspirations for urban status is not uniform and these perceptions about economic trade-offs are influenced by regional configurations, social settings and local power structures. This section also underlines that, with the relative exception of West Bengal, the administrative capacity is weak and impacts the potential for local governance.

V.1. A cost benefit analysis of the urban status seen from below

92. The literature review had highlighted a number of factors that could either be drivers or factor of resistance to becoming urban. Many of these aspects are indeed raised by the persons interviewed during the field work, in particular the sarpanch and ward members.

93. A first argument against the urban status is the higher level of taxes. This is evident in all the cases studied. In Erein, the resistance to taxes was unanimous ranging from residents, shop owners and rice mill owners who feared that a potential merger with Bhadrak Municipal Corporation would entail higher taxes. The only CT where the discussion on taxes differs is Gopalpur, where members of the panchayat believe that people are ready to pay for better urban services for which there is a demand. In Gopalpur users have experienced better service provision, e.g., improved water supply and there may be a belief in government's ability to deliver and a stronger administrative capacity (see Table V.1) that is likely to increase confidence in service delivery. A question that remains is the extent to which the resistance to higher taxes is driven by the belief that taxes will not lead to improvement in services.

Table V.1: Administrative capacity

Jhanjharpur	Jhanjharpur RS	Satghara	Simri	Bishnugarh	Cherra	Gopalpur	Erein
1 Executive Officer	1 Panchayat secretary	1 panchayat secretary	n.a.	1 Panchayat Secretary	1 Panchayat Secretary	1 Executive officer	1 Panchayat secretary
2 clerical staff	No staff	1 temporary assistant (for MGNREGS)	n.a.	No staff	No staff	5 government employees + 2 contractual posts	n.a.
16 sweepers awarded contracts for SWM	No sweeper	No sweeper	No sweeper	No sweeper	No sweeper	No sweeper	n.a.

94. Second, the bigger existing package of schemes for rural areas is not as important a factor as could have been expected in favor of rural governance. It is mentioned in Erein, Odisha and in the CTs in Bihar but the perception of trade-off depends on the social composition of the wards. In Erein, the loss of

MGNREGS and IAY is seen as having a potential negative impact of becoming urban in the poor wards but this is not the case in wealthier wards. In Bihar, the inefficiency of MGNREGS, which has been stopped in the last six months according to our interviews, neutralizes the weight of public schemes. Rural schemes do not seem to make much of a difference, at least for the local elite.

95. A third difference, and an important one, between urban and rural governance is the bringing of urban bye-laws and planning devices. In our case studies, except in Erein that is located in close proximity to a municipal corporation where urban planning and urban regulation apply, there is no direct reference to the trade-off related to urban norms. Conversely, in the statutory town of Jhanjharpur Railway Station, the spatial expansion is partly driven by the absence of authorization for construction and cheaper land values in the surrounding villages.

96. Fourthly, access to better urban services, water, sanitation, solid waste management and drainage can be a major benefit from an urban status since additional funds are provided for these. However, as seen from section II.1.2 and Figure II.1, the evidence that there will be actual improvement is limited, at best. The question of basic amenities is the main discussed topic in the governance debate. In Bishnugarh and Cherra both the sarpanch believe that urban governance would automatically lead to better services and job opportunities, almost as a manifestation of faith that some external driver would change the settlement. This is shared by the residents and the elected members in Gopalpur whose preference is in favour of additional funds for urban services rather than rural public schemes. The Bihar case provides a more conflicting view and brings to the fore a facet of the debate that is not visible in the existing literature. The very low level of services, in Jhanjharpur but in Madhubani as well according to the fieldwork interviews, act as a justification for many sarpanch and ward members to reject the idea of becoming urban. If the only advantage of becoming urban is the prospect of better urban amenities that are nowhere to be seen in the district then this is not an attractive proposition. As the president of the North Behat Panchayat states, “we do not want to join Jhanjharpur Nagar Panchayat because development is better in Gram Panchayat than nagar panchayat”. In other words, the trade-offs between remaining rural or becoming urban are not seen by the actors in a vacuum but are embedded with their understanding of what the urban signifies in their regional context.

97. Finally, the field work conducted in the various sites unveils other issues that are only touched upon very sparsely in the literature. One of these issues is the necessity in many cases of realignment of jurisdictions. Another is the connection of the debate on the urban status with its social outcomes and related to social conflicts as well as its impact on the local politics and the local power structure.

98. In Erein the urbanization process has been marked by displacement due to large public sector schemes and increased social disparities between the new “middle class” inhabitants (public sector employees working in the district headquarter of Bhadrak) and its poorest inhabitants concentrated in tribal, Dalit and Muslim neighbourhoods. Dalit and Muslims’ wards are deprived of electricity which they access illegally and in these wards the fear of having to pay taxes is combined with a sense of exclusion that would be furthered with an urban status. In the tribal wards, a similar sense prevails that is accompanied by a genuine feeling that becoming urban would entail a loss of the rural identity of Erein as compared to the Bhadrak Municipal Corporation.

Table V.1 Arguments in favour or against becoming an urban settlement

Lines of argument	Jhanjharpur	Satghara	Bishnugarh Cherra	Gopalpur	Erein
Taxes higher in urban governance	People not in favor to pay taxes	People not in favor to pay taxes		People willing to pay taxes	People not willing to pay taxes (consensus from ward members, shop and rice mill owners)
Services	Yes, but not in favor of being urban since comparison with Jhanjharpur not positive. In favor, if Jhanjharpur becomes a district	Conflicting views: Yes, potentially Yes, but not in favor of becoming urban since services not of good quality in towns like Madhubani	Yes	Yes, including social infrastructure Yes, additional funding will be coming	Yes, but not in favor. No improvement in services compared to villages incorporated in Bhadrak (gram panchayat can do better). Some people may not be able to pay for urban services.
Access to public schemes		Conflicting views In one GP, no, does not play a role because MNREGS not efficient. In another, yes these schemes important for some groups			Yes, the poor would lose access to public schemes
Regulations	Land registration cheaper in Jhanjharpur RS and no land regulation which pleads for remaining rural				People not in favor to have to need building permit
Change in political constituency		Yes, fear of losing political power to people of Satghara			In some ways, idea that urban would be detrimental for poor and tribal and be a loss of identity + The cost of elections would increase
Realignment of jurisdictions	Mentioned as requirement	Mentioned as requirement			
Social groups		Yes articulation of differences of interests according to the caste hierarchy			Yes, strong articulation of differences among social groups. Tribals, Dalits and Muslims not in favor of urban status.

Source: Interviews conducted in the field (for more details, see individual case studies)

99. In Bihar, the socio-political dimension is central and this is seen in the case studies and also in other sites that were not included in the final selection of settlements.

100. A first apparent outcome of becoming urban is the manner in which it can modify the local power structure by favoring some political leaders above others. This reconfiguration of local political leadership was mentioned in Panadol (see box below) and in one of the neighboring villages of Satghara where people fear that the Chairman of a newly constituted NP would be from Satghara itself to the detriment of the local village leaders. In Erein, the mention of the increased cost of elections in urban local bodies, that local leaders could not afford, is mentioned to justify this fear.

101. Another concern is the disruption of local village politics. There is a prevailing sense that a GP takes care of the interests of a wider group of people and is linked to a specific form of patronage around allocation of public schemes benefits. The availability of urban funds for improved infrastructure, in particular small roads, leads to another network of actors that involve small public works contractors. Beyond this reshaping of political incentive, the urban/rural discussion reveals the division of opinions along class and caste lines.

102. In Benipatti, another large village, local politicians better connected to higher levels of government and local businessmen are in favour of an urban status. The rural/urban question is framed in a local elite/non local elite framework.

Box V.1. The socio-political debate around urban governance: narratives from Bihar

Shift to urban governance and Reshaping of political configurations

Village of Pandaul, a local inhabitant:

“The reason many do not want the GP to turn into a town is because the āzadi (freedom) will be taken away from the multiple representatives. If 10 mukhiyas are going to be replaced by 1 chairman, who wants to relinquish power?”

Shift of urban governance and its embeddedness in social structures

Satghara, a retired teacher from Karahiya East GP:

“Creation of nagar panchayat will help only Suri, Sonar and Marwari castes. Leaders who live in Bazaar are demanding for it as they do not get anything from GP. It is the poor people who benefit from GP like MGNREGS, IAY and other schemes. We have CM funds for Mahadalits who just live on the outskirts of our village, who will get deprived and majority of them are poor and landless. They do not get anything in NP. Let the proposal come up, we will oppose it and why should we pay taxes as we live in a village?”

Benipatti, the sarpanch:

“It is simple: the satisfied rich people are the ones who want an NP because the commercial, landed class will most benefit from this. They are the same ones who run the NPs...In the NP there is no government, only money.”

103. Despite the richness of the various conversations around urban aspirations they also have to be understood within the legal definition that the State refer to for urban status, which require to turn our attention to the actual practices observed on the ground related to the governance debate.

V.2. Articulation of urban aspirations or resistance

104. As can be seen from the Table I.1, a minimum population of 20,000 is required to become a transitional urban area in Jharkhand; in West Bengal, the smallest urban settlement has to have a population of 30,000 since there is no specific transitional urban area status. Consequently the new CTs are not close to this threshold (around 7,000 people in Gopalpur and around 10,000 in total for Bishnugarh and Cherra together). Beyond discussion, no concrete action has been taken in those sites to push for or resist a shift towards an urban status.

105. In Odisha, the threshold to become a transitional urban area is 10,000 above the actual population of Erein (around 7,800 people) but its proximity to Bhadrak implies that it could be incorporated in the corporation. According to interviews, some villages have been incorporated already⁴⁰ and there is a master plan in preparation⁴¹ with Erein situated just at the limits. Consequently, some fear its potential engulfing with Bhadrak and some rice mill owners had requested a stay order against incorporation.

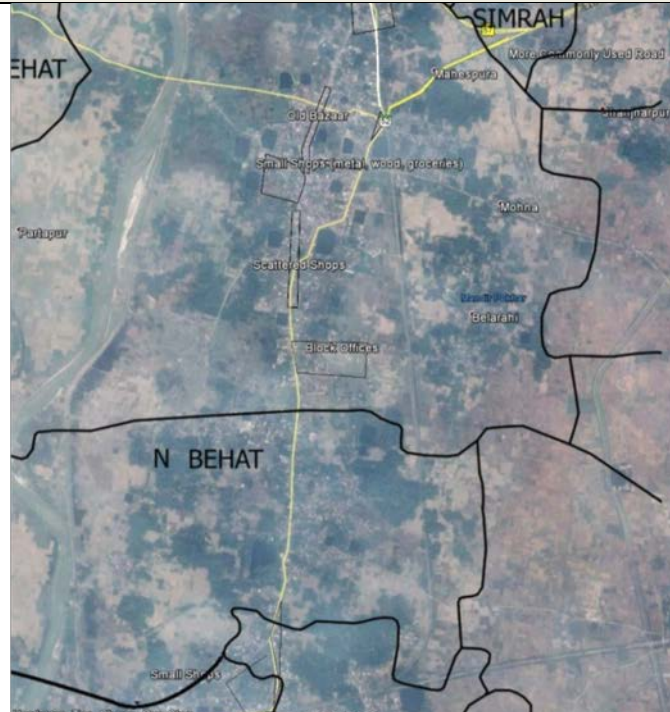
106. In Bihar, the question of procedures and practices is interesting since the threshold to become a transitional urban area is not very high, around 12,000 a threshold that Jhanjharpur has crossed (around 30,000 people) and so has Ghoghardiha, the other NP in the district. Despite this high population as compared to Simri or Satghara, nevertheless, both these NP do not have a very high share of male employed in non-farm employment. The grounds on which the claim can be made to become urban or to change one's administrative status seem to be embedded in regional politics. In our case studies, there is no debate in Simri about urban status. However, we will discuss the cases of Jhanjharpur, even though it already does have an urban status, Satghara and Benipatti.

107. In Jhanjharpur, during interviews with the Nagar Panchayat Chairman and local political leaders, there were multiple references made to a new expansion plan for Jhanjharpur but no details were provided. A plan to expand and improve the Jhanjharpur NP area was mentioned repeatedly by citizens and political leaders, with constant references to the Master Plan that would include the Railway Station Market as well as villages north of the NH junction (see Map V.1). It was reported by the NP authorities that an engineering firm from Delhi had conducted a survey and it would submit a report to the NP based on which further decisions would be taken; however, interviews with the firm and the district administration confirmed that there is no official master plan sanctioned by NP or the district administration but that the MLA of Jhanjharpur, also a Minister, had personally asked for the company to make a visit to Jhanjharpur. However, there is also a long-standing rumor that Jhanjharpur will be the headquarters of a new district that will be carved out from Madhubani. Some respondents in the RS market suggest that it will be better to be included in a town (colloquially called township) after Jhanjharpur is declared as the district HQ. The reasoning behind this is that the state administration will be forced to improve infrastructure in a new district HQ. Becoming a district headquarter is therefore much more attractive than becoming a Nagar Panchayat since it would necessarily involve public investments. The district administration however denies the existence of any such plan.

⁴⁰ On 20th May 2013, the Odisha Gazette notified the inclusion of four villages in the corporation (see <http://odisha.gov.in/govtpress/pdf/2013/1028.pdf>).

⁴¹ <http://www.dailypioneer.com/state-editions/bhubaneswar/stakeholders-meet-for-bhadrak-master-plan-held.html>

Map V.1: Jhanjharpur and Behat



108. Satghara is another example of the necessary connection between local and regional politics to further jurisdictional changes. During the year 1979-80, the Satghara Gram Panchayat passed a resolution requesting the state government to declare Satghara as a Notified area. This plan was accompanied by a bottom up mapping but since then, restructuring of Satghara and other GP villages was done without public consultation. It is an exercise done by the district administration prior to the gram panchayat elections based upon increase in population and administrative criteria and over time, many parts of neighboring GPs were added or removed.

109. In this new configuration, the villages or parts of villages that local leaders have suggested for inclusion in a future Satghara Nagar Panchayat to the government is shown in Map V.2. It is a recommendation to government based on geographical proximity to Satghara but this is not binding on the government agencies. The district administration is the final authority in delimitation of GP or NPs. However political influence does matter in inclusion and exclusion. Recently, in the year 2005, the Gram Panchayat again passed a resolution which was sent to Panchayat Samiti and from there to Zilla Parishad samiti, however it is a proposal passed by Satghara GP but not by the other neighboring GPs which are proposed to be part of it. Based on this, the district magistrate decides to carry a feasibility study at to whether the town is eligible for Nagar Panchayat or not. Despite the central administrative role played by the district in this process, such a demand has to be accepted politically. The former MLA from Rajnagar –Satghara says it was his political friends at the block level who requested him to raise the issue of Nagar panchayat in the state assembly. He raised the issue verbally in the assembly in 2008 but nothing has happened. According to him without No Objection Certificate (NOC) from the concerned Gram Panchayats and the Panchayat Samiti, it cannot be declared Nagar Panchayat unless the Assembly declares otherwise. There is no consensus by all the neighboring panchayat in fear of losing political clout, among others. The experience of Satghara tells us is that there has to be a multi-level process of political acceptance for becoming urban but this can be overruled by fiat either from the assembly or a jurisdictional realignment by the district administration.

111. The three cases in Bihar, Jhanjharpur, Satghara and Benipatti reveal that the debate on urban status is not held in a vacuum. On the ground, actions are taken, procedures are initiated to change the status of settlements and to realign jurisdictions. These processes are intricately connected with the political power structure and the formation of solid political alliances. It might even be that the push for urban is related to shifting political constituencies. Thus, the term of “political classification” is entirely apt to describe the stakes that surround the rural/urban debate. Nevertheless, beyond a political dimension, a central theme that runs through these debates is the level of basic ‘urban’ amenities, to which we turn next.

VI. URBAN SERVICES AND CENSUS TOWNS

112. *This section summarizes findings relating to provision of services such as water supply, sanitation, solid waste management and electricity. From the earlier discussion on urban status, it is not clear whether the level of services in statutory towns is distinctly and visibly better than census towns. This is also a finding that is seen in these sites, though with significant variance. Functions that are entrusted to ULBs like solid waste management are at least staffed to be carried out, though actual delivery may vary. Most of these settlements, with the exception of West Bengal, are not staffed to provide services. In Bihar, one observed defunct water supply schemes in all three sites, where expenditure on infrastructure is rendered infructuous, while in Gopalpur, West Bengal, the water supply schemes are quite functional.*

VI.1. SERVICES

113. The profiles for each settlements based on census data (Table A.1) as well as the qualitative interviews carried out in each settlements reveal significant variance in provision and expectation of basic infrastructure, such as water supply. From Table A1, it is clear that among the three settlements in Madhubani, Satghara (CT) is most comparable to the sites in the other states. Jhanjharpur (NP) despite being a statutory town lags behind in most service indicators as compared to the CTs in other states. Indeed, it is similar and often worse than Simri, a village in the same district. In Bihar, therefore, there does not seem to be a major benefit from ST status. Erein's position as being on the periphery of a large town appears clear from indicators like the use of LPG, the ownership of two-wheelers and cars, and most importantly, rented houses.

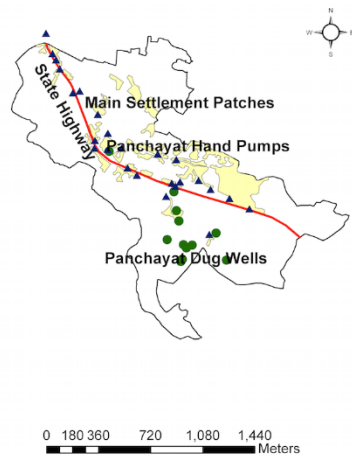
VI.1.1. Water Supply Service

114. Water supply is the most varied across the settlements studied. All the three settlements in Bihar, even the large village, Simri, have an overhead tank system, but none of them were functional. Since these areas have a high water table and hand pumps were accessible for most households, this has not proved to be a major problem in terms of water access, which brings into question the rationale for the original scheme in the first place. While expectations from the state appear relatively to be relatively low here, the situation is quite different in Gopalpur, where there is similar prevalence of hand pumps and a high water table, but the water supply scheme is quite functional and there is a plan to extend it to more households (see Box 1).

115. In Bishnugarh-Cherra, the situation is in-between. The Public Health Engineering Department (PHED) constructed a surface water supply project, viz., "Bishnugarh Gramin Jala Purti Yojana" on the Jamuniya River to provide pipeline water to the three villages of Cherra, Bishnugarh and Ramua in 1984. However, supply is unreliable because of lack of proper maintenance. Those who get water from this household connection have to pay Rs. 62/month. There were two community taps under this project, which are now completely defunct. To address this situation, another water project is going to be constructed by PHED on the Jamuniya River for which the budget is Rs. 7.73 crore.

116. Water supply in Bishnugarh-Cherra is therefore largely through dug-wells and hand pumps. Presently there are 17 dug wells and 41 hand pumps in Cherra and about 25 to 30 panchayat hand pumps and 12 dug wells in Bishnugarh. The location of public hand pumps and panchayat dug wells is shown in Box VI.1 In addition, people use tullu pumps (low horsepower pumps) both for irrigation and drinking purposes. In the neighbourhood with concentration of scheduled caste population, most people have to rely on the use of these pumps.

Box VI.1: Location of Public Hand pumps and Panchayat Dug Wells in Cherra



The map shows public hand pumps and dug wells in Cherra. Dug wells are used for both domestic and agricultural purposes. During the rainy season, bleaching powder is used for the dug wells to keep the water clean. Many households have their own dug wells and many others have hand pumps. Most of the public hand pumps are concentrated near schools and offices (see map) while in residential areas, people rely on their own private hand pumps. The location of panchayat dug wells has a relationship with political power, as seen in the concentrated location on the map.

Source: Project field work by Malay Ganguly

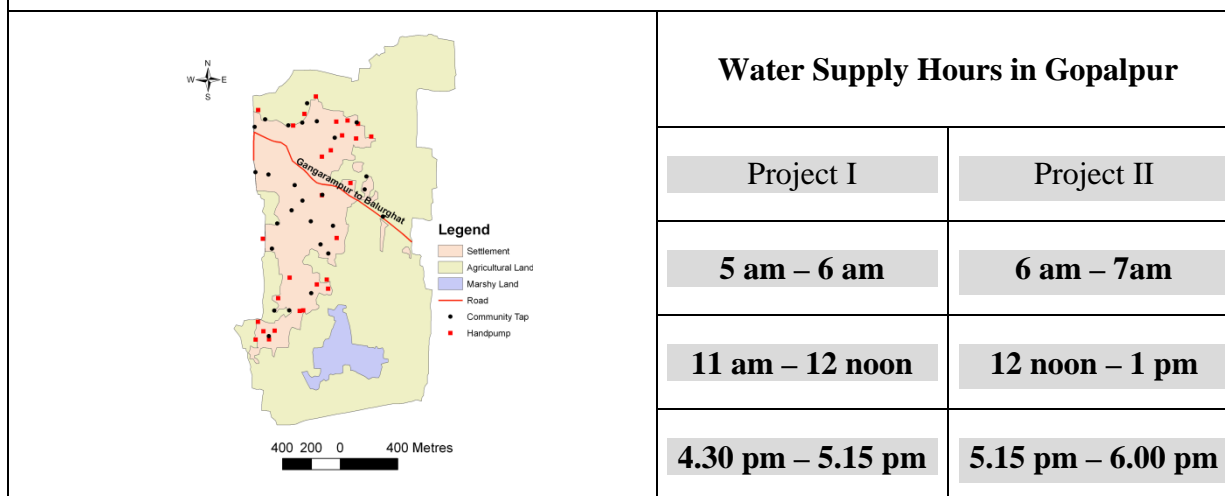
117. In Erein, water supply is from a number of public tube wells (the reported number is 146) that are available in the panchayat. Since the ground water level is quite high, (within five meters), it is not very expensive to sink hand pumps and many individual hand pumps are also seen. Recently, about a year ago, a piped water supply project under the Swajaldhara Scheme has been started in the panchayat and 60 percent of the village expects to get water from the panchayat after implementation of the project,

118. In Satghara, too, a water tank was built and water pipeline laid up to the market but water is rarely supplied. However, some part of Karahaiya East GP gets water supply with some 4-5 public taps in the area. Some people have taken household connections (Rs.10 for month is the nominal tax prescribed by the PHED but hardly collected). There is no maintenance by the PHED or the Gram Panchayat. Individual householders have to connect on their own as there is no staff to do so.

119. In Simri, the situation is worse. A water tank to supply drinking water was built by the Public Health Department (PHED) but the pipelines broke down soon after installation and have not been repaired since. The tank is now defunct. A commonly held view, reflected by a shop is that it was built solely to spend money. In any event, residents obtain water through public and private hand pumps and funds for construction of hand pumps are available for the gram panchayat from MLA, MP, Chief Minister's fund and also the PHED. Residents of the village feel that the iron content is high from groundwater sources, but as of now there is no proposal to repair the existing tank or build a new one.

120. Oddly, in Jhanjharpur NP, the ST, the situation is no better. A water tank was constructed about four years ago, but no pipeline was laid and therefore no water has been supplied. Officials claim that lack of manpower and miscommunication between departments is to blame. The area around Jhanjharpur railway station (RS) is dependent on public and private hand-pumps as is the NP area, though the number of public pumps is lesser in the agrarian wards. Though the hand pumps are installed by the NP, GP or the PHED, these are not well maintained and respondents complain that if a hand pump breaks down then none of the authorities are willing to repair it. In some wards, local respondents say they collect money from the neighborhood in order to pay for the repairs. However, while the respondents complain about the defunct water tank and pipeline, they seem to be satisfied with the dependence on the hand-pump. There seems to be no collective movement to either repair the tank infrastructure or install new hand pumps either in the NP or the RS areas.

Box V.2: Public Water Supply System in Gopalpur



In Gopalpur, the Panchayat and the Public Health Engineering Department (PHED) of the state government supplies piped water and community taps through the Swajaldhara Project, using ground water. Before commencement of Swajaldhara Project, this area was totally dependent on PHED's hand pumps. Besides piped water supply, the panchayat also provides hand pumps and deeper Mark-II tube wells for the community's use. As the panchayat's supply coverage is not adequate, many households have dug their own wells and tub wells. The use of hand pump or motor pumps depends on the financial condition of the households.

There are two projects under Swajaldhara; one provides water to 350 households and another serves to 250 households. The households having water connections pay Rs. 60/month. There are also 30 roadside community taps under Swajaldhara. These two projects supply water thrice a day to a third of the total households at the times indicated above.

There is a Beneficiary Committee, which consists of 10 members, and the head of the panchayat is the president of the committee. This committee collects water taxes from the residents and they maintain the total water supply system. Recently, in the last 4 -5 years, they have constructed many mark-IIs (average depth of 250 to 300ft), which supply water round the year efficiently. There are 19 hand pumps in the Gopalpur mouza, which are mainly concentrated in Gopalpur Madhyapara, Schoolpara and Dakshinpara.

Though water access was very poor in the past during the dry season, they have overcome this problem to some extent through installation of mark-II, which is the deepest tube well in the area. The problem of water becomes acute during November to June (in part due to withdrawal of huge amount of ground water for Boro rice cultivation) because of very low pressure in water from both the sources - household tap and hand pump (which become defunct because of falling ground water levels). However, since the water pressure is poor except in the households located near the pump houses, the Panchayat is not giving permission to any households for further connections. The State Government has plans to supply treated surface water through PHED from the river Punarvaba to all households. This project is expected to considerably improve water supply in Gopalpur.

VI.1.2. Sanitation, Sewerage

121. None of the settlements studied had a drainage system or any arrangements for septage management for the households with septic tank systems. Estimates by local politicians and informants about the extent of coverage of individual toilets vary from the census estimates – in both directions, overestimating coverage in Bihar and Jharkhand and underestimating coverage in West Bengal. Based on the census data, it does appear that CTs have higher number of households with in-house latrines and with septic tanks as compared to their district averages.

122. Jhanjharpur (NP) had built a few public toilets but these were non-functional at the time of the study. Both markets were prone to flooding during the monsoons due to overflow from the Kamala river; but since the construction of a barrage two years ago, this has substantially reduced. The NP authorities say that septic tank cleaning trucks are hired from Madhubani from time to time. North of the railway station, the government housing for the railway and for the Kosi project are the only places where the sanitation is in a better condition. In Satghara CT there is no functioning drainage network, even though it is always flooded during monsoon. In a few areas, especially in Satghara old bazaar, drains were built several years ago but are now choked by the garbage. According to the mukhiya, it is not a priority, because there is a need for better roads and better planning first.

VI.1.3. Solid Waste Management

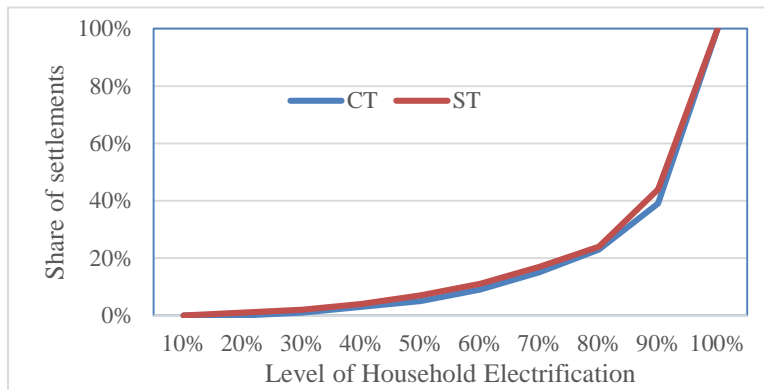
123. None of the settlements studied, except one, provide solid waste collection and treatment services. In these settlements, household garbage is usually dispersed or burnt. In some market places, the local merchants make arrangements to collect and dispose waste (typically through burning). Special one-off arrangements are also put in place by these merchants during festivals in order to handle the spike in solid waste volumes during these times. However, there is no arrangement, indeed, no conception, of safe disposal practices in these settlements.

124. The exception is the only urban local body in the study, i.e., Jhanjharpur (NP), where there are 16 employees (one for every ward) retained for the purpose of sweeping and collecting solid waste. However, even here, there is no arrangement for disposal. It is worth noting that Gopalpur panchayat is able to organize itself to provide regular water supply, which is a much more complex service to provide but does not provide solid waste management, while Jhanjharpur, which has relatively low governance effectiveness, still provides this service, presumably because it has been allocated this responsibility under the 74th amendment.

VI.1.4. Electricity

125. Nationally, for services like electricity, there is no difference between census and statutory towns. Figure VI.1 below shows the distribution of CTs and STs by the coverage of household electrification. As can be seen, distributionally, there is little to choose between the two. This is unusual since it can be surmised that statutory towns would get preference in electricity networks, and since CTs are administratively villages, their electrification should be similar to rural areas. However, this does not appear to be true. Since, unlike other services discussed here, many urban areas appear to be well served by electricity, the question arises whether the causality may run the other way. More work would be needed to understand if electrified villages are more likely to turn into CTs and whether the spread of electrification lead the formation of CTs.

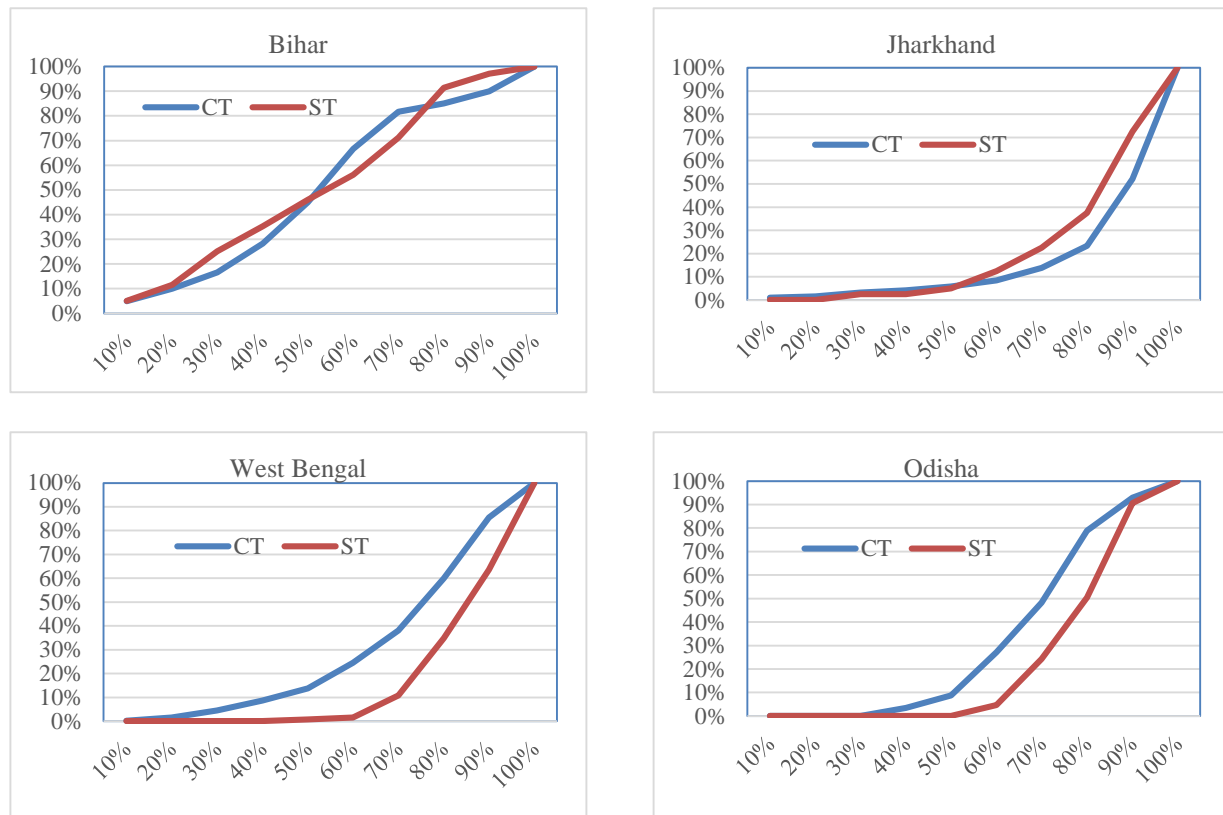
Figure VI.1: National Household Access to Electricity for Census and Statutory Towns



Source: Census 2011

126. However, in the four states being studied, the situation is not as clear. As seen in Figure VI.2, there is considerable variation between states regarding electricity supply in STs and CTs.

Figure VI.1: State Wise Household Access to Electricity for Census and Statutory Towns



Source: Census of India 2011

127. While in West Bengal and Odisha, STs are better than CTs (though in West Bengal, this could be due to the fact that STs tend to be larger towns), in Jharkhand, CTs do better than STs. Bihar is again an outlier, where there is no clear pattern. Indeed, among the three sites, the ST, Jhanjharpur NP has levels of household electricity access much lower than in Satghara CT (see Table A1).

VI.1.5. Education and Health

128. As seen in the discussion on new economic activities, the state of health and education service delivery has led to the growth of a vibrant private provision economy even in these smaller settlements. This is aided by the rise of transport providers and better roads. However, there are public hospitals at two of our sites, viz. Jhanjharpur NP and Bishugarh-Cherra. This aspect was not investigated in detail during our fieldwork.

VII. KEY FINDINGS

VII.1. Economic Transformation

129. This study is based on fieldwork at multiple locations in four states. These are Satghara, a census town, Simri, a large village, Jhanjharpur, a statutory town and block headquarter, all in the Madhubani district of Bihar; Erein, a census town near Bhadrak, a small class I district headquarter in Odisha; Bishnugarh and Cherra, a paired set of co-located census towns in Hazaribagh district of Jharkhand and Gopalpur, a census town in, Dakshin Dinajpur district of West Bengal. This spread allows us to ask how location-specific are the processes associated with urbanization and what commonalities, if any, one can notice in these sites.

130. A number of new activities are indeed common to many of these sites. These include activities connected to construction, transport – both passenger and freight, education, health and cellphones. In addition, better transport infrastructure, for instance, makes it possible for traditional activities like curd-making, which earlier were limited to the local market to now serve a much larger regional market, making it possible for more people to be employed in such activities. Large economic activities, like medium manufacturing appear not to thrive in these areas, in major part, due to the lack of reliable electricity supply, which would increase the cost considerably, by necessitating self-provision.

131. However, much of the economic activity of these census towns remains rather “ordinary” consisting mainly of non-tradable services and commerce. They are the sites that provide a wide variety of services to a growing rural market which is growing more able to afford them and access them, both physically in terms of infrastructure and socially, in terms of cultural mores. This banality of urbanization, its commonplace ubiquity and non-remarkable nature of transformation masks a very important character of this transformation, which is its resilience and permanence. Since it is not based on any major directed external agency (except perhaps Erein in our sites), the process is organic and can be expected to continue, with different degree of vitality at different sites.

VII.2. Spatial Transformation

132. The main observation regarding spatial transformation pertains to the pervasive nature of the transformation underlying the emergence of new Census Towns. Even in the cases of Census Towns located away from larger urban agglomerations, the increases in population densities and non-farm employment which are driving the emergence of new Census Towns are playing out not only within but also around the administrative limits of the Census Towns. And some of this transformation will remain invisible in terms of statistical measurement of urban areas and population. It is useful to reiterate that the size and area of villages in India vary enormously, even within a tehsil. However, the unit of determination as to whether a settlement is a census town or not is the village. So, a naturally small village will never become a census town even if its economic activities become completely non-farm because it will not meet the size criteria. Similarly, a group of villages may be sufficient to be a census town as a group, but not individually. In this manner, some forms of urbanization will remain invisible to the current system of measurement.

133. More relevant however, is the fact that as the non-farm activity in a village spreads, the actual site of the activity may be another village. In Gopalpur, one of our sites, for instance, the site of the main bazaar is near the ferry crossing, which is connected by road to a major district road to the other bazaar site. However, much of the first bazaar is in a different village, Bazrapukur, which is actually in a different

panchayat. It is possible that much of the urban growth in Gopalpur census town will therefore be not measured within Gopalpur and that the growth in Bazrapukur may not be sufficient to reclassify this into a census town. This is one instance where the contiguous built-up methodology may be of use to identify such clusters. However, keeping such a measure updated and discovering new sites is an issue.

134. A similar issue is seen in Jhanjharpur, where the growth is outside the town boundaries, which contain a substantial farm population. A redefinition of Jhanjharpur town to exclude its farming areas and include its non-farm activity areas may lead to a cleaner urban rural separation. As it stands, the level of amenities in Jhanjharpur town, which is a block headquarter, is much below that of a census town like Satghara.

VII.3. Provision of services

135. At the start of this study, it was hypothesized that there would be a choice for people between urban status, associated with a variety of public services like water and sanitation, street lights, etc. and rural status, which offered a variety of schemes like IAY, MGNREGS, etc. However, as the study progressed, it became clear that this was not an accurate characterization of the choices involved. In most of the case studies, there were groups of citizens who were interested in urban status and others who were not and in some places, like Satghara and Jhanjharpur or Benipatti (not a site but a village in Madhubani district near our sites), there were extensive efforts that included the generation of maps, etc. to bring about a change in status. This was associated with occupation, but also caste.

136. The choice was complicated by the finding that urban status was not strongly associated with better services in identifiable dimensions. This is true not just in our sites, but also appears to be true for census towns and statutory towns more generally. More curiously, it may also be so for villages close to census and statutory towns. It would appear that for smaller statutory towns, the level of public investment in service provision is not high (see Khan 2014 for an example) and investment in private infrastructure such as septic tanks may well be higher in census towns, due to higher incomes and no expectation of public investment. In such a situation, the demand for statutory status often is associated with a demand for the town to become administrative headquarters, e.g., a block headquarter or, in the case of Jhanjharpur, a district headquarter.

137. From the earlier discussion on urban status, it is not clear whether the level of services in statutory towns is distinctly and visibly better than census towns. This is also a finding that is seen in these sites, though with significant variance. Functions that are entrusted to ULBs like solid waste management are at least staffed to be carried out, though actual delivery may vary. Most of these settlements, with the exception of West Bengal, are not staffed to provide services. In Bihar, one observed defunct water supply schemes in all three sites, where expenditure on infrastructure is rendered infructuous.

138. Some of these results from the qualitative fieldwork may be specific to poorer states, and in more developed states, the monetization of land may, inter alia, play a more central role and can trigger a potential for capital surplus later invested in more productive activities.

VII.4. Is Bihar different? Pair-wise comparison

139. The lack of association between status and service provision may be specific to Bihar, as illustrated by comparison of Simri and Satghara as well as Satghara and Jhanjharpur. The purpose of this comparison was to illustrate the position of a large village, a census town and a statutory town with regards to their governance and their economic structure, as in Table II.3. Our results show that these three types of

settlement cannot be seen as being on a linear continuous process from rural to urban. First, in terms of its employment structure, Jhanjharpur's percentage of male employed in non-farm activities is closer to Simri, at below 50 per cent as compared to 81% in Satghara. In this sense it is among the few STs that do not meet the census criteria. Jhanjharpur is worse than Simri and much worse than Satghara in terms of electricity access. This is surprising since electricity is publicly provided as compared to septic tanks, which are based on private individual investments. In terms of overall service provision, the statutory town, Jhanjharpur is closer to Simri than Satghara, which is far better serviced. If services define a form of urbanity (or urban quality of life), then the census town is much ahead of the statutory town in this instance. In other words, the reason for Jhanjharpur becoming a NP either is linked to its higher population (pop: 30,590 people) or to other governance processes, e.g., the presence of the block headquarters (which is not the case with Benipatti, for example).

140. In Simri, people clearly see themselves as part of a rural settlement and most dominating caste still owns large tracts of land. In addition, its connectivity is very limited as compared to Satghara and Jhanjharpur, which constrains its expansion as a node for non-farm activities. It is worth speculating as to whether the intense demand for urban status by parts of the Satghara population is related to this situation of non-farm work and better services, while Simri, being of similar administrative status and population size, has no such demand. The caste dynamics of Bihar is also evident in the divide between the bazaar (market) and basti (settlement). The demand for urban status comes from the bazaar and the castes who are in the majority in the CT, while the surrounding rural areas have a different caste composition, and are not as much in favour of urban status.

VII.5. Initial Policy Implications

141. The study results open up a number of questions for policy implications in terms of governance, service provision and support for economic growth.

142. A major policy implication in terms of governance, not just for the four states, but more generally, is the need to plan at a more aggregated level, like the tehsil or the district, and not at the level of the settlement. The existing separation between rural and urban that structure all public interventions and governance structure is not in sync with the spatial and economic reality of these settlements that are perceived as a territorial unit by most of the residents. Various options can be envisaged that would be require more or less interventions ranging from evolving solutions to activate efficient district planning committees as exists in today's administrative organization to more radical solutions such as ending the binary rural/urban created by the 73rd and the 74th constitutional amendment on decentralization.

143. In terms of service provision, the study shows that the level of basic amenities remain very low. Since these CTs are sites where increasing numbers of people live and work, even in states like Bihar with high levels of outmigration, public investment to ensure higher levels of service provision such as water and sanitation needs to be called for. In addition to increasing population densities, and even in the absence of radical economic transformations, Census Towns appear as emerging centralities in their respective territories. This is illustrated in these towns by the expansion of markets and increased regional commute and brings demands for improvement in the provision of services such as solid waste management and street lighting, which are mostly non-existent in Census Towns.

144. In terms of economic activities, another important implication relates to the need spatially blind policies aimed at improve access to services such as formal finance and electricity, with the objective of enhancing the level of access of basic amenities but also the economic potential of CTs.

Table A1 : Basic Demography, Amenities and Assets

Category	Simri (Vill.)	Satghara (CT)	Jhanjharpur (NP)	Gopalpur (CT)	Bishnugarh (CT)	Chhera (CT)	Erein (CT)
1. Population (2011)	10,846	8,060	30,590	7,016	4,847	5,279	7,890
2. Household (2011)	2,196	1,716	5,904	1,738	819	953	1,545
3. Area (2001) (in Sq. Km.)	5.73	1.49	12.44	2.45	1.97	2.10	4.6
4. Population Growth Rate (1991-2001)	3.27	2.47	1.88	2.48	1.90	2.59	2.97
5. Population Growth Rate (2001-2011)	2.45	1.57	2.41	0.73	1.54	2.39	2.67
6. Share of SC/ST Population (2011)	6.9	3.8	10.3	41.3	12.9	5.2	20.8
7. Male Literacy Rate (2011)	76.8	80.9	69.8	83.0	90.3	90.0	86.2
8. Female Literacy Rate (2011)	55.5	62.8	50.6	71.9	74.9	73.5	73.2
9. Male Main Non-farm Workforce (2011)	43.7	81.5	45.0	64.7	90.8	80.8	82.9
10. Male Work Participation Rate (2011)	45.7	46.3	44.9	58.7	49.5	44.1	54.3
11. Female Work Participation Rate (2011)	14.2	15.9	14.0	18.6	13.4	9.9	12.7
12. % Household with G.I./Metal/ Asbestos Sheet Roof	28.3	19.0	11.2	76.0	6.6	4.8	12.2
13. % Household with Concrete Roof	24.4	36.5	26.0	10.3	63.3	66.6	37.7
14. % Household with Burnt Brick Wall	54.7	70.9	47.4	23.3	68.8	72.0	44.8
15. % Household with Cement Floor	18.2	44.6	25.7	22.0	58.0	68.8	46.2
16. % Household with Owned House	98.7	95.7	95.7	98.7	98.9	88.8	76.6
17. % Household with Rented House	0.6	3.2	2.9	0.9	0.8	7.6	18.0
18. % HH with Drinking Water Facility within Premises: All	42.9	59.7	48.4	39.6	49.9	62.1	64.6
19. % HH with Drinking Water Facility within Premises: Tap*	NA	1.3	1.1	3.4	1.3	3.8	11.2
20. % Household Use Electricity as Main Source of Lighting	25.9	63.5	19.2	64.2	93.0	89.4	72.2
21. % Household having Latrine Facility within Premises	28.4	50.2	31.1	65.2	31.7	44.0	50.4
22. % HH with Flush Latrine Connected to Septic Tank	20.7	37.7	22.6	23.1	25.6	40.2	33.3
23. % HH with Waste Water Outlet Connected to Drain#	33.6	40.1	15.0	24.9	49.9	42.8	40.2
24. % Household Use LPG/PNG for Cooking	9.2	33.1	16.9	14.5	2.6	10.0	29.4
25. % Household Availing Banking Services	45.9	53.9	33.0	40.8	85.0	78.5	66.0
26. % Households with Television	16.4	30.2	14.9	41.8	58.4	59.5	52.0
27. % Households with Mobile Phone	67.1	59.7	42.9	53.3	78.8	68.6	60.6
28. % Households with Scooter/ Motorcycle/Moped	9.1	16.6	7.7	6.5	17.7	23.3	28.9
29. % Households with Car/ Jeep/Van	0.8	2.4	2.6	2.1	1.6	3.0	4.9

Note: *Tap refers to both Treated and untreated. # Drain refers to both open and closed. Source: Census 2001. The highest value in category is shaded.