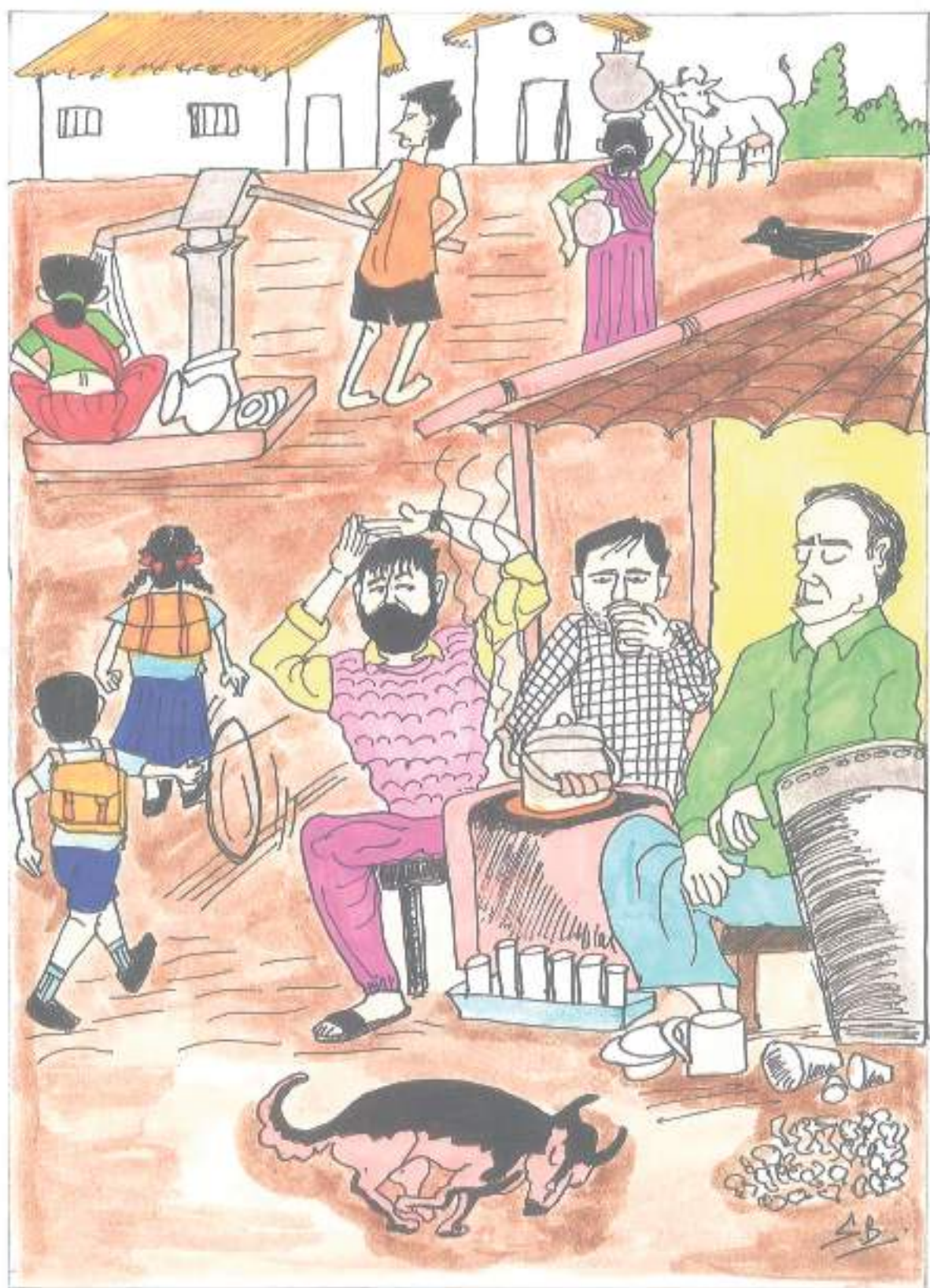




SUBALTERN URBANISATION

PUTTING THE MARGINS AT THE CENTRE

The metro-centricity that currently shapes urban policy ignores the secondary urbanisation taking place in smaller, informal ways in peri-urban areas where the vast majority lives. These places need focussed governance and attention for a more balanced development ethos.

PARTHA MUKHOPADHYAY AND MARIE-HÉLÈNE ZÉRAH

There is a lot of chatter now in India about urbanisation. It is now seen as one of the key transformations on the way to “Viksit Bharat”. But what exactly is this process of urbanisation? Is it just about people moving from villages to cities or is there more to it?

There is a concept called agglomeration economies that refers to productivity increases that happen when economic activity concentrates spatially. It functions through three channels, namely (a) clustering within industry, which helps to share suppliers and workers with specific skills, and two other channels associated with large cities, namely (b) shared physical and social infrastructure, generic labour pools, larger markets, etc., and (c) knowledge spillovers, wherein the city’s diversity encourages the cross-fertilisation of ideas, innovation, and new businesses.

The dominant paradigm in urban economics holds that these agglomeration economies increase with city size, creating a self-reinforcing cycle, wherein larger cities offer better infrastructure, bigger markets, and deeper knowledge networks, attracting more firms and migrants and further increasing scale, that is, urbanisation is largely top-down, driven by large metropolitan city regions acting as engines of national economic growth.

This metro-centricity shapes urban policy, often at the expense of smaller towns, which are seen as lacking the scale needed to generate meaningful agglomeration benefits.

Yet, the evidence on this is mixed. Even in China, the super-

charged urban-led growth engine, this phenomenon does not stand out. If one takes the top 10 cities by population in 1990, their share of population 30 years later barely changed and even their share of GDP rose only slightly. The same is true for the US, where the share of the top metropolitan statistical areas in GDP has remained broadly stable. While India does not have city GDP estimates, the share of the top 10 cities has remained stable, at roughly a quarter of the urban population.

Subaltern urbanisation provides another way to think about this transformation that is not metro-centric and top-down. When first presented, it was seen partly as a literary device, a catchy label, to focus attention on the area of enquiry, like Saskia Sassen’s “global city”. (Sassen, a professor of sociology at Columbia University in New York City, is noted for her analyses of urban sociology, globalisation, and migration.)



► **The sculpture of a fist** in Nalgonda, a Tier 2 city in Telangana, with replicas of electronic gadgets symbolises the State government's focus on promoting technology-based industries in smaller cities. NAGARA GOPAL

But it was also serious, an attempt to link, if tenuously, to the wide literature on subaltern studies to interpret this transformation, as Rana-jit Guha put it, a “contribution made by the people *on their own*, that is, *independently of the elite*”. (Guha was an influential historian who founded the Subaltern Studies Collective.)

It tries to analyse a form of urbanisation that is happening through local, often informal, market and social processes, via trade, agro-processing, small, but still global manufacturing, migration and remittances, pilgrimage economies, and even mining, rather than through state-sponsored initiatives, foreign direct investment (FDI), or the pull of large metropolitan economies. It argues that vibrant, dynamic smaller settlements exist and thrive outside the metropolitan shadow, sustaining a dispersed urbanisation pattern.

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Everything does not radiate outward from bigger cities. Today, possibly over 200 million people live in towns of under 1,00,000 people, with only a fourth of them being part of a larger urban agglomeration. This is a larger number than those living in cities of more than 1 million and much more than those in the large metros that the urban discourse in India seems fixated on. Ergo, smaller towns are not a footnote in India's urban story.

IMPORTANTLY, MIGRATION IS not the leading cause of urbanisation in India. From 2001 to 2011, of the 90.9 million new additions to the urban population, only 20.6 million were due to net migration. Indeed, 32.1 million people moved from rural to urban while 11.5 million people moved back from urban to rural areas, indicating a bidirectional population flow. Of the rest, 38.5 million were a result of natural growth and incorporation of new settlements into existing urban boundaries, while 31.8 million resulted from in situ reclassification of existing settlements from rural to urban, largely from changes in the occupational character of the settlements.

The contribution of migration has never exceeded a quarter of the increase in urban popu-



lation. In contrast, in China, migration accounts for about two-thirds of the increase in the urban population.

Subaltern urbanisation foregrounds this in situ transition, the villages morphing into small towns where they exist, through non-farm economic diversification, without its residents necessarily moving.

Many of these are census towns, meaning that they are recognised as urban by the Registrar General of India because they are relatively large and dense (more than 5,000 in population and 400 people per square kilometre) but mostly because more than three-fourths of the male working population in these settlements is engaged in non-farm activity.

BETWEEN 2001 AND 2011, the number of census towns in India jumped from 1,362 to 3,894, and the proportion of the national urban population living in such settlements nearly doubled, rising from 7.4 per cent to 14.6 per cent.

However, under both the United Progressive Alliance and the National Democratic Alliance, the Central government's urban schemes have been focussed almost entirely on larger statutory cities, leaving this category of new urban growth outside their ambit. This is so even when the reduction in rural poverty owing to consumption growth in nearby urban centres is

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greater when the urban centre is a smaller city rather than a large metropolis.

It is useful to think of this process of subaltern urbanisation across four broad types.

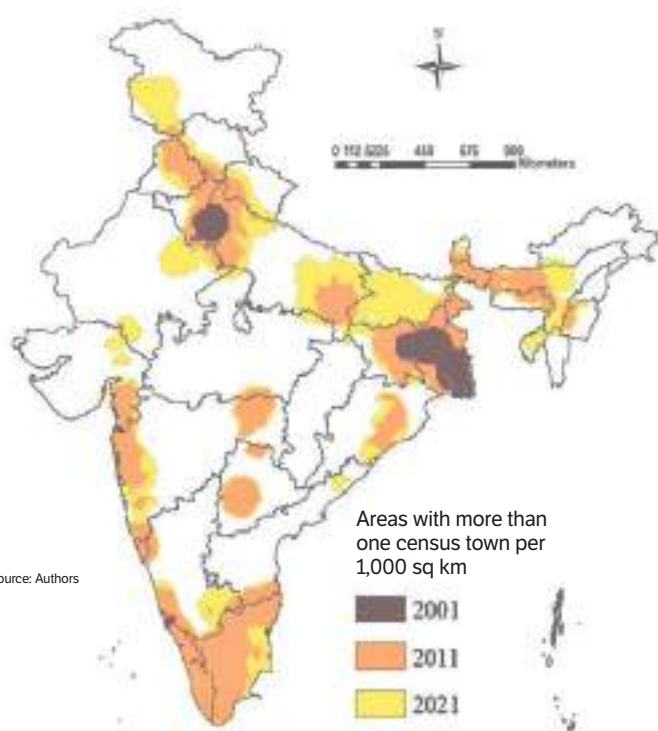
(a) **Influenced Town:** These are smaller towns proximate to metropolitan cities, which account for about one-fourth of the population of smaller towns. They are affected by diffusion and relocation of economic activity, weaker enforcement of environmental and planning regulations outside the municipal boundary, and of course, daily commuting.

State-sponsored locations of economic activity, like the Manesar industrial township near Gurugram, are both part of the metropolitan shadow and influencers with sway over their neighbours, like Dharuhera, which lies 20 km further along the road to the Jaipur highway. On the other hand, although located at a similar distance from Jalandhar, Kartarpur's furniture industry may be *sui generis* and owes less to its proximity to the larger city.

(b) **Micropolis:** This second type refers to entrepreneurial, resilient, innovative small towns *outside* the direct influence of metro cities. It is often built on networks of interconnected entrepreneurs and skilled workers, forming industrial clusters capable of exporting to distant, even international, markets through *jugaad* innovation. Examples are Tiruchengode in Tamil Nadu, which exports low-cost bore well drilling rigs to Africa, and the Udipi fishnet and fish products cluster, which is known as far as Japan. Capital is generated internally through local trade institutions, family savings, and informal credit networks, not formal loans and FDI. These are essentially scaled-down metropolises.

(c) **Market and/or Administrative Towns:** The third type refers to administrative centres such as block offices and police stations or local market towns. These are mostly statutory towns, whose dynamism depends on their administrative function and the nature of the local economy since they cater to the needs of their rural hinterland.

Local markets, or bazaars, are at the heart of the everyday economy. They benefit from a growing demand for diverse consumer goods in rural areas, driven by rising incomes, higher levels of connectivity, and better transport possibilities. While few goods are produced locally, their supply chain generates local employment. Some settlements can also benefit from external



Source: Authors



investment, such as a hospital and college, as in Bishnugarh, Jharkhand.

(d) **Emerging Small Towns:** These are often census towns, referred to above, that is, large, rapidly urbanising villages with a workforce shifting out of farming but with no prior history of urban-like activity, which means they have no administrative or market legacy and no connected local elite. This is the type with the least amount of institutional scaffolding.

WHILE SOME ARE part of larger urban agglomerations, a large proportion are stand-alone settlements. The nature of their economic transformation can be grouped into three categories: (i) the everyday economy, (ii) settlement-specific activities, which may reflect their history, and (iii) new activities. Almost all of these are financed through non-formal sources.

The settlement-specific activities in these spaces can vary considerably, but they tend to be small-scale and linked to traditional, often caste-related, occupations, such as the yoghurt industry in Gopalpur, West Bengal, and small-scale foundries in Cherra, Jharkhand.

They may also be linked to local natural resources, such as local mining or agro-processing, for instance potato farming that is serviced by privately developed cold storages. Such activities scale up and provide more income and employment as transport networks expand their markets. For some products, the markets can be quite far-flung with well-developed supply chains, like handloom products, handicrafts, or



At Maruti

Suzuki's car plant in Manesar near Gurugram. State-sponsored locations of economic activity like Manesar are part of the metropolitan shadow and influence their smaller neighbours.

SHAHBAZ KHAN/PTI

beedis. Among new activities, construction and para-transit services are major, both in terms of employment and local impact. Investment in rural infrastructure and the continuous shift to pukka housing currently taking place in rural India, initiated in part by the Pradhan Mantri Awas Yojana, is driving the construction sector, while para-transit services for both freight and passengers lubricate the everyday economy.

Growth in para-transit transport is driven by public investment in rural roads, creating more integrated regions, an increased demand for travel (for education, general consumption, and freight), and the availability of formal financing to purchase vehicles from manufacturers and/or banks.

Three other common activities are cell phone-related services (sale and recharge of SIM cards, loading of multimedia, sale and repair of instruments), private education, and private healthcare.

THUS, THESE SETTLEMENTS fulfil banal but very necessary functions, which can often provide higher incomes than traditional agricultural activities. They are fluid spaces, where many people drift between non-farm and farm work.

This process of transformation constitutes the material expression of the current socio-economic transition in India, with reduced demand for farm labour but inadequate generation of industrial employment, and a limited degree of migration to large cities, with necessarily uncertain benefits.

Although people continue to struggle in these small urban centres, they prefer to stay in a known environment, to have a safety net, where they can be supported by local social networks.

The small towns are not passive victims of neglect waiting to be rescued by metropolitan spillover or state investment. They are independently generating innovation, employment, and even international trade links through their own trans-local networks. It is a parallel urban world succeeding on its own terms, one that mainstream theory has simply failed to notice.

The underlying dynamic of market and historical forces generating settlement agglomerations through trade, agro-processing, small-scale manufacturing, and circular or seasonal migration is inherently piecemeal and privately financed, with individual households converting agricultural land, small entrepreneurs setting up workshops, and developers building along a highway.

THERE IS NO PLANNING authority whose job it is to anticipate or shape this because no single authority owns the settlement's urban future. Basic infrastructure, like septic tanks, is self-provided. These settlements grow by market and social momentum, largely despite the state rather than because of it, with perhaps two caveats, namely better roads and improved electricity supply.

There is no clamour in many of these settlements for statutory urban status, which can often appear whimsical. For example, back in 2004, the Tamil Nadu government directed the reclassification of 566 urban town panchayats as rural village panchayats. When the ruling party changed in 2006, orders were issued to turn them back into urban town panchayats.

In another case, in 2009 in Maharashtra, some villages incorporated into the Vasai Virar Municipal Corporation (VVMC) resisted joining it, and the State government issued a notification in 2011 deleting 29 villages from the municipal corporation. This decision was then challenged by the VVMC in the Bombay High Court. After over a decade in limbo, when these settlements were neither part of village panchayats nor fully part of the municipal corporation, the State government in 2024 cancelled the 2011 order, leading to the Bombay High Court dismissing the petition and these 29 villages being included in the VVMC.

Incomplete devolution of functions, funds, and functionaries means that even statutory towns in India are often poorly governed.

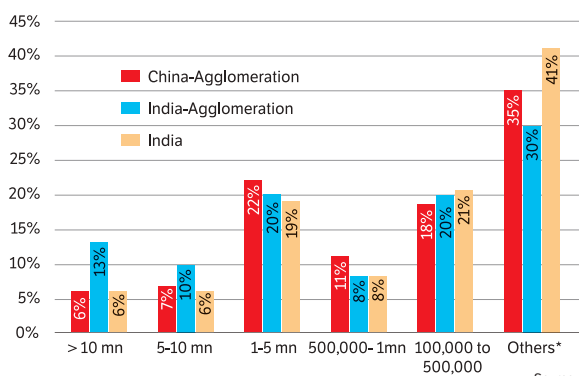
This contestation over status can be traced to four main axes: (a) service provision, where becoming urban does not necessarily improve services in smaller towns; (b) the nature of non-farm activity, control over land and related land use changes; (c) benefits from public schemes in rural areas, like the National Rural Employment Guarantee Scheme, versus costs such as new urban taxes; and (d) local sociopolitical formations that intersect with social identity and economic class such as the links between caste and land, and in the case of the VVMC, claims of erasure of tribal status.

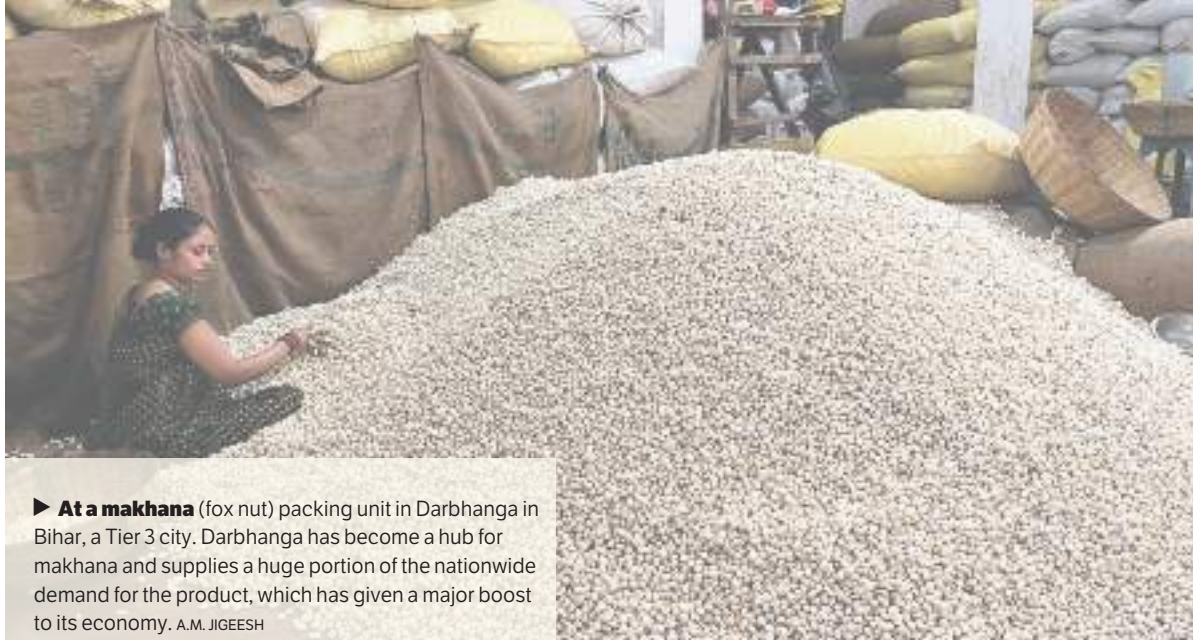
In the absence of government, the power vacuum is often filled by structures inherited from the older agrarian order of dominant landholding castes and panchayat politics, and institutions like cooperative societies. They become the de facto governance apparatus well before any formal municipal institution arrives or instead of it.

A study by Sai Balakrishnan, an associate professor of city and regional planning at the University of California, Berkeley, shows how agricultural cooperatives are reorganised into real estate companies, with former sugarcane farmers as shareholders. As she puts it in a paper titled "Recombinant Urbanization: Agrarian-urban Landed Property and Uneven Development in India", the "same caste-based political and social capital that made sugar cooperatives possible in a capitalist agrarian society is now being leveraged by agrarian elites to ease their own and their constituents' entry into an urbanising economy". Thus, in crucial social aspects, these urban spaces can remain very rural.

Such a bottom-up subaltern urbanisation process is not a romantic idea. To see its potential, look at Yiwu in China. It grew almost entirely bottom-up, from local itinerant trading traditions into the world's largest small-commodities

China-India, a comparative study





► **At a makhana** (fox nut) packing unit in Darbhanga in Bihar, a Tier 3 city. Darbhanga has become a hub for makhana and supplies a huge portion of the nationwide demand for the product, which has given a major boost to its economy. A.M. JIGEESH

wholesale market, without the concentrated state investment that built Shenzhen.

Yiwu's wholesale markets are the distribution front end for manufacturing that happens across a much wider network of specialised production towns. There is a two-tiered geography, with a group of towns, such as Shaoxing, Taizhou, and Wenzhou, within a 100-150 km radius of Yiwu itself that supply the bulk of everyday product categories and a small number of long-distance specialised linkages such as toys from Chenghai, almost 1,000 km away.

The export destinations are global, touching over 200 countries. The Yiwu economic ecosystem is a largely hyperlocal production cluster that feeds a single node, which then redistributes globally.

Yiwu was able to do this because its local government and those of associated producer towns had sufficient capacity to position themselves and build it out into the ecosystem it is today. In India, such governance capacity resides, if at all, at the level of the State, and not in any city, including the large metros.

Incomplete devolution of functions, funds, and functionaries means that even statutory towns in India are often poorly governed. The problem is not one of census towns being denied municipal status but a structural mismatch that limits what municipal governments can do even where it exists.

India is urbanising on two tracks. One is top-down, has global ambition, with private schools and hospitals and airport terminals, represented by the gleaming towers of Gurugram (albeit occasionally flooded), the Hi-tech City in Hyderabad, and the private ELCITA run Electronic City in Bengaluru.

The other is what is producing the urban in

Local markets, or bazaars, are at the heart of the everyday economy in market towns. They benefit from a growing demand for diverse consumer goods in rural areas.

the rest of the country, a process that subaltern urbanisation tries to conceptually capture. But both have no local governance capacity to speak of. The discourse on the urban in India is currently dominated by slums and their redevelopment or, at the other end, the need to relax floor space index and/or land use restrictions so that taller buildings can be built and abandoned industrial land can be turned into malls.

The stories are about flyovers, metros not buses, and transit-oriented development, or its lack thereof. But these are not the concerns of the vast majority of urban India. This dissonance has a parallel with the approach to manufacturing focussing on the problems of a few large formal firms, while the vast majority of manufacturing micro, small, and medium enterprises, often informal, continue to be neglected.

Subaltern urbanisation insists on a different narrative. It is about shifting the question from "how do we manage migration in our large agglomerations" to "how do we provide governance capacity to settlements that are growing". It is about restoring agency and vitality to the urban discourse. ■

The views expressed are personal and not attributable to any institution to which the authors may be affiliated.

The idea of subaltern urbanisation was conceptualised in conjunction with our late colleague, Eric Denis and developed along with members of the SUBURBIN collective.

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