



The Big Picture: Transforming Indian Cities

According to Oxford Economics report, Indian cities will make up most of the fastest-growing cities in the world between 2019 and 2035, considering the year-on-year Gross Domestic Product growth. **Over 17 of the 20 top cities on the list will be in India.** The report said that Indian cities including **Bengaluru, Hyderabad, and Chennai will be among the strongest performers across the globe.** According to a Bloomberg report, **India will dominate the top 10 cities in terms of economic growth over the span of 20 years. Surat, a commercial center for textiles in Gujarat, will witness the fastest GDP growth by an average exceeding 9%.** While economic output in many of those Indian cities will remain rather small in comparison to the world's biggest metropolises, **aggregated gross domestic product of all Asian cities will exceed that of all North American and European urban centres combined in 2027.**

DRISHTI INPUT

Oxford Economics Report Highlights

- **Top 780 cities around the globe, currently are part of almost 60% of all world economic activity, and they will grow in importance as urbanisation continues. By 2035, these cities will be home to almost half a billion additional people with GDP rising by \$32trillion (constant 2015 prices and exchange rates).**
- The forecast is that there will be **significant growth disparities between cities** and therefore one can expect to see considerable changes in the world over this period. Many of today's emerging market cities, particularly in **Asia, will continue to progress along the development path and the balance of urban economic power will shift further east as a result.**
- **By 2035, Asian cities will account for almost half of global activity, overtaking the aggregate of European and North American cities in just over a decade.** But it is still expected that most of today's urban superpowers will retain their positions as the largest cities in terms of GDP in 2035, **led by New York, Tokyo, London and Los Angeles.**

Urbanisation in India

- **Housing and employment are the most crucial needs for the migrating population.** Presently, the cities are ill-equipped to tackle such influx due to lack of employment generation capability as well as housing capacity.
- The consequence of such deficiency is **rampant proliferation of illegal housings and slums.** Lack of job opportunity also leads to rise in crime rate. Hence, the need of the hour is to make cities capable to absorb the growing population.
- **But, the critical fact is that India has not urbanized enough.** India is one of the least urbanized countries in the world. **Most of the developed and developing countries have more than 50% urbanisation and western European countries along with the US and Canada has 80% urbanisation.**
- The 2011 census states that extent of **urbanization in India is 32%.** However, the experts

believe that the percentage is much higher. In one estimate it is as high as over 40%. The reason for such under reporting is that many adjoining urban areas are still being considered as rural areas.

- The urban India is facing population burden. **There is a huge influx of migrant workers into the cities.** These cities are ill equipped to bear the burden of the unskilled workers. Rural urban migration is a point of concern, but intra city migration is also a rising phenomenon.
- The Top 10 Indian cities mentioned in the Report are **situated either in the western belt or in the southern belt. Eastern cities do not even feature in the Top 10.**

The Way Forward

- The recent survey has shown that the smaller cities and towns have grown faster than the big cities like Delhi and Mumbai. Hence, **the focus must be put in to develop the tier-3 and tie-4 towns.** Waste management system, schools, roads, proper sanitation infrastructure, water supply, power and most importantly, housing facility have to be developed so as to make small cities engines of growth.
- There is need to revisit urban planning system and the focus should be on to **improve the quality of life by developing the social and the physical infrastructure.**
- The local administration is the key to ensure the sustainable growth of the cities. The **Smart City Mission** in fact strengthens the governance system by empowering the local administration. The local municipal corporations should improve their respective credit scores and issue **Municipal bonds** to raise funds.
- In this regard government schemes like **Housing for All** and **Deendayal Antyodaya Yojana (National Urban Livelihoods Mission)** have been playing an important role.
- Deendayal Antyodaya Yojana (National Urban Livelihoods Mission) to **reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment and skilled wage employment opportunities can help in tackling the issues related to urbanization.**
- Housing for All - The Mission seeks to address the housing requirement of urban poor including slum dwellers through following programme:
 - Slum rehabilitation with the participation of private developers **using land as a resource.**
 - Promotion of Affordable Housing for weaker section **through credit linked subsidy.**
 - Affordable Housing in **partnership with Public & Private sectors.**
 - **Subsidy for beneficiary-led individual house construction/enhancement.**