

Village and Small Town Development Through the Provision of Urban Services in India: A New Approach to Help the Rural Poor

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CONTENTS

Section Number	Sub-Section	Title of the Section	Page Number
1		Introduction	04
2		Rural-Urban Poverty Linkages and Urbanization In India	07
3		Government programs on decentralized urbanization for poverty reduction in India	13
	a.	East-West Divide in urbanization	15
	b.	Models of Urban Decentralisation	17
	i.	Madhya Pradesh Model - early decentralization of urbanization and its impact: -	17
	ii.	Kerala Model of Rural-Urban Continuum and its Impact	19
	iii.	Census Towns	21
	iv.	Block level and village level planning impacts: case study of Alwar District in Rajasthan	22
4		Bringing the urban services to the rural poor	23
	a.	Provision of Urban Amenities in Rural Areas (PURA)	23
	b.	Concept and impact of the "Mahatma Gandhi National Rural Employment Guarantee" program (MGNREGS) for poverty eradication in rural areas through job guarantees and National Rural Livelihood Mission (NRLM)	25
5		Case study on Kollam District in Kerala: Integrated District Development Plan (IDDP)	30
6		Lessons learnt and recommendations for India: best practices: Drivers/Enabling Infrastructure, Job Generation and Asset Creation	31
	a.	Urbanization and Rural-Urban Linkages :-	31
	b.	Poverty linkages: -	32
	c.	Good practices in Government Programmes for poverty reduction:-	33
7.		Implications for other countries:	34
References			36

List of Figures

Figure Number	Caption of the Figure	Page Number
1.	Integrated Development of Small and Medium Towns in India under various Five Year Plans (6 th to 10 th Five Year Plan)	09
2.	Urban Population Distribution in India under various Census Years.	10
3.	Distribution of New Census Towns and Urbanisation in India : 2011	11
4.	Urban Poverty and Urbanisation in India	12
5.	Location of Heavy Industries and Urbanisation in India	15
6.	Concentration of Industries and resource rich backward region of India	16
7.	Urban Population Growth in Madhya Pradesh 2001-2011	18
8.	Industrial Map of Madhya Pradesh	19
9.	Contribution of Census Towns to total Urban population of selected States	22
10.	Location of PURA Centers in India (2011)	25
11.	Components and process under NRLM	29
12.	Integrated Decentralised District Development Plan Process in Kerala	31

List of Tables

Table Number	Caption of the Table	Page Number
1.	Poverty Estimates for Kerala	20
2.	MGNREGS and Casual Public Work in Rural areas of India 2009-2010	28

Front and Back Cover Photo: Kondapalli, A PURA village in Andhra by N. Sridharan, August 2014.

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N. Sridharan

1. Introduction

In India, the percentage of people living below the poverty line declined at an average rate of 0.74% per annum between 1993-94 and 2004-2005 and 2.18 percentage points per year between 2004-05 and 2011-2012 (Planning Commission, Government of India, 2014, Panagaria & Mukim:2013). This sharp decline in poverty in the post 2000 seems to have been caused by spatially targeted anti-poverty programmes both in rural and urban areas. The percentage of population living below poverty line in rural area declined from 50.1% in 1993-94 to 25.7% in 2011-2012 and in the case of urban area during the same period the decline was from 31.8% to 13.7%. Though there have been debates about the construction of poverty line itself, there is a consensus among various economists on this declining poverty, except that they added more variables to make the poverty basket a broad based one other than consumer expenditure alone².

Lanjouw, et al (2010) pointed out the links between urban poverty reduction to rural poverty decline. They also pointed out the role of non-farm sector in rural India and its acceleration during the post reform period in reducing rural poverty through increased urban consumption growth. However, one of the strongest factor in poverty reduction and employment generation in rural India has been the introduction of many spatially targeted programmes such as Provision of Urban Amenities in Rural Areas (PURA), Prime Minister's Gram Sadak Yojana (that is provision of Rural Roads under the Prime Minister's programme), Mahatma Gandhi National Rural Employment Guarantee Programme (MNGREA) under the MNGRE Act, which aims at employment generation and public asset creation through labour contribution in rural areas, and other such large scale programmes in rural areas. Compared to this rural anti-poverty programmes, most of the urban poverty programmes were concentrated in metropolitan areas, especially slums. There was a preconceived notion that urban poverty is concentrated only in slums and any anti-poverty programme should address the slum dwellers first (Baud, et al 2008), while the reality was different. More over, heavy infrastructure investments were made in and around metropolitan cities through programmes such as Jawaharlal Nehru National Urban Renewal Mission (JnNURM). As a result many of the small and medium towns were neglected in terms of development, though there existed investment programme for Integrated Development of Small and Medium Towns (IDSMT) since the beginning of the VI Five Year Plan in 1980. Lanjouw, et al (2010) pointed out that majority of urban poverty was concentrated in the lower order towns where lesser investment have been made for its eradication. More over, the manufacturing sector moved away from the cities to fringe areas of the city and at times far from city on the corridors generating jobs outside the city (Ghani, et al : 2013). In fact, India's spatial development is not the same as in the case of China, as

² See for example the methodological variation between Ranganrajan Committee on Poverty Estimation over previous committees.

pointed out by Desmet, et al (2013), where in they pointed out that the heavy concentration of services and other manufacturing activities in high density clusters, which is in contrast to US and China. However, the migration pattern based on 2001 Population Census and 2011 National Sample Survey Organisation's (NSSO) 64th Round reveals other facts.

Though India's economy has accelerated since 1980s the growth of agriculture has been dismal. Three factors have contributed to a relatively poor productivity performance in the broader economy: the slow pace of non-farm job creation, a high share of unorganised and sub-scale enterprises, and a skills shortage in the labour force (Mc Kinsey Global Institute:2014).The rural population and labour force continue to increase and rural-urban migration remains very slow(Binswanger-Mkhize:2013). Urban –rural spillovers have become important drivers of the rapidly growing rural non-farm sector that generates the largest number of jobs in India. Rural non-farm sector has become one of the main sources of income for rural households to increase their income. Non-farm employment is distress driven (Jatav and Sen: 2013). Jatav and Sen concludes that due to deceleration of rural employment generation, the crisis of joblessness would have been more acute without the Mahatma Gandhi National Rural Employment Guarantee Scheme.

The NSSO's 64th round shows that nearly 29% of the persons living in India were migrants with the dominance of rural-urban and male-female variations. The migration rate (% of migrants to total population) was higher in urban areas (35%) as compared to the rural area (26%). The general misconception that poverty drives migration has been proved to be debatable by the NSSO data on income distribution and migration relation. It reveals that migration levels were lowest among bottom Monthly Per capita consumer Expenditure class (MPCE) (NSSO:2010, p. Hii). Rate of migration among top decile of the expenditure group and among the literate was observed to be higher than other expenditure groups. Similarly, self-employment was found to be a major occupation among the migrants. It shows that from 16 per cent before migration, the self-employed migrants increased to 27%, while the regular and casually employed showed no significant change. This reiterates the importance of the presence of informal sector in tackling rural-urban poverty. Many researchers (Jha Brijesh: ???, Coppard: 2001, Lanjouw, et al: 2010) have already established the emergence of non-farm sector in employment generation in rural India, and its impact on reducing rural poverty. Similarly, it has been observed by researchers (Sridharan:2012) that the highly industrialised and urbanized states of Maharashtra, Gujarat and Tamil Nadu performed well in poverty reduction than other states . All these deduces us to conclude that urbanization is one of the strong factor in reducing urban as well as rural poverty.

The population census of 2011 reveals for the first time the increase in population is almost equally contributed both by urban as well as rural population. In other words, out of the total increase of 181.4 million persons

during 2001-2011, 91 million was from urban areas and 90.4 million was from rural areas. Rural growth rate of population is also declining. However, one of the important aspects of 2011 population census was the contribution of 'Census Towns' to urbanization. Major contribution to the percentage increase in urbanization came from Census Towns, (defined as 'area with a minimum population of 5000, 75% of male main workers engaged in non-agricultural pursuits, and a density of at least 400 per sq.km), which increased from 1362 to 3894 (an increase of 2532). Census towns contributed 14% (54 million) of the total urban population there by reemphasizing the role of growing villages (which are considered as urban by the Census) in the growth of urban population. Cali and Menon (2009) through a rigorous analysis showed how increasing urbanization (especially in the peri-urban area) affects rural poverty in India positively. Sharma and Chandrasekhar (2014) pointed out the increasing number of workers living in rural areas commuting to urban areas than settling down in urban areas, especially in peripheral areas of large urban areas. Recently released (2014) Poverty figures of some of the states also reiterates that the urban poverty levels are higher than in rural areas in some states, which forces the people to be in rural area which is cheaper compared to urban areas. This brings us to the issue of urban amenities in rural areas.

Conceived in 2003 by the then President of India, Dr. Abdul Kalam, 'Provision of Urban Amenities in Rural Areas' (PURA) was initiated in 2005 which was modified in 2010 to include some of the new concepts in reducing rural poverty and to provide urban amenities in rural areas so that migration to urban areas can be regulated. Seven clusters in seven states were identified to provide connectivity in terms of transport, power, electronic, knowledge, market and provision of drinking water and health facilities. In 2007, taking into account the recommendations of an independent evaluation report (NIRD:2007), PURA was modified to include a PPP model centering around growth centers and a composite model of livelihood and infrastructure in rural areas. A business model, leveraging public funds with private capital for create on and maintenance of rural infrastructure was worked out focusing on community development and not on individuals. PURA supported by Employment Guarantee Act (Mahatma Gandhi National Employment Guarantee Programme), Bharat Nirman (which aims at improving electricity, road connectivity, safe drinking water, telephone, irrigation and houses in rural areas).

In this paper, we analyse the rural-urban poverty linkages, government programs on urbanization and poverty reduction covering various models. PURA and the Mahatma Gandhi National Rural Employment Guarantee Programme for employment generation and poverty reduction are explored and the paper comes out with salient lessons learnt from these experiences for other developing countries. Based on our analysis recommendations are given on the need for decentralized urbanization strategy to reduce urban as well as rural poverty coupled with rural development.

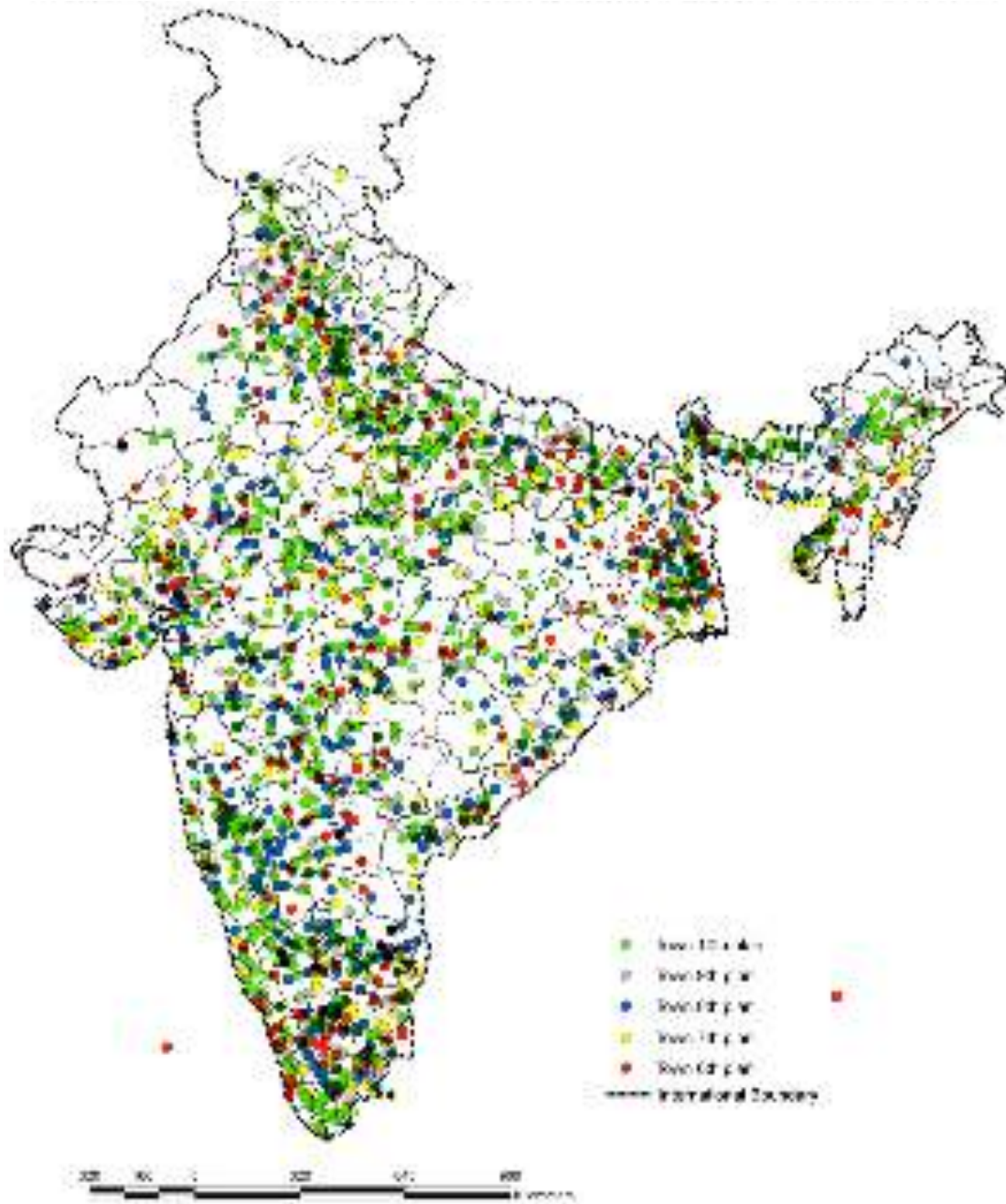
2 Rural-Urban Poverty Linkages and Urbanisation In India

Urbanisation in India has been slow compared to China, since independence. Urban development in India is a State subject under the Constitution of India, which provides three kinds of lists, namely, Central, State and Concurrent lists. However, due to paucity of funds, State Governments heavily depends on the Center for major urban development projects historically. During the early years of economic planning (post 1950s), agriculture development and later industrial development was considered synonymous with rural and urban development. Decentralised urbanization occurred through Industrial Policy Resolution in 1956, where in new industrial towns were created in different parts of the country, especially in the eastern part of the country to boost industrialization as well as urbanization. Urbanisation strategy as well as policy guidelines were absent till mid 1980s. During the Sixth Five Year Plan (1980-85), an attempt was made to further decentralize the urbanization through a programme of 'Integrated Development of Small and Medium Towns' (IDSMT). This was continued till Tenth Five year Plan, without much fanfare and without much impact. The IDSMT programme was to provide the small and medium towns with infrastructure such as bus stand, road network, water supply and sanitation and other services. It could hardly generate any impact due to the size of funding, which is too meager and also could not deliver the intended benefits in terms of reducing the migration to urban areas. Figure 1 gives the Small and Medium Towns benefited by the IDSMT programme over the Five Year Plan period (that is from the VI to X Plan).

One of the ideas of developing Small and Medium towns was to filter the urban-ward migrants from rural areas in these small and medium towns. However, as pointed out by an evaluation study done by National Institute of Urban Affairs (NIUA:1990), the identification of these towns were faulty and there was not integration of economic activity with that of spatial planning, which could act as a filter for urban development process. Hence subsequent years, this programme was modified and reintroduced as Urban Infrastructure Development Scheme for Small and Medium Towns (UDSSMT) under mission mode under Jawaharlal Nehru National Urban Renewal Mission (JnNURM) in 2005.

This policy vacuum in urban strategy resulted in heavy concentration of urban population and urban poverty in metropolitan areas over the years. Urban settlements grew especially metropolitan cities grew over a period of time unabated with direct policy and investment handholding. Swerts et al (2013) states that hierarchical organization of Indian cities first emerged in 1930s, and mass exodus of rural population to urban area and continued in 1951-61. They emphasize that bias towards large cities came about between 1931-1961.

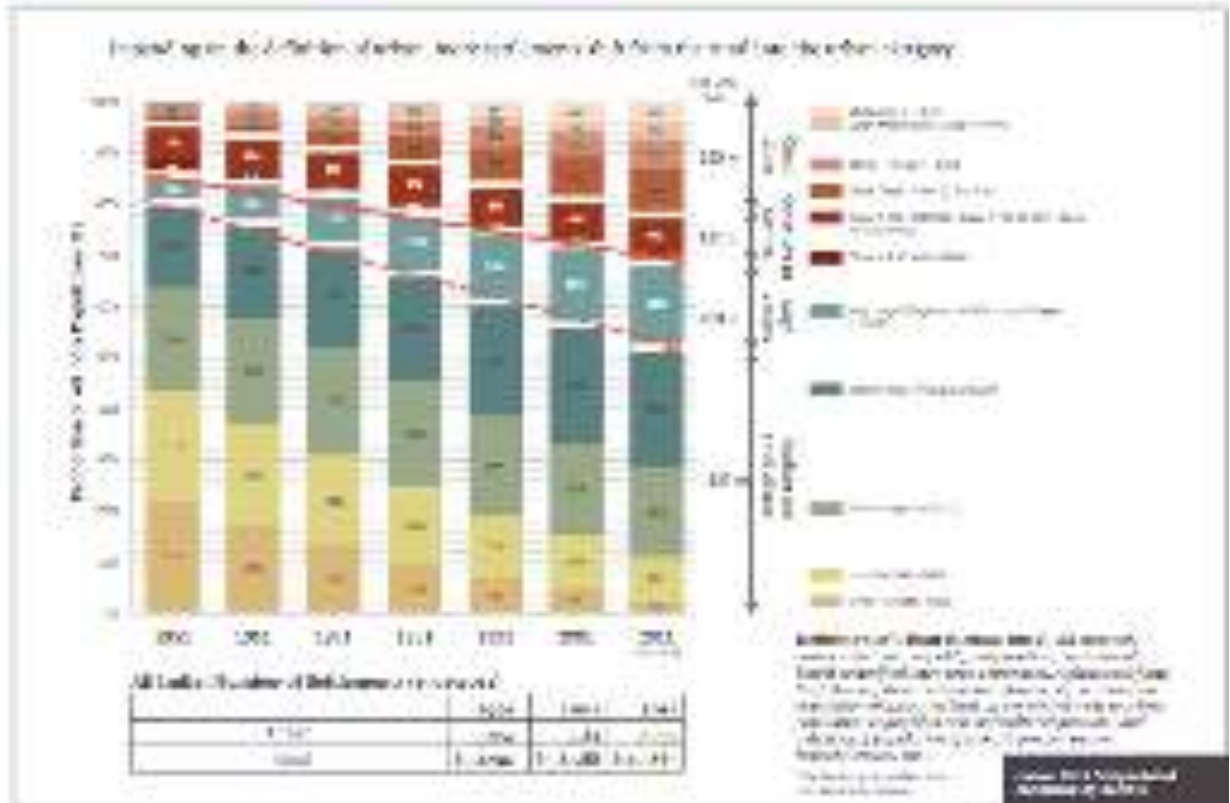
Figure 1: Integrated Development of Small and Medium Towns in India under various Five Year Plans (6th to 10th Five Year Plan)



Source: 6th to 10th Five Year Plan Documents. TCPO. Gol.

This is evident from Figure 2, which shows the growth of urban settlements in India over a period of time under various population Censuses till 2011.

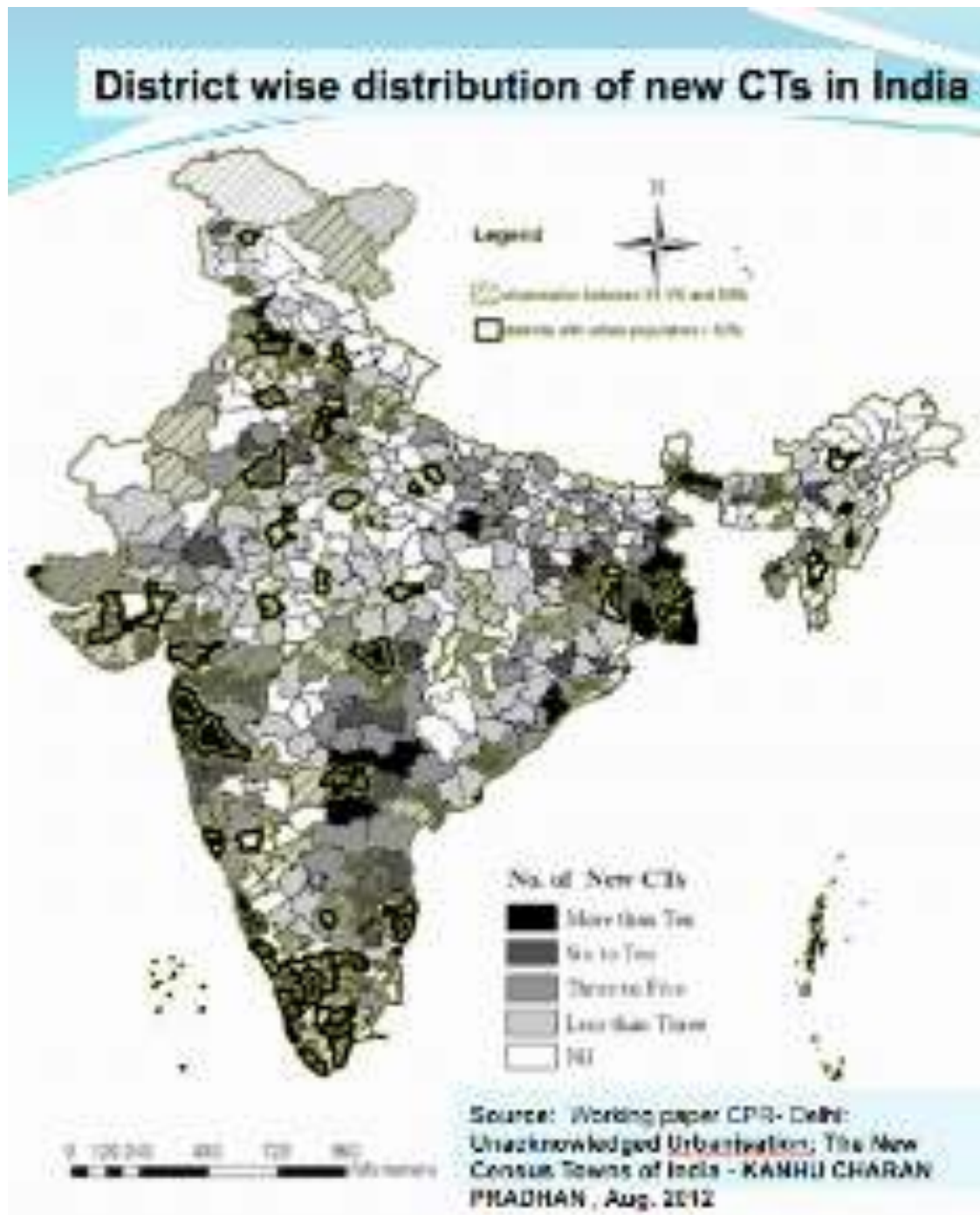
Figure 2 Urban Population Distribution in India under various Census Years.



Source: Indian Institute of Human Settlement (2012): 'Urban India 2011: Evidence', Bangalore, India.

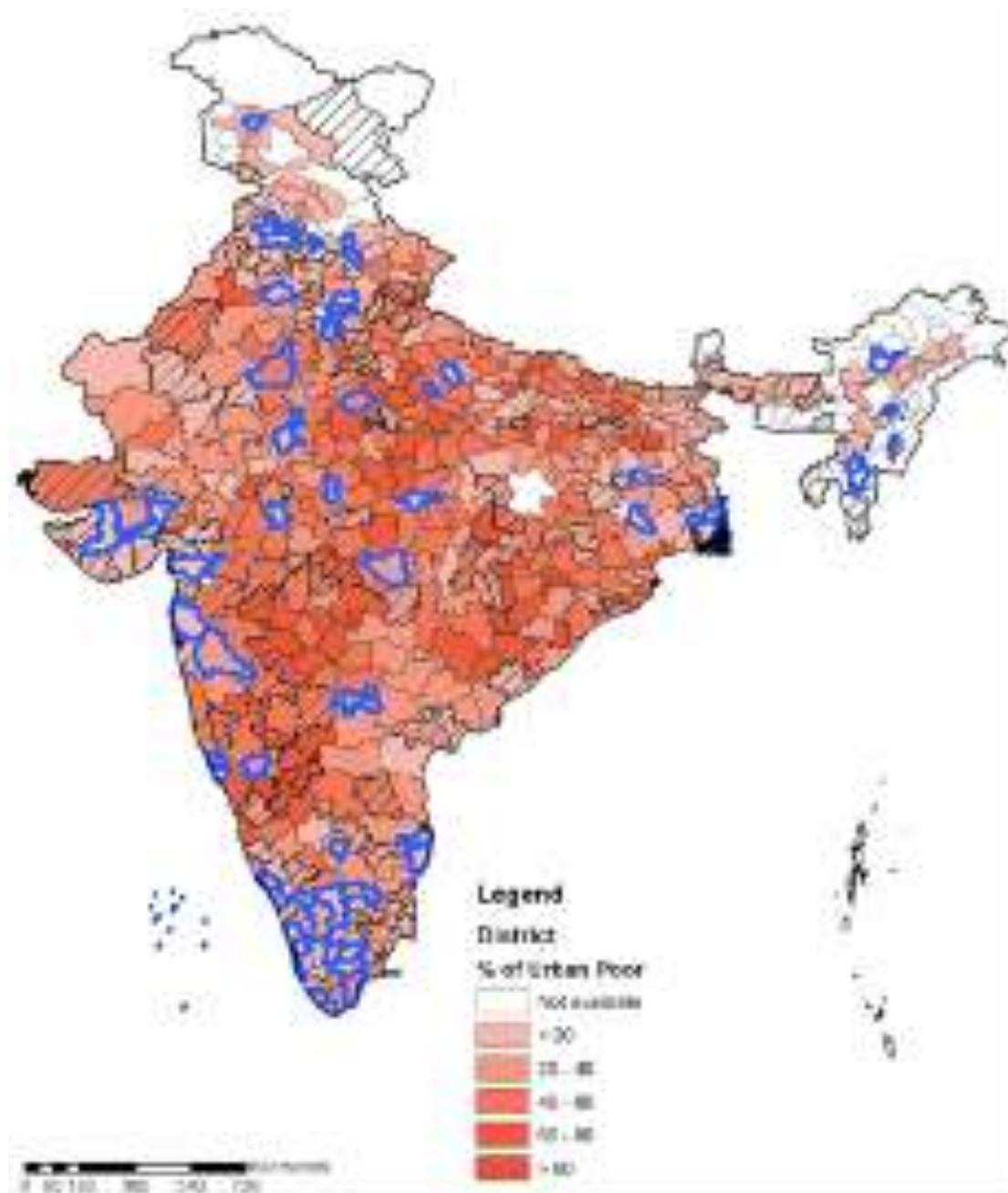
Figure 2 shows that almost 312 million people are living in large villages and other urban centers (mainly small towns). However, not many of the anti-poverty programmes cover these settlements, as these programmes are meant for providing infrastructure in villages and small towns. In fact, major contributor to urbanization in the 2011 census came from Census Towns, which were still rural in character but defined as urban by the Census of India. Figure 3 represents the share of Census Towns and rate of urbanization in India in 2011. It shows that Census Towns emerged strongly where there is rural-urban continuum as in the case of Kerala and also in and around where many metropolitan cities occurred as in the case of Maharashtra, Tamil Nadu and Delhi. These are the areas where the rate of urbanization was also observed to be high.

Figure 3 Distribution of New Census Towns and Urbanisation in India : 2011



When one analyses the urban poverty in relation to urbanization (See Figure 4), it is obvious that high rate of urban poverty is high in those areas where urbanization is less. This supports the hypothesis

Figure 4: Urban Poverty and Urbanisation in India



Source: Census of India 2011 & Chaudhuri, S. & Gupta, N. 2009, 'Levels of Living and Poverty Patterns: a District-Wise Analysis for India', *Economic & Political Weekly*, vol. 44, no. 9, pp. 94-110

Urbanization reduces the urban as well as rural poverty. Lanjouw and Murgar (2010) in their study points out that rural poverty reduction occurs through urban consumption growth, which contributes to growth of rural non-farm economy there by reducing rural poverty. They further argues that rural poverty reduction might have been stronger if urban poverty reduction had been centered in smaller towns and cities. Wandschenider (2004) emphasizes the need to develop small towns, which are important links between rural villages and other urban settlements. Wandscheneider goes on to argue that mind set and policy change is required at the local and national level towards small town local enterprise development so as to

tackle various supply chain issues and local economic development. Analysing the Central Statistical Organisation's disintegrated data at small and medium town level, the Institute of Human Development (IHD: ??) pointed out that small and medium towns are linked strongly to agricultural productivity and their development depends on rural economy. Poverty in small and medium towns needs to be diversified in terms of economic activity other than agro-based activity, IHD suggested.

3. Government programs on decentralized urbanization for poverty reduction in India

Government of India initiated a series of measures since 1956 – the beginning of Second Five Year Plan to decentralize urban development. As stated earlier, Industrial Policy of 1956 was a major step in this direction. New Industrial Towns were located at far off places in the resource rich backward districts of the country with the assumption that they will trigger development process and reduce poverty by generating employment in those backward areas. However, they remained as islands of investment without generating adequate employment in the backward regions in which they were located. Subsequently, new capitals were set up after the State Reorganization Act came into force in 1965. Existing towns were identified in most of the cases, and they were developed as capital cities. These cities did attract investment as well as population due to their administrative and service sector functions. It was only during the VI Five Year Plan an attempt was made to decentralize urban development to small and medium towns. Called the Integrated Development of Small and Medium towns (IDSMT), its main objective was to slow down the migration from rural areas and smaller towns to larger cities by generating employment and growth (Department of Urban Development, Ministry of Urban Affairs & Employment: 1995). The IDSMT scheme was revised in 1995 to improve infrastructure facilities and creation of durable assets in small and medium towns, which has the potential to become regional growth centers generating growth and employment. It aimed at dispersing urbanization while taking advantage of the functional and physical linkages between small and medium towns and villages through a regional planning approach. However, deviating from the definition of small and medium towns used earlier (all towns less than 100,000 were assisted before), the revised scheme aimed at covering towns and cities up to 500,000 population. Again this scheme avoided those towns where Prime Minister's Integrated Urban Poverty Eradication Programme (IUPEP) was already being implemented. The scheme covered all kinds of physical infrastructure for the town and employment generation was left behind. For the first time, the Central Government insisted on the preparation of State Urban Development Strategy by each state as a pre-condition for financing this scheme, which never came up in reality.

One of the major initiatives that came up in 1992 was the introduction of 73rd and 74th Constitutional Amendment Act, which aimed at decentralized development. Decentralization was visualized in terms of political, administrative and fiscal decentralization empowering the local authorities, to plan, implement and monitor the various developments in their area. The Act enabled the State governments to set up Metropolitan Planning Committees that could encompass several districts, covering both urban and rural areas within a Metropolitan area for planning and implementation. It mandated setting up of District Planning Committee so that integrated

development of urban and rural areas can take place. Following this Act, the Planning Commission came up with guidelines for District Planning to be followed by various state governments. Political resistance for empowering local bodies and lack of state government initiatives resulted in slow implementation of the 73rd and 74th Constitutional Amendment Act.

Apart from the Growth center programme around the mega cities introduced during the 10th Five Year Plan, the National Commission for Enterprises in the Unorganised Sector came out with the policy of Growth Pole Programme for Unorganised Sector Enterprise Development in 2009.

'The concept of growth pole as adopted by the Commission is best put forward in the following extract of the Finance Minister's Budget Speech of 2005-06:

"The unorganised or informal sector accounts for 92 percent of the employment and absorbs the bulk of the annual accretion to the labour force. PURA or Provision of Urban Amenities in Rural Areas is an idea that contains within itself possible solutions to a number of problems that afflict rural India such as unemployment, isolation from markets, lack of connectivity and migration to cities. The National Commission for Enterprises in the Unorganised/Informal Sector has proposed pilot projects for 'growth poles' applying the PURA principles. The objectives are to expand production and employment in the unorganised enterprises around existing clusters of industrial activities and services as well as encourage the formation of new clusters. Once the proposals are firmed up, Government will take up the creation of a few growth poles, as pilot projects, in 2005-06. The above commitment was made in the backdrop of related statistics which point towards sizeable parts of our population being in the unorganised sector." (Paragraph 78).

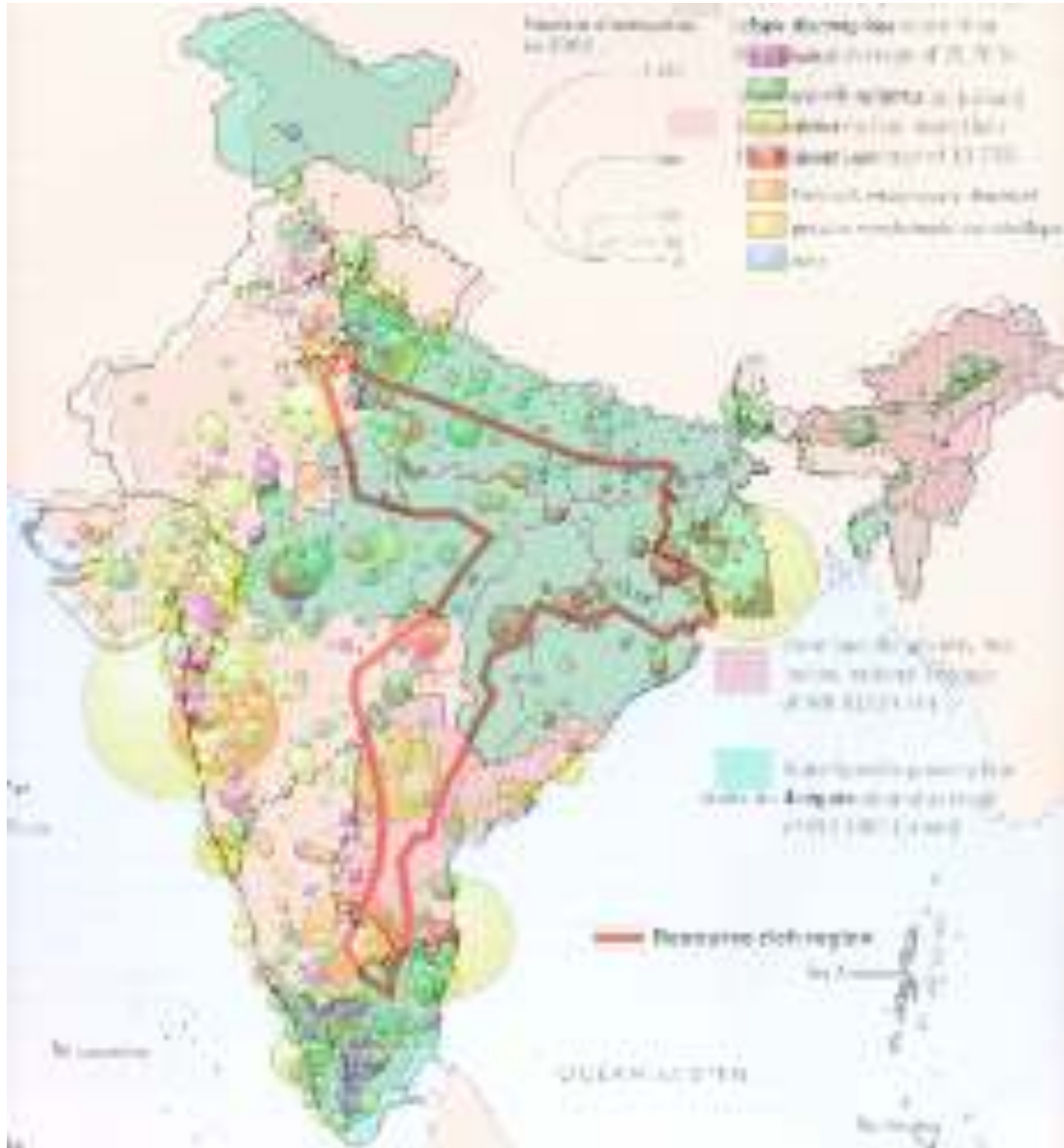
'The Commission's recommendation for adopting growth pole model for up-scaling cluster development is based on the assumption that once developed, they would lead to multiplier effects on production and employment as also spread effects in rural areas' (p.vi).

Located in six places, namely, Sikandra in Rajasthan, Chamoli in Uttarakhand, Kollam in Kerala, Champa in Chattisgarh, Howrah in West Bengal, NS AOUR-QWAR Kamrup in Assam, these growth poles are expected to contribute about Rs.3200 million to the GDP. The process involved PPP and SPVs and the programme provided for social and economic structure, housing, etc and operated through Self-Help Groups.

a. East-West Divide in urbanization

Historically urbanization in India has been centered around major ports and nodes. Successive colonial governments developed these nodes and ports for their own trade interests, which became important centers triggering agglomeration economies and areas of population concentration. If one sees the urban development in India, most of the urban centers are concentrated in Western side of the country-triggering conurbation as compared to Eastern side of the country. This can be seen from Figure 5 that gives the information on urbanization and concentration of heavy industries,

Figure 5: Location of Heavy Industries and Urbanisation in India



Source: Cadene Philippe (2005): 'Monitoring Urban Economic Dynamics of India', IfP, Pondichery. Poverty Figures are mapped from 'Rangarajan Committee Report', July 2014. Planning Commission, Government of India.

Figure 6 reveals the heavy concentration of industries in the western India followed by southern part of India with a few exceptions in and around National Capital Region. The eastern part of the country is less developed in terms of urban development and there are no major metropolises except Kolkata and Chennai for a long time. Even the rate of urbanization in most of the districts in eastern side of India is low. It is in this part that many Census Towns have emerged as per 2011 census, as we shall see in the following pages.

Figure 6 also shows the relation between rural and urban poverty, industrial location and backwardness. The resource rich regions (in terms of natural resources) the eastern part is rich with minerals, and fossil fuels. However due to not many industries are located and poverty both urban and rural poverty are wide spread. Number of urban settlements as well as percentage of urban population is also very low in this eastern region. We

can observe from these quick analyses that there is a clear East-West divide in terms of urbanization and poverty reduction in India.

b. Models of Urban Decentralisation

i) Madhya Pradesh Model - early decentralization of urbanization and its impact: -

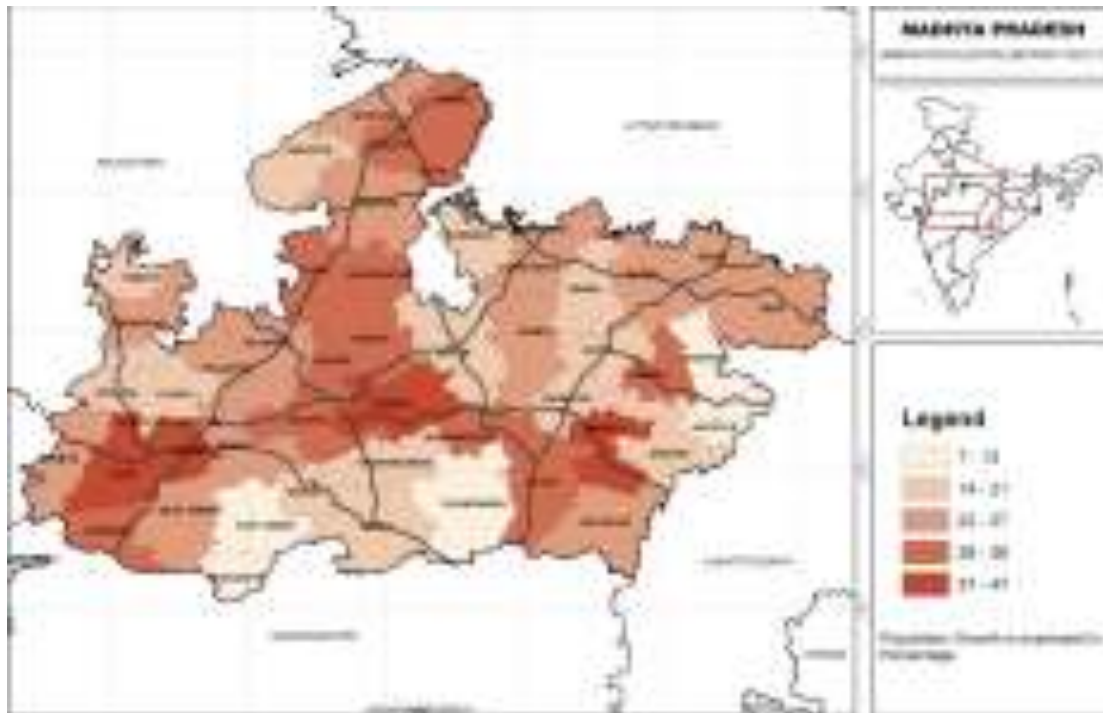
Madhya Pradesh, located in the middle of India, with its population of 72.5 million is one of the largest states in India. It had 20.1 million Urban and 52.5 million rural population in 2011. The urban population was distributed in 476 towns spread across the state. Madhya Pradesh is one of the early state to strategize decentralize urban development in early 1980s. With the assistance of the World Bank it worked out a plan to decentralize urban developing with a focus on developing several towns/cities across the state. Many cities were identified such as Gwalior, Indore, Jabalpur, etc. Being a backward state, it has the same problem of East-West divide. Western part of the State was well developed compared to the Eastern part, which is tribal dominated.

Unlike many backward states of India, Madhya Pradesh has a unique urbanization pattern. It does not have a top-heavy urban population and its less than 20000 population size settlements contributed little more than 24% to the total urban population. The growth rate of smaller towns were similar to higher order settlements and in seventies and eighties these smaller towns were growing faster than the higher order settlements due to urban development strategy that was followed since 1970s (HDR: 2007). It is important to note that Madhya Pradesh with its lowest per capital income and economic growth than the national average was one of the migrants receiving states unlike Uttar Pradesh, Rajasthan and Bihar. This in migration is partly due to setting up of heavy industries in the post-independence period. However this trend changed in 2001 when the Census of India reported net out-migration in Madhya Pradesh. In 2011, Madhya Pradesh reported 27.63% urban population and 72.37% rural population out of the total 1210.19 million. The Census Towns (which are defined as urban because of population and other criteria by Census but administratively may be a Village having more than 5000 population) increased from 55 in 2001 to 112 in 2011. 82 new towns were added during the period 2001-2011 in Madhya Pradesh. Compared to this new towns, the number of villages in MP reduced from 55393 in 2001 to 54903 in 2011 (a reduction of 490). Even in those districts where the total urban population is higher, such as Indore, Bhopal, Jabalpur, Gwalior and Ujjain, these districts do not dominate the urban scene of the state unlike in other states, where the most urbanized states have more than 40% of the state's urban population.

Madhya Pradesh was one of the few states that came up with the idea of District Planning Committees that focused on urban as well as rural development. This may be one of the reason for low levels of urban dominance in MP> The urban map of Madhya Pradesh (See Figure 7) shows that urbanization follows the major road links and also surrounds the major settlements such as Indore, Bhopal, Gwalior and Jabalpur. Other areas are less developed in terms of urbanization due to their agriculture dominance, which is not highly productive.

In fact, the percentage of urban population in 2001 at the district level showed a positive correlation with that of rural population growth, which is a positive phenomenon (HDR: 2007). All the districts that had more than 30% urban population had higher rural growth rate. HDR (2007) observes that this may be due to the rural areas in urbanized districts have been able to benefit from trickle down effects and there by restrict the out-migration.

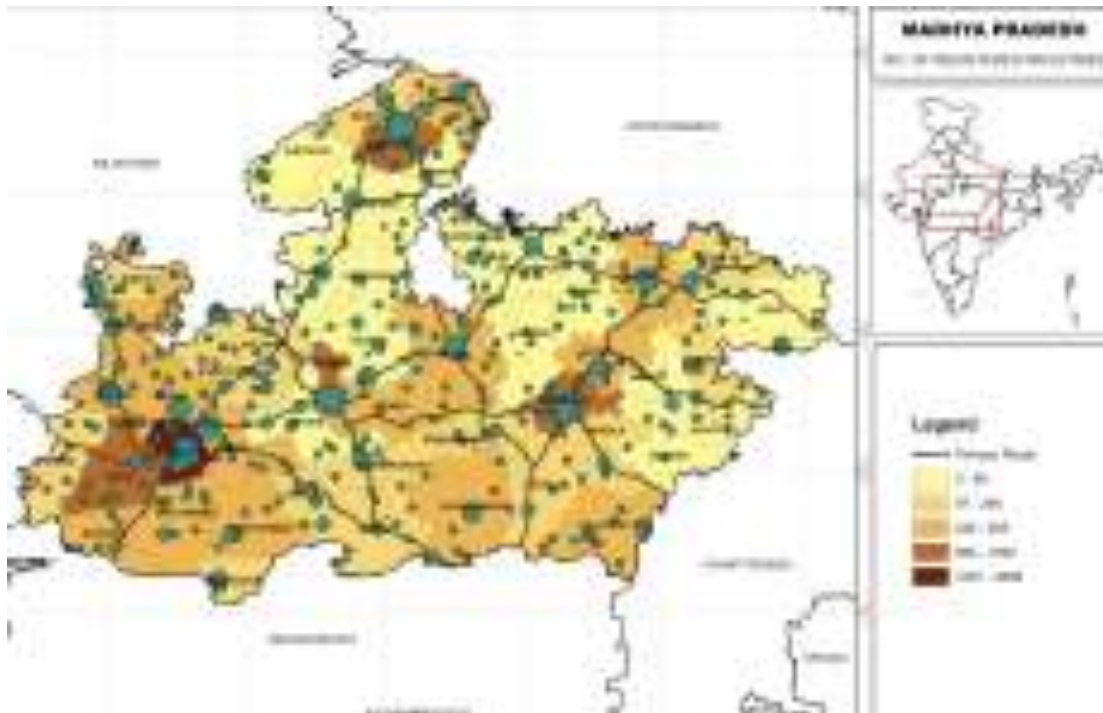
Figure 7 Urban Population Growth in Madhya Pradesh 2001-2011



Source: Industrial Regionalisation in Madhya Pradesh, School of Planning and Architecture, Bhopal. 2011.

Figure 8 depicts the number of industries in various districts. It shows a heavy concentration in and around Indore, Gwalior and Jabalpur. New Industrial expansion occurred in Dhar district near Indore making it as a large conurbation due to the location of SEZ in Dhar adjoining Indore. This propelled job opportunities in this backward district and provided much needed infrastructure. However the poverty reduction in MP has been slow both in rural as well as urban poverty. As per the Planning Commission figures based on Tendulkar Methodology, the rural poverty decreased from 42% in 2009-10 to 35.7% in 2011-12, while the urban poverty reduced from 22.9% to 21% during the same period. The urban poverty reduction was very slow compared to rural poverty. Over all poverty in the state reduced from 36.7% in 2009-2010 to 31.6% in 2011-12. Rangarajan committee put these figures at 42.4% (49.6% in 2009-2010) for total people below poverty line and 45.2% (51.3% in 2009-2010) in rural and 31.3% (45% in 2009-2010) in urban for 2011-2012 period. Even as per the revised estimate the rural poverty reduction was substantial in Madhya Pradesh.

Figure 8 Industrial Map of Madhya Pradesh



Source: Industrial Regionalisation in Madhya Pradesh, School of Planning and Architecture, Bhopal. 2011.

As discussed earlier, the urban dispersal policies and developing the rural sector simultaneously might have been the reason for slow growth of urban population and fast reduction of rural poverty in the state.

ii) Kerala Model of Rural-Urban Continuum and its Impact

Kerala state located on the southwest corner of Indian main land is unique in many ways in relation to urban development. Kerala poses the issue of redefining what is rural and urban as suggested by McGee (2009). However, as Rex Casinader (1992) observes Desakota in Kerala may not follow strictly the pattern suggested by McGee. Casinader is of the view that the role of political economy makes Kerala's urbanization process different from that of McGee's observation of South East Asian countries. The rural-urban continuum was well conceived in Kerala context through a programme called 'People's planning campaign' in 1996 and implemented since then in a decentralized way. All the local governments in Kerala, both urban and rural (three tier governments namely, District, Block and Village or Gram Panchayats) were given powers to make decisions, were granted discretionary budgeting to the tune of 30% of the state's development expenditure and State Officials were required to attend to the local authority to enable the direct participation of people in planning, budgeting and implementation (Heller, et al: 2007). They also observed that the people's planning campaign had an element of inclusiveness, efficacy and quality. Based on this people's planning campaign, a series of District Plans were prepared for several districts, Kollam being the first. 40% of the people participated in the people's campaign regularly reported that the outcome was significant in the case of roads, housing for the poor, and child services and many revealed that the Panchayats (villages) also made significant progress in employment generation (ibid: 2007). We discuss later in this paper, the process of Integrated District Development Plan and how it

addresses sectoral and spatial level issues in addressing poverty through people's participation.

Kerala had 52.30% of the total population in rural area as per 2011 census, as compared to 74.04% in 2001. The huge growth in urban population to the tune of 92.7% can be attributed to the increase in the number of towns in the state between 2001 and 2011. The towns increased from 159 in 2001 to 520 in 2011. If one looks at poverty reduction in Kerala, the state's performance was good as compared to other states in India.

Table No. 1 Poverty Estimates for Kerala

Year	Rural	Urban	Total
2004-2005	20.2	18.4	19.7
2009 - 2010	12.0	12.1	12.0
2011- 2012	9.1	5.0	7.1
2009-2010*	9.7	23.7	16.0
2011-2012*	7.3	15.3	12.5

Note: * Based on Tendulkar Committee report.

Source: Planning Commission, June 2014.

The table shows the rural poverty as well as urban poverty reduced drastically during the period post 2009-2020. Initially rural poverty reduced faster than urban poverty, while in the later years the urban poverty reduced from 12.1% to 5% a drastic reduction indeed. Similarly, if one takes the absolute number in rural areas, the persons below rural poverty is lower than urban poverty in both the reference period there by denoting the rural prosperity as compared to urban quality of life in Kerala (under the Revised Rangarajan Committee Estimate). This may be attributed to decentralized development process in which the people identify the beneficiaries for various government assisted programmes and also specific targeting of anti-poverty programmes such as Kudumbashree, etc. More over, the Kerala Government initiated Integrated District Development Plan (IDDP) that consisted of plan preparation from village to District level through participatory planning process, which enabled the inter-sectoral and spatial targeting easier in the development process.

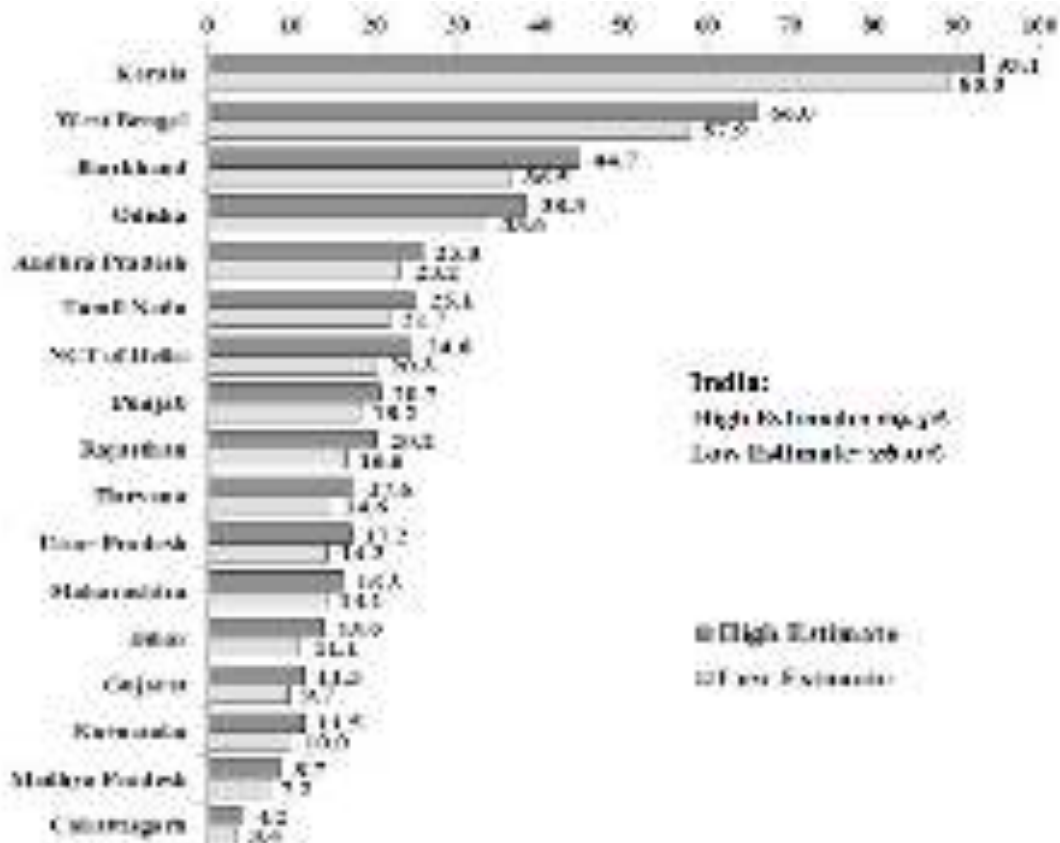
iii) Census Towns

Census of India defines an urban area as: having a municipality, corporation, and cantonment board or notified town area committee, etc. These towns are defined as statutory towns. All other places which satisfies the following criteria: a) a minimum population of 5000, b) at least 75% of male working population engaged in non-agricultural pursuits; and, c) a density of population of at least 400 persons per sq.km. The areas, which satisfy the above criteria, are called 'Census Towns'. The Census Towns (CTs) increased from 1350 to 3894 between 2001 and 2011 contributing to the urbanization of the country. It has been estimated that 14% of the total urban population is contributed by CTs in 2011. However, there are wide variations across the country in terms of CTs contribution to the State's urban share. This is presented in Figure 9 given below. Figure 9 shows that

Kerala CTs contributed most to its urban population as compared to Chattisgarh. An interesting aspect of CT growth is that most of these CTs occurred in less urbanized states of India. These towns are villages in real sense but called as Census Towns. These CTs continues to be administered as rural areas.

Pradhan (2012) identifies three interesting set of phenomenon regarding CTs. One, the more a district is urbanized, the more the possibility of occurrence of CTs in that district. Second, only 37% of the new CTs are within the buffer of large towns and accounts for 34% of the total population of new CTs. While there are many CTs close proximity to Class I (that is one lakh and above population size) towns, many of them are not close to mega cities and are spread across the countryside. Third, many of the new CTs are not stand alone settlements and occur in a cluster of settlements that are proximate to each other. These observations on CTs imply that the CTs can be identified as growth poles or PURA centers for future growth. We see later in this paper that the Working Group of the Planning Commission on 12th Five Year Plan also recommended 3000 CTs for Provision of Urban amenities in Rural Areas.

Figure 9 Contribution of Census Towns to total Urban population of selected States



Source: Pradhan, Kanhu Charan (2012): 'Unacknowledged Urbanisation: The New Census Towns of India', CPR Urban Working Paper 2, August 2012. New Delhi.

iv) Block level and village level planning impacts: case study of Alwar District in Rajasthan

A detailed exercise on Village and Block level planning was undertaken in the Nimrana Block of Alwar district in Rajasthan. Alwar district has a history of various empowerment programme in the field of Watershed Management and Women's empowerment. Hence we went with a team of 15 students to prepare a plan through Community Participation. Village being the lowest administrative unit within the State, following the 73rd Constitutional Amendment, we thought it would be more appropriate to address the local issues and plan on the lines of PURA for Nimrana. We selected four villages, namely Metawas, Giglana, Jaitpur and Bijaysinghpura for community participation in planning. We divided the villagers in to various sub-groups such as elderly, youth, women and socio-economically vulnerable groups and met them several times to know their problems and solutions they could think of including infrastructure provision. Using their tacit knowledge, we could identify the potential of the Block and the respective villages. Each group came out with their own suggestion of infrastructure provision, skill development and employment generation. Using the SWOT methodology we identified the priorities in terms of development and again went back to the people for their opinion. Once the consensus was arrived we prepared the village level plan for each of the identified villages. This was presented to the Block, District and State administration. Invited by the Chief Minister of Rajasthan we made a presentation to the CM and many of our proposals regarding provision of urban amenities such as creation of Industrial Training Institute, Market Place, Water supply system, were accepted and funded by the State Government. This study again proved that participatory planning process could develop the village/Block and empower the people to develop their household and the village.

4. Bringing the urban services to the rural poor

a) Provision of Urban Amenities in Rural Areas (PURA)

The dilemma of moving the people to infrastructure services or moving the infrastructure to the people has been dominating the Indian planners for a long time. Initially as a part of decentralized urbanization process new towns were identified and various government programmes were introduced in lower order urban settlements so as to control the urban-ward migration. Dr. Kalam, the then President of India came out with a Vision of empowering rural people through Provision of Urban Amenities in Rural Areas (PURA) in 2003. Initially PURA's objective was to create physical, electronic and knowledge connectivities leading to economic connectivity that could accelerate rural development and empower the rural population. A pilot phase with seven cluster in seven states were identified and Rs.40 -50 million was allotted to provide connectivities, transport, power, electronic, knowledge, market and provision of drinking water and health facilities. The pilot phase was conceived to be a totally government centric with little or no private sector participation and infrastructure centric. Growth potential of individual project or project site was never considered initially. National Institute of Rural Development did an independent evaluation on PURA and it recommended the following changes in the programme: - i) Convergence of all the on-going rural programmes, ii) community, stakeholders and private sector participation, iii) taking up PURA near growth center, iv) inclusion of livelihoods aspects apart from provision of infrastructure, and v)

integration of all sectors within a rural cluster. The restructured PURA taking in to account the modifications was announced in 2010. Its mission was *“holistic and accelerated development of compact areas around a potential growth center in a Panchayat (or group of Panchayats) through Public Private Partnership (PPP) by providing livelihood opportunities and urban amenities to improve the quality of life in rural areas”*. (Ministry of Rural Development, 2010).

The strategy of PURA was based on combining rural infrastructure development with livelihood creation. The scheme was to be implemented through PPP between the Village Panchayat and the private sector partner whose participation is not a CSR activity but to earn profit from their involvement in PURA. The scheme came out with three sets of sub-scheme, namely, a) Under Ministry of Rural Development Schemes that are already existing under PURA, b) Non-Ministry Funded Schemes, and c) Add on projects that are revenue generating and where private sector can participate actively.

Under the ministry of Rural Development scheme, water supply and sewerage, village streets, drainage, solid waste management, skill development, development of economic activity was identified. In addition these, other schemes that are implemented by the ministry will be converged with PURA. Under Non-Ministry Schemes, village street lighting, telecom, electricity were to be covered under PURA. The add on projects, which are revenue generating in nature could cover, village tourism, integrated rural hub/markets, agricultural common service center, and other rural economy based projects. Each Gram Panchayat/a cluster of geographically contiguous Gram Panchayats with a population of about 25 - 40000 will have the following infrastructure such as: Water supply, sewerage, solid waste management, village streets and drainage and skill building to have increased livelihood opportunities. Unlike earlier programmes that focused on individuals as a beneficiary, PURA focuses on community and village as a targeted beneficiary. It aims to achieve 12% returns on investment as a part of financial model.

Village Panchayat will enter into an agreement with a private developer to undertake development of infrastructure as government authorized agent with minimum service level standards and performance guarantees. A tripartite agreement to be signed between Center, State governments and the private developer. Location of PURA in India is presented in Figure 10.

Within each these eight district one village has been identified and PURA is being implemented. The Working Group of the 12th Five Year Plan on PURA, came out with lots of suggestions, especially in terms of geographical coverage of PURA. It suggested that PURA could focus on 3000 new Census Towns. The working group recommended that cluster formation during the 12th Five Year Plan should be based on any of the following three types of growth centers: a) 3000 odd new census towns; b) Non-Municipal Block Headquarters; and, c) Any other rural cluster with a potential growth center. It placed the responsibility of implementation on the State Government with 80% funding from the Central Government and 20% from State Government.

Figure 10 Location of PURA Centers in India (2011)



Source: Ministry of Rural Development, Government of India, 2011.

b) Concept and impact of the “Mahatma Gandhi National Rural Employment Guarantee” program (MGNREGS) for poverty eradication in rural areas through job guarantees and National Rural Livelihood Mission (NRLM)

The Ministry of Rural Development implements two flagship programmes of Government of India, namely Mahatma Gandhi National Rural Employment Scheme (MGNREGS) under the Mahatma Gandhi National Rural Employment Guarantee Act and the National Rural Livelihood Mission (NRLM). These two addresses the rural unemployment and poverty from different angles.

The Mahatma Gandhi National Rural Employment Guarantee Act (shortly known as MGNREGA) came into effect in February 2006. Introduced initially in 200 most backward districts and extended to additional 130 districts, the districts in the country were covered in 2008. The Mahatma Gandhi NREGA aimed at enhancing livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. It aimed at creating productive assets of prescribed quality and durability through wage employment, strengthen the livelihood resource base of the rural poor, proactively ensure social inclusion, and strengthen Panchayat Raj institutions. This requires participation of communities in planning, implementation and monitoring of various works under the programme.

Some of the unique features of MGNREGS are listed below: -

- a) Unemployment allowance to those who are not provided jobs within 15 days of their registration.
- b) Work to be provided within 5 km radius of the village and in case it is beyond, extra amount of 10% of wages per day is payable to meet the transport expenses.
- c) Priority given to women.
- d) At least 50% of works, in terms of cost, are to be executed by the Gram Panchayats.
- e) For all works taken up by Gram Panchayats and other implementing agencies, the cost of the material component including the wages of the skilled and semi-skilled workers shall not exceed for 40% at Gram Panchayat and Block level.
- f) Contractors and labour displacing machinery are prohibited in the work.
- g) Work site facilities such as safe drinking water, shade for children and periods of rest and first aid box with adequate material for emergency treatment for minor injuries and other health hazards have to be provided.
- h) Payment of wages has to be done mandatorily through bank/post office beneficiary accounts.
- i) Social Audit has to be done by the Gram Sabha at least once in every six months and concurrent social audit has to be done for all works every month. All accounts and records relating to the Scheme are to be made available for public scrutiny free of cost.

Under the Act, the MGNREGS can take up the following rural infrastructure works:-

- 1) Rural sanitation related works, such as, individual household latrines, school toilet units, anganwadi toilets either independently or in convergence with schemes of other government departments to achieve 'open defecation free' status, and solid and liquid waste management as per prescribed norms.
- 2) Providing all-weather road connectivity to unconnected villages and to connect identified rural production centers to the existing pucca road network; and construction of pucca internal roads or streets including side drains and culverts within a village.
- 3) Construction of play fields;
- 4) Works for improving disaster preparedness or restoration of roads or restoration of other essential public infrastructure including flood control and protection works, etc.
- 5) Construction of buildings for Gram Panchayats, women Self-Help Groups' federations, cyclone shelters, etc.
- 6) Construction of food grain storage structures for implementing the provisions of the National Food Security Act of 2013.
- 7) Production of building material required for construction works under the Act as a part of the estimate of such construction works.
- 8) Maintenance of rural public assets created under the Act, and,
- 9) Any other work, which may be notified by the Central Government in consultation with the State Government. (Source: Ministry of Rural Development, 2014: Mahatma Gandhi National Rural Employment Guarantee Act: Report to the people'. Government of India)

The impact of MGNREGS has been substantial. It provided basic income security to a large number of beneficiaries. MGNREGS provided 75% of the construction employment in the country between 2005-2010 (McKinsey:2014). MGNREGS provided employment to around 5000 million households, on an average every year. Since its inception, the scheme has generated 15,750 million person days of employment up to December 2013. The scheme's notified wages increased across all the states since 2006 from Rs.65 per person per day in 2006 to Rs.124 by 2013. This has enabled the rural poor to improve their spending capacity, and a report on spending capacity revealed that for the first time in nearly 25 years, growth in rural spending outpaced urban consumption in the two years between 2009-2010 and 2011-2012. The report attributed this increased spending to MGNREGS. The mechanism of payment of wages through banks and post offices brought in financial inclusion in the country. A total of 93 million rural people opened account under MGNREGS and out of which 80% were paid through this route. In addition these benefits, the scheme also brought impact on agricultural productivity through water management system, inclusive growth, women's empowerment, natural resource regeneration and sustainable development. Over all it also helped in institutional building mandating village assemblies to authorize decisions on the projects (Shankar and Gaiha:2011).

An evaluation study on the performance of NREGS in four districts of Kerala (Government of Kerala:2011) – Wayanad, Palakkad, Kasargod and Idukki Districts revealed that the projects conceived by the Gram Sabha were well conceived, high rate of job card registration, domination of women workers among the beneficiaries and the positive role played by Kudumbashree and SHGs, and resulted in better rural connectivity. Suggestions came in the form of encouraging savings and investment among households and tie it up with education and health care benefits.

As stated earlier, Jatav and Sen's study of Non-Farm Employment based on the 2009-2010 NSSO round, shows that MGNREGS is a savior for rural workers through which they could increase their income and sustain above poverty line. In fact, there is a convergence between MGNREGS and Casual Public Work in 2009-10 as shown in Table 2 below.

Table 2 MGNREGS and Casual Public Work in Rural areas of India 2009-2010

Current Industry	Gender	Casual Labour in Public Works related to MGNREGS	Calsual Labour in Public Works not related to MGNREGS
1	2	3	4
Non- Farm	Male	61.8%	38.2%
	Female	97.5%	2.5%

Source: Jatav and Sen (2013), p.16.

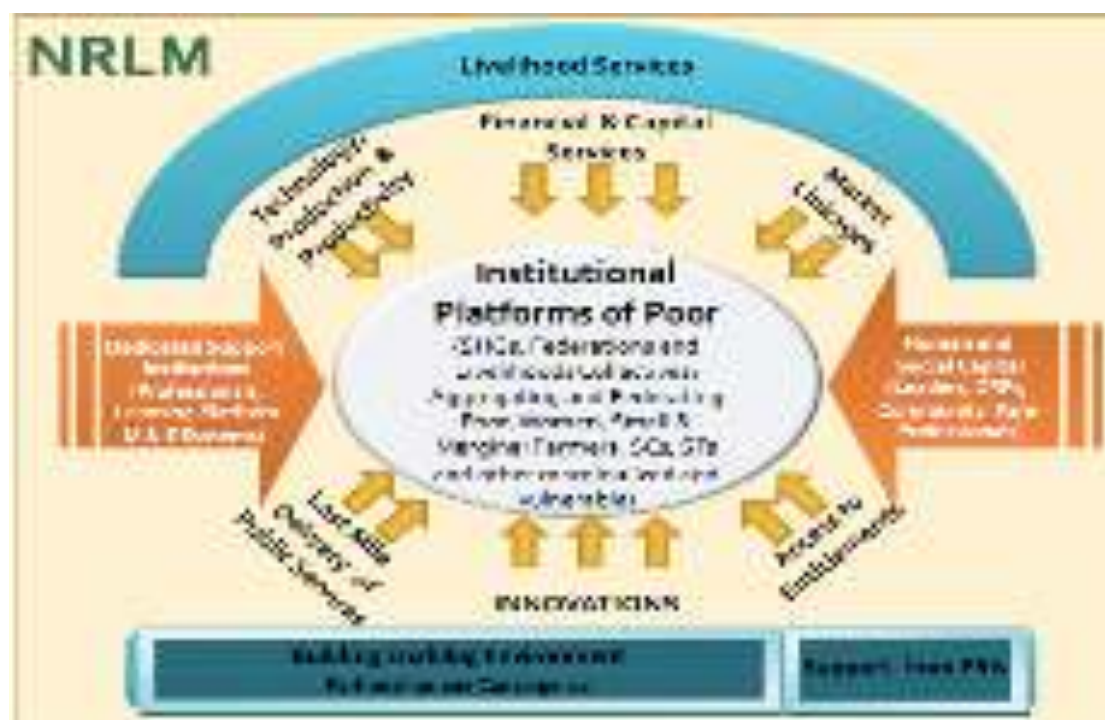
Table 2 shows that the casual work done by the rural workers and the MGNREGS work converged strongly, especially for female workers (97%). It reiterates the point that among the Non-Farm employment workers, though MGNREGS provides only 100 days of employment, the dependency on this is very high for employment and income generation.

On the other hand, National Rural Livelihood Mission aims at creating an institutional platform for the rural poor, especially women, in the form of

Self-Help Groups (SHGs) to build their sustainable livelihoods. Started off from the Swarnajayanti Gram Swarajgar Yojana (SGSY) in 1999, which was remodified from Integrated Rural Development Programme (IRDP). After the recommendations of Radhakrishna Committee on Credit Related issues under SGSY in 2009, the Central Government came out with the National Rural Livelihoods Mission (NRLM) to be implemented under the mission mode across the country. NRLM's mandate is to reach out the poor families, link them to livelihood opportunities and nurture them till they come out of poverty and enjoy a decent quality of life. In its reckoning, strong and vibrant institutions of poor at various levels are central for poor to come out and stay out of poverty. NRLM works on three pillars – enhancing and expanding existing livelihoods options of the poor; building skills for the job market outside; and nurturing self-employed and entrepreneurs (for micro-enterprises). This multiple livelihood promotion strategy has been adopted to ensure that the poorest are covered to the farthest extent. Figure 11 shows the entire process and components of NRLM.

This land centric sustainable livelihood programme energises the communities and empowers them to build their livelihoods. Both the programmes were converged in 2013 to improve the implementation of MGNREGS covering various aspects such as awareness and demand generation, identification and planning for works and converge with the livelihood plans, worksite execution and measurement, advance wage payments to MGNREA workers through funds devolved to CBOs, and provision of capacity building and training for all stakeholders involved including Panchayat Raj Institutions (PRIs).

Figure 11 Components and process under NRLM



Source: Planning Commission (2011): 'Report on the Working of National

Rural Livelihood Mission', September 2011. Government of India.

Based on the 12th Five Year Plan Guidelines, the operational aspects provided for the creation of Cluster Facilitation Teams (CFTs) that would address gaps in MNREGA and thereby result in creation of sustainable livelihoods. Cluster facilitation teams are to be set up to cover 15000 job card holder or an area of 15000 hectares, which corresponds to a watershed area boundary. A CFT member should have an expertise in a) soil and moisture conservation, b) agriculture and allied/livelihood activities, c) community Mobilization, d) expertise in preparing estimates, doing measurements and assessing quality of assets. The convergence of MGNREGS, NRLM and CFT strategy is the cornerstone for achieving peoples' participation, improving the quality of assets, energizing the delivery system in a manner that would have a positive impact on elimination of poverty in rural areas.

This convergence among the three schemes was to be implemented in 250 most backward blocks. The State Governments will identify these backward blocks in the country as per the following criteria:- a) poor human development indicators, b) dominant tribal areas, c) high population of Scheduled Castes, d) poor connectivity, and e) having active presence of Civil Society Organisations (CSOs) or Community Based Organisations (CBOs). To be implemented within 2016, this pilot convergence project is to be monitored at four levels:- a) State Level through a steering committee, b) District and Sub-District level steering committee headed by the District Programme Coordinator (DPC) and Programme Officer, c) community monitoring through social audits, wall writings, gram sabhas, village monitoring committees etc, and d) ministry of Rural Development through quarterly progress monitoring system of DPC and CSOs with the help of the State Governments.

5 Case study on Kollam District in Kerala: Integrated District Development Plan (IDDP)

Based on the 73rd and 74th Constitutional Amendment Act, Article 243ZD of the Constitution, Kerala ventured into the preparation of Integrated Decentralised District Planning. This was the first attempt to link spatial, economic and social planning at various levels both horizontally and vertically. A pilot project was started in 2003 in Kollam District in which Development Plans were created at two levels: Village Panchayat and Municipal level in the form of Local Development Plan (LDP), and at Regional Level in the form of Integrated District Development Plan (Easow: 2004). IDDP consists of several LDPs prepared through people's participation at the Village level highlighting their own priorities and requirements. People's participation is ensured at all levels in the form of giving space to local people, civil society, NGOs, elected representatives and technocrats. At the district level there are working groups and special technical advisory committee, which assists the plan preparation. Sectoral integration is achieved through association of various government departments in the district both of state as well as central departments, autonomous agencies and also private developers. Figure 12 gives the IDDP's process.

Figure 12 shows the preparation process in IDDP. At every stage the draft plan is deliberated at local village and district level for their suggestion and target focus. For example, In Idukku and Alapuzha, LDPs are prepared in consultation with the villagers, ward committee members and also with the general population in different wards. An interesting part of this exercise is the spatial targeting and focusing of projects. For example if one village's focus is road while another is that of water supply, emphasis is given in the LDP according to the local wishes including poverty and infrastructure provision. It has been observed many experts (Heller, et al 2007) that the participation in the plan preparation meeting was high and stimulating.

Based on the IDDP of various districts, Kerala has come out with a Spatial Strategy for the entire state covering both urban and rural areas. It is a plan covering the rural-urban continuum and integration in terms of employment, provision of infrastructure and land use. The impact of this IDDP can be seen in the 2011 census where in Kerala reported 48% urban population, a sudden jump in the rate of urbanization. It also reported high levels of rural asset ownership and good housing conditions implying better quality of life.

Figure 12 Integrated Decentralised District Development Plan Process in Kerala



Source: Easow, Jacob (2004).

6 Lessons learnt and recommendations for India:

Lessons learnt from these examples are grouped under three broad headings, namely, a) Urbanisation and rural-urban linkages; b) poverty linkages, c) good practices in government programmes for poverty reduction.

a) Urbanisation and Rural-Urban Linkages :-

- Indian urbanization process has been slow compared to China. This is mainly due to slow change in rural-urban income differentials, which has slowed down the rate of rural to urban migration.
- Indian urbanization is spatially dispersed, one of the strong aspect of urbanization. There is an emerging East-West divide in the urbanization trend, with the Eastern states lagging behind urbanization (except Tamil Nadu), and the western states growing fast in terms of urban population (except Rajasthan).
- In highly urbanized states such as Maharashtra and Tamil Nadu there is a strong tendency to converge towards mega cities. Though these two states had early policy on regional development they fail to implement these policies in order to have dispersed development.
- **The emergence of Census Towns in fast phase indicates, the convergence of population within rural areas towards higher order settlements. Increase in the number of Census Towns between 2001 and 2011 is important evidence towards this direction. These centers act as engines of growth with in rural area.**
- The States that have come out with Spatial Strategy earlier had the advantage of having more dispersed urban development compared to other states. For example, Madhya Pradesh in early 1980s and Kerala in 2010 came out with State urban strategy. It is necessary to have a State level spatial strategy for urban development without which the rural-urban migration is skewed towards mega cities and metro cities. Even though States specify that they have prepared the urban development strategy at the State level, most of them are not implemented because of heavy funding for JnNURM based cities and towns than in other towns.
- The earlier policies on urbanization such as IDSMT, though were good, were poorly planned and implemented without a focus on employment generation and poverty reduction. It is therefore necessary to have an integrated focus on urbanization and employment generation to reduce poverty. The revised programme under JnNURM also suffers from the same. It focuses on urban infrastructure than on job generation. Small towns are the nearest link to villages and focus on poverty eradication and employment generation has to start here.
- Location of heavy industries in far off places, has not created trickle down effect in terms of urbanization or dispersed development. These industrial towns remained as islands of development.
- Urban-ward migration rate has slowed down, especially inter-state migration rates. This reveals better employment generation in rural areas. Some states like Kerala showed better reduction in rural poverty than urban poverty because of better infrastructure in rural areas.
- Higher rate of urbanization is a positive factor in reducing poverty both in urban as well as in rural areas. Especially this is true of rural poverty reduction. Hence it is important to focus on poverty reduction strategies in small and medium towns and in rural areas simultaneously than concentrating the anti-poverty programmes on metropolitan and mega cities.
- Supply chain problems can be better handled if the small and medium towns are developed, especially in terms of local economic development.

b) Poverty linkages: -

- There is a strong linkage between urbanization and poverty reduction in rural and urban areas through employment generation in small and medium towns. With large Census Towns emerging it is possible to focus on PURA and MNREGS in those areas and reduce poverty. Similarly urban poverty programmes can be targeted towards small and medium towns.
- The concept of growth centers and cluster development are important in poverty reduction, as these growth centers are located near rural areas. Commission on Unorganized sector has recommended convergence of PURA for growth center, which is a welcoming one and can be experimented in selected PURA centers, especially for unorganized sector employment generation.
- As stated earlier, urban consumption increase acts as a stimulant in decreasing rural poverty through non-farm employment increase. As the structure of the Indian economy is changing, with low agricultural productivity and increasing non-farm employment, the emphasis should be given in generating non-farm employment that securitizes the rural poor against poverty.
- Four areas of reform are urgently required to fast track poverty reduction in India: creating new non-farm jobs, increasing farm productivity, increasing public spending on basic services and improving the effectiveness of public spending (McKinsey:2014).
- MNREGS has proved to be a blessing in disguise for the rural poor. Across the country, it has helped the rural poor to get gainful employment and an important programme to generate casual employment during off-season.
- MNREGS implementation also showed that women workers participated more in rural areas under this scheme empowering their lives than before the programme. MNREGS is acting as an instrument for empowerment of women.
- Integrated District Development Planning (IDDP) through participatory planning as in the case of Kerala proved to be an important process in achieving two things: developing rural-urban continuum, and in finding participatory solutions to poverty through people focused development.
- Converged programme such as MGNREGS and NLM and CFT is able to achieve better poverty reduction because of their effective institutional mechanism.

c) Good practices in Government Programmes for poverty reduction:-

- One of the best practices of Government's poverty reduction practice was the introduction of Mahatma Gandhi National Rural Employment Guarantee Scheme, which was introduced in India after the Employment Guarantee Act. It has many good practices some which are listed below:-
 - Under the Scheme, Gram (village) sabhas have to take up 50% of the total work, which enabled local employment generation.
 - The scheme also ensured that all the work should be within 5 km radius of the village and if it exceeds the beneficiary are to get additional income to meet their transport cost.
 - Financial inclusion was achieved through direct transfer of beneficiary wages to a bank account, which was opened for this

- purpose. This eliminated the middlemen, which stalled the anti-poverty programmes implemented earlier.
- Material component of the project should not exceed 40% of the total project cost. This ensured more labour component that increased the income of the beneficiary who were otherwise unemployed.
 - The scheme created sustainable assets at community and village level that are essential for village development and poverty reduction.
- Another best practice was the introduction of PURA. Though this programme was not an anti-poverty programme directly, this provided the necessary infrastructure to reduce poverty. It introduced the concept of Public-Private Participation in the provision of urban amenities in rural areas and a business model that never seen before in the rural development process.
 - PURA aimed at 12% return from the investment making the model profitable for private sector to participate in the provision of basic infrastructure in rural areas.
 - The concept of growth centers clubbing it with PURA made the programme pro unorganized sector friendly.
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7 Implications for other countries:

There are important lessons to be learnt from other developing countries. Some of these are listed below:-

- a) Decentralised urban development with strong local spatio-economic planning has acted as a tool against urban ward migration. Strong dispersed spatial strategy enables balanced development of the region without making one city dominating the development process and attracting all the migrants.
- b) Integrated urban-rural continuum development with a focus on people's participation enabled poverty reduction in rural and urban areas as well.
- c) Provision of urban amenities in rural areas reduced rural poverty faster and improved the livelihood levels of the rural people.
- d) Urban consumption increase, especially in small and medium towns, which are closer to rural area acts as a strong instrument for rural poverty reduction as well as urban poverty reduction.
- e) Planned growth centers not just around mega and metropolitan cities but far away from these centers, increases the employment opportunities of the smaller urban settlements and restricts the movement of semi and unskilled people to mega and metropolitan cities.
- f) Location of big industries in backward area without adequate infrastructure provision in the surrounding areas has increased the inequality and living conditions between the urban and rural areas making those industrial towns as an island in the development process. Industrial location policies should be effectively used to curb migration.
- g) Convergence of various rural development programmes act as an asset in poverty reduction and asset sustainability created through these programmes.

- h) Focus on employment oriented Schemes such as MGNREGS in India under employment guarantee Act will enhance the rural employment opportunity and increase the livelihood of the rural people. Though direct money transfer to beneficiaries under anti-poverty programmes were widely debated across the world, Indian programme has proved that if implemented with check and balances such as: transparency in identification, job generation through participation at the village level, financial inclusion through benefit transfer through banks and creation of permanent community assets in the villages, etc were brought in, the programme can bring in wonders in reducing poverty, and improve the living conditions of the poor.
 - i) PURA and MGNREGS also created essential community assets such as roads, which are essential for reaching the poor. Poverty eradication needs to be seen from this perspective of how to reach the poor through the provision of community infrastructure, which in turn will act as an engine of growth.
 - j) Material and labour component in any project be it urban or rural project will ensure higher levels of employment generation. By restricting the material component to 40%, the MGNRES ensured the success of this programme in employment generation.
 - k) Regular social audit ensures proper implementation of the programme and ensures the right beneficiary is targeted and right amount of assistance is given to the beneficiary. Social Audit under MGNREGS proved to be beneficial to all the beneficiaries and now planned to be replicated in other government programmes as well.
 - l) Indian rural development programmes such as NRLM and CFT strategy brought in institutional mechanism in place, playing the role of a facilitator and networking the beneficiaries, which proved to be advantageous for programme's success.
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