



URBANISATION THROUGH INDUSTRIALISATION IN INDIA- AN ANALYSIS WITH SPECIAL REFERENCE TO ASSAM



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Received: 21.05.2024

Reviewed :23.05.2024

Accepted: 26.05.2024

ABSTRACT

Industrialisation and urbanisation are two sides of the same coin. There would be no urbanisation without industrialisation; they are complementary and supportive of one another. Urbanisation is the spatial carrier of industrial development, while industrialisation is the source of power for economic expansion. According to the 1901 census, 10.84 per cent of India's population lived in urban areas, which increased to 31.15 per cent by the 2011 census and 34.93 per cent by 2020, according to The World Bank. According to a UN survey, 40.76 per cent of the country's population is predicted to live in urban areas by 2030. The MSME (Micro, Small and Medium Enterprise) plays an important role in the industrial development of Assam. Urbanisation is very essential to maintain the economic stability of the state. In Census 1901, Assam's urban population was only 77,074 people, but it has grown to 43,98,542 people in Census 2011. Assam is far behind in industrialisation and urbanisation compared to any other state in India. The MSME sector is the backbone of the industrial development in Assam, which can eradicate the poverty and unemployment problem with urbanisation in Assam. The improvement of infrastructure, financial assistance, technical guidance and training for entrepreneurs are essential for not only industrialisation but also urbanisation in Assam. This article focuses on the development of urbanisation in India as well as in Assam with the development of industrialisation, especially in the MSME Sector.

KEY WORDS: Urbanization, Industrialisation, MSME.

1. Introduction:

Industrialisation and urbanisation are two sides of the same coin. There would be no urbanisation without industrialisation, they are complementary and supportive of one another. Historically, industrialisation has resulted in urbanisation by creating job opportunities and economic growth, which has resulted in a shift in population from rural to urban areas. Typically, urbanisation begins with the establishment of a

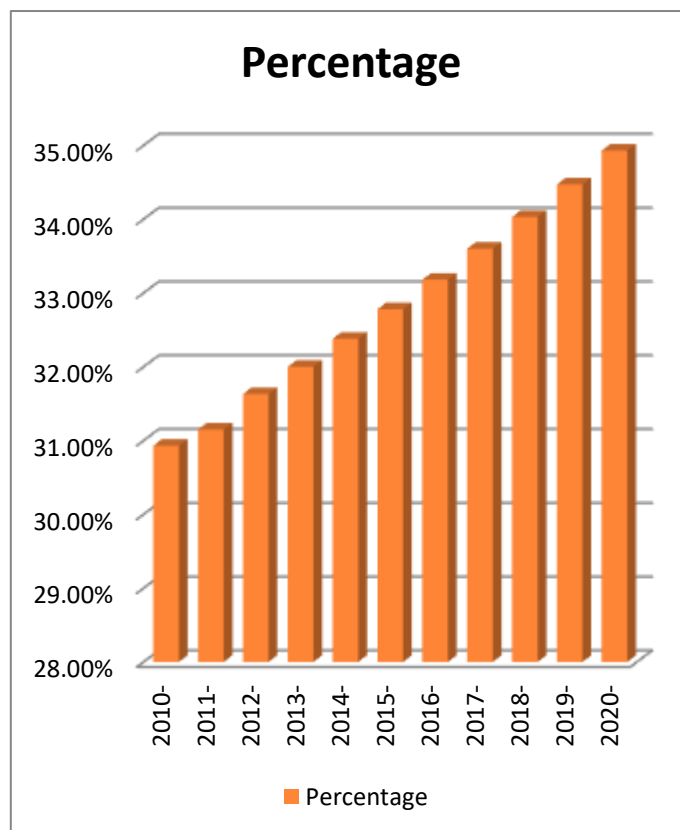
factory or multiple factories within a region, resulting in high demand for factory workers. Similarly, other businesses such as housing, retailers, service providers, and so on are being developed to meet the product demands of factory workers. This generates even more job opportunities and manpower demands, resulting in the formation of an urban area. Urbanisation is the spatial carrier of industrial development, while industrialisation is the source of power for

economic expansion. Industrialisation is inextricably linked to urbanisation, and urbanisation is an expression of industrialisation. It refers to the movement of people from dispersed rural areas to compact urban areas, as well as the process of increasing population concentration in urban areas. The demographic ethic, social-economic, and environmental characteristics of urban areas are all drastically altered as a result of the urbanisation process.

2. Industrialisation and urbanisation in India and Assam:

According to the 1901 census, 10.84 per cent of India's population lived in urban areas, which increased to 31.15 per cent by the 2011 census and 34.93 per cent by 2020, according to The World Bank. According to a UN survey, 40.76 per cent of the country's population is predicted to live in urban areas by 2030. In recent years, the global phenomenon of urbanisation has accelerated. In 2012, 55 per cent of the world's population lived in cities, up from 13 per cent in 1900 and expected to reach 68 per cent in 2050. (UNDESA, 2019) In the last several decades, it has been observed that urban population growth has been relatively rapid in the majority of emerging countries. Due to its demographic characteristics, India is the country with the most urban expansion after China. India has the world's second-largest urban system, with about 11% of the global urban population residing in Indian cities. In terms of absolute numbers, India's urban population outnumbers that of other highly urbanised countries and areas throughout the world. The country has reached a critical juncture in its economic transition, with half of the country expected to be 'urban' within a few decades. By 2036, urbanisation is predicted to account for 73 per cent of overall population growth (Ministry of Health and Family Welfare) (MoHFW, 2019).

Figure No: 1
Degree of Urbanisation in India from
2010 to 2020



Source: Statista: Economy & Politics

Officials involved in the process claim that the rate at which urbanisation is expanding is astonishing, and that rural India will be history sooner than we believe India lives in its villages. According to the officials, many of the metropolitan areas designated in Census 2011 have expanded, while thousands of villages have become towns, as defined by the census definition.

When a group of people transition from an agrarian society to an industrial society, that period of social and economic change is referred to as industrialisation. Manufacturing industrialization necessitates a significant reorganisation of an economy.

Many key elements are required for industrialization, including land, labour, capital, technologies, and coordination or connections. The industrial revolution began in India in 1854 when Bombay launched Asia's first steam-powered cotton mill, and India is today the world's sixth-largest economy. Since 1854, India has progressed in its industrialization and has been able to transition from an underdeveloped to a developing country.

Industrialisation increases community income by creating employment opportunities in small and big scale industries. Industrialization also aids in the improvement of a country's terms of trade, technological advancement, and economic strength.

Industrial development is a necessary prerequisite for the economy to flourish in a balanced manner. Due to the economic instability, both the primary and secondary sectors of the economy were suffering from backwardness. In India, the first five-year plans were implemented in 1951. The first five-year plan focused on the development of the primary sector, but the development of the secondary sector, or industrial sector, became the main emphasis area starting with the second five-year plan. However, due to the poor performance of public sector undertakings (PSUs) and excessive restrictions on trading operations, the industrial sector did not grow at the planned rate during the five-year plan.

Industrialisation and MSME in Assam:

The MSME (Micro, Small and Medium Enterprise) plays an important role in the industrial development of Assam. There are a variety of problems in Assam which hinder the development of large scale industries in Assam. So the MSME sector is an important sector that can contribute to the industrial development in the state of Assam. In terms of employment generation, poverty reduction and economic stability, the MSME sector play a vital role not only in Assam but also all over India. It is the fastest-growing sector compared to heavy enterprises. Urbanisation is very essential to maintain the economic stability of the state. For economic stability, poverty must be reduced with the reduction of inequality and employment opportunities must be increased which can be possible through rapid industrialization in Assam. For generating employment MSME plays an important role in industrial development.

The definition of urbanisation in India:

The definition of an urban area as per the Census 1971 was as follows:

(a) All places with municipality, corporation, cantonment board or notified town area committee, etc.

(b) All other places which place which satisfy the following criteria: (i) a minimum population of 5,000, (ii) at least 75 per cent of the male working population engaged in non-agricultural pursuits; and (iii) a density of population of at least 400 persons per sq. Km.

This is an arbitrary definition of an urban area that differs from what is used in other nations. As a result, relevant adjustments need to be made to conduct a comparative analysis of urbanisation processes in other countries.

According to the Census of 2011, India's urban system consists of 7933 settlements, divided into 4,041 statutory towns and 3,892 census towns. A continuous spread of settlements and outgrowths makes up urban agglomerations.

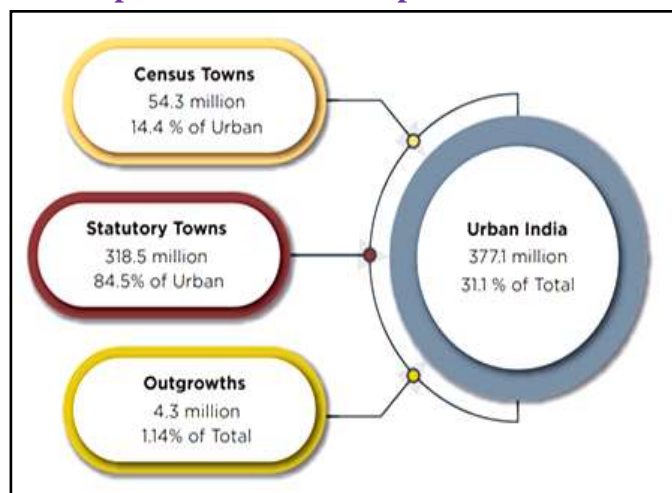
The definitions of statutory towns, census towns and outgrowths are as follows:

Statutory towns: Regardless of their demographic features, settlements that are notified under the law by the appropriate State/UT government and with local entities such as municipal corporations, municipalities, municipal committees, and so on.

Census towns: Settlements that are categorized as urban in the census after meeting the following criteria: a population of at least 5,000 people, at least 75% of male 'main workers' engaged in non-agricultural activities and a population density of at least 400 people per square kilometre. These are governed as villages and do not require to have urban bodies.

Outgrowths: These are viable units, such as a village, with well-defined boundaries and locations. Outgrowths have urban qualities in terms of infrastructure and facilities, such as pucca roads, electricity, and so on, and are physically connected to the urban agglomeration's core town.

Figure No: 2
Composition of Urban Population in India



Source: Compiled from Office of the Registrar General & Census Commissioner, India. (2011). Census of India 2011. Ministry of Home Affairs, Government of India.

Size-class wise Distribution of Census Towns and Outgrowths:

India's urban system is heterogeneous, and the size-class composition does not follow a consistent pattern across the states. Table No. 1 provides a general overview of the relevance of small and medium-sized towns in terms of coordinated spatial planning is comparable in terms of population.

Table No. 1
Size-class wise Distribution of Census Towns and Outgrowths

SN	Classes	Population Range	No. of Census Town	No. of Outgrowth
1	Class-I	1,00,000 and Above	170	289
2	Class-II	50,000 to 99,999	374	100
3	Class-III	20,000 to 49,999	1298	75
4	Class-IV	10,000 to 19,999	1682	1
5	Class-V	5,000 to 9,999	1749	0
6	Class-VI	Below 5,000	424	0

Source: Compiled from Office of the Registrar General & Census Commissioner, India. (2011). Census of India 2011. Ministry of Home Affairs, Government of India.

Urbanisation in Assam:

While India's overall level of urbanisation appears to be low, it differs greatly between states and union territories. States like Goa, Tamil Nadu, Kerala, Maharashtra, and Gujarat have urbanisation rates of over 40 per cent. States like Bihar, Odisha, Assam, and Uttar Pradesh have a lower urbanisation rate than the national average of 31.1 per cent. Maharashtra, Uttar Pradesh, Tamil Nadu, West Bengal, Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Rajasthan, and Kerala account for more than 75 per cent of the country's urban population. According to Census 2011, the union territories of Delhi, Daman and Diu, Chandigarh, and Lakshadweep have an urbanisation rate of more than 75 per cent. The speed of urbanisation and the distribution of urban centres are not uniform across the country.

Assam is one of India's traditionally rural states, with agriculture and associated pursuits being the principal occupations of its people. However, there has been an increasing trend toward urbanisation over the years, which gained traction, particularly in the post-independence era. In Census 1901, Assam's urban population was only 77,074 people, but it has grown to 43,98,542 people in Census 2011.

Table No.: 2 shows the relative percentage of the urban population to the total population, as well as the rate of urban population growth in Assam and India throughout the census period. The table shows that while Assam has a lower percentage of the urban population but the growth rate of the population is more than the national growth rate of the urban population.

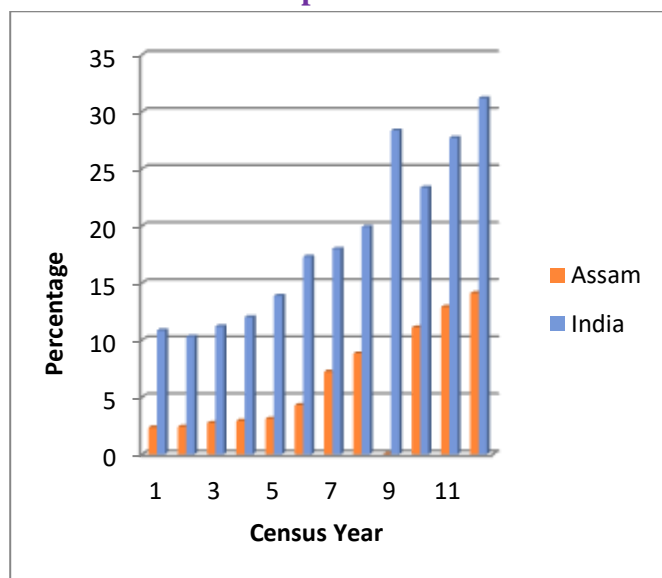
Table No.: 2
Comparative of Urban Population in Indian and Assam

Sl. No.	Year	Percentage of urban population to total		Growth Rate of urban population	
		Assam	India	Assam	India
1	1901	2.34	10.84	xxx	xxx
2	1911	2.41	10.29	20.5	0.35
3	1921	2.74	11.18	36.80	8.27
4	1931	2.92	11.99	27.58	19.12
5	1941	3.11	13.86	28.30	31.97
6	1951	4.29	17.29	65.73	41.42
7	1961	7.21	17.97	126.57	26.41
8	1971	8.82	19.91	65.01	38.23
9	1981	xxx	28.34	xxx	46.14
10	1991	11.10	23.34	92.97*	36.47
11	2001	12.90	27.70	36.24	31.30
12	2011	14.10	31.15	27.61	33.60

Note: * The figure shows the growth rate from 1971 to 1991, as there was no census in Assam during 1981

Source: Census of India, Various issues.

Figure No.: 3
Percentage of Urban Population to Total Population



Source: Table No.:2

Table No.; 3 shows the ranking of the district of Assam as per the percentage of urban population to total population in Census 2011. It reveals the highest percentages of the urban population in Kamrup Metropolitan in the 2001 and 2011 censuses and the lowest in the Baksa district in both the censuses.

Table No.: 3
District wise Percentage of Urban Population

Rank in 2011	Districts of Assam	Percentage of Urban Population	Percentage of Urban Population
		2011	2001
1	Kamrup Metropolitan	82.9	80.23
2	DimaHasao	28.7	31.6
3	Jorhat	20.1	17.15
4	Tinsukia	20	19.47
5	Dibrugarh	18.4	19.28
6	Cachar	18.2	13.94
7	Bongaigaon	13.8	15.87
8	Goalpara	13.7	8.14
9	Nagaon	13	12.2
10	KarbiAnglong	11.8	11.3
11	Nalbari	10.7	3.99
12	Dhubri	10.4	12.29
13	Sivsagar	9.6	9.24
14	Kamrup	9.4	4.43
15	Golaghat	9.2	8.54
16	Karimganj	9.1	7.33
17	Sonitpur	8.9	10.56
18	Lakhimpur	8.8	7.33
19	Barpeta	8.7	9.1
20	Morigaon	7.7	4.89
21	Chirang	7.4	5.77
22	Hailakandi	7.3	8.12
23	Dhemaji	7	6.79
24	Kokrajhar	6.2	6.11

25	Darrang	6.1	5.49
26	Udalguri	4.5	4.37
27	Baksa	1.3	0

Assam has a population of 2.58 per cent of the Indian population. Between 1901 and 2011, the urban population grew at a fairly modest pace. Between 1901 and 2011, the proportion of the urban population to the total population of Assam increased from 2.34 per cent to 14.10 per cent, while the country's increased from 10.84 per cent to 31.20 per cent. During the pre-independence period, i.e. from 1901 to 1941, the population of urban areas in both Assam and India increased marginally.

However, rapid industrialisation and increased rural-urban mobility have resulted in a large increase in the proportion of the population living in cities in the post-independence period. However, there remains a significant urbanisation divide between India and Assam.

The national rate of urbanisation is 17.10 per cent, but in Assam, it was just 8.5 per cent from 1901 to 2011, indicating an extremely slow and poor urban development in the province. In comparison to Assam, India is more than twice as large.

Conclusion:

Urbanisation and Industrialisation both are very important for the economic development of a country or any state. Assam is far behind in industrialisation and urbanisation compared to any other state in India. The major cause of poor urbanisation in Assam is the very low industrial growth that is the lack of large scale industries in Assam. Because of a variety of problems like poor infrastructure development, insurgency problems, and natural reasons large scale industries are not grown up in Assam. The industrial development in Assam highly depends on Small Scale industries that are in the MSME sector. The performance of the MSME sector is also poor in Assam compared to other developed states. The MSME sector is the backbone of the industrial development in Assam, which can eradicate the poverty and unemployment problem with urbanisation in Assam. The formation of suitable government policies is vital for the

development of MSME. The improvement of infrastructure, financial assistance, technical guidance and training for entrepreneurs are essential for not only industrialisation but also urbanisation in Assam.

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