

Internal migration and economic development of smart cities

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Abstract - The economic growth of India is at a brink of stability and we are moving towards "Drive to maturity" (A Development stage of Rostow's Model). In such a sensitive environment, the human resource and migration of the people from rural to urban area play a conducive role in the emerging economy. The internal migration trends of India reveal some very relevant issues of the economy which demonstrate the facts of developing economy in India. Stated reason of male migrants is the most important topic of study. In 2007-2008, 28.5% of rural male migrants and a majority 55.7% of urban male migrants gave economic reasons for migration. These migrants not just participate in economic activity but also carve out a much need "social Status"

Analysis of earlier NSS rounds by several authors has shown that migrants are better off than non- migrants. The NSS provides the MPCE (monthly per capita expenditure) decile-wise distribution of migrants as well as the migration rate by deciles. The migration rate is much higher in the top deciles, especially for males. In fact, the rate is more than six times in the highest decile than in the bottom decile (for males) and more than five times in the highest decile compared with the lowest decile for urban males. As a result, there is higher percentage of migrants in the top deciles.

Key Words: Internal Migration, Urban development, Economic growth, Employment, Land economy, Real estate market

1. INTRODUCTION

The economic growth of India is at a crucial stage and we are moving towards "Drive to maturity" (A Development stage of Rostow's Model). In such a sensitive environment the human resource and migration of the people from rural to urban area play a pivotal role in the emerging economy. The internal migration trends of India reveal some very relevant issues of the economy.

The Human Development Report 2009 clearly states that there are four times as many internal migrants in the world as there are international migrants (UNDP 2009, p22). Internal migrants not only involve much poorer segment, its impact on the economy as a whole, on sending and receiving regions, and these internal migrants are much more important than international migrants for the research of economic development.

The condition of physical infrastructure and social infrastructure facilities of the metro cities is comparatively

good but still not adequate and if we study the lifestyle affordability in metro cities, it is extremely cheaper than the lifestyle of small cities. Some basic issues of affordability in metro cities like land value, house rent, electricity, and water ablate the migration crowd towards small towns.

For the forecasting of Indian economic status in upcoming 20-30 years FDI (Foreign direct investment) will play a very significant role in future. The leverage of FDI on small and medium towns in India cannot be denied and a fundamental research is necessary to study the economic growth pattern in this particular area.

2. INTERNAL MIGRATION PATTERN OF INDIA

Internal migration pattern of India clearly reveals the true reason behind migration and yes, of course it is related to occupation and economics. But the reason behind migration dose vary by sex, income and urban-rural category. Census data 2001 reported 309 million internal migrants and out of them 70.7 percent were women, 67.2 percent were rural and only 32.8 percent migrants were urban. The purpose of migration is not same in all these cases. Women are most likely to migrate from their birth place, our culture urge women to migrate from their birth place to the place of husband. So, the contribution of internal migrants as a whole is difficult to study and it is important to segregate these migrants on the basis of sex income and urban-rural characteristics.

2.1 Dominant factors of migration

According to census 2001 out of 29.9 percent of internal migrants 84.2 percent are within the state migrant and 70.3 percent are migrants within district. Thus it is indication that the actual migration which we have to study is intrastate migration especially intra-district migration because migrants always try to seek occupation near birth place.

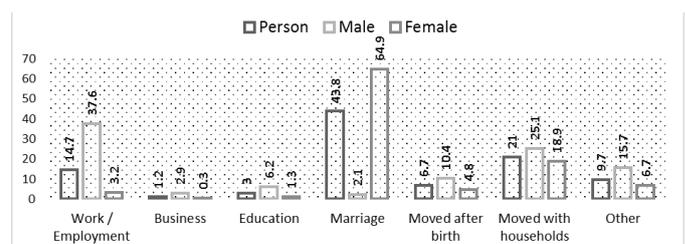


Chart -1: Reason of migration by sex in percentage

The national commission for rural labour (NCRL) report, 1991 described the probability of migrants and suggest that labourers and farmers with little or no land have a high propensity to migrate as a seasonal labour. There are several reasons of migration but work/employment and education would be the dominant factor among them.

2.2 Internal migration within states

In India marriage is another dominant reason of female migration which is 64% among all kind of reasons. Indian Institute of Human Settlements (IIHS) analysis based on 2001 and 2011 Census suggest that two states Bihar and Uttar Pradesh have highest outmigration rate. These two states lies on bottom in the list of urbanization but highest in population.

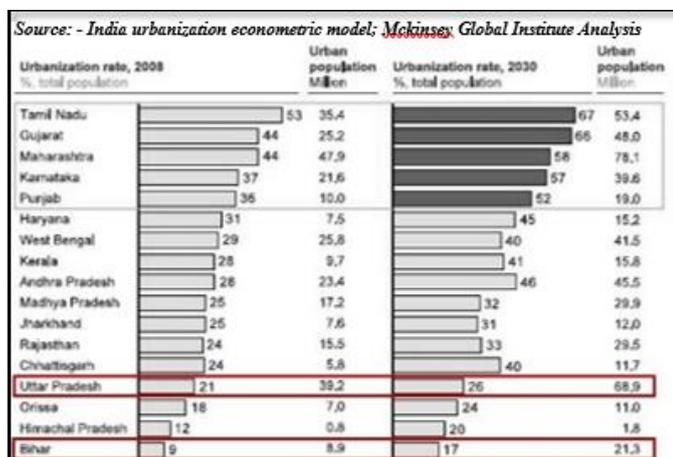


Chart -2: State wise comparison of urbanization

McKinsey Global Institute Analysis also projecting a very less urbanization rate for these two states. They have projected 26 percent of urban population for Uttar Pradesh in 2030 against 21 percent in 2008 and 17 percent of urban population for Bihar in 2030 against 09 percent in 2008. Thus there is a negative correlation between level of urbanization of states and outmigration rate and thus we can assume that urbanization will drum up the intra-state migration rate but reduce the inter-state migration rate.

3. LIFESTYLE OF METRO CITIES AND SMALL TOWNS

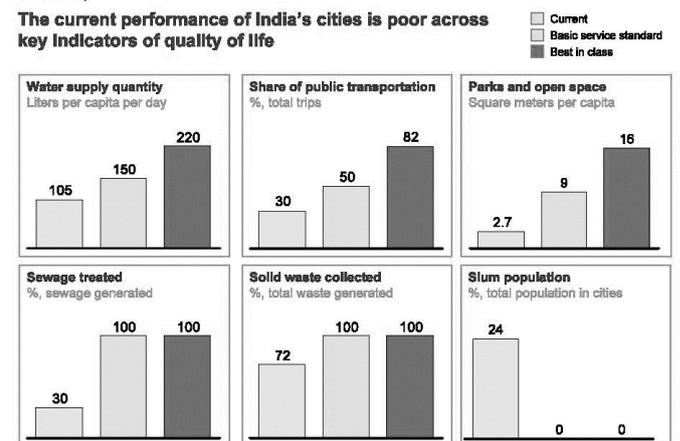
Lifestyle of metro cities is entirely different from small towns in India. A huge difference can be observed not only in life style and domestic activities but in local functions. A significant specialty of local ethos does matter if we are planning to develop a city and these parameters are even more important when we are thinking a concept like "Smart City". When we study the finance and governance of municipal council in small cities it is not at all comparable with the metro cities of India. Status of the city also affects the new urban rural migrants and that is why metro cities create bigger magnitude of attraction than small towns. If we are

assuming 100 smart cities in India for future then we should have a foresight well-defined policy for the migrants.

Small towns of India are the potential scope of future development but sluggish growth of towns is anxious matter of concern. This growth concept is even more crucial when the pattern of growth is organic. In such situation if we got 100 cities with planned growth dynamics it will ablate the in-migration and will develop some more opportunities for urbanization.

4. ISSUES OF DEVELOPMENT IN SMALL TOWNS

As per the previous discussion we can identify the potential of small towns but small cities have already facing a lot of deficiency of physical and social infrastructure which is necessary to improve the quality of life. McKinsey report have already revealed the expected growth and issues of cities blow by blow and clearly analyzed the deficiencies of the various sectors. Status of water supply quantity, Share of public transport, Parks and open space, Sewage treatment, Solid waste collection and slum population is given below and if we consider the small towns, it is far away to provide a good quality of life in upcoming smart cities.



SOURCE: United Nations; press search; City Development Plans; The Energy and Resources Institute; Planning Commission; Census 2001; Central Pollution Control Board; McKinsey Global Institute analysis

Despite all these common issues there are some invisible factors of development in small cities which need to identify for inclusive planning

4.1 Dominant factors of migration

Development control norms of a city will be the decider factor for inclusive growth. So it is a very obvious question that "the development regulations should be changed or same as per the provision of municipal council?" and if it will be changed then what would be the policy to make it more inclusive?

Concept of "Smart Cities" will attract the migrants from rural areas and provision of physical and social infrastructure will provide a livable environment in small cities but the question is still anxious that who will be the actual user of this livable environment? Today land mafia and bureaucrats are the decision makers of land value in small towns because of

inactive municipal council and such people drum up the speculation purpose which is a main barricade of inclusive development.

4.2 Inclusive planning

Inclusive planning is still a mysterious approach for Indian cities, not only for small towns even metro cities, are not able to deliver the policies to make inclusive development. For the migrants of rural areas, we cannot expect a rich financial background and as per the migration pattern of India migrants come to search a job in these cities. Smart city concept will definitely provide some job opportunities for migrants but inclusive smart cities may be a huge scope of development towards education and small-scale industries.

4.2 Urban governance

Function of urban local body in small cities is very limited and inactive. Their frigid response of development and inadequate human resource make the whole system stagnant. Indian small towns are entirely dependent on octroi collection where other local taxes are almost nil. Small towns are dependent on state and central funds and in such a discordant situation how "Smart Citi" concept will be executed is a big challenge.

Inefficiency of local body provide enormous opportunity to bureaucrats and politicians to mint illegally with development control violation. Such hostile forces are very difficult to subjugate and in such conditions the concept "Smart city" is good for nothing.

5. ROLE OF MIGRATION AND GROWTH DYNAMICS

Analysis of earlier NSS rounds by several authors has shown that migrants are better off than non- migrants. The NSS provides the MPCE (monthly per capita expenditure) decile-wise distribution of migrants as well as the migration rate by deciles. The migration rate is much higher in the top deciles, especially for males. In fact, the rate is more than six times in the highest decile than in the bottom decile (for males) and more than five times in the highest decile compared with the lowest decile for urban males. As a result, there is higher percentage of migrants in the top deciles (Source: -An overview of its features, trends and policy challenges, Ravi Srivastava)

Such study demonstrates the potential of internal migrants for economic growth. In such case government expectation should be obvious for smart cities but its development should be free from fatal intensions bureaucrat and private developers and honestly speaking, Indian small towns are not prepared for such development.

There are some issues which has been continuously overlooked from last three decades during planning of Indian cities. For examples the enforced policy of a city does not accountable for the future migration trends and carrying capacity of cities and such attitude of planning is the main

hurdle to estimate the growth dynamics of cities especially for small towns. The basic considerable points of development are,

5.1 Land Policy and requirement of housing

Housing is the most important issue which should considered before planning of a city. Provision of infrastructure is just a matter of willingness and finance of government policies but the real crunch is provision of housing which usually overlooked by planners. The main threats are bureaucrats and private developers who strive a lot to make land and housing unaffordable for middle class. The grab all the opportunities of people before even government plan to develop a city and smart cities can face same situation during the development process.

5.2 Estimation of carrying capacity of cities

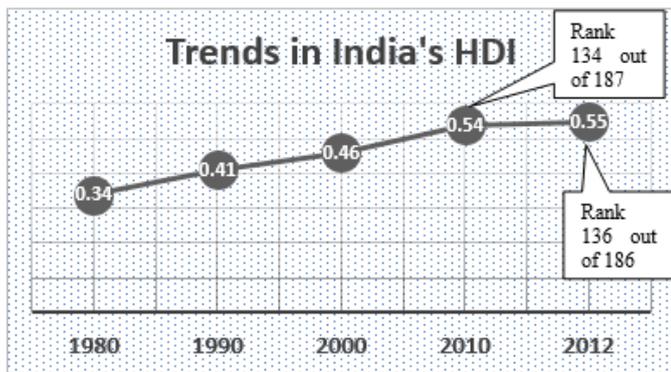
Planners are always fail to estimate the real carrying capacity of the city and that is why the actual development concept grow in organic manner. Planner should focus on quality of life not in economic growth. Actual in-migration benefits have been always ignored and the basic principles of urbanization which is accountable for education, health and environment is completely overlooked.

5.2 Estimation of migration

From so many years India is starving to get some elite quality of research and that is the main hurdle of sustainable development. In the field of migration there are very few research has been published and due to absence of such important information planners just overlook the migration aspect as a parameter of development. Such aspect can improve the quality of life of developing city. Government should take initiative to encourage the research on the topic of migration and then incorporate the findings of the research in policies of development.

5. CONCLUSION

After the analysis of all issues there is some very explicit finding and some questions are still unanswered like "who would be the actual user of smart cities? Are local bodies of small towns prepared to handle the migration towards smart cities? Did concept of Smart City will able to improve the HDI?" In 2010 HDI rank of India is 134 out of 187 countries and in 2012 it is 136 out of 186 countries. The national commission for rural labour (NCRL) report, 1991 described "the probability of migrants and suggest that labourers and farmers with little or no land have a high propensity to migrate as a seasonal labour". So, if cities are not affordable it will create slums which degrade the quality of life. These are the main points which are responsible for India's bottom line position in HDI ranking. (Srivastava et al. 2009)



Source: - United Nations Development Programme.

Chart -3: State wise comparison of urbanization

For upcoming development, FDI will also play a pivotal role to drive the growth dynamics and a survey of Mint newspaper demonstrate that after the developed cities smart cities are the first choice of foreign investors. In such situation, smart cities will act like a potential of investment for bureaucrats, politicians and private developers.

It is very important to develop some housing society by local government of smart cities and enforce the ground regulations to make housing affordable for middle class and migrants of the society. The in-migration for these smart cities will provide some new dynamics of growth which cannot be underestimate for future developments and it will be a decider factor for inclusive growth

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