

# Urban Growth and Change in Post-Liberalized India: Small Town Dynamics

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**Abstract** This paper focuses on growth and changes experienced by smaller urban places as a result of India's 1991 official policy reforms aimed at economic liberalization. Section 1 introduces the structure and scope of the paper. Section 2 highlights the nature of urban growth and delineates the broader context of India's urbanization using census data and UN statistics. Section 3 examines the economic structure of India's urban areas using National Sample Survey (NSS) data to highlight its continuities and emerging characteristics. Section 4 reports a field study of a small town in India's poorest state to exemplify the dynamics of change in the lower strata of the urban system. Section 5 identifies the major trends, and considers their future implications.

**Key words** urban growth, small town, dynamics

## I. Introduction

This paper discusses India's urban growth and changes resulting from economic reforms experienced in the last two decades. This period of change was ushered in with the onset of economic reforms and liberalization in 1991. However, as may be expected, many features of India's urbanization display continuities with the past, for demographic and socio-economic characteristics of a society do not change all at once and in a sharply defined way. Just as Indian civilization has emerged over the centuries through a process of cultural accretion so too many aspects of its post-colonial urbanization and modernization. While postcolonial India continues to gradually evolve, drawing influences from multiple sources over an extended period of time, the last two decades have witnessed accelerated economic and social processes, and with them, the pace of change in the urban built environment, aspects of urban living and the overall urban system.

Section 2 presents the broader context of India's urbanization process using census data and UN world urbanization statistics to highlight demographic continuities and new features. While the continuities are easy to trace, it is the discontinuities that are more difficult to pin down unless observed over a long duration. One aspect of India's urban growth that shows newly emerging features in a clearly discernible way is the economic. Thus, Section 3 uses National Sample Survey (NSS) data to examine the economic structure of India's urban areas.

Another aspect of India's urban growth that appears to be shifting rapidly is the bottom of the urban hierarchy: smaller cities and towns. Data from the latest census show

that the lower end of this hierarchy is more vibrant than previously perceived. Villages are transforming into urban places, a process that was very weak in the latter half of the last century. The growth of smaller cities and towns has been mostly by natural increase, but their economic functions are also changing. Smaller urban places are increasingly serving as dynamic markets for goods and services of both the old (pre-liberalization) and the new (post liberalization) economy.

Section 4 illustrates the above by focusing on Purnea, a small city in the state of Bihar, to better understand the dynamics of change in the lower end of the urban system. Purnea Municipal Corporation, with a population of 282,248, is located in Bihar, which is not only India's poorest state, but also has an 11.3% urbanization level—among the lowest in the country. The state was completely bypassed during the first fifteen years of economic liberalization, receiving minimal domestic and foreign investment. However, as its state domestic product accelerated over the last decade, so did its urban landscape. The nature of urban growth and change in Purnea could therefore exemplify urban processes in similar less-developed areas of the country.

A number of questions underlie the case study: one of the most important concerns the notion of 'autonomous' growth versus trickle-down growth from the top tiers of the urban system. Denis et al. (2012) define subaltern urbanization as the 'autonomous growth' of urban settlements generated by market and historical forces that are not 'dependent' on large metropolises or on 'planned' cities. Rather, its 'necessary characteristic is independence from the metropolis and a degree of autonomy.' Building

on this is the emerging acknowledgement that most of the research on urban India has focused on its largest cities, while smaller, autonomously growing towns and cities have been largely ignored. Denis et al. (2012) raise a second question regarding growth via agglomeration at a lower scale—that is, small clusters of economic activities often sustained through local advantages and socio-cultural networks. As both issues merit deeper investigation, they formed the basis of much of the fieldwork conducted in Purnea in September–October 2012.

The conclusion considers implications of the urban system's continuities and changes in terms of future urbanization while summarizing broad urbanization trends.

## II. Nature of India's Recent Urban Growth

The main characteristics of India's urbanization have remained unchanged for almost seven decades (Shaw, 2005). The first major characteristic is the enormous absolute size of its urban population. In 2011, India's urban population was around 377 million, constituting 31.2% of the country's total population and representing the second largest urban population in the world after China. The absolute size of India's urban population is a very important aspect of its urbanization. So large is its base that even modest growth results in huge net additions despite fairly low levels of urbanization through the last century (Table 1). Therefore, even though the rate of urban growth has

slowed relatively as compared to the 1970s and 1980s, net additions to urban population continue to increase. For example, in the last decade alone, India's urban population swelled by 90 million people. It is this kind of huge decadal addition that has made infrastructure planning and provision of basic services a difficult task.

The second key feature of India's urbanization is its fairly rapid recent growth rate compared to other large developing countries. Throughout the early part of the last century, India urbanized slowly, with small increases in population from one decade to the next. Since 1941, the pace of growth quickened, reaching its peak at 3.8% a year between 1971 and 1981 and subsequently slowing down to average around 3% per annum from 1951 to 2011, a rate regarded by UN-Habitat as 'rapid growth.' According to the Census of 2011, India's urban population grew 2.76% per annum between 2001 and 2011, far outstripping rural growth, which declined to 1.15% per annum during the same period. In fact, in the last decade, net additions to urban population exceeded those to India's rural population for the first time. This highlights a critical demographic turning point, suggesting that India's future is likely to be characterized by increasing urbanization and city living.

The third feature concerns the size class characteristics of India's urban system. Decades earlier, researchers noted the 'top-heavy' nature of urban growth in India; however, this characterization was always made with respect to the way settlements regarded as Class I towns (with populations exceeding 100,000) had increased in number and proportion to the total urban population. For instance, in 2011, out of a total urban population of 377 million, 70% (264.9 million) were living in towns and urban agglomerations of 100,000 people and above. In contrast, towns of 100,000 and above accounted for only 26% of the total urban population in 1901.

As giant, sprawling metropolises now dominate the top tier of the urban system, using 100,000 as the population criterion for large urban settlements no longer captures the actuality of population distribution and size class. Instead, it is more fruitful to turn to the UN's classification of urban settlements by population size. The UN recognizes six size classes: 10 million or more (megacities), 5 to 10 million (very large cities), 1 to 5 million (large cities), 500,000 to 1 million (intermediate cities), 300,000 to 500,000 (small cities) and below 300,000 (small towns). UN data have the added advantage of providing information on urban systems worldwide, as well as on a country of similar population size (i.e., China). This allows for a comparative assessment that can indicate how similar

**Table 1.** Urban population growth 1901–2011

(1) Census year	(2) Total urban population in millions	(3) % of urban to total population	(4) Net additions to urban population	(5) Annual expo- nential growth of urban population
1901	25.85	10.84		—
1911	25.94	10.29	93,464	0.03
1921	28.08	11.18	2,142,868	0.79
1931	33.45	11.99	5,371,240	1.75
1941	44.15	13.86	10,699,652	2.77
1951	62.44	17.29	18,281,518	3.47
1961	78.93	17.97	16,492,894	2.34
1971	109.11	19.91	30,177,374	3.21
1981	159.46	23.34	48,566,194	3.83
1991	217.17	25.72	58,091,441	3.09
2001	285.35	27.78	70,348,077	2.73
2011*	377.10	31.2	90,986,436	2.76

Sources: (2): Census of India, various years, cited from Bhagat (2005), Table 1

(3) and (5): Census of India, cited from Sivaramakrishnan et al. (2005), Table 3.1

(4) and \*: Office of the Registrar General & Census Commissioner (2011b)

Indian size class distribution is to the global distribution and to that of another large and populous country. Moreover, the data in question cover seven decades (from 1950 to projected figures for 2035), allowing for longitudinal comparison. Several interesting trends can be noted from recent data (UN, 2019). Compared to both China and the world as a whole, megacities in India (cities with populations of over 10 million) account for a higher proportion of the total urban population. In 2015, this size class accounted for 16% of the total urban population, as compared to 12% for both the world and China. By 2035, megacities will account for 24% of India's total urban population, compared to the world and China's projected average of around 16%. Thus, India's urban system is demonstrably 'top-heavy'.

However, there is an interesting exception to this trend. Compared to both the world and China, a smaller proportion of India's urban population lives in very large (5 to 10 million) and intermediate cities (500,000 to 1 million). While the proportion in large cities of 1 to 5 million is close to the world average, by 2035, these three types of cities together will account for just 34% of India's total urban population compared to the world average of 41% and China's average of 51%. On the other hand, the proportion of India's urban population living in settlements of less than 500,000 has always been higher than that of the world, pre economic liberalization. This has steadily declined to the world average and in 2015 accounted for 49% of total urban population. Thus almost half of India's urban population is still residing in smaller urban settlements, clearly demonstrating the continued importance of settlements of this size class to its urban system.

In fact, among the new developments in India's urbanization process as evident from Census 2011, perhaps most interesting is the renewed growth of towns at the bottom end of the urban system. This can be observed in the significant increase in the number of census towns between 2001 and 2011 (Table 2). Census towns are non-statutory towns recognized by the census as urban places

if they satisfy certain minimum requirements for population size, density, and non-agricultural economic activities.<sup>1</sup> New census towns are important markers of transition of villages to urban places.

According to data from Census 2011, between 2001 and 2011, 2,532 census towns were added to the urban system, resulting in sharp growth in India's urban centres, overall. While the number of total urban centres grew by 16% from 1981 to 1991 and by 10% from 1991 to 2001, in the last decade this figure grew by 54%, reflecting a broadening and spread of urbanization across the country. Some experts, however, have cautioned that until more detailed data on the exact location of these 2,532 census towns is available, it will not be possible to report which of them were peri-urban settlements that merged with nearby urban areas, and which are actually new towns that grew from pre-existing rural villages (Kundu, 2011). The latter type of census town would denote a bottom-up type of urbanization.

An early analysis by Pradhan (2013) based on settlement classification data provided by the government of India's National e-Governance Plan gives an estimate of locations and contributions of new census towns to increased urbanization between 2001 and 2011. Most new census towns were former villages and their spatial distribution indicated that while there was a concentration in certain districts close to metropolitan cities, the formation of census towns was also widely spread across the country. Therefore, it is clear that rural villages are transforming to urban centres, signalling a positive shift in the urbanization process in the last decade. That the bottom end of India's urban system is not stagnating but growing is also indicated by the fact that many of today's large cities were relatively small fifty years ago. In fact, Denis et al. (2012) show that, of the 267 towns that had a population of 100,000–200,000 in 2011, 188 (around 70%) had a population of less than 50,000 in 1961.

Finally, there is the matter of the widely differing levels and rates of urbanization across India's different states.

**Table 2.** Town growth by number and type

	1981	1991	Increase 81–91	% Increase 81–91	2001	Increase 91–01	% Increase 91–01	2011	Increase 01–11	% Increase 01–11
Statutory towns	2,758	2,996	238	8.63	3,799	803	26.80	4,041	242	6.37
Census towns	1,271	1,693	422	33.20	1,362	–331	–19.55	3,894	2,532	185.90
Total urban centres	4,029	4,689	660	16.38	5,161	472	10.07	7,935	2,774	53.75
Census towns' share of total urban centres (%)	31.55	36.11		4.56	26.39		–9.72	49.07		22.68

Source: Provisional data from Office of the Registrar General & Census Commissioner (2011a); also cited in Pradhan (2013) 1981, 1991, and 2001 from Census of India, cited from Sivaramakrishnan et al. (2005)

In the last two decades, more economically advanced states experienced higher than average levels of growth in urbanization. Compared to poorer states, these states are not only more urbanized, but are also urbanizing faster. The opposite trend is seen in poorer states; this divergent urban growth pattern during the last decade is presented in Table 3. Although the correlation between economic development and urbanization in India has been generally strong (Sachs et al., 2002), the relationship is weaker in certain states. For example, West Bengal, though classified as a more-urban state, is only a mid-level state in terms of income. Likewise, Himachal Pradesh is classified as a less-urban state despite its mid-level income and relatively good human development index.

This diverging urbanization pattern with more urban and developed states urbanizing faster than less urban and less developed states has been partly caused by fairly rapid growth in investments and jobs in urban areas of developed states (Shaw, 2012). One of its effects has been increasing inequality since 1993–94 with urban inequality the “major driver of rising inequality in India” (Himanshu, 2018, p. 7). Simultaneously, inequalities persist between

the largest cities and smaller urban places, with metros (cities with million-plus populations)<sup>2</sup> having significantly better standards of civic services and lower levels of poverty (Mahadevia and Sarkar, 2012).

### III. Economic Structure of India’s Urban Areas

An important aspect of India’s urban areas is their economic structure; particularly, how they have remained the same in some aspects after liberalization, and how they are changing in others. One of the most striking examples of the former is the continued presence of a large informal sector, which in 2017–18 encompassed 64% of all workers (NSO, 2019).<sup>3</sup> While this figure has declined from the 2004–05 level of 72% (NSS 61<sup>st</sup> Round), it still accounts for almost two-thirds of the urban workforce. Moreover, according to the NSS 66<sup>th</sup> Round, which reported on informal sector conditions and employment from June 2009–July 2010, the informal sector remains important particularly in construction, manufacturing, and wholesale and retail trade (NSSO, 2012). In fact, as Table 4 indi-

**Table 3.** Diverging pattern of urbanization, 2011

More urban			Less urban		
State	% Urban	% Change 2001—11	State	% Urban	% Change 2001—11
Punjab	37.49	3.57	Rajasthan	24.89	1.5
Haryana	34.79	5.87	Uttar Pradesh	22.28	1.5
W. Bengal	31.89	3.92	Bihar	11.30	0.84
Gujarat	42.58	5.22	Assam	14.08	1.18
Maharashtra	45.23	2.8	Jharkhand	24.05	1.81
Andhra P.	33.49	6.19	Orissa	16.68	1.69
Karnataka	38.57	4.58	Chhattisgarh	23.24	3.15
Goa	62.17	12.41	Madhya Pradesh	27.63	1.17
Kerala	47.72	21.76	Himachal Pradesh	10.04	0.24
Tamil Nadu	44.04	4.41	India	31.16	3.35

Source: Census of India, 2011

**Table 4.** Proportion of informal-sector workers in urban areas (2009–10) and by gender (2004–05 and 2009–10)

Industry	Urban areas 2009–10 (%)	Male 2004–05 (%)	Male 2009–10 (%)	Female 2004–05 (%)	Female 2009–10 (%)
Manufacturing	78	79	75	91	87
Construction	72		72		66
Wholesale or retail trade, etc.	92	97	91	97	93
Transport	68		69		44
Hotels and restaurants	88	95	88	97	90
Other community, social, and personal activities	73		75		68

Source: NSSO (2012): *Informal Sector and Conditions of Employment in India 2009–2010*

cates, these sectors, along with transport, continue to be dominated by informal rather than formal-sector workers in India's urban areas.

Analysing employment by gender shows declining proportions of both men and women employed in informal sector manufacturing, trade, and hotels and restaurants between 2004–05 and 2009–10; however, the overall proportion of informal-sector employment is still very high. However, as noted in the NSS 61<sup>st</sup> Round, certain industries have considerably lower proportions of informal sector workers. These are predominantly formal, such as mining, electricity, financial intermediation, education, and health industries. These industries had less than 50% workers in the informal sector during 2009–2010. Some of these industries have flourished post-liberalization.

A second major aspect of India's urban economic structure is the continuing importance of manufacturing. This fact is often overlooked as the Indian economy has become more service-oriented in the last two decades, and the increase in the share of manufacturing in the country's GDP has been relatively meagre. NSS data on economic activities in urban India from 1993–94 to 2017–18 reveal interesting trends (Table 5). Firstly, between 1993 and 2018, agriculture and allied activities in India's urban areas steadily declined, with employment of usual status workers falling from 12.3% to 6.14%.<sup>4</sup> This decline has been made up by an increase in secondary sector employment from 32% in 1993–94 to 34% in 2017–18. Secondly, the percentage of workers in manufacturing has remained around 23% through these years.

While the stable percentage of urban workers in manufacturing activity contradicts the visible and on-going decline (Sasi, 2012) of older types of manufacturing jobs in India's largest cities, this trend can be explained by the growing informalization of manufacturing in urban areas. New manufacturing jobs have mainly been created in the informal sector, while manufacturing output from the organized sector has declined as firms move to rural and peri-urban areas to take advantage of lower costs and better physical infrastructure (Ghani et al., 2012). In fact, from 1989 to 2005, organized manufacturing employment in urban areas declined from 69% to 57%. Secondly, manufacturing occurs in many smaller cities and towns, although their share of the overall manufacturing industry is less than that of the largest cities. As shown by Denis et al. (2012), analysing employment shares in various kinds of economic activities by city size reveals that non-metropolitan urban areas maintain a substantial share of key manufacturing activities, and that 'metros still account for less than half, and often less than a third of urban employment in all the sectors, including modern service' (55). For instance, in 2009–10, while 72% of machinery manufacturing was located in India's urban areas, 41% was located in metro cities, and the remainder in non-metro urban areas.

Table 6 shows the employment structure of metro and other urban areas across three periods. The data pertain to non-farm employment (usual principal status); percentage engaged in agriculture is excluded.

From Table 6, it is apparent that while the employment

**Table 5.** Changes in urban economic activity from 1993 to 2018: Per cent distribution of usually working urban persons (in principal and subsidiary status) by industry of work

Industry	1993–94	1999–2000	2004–5	2009–10	2011–12	2017–18
A. Agriculture	12.3	8.8	8.8	7.5	6.7	6.14
B. Mining & Quarrying	1.2	0.8	0.8	0.6	0.7	0.48
C. Manufacturing	23.6	22.7	24.6	23.0	23.6	22.97
D & E. Electricity, gas, water	1.0	0.7	0.7	0.6	1.30	1.16
F. Construction	6.3	8.0	8.0	10.2	9.32	10.17
Secondary sector (B-F)	32.1	31.4	33.3	34.4	34.92	34.3
G. Trade, hotels	19.4	26.9	24.6	24.3	19.61	18.61
H. Transport	7.9	8.7	8.6	8.7	7.42	7.88
I–U. Services	36.48	23.6	24	25.2	31.3	32.59
Tertiary sector (G–U)	63.78	59.2	57.2	58.2	58.33	59.08

Sources: For 1993–94, NSSO (1997): NSS Report No. 409, Table 6.7.2  
 For 1999–2000, NSSO (2001): NSS Report No. 458, Table 6.7.2  
 For 2004–05, NSSO (2006): NSS Report No. 515, Statement 5.9.2  
 For 2009–10, NSSO (2012): NSS Report No. 537, Statement 5.9.2  
 For 2011–12, NSSO (2014): NSS Report No. 554, Statement 5.11.1  
 For 2017–18, NSO (2019): Annual Report (PLFS) 2017–2018, Table (26): Percentage distribution of usually working persons (ps+ss) by industry of work

**Table 6.** Employment structure in metro and other urban areas

Sector	1993–94 Metro	1993–94 Other urban	2004–05 Metro	2004–05 Other urban	2009–2010 Metro	2009–2010 Other urban
Mining	0.2	1.7	0.2	1.1	0.2	0.9
Manufacturing	27.4	27.9	28.2	24.9	27.0	23.1
Utilities	1.2	1.8	0.9	1.0	0.7	1.3
Construction	7.2	7.5	7.6	9.7	6.6	13.0
Govt. services	13.1	10.9	6.3	7.4	6.8	7.0
Traditional services	34.3	36.9	33.9	38.6	34.9	36.9
Modern services	8.7	4.8	12.0	6.5	14.1	7.7
Social services	5.0	6.7	6.3	8.1	6.1	8.6
Household services	3.0	1.9	4.6	2.7	3.5	1.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: NSS employment data, as cited in Denis et al. (2012, p. 56), Table 4

structures of India's largest cities and other urban areas are broadly similar, the data evince some interesting trends. In 2009–2010, manufacturing accounted for 27% of the workforce in metro cities, as compared to 23% in other urban areas. In fact, the share of manufacturing employment continues to be higher in India's largest cities in the second decade after liberalization, highlighting the importance of agglomeration economies. However, the type of manufacturing work is undergoing a transformation from formal work in the organized sector to more informal types of work arrangements.

Table 6 also highlights the importance of traditional, non-government services such as wholesale and retail trade, motor vehicle maintenance and repair, hotels and restaurants, and transport. These services comprise more than a third of the jobs in India's urban areas. In non-metro urban areas, their importance is even greater, comprising around 37% of non-agricultural employment.

Another trend apparent from the data is the growing importance of so-called 'modern services.' These refer to non-government activities such as courier services, telecommunications, financial intermediation, real estate, renting of machinery and other goods, computer and related undertakings, research and development, other businesses, and recreational, cultural, and sporting enterprises. In India's metros, these services have grown in employment share from 8.7% in 1993–94 to 14% in 2009–2010. They are growing steadily in the other urban areas as well, from 4.8% in 1993–94 to 7.7% in 2009–10. On the other hand, government services have declined sharply in metros, from an employment share of 13.1% in 1993–94 to 6.8% in 2009–2010. This decline is apparent in other urban areas as well, decreasing from 11% to 7%. However, these same areas have seen a significant increase in the employment share of construction activities, from 7.5%

in 1993–94 to 13% in 2009–2010. This has come at the cost of manufacturing employment, which has declined steadily from 27.9% in 1993–94 to 23% in 2001–09.

Overall, India's metros demonstrate considerable economic diversification based solidly on manufacturing, traditional services of trade, hotels and transport, and modern services. Non-metro areas show a similar diversification based on manufacturing, traditional services, and construction.

#### IV. Small City Dynamics: Case Study of Purnea, Bihar

This section provides a case study of the small city of Purnea in the state of Bihar to facilitate understanding of the dynamics of change occurring over the last two decades in the lower tier of the urban system. Bihar is the poorest state in India, with an urbanization level of only 11.3% in 2011—among the lowest in the country. As such, it is still largely dependent on agriculture, and many of its important towns are agricultural trade centres. The state's location on the alluvial floodplains of the Ganga and Kosi rivers reflects its ancient origins; indeed, urban settlements have flourished here since 500 BC (Shaw, 2012).

The regular flooding of Bihar's rivers has also been a cause of hardship and poverty. However, strongly entrenched, caste-driven landholding inequalities have, to a greater degree than natural causes, continued to keep a large percentage of Bihar's rural population below the poverty line. As marginal farmers and agricultural labourers, they earn very low incomes, and out-of-state migration (either of one or several members of the household) is often the only way to survive. At the same time, the state has been characterized by very low literacy levels and lack of improvement in agricultural output.

These conditions have worsened with time. In the early 1960s, Bihar's per capita GDP was quite high compared to the country as a whole, and remained so into the 1970s. However, during the 1980s, the state 'failed to grow fast enough to keep up with the rest of the country' (Chanda, 2011). A further economic shock came in 2000 when the state was bifurcated, with the southern half (which was rich in minerals and industry) separating to form the state of Jharkhand. Subsequently, from 1999–2001, Bihar's per capita income was just one-third of the national average (Nagaraj and Rahman, 2010). According to the state government, this has improved to 34.7% in 2009–10, indicating an upturn in the state's economic condition (Government of Bihar, 2012, p. 5).<sup>5</sup>

The cause of this upturn is still debated. Some claim it was a result of a change in politics and policies in 2005, when Nitish Kumar of the Janata Dal (United) (JD(U)), which is allied to the National Democratic Alliance (NDA), became the Chief Minister of Bihar.<sup>6</sup> This event was perceived to represent the end of a decade of economic stagnation, lawlessness, and corruption under the Rashtriya Janata Dal (RJD) party and its flamboyant leader, Lalu Prasad Yadav.<sup>7</sup> Kumar promoted an active police force to address crime, tackled corruption by demanding more accountability from government officers, and focused on improving Bihar's roads and education. Some of these efforts, such as the distribution of bicycles to female students who complete tenth grade, led to a massive and nationally hailed upsurge in female enrolment in secondary education. Likewise, the building of roads (national and state highways) required the creation of a massive public works programme that has not only provided employment, but also significantly increased output from the construction sector (Nagaraj and Rahman, 2010).

With that said, several experts question this linear link between political regime change and economic growth. In-depth analyses of the state's crime data do not show significant decrease in overall crimes, but rather a decline in the kinds of crimes affecting the middle class, such as kidnapping for ransom. Moreover, Bihar's recent growth is regarded by some experts as the continuation of a trend that started in 1994–95, but was interrupted by the state's bifurcation in 2000 (Das Gupta, 2010). The claim that Bihar's faster economic growth, particularly during 2006–07 to 2008–09, has been driven by its construction sector, has also been questioned. In fact, rather than being the result of improved law and order or construction activities, Bihar's improved growth has largely owed to increased trade. This, according to Das Gupta, has been

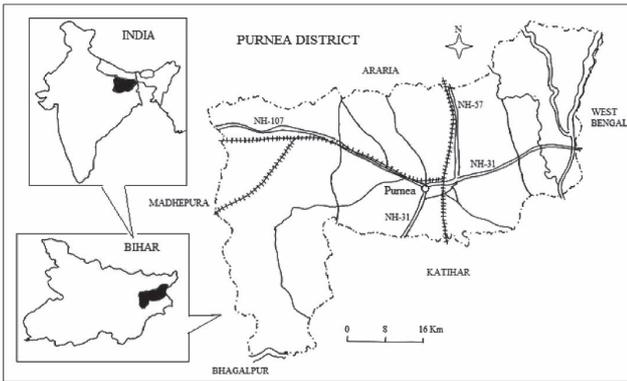
'the most important driver of Bihar's economy in the last decade' (Das Gupta, 2010, p. 60).

Regardless of its cause, Bihar's improvement itself is indisputable; in the financial years 2010–2011 and 2011–2012, Bihar had the highest growth in GDP compared to all other states (Srivastava, 2012).<sup>8</sup> Its economy remains on a "continuous growth path"; in 2017–18, its GDSP (Gross State Domestic Product) growth rate at 11.3% was significantly higher than the national average of 7% (GoB, 2019, p.1). However, these improvements should not be overstated, as the state, with its historical legacy of poverty and underdevelopment still has far to go before it can catch up with the rest of the country. For example, Bihar is burdened with a large population that is still growing at a rate higher than the national average. In fact, while the bifurcated state covers around 3% of the country's geographical area, it supports 8.5% of the country's total population (Census of India, 2011). Its population density (1,102 people per km<sup>2</sup>) is the highest in the country, and vastly exceeds the national average (382 people per km<sup>2</sup>) (Government of Bihar, 2012).

In light of these factors, growth and development of the small city presented in the following case study must therefore be considered in the context of its state's background, its historical and geographical legacies, and recent changes in governance and developmental priorities.

### **1. Purnea Municipal Corporation: economic growth and its drivers**

Purnea Municipal Corporation is the administrative headquarters of Purnea district, which, having been established in 1770, is one of the oldest districts in the country. The district is located in the eastern corner of the state of Bihar, bordering the state of West Bengal. From 2001–2011, the district's urban population grew by 53.15%—a rate much faster than the state average, and one of the highest in Bihar. This was largely due to the rapid growth of Purnea town, the population of which increased from 171,687 in 2001 to 282,248 in 2011, or 63.41%, during the last decade (Office of the Registrar General & Census Commissioner, 2011b). This growth rate is considerably higher than the urban growth rate of the state as a whole (35.11%) and that of the entire country (31.80%) during the same period. This rapid growth led to the addition of four more wards in Purnea town in 2011, and its upgrade from a municipality to a municipal corporation. It is now Bihar's fifth largest urban settlement, and is strategically located in the Purnea East block at an intersection of three important national highways (NH-31, NH-57, and NH-107) (Figure 1). Two state highways, SH-60 and



**Figure 1.** Location of Purnea Municipal Corporation and Purnea district

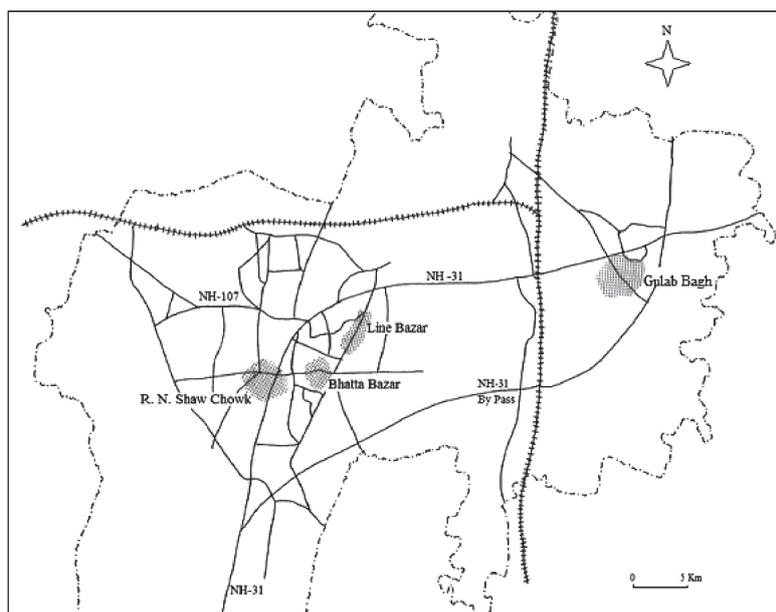
SH-62, also pass through Purnea district.

Given its favourable location, Purnea town is understandably an important trade centre in the district. The town's modern origins are linked to the 1871 establishment of a department store on the Grand Trunk Road (now NH-31) by two Bengali brothers Prankesto and Biprodas Saha. The Saha brothers, who were railway contractors from Kolkata, frequently visited the nearby settlements of Malda and Kishenganj. They came to Purnea at the invitation of British indigo planters, who required a reliable supplier of goods such as butter, tinned fish, alcohol, ammunition, etc. At the time, the area was still largely covered by jungle, and land was cheap. Encouraged by the British indigo planters, prominent local landowner Rai Bhadr Bhuvan Mohan Sanyal offered the brothers around 26 *bighas* of land, on which they established Purnea's first department store.<sup>9</sup> The Sahas named the store 'M/S R.N. Shaw and Co.' after their father, and it flourished for a century, particularly after a gas station was

built on the premises which further stimulated business. The location eventually became an important town landmark, as the civic and judicial administration (*ketcheri* or court), the town's public bus stand, and its first cinema hall were all located nearby. This junction is now called 'R.N. Shaw Chowk,' and is regarded as the town's administrative and business centre (Figure 2).

Although the department store closed in 1971, the area remains important for automotive business, particularly parts, repairs, and services. With the development of agriculture and the green revolution in the early 1970s, major tractor companies such as Firestone began opening dealer showrooms in the R.N. Shaw Chowk area. In fact, World Bank President Robert McNamara himself christened the opening of Purnea's first agricultural development bank in December 1972, and handed over the keys of the first tractor purchased through a loan from the bank. However, in the last two decades, newer car and truck companies that require more land have opened showrooms much further away—for instance, in Maranga (7–8 km) and Gulab Bagh (12 km).

A second economic hub developed a little further east of R.N. Shaw Chowk when other stores began opening in the area in the early-to-mid 20<sup>th</sup> century: for instance, M/S J.N. Bhattacheree & Sons in 1935, and M/S Naryan Bhandar in 1955 (Banerjee, 2011). The entire area was named 'Bhatta Bazar,' and is now the town's main market region. It contains the old bazaar, including its fresh vegetables, fruit, meat, and fish stalls, numerous hard goods, clothing, and general goods stores, and the town's largest hotels. Today, large stores in the area sell nationally branded products, including computers, scooters, and fashion gar-



**Figure 2.** Purnea town's four main economic clusters

ments. Processed and packaged foods such as Knorr soup, Bertolli olive oil, Indian-made pasta, and Amul cheese cubes can be purchased at shops in the region, and eateries specializing in Chinese, and North Indian cuisines have also appeared in the last five years.

Purnea's third economic hub developed at Gulab Bagh (near a railhead), 12 km northeast of R.N. Shaw Chowk along the NH-31 highway. Over the years, Gulab Bagh has developed into a bustling grain market with large grain storage facilities. It is also important for the trade of vegetables, jute, and potato, and does proportionally more business in these areas than Patna, Bihar's capital. It was renowned for its agricultural fair, held every winter. The fair is still held every year but on a much smaller scale due to dwindling demand for rural, artisanal products.

A fourth economic hub specializing in medical services has taken shape in an area called Line Bazar, which is located 5–6 km northeast of R.N. Shaw Chowk off NH-31. There are currently around 450–500 doctors located on Line Bazar Road, along with numerous medical stores, pathology and x-ray clinics, and several nursing homes. This is a relatively new hub dating back to the mid-1970s; thus, other than Bhatta Bazar, all of Purnea's economic hubs are located along NH-31, one of the district's major transportation arteries.

All four hubs have developed almost entirely through private activities. In recent years, the private sector has invested in showrooms, bars, restaurants, banquet halls, ATMs, and private banks. Additionally, recent investment in agricultural cold storage has increased the town's overall storage capacity by 1 *lakh* (100,000 metric tons) (pers. comm., District Magistrate Kumar, 2012). Education is another growing area for private investment in Purnea, with 15 primary schools, 24 middle schools, six secondary schools, three higher secondary schools, a government college (Purnea College), a government engineering college (Polytechnic College), and two private technical institutes (Millia Institute of Technology at Rambagh and Vidya Vihar Institute of Technology at Maranga). The Millia Institute offers degrees in civil, mechanical, and electrical engineering, as well as in electronics, computer application, computer science, and management studies. Vidya Vihar Institute of Technology is affiliated with Aryabhatta University in Patna and currently offers only B. Tech. degrees, but plans to offer business management degrees as well. In addition, the town features many coaching centres for both school and competitive exams.

Another growing private sector activity in Purnea is real estate. While most homes and businesses in the town are small and locally designed and built, a newly emerg-

ing class of entrepreneurs are fuelling demand for larger homes, as exemplified by the large walled, gated residence of Jagannath Das in the middle class and primarily Bengali residential neighbourhood of Bhatta. Larger hotels are also being built in several parts of the city. Also noteworthy is the launch of a private 122-acre township at Zero Mile in Gulab Bagh; Green Valley Infracity Pvt Ltd., the Noida-based builders of the development (the first of its kind in the state), promise to give 'a world-class lifestyle, eco-friendly environment with a blend of technology and elegance' and 'peace and tranquillity' (Green Valley, 2011). Launched in January, 2012, it is currently open to booking for both plots as well as apartments ([www.greenvalleyinfra.com](http://www.greenvalleyinfra.com)).

While private-sector activities have been the main driver of growth in the city, they have generally not developed in an orderly way (this is particularly true of the medical hub in Line Bazar). The city's four main economic hubs are spatially disparate, reflecting that Purnea's growth has, thus far, occurred in a decentralized fashion. Rather than a single, well-defined built-up area, the urban structure of Purnea is characterized by multiple nuclei of built-up patches interspersed with undeveloped and agricultural areas—much like many smaller urban areas across the rest of India. Moreover, even in built-up areas such as middle-class residential neighbourhoods, houses are generally only one to two stories high with a small garden.

The government's economic contribution to the town's growth has been mainly through significant improvement in the condition of the state and national highways that cross the city, as well as through the allocation of land for a large industrial park at Maranga (7 km south of R.N. Shaw Chowk). This park, developed by the BIADA (Bihar Industrial Area Development Agency), has provided land for diverse activities such as jute processing, textile manufacturing, flourmills, and mushroom farming. While these are relatively large units, there are also several small manufacturing units engaged in making candles, *papad* (potato/lentil wafers), *masala* (spices), banana chips, jute bags, handicrafts, and *agarbattis* (incense sticks) (Government of Bihar, 2011).

Surrounded by a vast agricultural region, 'business is driven by agricultural produce, including trading in jute, agricultural equipment, bamboo and its by-products, fruits and vegetables, and poultry and its by-products' (Government of Bihar, 2011, p. 1). In 2007–08, 40% of the district's GDP came from agriculture (Government of Bihar, 2010). At the same time, 'Purnea is also an education and medical hub for the surrounding region' (pers.

comm. Mr Mahmud; DFID, 2011). The latter partly accounts for its rapid growth in the last decade, for, as pointed out by former District Magistrate (DM) Saravana Kumar, people from other parts of Bihar come to Purnea for its superior educational facilities, especially at the primary and middle levels.

One indicator of business growth in Purnea is the phenomenal surge in banks and banking activity. Apart from national banks (which have a strong presence in area, with over 118 branches district-wide), the entry of private banks denotes a changed perception of the area's market potential. In the last ten years, Axis Bank, Industrial Credit and Investment Corporation of India, Housing Development Finance Corporation, and Industrial Development Bank of India have opened branches in the town. Additionally, in 2010, State Bank of India opened a personal banking branch at Line Bazaar to provide personalized services to salaried employees and elites. In spite of their newness, private banks in Purnea 'have crossed the break-even border and are all running at a profit, which clearly proves that the local economy has improved and banking habits among the local general population have developed' (Banerjee, 2011, p. 7).

## 2. Case histories of entrepreneurship and social networks

The question of 'autonomous growth' versus growth via trickle down from a large metropolis will now be examined with respect to Purnea. As Purnea is not located near any large city or town, it can be called a non-peripheral urban settlement. Katihar, which is located about 25 km away, is smaller than Purnea (225,982 people in 2011) and Bihar's only very large city, the capital city of Patna, is located around 304 km to the south. If physical nearness to a large urban settlement is the only criterion by which to judge trickle-down urban growth, then clearly Purnea does not satisfy it—but does this mean that all its growth is autonomous?

This question does not have a seemingly easy answer. As main drivers of growth have been private agencies, one way to go about answering this is to find out the details of how private agents became successful, the sources of their funds and who helped them along the way. Such details would reveal to what extent the activities were sustained through local efforts and to what extent there was government help or institutional help, local and non-local. The following cases are entrepreneurial histories of three successful local individuals who became wealthy despite their humble origins.

Kamta Nayak's started as a seller of pump sets (for irri-

gation) and even repaired telephone poles. Today he is a very wealthy man, the owner of considerable real estate, a cold storage facility and a mushroom farm that has caught the attention of the state's Chief Minister, Nitish Kumar who visited it in February 2012. This is located in a large plot of land in Maranga. Nayak is one of the largest suppliers of mushrooms in eastern India but it was not easy when he first started. His sister's husband got a degree in the UK and then worked there for a while in the mushroom business. He returned to India in the early 1990s and set up a mushroom farm in Patna that incurred heavy losses. In 2000, he turned to his brother-in-law for help. Nayak agreed to help him but not beyond Rs. 25 lakhs (2,500,000). They invested this quantity to start a farm in Purnea, his existing premises, and by 2003–04, the present building which contains five floors for mushroom production became operational. Nayak invested a considerable sum on machinery and cold storage, yet, they were making a loss. According to him, his brother-in-law was applying textbook knowledge, but lacked practical knowledge of how to make the business work in India. Then they thought of finding out how this business is doing in other parts of the country. They learnt that it was doing well in the Delhi area and Chandigarh. A few employees were sent to these areas to acquire field knowledge. At the same time, a skilled manager was employed to run the Purnea business. But the manager charged Rs. 30,000 a month for three months. This was costly and did not have any positive result.

Sadly, before the business could turn around, Nayak's brother-in-law died of a stroke, leaving Nayak in sole control. Today, it is doing much better but he has not yet recouped his investment. He produces around 2000 to 3000 Kgs. of mushrooms a day.

Through his life, investment in urban land and properties has been one of the chief means by which Nayak slowly improved his economic situation. This is also the principal means by which the second successful local entrepreneur, Krishna became rich. He came to Purnea in 1965 from a nearby village called Sonali. His family had agricultural land and they were farmers. He came to Purnea for his higher education at Purnea College. He stayed in Purnea town and got to know a Bengali gentleman called Moni Ghosh who owned a big garage. Ghosh offered him a job there and Krishna got to know about the garage business. Today, he owns a large hotel and land as well as Ghosh's garage. When Ghosh was retiring, he requested Krishna to buy it off him. He had had many offers but he wanted Krishna to have it.

Krishna has two sons and a daughter. One son is a doc-

tor. He did his MBBS in Koirala Medical College, near Dharan, Nepal and now practices there. He plans to return to Purnea and practice in the town. His second son looks after the business with him. His daughter is married to a lawyer and lives in Siliguri.

The third example is of Kali Babu, originally from West Bengal and a goldsmith with a small workshop in Bhatta Bazar. During the 1960s, Kali Babu gradually built up a loyal clientele of middle class women who desired gold jewellery at reasonable rates. Soft spoken and mild mannered, he was even granted access to the homes of upper class women who were too conservative to visit his shop. He personally took their orders and delivered the finished goods via bicycle. By the 1980s, Kali Babu had saved enough to buy a larger shop in Bhatta Bazar, this one selling saris. He also expanded his old workshop. Then he went on buying more and more urban properties, including a hotel. Though he has since passed away, his sons are now among the wealthiest Bengalis in Purnea.

These three case histories of entrepreneurship in Purnea reveal some interesting features. The first, as pointed out earlier, is the importance of (1) buying land and property in the town; (2) establishing local social networks that help future business, for instance, via employer-employee (Krishna), skilled artisan-local clients (Kali Babu) or through family connections (Nayak); and (3) in all cases, there was no governmental or formal institutional involvement during the formative years of the business. In the case of Nayak, the Chief Minister of the state paid him a visit only after his mushroom business was successful. The economic activities of these private individuals appear to be autonomous or not dependent on a large metropolitan city.

However, there is another aspect in which activities of these private agents are not autonomous. In the case of Nayak, the decisions and risks undertaken and capital invested were influenced by opportunities in an outside market. Nayak does not sell mushrooms locally but rather supplies to wholesalers in Kolkata and other cities. The same holds true for most larger industries that have opened in the government's industrial park of Maranga. At the jute processing factory of Tirupatti Commodities Pvt. Ltd., for instance, final products are sent to markets in larger metropolitan areas. The sustainability of such industries is driven by both local and extra local factors and is not entirely autonomous. Thus, in the discussion of autonomy versus dependence on larger metropolitan areas, it is necessary to distinguish between economic activities and industries in terms of the markets they serve. But, to the extent that economic activities catering

to the local area and its surroundings still appear to be predominant as compared to the production of goods and services for far-off markets located in large metropolitan cities, the economy of urban Purnea could be regarded as more autonomous than dependent. However, this could change in the future.

As in urban areas throughout the country, the role of the government as a provider of jobs, though on the decline now, has been an important anchor of the town's middle-class. Jobs in government schools, administrative offices, banks, and hospitals have helped many lower middle class families improve their status and move into the middle-class. As decisions regarding the location of government institutions are often made outside the town, in the state capital Patna or the national capital Delhi, once again the question of autonomy from larger metropolitan areas becomes difficult to establish.

However, one way to resolve this issue could be to examine the proportion of state and national government jobs to total jobs; if this proportion is low and declining, then the case for autonomy is strong. In this respect, further studies on Purnea's economic base and changes it is experiencing are needed.

### 3. Urban management and civic issues

A discussion of urban change in Purnea would be incomplete without addressing urban management and civic issues faced in the last two decades, many of which are common to small cities and towns throughout the country (Sharma, 2012). Population growth in the settlement has exacerbated many problems, the most visible being the need for proper drainage and solid waste management. Piles of garbage, which were far less visible a decade ago, can be seen accumulating along major roads, in quieter residential areas, and in the busy markets. The poor conditions of the town's roads, particularly in the main market area of Bhatta Bazar, where rubble, stones, and huge craters mark the main thoroughfare pose another major concern. While the state government has repaired all national and state highways, the civic authority, which is in charge of internal roads, has not been able to keep up with its duties. Moreover, the town and its outer wards house many slums, where basic urban amenities are lacking or inadequate.

With its mix of robust economic and demographic growth and poor civic services, Purnea reflects the condition of many small and large urban settlements in the country. In Purnea's case, there is a clear contrast between the state administration targeted and focused on some priorities as compared to the civic authority, a diffuse

body with many conflicting agendas. As in the case of many smaller urban bodies, the Purnea Nagar Nigam (Municipal Corporation) is heavily dependent on state government funds. In 2007, a major state government scheme, the Mukhya Mantri Nagar Bikas (Chief Minister's Urban Scheme) was started and it provides funds for roads, drainage, parks, and ponds. However, as funds are to be divided amongst all city wards, it did not amount to much. According to the former DM, the elected ward councillors wanted equal shares of any funds, which defeated the scheme's purpose. However, funds for Bhatta Bazar road were available and repairs were commenced in November 2012. The DM also planned to install a traffic system for which constables will have to be recruited and trained, and traffic rules subsequently implemented. As of June 2014, Bhatta Bazar road was fully repaired and improved with the installation of halogen lamp street-lights. However, there are, till date, no traffic lights (pers. comm, Sanjay Banerjee, August, 2019).

While state government bureaucrats such as the former DM were easy to approach and open to discussions about Purnea district and town's economic development, elected civic leaders proved to be more difficult to access. As a newly formed municipal corporation (*nagar nigam*), Purnea has an elected mayor and councillors representing each of its 46 wards. Its mayor in 2012, Kaneez Reza, was represented in public by her husband, an ex-municipal chairman, and according to several local officials, he was the real mayor. When questioned about the town's worsening solid waste and sewerage problems, Mr. Reza mentioned upcoming initiatives like separate incineration of medical waste from the medical hub and using NGOs to assist the town's 100 municipal sweepers in street-cleaning activities. He stressed that decision-making in the corporation's elected council is difficult as there are many points of view; additionally, several councillors lack knowledge of the issues at hand, highlighting the need for training. Regarding drainage, a master plan has been created and is queued for implementation. As of August 2019, implementation of the plan is underway with work going on (pers. comm. Sanjay Banerjee).

Given the lack of funds and experienced local authorities in implementing urban improvements, the government of Bihar had invited the Department of International Development, UK (DFID) to assist via a six-year partnership programme (2010–2016). Purnea was one of the towns where DIFD was operating in 2012 with an office in the municipal corporation building. DIFD has assisted in drawing up a future plan for the city's growth and management. The City Development Plan (2010–2030) was

prepared by Intercontinental Consultants & Technocrats Pvt Ltd. and provides an overall assessment of the existing service delivery levels in the town, strategies for the future and their financial implications (Government of Bihar, 2011). A total of around 860 crores (8600 million) of rupees will be required for improvements in basic services such as water supply, drainage and sewerage, housing the poor, transport and street lighting and social infrastructure. According to Mr. Akhtar of DFID, the government had accepted the city plan and all its recommendations. For solid waste management, 70% of the funding will come from the municipal corporation and the rest from DFID. A landfill site of 53 acres has been selected near the outskirts of the city. Door to door collection and segregation of garbage at source are a part of the plan. As of June 2014, mechanized vehicles for garbage transport have been introduced with metal dust bins in every major neighbourhood for garbage collection. However, collection efficiency is not very high and door-to-door collection has not yet been implemented. In June 2014, a City Sanitation Plan of the Urban Housing and Development Department, GOB, was also finalized with an estimated cost of Rs. 1083.53 crores for complete sanitation facilities in the town (Government of Bihar, 2014). Its implementation is just starting.

In December 2010, an official survey revealed 129 slum clusters collectively housing 63,735—around 22.72%—of the city's population (Government of Bihar, 2011). DFID selected three slums in Wards 34, 15, and 4 to participate in a pilot project to upgrade housing and basic infrastructure. By 2014, the tendering process was concluded and signed contracts for the up-gradation of Ward 34 were slated to be executed. Upgraded slums were to serve as models for District Urban Development Authority (DUDA), a state government institution, to be implemented in other slums in the town. However, DFID's contract with the government ended in 2016 and nothing has been implemented (pers. comm. Sanjay Banerjee, August, 2019).

Finally, on a brighter note, a growing educated middle-class is also emerging in Purnea, and with it, rudiments of civic consciousness and the desire to improve the lot of the poor. Spearheading this movement is the city's Ram Krishna Mission, a religious organization that has involved middle-class women in the running of a primary school for the children of the working poor, and the Vivekananda Society, an affiliated body, that ties in local residents as members for charitable projects. But these activities are small in scope, and overall civic participation is still nascent.

## V. Conclusion

In this paper, I have attempted to provide an understanding of the broad characteristics of India's urbanization in the last two decades, highlighting in particular, small town dynamics. The renewed growth of towns at the bottom of the urban hierarchy in the 2001–2011 decade is a new and important development. Data from Census 2011 confirm the addition of 2,532 new towns and a growth of 185% from the previous decade. Additionally, the last two decades have been marked by a growth in modern services; of particular interest is that such growth has also occurred in smaller cities and towns.

The broad characteristics of India's urbanization reveal the importance of developments at the lower end of the urban system. Smaller cities and towns outside India's major metropolitan regions contain a significant proportion of the total urban population, contribute to the growth of the regions around them, and could play a major developmental role if their future growth is properly supported and guided.

To illustrate this, the latter half of the paper uses the small town of Purnea in the state of Bihar to examine the question of autonomous growth versus growth that is dependent on large cities. The spatial pattern of economic growth in Purnea shows four distinct hubs, the oldest of which dates back to the 1870s. The four hubs have grown with the city, and are largely the outcome of private business activities. To determine whether private activities were externally induced or locally driven, three successful local entrepreneurs were profiled. As their work histories did not reveal any governmental or institutional assistance during business development stages, their activity, to that extent, could be considered autonomous. However, to the extent that their final product sales depended on outside markets and manufacturing inputs, their autonomy is somewhat diminished. Still, as economic activities catering to the local area and its surroundings continue to predominate over the production of goods and services for distant markets in large metropolitan cities, the economy of urban Purnea could be regarded as more autonomous than dependent.

However, autonomous economic growth as well as rapid demographic growth has led to a fast expanding city without proper civic amenities and formation of slums. Today about a third of the town's population lives in scattered slum clusters. The state must play a stronger role by investing in civic improvement and implementing the existing long-term plans for the town's development. Civil society and private businesses thriving in the town can

also contribute. The growth of an educated middle-class can be the catalyst to organizing citizen's groups for civic and welfare issues.

By the middle of this century, a majority of India's population will live or work in or be close to urban areas. By 2030, around half the urban population will live in cities with a population of one million and above. The other half will live in so called 'non-metro' areas—smaller cities and towns—like Purnea. This other half should no longer be ignored by policy-makers, and proper planning and support of such smaller settlements could be the key to absorbing the near doubling of India's urban population anticipated by 2030.

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## Notes

1. Since the 1961 census when this category of town was first recognized, the three criteria used for calling a settlement an urban place have been the following: (1) a population size of 5000 or more; (2) a minimum population density of 400 persons per square kilometre; and (3) at least 75 % of the male workforce engaged in non-agricultural activities.
2. In 2001, there were 35 such cities. This has increased to 53 in 2011.
3. 'All workers' refers to what the NSSO calls the AGEGC (agricultural sector excluding the growing of crops) and the non-agricultural sectors.
4. 'Usual status' as used by the NSSO refers to the work usually done during the last 365 days, either as the main income earning activity (called 'principal status' or ps) and/or as a subsidiary activity (called 'subsidiary status' or ss). For reasons of data comparability across 24 years, the combined proportions of ps and ss have been used in Table 6.
5. However, Bihar's per capita income relative to India's average fell after 2011–12 declining to 30.8% in 2015–16. Thereafter it has improved and in 2017–18, it was 32.95% of national average (Government of Bihar, 2019, p. 4).
6. Following the debacle of the JDU in the May 2014 Lok Sabha (Lower House of Parliament) elections, Nitesh Kumar resigned as Chief Minister of Bihar to return to office again in February 2015. In July 2017, he changed coalition partners from RJD to the NDA (National Democratic Alliance) and currently continues as Chief Minister with the latter's support.
7. The JDU and RJD are regional rather than national parties. Both are left-of-centre, populist parties that promote the causes of spe-

cific caste groups and minorities.

8. See for instance, 'Bihar tops country in GDP growth rate at 13.1%,' Saturday, 2 June 2012). <http://zeenews.india.com/business/news/economy/bihar>
9. Bigha is a measure of land commonly used in eastern India but what constitutes a bigha can vary regionally. Currently, the government of Bihar recognizes two measures of bigha. For private transactions, 720 sq. ft make one khata and 20 khatas make one bigha or 14,400 sq ft. For public land, such as that leased by the government to private parties, also known as 'khas mul' land, 911 sq. ft make one khata and 20 khatas make one bigha or 18,220 sq ft. The land leased to the Shaw brothers in 1871 was khas mul land.

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