

Urban Development of Bihar and Planning For Future: A Geographic Analysis

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Abstract

The relation between economic growth and urban development is often symbiotic. Urban centers can facilitate growth by raising the productivity of output and employment, by mobilizing and channelling savings and allowing accumulation of wealth in the form of urban real estate, and through fiscal flows, providing revenue (World Bank, 2000 cited in Pangotra and Govil 2008). The development process of an urban centre is likely to be linked with the nearby rural economy through exchange of goods, services, labour, capital, information-technology and social transactions. The findings of the present study indicate that industrialization and urbanization in the state of Bihar is very much Patna-centric. Urban development is taking place not in a pyramidal way, where the urban population is distributed with a wide base in smaller towns, feeding successively into bigger towns. It is taking place in a way such that urbanization is concentrated in big cities. The rural-urban linkages, too, are not always between rural hinterland and nearest town, but is also between the villages and far away urban centres, including those outside the state and even outside India. Some evidence of regional linkages were also found. The findings also show that smaller towns and semi-rural areas exhibited signs of growth in terms of construction, more transport services, connectivity, availability of consumer goods, etc. These were found to have markets quite well connected to the national network with abundant supply of consumer goods. But there was little evidence of sizeable industry coming up in a big way in these places and very limited presence of locally produced goods was found in the markets. The supply network in the sample towns is connected far and wide with bigger towns in Bihar and with other urban centres in India.

Introduction

This paper endeavours to understand the process of urbanisation in India with special reference to Bihar. Based on empirical evidences of geo-spatial data, the paper tries to elaborate urban characteristics. Regional analysis of urbanisation in the state has been looked into from various dimensions which is inclusive of how various Administrative Divisions of the state have experienced urbanisation since 1961. The paper has been organized into eight sections. Apart from introduction in the first section, the second section deals with ambiguities of definition of urban space. Section three elaborates macro picture of urbanisation in India. Temporal pattern of urbanisation in Bihar is the central theme of section four. In the fifth section, a light has been thrown on the regional urban picture of urbanisation in the state. Urbanization, taken as an inevitable outcome of the faster rate of growth to which the Indian economy is gradually transiting has molded India into a crowded hub. As per estimates in the next 20 years India's urban population will be close to 600 million and its cities will generate 70 percent of new jobs and contribute an equal percentage to the GDP. Presently, we have 441 classes I cities which are expected to be around 500 by 2022. In fact, it will be for the first time in the history that 5 Indian states (Gujarat, Maharashtra, Karnataka, Tamil Nadu and Punjab) will have a higher proportion of the urban population vis-à-vis rural. All our cities have grown organically, hence, necessitating a collaborative approach with active participation from the citizens in planning and execution of the developmental initiatives. Many schemes have since been launched by the Government, but these have either not percolated to the ground level or have failed to

take off due to inefficiencies in the delivery systems. Approximately 25 percent of the urban poor are deprived of basic amenities like housing, water, sanitation etc; hence, defeating the very concept of inclusive urbanization.

Pattern of Urbanization in India and Bihar

India as a country has witnessed steady growth in its urbanization process, but not at a very accelerated pace. Starting from 1991, the census figures indicate urbanization of 25.5% which rose to 27.2% in 2001 and further to 31.2% in 2011. Some of the urbanization during the last decade has been attributed to the fact that new Census Towns account for almost 30% of the urban growth in last decade, with large inter-state variations (Pradhan 2012). These are responsible for almost the entire growth in urbanization in Kerala and almost none in Chhattisgarh. While some new census towns are concentrated around million-plus cities, more than four-fifths are situated outside the proximity of such cities, indicating a dispersed pattern of in-situ urbanization. Thus, rather than new towns coming up, in a sense some hitherto rural areas have been recognized as towns. The rate of urbanization notwithstanding, the absolute numbers are challenging. According to estimates by UN, between 2014 and 2050, the urban areas in India are expected to grow by 404 million people (UN 2014). Evidently there is an urgent need for systematic planning to meet the challenges of this urbanization process. The state of Bihar presents a paradoxical situation in the sense that it is a state which has posted relatively high rates of economic growth in the last few years, and which yet has a very low urbanization rate. Many villages in the state satisfy the first two criteria of the definition of urbanization, but Bihar being a pre-dominantly agriculture-based economy, these villages do not satisfy the third criterion of three-fourths of males working in non-agriculture. Thus, due to the absence of a strong non-agricultural sector, despite a large population and a high population density, the urbanization rate in Bihar is just 11.3 % as of 2011, vis-à-vis 31.2% for all-India. Not only are the absolute levels low, the growth rate of urbanization has also been very slow, rising from 10% in 1991, to 10.5% in 2001 and further to 11.3% in 2011. The pattern of urbanization in Bihar is lopsided with South Bihar considerably more urbanized than the north, and urbanization overwhelmingly concentrated in large cities. A comparison of data for two successive census rounds shows that Class I towns (with more than one lakh population) accounted for about 59.3% of the total urban population of the state in 2001, and the share declined very slightly to 57.5% by 2011 (Tables 1.1 and 1.2). Table 1.3 presents the comparative distribution of urban population in North Bihar and South Bihar. In 2001, class II (population between 50,000 - <100000) and class III (population between 20000 - <50000) towns accounted for about 37% of the population. The rest of the towns accounted for only around 3.5% of the total urban population. The distribution of population shares among the different size-class of town has not changed substantially in the next decade, with Class II and Class III towns accounting for 37.2% of the urban population and the smaller towns accounting for just above 5%. Thus, the number of these classes of towns has increased during the decade, and there is a remarkable increase in the number of class V towns from 3 in 2001 to 38 in 2011. In addition, there are 9 class VI towns in 2011. While some of the increase in number of towns, between the two census periods can be attributable to the reclassification as 'Census towns', the fact remains the Class I towns continue to dominate the urban population and very small towns are also accounting for more of urban population, while Class II and III towns together have a stagnant share of urban population.

Number of towns and population shares in Bihar, 2001

Town Class	Number of Towns	Percent of towns	Population	Population share
Class I (1,00,000 & above)	19	15.8	5144150	59.3
Class II (50,000 – 99,999)	16	13.3	1186294	13.7
Class III (20,000 – 49,999)	65	54.2	2050588	23.6
Class IV (10,000 – 19,999)	17	14.2	280820	3.2
Class V (5,000-9,999)	3	2.5	19948	0.2
Total	120	100	8681800	100

Source : Census 2001

Number of towns and population shares in Bihar, 2011

Town Class	Number of Towns	Percent of towns	Population	Population share
Class I (1,00,000 & above)	26	13.1	6755370	57.5
Class II (50,000 – 99,999)	28	14.1	1829820	15.6
Class III (20,000 – 49,999)	76	38.2	2539376	21.6
Class IV (10,000 – 19,999)	22	11.1	334484	2.8
Class V (5,000-9,999)	38	19.1	264276	2.2
Class VI (less than 5,000)	9	4.5	34690	0.3
Total	199	100	11758016	100

Source : Census 2011

Rural – Urban Linkage

- Several studies have highlighted the importance of small towns as a centre for urbanization and source of demand in recent times (Denis et al 2012, Nielsen 2012). Denis et al (2012) find some evidence that rural non-farm diversification (and resultant rural poverty reduction) occurs more rapidly where there is a consumption growth in neighbouring urban centres and suggest that the association is stronger if the urban centre is a smaller town than if it is a large city. Nielsen (2012) finds that Fast moving consumer goods market increased at 15% in 2011 which is a fairly good rate of growth. Here demand has been spearheaded by Tier II and Tier III towns whereas earlier metros (more than 10 lakh population) drove demand. Much of the literature on urbanization and rural-urban linkages has focused on urbanization with its impact on rural poverty. According to Datt and Ravillion (2010), unlike in the pre-reform period, when urban economic growth did not really bring any benefit to the rural sector, the post 1991 data provides evidence of a positive feedback effect between urban economic growth and reduction of rural poverty, which may be reflective of the growing urban-rural linkages. Their analysis has recently been extended to 2012 (Datt et al 2016). They find that rural-urban linkages are strong and the impact of urban growth in terms of lowering rural poverty has been relatively much stronger in the post-1991 period for India. However, redistributive forces are also at play and there is increasing inequality within the rural and urban sectors and also, to some extent, between the sectors. Poverty is, in fact, getting increasingly urbanized, raising question regarding how long the simple rural-urban migration process can continue to impact poverty, in case overall growth

is not adequate. The crucial importance of urbanization in the context of benefitting from economic growth has been demonstrated effectively by Krishna and Bajpai (2011) who used data for the period 1993-2005 to show that the distribution of benefits from economic growth since the early 1990s has followed an identifiable spatial pattern. They demonstrated that in the post-reform years, when urban centers experienced economic growth, far flung rural areas, where more than half of the Indian population lives, grew poorer. Other features of the Bihar economy that would have an impact on the urbanization in the state are low share of workers in manufacturing and low outreach of the financial sector. According to the sectoral composition of GSDP at constant (2004-05) prices, the relative shares for the period 2010-14 stood at: primary (22.0 percent), secondary (19.2 percent) and tertiary (58.8 percent). While the overall secondary sector's contribution to the GSDP increased from 11.6 per cent in 1999- 00 to 19.2 per cent in 2010-11-2013-14, the contribution in it from manufacturing decreased from 5.7 to 4.8 per cent in the corresponding period (Table A1.1 in Annexure). Bihar's industrial sector contributes only about 19 percent to its GSDP as against an average of 26 percent at the national level. The lop-sided development of urbanization in Bihar is reflected in the much lower percentage of workers engaged in the manufacturing sector as compared to the national average and most other states. The majority of urban workers in Bihar are engaged in wholesale and retail trade and services, rather than in manufacturing and industrial sector that is vital for urban growth. Moreover, the construction sector, which is spearheading the growth in the state, involves considerable migrant labour. It is not surprising that urban poverty in Bihar was 31.23 percent per cent in 2011-12, a figure significantly higher than the national average of 13.7 per cent (Planning Commission, 2013). In North Bihar, the industrial sector has very low proportion of employment among cities. In both North and South Bihar, most cities and towns are largely dependent on the primary sector, according to an analysis based on the Locational Quotient technique (Pangotra and Govil 2008). But in South Bihar, among Class I cities, three largest cities namely, Patna, Gaya and Bhagalpur have services as their basic sector. These cities accounted for around 30.78% of the urban population of Bihar, according to the above study. The financial sector, too, is underdeveloped in Bihar. With a high population density of 1102 persons/sq.km as well as a high share of rural population at 88.7%, Bihar has quite limited exposure to banking services. The per capita availability of financial services is the lowest in the country. Around 44% of the households in Bihar avail of banking service compared to a national average of 58% households. The poverty ratio in the state is 33.7 per cent as per the 2011-12 NSS data with little difference in the rural-urban poverty levels. Census 2011 data indicate.

North Bihar

The district of Darbhanga forms a part of the north Bihar Plain, and is located at a distance of around 130 km from Patna, the capital city. Darbhanga has an agrarian economy with paddy and pulses being the main produce. It is a leading district in production of fish in Bihar. In addition, it is renowned for its production of makhana and mangoes. According to an old saying Paan, Maach and Makhan (betel leaves, fish and lotus seed) is not found even in the paradise, so one should enjoy these things on earth so that there are no regrets later. Madhubani and Darbhanga are among the leading fishproducing districts in the state and Madhubani is also an important producer of makhana.

Darbhanga

Darbhanga town is densely populated, with a substantial slum population of around 16%. The average sex ratio at 902 compares favourably with many other sample towns. Muslim population has nearly 28% share. Literacy rates are fairly high. The city is known for its educational institutions, especially for higher education and is home to many colleges including Darbhanga medical college and hospital, Lalit Narayan Mithila University, Dental College, Law College, etc. The male work participation ratio (WPR) is comparable across other towns, but that for females is extremely low at 7%. While Darbhanga is well connected by road and rail, the infrastructural facilities in the city are deficient and are under pressure from the dense population. The road length is only 140 km. Drainage is open and there is approximately one electricity connection (domestic) for every two households. Industrial connections number only 139 vis-a-vis 6197 for Patna and 6836 for Biharsharif. While there are more commercial connections (3961), these are far short of Patna (35,292) and even Biharsharif (6217). Darbhanga is a destination for medical services and healthcare for nearby towns such as Madhubani and has an availability of 1030 hospital beds. But the strength of medical staff is inadequate. The city also acts as a destination for those aspiring for higher education.

Madhubani

Madhubani is a class-II town with a population of 75,736 and lies 26 km northeast of Darbhanga town. The average sex ratio at 899 is slightly on the lower side. Literacy rate at 74% is comparable to the national average and higher than the average for Bihar (63.8%). The male WPR is comparable across other towns, but that for females is extremely low at 9%. The share of agricultural labour at 9% is higher than that in Patna and Darbhanga, showing greater rural linkages for Madhubani, but far below the smaller towns of Jhanjharpur and Hilsa. Madhubani is a small-sized town, as evident from its road length of only 28 km (see Annexure), which is less than even that for Hilsa. Drainage is open and there is nearly a one-to-one correspondence between number of electricity connections (domestic) and number of households. In this respect, and in terms of commercial connection, it is much better placed than the smaller towns of Hilsa and Jhanjharpur. The number of allopathic doctors (in-position) at 19, indicates just 0.25 physicians per 1000 population, compared to 0.7 physicians as the national average*****. Residents of Madhubani often travel to Darbhanga for education purposes and the schooling infrastructure in Madhubani needs much more strengthening.

Jhanjharpur

Jhanjharpur is located in Madhubani district. It is a very small town with a population of just 30,590. The average sex ratio is good at 921, the highest among the sample towns. Literacy rate at 61% is lower than not only the national average, but also the state average. The work participation rates are comparable across other sample towns. The very high ratio of agricultural labour in total workers, compared to most other towns in the sample shows the greater rural linkages of this small town which has a very low level of urbanization, and this high incidence of agricultural labour is comparable only to Hilsa, which is of a similar size. The share of cultivators, too, is relatively high. With a road length of only 25 km; this small town also has little electrification. Industrial connections are negligible. There is a mix of open and closed drainage system. Health infrastructure is minimal.

Regional Linkages Observed In North Bihar

Interviews and focus group discussions yielded rich insights regarding the nature of linkages among the three sample towns. Darbhanga is the largest town in the Mithila region and both Madhubani and Jhanjharpur, as well as other towns in the area have close linkages with this town, and among each other. The town of Jhanjharpur and even Madhubani are semi-rural in nature and have close connections with their rural hinterland. On the other hand, some of these towns have links with other urban areas in Bihar, notably Patna, and other national and international urban centres. Rural-urban linkages are evident in the market for vegetables as many people from nearby rural areas bring their own produce and sell in Darbhanga and there are many who source vegetables in other places and sell in Darbhanga town. There are similar linkages for selling makhana and fish. Prepared makhana is sold in Madhubani, Darbhanga, and sometimes even as far as in Patna by traders who transport the output there. Darbhanga had educational and medical facilities since a long time, also due to the Darbhanga Maharaja's contribution, according to an FGD. With setting up of medical college in Darbhanga, good doctors, support staff, other infrastructure such as labs, living arrangements, medicine shops, etc. all developed soon. Darbhanga town has now become a destination for medical treatment in the region. At present there are many private nursing homes, doctors' private clinics, etc. in this town. People come here from Madhubani, Jhanjharpur, Samastipur, Seetamarhi, and some parts of Muzaffarpur, too. Even people from Terai region of Nepal come here for treatment. Poorer people seek out the Government medical college hospital first and if there is no seat available, then go to private hospitals. With increased migration outside the state, some people are now taking family members to All India Institute of Medical Sciences, Safdarjung hospital, Ram Manohar Lohia hospital in Delhi and some take them to Patna. Madhubani district was initially part of Darbhanga district, so in the early years most of the educational institutions were set up in Darbhanga, which can boast of institutions such as Mithila University, Darbhanga medical college and other Government schools. When Madhubani became a new district and became the district Head Quarters, then many primary schools opened there and generally education facilities for elementary education came up. Many children go to Madhubani town from surrounding villages in 20-25 km radius in buses to study. Darbhanga not only has a university, but also good bookshops and coaching centres for engineering, medical, bank, railway, SSC, Army etc. exams. Another development is that many private schools, coaching centres or private engineering colleges, private institutions for B.Ed/MBA/BBA etc professional courses from Delhi, Haryana, Maharashtra, South Indian states, Rajasthan, Uttarakhand and even from Patna, open local centres in Darbhanga, Madhubani and other towns and train students to help them in getting admission. There are transport linkages throughout the region. Since transport conditions are still poor from rural Madhubani to urban Madhubani, people depend on auto/jeep/jugaad. Due to the poor condition of village roads, villagers make fortnightly trips to town to buy essentials. Buses ply daily from Madhubani to Darbhanga, Patna, Jaynagar, Benipatti, Mauzaffarpur, etc. The drivers, conductors, garage mechanics, all mostly come from villages because life in town is costlier and they all return home in the evening. They live around 20-25 km away from Madhubani district Mukhyalay, living in villages off the main road. Rural-urban links have deepened now because earlier schooling, buying grocery, etc. was done within the village, but people now increasingly travel to towns for these purposes. In the earlier days, saris, bedsheets, utensils, spices, cosmetics, etc. were sold by vendors within the village, who would come in the morning and go back to Madhubani town in the evening. Now vendors cart their wares on the roads in the town and villagers go there to buy these. Thus there is a lot of rural-urban link through transport activity now. Many people from rural areas are earning a living in Darbhanga, Madhubani

and other towns. Their life history also indicates that they migrate to various urban centres for work, working as construction workers, rickshaw-pullers, masons, etc.

South Bihar

It is generally accepted that the present Patna stands on the site of the ancient metropolis of 'Pataliputra', the capital of Magadha Empire, and was founded in 490 BCE by the king of Magadha. Pataliputra was a seat of learning and fine arts. The boundaries of the district remained more or less intact till 1972 when the subdivision of Biharsharif was separated and upgraded as the independent district of Nalanda. District of Patna lies virtually in the heart of the South Bihar Plain. The City of Patna, besides being the headquarters of the district, is also the divisional headquarters and the State capital since 1911. A characteristic feature of the geography of Patna is the confluence of rivers. The resultant fertile land is good for cultivation of rice, and it is the main crop of the district, accounting for more than one third of gross area sown. Other important food grains grown are maize, pulses and wheat. Vegetables and sugarcane are also important products. Biharsharif is the chief town and the headquarters of the Nalanda district. Agriculture is the main source of occupation in Nalanda. The farmers mainly grow paddy, apart from it they grow potato, and onion. Hilsa town is also a part of Nalanda district.

Patna

The Patna Municipal Corporation area covers 99.45 sq km and is divided into 72 wards. It is a metropolis and has a designated regional development area that covers 234.70 sq km and includes outgrowths within Patna district – the Patna Urban Agglomeration (Danapur, Khagaul and Phulwarisharif) – Saran district and Vaishali district. Patna city is well connected by road, rail and air. NH 19, NH 83 and NH 98 pass through the municipal corporation limits. The slum population in Patna is around 4.6 % of the total population. The average sex ratio at 885 is the lowest among all the towns considered. Literacy rates are much higher than the state average of 71.82%. The city is a destination for people from all over the state for education and health facilities. The first university in Bihar, Patna University, was established in 1917 and is the seventh oldest university in South Asia. In the area of health, too, the city has been progressive as the Patna Medical College was established in 1925. Some newer institutions of higher education are the Central University, the IIT, NIFT, BITS, Chandragupta Maurya Management Institute and the Indira Gandhi Institute of Medical Sciences. The male WPR is comparable across other towns, but that for females is extremely low at 7%. The average road length is 56 km per 100 sq km. Both open and closed drainage systems exist and there are approximately 38 electricity connections (domestic) for every 100 households. Industrial connections number 6197 for Patna and the number of commercial connections are 35292.

Biharsharif

Biharsharif town has a high population density and quite a sizeable slum population at around 7.2%. The average sex ratio at 915 compares favourably with many of the other sample towns, and may be due to the fact that many males have migrated out of the town, to other urban centres in India as well as in the Gulf countries. Literacy rates are much higher than the state average of 71.82%, although the literacy rate for slum dwellers (64%) is much lower than the state average. The male WPR at 44% is comparable across other towns, but that for females is on the lower side. The share of household industry workers is relatively high for Biharsharif town vis-a-vis the other sample towns, and it is even higher for the Biharsharif is well-connected by road and rail, and is very close to Patna, at a distance of

around 80 km. The road length is 112 km. Drainage is both open and closed. Approximately 75% households have electricity connection (domestic). Industrial connections number 6836 which is even higher than that for Patna (6197), keeping in mind that the data refer to 2011 and the situation might have changed by now. While there are 6217 commercial connections, this is far short of the corresponding numbers for Patna (35292). In terms of medical facilities available, Biharsharif is closer to Madhubani than to Darbhanga, although it has a population comparable to the Darbhanga. The social infrastructure of the town is also not very well-developed for higher education. Government schools have a strong presence at the primary, middle and secondary/higher secondary levels.

Hilsa

Hilsa is home to about 51 thousand people, around 20% of whom belong to the schedule caste communities. Literacy rates are high compared to state averages. While WPR for males is similar to other sample towns; the WPR for females is relatively much higher at 17%. The close connection with rural areas may be responsible for this feature along with the features of high share of agricultural labour (34%) and relatively high share of cultivators. The even higher share of agricultural labour for slums at 40% indicates a closer rural-urban linkage for the slum population. The slum population has a very high share (45%) belonging to the disadvantaged SC/ST communities and the average lower literacy (62% vis-à-vis 76% for Hilsa town as a total) reflects this. However, as in the other towns, the sex ratio for the slums is much higher than that for the town as a whole.

Regional Linkage Observed In South Bihar

The linkages observed for the region include linkages for construction workers who come daily from the rural areas to work in Patna and travel back in the evening. Construction has contributed in a major way to the growth story in Bihar. Construction workers regularly move from villages to towns in search of work. An FGD conducted at Gulzarbagh station, Patna, with several construction workers provided rich insight into rural-urban linkages in the area, and labour market functioning for this category of workers. A typical day for the construction workers is as follows. Travelling from Bakhtiyarpur, the workers gather at Patna Gulzarbagh station at around 7:30-8 am. Contractors try to grab work when prospective customers come. Most contractors quote similar rates so a lot of competition is there. The workers get paid daily by whoever employs them. If the contract is for a long period, then there may be weekly payment, but some due is left with the contractor, so that the labourer does not leave the work unfinished and leave, and the contract can be completed. Public construction work usually involves long hiring period and thus some families set up temporary homes at the construction site. Public construction usually has slow progress and relatively low pressure to complete, so that women workers, too, find work there. They get piece rate work which means that the entire family can get involved to finish the work quickly. Sometimes labour contractors hire labourers from far away villages at cheap rates or cheap labour from Jharkhand at Rs 150-180 daily. They also work for more than eight hours daily and many women workers come from Jharkhand. Other regional linkages include sourcing various inputs from neighbouring areas. A cement dealer in Hilsa said that he sources cement from Patna, sand from Gaya, gravel or stone chips (gitti) from Koderma in Jharkhand, thus showing linkages of this small town with neighbouring as well as distant states. A timber merchant and furniture manufacturer in Hilsa reported that the timber in his shop comes mostly from and stone comes from Gujarat. He also said that skilled workers from rural areas near Hilsa town do not like to work in Hilsa. They prefer to travel by train to Patna to work there since they get paid higher rates. The linkages for Hilsa

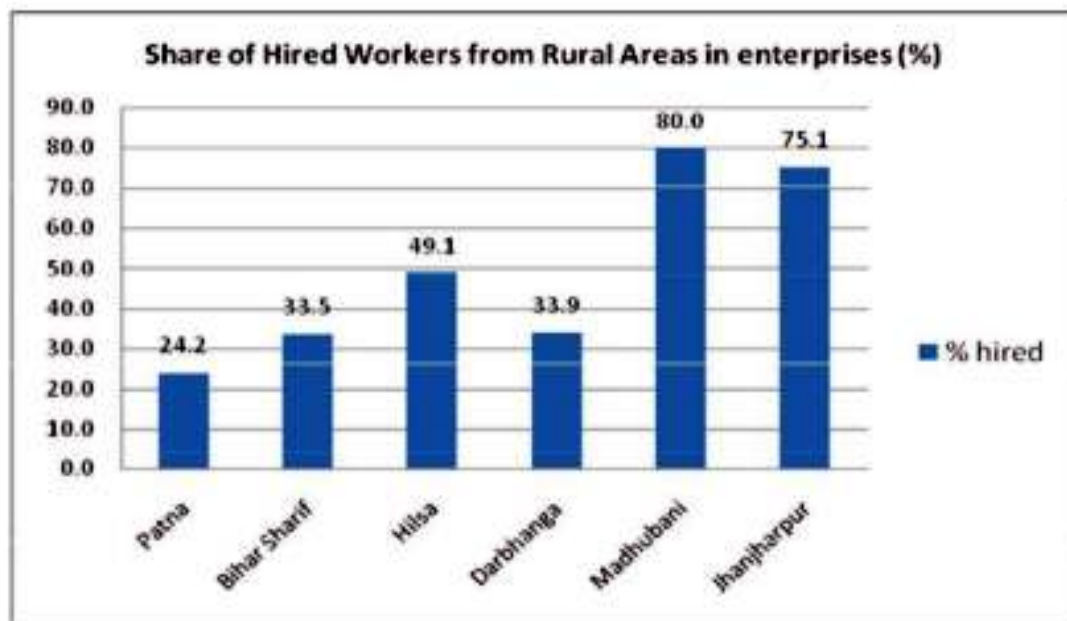
with Patna are thus much stronger than with Biharsharif, a town which is equi-distant. This is due to the array of livelihood opportunities Patna offers for people as well as due to the recently started railway services through Damiyana.

Rural – Urban Linkages

Hiring of Workers from Rural Areas: A total of 553 enterprises reported using hired workers, which is around 61% of the total number of survey enterprises. Out of these 530 enterprises provided detailed data on hired workers, among which 33.2% reported hiring workers from rural areas, usually along with workers from urban areas as well. This demonstrates fairly good linkages of the enterprises with the rural milieu. Of the 530 units that reported hiring workers, 376 are NDE or smaller units and the rest 154 DE units. The share of hired workers commuting from rural areas is particularly high for DEs at 53.9% vis-à-vis NDEs (24.7%). By activity, it is highest for manufacturing (41.5% of enterprises), followed by Services (including services & trade) (33%) and least for trade/retail enterprises (24%). Of the 3728 adult workers hired for the survey enterprises, nearly half (45.5%) are found to be travelling from rural areas (Table). The share of rural workers for Directory enterprises is more than double that of non-directory enterprises. The town-wise picture in Fig. 4.4 shows that the smaller towns of Madhubani, Jhanjharpur, followed by Hilsa, have very high rural-urban linkage, which is not surprising since Jhanjharpur and Hilsa, in particular, are very small towns with close connection with surrounding villages. Patna, the largest urban agglomeration in the state of Bihar, has the weakest rural-urban linkages in the sense of rural workers coming in to work daily. Three-fourth of the workers here comes from urban areas. But it is likely that people originally from rural areas have migrated here and have settled in Patna and in the peripheries. The same phenomenon is likely to have taken place in Biharsharif and Darbhanga, all towns with substantial slum population.

Table Hired workers among enterprises and smaple towns

	Hired adult worker (current year) from			Percentage of hired worker from rural area (%)
	Rural area	Urban area	Reporting units	
NDE/S	161	625	786	20.5
DE/S	1534	1408	2942	52.1
Total	1695	2033	3728	45.5
Patna	352	1102	1454	24.2
Biharsharif	80	159	239	33.5
Hilsa	56	58	114	49.1
Darbhanga	234	456	690	33.9
Madhubani	786	196	982	80.0
Jhanjharpur	187	62	249	75.1
Manufacturing	1267	675	1942	65.2
Trade/retail	138	540	678	20.0
Other Services	182	646	828	22.0
Service and Trade	108	172	280	38.6
Total	1695	2033	3728	45.5



Among the different enterprises by type of activity, manufacturing units clearly have a much sharper link with rural areas with 65.2% workers coming in from rural areas. The share of rural workers in total workers is much less at 20-22% for trade/retail and other services units. However, it may also be recalled that with the exception of Patna, most towns are characterized by very small scale manufacturing and factories are located largely in Patna alone. Therefore these are unlikely to be a vehicle for industrialization in these towns, and thus unlikely to provide a very large pull factor for the rural labour in the hinterland. The type of enterprises hiring relatively more rural workers are: those making wooden products, miscellaneous activities including brick kilns, real estate, poultry, petrol pumps, dealers in cement, cinema halls, etc., transport related sales and services, cloth shops and tailors, food and beverage enterprises, electrical and electronics enterprises, steel products, household industries, etc.

Growth in Urban Output

The assessment of urban growth was based on the perception of the respondents in the enterprises which have been operating for the last three years. Of the 866 units which have been operating for the last 3 years or more, a sizeable share of 37.8% reported they were undergoing expansion (Table 4.5). But 29% of the units surveyed also reported that they were contracting. If those which have been stagnating and those undergoing contraction are clubbed, they account for a high share of around 62%, i.e. nearly two-thirds. Activitywise, for all enterprises taken together, trade.

Status of growth in last 3 years of surveyed enterprises in six sample towns

	Expanding	Stagnant	Contracting	Total Number
Manufacturing	32.8	33.4	33.8	308
Trade / retail	43.7	34.0	22.3	318
Other Services	34.3	31.3	34.3	198
Services and Trade	45.2	33.3	21.4	42
OAE/S	27.1	39.0	33.9	336
NDE/S	42.5	30.0	27.5	360
DE/S	48.8	28.2	22.9	170
Total	37.8	33.1	29.1	866

Units show the highest share of expansion (43.7%) and manufacturing shows least (32.8%), disregarding the Services and Trade units, which are relatively much smaller in number. If the two types of service enterprises are taken together, these come next to the trade/retail units in terms of growth. Only 27.1% Own Account Enterprises reported having experienced expansion. Almost 40% of the OAEs reported stagnation, much higher than the corresponding shares among the establishments. Town-wise, an interesting picture emerges as more enterprises in Northern Bihar towns report more expansion compared to those in South Bihar. The percentage share of enterprises reporting expansion was 45.9% in Darbhanga, 52.4% in Jhanjharpur and 35.6% in Madhubani. By contrast, the shares of enterprises reporting expansion in Patna were 35.2%, followed by 33.6% in Biharsharif and just 26.3% in Hilsa.

Conclusion

Urban development is of immense importance in view of the significant contribution it makes towards the overall growth and development of the economy of states. According to the 2011 Census, the total population of Bihar is 103.80 million, of which 11.72 million (11.30 per cent) constitute the urban population. Bihar is much behind in the race of urbanization. Even Uttar Pradesh is better off than Bihar. Uttar Pradesh has the advantage of satellite urbanization because the nearness of the capital Delhi. Mayawati with project such as Yamuna Expressway is encouraging urbanization along the expressways. Bihar has two expressways- New Delhi to Kolkata and East West corridor- covering north and south. Bihar government could have encouraged 10-20 planned townships on these expressways. I am confident about its commercial viability. These townships would have come up with education hubs or university town with all sorts of educational institutes to cater to its rural hinterland. Additionally, the townships could have industrial clusters for specific industrial sector such as food processing. The present boom in housing sector is concentrated in the capital Patna. Patna as such is overpopulated. Instead, Patna requires planned satellite townships such as Greater Noida, Noida and Ghaziabad or Indirapuram. Urbanization is already going on for years, but it should not be just building a house in any nearby town. Urbanization must provide all facilities to make the quality of life better. And if the right products are provided in well conceived and designed townships, there will be no dearth of customers in Bihar to make it commercially viable. Bihar must think of planned urbanization as an opportunity and an apolitical priority. One must appreciate the role of planned urbanization in improving the overall economy of the region. Bihar must emulate

townships as Noida in NCR or those coming up on Yamuna expressway between Noida and Agra. It has separate industrial and shopping areas with residential sectors. It has today all sorts of educational institutes and healthcare centres. Construction creates a lot of employment.

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