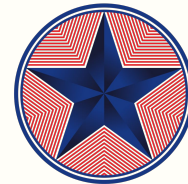


Decentralised Development

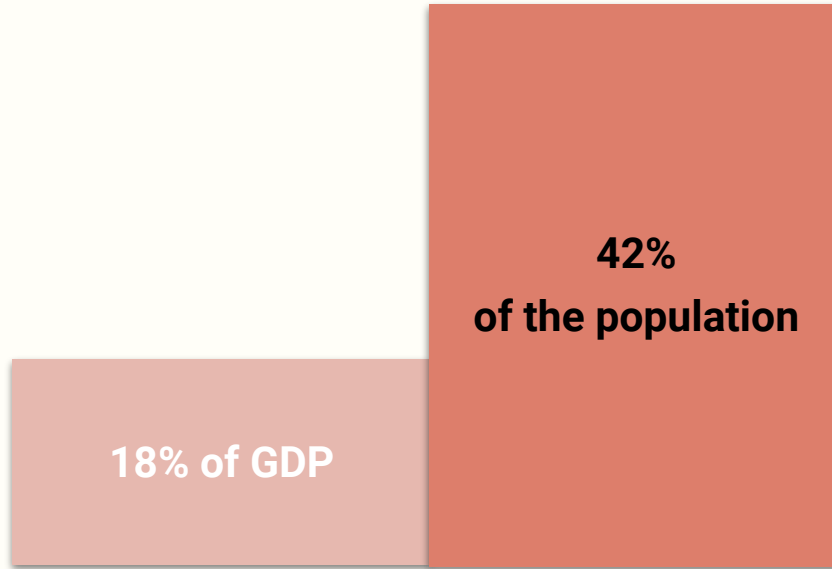
Small Town Development



FDR
FOUNDATION *for*
DEMOCRATIC
REFORMS

The State of Rural Economy

Agriculture Sector in India¹



Distress Migration

53% of male migrants move to urban areas seeking employment opportunities ²

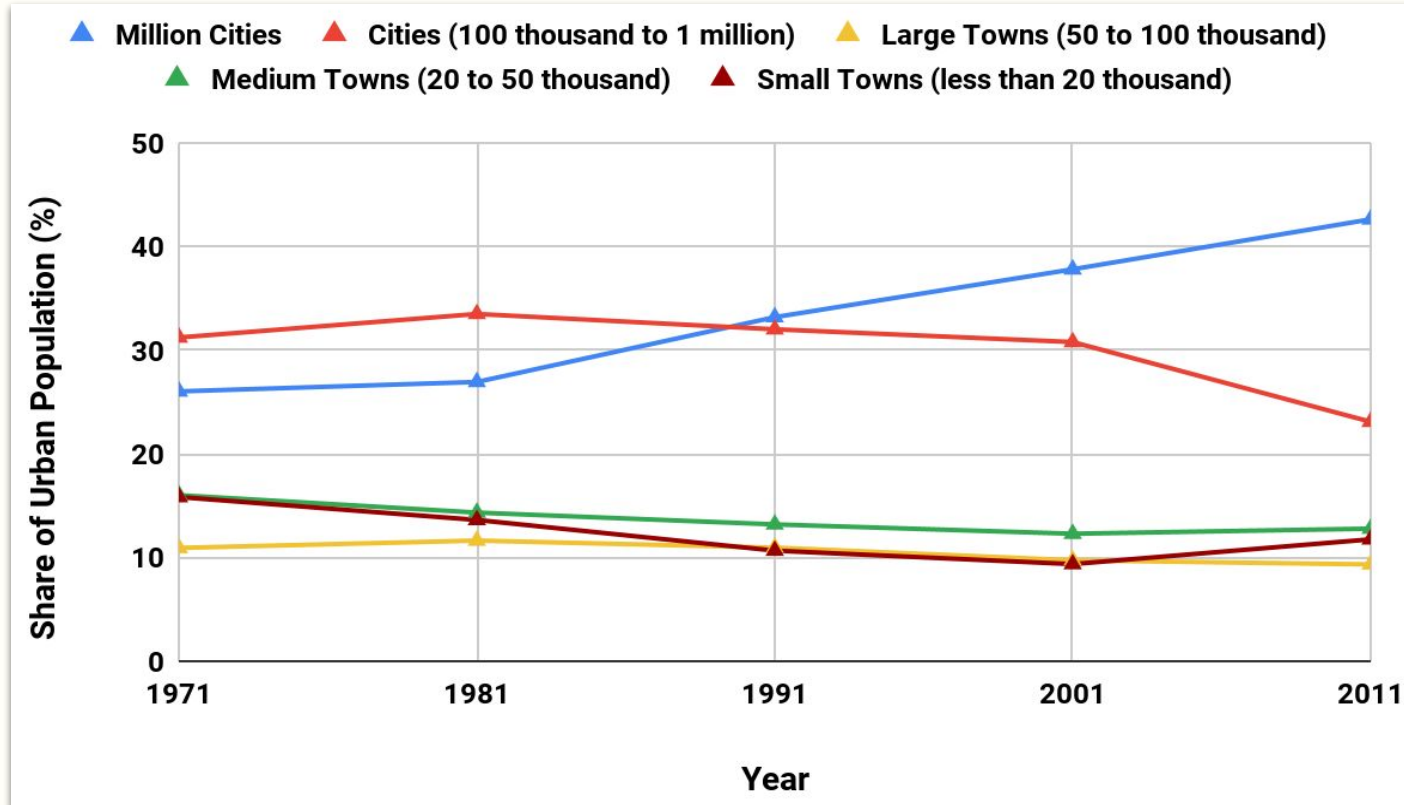
Inevitability of Urbanisation

By 2036, **45% of India's population** is projected to live in urban areas ³

From villages, almost every able bodied young person is migrating to big cities in search of better livelihood opportunities.

Big City – The Primary Destination

Share of urban population by city size class ⁴



Overcrowding in Big Cities

As most of the migration is to big cities, **overcrowding and inadequate infrastructure** have emerged as major challenges.

Water Supply⁵

Urban areas: 69.25 lpcd
Benchmark: 135 lpcd

Housing⁶

Shortage of 29 million units

Storm Water Drainage

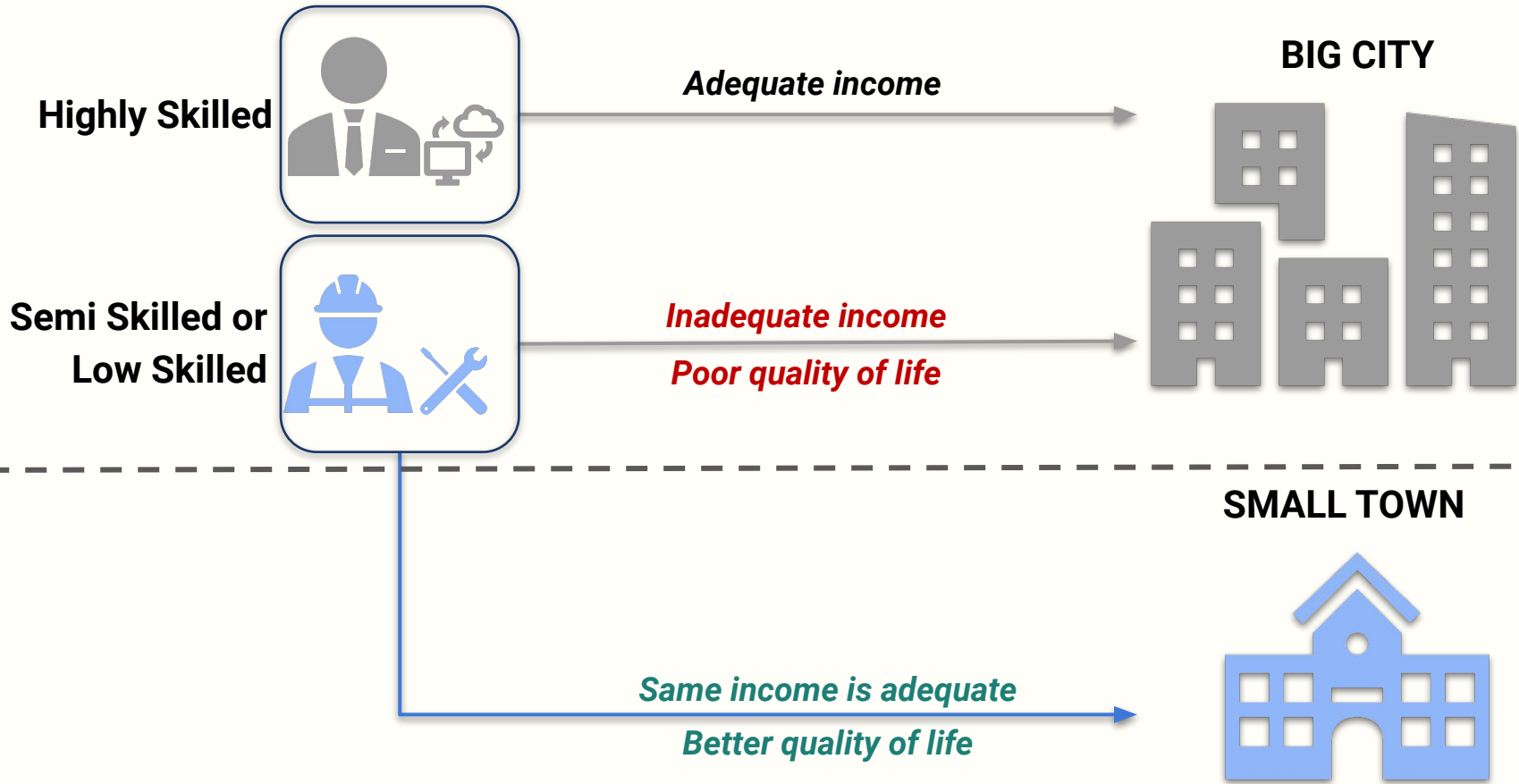
Increasing frequency of
urban floods

Transportation⁷

Delhi, Mumbai, Kolkata, and Chennai incur
congestion costs of \$22 billion per annum

Slums⁸

In 2020, 49% of India's urban population
was residing in slums



Small Town Development - Rationale

Urbanisation is unavoidable. But, distress migration to big cities is not sustainable.

Develop Small Towns as urban magnets to promote inclusive growth

How?

- **Town planning and basic infrastructure**
- Employment opportunities for low and semi-skilled workers in **labor-intensive industries**

Why?

- Decongest big cities
- Bridge the social, economic, and physical gap between villages and big cities

Enabling Factors:

- Demography
- Access to electricity, mobile phones, television, and digital networks

The Roadmap



Identification

Village/Census Town/Urban Local Body:

- **At least one in every Assembly constituency**
- Natural economic hub
- Centrally located with adequate connectivity



Town Planning and Infrastructure Development

- **Quality drinking water**
- **Stormwater drainage**
- **Transport networks**
- **Sanitation facilities**
- **Town Planning assistance**

Rs.100 crores over 5 years per small town



Private Investment

- Construction
- Housing sites
- Services such as education and healthcare, and recreation



Vibrant Small Town

- Quality of life comparable to a big city
- Organic migration from villages

Employment Generation

Small towns with the right infrastructure and incentives have the potential to generate high number of jobs in such industries.

To facilitate the establishment of labor-intensive industries, prioritize:

- Infrastructure development
- Skill enhancement programs
- Labor reforms
- Ensuring land availability

Labour-intensive Sectors by NITI Aayog

- Apparel
- Footwear
- Food processing
- Electronic goods
- Light consumer manufacturing
- Tourism
- Construction

Brandix India Apparel City, Atchutapuram (Andhra Pradesh): A case study in generating low and semi-skilled jobs:

- Employs 22,000 people from 600 surrounding villages, including 18,000 women
- Most employees are women, who studied up to the seventh grade, are selected through a simple interview and test

