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# A STUDY ON ECONOMIC COSTS OF RAPID CITY EXPANSION AND THE EFFECTIVENESS OF SUBURBAN GROWTH AS AN ALTERNATIVE

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***Rapid City expansion is a growing problem of the world irrespective of developing or developed countries. The roots of modern urbanization can be traced back to the Middle East, in what is now Iraq, around 3,500 BC. Historically, India, China, and Mexico were among the earliest centres of urban life. In the developing world, urbanization began much later, largely in the late twentieth century. Asia, Central Asia, and the Middle East showed little consistency in urban growth patterns. The transition from the twentieth century to the present marks one of the most dramatic phases of global urbanization. By 2008, nearly half of the world's population lived in cities. Projections suggest that by 2050, about 75% of the global population will live in urban areas. The United States, the United Kingdom, and Germany are already over 75% urbanized, and these figures are expected to approach 90% by 2050. In case of India also, the number of towns as well as number of urban population is growing, thereby causing different problems. The study analysed the trend of Urbanization in India as well as different income countries of the world. It also highlights how development of countryside area can solve the problem of Urbanization and mentioned some of the already set examples of the world.***

## INTRODUCTION

Urbanization is a process of people migrating from rural to urban areas for various reasons. People generally move from rural areas to urban areas in search of better life gained by better employment opportunities, better health and education etc. Traditional economic theory suggested migration will be slower when there is huge unemployment in the urban area, but the reality is quite different. In countries across Africa, Asia and Latin America, people continued flooding into cities despite visible unemployment in the urban areas. Later Harris - Todaro Model developed in 1970 based on this puzzle and they proposed that people migrate due to decision based on expected income and perceived opportunities. It is not always the actual wage. Even if people get a proper wage in rural areas, they have tendency to always settle in city, that they consider as a better place. This scenario is common in both developed and developing counties, the only difference is, and it is more planned in developed ones compared to the developing ones. The present study is analysing the pattern of urbanization and its differences present in both type of countries and also trying to suggest remedies based on real life set examples.

## OBJECTIVES

The main objectives of the paper are:

(a) To study about the trend of Urbanization in India.
(b) To study about the nature of Urbanization in case of developing and developed countries.
(c) To study about the needs of planning of urban development.

## METHODOLOGY

The present study is completely based on secondary data. It is mainly descriptive and analytical in nature. In order to attain the objectives of the study, the necessary data have been collected from various sources such as- census reports, World Bank, articles, newspaper, websites etc. As for analysing the case of developing countries, the various data related to urbanization of India has been taken. Some of the data from European countries are collected during a visit to Italy, Czech Republic, and Austria.

### The History of Urbanization

The roots of modern urbanization can be traced back to the Middle East, in what is now Iraq, around 3,500 BC. Historically, India, China, and Mexico were among the earliest centres of urban life. By the thirteenth century, the Chinese cities of Chang'an (now Xi'an) and Hangzhou were the largest in the world, each home to around one million inhabitants. In contrast, London did not reach a population of one million until around 1700.

Due to the limited availability of food and transportation, both the size and proportion of the world's urban population remained very small for centuries. Around 800 AD, only about 3% of the global population lived in urban areas. By 1850, that figure had risen only slightly to between 4% and 7%. Of the roughly 1.2 to 1.3 billion people in the world at that time, about 65 to 80 million lived in cities, and there were only around one hundred urban centers globally. London, Paris, and Beijing each had over a million inhabitants.

Among the 25 largest cities in 1850, 11 were located in Europe, 8 in South Asia, and only a few in East and Central Asia. Between 1850 and 1950, about 20% of the urban population lived in three major regions: Great Britain, Northwestern Europe, and the United States.

The most rapid and extensive urbanization occurred in America, Australia, and Europe during the first half of the twentieth century. The number of large cities grew dramatically—New York became one of the most congested urban centres—while urban growth in other regions remained slow. By 1950, one-fourth of the world's population lived in urban areas, and in developed nations, the process of urbanization had nearly reached its peak. Interestingly, natural population growth rates in urban and rural areas were roughly the same during this period.

In the developing world, urbanization began much later, largely in the late twentieth century. Asia, Central Asia, and the Middle East showed little consistency in urban growth patterns. According to a 1995 United Nations report, urbanization levels were very high in the Americas, with South America being one of the most urbanized regions. In contrast, urbanization rates were much lower elsewhere—below 1% in parts of Africa and Central Asia, about 3% in Sub-Saharan Africa, 40% in China, and 26% in India.

The transition from the twentieth century to the present marks one of the most dramatic phases of global urbanization. By 2008, nearly half of the world's population lived in cities. Projections suggest that by 2050, about 75% of the global population will live in urban areas. The United States, the United Kingdom, and Germany are already over 75% urbanized, and these figures are expected to approach 90% by 2050.

In newly industrialized countries such as South Korea, Mexico, and Taiwan, around 50% of the population was urbanized in 1950, and this is expected to exceed 75% by 2030. In China, only 20% of the population was urban in 1980, but this is projected to reach 60% by 2030. This reflects the global shift of urban growth from developed to developing nations.

The intensification of urbanization has also led to a sharp increase in the number of cities with populations exceeding one million. While only two such cities (London and Beijing) existed in the early 1800s, by 1950 there were about 70. Today, China has nearly 100 million-plus cities, India around 40, and the United States and Europe about 40 combined. In 1900, London became the world's first megacity, housing around 10 million people; by 2005, several cities had populations exceeding 20 million. By 2025, it is projected that there will be more than 220 cities with over one million residents and about 25 cities with over five million.

Theories of urbanization have evolved alongside these changes. Urbanization is now often discussed in connection with industrialization and globalization. One of the earliest theories—the **self-generated or endogenous theory**—suggests that urbanization arises from the generation of surplus agricultural production, which supports non-agricultural populations and drives social and economic development. According to this view, early megacities first appeared in the Middle East. Later, in the eighteenth century, the interaction between surplus production and technological advancement led to industrialization and the rise of capitalist economies, particularly in Great Britain and Europe.

From a demographic perspective, migration from rural to urban areas has been the backbone of urbanization, fuelling industrial growth. Before the Industrial Revolution, the concept of large-scale urbanization barely existed. As industrialization spread through Europe after mid-18th century Britain, the continent became increasingly urbanized.

If we focus on cities rather than urbanization itself, the self-generated theory explains how pre-industrial societies transitioned into industrialized ones. However, the theory has limitations, as it mainly applies to developed nations. Kingsley Davis expanded upon this theory in 1950.

Another influential framework—the **modernization theory**, developed between 1950 and 1970—takes a broader view. It suggests that the pace and pattern of urbanization in any society depend on its initial conditions at the onset of modernization. Ultimately, urbanization trends in both developed and developing countries tend to converge through processes such as cultural diffusion and economic transformation.

**Urbanization in India**

Developing countries are characterized by low level of Gross Domestic Product (GDP), high population, poverty, unemployment, lower level of literacy rate, low HDI rank etc. To overcome from such problems, a country always needs proper planning. In the path of development, however, various new problems may be added. One of them is the problems caused by the unplanned urban development in a country.

India, as a developing country, is also able to improve some of the issues, while generating some other problems. People are migrating from rural to urban in search of better opportunities and preferring jobs rather than agriculture. Some of the issues that are demotivating people of India to engage in agriculture are cost of production in agriculture is rising, but farmers are not getting the price that they deserve. Secondly, agriculture requires labour and there is lack of people that are interested in doing work in agricultural fields. Thirdly, the reason may be due to different government policies that people are getting the major food grains as free or with a very less price. According to census report 2011, only 54% people are engaged in agriculture sector of India.

If the occupational structure in India is observed, about 30% people are engaged in service sector. And this percentage is growing, that means, the direction of the workforce has been

changed from agriculture to service sector. Since the economy of rural areas is basically based on agriculture sector in India, people are migrating to urban areas in search of better employment opportunities. Table 1 is showing this increasing trend of urbanization in India.

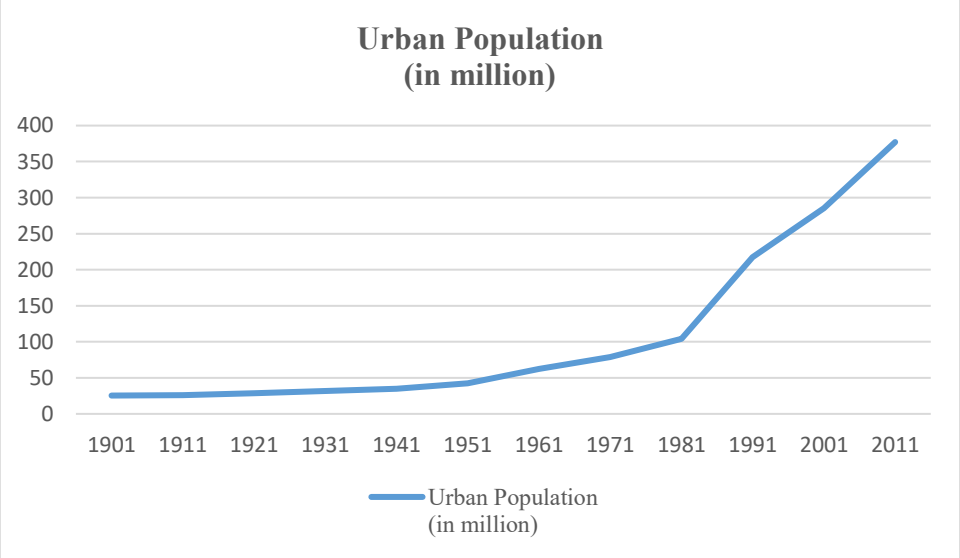
**Table 1: Trend of Urbanization in India (1901-2011)**

| Census Years | Number of towns | Urban Population (in million) | Percentage of Urban to Total Population | Decadal Growth Rate (percent) |
|---|---|---|---|---|
| 1901 | 1827 | 25.4 | 10.8 | - |
| 1911 | 1825 | 25.8 | 10.9 | 1.6 |
| 1921 | 1949 | 28.7 | 10.9 | 11.2 |
| 1931 | 2072 | 31.7 | 11 | 10.4 |
| 1941 | 2250 | 34.8 | 11.1 | 9.8 |
| 1951 | 2843 | 42.2 | 17.3 | 21.3 |
| 1961 | 2363 | 62.5 | 22.6 | 48.3 |
| 1971 | 2590 | 78.9 | 25.7 | 26.2 |
| 1981 | 3378 | 104 | 23.6 | 31.7 |
| 1991 | 3768 | 217.5 | 25.7 | 109.5 |
| 2001 | 5161 | 285.4 | 27.8 | 31.2 |
| 2011 | 7935 | 377.1 | 31.2 | 32.2 |

**Source:** Census Reports

Table 1 shows that the number of towns is increasing. It was 1827 in 1901 and has been increased by more than three times to 7935 in 2011. The percentage of people living in urban area to total population was just 10.8 percent in 1901, and it rose up to 31.2 percent in 2011. The decadal growth also portrays a rising trend. In the year 1991, the decadal growth rate is 109.5 which is very high compared to previous period. This growth was a result of various factors, including migration from rural to urban areas, economic opportunities, and urban development projects.

**Figure 1: Trend of Urbanization in India (1901-2011)**




**Source:** Compiled from Census Report

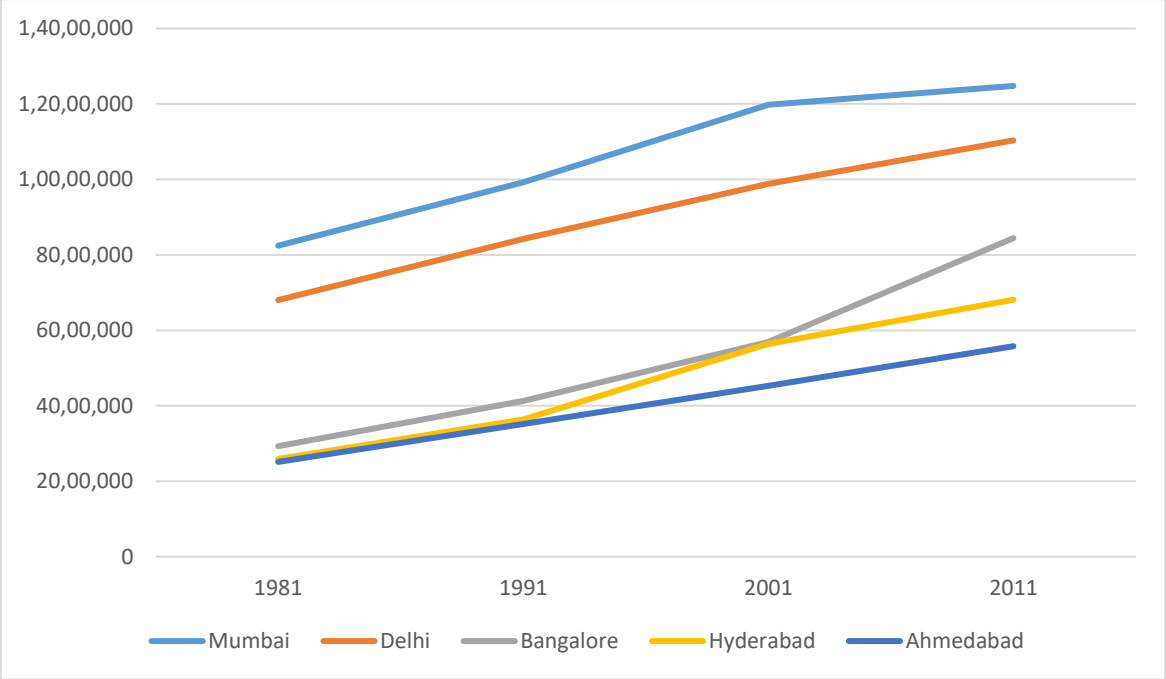
Table 2 shows trend of urban population of India's top 15 cities, Mumbai, Delhi, Bangalore, Hyderabad, Ahmedabad, Chennai, Kolkata, Surat, Pune, Jaipur, Lucknow, Kanpur, Nagpur, Visakhapatnam, Bhopal. Among all, the highest population is in Mumbai

**Table 2: Decadal Urban Population India's Top 15 cities**

| Rank | City | 1981 | 1991 | 2001 | 2011 |
|---|---|---|---|---|---|
| 1 | Mumbai | 8,243,405 | 9,925,891 | 11,978,450 | 12,478,447 |
| 2 | Delhi | 6,802,397 | 8,422,039 | 9,879,172 | 11,034,555 |
| 3 | Bangalore | 2,928,431 | 4,130,288 | 5,686,844 | 8,443,675 |
| 4 | Hyderabad | 2,590,000 | 3,637,483 | 5,637,483 | 6,809,970 |
| 5 | Ahmedabad | 2,513,091 | 3,515,361 | 4,525,013 | 5,577,940 |
| 6 | Chennai | 3,129,347 | 3,841,396 | 4,343,645 | 4,681,087 |
| 7 | Kolkata | 4,138,372 | 4,399,819 | 4,580,544 | 4,496,694 |
| 8 | Surat | 876,078 | 1,518,495 | 2,433,787 | 4,467,797 |
| 9 | Pune | 1,446,034 | 1,846,160 | 2,538,473 | 3,124,458 |
| 10 | Jaipur | 1,203,300 | 1,518,116 | 2,322,575 | 3,073,350 |
| 11 | Lucknow | 1,343,594 | 1,670,507 | 2,185,927 | 2,901,474 |
| 12 | Kanpur | 1,605,819 | 2,029,889 | 2,551,337 | 2,765,348 |
| 13 | Nagpur | 1,516,336 | 1,813,319 | 2,052,066 | 2,405,421 |
| 14 | Visakhapatnam | 726,198 | 940,891 | 1,345,938 | 2,035,922 |
| 15 | Bhopal | 922,595 | 1,187,860 | 1,437,354 | 1,883,381 |

**Source:** Census Reports

**Figure 2: Trend of urban population of top 5 cities of India**




**Source:** Compiled from Census Reports

Figure 2 shows that growth rate may be differ, but all the top 5 cities are getting more people added in their total numbers of population. Mumbai and Delhi is far away from the other cities in case of urbanization. Mumbai being the 'dream city' of people in India, is absorbing a huge number of population, being at the top.

**Unplanned Urban Development and India**

Rapid Urbanisation implies economic growth and opportunity, but, in India, it is creating a complex web of challenges. Picture of almost all major growing cities include heavy traffic, routine power cuts and inconsistent water supply, which are not just inconvenience, it's the reality of today's growing cities. Most of the cities in India has been developed organically around historical centres, ports or industrial areas without any proper planning. People migrate from rural to urban area in search of better facilities, better employment opportunities or for better income, and thereby Indian cities are bound to accept this heavy burden of population.

Let's take the example of Mumbai, the top Indian city in number of population (according to census report, 2011), Dharavi is the biggest squatter settlement of Mumbai as well as of the whole country with a population of approximately 1.2 million people crowded in one square mile. This place lies between two railway lines on low-lying land, which was previously used as rubbish tip. People live by open sewers and children play amongst the waste that is the portrait of Dharavi. There is an average of 4,000 cases of typhoid and Diphtheria each day. Access to clean water is for limited period only, one toilet is used by more than 1000 people.

In case of Delhi also, water scarcity, unplanned waste management and the most severe problem of pollution is

harming a lot. Areas like Karawal Nagar, Mustafabad, Eastend Apartments, Khajoori Khas and Sangam Vihar, with overflowing trash piles, clogged drain and unsanitary conditions, these neighbourhood becomes hotspot of different diseases, pest infestation and environmental degradation. Delhi consistently ranks among the most polluted cities globally, with a huge number of vehicle, industrial activities, construction dust etc. According to Air Quality Index (AQI), the most polluted city in the world in 2025 is New Delhi.

Thus, the common struggles that the cities with higher concentration of urban people are going through in India are:
**Water Crisis:** Many cities in India are supplied water only for 2-3 hours per day, and because of which they are forced to buy water through tankers or bore wells that deplete groundwater.

**Shortage of Power:** The number of people consuming electricity in India is more than the people for whom networks of power lines and stations that distribute electricity are designed in cities. This huge demand of electricity leads to often blackouts in cities that disrupts the daily lives as well as various economic activities.

**Unplanned Transportation:** The roads of the unplanned cities are originally constructed for less traffic, but, due to rapid urbanization, unable to handle, cities are facing massive congestion and pollution. Due to lack of proper car parking facilities, cities face a huge traffic jam. Factors responsible for such situation are the lack of proper legal and administrative framework, inadequate technical skills, and financial resources (HABITAT, 1996).

**Massive unmanaged Waste:** Due to growing number of population, the amount of waste is also growing. Cities generate much waste that they cannot process and this leads to overflow of landfills and unhygienic condition in cities. Due to lack of proper waste disposal, often it is seen in the cities that city people dispose the waste near any water body and pollutes the air as well as water.

**Unplanned Infrastructure:** Growing number of flats, malls, different small and large business outlets, over bridges etc. are creating more chaos in the cities. Improper drainage system is another suffering for the cities of India. During the rainy season, dirty water flows out from the drain and it creates flood of dirty water in the city, which creates various problems such as diseases, shutdown of business outlets, educational institutions etc.

**Slum Areas:** Unplanned growth in India is also leading to creation of slum areas. Over 65 million people live in slum areas across various cities of India, which constitutes about 5.41% of its overall populace. Since the formal housing market is unable to absorb this huge number of migrated people or due to lack of income of the people, these settlements are emerged. These areas are lack of basic amenities such as clean water, proper sanitation, and electricity. Usual picture of this area is the big families share the same room, children playing near the open drain areas etc.

**Environmental challenges:** This rapid urbanization is not only causing the economy to suffer, it also creating huge pressure on the environment of the cities. Air, water, noise pollution are such results. Besides, carbon emission from different sources like different types of vehicles, industries etc. are affecting negatively the environment, that is also contributing to overall climate change of the country.

**A comparison of Urban Development in Developed and Developing countries**

The picture of Urbanization is quite different in both the developed and developing countries. The annual rate of change is much higher in case of developing countries than the developed ones. It is reflected in Table 3.

**Table 3: Average Annual Rate of change of the Urban Population (1995-2025)**

| Region | 1990-1995 | 1995-2000 | 2000-2005 | 2005-2010 | 2010-2015 | 2015-2020 | 2020-2025 |
|---|---|---|---|---|---|---|---|
| World | 2.35 | 2.15 | 2.29 | 2.23 | 2.04 | 1.90 | 1.73 |
| High-Income Countries | 1.03 | 0.95 | 1.13 | 1.11 | 0.76 | 0.69 | 0.61 |
| Middle-Income Countries | 2.89 | 2.60 | 2.67 | 2.54 | 2.36 | 2.14 | 1.89 |
| Low-Income Countries | 4.17 | 3.76 | 3.90 | 3.98 | 4.08 | 4.03 | 3.96 |

**Source:** United Nations Population Division

Table 3 shows that the number of urban population in every country is growing. The growth is however faster in case of low income countries compared to middle and high income countries. In case of High-Income countries, however, the rate of change is becoming lower and lower as time passes. There have some differences between the pattern of urbanization in developed and developing countries.

In case of developed countries, the urbanization process is more planned compare to other developing countries. This may be due to more stable economies, well-established infrastructure and effective government policies to control and construct the proper path of urbanization. In case of developing countries, due to lack of such facilities, it takes place some informal settlements.

The migration in Developed countries take place in search of better economic opportunities or for an improved standard of living and this migration is well managed and regulated. But in case of developing countries, people migrate from rural to urban area due to lack of employment opportunities, agricultural uncertainties etc. This migration is totally due to lack of proper policies for rural development of such countries.

Since in developed countries, urbanization is more controlled and regulated, it does not put pressure on the existing infrastructure of the urban areas. However, in case of

developing countries, the migration further leads to traffic congestion, scarcity water, creation of slum areas etc.

**Developing Suburban Areas: A solution**

There is another characteristic about the development strategies of developed countries is the existence of suburban area. These areas are located on the outskirts of cities and provide a mix of residential and commercial development, offering multiple job opportunities. It offers a balance between the amenities of urban life and peacefulness of rural living. In case of development, it's not like the rural areas, it is a perfect mix of residential, commercial and industrial zones. Infrastructure in such areas are also prioritized, with a well-developed roads and highways, availability of smooth public transport etc. In some countries, it has been seen that people are migrating from urban areas to less populated areas to escape from the chaotic life of urban areas, where basic daily necessities, public transport facilities, a proper road that connects with the urban are available. These areas give importance to agriculture equally, a beautiful merge between agriculture and industry sector. There are some examples, American cities like Atlanta or Phoenix have expanded outward, creating sprawling metropolitan areas connected by highway networks.

European countries, like Italy, Czech Republic etc. are also seen to have suburban areas that have such characteristics. They not only have the facilities to avail basic necessities, but also have better air and water. They have public parks so that people can spend time in greenery, which is very rare in urban areas.

These suburbs not only benefits the people that migrates to such area, but also benefits the urban area from where they have migrated. It reduces pressure in the urban area, reduce traffic, wastage etc., which are the major challenges of urbanisation. Some of the suburbs that are developing in India are: **Hijewadi, Pune**, which is the biggest IT-hub in Pune with dozens of tech companies are situated attracting thousands of workers; **Sarjapur Road, Bengaluru**, located close to key IT hubs such as Whitefield and Electronic City with expanding facilities of school, hospitals, shopping malls etc.; **Thane, Metropolitan Region (MMR)**, provided with the comforts of modernity and a cleaner air at prices that are way below than the central areas of Mumbai with a good connectivity with the central area; **Dwarka Expressway, Gurugram**, a sub-city of Dwarka, with the facility of affordable and high end housing societies; **Gachibowli, Hyderabad**, **Chennai Old Mahabalipuram Road (OMR)**, **Greater Noida West (Noida Extension), Delhi NCR** etc. Various projects are developing in these areas and have more scope to be developed.

Thus, with a good connectivity with the central areas of the city, the various problems of urban area can be solved to a greater extent. Along with this, urban planning is a necessary condition. Though there is a branch of urban planning in architecture, under which students are getting their degree every year, yet the use is very less. There is a need of professional help of such urban developer while formulating policies for the country.

## CONCLUSION

Urbanization is very common to be seen in both developed and developing countries. However, there has been also seen a reverse trend in some areas, where people are migrating from Urban to less urban areas to escape from chaos of the city life, where though there have facilities of different kinds, but issues associated with is also various kinds. Instead of improving the situation, more new health problems, problems related to the young generation, crimes, polluted environment etc. are growing; which are creating a new barrier in the path of the development. The problem can be solved by spreading the various activities to the countryside of such cities, that is, by creating more employment opportunities, better roads, better transportation, better educational institutions, and better health services in neighbouring areas of the cities. Overall, a better urban planning is the only solution left to such countries.

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