

**Integrated Development of Small
and Medium Size Towns (IDSMT)
An Evaluation Study**

Research Study Number 42

(Prepared for the Ministry of Urban Development)

National Institute of Urban Affairs
1st & 2nd Floor, Core 4B, India Habitat Centre, Lodhi Road, New Delhi
January 1990

INTEGRATED DEVELOPMENT OF
SMALL AND MEDIUM SIZE TOWNS (IDSMT)

An Evaluation Study

(Prepared for the Ministry of Urban Development)

National Institute of Urban Affairs
New Delhi

January 1990

**Integrated Development of Small
and Medium Size Towns (IDSMT)
An Evaluation Study**

Research Study Number 42

(Prepared for the Ministry of Urban Development)

National Institute of Urban Affairs
1st & 2nd Floor, Core 4B, India Habitat Centre, Lodhi Road, New Delhi
January 1990

INTEGRATED DEVELOPMENT OF
SMALL AND MEDIUM SIZE TOWNS (IDSMT)

An Evaluation Study

(Prepared for the Ministry of Urban Development)

National Institute of Urban Affairs
New Delhi

January 1990

PREFACE

This study on the evaluation of the Integrated Development of Small and Medium Towns (IDSMT) programme is the second in the series that the National Institute of Urban Affairs (NIUA) has prepared at the instance of the Ministry of Urban Development. The first study which pursued a case study approach focussed on the performance of the IDSMT programme in four towns; the present one has attempted to evaluate the impact of the IDSMT programme on what the programme is designed to achieve. This study has been carried out in a sample of twenty-two towns in eleven States - eleven towns whose performance in financial terms has been satisfactory, and another eleven whose financial performance has been poor.

Most of the evaluation studies done so far have concentrated on documenting the physical and financial achievements compared with the physical and financial targets. Hardly any of them has attempted to evaluate the impact of the programme on the main objectives. The focus of the present study is on the "future" : Should the programme be continued in the Eighth Plan or not? If the programme is to be continued, then should it continue in the same form or in a different form? What have constrained the effective implementation of the IDSMT programme? The present study has looked at the programme from these standpoints. The study has shown that the process of selecting the towns for accelerated development under this programme has not been proper. On the one hand, the criteria for the selection themselves have

not been comprehensive. On the other hand, the criteria which have been laid down in the 'Guidelines' for the selection of towns for accelerated development have not been rigorously applied.

The 'Guidelines' have suggested that preference be given to district headquarters, sub-divisional headquarters, tahsil towns and other growth centres, and to criteria such as to the rate of population growth, regional importance with reference to the activities in the hinterland and the growth potential of towns. The study has revealed that in many cases, the dominant functions of the selected towns were not identified and taken note of with the result that the programme could not be tailored to the needs of the individual towns. Another reason for the limited contribution of the programme was that many of the towns did not have the necessary growth potential and therefore, the linkages between the towns and hinterland could not be established.

The study has brought out the absence of pre-project planning modalities such as the demand surveys, feasibility studies and, in some cases, adequate attention to the steps involved in the identification of schemes and location of sites. This is in spite of the fact that there is a clear provision in the 'Guidelines' that every activity under the programme should be planned in detail.

The study has pointed out a number of problems associated with the acquisition of land for various IDSMT activities, inter-

agency co-ordination in the implementation of the IDSMT programme, delays in the transfer of funds from State Government, absence of proposals for the development of industrial sheds and small scale enterprises best suited to the economy and functional needs to strengthen the economic base of the towns.

NIUA's overall conclusions from this study are --

- a. Development of a small towns is a process which requires attention over a relatively long period of time;
- b. The more successful process will be one which focusses on the positive economic advantages of small cities rather than the fears of migration flows and concern of over-concentration in large cities;
- c. Small cities development strategy, to be successful, must include the systematic building up of local management and financial capacity;
- d. Such a strategy will also need to introduce flexibility in project identification and preparation of development schemes more suitable to the background and resource potential of the towns.

It has been suggested in the study that the IDSMT programme should be continued in the Eighth Plan with suitable restructuring, and special emphasis should be given to the strengthening of the economic base of towns and integration of economic and spatial aspects.

The Institute is grateful to the Ministry of Urban Development for funding the study and to the Town and Country Planning Organisation for providing the necessary basic data.

The Institute wishes to place on record its appreciation to the Municipal Councils, Development Authorities in the selected towns and Town and Country Planning Organisation in the selected States for their assistance and co-operation. The Institute acknowledges the hard work put in by V.K. Dhar, Housing, Environmental and Urban Planner in organising, and conducting this evaluation study. I would like to complement him for the insight that he has shown in selecting the indicators for evaluating the IDSMT programme. I would also like to thank the members of the team who worked with V.K. Dhar on this study.

Date: 24th January 1990

Om Prakash Mathur
Om Prakash Mathur
Director
24 Jan '90

CONTENTS

Preface	i
List of Tables and Charts	vi
Chapter I	
Introduction	1
Chapter II	
Infrastructure Development: Physical and Financial Profiles	32
Chapter III	
Improving the Socio-Economic Base	65
Chapter IV	
Improving the Spatial Linkages	95
Chapter V	
Conclusions and Recommendations	112
Summary of Report	129

LIST OF TABLES AND CHARTS

	<u>Page No.</u>
Chapter I	
Table 1 Distribution of Towns by Size Classes	12
Table 2 Percentage Distribution of Population by Size Classes	13
Table 3 Civic Status by Size Classes	14
Table 4 Population Density Distribution of Towns (Persons per sq.km.)	16
Table 5 Distribution of Population Growth by Size Class of 1961 and 1971	18
Table 6 Sex-Ratio by Population Size Class of Towns	18
Table 7 Frequency Distribution of Work Participation	19
Table 8 Population Characteristics by Size Class of Towns	19
Table 9 Inter-Correlation Matrix	21
Table 10 Distance of Towns from Half-Million Cities by Population Size	23
Table 11 Distance of Towns from Metropolitan Cities by Population Size	24
Chapter II	
Table 1 Land Acquisition (1979-80 to 1984-85)	37
Table 2 IDSMT: Residential Development during 1979-80 to 1984-85	40
Table 3 Development of New Roads: 1979-80 to 1984-85	46
Table 4 Markets and Commercial Complexes 1979-80 to 1984-85	48

	<u>Page No.</u>
Table 5 Income Generation (1979-80 to 1984-85)	50
Table 6 Financial Progress of IDSMT in Selected Urban Centres, 1979-80 to 1984-85	52
 Chapter III	
Table 1 Impact of Land Acquisition and Development of Existing Housing Stock/Backlog (1979-80 to 1984-85)	68
Table 2 Share of Low Income Plots in Total Plots Offered (1979-80 to 1984-85)	72
Table 3 Scale of Low Income Options in Total Demand for Low Income Housing	74
Table 4 Income Generation from Sale of Plots During 1979-80 to 1984-85	76
Table 5 Impact of Newly Constructed Roads	79
Table 6 Scale of Road Improvements	81
Table 7 Development of Markets & Mandis Potential Employment Generation	83
Table 8 Per Capita Daily Transactions in Markets & Mandis	85
Table 9 Income Generation (Non-recurring) from Markets & Mandis (1979-80 to 1984-85)	87
Table 10 Scale of Slum Improvement and Upgradation Activities	90
Table 11 Utilisation of Parks	92
 Chapter IV	
Table 1 Population and Growth Rates (1961-81)	97
Table 2 Location and Status of Sampled Towns	99

	<u>Page No.</u>
Table 3 Dominant Functions Sampled IDSMT and their Hinterland	101
Table 4 Commodity Flows in Sampled IDSMT Towns	104
Table 5 Formulation and Implementation of IDSMT Scheme	106
Table 6 Extent of Hinterland	108
Table 7 Interaction with Hinterland (Educational and Health Facilities)	110
Chart 1 Urbanisation Process under IDSMT	4
Figure 1 Infrastructure	33

PROJECT TEAM

Project Coordinator	V.K. Dhar
Study Team	Rajesh Chandra Nand Lal Naveen Mathur Ajay Nigam K.K. Pandey Anil Rai
Special Assistance	K. Sreeram Madhusree Mazumdar V.K. Kurra Sanjay Sinha
Editorial Assistance	Suhasini Ramaswamy
Secretarial Assistance	Meera Bhagchandani Kamlesh Grover
Word Processing Assistance	K.D. Laxmi Indu Senon T.C. Sharma Mahender Singh
Xeroxing Assistance	H.P. Pandey Gusai Ram

CHAPTER I

INTRODUCTION

A large number of less developed countries have shown a distinct bias for the development of small and intermediate cities as against large cities in their efforts to achieve desirable levels of economic development more evenly distributed over space. The primary reasons for this bias towards small and intermediate cities in these countries can be put down to a few major factors (O.P. Mathur : 1982):

- i. As the size of a city reaches a particular population level the diseconomies of scale cause a decline in efficiency in large cities. Further, the cost of providing infrastructure and basic services in these large cities rises disproportionately beyond a certain population size.
- ii. Polarisation of activities in large cities lead to concentration of national and regional resources that create economic imbalances among the regions.
- iii. Large cities tend to perpetuate their own growth rather than help growth spread to smaller urban centres and to rural hinterlands. This again results in regional imbalance and disparity.

In India, it was only in the seventies that some specific efforts were made to develop small and medium towns and these are currently under way. The Third Five Year Plan (1961-66) attempted to set right the problem of regional imbalances by giving some importance of housing and urban and rural planning. Urbanisation was discussed in the context of the industrial location policy while housing needs dominated the discussions of town planning. Thus little attention was paid to the economies of urban development or town/city development. The Fourth Five Year Plan (1974-79) took note of the continuing polarisation in

urbanisation and the general backwardness of the regions. A central sector scheme called Schemes for Integrated Urban Development Programme (IUDP) was initiated by the Government of India during the Fifth Five Year Plan (1974-79) with the objective of providing financial assistance to state governments/union territories to supplement their efforts for implementing urban development projects. But in a real sense, the IUDP scheme had little to offer to the small and medium towns as the scheme by 1978-79 had covered 31 cities and towns in 11 states with a total government outlay of Rs. 136 crores. Of these, as many as 17 were big cities, out of which 9 cities received 78 per cent of the total outlay. The scheme was discontinued by the end of 1978-79 and a new centrally administered IUDP exclusively for the development of small and medium towns was put into operation.

The new policy endorsed the conclusions of the Task Force on small and medium towns that these towns had been neglected too long and a frontal attack on their problems was called for. The Sixth Five Year Plan* prescribed a deliberate policy of encouraging the growth of small and medium towns.

The difference between this stated policy and the one underlying the Fifth Plan scheme for integrated urban development is that whereas the present proposal aims at specifically encouraging the growth of small and medium towns, the old scheme was aimed at large cities, including metropolitan cities which

* Originally to cover the period 1978-83, the Sixth Plan was later revised to cover 1980-85.

had experienced extraordinary growth or which were of national and regional importance.

Objectives

Backed by the strong recommendation of a Task Force which completed its report in 1977 on the problems of small and medium towns, the Government of India formally declared a national urban policy in the Sixth Plan by initiating a scheme called Integrated Development of Small and Medium Towns (IDSMT). The plan document indicated that this new urban policy would aim at slowing down the growth of metropolitan cities and at increasing the rate of growth of small and medium towns so as to enable them to act as growth and service centres for the rural hinterlands. The scheme envisaged increased investment in the provision of infrastructural and other essential facilities in the town to attract migrants who would otherwise have settled in metropolitan towns. The organisational requirements for central assistance under IDSMT are provided in Chart 1

Chart 1

Urbanisation Process Under IDSMT

Objectives	Instrumentalities	Criteria for Selection of Towns	Organisation Requirements
<p>1. To achieve a better growth in the small and medium towns in order that these towns can act as growth and service centres for their rural hinterlands.</p> <p>2. To reduce the rate of migration to metropolitan cities.</p>	<p>A series of activities to be planned and executed in a phased manner. The basic thrust of the scheme is towards providing increase investment in infrastructural and other essential facilities. The aim is to push the town forward and enable it to act as a catalyst for balanced regional development.</p>	<p>1. Administrative base; preference ordering as follows:</p> <ul style="list-style-type: none"> - District HQ town - Subdivisional town - Mandi town - Other important growth centres <p>2. Location in physical space between large cities and rural areas.</p> <p>3. Towns potentiality to service as a services and market centres in relation to rural hinterland.</p> <p>4. Demographic growth rate of the town.</p> <p>5. Potentiality of the location to generate employment through urban development.</p> <p>6. Institutional capacity for urban development</p>	<p>A multilevel organisational structure is envisaged with the state level giving the general policy direction and reviewing progress; the district level doing coordination, monitoring and evaluation; the local level preparing and implementing the integrated programme.</p>

Guidelines

Guidelines were issued to the states and union territories for the preparation of integrated development plans for small and medium towns. The methodology for the preparation of IDSMT programmes is outlined below. (Wishwakarma and Jha : 1983):

- i. Identification of development priorities and the needs of the specific town selected for integrated development, its functions, and the gaps and inadequacies in the existing services.
- ii. Ensuring the conformity of the integrated development plan for the town with the general development plan of the area, if there is any.
- iii. The formulation of the integrated development plan in consultation with the urban local body (i.e. generally an implementing agency).
- iv. Costing of itemwise projects keeping in view the economic viability of the project in terms of cost recovery.
- v. Giving preference to those projects for which land acquisition procedures are minimal or where land acquisition proceedings are in an advanced stage.
- vi. Preparation of project reports and financial estimates keeping in view the cost escalation of the project.

IDSMT Project Components

The components prepared for implementation of the IDSMT Programme and which qualify for central and state assistance consist of parts A and B.

Part A

The components in this category are eligible for central assistance on a matching basis :

- Land acquisition and development under which will fall residential schemes including sites and services with or without core housing. However, 50 and 20 percents of plots should be earmarked for economically weaker sections and low income group categories.
- Traffic and transportation to subserve shelter and employment; projects may include construction of roads and improvement/upgradation of existing roads, but will not include purchase of motor vehicles.
- Development of mandis/markets, provision of industrial estates, provision of other services and processing facilities for the benefit of agricultural and rural development in the hinterland.
- Construction of municipal abattoirs.

Part B

In this part the components are those for which funds are to be found from resources, of the state governments/implementing agencies, but which must form part of the Integrated Scheme.

- Slum improvement/upgradation, urban renewal and small scale employment generation activity.
- Low cost schemes of water supply, sewerage, drainage and sanitation.
- Preventive medical facilities and health care.
- Parks and playground.
- Assistance for the purpose of making modification, wherever necessary in city master plans to permit mixed land-use. (TCPO : 1985)

These components of development covered under both parts themselves indicate the relative importance of their roles in

the social, economic, physical and environmental dimensions of development and their significance in the integrated development of small and medium towns and their hinterlands.

Coverage

During the Sixth Plan period, it was proposed to cover 235 small and medium towns with populations of 100,000 and below, on the basis of the 1971 census, giving preference to the district towns, sub-divisional towns and mandi towns. The towns were selected "carefully with reference to the rate of growth of population, the growth of the district and the region, and the investment taking place in hinterland" (Wishwakarma : 1982).

Priority for selection was left to the states, keeping in view the guidelines. Another important criterion for selecting the towns was the linkage between the generation of employment and urban development and the capacity of the institutions responsible for such development.

It was decided that the cost of the approved projects should not exceed Rs.1 crore and the central government would provide assistance in the form of a loan to the extent of 50 per cent of the cost of Rs. 40.0 lakhs, whichever was less. The remaining funds would have to be provided by the state governments and the implementing agencies. This would be in the proportion of Rs. 40 lakhs from the state governments and Rs. 20.0 lakhs from the local governments. The central loan would carry an interest rate of 5.5 per cent with a rebate of 1/4 per cent for timely payment. It would be repayable in 25 years including a moratorium of 5

years on the principal. It is expected that the central assistance will be passed on to the implementing agencies promptly on the same terms. While the first instalment is generally released in advance on the basis of scrutiny of the schemes, the second instalment is released only after 70 per cent utilisation of the first instalment, together with the matching share and fuller details about the various aspects of implementation within a month of release of the central assistance.

During 1983-84 the low cost sanitation scheme was brought under the purview of the IDSMT scheme, to improve upon the environment of small and medium towns and to eliminate the manual carriage of human waste. For this purpose central assistance to the tune of Rs. 15 lakhs was made available to each IDSMT town. State governments contributed Rs. 12 lakhs to this scheme, thereby making a minimum total outlay of Rs. 107 lakhs (Rs. 40 lakhs +15 lakhs of central assistance and Rs.40 lakhs +12 lakhs of state contribution) for each town.

Seeing the potential of the programme, the IDSMT scheme was continued during the Seventh Five Year Plan, with some modifications in the guidelines. Central assistance was raised

to Rs. 46.00 lakhs. Low cost sanitation (LSC) was given Rs.14.00 lakhs out of which the (LSC) component amounting to Rs. 6.00 lakhs was made obligatory. Thus, central assistance available amounted to Rs. 60.00 lakhs on a matching basis. The interest rate of the central assistance loan has also been increased to 9.25 per cent. (TCPO : 1988)

In the Seventh Five year Plan another 102 towns were added beside the on-going projects of the Sixth Plan towns which could not take advantage of the full central assistance of Rs. 40.00 lakhs during its plan period.

The IDSMT scheme laid considerable emphasis on the integral part of the overall development strategy. It was, therefore, suggested that care should be taken to identify :

- i. the natural endowments of the given town in the form of river-fronts, waterbodies, lakes, hilly features and the like;
- ii. the historical heritage of the towns reposed in its urban or community forms or historical monuments and structures; and
- iii. attention to be given to improve the overall environment of the towns with special emphasis to the development of open green spaces (Wishwakarma and Jha : 1983).

But because of the paucity of funds all the above items could not be included in the guidelines while selecting the towns. It was finally decided to lower the standards of application in order to maximise the coverage. The state governments were directed to identify agencies to prepare and implement the programme and take steps to strengthen the organisational set-up of the local implementing agencies.

Suggestions were given for the constitution of agencies at the state and local levels to monitor and assess progress. Particular attention was to be paid ~~to~~[✓] the maintenance of facilities created under the scheme through adequate provision in the budgets of the local agencies. The state governments were asked to prepare capital budgets for the state urban development plans. It was suggested that all sectoral funds available for urban development should be pooled together.

The appraisal of project reports was to be done by the TCPO and submitted for sanction under the chairmanship of the Secretary of the Ministry of Urban Development along with representatives from the Ministry of Finance and the Planning Commission. Periodic reports on the physical and financial progress of the schemes were to be maintained by the TCPO and the progress to be reviewed by the assessing committee and the TCPO.

Characteristics of the IDSMT towns

The towns were selected on the basis of their population size and the guidelines formulated by the TCPO under the Ministry of Urban Development. As mentioned earlier, towns with populations of one lakh and below were considered for the programme. But interestingly enough, all the 235 settlements selected during the Sixth Five Year Plan were neither accorded urban status in the 1971 census nor were they below the one lakh population ceiling. A few settlements with a rural base such as Jiribhum, Amethi, Baidhan and Silvassa were also selected in the belief that these settlements would prove to be promising growth

centres. Three of these settlements gained urban status in the 1981 census.

The profile of IDSMT towns has excluded all towns whose data are either not readily available, or where the town is not comparable with that of previous or the following decades of 1961 and 1981, for want of specific data. The total number of towns analysed are, therefore, 221 for 1961, 227 for 1971 and 230 for 1981 with minor changes depending upon the variables used.

A comparative study of the 1971 data with those of the previous and the following decades highlights a few interesting trends. The distribution of IDSMT towns in the different size classes points to an upward shift from the lower to the higher size categories. In 1961 there were 117 towns in class III and 49 towns in class II. In 1971, these towns get redistributed into 90 towns in class II and 94 towns in class III. By 1981, the concentration of towns had shifted to class II with 111 towns in this category. The vertical shift of towns also had an effect on the horizontal distribution pattern. In 1961, there were just 2 cities with more than one lakh population. But their number rose to 7 in 1971 and 39 in 1981. In the lower population size categories a reverse pattern can be seen with 49 towns in 1961, 29 towns in 1971 and 10 towns in 1981 in the class IV size group. Hence, while the first two size categories record an increase in the number of towns, classes III, IV and V show a decline. The overall shift is, therefore both horizontal as well as vertical. (Table 1)

Table 1
Distribution of Towns by Size Classes

Size Class	1961		1971		1981	
	No.	%	No.	%	No.	%
I	2	.90	7	3.08	39	16.96
II	49	22.77	90	39.65	111	48.26
III	117	52.94	94	41.41	63	27.39
IV	40	18.10	29	12.78	10	4.35
V	12	5.43	5	2.20	4	1.74
VI	1	.45	2	.88	3	1.30
Total	221	100.00	227	100.00	230	100.00

(Size classes according to the Census of India)

A similar upward shift is witnessed in the distribution of population as well, with a vertical and a horizontal increase (Table 2). Population is more in the urban agglomerations, municipal corporations and municipalities, being concentrated generally in classes, I, II, and III categories, with 12 urban agglomeration in class I and 18 in class II in 1981. Of the 11 municipal corporations in 1981, 10 are distributed in classes I, II and III. Municipal towns being the largest in number, there are 24 in class I, 86 in class II and 49 in class III for 1981. (Table 3)

Table 2
Percentage Distribution of Population by Size Classes

Size class	1961			1971			1981		
	No. of towns	Average population	% population	No. of towns	Average population	% population	No. of towns	Average population	% population
I	2	249,651	3.14	7	902,250	8.34	39	4,959,253	32.62
II	49	30,40,211	38.20	90	6,054,898	55.98	111	7,859,112	51.69
III	117	3,967,376	49.85	94	3,350,069	30.97	63	2,182,690	14.36
IV	40	604,763	7.60	29	466,394	4.31	10	160,072	1.05
V	12	93,015	1.17	5	39,308	0.36	4	28,787	0.19
VI	1	2,902	0.04	2	3,485	0.03	3	12,993	0.09
	221	7,957,918		227	10,816,404		230	15,202,907	

Source : Census of India.

Table 3
Civic Status by Size Classes

Size Class	MC			M			NAC			SB			UA			Village			Total		
	'61	'71	'81	'61	'71	'81	'61	'71	'81	'61	'71	'81	'61	'71	'81	'61	'71	'81	'61	'71	'81
I	0	0	3	0	3	24	0	0	0	0	0	0	2	4	12	0	0	0	2	7	39
II	4	6	5	31	64	86	0	0	0	0	0	0	14	20	18	0	0	1	49	90	110
III	5	4	2	96	76	49	1	2	6	0	0	0	14	9	4	1	1	0	117	92	61
IV	1	0	1	30	20	6	5	6	2	0	1	1	0	1	0	0	0	0	39	28	10
V	1	1	0	5	3	1	3	1	2	1	0	1	0	0	0	0	0	0	10	5	4
VI	0	0	0	1	0	0	0	0	1	0	1	1	0	0	0	0	0	0	1	1	2
Total	11	11	11	163	166	166	9	9	11	1	2	3	33	34	34	1	1	1	218	223	226

MC - Municipal Corporations
M - Municipalities
NAC - Notified Area Committees
SB - Sanitary Boards
UA - Urban Agglomerations

Density trends exhibit a slightly different pattern with the average population density for all the IDSMT towns rising horizontally. But density shifts over the years appear erratic with different size classes and calls for micro level examination. Density distributions in urban agglomerations, municipal corporations and municipalities indicate moderate congestion, with concentration of towns mainly in the 1000 to 4999 persons per sq.km. group. Otherwise, population density is lower in the smaller towns and higher in the larger size classes. Hence, while the vertical shift persists in congestion characteristics, the horizontal pattern does not follow the town and population distribution trends. (Table 4)

The population growth of IDSMT towns has certainly improved over the years. But whether the rise is due to the overall population expansion, or to the effect of IDSMT programme, is yet to be ascertained. An examination of individual towns points to a decline in growth in many cases. But towns that maintain a high growth rate or whose growth has improved over the years do indicate growth potential. Towns with improved growth could, therefore, be the future investment centres.

Towns with rapid increase in population are from class I and class VI categories. All the other size classes have experienced gradual growth. Consequently the total average population growth of IDSMT towns has increased by a mere 5.38 per cent from 35.00 per cent in 1961-71 to 40.38 per cent in 1971-81. The number of towns in the higher growth categories has

Table 4
Population Density Distribution of Towns
(Persons per sq.km.)

Size Class	1961		1971		1981	
	No. of Towns	Population Density	No. of Towns	Population Density	No. of Towns	Population Density
I	2	4568	7	3310	39	3780
II	49	3005	90	3116	111	3911
III	117	2274	94	2727	63	2088
IV	40	1272	29	938	10	2205
V	12	395	5	2029	4	1527
VI	1	1872	2	205	3	677
Total	221	2259	227	2719	230	3395

increased over the years, while there has been a decline in their number in the lower growth categories. (Table 5)

The sex-ratio has also increased over the years, irrespective of the size class of towns, except for class VI towns. Though the trends is towards a general congestion in most of the towns, the larger towns have a lower sex-ratio than the medium sized towns. The ratio in the very small towns has declined giving rise to a suspected increase in single-member migration to these towns. (Table 6)

Comparable figures for work-participation were not readily available for all the three census years. Therefore, only the 1981 work participation has been examined. Work participation in the smaller towns is higher than in the larger cities, but very high work participation is not confined only to the smaller towns, as can be seen from individual figures. It is scattered in practically all size classes. The frequency distribution of towns in the work participation categories points, to concentration of towns with 26.0 - 30.0 per cent participation. In the category of 31.0 per cent to 35.0 per cent there are 45 towns, while there are only 13 towns above 35.0 per cent (Table 7). There appears to be no significant connection between population growth and work participation. (Table 8)

Table 5
Distribution of Population Growth by
Size Class of 1961 and 1971

Size Class	1961-71		1971-81	
	No. of Towns	% Growth	No. of Towns	% Growth
I	2	13.00	7	44.44
II	49	30.00	90	36.54
III	117	37.00	94	44.21
IV	40	46.00	29	51.42
V	12	62.00	5	73.66
VI	1	72.00	2	146.80
Total	221	35.00	227	40.38

Table 6
Sex-Ratio by Population Size Class of Towns

Size	1961		1971		1981	
	No. of Towns	Sex-Ration	No. of Towns	Sex-Ratio	No. of Towns	Sex-Ratio
I	2	790	7	869	39	881
II	49	868	90	889	111	905
III	117	885	94	881	63	912
IV	40	892	29	908	10	895
V	12	846	5	906	4	907
VI	1	837	2	791	3	789

Table 7
Frequency Distribution of Work Participation

Towns	Work Participation Categories (in percentage)
Above 40.00	4
36.00 - 40.00	9
31.00 - 35.00	45
26.00 - 30.00	119
21.00 - 25.00	50
15.00 - 20.00	2
Below 15.00	1

Table 8
Population Characteristics by Size Class of Towns

Size Class	1971 No. of Towns	1971 Population	1971 Popula- tion Density	1971-81 Popula- tion Growth	1971 Sex Ratio	1981 Work Partici- pation
I	7	902,250	3310	44.44	869	28.44
II	90	6,054,898	3116	36.54	889	27.57
III	94	3,350,069	2727	44.21	881	28.81
IV	29	466,394	938	51.42	908	29.28
V	5	39,308	2029	73.66	906	33.80
VI	2	3,458	205	146.80	791	33.69

Selection of the IDSMT towns based on population characteristics and distance appears systematic. But the correlation between the variables is so weak that it does not add up to a polarisation effect.

A very weak correlation exists between the overall population size and density, unless size classes are taken into account to yield a behavioural pattern. Similarly, population size has a weak positive relation with distance from the metropolitan cities. (.03 in 1971). Otherwise population is negatively connected with growth and sex ratio (the larger towns having less growth and lower sex ratio). Population also has an enverse relationship with distance from half-million cities. This indicates that large towns do have an influence on the nearby medium towns. Such a pattern suggests that if towns are to develop as growth centres to divert migration, they should not be located very far from large cities. The sex ratio has a negative relationship with growth and density. In can, therefore, be derived growth is high where migration is high especially in the smaller towns usually have single-member migration with the sex ratio being low. In larger cities where density is high, the sex ratio is once again low on account of similar reasons. (Table 9)

Work participation has a negative relationship with population size and density. Frequency tables categorised by size classes, corroborate that the larger the town the greater

Table 9
Inter-Correlation Matrix

	X1	X2	X3	X4	X5	X6	X7
X1	1.0000						
X2	0.2184	1.0000					
X3	-0.0188	-0.1370	1.0000				
X4	-0.0285	-0.0133	-0.3038	1.0000			
X5	-0.1060	-0.1672	0.0678	0.0453	1.0000		
X6	0.0295	-0.0325	0.1321	-0.2204	0.1193	1.0000	
X7	-0.0782	-5.085E-03	0.2160	-0.3610	0.1387	0.6236	1.0000

Variables:

X1 = Population 1981
X2 = Density 1971
X3 = Population growth 1961-71
X4 = Sex Ratio 1971
X5 = Work Participation
X6 = Distance to Metro-cities
X7 = Distance to Half-million

the congestion and the lower the work participation ratio. This is because of a high dependency ratio in larger towns. Work participation however, has a positive relation with sex ratio. This pattern can also be observed in the table on population characteristics. As already observed, work participation is greater in the medium-sized and smaller towns, where the sex ratio is high, with the exception of the class VI towns. Work participation also has a positive relation with population growth though the correlation is rather weak. Distance, too, has a positive relation with work participation. In the case of the IDSMT towns, a majority of them even now, are not very far from large cities.

Most of the IDSMT towns are located between 100-499 km. from metropolitan cities and 50-199 km. from half-million cities. Towns in these distance ranges belong broadly to size classes II and III. (Table 10, 11) As the location of a town is fixed, the distances between IDSMT towns and the larger cities remain constant. Hence any change in the distribution of demographic characteristics of these towns vis-a-vis the larger cities can only be vertical, normally with the towns shifting their status from the lower to the higher categories.

Table 10

Distance of Towns from Half-Million Cities by Population Size.

Size Class	>500 km.			200-499 km.			100-199 km.			50-99 km.			<50 km.			Total		
	'61	'71	'81	'61	'71	'81	'61	'71	'81	'61	'71	'81	'61	'71	'81	'61	'71	'81
I	0	0	0	1	3	14	1	2	11	0	2	11	0	0	2	2	7	38
II	0	0	0	10	17	9	13	31	44	20	29	43	5	12	15	48	89	111
III	0	2	4	16	11	12	49	40	26	38	33	16	14	8	5	117	94	63
IV	1	1	0	8	7	3	18	10	3	10	7	2	3	4	2	40	29	10
V	2	1	0	3	0	0	2	2	1	2	1	2	3	1	1	12	5	4
VI	0	0	1	0	1	1	1	1	1	0	0	0	0	0	0	1	2	3
Total	3	4	5	38	39	39	84	86	86	70	72	74	25	25	25	220	226	229

Source : Data generated through desire lines NIUA.

Table 11

Distance of Towns from Metropolitan Cities by Population Size

(in km.)

Size Class	>1000			500-999			200-499			100-199			<100			Total		
	'61	'71	'81	'61	'71	'81	'61	'71	'81	'61	'71	'81	'61	'71	'81	'61	'71	'81
I	0	0	0	0	0	2	1	6	27	1	1	7	0	0	3	2	7	39
II	0	0	0	1	3	22	32	51	60	11	24	31	5	12	18	49	90	111
III	0	1	1	4	3	4	64	52	31	31	25	16	18	13	11	117	94	63
IV	1	0	0	0	1	0	17	14	6	12	5	1	10	9	3	40	29	10
V	0	0	0	2	1	0	8	2	1	0	1	3	2	1	0	12	5	4
VI	0	0	0	0	1	2	0	0	0	1	1	1	0	0	0	1	2	3
Total	1	1	1	7	9	10	122	125	125	56	57	59	35	35	35	221	227	230

Source : Data generated through desire lines. NIUA.

One of the main objectives of the IDSMT programme was to divert the population flow away from metropolises into these selected small and medium towns that would eventually develop into growth centres and cater to the needs of their hinterlands. An attempt was being made to decentralise development and avoid congestion in the metropolises. The migrant population would thus get absorbed into the IDSMT towns and help the town planning authorities in promoting a more even distribution of population. Care was, therefore, taken to formulate guidelines for the selection of towns in a manner that would provide enough scope to benefit from the economies of scale ideally suited to medium sized towns. What remains to be examined is their growth efficiency with regard to their economic base, the regions in which they are located, and to assess the capability of resource generation, transportation network linkages between the town and its hinterland and the forward and the backward linkages of economic development and infrastructural facilities.

Implications of the Strategy and Project Evaluation

An amount of Rs. 61 crores was released by the Central Government towards this scheme during the Sixth Plan period. As

per provisions of the scheme the states provided a matching contribution from their own resources. The launching of the IDSMT scheme was a major attempt on the part of the Government of India to directly intervene in the process of spatial distribution of urban population within the country. It signalled firstly, that the government considered the existing distribution of urban population as unsatisfactory, and secondly, that a balance could be brought about in the distribution of urban population by making direct investments in the physical and economic infrastructure of small and medium sized towns.

In physical terms, the IDSMT programme took time to take off. The TCPO's report on physical progress points out a gradual development of the schemes. Given the existing administrative and legislative problems any programme would require more time to develop. As the report itself mentions, "the IDSMT scheme has tremendous potential to mitigate the problems of migration towards the handful of our metropolitan centres" (TCPO : 1985). The Institute of Local Self Government and Public Administration observed that the IDSMT scheme created an awareness among the public regarding urban development (AILSG : 1986). Wishwakarma et al : 1984 in a very comprehensive evaluation study, brought forth many positive contributions of the programme. Infrastructure and service inputs, they say, have helped to lever secondary development through backward and forward linkages. This perception has been strengthened by a very recent study done by NIUA, (NIUA : 1989) in January 1989, for four towns of Orissa, Assam and Kerala, which observes that "the IDSMT programme has

set in motion a process of development whose impact can be seen only in a longer time frame"

Most of the evaluation studies done so far assess the physical achievements and the financial expenditure vis-a-vis the assistance released by the central government. The reports barely assess the impact of the IDSMT scheme in achieving its major objectives. These can be framed under three major questions: Has it slowed down the growth of metropolises? Has it strengthened the physical infrastructure of towns covered by the scheme such that they have now begun to attract economic activities? Has it contributed to redistribution of urban population or have the investments made under this scheme paid off in any sense?

While it may be too early to pass any conclusive judgement; the Institute undertook an evaluation study of IDSMT schemes sponsored by the Ministry of Urban Development, with a view to determine:

- the achievement of the IDSMT scheme measured in physical targets;
- the extent to which the components of the scheme are in conformity with the physical requirements of the IDSMT towns, that is, the flexibility or otherwise of the scheme to take up projects that are better suited to the needs of the IDSMT towns;
- the adequacy or otherwise of the financial provisions in relation to the requirements i.e., whether the scheme is merely notional in terms of financial provisions; and
- whether the entire process of identification, formulation, implementation and management of the various projects within the IDSMT scheme is quite satisfactory.

The main justification for the study stems from the fact that in the context of scarce resources, any commitment of funds for the scheme in future should be weighted against its costs and benefits; and should also be based on an appraisal of whether the scheme would achieve its objectives if it were to be continued in the Eighth Plan.

The present study is a little different from the earlier ones in the sense that it attempts to assess the impact of the scheme by taking into account a larger number of towns with varying successes and failures in the implementation of IDSMT schemes.

Here it may be mentioned that, while considering the proposal, the Research Advisory Committee of the Ministry of Urban Development suggested that the Town and Country Planning Organisation could be consulted for the selection of sample towns for the study. In view of this, the Town and Country Planning Organisation, an agency for monitoring the implementation of the scheme, provided a list of 23 successful and 13 unsuccessful IDSMT towns. Out of this number it was proposed to take up the evaluation of 11 successful and 100 unsuccessful cases for indepth case studies. This sample constituted roughly 10 per cent of the total number of IDSMT towns.

The list of the towns termed as "successful" or "unsuccessful" under the IDSMT scheme provided by the Towns and Country Planning Organisation was made on the basis of the Planning Commission's report on the 20 Point Programme.

"Successful" towns are those under the IDSMT, where the expenditure exceeds the release of central assistance and the matching contribution from the state and which taken together constitute more than 70 per cent of the total investment. "Unsuccessful" cases are those where it is less than 70 per cent.

The approach of the study is to provide

- i. A macro-analysis of the demographic and economic aspects of the IDSMT towns by using selective indicators and by looking into the validity of the IDSMT towns as growth centres; and
- ii. A micro-analysis of 22 selected (about 10 per cent sample) small and medium towns covered by the scheme for indepth studies with the objective of assessing the impact of the IDSMT scheme on its objective.

The micro-analysis has been confined to assess the progress of the project implementation and its effects and impact at three levels namely,

- i. Improvement in the physical infrastructure of a town.
- ii. Improvement in the socio-economic base of a town.
- iii. Improvement in the spatial linkages.

To assess the impact of IDSMT scheme, the following set of criteria are used:

A. Physical

- i. Achievement of physical targets:
 - a) Land acquisition: Actual land acquired to the proposed land for acquisition.
 - b) Residential Development : Total Plot proposed, development and disposed
 - c) Industrial Development : Total Plots proposed, developed and disposed

- d) Development of new roads : Actual Road length completed to the proposed target
- e) Development of Market and Mandies : Number of shops/stalls proposed, developed and disposed

B. Financial

- i. Proportion of matching contribution from various implementing agencies to the total amount sanctioned and utilised (Componentwise).
- ii. Proportion of amount utilised for land acquisition, development of market/mandies and traffic and transportation to the total sanctioned amount.

C. Economic

- i. Proportion of total income generated by way of sale and disposal of residential, industrial and commercial projects.
- ii. Number of units (Godown/Shed, Shops/Stalls) developed and average number of persons employed during the implementation of the project for potential employment generation.

D. Social

- i. Proportion of slum population benefitted.
- ii. Average daily attendance in parks & playground under the scheme (Through Primary Survey)

E. Spatial Linkages

- i. Changes in total quantum of commodities coming into the town.
- ii. Variation in quality of commodity flow between 1979-80 to 1984-85 for consumption in the town and export to other area.
- iii. Increase or decrease in the number of students and outdoor patients from hinterland.

F. Planning

- i. Identification of project feasibility reports, if any.
- ii. Identification of site-location/demand surveys for development of physical infrastructure according to the master plans, if any.

G. Qualitative Surveys

The views of Chief Executive Officer/Town Planners involved in implementing the IDSMT programme were obtained in terms of components of IDSMT programme, selection of projects, success of failure in implementation of the project through personal interviews.

The questionnaire was designed accordingly to include the data on all the these aspects mentioned above, besides preparing a subjective questionnaire to get the views of the people engaged in the implementation of the IDSMT scheme in supervisory or administrative capacities. The data were collected through field visits to all the selected IDSMT towns. Two primary surveys, namely, a traffic intensity survey and a survey of utilisation of parks and playgrounds developed under the IDSMT scheme, were conducted in all the selected towns from 8 A.M. to 8 P.M. for one day. Since at the time of the study various IDSMT projects were under progress, data related to physical and financial achievements were collected for the period 1979-80 to 1984-85 (year-wise) in order to prepare comparable statements. However, the primary survey and the opinion schedules for the collection of information on the qualitative aspects of the socio-economic improvements, on people's participation and the further continuance of the IDSMT programme were conducted from March-December 1988 in all the selected towns.

CHAPTER II

INFRASTRUCTURE DEVELOPMENT: PHYSICAL AND FINANCIAL PROFILES

Lack of adequate infrastructural support is an important casual factor behind the imbalances and the friction evidenced in the spatial dynamics of small and medium towns. Prompt and adequate supply of infrastructure facilities is a sine qua non for efficient functioning and also for enabling small and medium towns to provide a sound support structure for the development of their rural hinterlands.

The Integrated Development of Small and Medium and Medium Towns (IDSMT) Programme is based on a model of progressive development envisaging the basic principles of decentralised urban policy. Such a model seeks to bring about area development by creating excess capacity of essential infrastructure in small and medium towns, thus stimulating their growth processes and their strategic role in acting as commercial and administrative service centres for rural populations.

Figure 1 presents a flow-chart of infrastructure development under IDSMT. It may be observed that the various components of infrastructure development interact in an integrated manner to achieve programme objectives and impact on the economy of small and medium towns by:

Figure 1

Infrastructure

Land acquisition & development	Development of markets & mandies	Development of new roads	Development of parks recreation centre	Medical facilities
Actual land acquired	Shops	Construction of new roads	Development of parks	General
Residential development (EWS & others)	Stalls Godowns			
Development of industrial sheds	Agro-processing	Improvement and widening of roads	Construction of recreation centre	Spacial
Solve the problem of housing	Employment & income generation	Increases transport mobility	Ecological balance aesthetic development	Protection from urban health hazards

Retard out migration I Promote rural hinterland development
 M
 Induce migration from rural P Slow down the growth of
 hinter land to these towns A metropolitan cities
 C
 T Ensure a balanced distribution of
 urban population

 Improve civic
 and economic
 infrastructure

- providing housing and shelter
- generating employment and income
- increasing transportation mobility
- promoting ecological balance, and
- protecting the urban environment from health hazards.

The close interrelationship of urban infrastructure development with the growth process of small and medium towns, makes this component a major thrust area of IDSMT. It also necessitates organisational rearrangement and expansion of infrastructure facilities for the urban planning of these towns.

In the above context, it is therefore necessary to evaluate the performance of various components of infrastructure development of the IDSMT towns, identify their problems and constraints and suggest effective measures to improve the efficiency of infrastructure development under IDSMT.

As mentioned earlier, the following set of criteria are used to assess the impact of the IDSMT scheme.

- i. Achievement of physical targets :
 - a) Land acquisition : Actual land acquired to the proposed land for acquisition.
 - b) Residential Development : Total Plots proposed, developed and disposed.
 - c) Industrial Development : Total plots proposed, developed and disposed.

- d) Development of new roads : Actual Road length completed to the proposed target.
 - e) Development of Market and Mandies : Number of shops/stalls proposed, developed and disposed.
- ii. Proportion of matching contribution from various implementing agencies to the total amount sanctioned and utilised (Componentwise).
 - iii. Proportion of amount utilised for land acquisition, development of market/mandies and traffic and transportation to the total sanctioned amount.

Land Acquisition and Development

Land acquisition and development for provision of sites and services constitutes an important and time consuming implementation phase of the IDSMT Programme. An examination of this phase reveals that some of the selected towns have achieved the land acquisition targets and this has undoubtedly led to a good deal of secondary development in these towns. In most cases, however, land acquisition and development has become an onerous task.

Table 1 provides data on the progress of land acquisition in selected case study towns during the period 1979-80 to 1984-85. It may be observed from the table that only four towns, namely, Anand, Thanesar, Sirsa and Satara were successful in acquiring

all the land proposed under the scheme. It is interesting to compare the performance of IDSMT towns in the two categories "successful" and "unsuccessful" as per the TCPO classification. Generally the "successful" IDSMT towns have shown a better track record with regard to land acquisition as many as six of the seven case study towns (which provided the data) had been able to achieve more than 75 per cent of the target. Only one IDSMT town, Begusarai achieved land acquisition below this level (67.69 %).

Among the "unsuccessful" IDSMT towns, four towns Srikakulam, Raichur, Kayamkulam and Kinwat could not achieve even 50 per cent of the land acquisition target during the reference period 1979-85. In the case of Mehmedabad this infrastructural component had to be dropped altogether while in three towns of Madhya Pradesh, Andhra Pradesh and Karnataka the progress of land acquisition under the scheme was very poor ranging between 8.96 per cent and 37 per cent.

Table : 1

Land Acquisition (1979-80 to 1984-85)

IDSMT Selected Towns	Proposed land for acquisition	Land acquired	% acquisition
<u>Successful Towns</u>			
Vijayanagram	26.51	25.79	97.28
Begusarai	5.54	3.75	67.69
Anand	0.36	0.36	100.00
Thanesar	32.32	32.32	100.00
Hassan	27.03	23.83	88.16
Mallapuram	6.00	4.54	75.67
Satara	1.83	1.83	100.00
<u>Unsuccessful Towns</u>			
Srikakulam	28.67	6.25	21.80
Mehmedabad	Scheme has been dropped		
Sirsa	20.00	20.00	100.00
Raichur	40.87	15.00	36.70
Kayamkulam	7.14	0.64	8.96
Chhindwara	12.87	10.73	83.37
Kinwat	11.75	5.81	49.45

Source: NIUA Survey.

NIUA's field investigation reveals that a major impediment in the implementation of IDSMT is the non-availability of sufficient land with the implementing agencies. In most cases proposals for land acquisition were challenged in the courts, as land ownership generally vests with individuals. During the survey, implementing agencies in Vijayanagaram, Begusarai, Hassan, Itarsi, Barabanki, Kayamkulam, Suri, Kinwat and Almora reported that they were unable to acquire the proposed land owing to litigation by the public. In some cases, whatever lands the local bodies had in their possession, were also affected by writ petitions in the courts. In a few cases the sites were encroached upon or were not found suitable for the proposed programme activities.

Another procedural constraint which has hindered the progress of land acquisition in IDSMT towns is that for land acquisition, the implementing agencies have to deposit advance funds against compensation with the land acquisition officer. Central assistance is available to them only after the land acquisition proceedings have reached the award stage. This factor coupled with the weak financial position of most implementing agencies, has put severe constraints on the satisfactory progress of the land acquisition programme under the scheme.

Residential Development

The residential scheme under the IDSMT programme comprises sites and services development, which may be with or without core housing. The scheme guidelines suggest that 20 per cent and 50 per cent of the total proposed plots should be developed for low-income groups and economically weaker sections (EWS), respectively.

The development of residential plots was proposed in seventeen sampled IDSMT towns. (Eleven successful and six unsuccessful). In five towns namely, Anand, Satara, Suri, Chhindwara and Almora, only EWS plots were proposed under the scheme, while in six towns, namely Barabanki, Bolpur, Srikakulum, Dumka, Sirsa and Kinwat, the EWS categories comprised between 50 per cent and 75 per cent of the total proposed residential plots under the IDSMT Scheme.

Table 2 provides information regarding the progress of residential plot development under IDSMT in the case study towns during the reference period 1979-80 to 1984-85.

It can be observed that of the case study IDSMT towns which developed residential plots under the EWS category, only three 'successful' towns namely viz., Anand, Satara, Pudukkotai and one 'unsuccessful' town, Chhindwara towns were able to fully dispose off the plots and achieve cent per cent target.

Table : 2

IDSMT : Residential Development during 1979-80 to 1984-85

IDSMT Selected Towns	Total Plots proposed		Total Plots developed		Total Plots disposed		Percentage disposed	
	EWS	Others	EWS	Others	EWS	Others	EWS	Others
<u>Successful</u>								
<u>Towns</u>								
Vizianagaram	-	559	-	557	-	452	-	31.15
Begusarai	-	-	Scheme is not prepared					
Anand	273	-	273	273	273	-	100.00	-
Thanesar	123	1145	123*	1145	Not yet disposed			
Itarsi	470	512	470	512	To be disposed on November '83			
Satara	190	-	100	0	100	-	100.00	-
Pudukotti	92	1250	92	1250	92	1150	100.00	92.00
Barabanki	144	100	25	1250	92	81	-	95.29
Bolpur	66	22	66	22	Not yet disposed			
<u>Unsuccessful</u>								
<u>Towns</u>								
Mehmedabad	-	-	Not taken up					
Raichur	-	-	Residential development					
Chhindwara	132	112**	132	-	132	-	100.00	-
Coonoor	-	-	No scheme under IDSMT					
Almora	97	-	53	-	Land dispute case pending in court			

Source : NIUA Survey

Note : * EWS and LIG

Others : LIG, MIG and HIG

** Administration approval was received in April 1987.

In the case of LIG and other categories not a single sampled IDSMT town could achieve the full target with reference to plot disposal. The percentage of plots disposed of under LIG and the combined category ranged from 81.15 per cent (Vijayanagaram) to 92 per cent (Pudukkotai) and 95.29 per cent (Barabanki). While in Almora and Barabanki disposal of developed residential plots was held up because of land disputes pending in the courts, in three selected IDSMT towns - Thanesar, Itarsi and Bolpur, disposal of developed plots had yet to commence.

The main constraints faced in the development and disposal of residential plots under IDSMT relate to the following :

- Urban land litigation precluded availability of land for residential schemes.
- Selection of sites for residential development was inappropriate. In some towns (Barabanki) the land was selected on the outskirts of the town and was being utilised as a trenching ground.
- There was lack of coordination between local and state agencies leading to both intra and inter agency breakdown and consequent costly delays in sanctioning project estimates.
- There were escalation and other financial constraints particularly in the construction sector. Everincreasing prices of bricks, cement and other construction materials have impeded the physical targets.
- Lack of affordability or the phenomenon of mismatch between the cost of residential plots and housing in relation to the yearly income of people belonging to EWS and LIG categories.

The analysis of this major infrastructure component under IDSMT reveals that preference has been given to the EWS category in residential development. Hence it is imperative that schemes for weaker segments of the urban population must be supplemented by additional schemes which generate additional income particularly for the migrants to IDSMT towns.

The Task Force Report* (Government of India) recommended "proper phasing of human settlements in those small and medium towns and setting up of building material industry to encourage locally available building materials and improving the construction techniques". The provision of a sufficient number of houses for residential schemes in IDSMT towns constitutes a major magnetic pull factor for the EWS and for urban migrants. Institutions such as Housing and Urban Development Corporation (HUDCO) and National Housing Board (NHB) should divert their financial resources towards small and medium towns, so as to bring better dwelling units and improved living environment within the reach of both EWS and LIG population under the IDSMT Programme.

Industrial Development Under IDSMT

Small and medium towns are generally characterised by a relatively low contribution of the secondary sector and by lack of industrial development in particular. The absence of industrial entrepreneurship in these towns is mainly a result of

* Report of the Task Force on Planning and Development of Small and Medium Towns and Cities, Ministry of Works and Housing, Govt. of India, Vol. I, P. 26.

inadequate infrastructural facilities, especially of transport, for bringing in the required industrial raw material and marketing the finished products in other parts of the economy.

The IDSMT Programme initiated the creation of industrial infrastructure in small and intermediate towns by undertaking the development of industrial sheds. However, progress in this area has been unsatisfactory with only two out of 22 sampled IDSMT towns - Satara and Raichur - implementing the scheme of industrial sheds development under IDSMT. In Satara 60 industrial sheds were developed and 43 sheds (72 per cent) were disposed of while in Raichur out of 48 industrial sheds which were set up under the programme, 36 sheds (75 per cent) were disposed of to industrial entrepreneurs. The development of industrial sheds was not proposed in most of the remaining sampled towns. In towns such as Mallapuram, Dumka, Raichur and Suri, it was observed that the execution of this component could not take place owing to administrative, technical and financial constraints.

It is necessary to initiate industrial programmes for providing employment to the expanding population of small and medium towns and to achieve a higher growth in the incomes of these urban centres. Major raw material/agro-based industries and other small industries including agro-processing such as,

rice milling, mustard crushing/refining, meat processing, sericulture and handloom textile industries, offer good scope for serving local requirements/demands, and laying the basis for a more rapid industrialisation of small and medium towns. IDSMT can play a very significant role as a promotional programme for small industrial development thus distributing employment opportunities and skill formation over wider segments of the population of small and medium towns. However, in view of the meagre funds at its disposal, the IDSMT Programme will have to be supplemented by initiatives from other sectors for major investments in priority industries to generate employment in IDSMT towns.

Traffic and Transportation

Development of traffic and transportation is the most important component for the development of small and medium towns. It includes the construction of new roads and improvement of existing roads, as well as the provision of a good and cheap transportation system.

Roads are the most important means of modernisation in rural areas. They have to be built to connect small and medium towns with these rural areas. Markets of different towns can be linked through proper roads and such spatial linkages would also help promote cultural, economic and administrative linkages.

The IDSMT scheme provides financial assistance for development of roads. New construction of bye-pass roads and road widening and/or repair work was proposed in 13 sampled IDSMT towns. Table 3 shows that in four towns, namely Anand, Satara and Kayamkulam the progress achieved was excellent with actual completion of new roads construction reaching 100 per cent of the targeted level.

Among the successful IDSMT towns, three towns, namely, Vijayanagaram, Hassan and Malappuram could achieve more than 75 per cent of the proposed target. Around 40 per cent progress was recorded in Begusarai, although it is a successful IDSMT town according to TCPO's classification.

In the unsuccessful IDSMT towns of Kinwat and Dumka construction of new roads under IDSMT was to the extent of 50 per cent and 66 per cent of the proposed construction respectively, during the reference period 1979-80 to 1984-85.

While in Srikakulam, the development of new roads remained unsatisfactory - only 25 per cent of the targeted construction of new roads length was achieved, Coonoor was the only town where the construction work could not take place owing to financial constraints (Table 3).

Table : 3

Development of New Roads : 1979-80 to 1984-85

Selected Towns	Proposed Length	Actual Completion	Target Achievement (%)
<u>Successful Towns</u>			
Vizianagaram	1.13	0.89	78.76
Begusarai	15.00	6.00	40.00
Anand	1.97	1.97	100.00
Hassan	7.79	6.00	77.02
Malappuram	14.00	11.50	82.14
Itarsi	1.01	-	-
Satara	1.50	1.50	100.00
Suri	2.75	2.75	100.00
<u>Unsuccessful Towns</u>			
Srikakulam	1.83	0.45	24.59
Dumka	4.00	2.65	66.25
Kayamkulam	0.26	0.26	100.00
Kinwat	4.78	2.40	50.21
Coonoor	32.06	Poor municipal finances	

Source : NIUA Survey.

Our study highlights that heavy congestion traffic and scattered transportation centres are characteristic features of most small and medium towns. The provision of facilities for the transportation of people and goods will give a major boost to other development efforts. While the emphasis should be laid on linkages of small and medium towns with metropolises, the linkages between small and medium towns and rural areas of the hinterland should also be strengthened.

Development of Markets and Mandis

The development of markets/mandis and commercial complexes is not only a prerequisite for the survival of trading and industrial activities, but it also helps in employment generation and in the promotion of rural development in the hinterlands, which constitute major objectives of the IDSMT Programme. Markets/mandis are major outlets for large scale farmers and assembly traders, who sell the collected produce at these regulated markets which ensure fair pricing procedures in small and medium towns. At the same time, markets/mandis serve often as the farmers' main purchasing point for farm inputs such as fertilisers, insecticides and agricultural implements and for basic household goods and daily necessities. The availability, choice and pricing of essential consumer goods at markets/mandis of small and medium towns must therefore, be considered as an important factor for motivating the farmers to produce for the market thus promoting agricultural commercialisation and contributing to an equitable growth of income and development of the small and medium towns.

The development of commercial markets, including shops and stalls, is an important component of infrastructural development under IDSMT and has taken place in 14 sampled IDSMT towns (9 successful and 5 unsuccessful towns).

Table 4 shows the development of markets and commercial complexes of selected IDSMT towns during the reference period. The progress was found to be remarkable in 6 sampled IDSMT towns, namely Vijayanagaram, Thanesar, Satara, Pudukottai, Suri and

Bolpur. In these towns all the proposed shops and stalls were developed and 100 per cent target was achieved.

Table : 4

Markets and Commercial Complexes
1979-80 to 1984-85

Towns	Number of Shops			Number of Stalls		
	Proposed	Develo- ped	Develo- ped %	Proposed	Develo- ped	Develo- ped %
<u>Successful</u>						
<u>Towns</u>						
Vizianagaram	81	81	100.00	79	79	100.00
Anand	63	600	92.24	-	-	-
Thanesar	31	31	100.00	101	101	100.00
Satara	80	80	100.00	-	-	-
Pudukottai	100	100	100.00	19	19	100.00
Barabanki	232	215	92.67	-	-	-
Suri	84	84	100.00	-	-	-
Bolpur	103*	103	100.00	-	-	-
<u>Unsuccessful</u>						
<u>Towns</u>						
Srikakulam	19	-	-	19	-	-
Mehmedabad	12	-	-	-	-	-
Raichur	322**	-	-	-	-	-
Coonoor	100	73	73.00	-	-	-
Almora	41	41	100.00	-	-	-

Source : NIUA Survey.

Note : * Both Shops and Stalls.

** Shops, Stalls and Commercial Complexes.

Anand and Barabanki are the two IDSMT successful towns which could develop more than 90 per cent of the proposed shops and stalls. On the other hands Itarsi and Malappuram are the only successful IDSMT towns which could not develop any of the proposed shops essentially because of lack of adequate financial resources.

Among the 5 unsuccessful IDSMT towns, only Almora was able to achieve 100 per cent target under commercial development of shops/stalls as part of the IDSMT scheme. In Coonoor, the progress was of the order of 73 per cent, while in the remaining 3 IDSMT towns - Srikakulum, Mehmedabad and Raichur the proposed shops/stalls could not be developed at all.

As noted earlier, the IDSMT programme has stressed the need for development of mandis in order to strengthen linkages between IDSMT towns and their rural hinterlands. The development of mandis was proposed in the following towns :

A. Successful towns

- i. Thanesar (Haryana)
- ii. Hasan (Karnataka)
- iii. Satara (Maharashtra)
- iv. Pudukottai (Tamil Nadu)
- v. Bolpur (West Bengal)

B. Unsuccessful towns

- i. Raichur (Karnataka)
- ii. Chhindwara (Madhya Pradesh)
- iii. Coonoor (Tamil Nadu)
- iv. Almora (Uttar Pradesh)

The development of mandis has yet to pick up under the scheme, although these are notable exception such as Pudukkottai, Satara, Bolpur and Raichur.

Income Generation

Out of 22 sampled IDSMT towns, income generation from different project activities/components was significant in 13 towns (8 successful and 5 unsuccessful towns). Housing and commercial development projects including shopping complexes and godowns, were the main income generators and proved commercially and economically the most viable under the scheme.

Table : 5

Income Generation (1979-80 to 1984-85)

Selected Towns	Total Income Generate	Plots Dispose Auction		Market Shops & Godowns		Percapita Income Generated
	(Rs. in lakh)	(Rs. in lakh)	%	(Rs. in lakh)	%	(in Rs.)
<u>Successful Towns</u>						
Vizianagaram	52.26	52.26	100.00	-	-	45.44
Begusarai	7.32	0.82	11.20	6.50	88.80	10.76
Anand	47.60	16.18	33.99	31.42	66.01	56.67
Hassan	50.55	-	-	20.55	100.00	28.54
Malappuram	12.10	-	-	12.10	100.00	30.40
Satara	9.24	6.81	73.70	2.43	26.30	11.13
Pudukottai	47.14	30.00	63.64	17.14	36.36	53.57
Barabanki	12.23	12.23	100.00	-	-	19.89
<u>Unsuccessful Towns</u>						
Dumka	2.09	0.06*	2.87	2.03	97.13	4.45
Raichur	138.82	5.00	3.60	120.00	86.44	111.06
Kayamkulam	2.10	-	-	2.10	100.00	3.43
Chhindwara	3.10	3.10	100.00	-	-	-
Coonoo	No scheme	under	IDSMT	-	-	4.13
Almora	2.50	-	-	2.50	100.00	11.90

Source : NIUA Survey.

Note : * Rent per annum.

The level of income generated from housing and commercial development projects varied from town to town. Raichur recorded the maximum income level of Rs. 139 lakhs (86 per cent through commercial development projects and godowns and the remaining 14 per cent from plots and industrial sheds), during the reference period 1979/80 to 1984/85, and as a result it showed the highest per capita income (Rs. 111.06) among all the sampled IDSMT towns. Next to Raichur, Vijayanagaram possessed an earnings level of Rs. 52 lakhs which was wholly from the disposal of plots. In this town, the per capita income generated under IDSMT was of the order of Rs. 45 only. In Anand and Pudukottai income generation from housing and commercial development projects was almost the same, that is, Rs. 47 lakhs. The per capita income added from project activities in these two towns worked out to approximately Rs. 50.

In the remaining nine IDSMT towns (5 successful and 4 unsuccessful) income generation levels varied from Rs. 2.09 lakhs to Rs. 20.55 lakhs; and the per capita income varied from Rs. 3.43 to Rs. 30.40.

Financial Progress

The financial progress of the IDSMT Programme, measured in terms of the amount utilised against the total financial assistance received, varies from town to town. Table 6 indicates the amount sanctioned for each town and the utilisation of funds received under the different project components of the centrally assisted sector.

Table 6

Financial Progress of IDSMT in Selected Urban Centres, 1979-80 to 1984-85

(Rs. in lakhs)

Selected IDSMT Towns	Amount Sanctioned	Amount Utilised on Projects			
		Land Acquisition	T.T.	M.M.	Total
1	2	3	4	5	6
<u>Successful Towns</u>					
Vizianagaram	100.00 (100.00)	67.67 (67.67)	8.61 (8.61)	30.03 (30.03)	106.31* (106.31)
Begusarai	85.69 (100.00)	15.25 (17.80)	22.05 (25.73)	41.64 (48.59)	78.94 (92.12)
Hassan	82.00 (100.00)	20.26 (28.10)	1.84 (1.39)	16.28 (5.22)	38.38 (46.47)
Itarsi	87.51 (100.00)	24.59 (28.10)	1.22 (1.39)	4.57 (5.22)	30.38 (34.72)
Pudukottai	81.04* (100.00)	-	33.88 (41.81)	34.98 (43.16)	68.86 (84.97)
Barabanki	82.73 (100.00)	4.23 (5.11)	-	13.86 (16.75)	18.09 (21.87)
Suri	80.31 (100.00)	2.56 (3.19)	13.33 (16.60)	33.70 (41.96)	49.59 (61.75)
Malappuram	107.53 (100.00)	8.66 (8.05)	91.16 (84.78)	24.5 (22.78)	124.32* (115.61)
<u>Unsuccessful Towns</u>					
Srikakulam	98.56 (100.00)	39.55 (40.13)	2.86 (2.90)	5.75 (5.83)	48.16 (48.86)

Contd...

* Up to 1986-87

1	2	3	4	5	6
Dunka	89.28 (100.00)	-	12.58 (14.05)	-	12.58 (14.05)
Mehmedabad	101.39 (100.00)	-	17.34 (17.10)	5.15 (5.08)	22.49 (22.18)
Raichur	74.56 (100.00)	16.09 (21.58)	-	7.15 (9.59)	23.24 (31.17)
Kayankulam	73.28 (100.00)	13.87 (18.93)	-	0.75 (1.02)	14.62 (19.95)
Coonoor	74.00 (100.00)	-	8.35 (11.28)	22.55 (30.47)	30.90 (41.76)
Chindwara	151.82 (100.00)	5.00 (3.29)	8.00 (5.27)	5.00 (3.29)	18.00 (11.86)
Kinwat	58.59 (100.00)	1.12 (1.91)	1.54 (2.63)	2.66 (4.54)	5.32 (9.08)
Almora	112.08 (100.00)	2.06 (1.84)	5.78 (5.16)	7.14 (6.37)	14.98 (13.37)

Source : NIUA Survey

Figures in parenthesis are percentages.

Abbreviations T.T. = Traffic and transportation

M.M. = Markets & Mandis

It is clear from the table that among the successful IDSMT towns, there are four towns, namely, Vizianagaram, Begusarai, Pudukottai and Malappuram which could utilise more than 80 per cent of the sanctioned amount during the reference period 1979-80 to 1984-85. In the two cases of Vizianagaram and Malappuram, the percentage of amount utilised was registered at 106.31 and 115.61, respectively. (This includes fund utilisation for the year 1986-87 also). The remaining successful towns namely, Hassan, Itarsi, Barabanki and Suri could utilise less than 50 per cent of the sanctioned amount. Reasons for low utilisation rates may be attributed to the delay in releasing the matching amounts by the concerned state government or by the local bodies. Sepecific reasons noted for these towns are given below:

- i. The authorities of Itarsi town reported that they could receive a sum of Rs. 30 lakhs as against the sanctioned amount of Rs. 87.51 lakhs. It is noteworthy that they did not receive a matching grant from the state government.
- ii. In the case of Suri, the municipality could not release its share owing to financial stringency.
- iii. Legal, financial and administrative constraints were experienced in Hassan and Barabanki which led to poor physical as well as financial progress.

Among the unsuccessful IDSMT towns, the percentage of amount utilised to the sanctioned amount was registered in the range of 9 per cent to 48 per cent. The reasons for poor financial progress are as follows :

- i. The concerned authorities of Dumka municipality reported that the implementation of the proposed scheme could not take place owing to legal problems and hence the amount utilised on projects remained as low as 14.05 per cent of the amount sanctioned.
- ii. In Mehmedabad, the authorities could spend only one fifth of the sanctioned amount. The reason cited for the poor financial progress was that the development of the land (sites and services) and one shopping centre could not be taken up owing to lack of demand.
- iii. Improper coordination among the planning and implementing authorities and delay in legal formalities (legal constraints) were reported in Raichur, Kayamkulam and Coonoor.
- iv. In Chindwara, only 12 per cent of the sanctioned amount was invested on projects. The Chief Executive Officer of Chindwara Improvement Trust mentioned that they had difficulty in utilising the amount as the administrative approval of the scheme was granted by the state government in the year 1987.
- v. Among the sampled unsuccessful IDSMT towns, Kinwat showed the lowest financial progress (9 per cent utilisation of the sanctioned amount). During the survey in Kinwat town, the Chief Officer of Kinwat Municipality argued that the site selections for housing, cultural centres, library and ring road were not proper. The sites selected for these purposes were in low lying areas near the canal which remain flooded most of the time. Secondly, the land belonged to private land owners because of which the municipality had to face problems of litigation. He further suggested that the proposal for selecting this piece of land should be dropped and new municipal land, in the heart of the city, should be taken up for consideration.
- vi. The financial progress of the scheme, in Almora is not satisfactory either. A sum of Rs. 112.08 lakhs was sanctioned out of which Rs. 37.43 lakhs (Rs. 18.72 lakhs from the central government and Rs. 18.72 lakhs from the state government) was received. The amount spent on projects was Rs. 14.98 lakhs (13.37 per cent of the sanctioned amount). Here, it was noted that the municipality could not contribute the matching amount because of its poor financial performance. Besides this, lack of coordination between the implementing and planning agencies was also noticed.

The components relating to (i) slum improvement/upgradation, (ii) low cost schemes of water supply, sewerage, drainage and sanitation, (iii) preventive medical facilities and health care; and (iv) parks and playgrounds, were taken up in 7 selected IDSMT towns (4 successful and 3 unsuccessful towns). The financial progress in these seven towns can be stated in the following terms:

- i. In Begusarai, the state government had sanctioned Rs. 23.37 lakhs, out of which Rs. 6.66 lakhs (28.50%) and Rs. 9.21 lakhs (39.41%) were spent on slum improvement and low cost sanitation schemes, respectively. In other words, 67.91 per cent of the sanctioned amount was utilised on the above mentioned projects.
- ii. Satara is one of the successful towns where Rs.28.20 lakhs was sanctioned, (Rs. 14.1 lakh from the central government, Rs.4.65 lakhs from the state government and Rs. 9.45 lakhs from local bodies) against which Rs. 32.79 lakhs (116.28%) was spent of the development of parks and playgrounds.
- iii. The Uttar Pradesh Government had sanctioned Rs. 7.36 lakhs to improve/upgrade the slums of Barabanki, out of which Rs. 7.20 lakhs (97.83%) was spent on the same.
- iv. In Suri, a sum of Rs.38.88 lakhs was sanctioned out of which Rs. 3.00 lakhs (7.72%), Rs. 11.59 (29.81%) and Rs. 2.00 lakhs (5.14%) were spent on slum improvement, low cost schemes for water supply, sewerage and sanitation, parks and playgrounds, respectively. On the whole 42.67 per cent of the sanctioned amount was utilised on the above mentioned schemes.
- v. The slum improvement work was taken up in Srikakulam for which a sum of Rs. 25.04 lakhs (Rs. 2.59 lakhs from the state government and Rs. 22.45 lakhs from the state government) was sanctioned. It is noteworthy that the whole sanctioned amount was utilised for the scheme.
- vi. In Dumka the state government had sanctioned Rs.19.85 lakhs for slum improvement and for the development of parks and playgrounds out of which Rs. 15.22 lakhs (76.68%) was spent. The breakup of this amount includes, Rs. 13.71 lakhs (69.07%) and Rs. 1.51 lakhs (7.61%) on slum improvement and the development of parks and playgrounds, respectively.

- vii. In Almora, the state government had sanctioned Rs.2.56 lakhs for the improvement/upgradation of slums which was fully spent on the project.

After studying the investment pattern componentwise, it is observed that most local bodies of the selected IDSMT towns have accorded high priority to the remunerative and economically viable sectors such as the development of markets, mandis, commercial complexes, as well as, traffic and transportation schemes (such as development of bye-pass roads in particular).

In view of the fact that income generation from urban projects constitutes a significant objective of the IDSMT scheme the emphasis of local bodies on remunerative projects is necessary and such projects have remained very popular in most of the study towns.

While a large number of sampled IDSMT towns were not able to initiate the project components relating to water supply, sewerage, slum improvement and so on, the financial progress in regard to these components has been satisfactory in the towns where they have been taken up.

While the reasons for not utilising the entire amount are multiple and vary from town to town, in general the main reasons may be summarised as - delay in getting the administrative approval; delay in receiving funds, especially from state governments; lack of proper coordination between planning and implementation agencies; land related litigation; and inadequate municipal finances.

Report on the Overall Progress of the IDSMT Project

A TCPO report on the progress of the IDSMT scheme gives a statewise account of all projects during the Sixth Plan period. In the sites and services scheme for residential housing, a total of 2855 hectares of land were approved for development, for the country as a whole out of which a little more than half could be developed. Considering the problems faced in land acquisition, this was not a bad beginning. To overcome the problems of land acquisition, outright purchase of suitable land or acquisition through private negotiations were suggested by TCPO for all the projects. Such steps have yielded encouraging results in Maharashtra, Gujarat and Tamil Nadu. Development of the total number of plots and the EWS and LIG housing individually were between 25 per cent and 30 per cent of the target. With special emphasis on low cost housing, this figure seems to be very low.

In the setting up of markets and mandis, land development was as high as 80 per cent. Stalls were also put up speedily. But the construction of shops took time. In the Sixth Plan roughly 40 per cent of the approved number could be built. Statewise details on land development for markets and mandis point to a total achievement of targets for many states. But only two or three states could complete the construction of stalls and shops.

Success for development of industrial land was to the tune of about 45 per cent, while only 32 per cent of the plots and sheds could be developed. Very few states had opted for the

development of industrial estates. The approved area was 309.55 hectares, which was even less than the land target for markets and mandis.

Attempts at road construction, upgradation of existing roads and the setting up of bus and taxi stands were moderate. The total length of new roads targeted was 361.24 km., of which roughly 50 per cent could be constructed. Of the 388.47 km. of road scheduled to be upgraded, only 44 per cent could be completed. About 63 per cent of the land for bus and taxi terminals could be developed and 62 out of 102 terminals were completed.

Schemes for dormitories and abattoirs were few. Some seven or eight states had opted for their construction. The land approved for such development was only 6.16 hectares, out of which 3.87 hectares could be developed. Out of a total of 48, only 18 dormitories and abattoris could be built.

Not all the the states adopted the low cost sanitation scheme. Introduced in 1983-85, the estimates for the programme have been enumerated as 103544 units for conversion, 94181 units for construction and 5018 public latrines. Data on the physical progress is wanting, as the scheme began late.

The IDSMT programme took time to take off. To begin with the central government took plenty of time to frame the guidelines. Selection of towns could not be made immediately. The delay was because there was no urban development policy for small and medium towns in the states. The state governments were

also not financially prepared for the programme. Moreover, there was also a shortage of technical staff. The scheme began in 1979-80 with only 31 towns and central assistance to the tune of Rs. 2.25 crores for which matching finances from the states were not sufficient. Only 36 per cent of the central release could be matched. In 1980-81 another 91 towns were added with a central assistance of Rs. 9.00 crores. In the year 1981-82 there was an addition of 77 more towns and in 1982-83 a further 31 towns were sanctioned for central assistance.

Reasons for the slow development appeared to be improper implementation. To begin with, the IDSMT scheme was not fully comprehended by the concerned departments. TCPO felt that adequate care had not been taken in selecting the towns to promote the scheme and utilise the funds in the best possible manner. All the same the programme did progress.

The major impediments that hampered the development of the IDSMT schemes were delay in project formulation and selection of towns, the unpreparedness of the state governments in financing the projects, the technical inadequacy of the implementing agencies and the lack of institutional arrangements, delay in the release of central assistance and so forth. Land acquisition was another major hurdle in the execution of the IDSMT scheme. Practically all the projects needed to develop land before setting up the actual infrastructure that would foster growth. This was difficult to attain as land acquisition often met with a lot of resistance from the private sellers.

Short supply of building material was another major obstacle in achieving the desired progress, though some state governments did permit the purchase of cement from the local market to complete the work in the stipulated time.

Cost escalation was yet another factor that was overlooked during the time of project formulation although the guidelines did specify the provision. It raised difficulties at a later stage of development when physical targets could not be met within the approved cost. Many implementing agencies approached the government of India to accommodate cost escalation in the approved cost. But as the physical progress of the schemes was slow, such requests were not entertained.

The total number of towns covered during the Sixth Plan was 235, while 93 out of 102 towns were covered during the Seventh Five Year Plan. During the Sixth Five Year Plan, when the IDSMT Programme was conceived, only Rs. 96.00 crores was allocated for the purpose by the central government despite an overall approved programme of Rs. 244.02 crores, which also included Rs. 17.97 crores for the low cost sanitation schemes.

As mentioned in the previous section, the IDSMT Programme took time to take off. But financial assistance was also not released very promptly. In 1979-80 when the scheme began, central assistance of only Rs. 2.25 crores was provided against an allocation of Rs. 5.00 crores. Subsequently in 1980-81 Rs. 9.00 crores were given. In 1981-82, when the scheme seemed to have picked up, another Rs. 12.02 crores were released. In 1982-

83 central assistance to the tune of Rs. 10.82 crores was sanctioned. After an addition of only three towns in 1983-84 only Rs. 13.50 crores were distributed, though the demand was for Rs. 15.00 crores. The low-cost sanitation scheme which was introduced in 1983-84 was given a sum of Rs. 1.70 crores. In total, Rs. 63.37 crores were released as central assistance during the Sixth Plan period, which included Rs. 6.73 crores for low cost sanitation for 100 towns. Conditions put forth by the centre called for a matching fund to be provided by the states. Unfortunately the states had difficulty in doing so, as the state government budgets had no provision for any expenditure on this account, not having an urban development policy specifically for small and medium towns. As a result, with budgetary constraints from the states, the central assistance got retarded.

Out of the approved programme of Rs. 224.02 crores, 32.6 per cent was for sites and services, 30.6 per cent for markets and mandis, 15.30 per cent for new roads and upgradation of existing roads, 9.20 per cent for bus and taxi terminals, 7.85 per cent for low cost sanitation, 3.40 per cent for industrial areas and 1.05 per cent for slaughter houses. The Sixth Plan expenditure for the IDSMT Programme amounted to Rs. 93.81 crores. This was 147.60 per cent of the central assistance released and 73.80 per cent of the total central assistance released and the matching support of the states of put together. The per capita expenditure worked out to Rs. 89.34 for all the 235 towns. From the expenses incurred until March 1985, 31.35 per cent was for sties and services, 35.42 per cent for markets and mandis, 18.62

per cent for roads, 10.76 per cent for bus and taxi terminals, 2.63 per cent for industrial area development and 1.22 per cent for abattoirs. The pattern of expenditure is not very dissimilar to the proportion of finances approved for the programme, with the sole exception of the low cost sanitation projects. Since this scheme was introduced in 1983-85 no expenditure has been shown in the Sixth Plan assessment. Total financial assistance released during the Sixth Plan was Rs. 673.64 lakhs. It should also be noted that for low cost sanitation central assistance is also available from the Ministry of Home Affairs, under the scheme of liberation of scavengers, which is given as 50 per cent and 50 per cent grant-in-aid for each town. Municipal councils are, therefore, reluctant to take up central assistance for low-cost sanitation under the IDSMT Programme.

An evaluation of the IDSMT Scheme (Wishwakarma et. al. 1985) conducted by the Centre for Urban Studies, Indian Institute of Public Administration, pointed out that although the IDSMT programme has been the only programme in the field of planning for urban development where physical planning has been integrated with financial planning, there was a mismatch of resources with physical targets. The fact that the release of a matching grant by the state sector was often not timely also came in the way of a total perspective of integrated development. It is suggested, therefore, that the financial limit of Rs. 40 lakhs for the central assistance needs to be revoked in the light of town-specific development needs. The report pointed out that though 50 per cent of the central assistance was utilised, 35 per cent

of the towns did not show any progress, and only 80 out of 235 towns either demanded just the first instalment or had utilised less than Rs. 10 lakhs. The procedural delays and improper selection of towns owing to lack of (i) guidance and initiative by the implementing agencies, and (ii) own resources, or both, have been attributed as the major factors resulting in states delaying implementation of projects, or dropping even important projects. The study has suggested the need for raising the upper limit of central assistance.

CHAPTER III

IMPROVING THE SOCIO-ECONOMIC BASE

This section covers the impact of IDSMT projects in the selected towns in terms of the improvement in their socio-economic base. However, at the outset it is important to recall that the project guidelines provide for two type of components: those that are to be financed by the central government on a matching basis, and the components for which funds are to be met from the resources of the respective state governments and implementing agencies. To evaluate the impact of each of these components on the socio-economic base of the selected towns, the following set of criteria are used for analysis.

- i. Proportion of total income generated by way of sale and disposal of residential, industrial and commercial projects.
- ii. Number of units (Godown/Shed, Shops/Stalls) developed and average number of persons employed during the implementation of the project for potential employment generation.
- iii. Proportion of slum population benefitted.
- iv. Average daily attendance in parks and playground under the scheme (Through Primary Survey).
- v.
 - a) Changes in total quantum of commodities coming into the town.
 - b) Variation in quantity of commodity flow between 1979-80 to 1984-85 for consumption in the town and export to other areas.

LAND ACQUISITION AND DEVELOPMENT

The basic intention in providing for land acquisition and development under the IDSMT scheme was to help reduce the backlog

of shelter and housing facilities in the respective towns so that suitable housing options could be given to the increasing population in general and to the low income population in particular.¹ Apart from this the implementing agencies (mostly municipal bodies) were also expected to generate sufficient income out of these activities so as to create a revolving fund for their overall needs. The impact of these components on the towns is analysed here under three different scenarios:

- Scale
- Provisions for low income populations
- Income generation.

Scale of Land Acquisition and Development Components

The extent to which these components have been taken up in selected IDSMT towns as a whole seems to be quite inadequate in comparison with the overall housing backlog. These components as a proportion of housing backlog in the IDSMT towns are presented in Table 1. It is important to note here that :

- If the plot options as proposed are developed they will be able to meet only 7.09 per cent of the total housing backlog in selected towns as a whole. The plots actually developed during the reference years (1979-80 to 1984-85), however, indicates a further decline in land acquisition and development in the sense that only 4.69 per cent of the total housing backlog has been cleared.

1. As per the IDSMT component of 'Land Acquisition and Development' the low income population should include 70% share of total plot options developed under IDSMT scheme. Low income population includes the people belonging to the Low Income Group (LIG) and Economically Weaker Section (EWS) of the society.

- Successful towns seem to have performed well except for Begusarai² and Bolpur. By contrast unsuccessful towns present a poor picture in the sense that out of 10 such towns only 2 have been able to develop the plot options.
- Among successful towns, the plot options as developed in the individual towns vary from 36 plots in Malappuram to 1268 plots in Thanesar.³ Similarly, as a proportion of the total housing backlog, the plot options developed indicate a great deal of variation from 1 per cent in Malappuram to 35 per cent in Thanesar.
- Among the unsuccessful towns only two towns namely Coonoor and Almora have been able to develop 255 and 53 plots respectively. These plots constitute about 9 per cent and 3 per cent share of the total housing backlog in the two towns.

It thus appears that there has been a mismatch between the scale of the land acquisition and development components and the overall housing backlog in these towns. This inadequacy can be attributed to two main factors.

-
2. No scheme was prepared in Begusarai.
 3. The plot options developed by Haryana Urban Development Authority (HUDA) as a part of this component in Thanesar include two composite housing scheme comprising the overall development of sectors II and XIII.

Table 1

Impact of Land Acquisition and Development on Existing
Housing Stock/Backlog (1979-80 to 1984-85)

Towns	Housing Backlog			Total no. of plots			Plots as % of Backlog		
	Numerical backlog*	LIH ** (30% of total residential houses)	Total backlog	Prop.	Dev.	Disp.	Prop.	Dev.	Disp.
1	2	3	4	5	6	7	8	9	10
<u>Successful Towns</u>									
Vizianagaram	1598	6409	8007	557	557	452	6.95	6.95	5.65
Begusarai	5225	2531	7756	Housing scheme not prepared					
Anand	1406	3128	4534	273	273	273	6.02	6.02	6.02
Kurukshetra (Thanesar)	1023	2636	3659	1268	1268	-	34.65	34.65	-
Hassan	1795	3754	5544	647	647	-	11.66	11.66	-
Malappuran	1733	1867	3600	72	36	-	2.0	1.0	-
Itarsi	1140	3470	4610	372	372	-	8.07	8.07	-
Satara	689	4793	5482	190	100	-	3.47	1.82	-
Pudukottai	1008	4975	5983	1254	1254	1254	20.96	20.96	20.96
Barabanki	2483	2988	5471	244	110	81	4.46	2.01	1.48
Bolpur	779	2072	2851	88	-	-	3.09	-	-
Suri	1559	1979	3538	9	-	-	0.25	-	-
All (successful towns)	20438	40602	61040	4974	4617	2060	8.15	7.56	3.37

Contd...

1	2	3	4	5	6	7	8	9	10
<u>Unsuccessful Towns</u>									
Srikakulam	1531	3629	5160	142	-	-	2.75	-	-
Dunka	1829	1316	3145	364	-	-	11.57	-	-
Mehmedabad	277	972	1249	Scheme not taken up					
Sirsa	3019	4439	7458	957	-	-	12.83	-	-
Raichur	3403	6465	9868	-	-	-	-	-	-
Kayankulam	2629	2891	5520	-	-	-	-	-	-
Chhindwara	1729	3992	5721	112	-	-	1.96	-	-
Kinwat	409	866	1275	541	-	-	42.43	-	-
Coonoor	97	2656	2753	255	255	163	9.26	9.26	5.92
Almora	689	1156	1845	97	53	-	5.26	2.87	-
All (unsuccessful towns)	15612	28382	43994	2468	308	163	5.61	0.70	0.37
Total	36050	68984	105034	7442	4925	2223	7.09	4.69	2.12

Note:- Prop. Proposed; Dev. Developed; Disp. Disposed of.

* The numerical backlog has been calculated on the assumption that one household possesses one residential unit. This is worked out on the basis of residential units and population in selected towns as per the 1981 census.

** LIH (Low Income Housing) has been taken as a part of the housing backlog in the sense that in these areas there is a general absence of facilities pertaining to physical and utility infrastructure. The type of shelter that exists in these areas is below the acceptable standards.

Firstly, apart from the IDSMT scheme components other agencies⁴ have at the same time been contributing to the existing housing stock in these towns. Coordination with these agencies would have helped towards an integrated approach for land acquisition and development.

Secondly, it has been observed that no demand survey or feasibility study (of the project to be taken up) has been conducted in any of the cases. This lacuna has led to poor performance in terms of development as well as sale of plots. It is important to note that out of 11 towns where plots have been developed only 5 have been able to dispose of them during the reference years (Table 1). Poorly selected locations of the sites developed has been the main factor contributing towards a lack of demand. Specific cases that can be mentioned in this connection are the sites developed in Barabanki and Almora. The first one is located on a trenching ground whereas the other is on the outskirts of the town. This has resulted in a total lack of demand for the plots in these two towns. Likewise most problems pertaining to the sale of plots in other towns are largely because of locational problems.

Support for Low Income Population

There appear to be two factors that need special attention⁵ while analysing the support for low income populations:

-
4. Either the local level development agency or state level housing board.
 5. People belonging to LIG and EWS categories.

- i. One is the share of plot options for low income population in the total plots offered as compared to the targeted proportion.
- ii. The other is the proportion of low income options in the context of the overall backlog in low income housing. In other words how much demand belonging to low income housing has been served by these components?

Share of Low Income Options

As mentioned earlier at least 70 per cent of the options offered are supposed to cater to the needs of the low income population. However, in practice it appears that this objective has not been taken care of while implementing the IDSMT programme in the respective towns. Table 2 presents the proportionate share of low income options in the context of overall support provided under this set of components. Some important features that emerge from this table are :

- The share of low income options in all the selected towns as a whole works out to be as low as 47 per cent. As a proportion of total plots developed, the low income options in successful and unsuccessful towns are 44 per cent and 69 per cent respectively.
- A higher proportion of low income options in unsuccessful towns does not really indicate a better performance in case the low income options are analysed in terms of their provision in individual towns. Nine towns comprising 75 per cent of 12 successful towns have been able to develop 2089 plots for low income population out of a total number of 4751 plots that have been developed during the reference years. By contrast, only two towns comprising 20 per cent share of unsuccessful towns have been able to develop 213 low income plots out of a total of 308 plots which have been developed.
- Among the successful towns only three towns namely; Anand, Hassan and Satara have been able to achieve the targeted proportion of low income plot options. Anand is the only case in these towns where these plots have been sold. However, it was observed during the field visit to Anand in September 1988 that the development of secondary infrastructure such as roads/streets, street lighting and water supply was not yet complete.

Table 2

Share of Low Income Plots in Total
Plots Offered (1979-80 to 1984-85)

Towns	Low Income Options (EWS & LIG)		Total Plots		Low Income Options as % of Total Plots	
	Pro- posed	Developed	Pro- posed	Developed	Pro- posed	Developed
<u>Successful Towns</u>						
Vizianagaram	222	222	557	557	39.86	39.86
Begusarai			No housing scheme prepared			
Anand	273	273	273	273	100.0	100.0
Kurukshetra (Thanesar)	123	123	1268	1268	9.70	9.70
Hassan	450	450	647	647	69.55	69.55
Malappuram	48	12	72	36	66.67	33.33
Itarsi	149	149	372	372	40.05	40.05
Satara	190	100	190	100	100.0	100.0
Pudukottai	672	672	1254	1254	53.59	53.59
Barabanki	222	88	244	244	90.98	36.07
Bolpur	88	-	88	-	100.0	-
Suri	9	-	9	-	100.0	-
All (successful towns)	2446 (11)	2089 (9)	4974	4751	49.18	43.97
<u>Unsuccessful Towns</u>						
Srikakulam	119	-	142	-	83.80	-
Dumka	132	-	364	-	85.71	-
Mehmedabad			Scheme not taken up			
Sirsa	654	-	957	-	68.34	-
Raichur			No residential development has taken place since 1979. Although there is a housing board which has constructed houses in 1972-73.			
Kayamkulam	-	-	-	-	-	-
Chhindwara	112	-	112	-	100.0	-
Kinwat	427	-	541	-	78.93	-
Coonoor	160	160	255	255	62.75	62.75
Almora	97	53	97	-	100.0	100.0
All (unsuccessful towns)	1881 (7)	213 (2)	2468	308	76.22	69.16
Total	4327 (18)	2302 (11)	7442	5059	58.14	45.50

Figures in brackets indicate the number of towns that have included low income plots in their respective schemes.

- Almora is the only town among the unsuccessful towns where the low income plot options have been developed at least at par with or more than their targeted proportion. In this case too the developed plots have not been sold so far. As mentioned earlier the location of sites has been the main factor contributing to the delays in selling the plots.

Scale of Low Income Options

As happens frequently the scale of low income options against the demand for such housing in the IDSMT towns seems to be quite inadequate by any standards. The low income options as a percentage of low income households are presented in Table 3. It is important to note from this table that :

- The low income options as proposed by the selected towns as a whole include only 3.52 per cent of the total demand in these towns. However, their proportion in successful towns is substantially higher than in the unsuccessful towns. These are 4.60 per cent and 2.08 per cent respectively.
- The scale of low income options declines sharply when it is analysed in terms of plots actually developed. The low income plots in totality work out to be only 2.52 per cent of demand for low income housing.
- Whatever plots have really reached the hands of the low income population indicate a further deterioration in the scale. As a whole only 1.39 per cent households belonging to low income groups in the sampled towns have been benefitted by the plot options. This proportion remains substantially higher in successful towns (2.18 per cent) as compared to unsuccessful towns (0.28 per cent).
- The low income options developed in the individual towns in the context of total demand for low income housing indicates a great deal of variation from 2.04 per cent at Barabanki to 11.38 per cent at Pudukottai.

It appears that the provision of low income options has been utterly inadequate in terms of their share in the land acquisition and development components as well as the scale in the low income housing backlog/demand. However, there is nothing new in such a mismatch. Owing to various reasons such as lack of resources,

Table 3
Scale of Low Income Options in Total Demand for
Low Income Housing

Towns	Demand for Low Income Housing* in 1985	No. of Low Income Options **			Low Income Options as % of demand		
		Pro- posed	Deve- loped	Dispo- sed	Pro- posed	Deve- loped	Dispo- sed
<u>Successful Towns</u>							
Vizianagaram	7710	222	222	166	2.88	2.88	2.15
Begusarai	4883	-	-	-	-	-	-
Anand	4132	273	273	273	6.61	6.61	6.61
Kurukshetra (Thanesar)	3604	123	123	-	3.41	3.41	-
Hassan	4902	450	450	-	9.18	9.18	-
Malappuram	2604	48	12	-	1.84	0.46	-
Itarsi	4306	149	149	-	3.46	3.46	-
Satara	5475	190	100	-	3.47	1.82	-
Pudukottai	5906	672	672	658	11.38	11.38	11.14
Barabanki	4312	222	88	62	5.15	2.04	1.44
Bolpur	2559	88	-	-	3.44	-	-
Suri	2763	9	-	-	0.33	-	-
All (successful towns)	53156	2446	2089	1159	4.60	3.93	2.18
<u>Unsuccessful Town</u>							
Srikakulam	4819	119	-	-	2.47	-	-
Dumka	2090	312	-	-	14.93	-	-
Mehmedabad	1208	-	-	-	-	-	-
Sirsa	6798	654	-	-	9.62	-	-
Raichur	8949	-	-	-	-	-	-
Kayamkulam	3869	-	-	-	-	-	-
Chhindwara	5168	112	-	-	2.17	-	-
Kinwat	1179	427	-	-	36.22	-	-
Coonor	2866	160	160	109	5.58	5.58	3.80
Almora	1409	97	53	-	6.88	3.76	-
All (unsuccessful towns)	38355	796	213	109	2.08	0.56	0.28
Total	91511	3242	2302	1268	3.52	2.52	1.39

* Worked out on the basis of 30% proportion of the total households in the respective towns.

** These options include the plots provided under LIG and EWS categories.

material and technical expertise, it is not possible to meet the entire demand of land acquisition and development components for low income habitants. In such a context it would have been better to link the provision of low income plots with the slum improvement and upgradation schemes in the respective towns. In this case, the low income plots could be initially allotted to the dwellers belonging to the low income areas that need to be cleared for the provision of infrastructural facilities such as roads/streets, schools, community centres and so on.⁶

Income Generation

Yet another objective in providing financial assistance for land acquisition and development is to enable the implementing agencies (mostly municipal bodies) to create a revolving fund which will serve as a recurring source of income. However, what emerges, from the actual implementation has not been encouraging since out of 22 selected towns only six (27%) have been able to generate income from the sale of plots during the reference years (1979-80 to 84-85) (Table 4). Some major points that need to be noted from Table 4 are:

- As a whole the average income generated by the six towns is equivalent to 90 per cent of their expenditure on these components. Such a high proportion of income generation confirms the potential of the land acquisition and development components as an additional source of municipal income.
- The per capita income generation from the sale of plots and industrial sheds by the implementing agencies as a whole is Rs. 15.48.

6. Slums, squatters, unauthorised colonies and core city areas.

Table 4

Income Generation from Sale of Plots During 1979-80 to 1984-85

Towns	Income from sale of plots & industrial sheds (Rs.)	Expenditure on land acquisition & development (Rs.)	Income as % of Expendi- ture	Per-capita* income generation
<u>Successful Towns</u>				
Vizianagaram	5226000	4000000	130.65	40.66
Begusarai	82000 (Through Auction)	1525000	5.38	1.01
Anand	1617680	727876	222.25	16.76
Satara	680993	1786000	38.13	7.46
All (successful towns)	7606673	8038876	94.62	19.13
<u>Unsuccessful Towns</u>				
Raichur	1881525	1609000	116.94	12.61
Chhindwara	310000	1251459	24.77	3.60
All (unsuccessful towns)	2191525	2860459	76.61	9.31
Total	9798198	10899335	89.90	15.48

* Per capita is worked out on the basis of estimated population in 1985

- There appears to be a great deal of variation in the income generation from these components in individual towns. As a proportion of expenditure it varies from 5.38 per cent at Begusarai to 222.25 per cent at Anand; again in terms of per capita the income generation varies from Rs. 1.01 at Begusarai to Rs. 40.66 at Vizianagaram.

It is thus evident from the analysis of income generation from the land acquisition and development components that in most cases implementing agencies have not been able to tap their full potential. At the same time, towns that have registered income generation have confirmed the substantial scope for income generation from this source.

An evaluation (Wishwakarma et.al. 1985) of the IDSMT scheme brings out that the amelioration measures and environmental upgradation/addition to the services and infrastructure of the towns provided under the scheme have led to many secondary development through backward and forward linkages, generation of more employment at the grassroot levels and development of skills raising their per capita income, and thereby helping the urban poor to rise above the poverty line. The study indicated the housing projects and land development schemes under the IDSMT programme have earned as much as 100 per cent returns at times. The programme has helped in increasing the value of agricultural output and has directly and indirectly benefitted about four per cent of the population in these centres.

TRAFFIC AND TRANSPORTATION

Traffic and transportation projects have been included in the IDSMT schemes as a part of the centrally aided components. These measures were expected to serve as a means of promoting and

helping the shelter and employment opportunities in the towns. However, in view of the limited funds available for this purpose as also the non-remunerative nature of the components themselves, the coverage of such projects was restricted to urgent and important works.

Traffic and transportation projects were supposed to cover two types of activities; one : the construction of new roads in order to increase the proportion of paved roads so that the circulation network becomes more effective; two: widening and improvement of existing roads in order to enlarge their carriage capacity and also facilitate easy and smooth circulation of traffic.

Construction of New Roads/Improvement of Roads

The impact of the newly constructed roads can be seen in only 14 (64%) sampled towns (eight in successful towns and six in unsuccessful towns), since the remaining towns have not taken up any work pertaining to the construction of new roads. In a majority of cases the construction of new roads has remained far below the targeted proposals. This also means that the impact made by the construction of new roads in selected towns has not been as envisaged earlier. However, in a few towns including Anand, Satara, Mehamdabad and Suri road construction work has been completed in accordance with the project proposals (Table 5).

Table 5

Impact of Newly Constructed Roads

Towns	Total Municipal Area in 1981 (Sq.km.)	Newly Constructed Roads (km.)		Newly constructed Roads over a sq.km. of Municipal Area (km.)		T&T Proposals form a part of Master Plan Yes/No
		Proposed	Completed	Proposed	Completed	
<u>Successful Towns</u>						
Vizianagaram	8.95	1.13	0.89	0.13	0.09	Yes
Begusarai	7.56	15.0	6.0	1.98	0.79	Yes
Anand	21.13	1.97	1.97	0.09	0.09	Yes
Hassan	7.5	7.79	6.0	1.04	0.8	Yes
Malappuram	38.6	14.0	11.5	0.36	0.30	Yes
Itarsi	16.31	1.01	-	0.06	-	No
Satara	8.15	1.5	1.5	0.18	0.18	Yes
Suri	9.48	2.75	2.75	0.29	0.29	No
All (successful towns)	117.68	45.15	30.16	0.38	0.26	
<u>Unsuccessful Towns</u>						
Srikakulam	14.12	1.83	0.45	0.13	0.03	Yes
Dumka	7.76	4.0	2.65	0.52	0.34	Yes
Mehmedabad	13.15	2.0	2.0	0.15	0.15	NA*
Kayamkulam	21.79	0.26	0.26	0.01	0.01	Yes
Kinwat	13.74	4.78	2.4	0.35	0.17	Yes
Coonoor	15.05	32.06	-	2.13	-	No
All (unsuccessful towns)	85.61	44.93	7.76	0.56	0.12	
Total	203.29	90.08	38.37	0.44	0.19	

* Mehmedabad is a part of Ahmedabad Regional Development Area for which the master plan is being prepared.

T & T = Traffic and Transportation.

On the whole the successful towns seem to have made their circulation network more effective as compared to unsuccessful towns. It can be seen from Table 5 that the successful towns as a whole have constructed 0.26 km. roads over one sq.km. of municipal areas. By contrast, the same road length in the unsuccessful towns remains fairly low being only 0.12 km. However, these figures in individual towns vary substantially from 0.09 km. at Vizianagaram to 0.79 km. at Begusarai among States and 0.01 km. at Kayamkulam to 0.34 at Dumka.

In most cases (79%) the proposals for the construction of new roads were made in accordance with their locational suitability and feasibility for promoting shelter and employment opportunities, but judging from the low level of the target achievements there has been no significant impact on the promotion at the locations (Table 5).

Projects relating to traffic and transportation were expected to help improve and upgrade the road networks in the towns in order to serve the core city areas in particular. The carriage way in these areas was inadequate to sustain the heavy traffic. However, the **analysis of sampled towns shows that the works pertaining to improvement and upgradation of existing roads in these towns have not been taken up in accordance with their letter and spirit.** Only three towns, namely, Malappuram, Satara and Chhindwara proposed to take up the road improvement works,

as a part of the scheme. Even among these towns Satara could not actually take up the implementation of road widening works. Thus, effectively the impact of road upgradation can be seen in only two (9%) of the sampled towns (Table 6).

The analysis of two towns, one successful and the other unsuccessful that have completed the road improvement work during the reference period shows that only in one case (Chhindwara) these improvements have made an impact as envisaged. In the second town (Malappuram) almost two-thirds of the targets have been reached.

Finally, it appears that in most cases the projects under the traffic and transportation component have not been taken up in a way so as to substantially support shelter and employment opportunities.

Table 6
Scale of Road Improvements

Towns	Total municipal roads in 1981 (km)	Improved/widened roads (km.)		Improved/widened roads as % of municipal roads	
		Proposed	Completed	Proposed	Completed
<u>Successful Towns</u>					
Malappuram	33.3	0.96	0.60	2.88	1.80
Satara	77.06	0.80	-	1.04	-
<u>Unsuccessful Towns</u>					
Chhindwara	79.7	5.40	5.40	6.78	6.78

DEVELOPMENT OF MARKETS AND MANDIS (M&M)

The development of markets and mandis was a part of the IDSMT Programme in order to strengthen the commercial and economic base of the towns so as to make them function more effectively as service cum growth centres for their rural hinterlands. However, at the outset it is important to note that out of a total sample of 22 towns, only 12 (55%) towns comprising eight successful towns (67%) and for unsuccessful towns (40%) have been able to develop markets and mandis.

The impact of markets & mandis components of the IDSMT scheme has been analysed under three different scenarios; one : Potential Employment Generation; two : Average Daily Transactions; and three : Average Income Generation (for the implementing agencies).

Potential Employment Generation

Potential employment generation in the towns has been estimated on the assumption that on an average one godown/sheds, shop and stall will be able to generate employment for 5,2 and 1 persons respectively.

On an average the selected towns which have completed development of markets and mandis appear to have generated potential for the employment for 317 persons per town (Table 7). However, there is a great deal of variation in the potential employment generation by successful and unsuccessful towns. These are 400 persons per town and 149 persons per town respectively.

Table 7

Development of Markets & Mandis
Potential Employment Generation

	No. of Units Developed			Potential Employment Generation (Persons)*			
	Godown/ Sheds	Shops	Stalls	Godown/ Sheds	Shops	Stall	Total
<u>Successful Towns</u>							
Vizianagaram	-	81	79	-	162	79	241
Anand	-	63	-	-	126	-	126
Kurukshetra (Thanesar)	9	31	101	45	62	101	163
Itarsi	12	-	-	60	-	-	60
Satara	80	-	-	400	-	-	400
Pudukottai	100	19	-	500	38	-	538
Barabanki	232	-	-	1160	-	-	1160
Bolpur	103	-	-	515	-	-	515
All (successful towns)	536	194	180	2680	388	180	3203
<u>Unsuccessful Towns</u>							
Srikakulam	19	19	-	95	38	-	133
Raichur	48	-	322	240	-	322	322
Coonoor	-	100	-	-	100	0	100
Almora	-	41	-	-	41	-	41
All UT's (unsuccessful towns)	67	160	322	335	179	322	596
Total	603	354	502	3015	567	502	3799

* @ 5, 2 and 1 persons per Godown/Shed, Shop and Stall respectively.

In the individual towns, the potential employment generation among successful towns varies from 60 persons at Itarsi to 1160 persons at Barabanki. By contrast, the same potential among unsuccessful towns remains substantially low and varies from 41 persons at Almora to 322 persons at Raichur.

Average Daily Transactions

Significant improvement is seen in the economy of the study towns as a result of the implementation of this aspect of the programme. As a whole the towns that have completed the markets and mandis projects have shown an average daily transaction to the extent of Rs. 27121000. However, the average for successful towns remains substantially higher than for unsuccessful towns being Rs. 15650000 and Rs. 11471000 respectively (Table 8).

Per Capita Daily Transaction

Even in per capita terms, the Markets and Mandis components seem to have made substantial contribution to the overall economy of the towns. As can be seen from Table 8, these components as a whole have shown a per capita average daily transaction of Rs.30.06. These transactions in successful towns and unsuccessful towns as a whole are reported to be Rs. 31.76 and Rs. 28 respectively.

In individual towns, however, there appears to be a great deal of variation in terms of average per capita daily transactions. Hassan (Rs. 73.45), Sirsa (Rs. 53.14), Pudukottai (45.43) are the specific cases which have utilised the markets and mandis components more effectively than others (Table 8).

Table 8

Per Capita Daily Transactions in Markets & Mandis

Town	Estimated Population (1985)	Transactions	
		Average Daily (Rs.)	Per Capita Daily (Rs.)
<u>Successful Towns</u>			
Begusarai	81380	1000000	12.29
Anand	96545	4000000	41.43
Hassan	81693	6000000	73.45
Malappuram	43406	100000	2.30
Satara	91245	50000	0.55
Pudukottai	98427	4500000	45.72
All (SS) (successful towns)	492696	15650000	31.76
<u>Unsuccessful Towns</u>			
Dumka	34834	100000	2.87
Sirsa	113295	6021000	53.14
Raichur	149158	4000000	26.82
Kayamkulam	64480	900000	13.96
Coonor	47771	450000	9.42
All (unsuccessful towns)	409538	11471000	28.00
Total	902234	27121000	30.06

Average Income Generation

Yet another indicator which can be used to assess the markets and mandis projects is the income generation for the respective implementing agencies. Only six out of 12 towns which have completed these components have furnished information regarding their income of a non-recurring nature by way of renting out of markets and mandis, shops, stalls and so on.

The income generation as can be seen from Table 9, confirms the importance of these components as a tool to generate a substantial revolving fund for the implementing agencies. As was envisaged by the Programme, such income can be reinvested for other developmental activities.

On the whole the sample towns have generated a non-recurring income of Rs. 5844412. This amount includes the payment of advances or pugree (keymoney). Apart from this the agencies will also receive monthly rents of a recurring nature. As a proportion of total expenditure on markets and mandis the non-recurring income mentioned above works out to be 34.25 per cent (Table 9). Taking into account the additional income from recurring sources, it seems to be a substantial recovery and places the implementing agency in a financially sound position.

Per Capita Income Generation

Even in terms of per capita income generation from renting out the markets and mandis components, implementing agencies seem to have generated a fairly substantial amount. As a whole the

Table 9

Income Generation (Non-recurring) from
Markets & Mandis (1979-80 to 1984-85)

Towns	Expenditure on develop- ment of Markets & Mandis (Rs.)	Annual Income (non-recurring) Generation (Rs.)	Annual Income as % of Expendi- ture	Per Capita* Income Generation (Rs.)
<u>Successful Towns</u>				
Anand	2687440	2918891	108.61	30.23
Hassan	1629010	1616500	99.23	19.79
Malappuram	2450000	10000	0.41	0.23
Satara	2944000	162755	5.53	1.78
Pudukottai	6996000	886266	12.67	9.00
All (successful towns)	16706450	5594412	33.49	13.60
<u>Unsuccessful Towns</u>				
Dumka	-	(196000)	-	5.63
Sirsa	N.A.	(26888718)	-	237.33
Kayamkulam	N.A.	(7290000)	-	113.06
Almora	357000	(250000)	70.03	10.64
All (unsuccessful towns)	357000	250000	70.03	10.65
Total	17063450	5844412	34.25	13.44

* On the basis of estimated population of 1985.

NA Separate figures of the expenditure on markets and mandis are not available.

Figures in the brackets are used only for the purpose of working out the per capita income generation.

towns have generated a non-recurring per capita income of Rs. 13.44. However, the income generation in terms of per capita value varies substantially from town to town. Kayamkulam (Rs. 113.06), Sirsa (Rs. 37.33), Anand (Rs. 30.23) and Hassan (Rs. 19.79) appear to be the important towns which have utilised the markets and mandis components in a commendable way.

By and large the markets and mandis components have been able to make a positive impact on the economic base of the towns. At the same time, it cannot be said that their potentialities have been utilised fully by the implementing agencies since there have been no efforts to utilise them for processing and other services meant to benefit the agriculture and rural development in the hinterland. It could have been better for the implementing agencies to coordinate with the other participating agencies in this field such as the state level departments of agriculture and industries and also the commercialised banks.

SLUM IMPROVEMENT AND UPGRADATION (SIU)

The Slum Improvement and Upgradation (SIU) projects form that part of the IDSMT scheme for which funds are to be found from the resources of the state governments and the implementing agencies. These components are expected to improve the physical environment of selected towns by upgrading slums. The impact of the SIU components can be seen in only eight towns as the remaining fourteen towns from our sample have not taken up these projects at all.

Scale of SIU Components

The SIU components (wherever implemented) covered a substantial proportion of the slum population in these towns. Almora, Sirsa, Srikakulam and Pudukottai are the particular cases where most of the slum population has been covered by Slum Improvement and Upgradation (Table 10).

As part of the same component of the IDSMT scheme, the implementing agencies were also expected to take up urban renewal and small scale employment generation activities. However, none of the implementing agencies took up these projects. Considering the state of the inner core areas in the selected towns and the fact that the towns themselves are fairly old, urban renewal, if undertaken, would have vastly improved the physical environment of these centres.

Table 10

Scale of Slum Improvement and Upgradation Activities

Towns	Slum Population		% of actual benefited population to total
	(1978-79) total	Actual benefited slum population	
<u>Successful Towns</u>			
Begusarai	8000	4500	56.25
Pudukottai	31720	26270	82.82
All (successful towns)	39720	30770	77.47
<u>Unsuccessful Towns</u>			
Srikakulam	20108	22119	110.00
Dumka	12189	5000	41.02
Sirsa	7301	7301	100.00
Raichur	19969	3000	15.02
Almora	6700	6700	100.00
All (unsuccessful towns)	66267	44120	66.58
Total	105987	74890	70.66

PARKS & PLAYGROUNDS

The IDSMT scheme was also geared to develop parks and playgrounds in the selected towns as part of the programme to improve the physical environment. Only 7 towns (32%) seem to have developed parks for recreational purposes. The average attendance per day in the parks is quite substantial. In all the towns put together the daily attendance in these parks is about 1281 (Table 11).

In individual towns however, the average daily attendance varies considerably from 20 persons at Begusarai to 5000 at Hassan. Except for Begusarai and Dumka (150 persons each), the remaining five towns show substantial utilisation of these parks which also confirms the satisfactory level of their maintenance.

REMAINING COMPONENTS

The selected towns did not implement the relevant projects pertaining to low cost sanitation and preventive health that were also part of the scheme to be funded by the state sector. The impact, therefore, of these two components needs no mention.

In sum, it appears that the central sector components (wherever implemented) have made a significant impact on the socio-economic base of the towns. By contrast, those in the state sector have not made any significant impact. This is because in most cases the implementing agencies did not take up

Table 11
Utilisation of Parks

Towns	Average daily attendance
<u>Successful Towns</u>	
Begusarai	20
Anand	500
Hassan	5000
Satara	800
All (successful towns)	1580
<u>Unsuccessful Towns</u>	
Srikakulam	1500
Dumka	150
Almora	1000
All (unsuccessful towns)	883
Total	1281

the execution of such projects. Obviously central financial assistance - even on a matching basis - does provide an incentive to implement such improvement schemes.

Three main reasons seem to have contributed to the fact that even the centrally assisted projects did not produce the desired impact.

Firstly, the implementing agencies did not properly carry out the pre-project modalities required at the initial and preparation stages. Demand surveys and feasibility studies had not been conducted which would have minimised the problems pertaining to the sale or disposal of plots, shops, and stalls through which income could also have been generated.

Secondly, there has been a lack of integration and co-ordination among the various components. For instance, the provision of improved and widened roads can facilitate a better level of secondary (post-allotment) development of the land acquisition and markets and mandis components. However, efforts were not made to correlate these components in order to make them complementary. Similarly, the former could have been linked with the slum improvement and upgradation projects.

Thirdly, it appears that there has been a lack of suitable coordination with other participating agencies belonging to the same field such as the state-level housing board or local level

development agencies for land acquisition components and the Departments of Agriculture and Industry for the markets and mandis components. A proper coordination with these agencies would have facilitated a more effective impact of the programme.

CHAPTER - IV

IMPROVING THE SPATIAL LINKAGES

Achieving the basic objectives of the integrated development of small and medium towns, such as reducing the rate of migration to metropolitan cities and enabling them to act as growth and service centres for the rural hinterland, calls for the selection of towns that can support the growth of employment and income generation and in addition provide access to services and the development of activities in the hinterland.

To quote from the guidelines issued by the Ministry of Urban Development :

In selecting the town for support, preference would be given to District Headquarter towns followed by Sub-Divisional town, Mandi towns and other important growth centres. The District towns or Sub-Divisional towns etc. selected for priority development should be such as will check the migration of rural population to the large cities and would perform the role of service centres to the rural hinterland in the context of the balanced development of the whole district and the region.

One cannot escape the feeling that the guidelines would invariably lead to the selection of district towns only, as there seems to be an inherent priority assigned to district headquarter towns in the guidelines themselves and since the scheme is of limited coverage and has even more limited financial input, the easiest course would be to select the district headquarter town.

On the other hand, the selection of a town which can foster interaction in the micro region calls for the following requisite conditions :

- i. The growth rate of the town, based on the expanding economy, has to be appreciable, preferably more than 50 per cent over a census decade.
- ii. The size of the town should be such that the growth does not become simply a function of percentages but represents a suitable number.
- iii. It should have the growth potential arising from its strategic importance.

The role of 22 sampled IDSMT towns as promoters of the development of their hinterland is attempted in the following paragraphs with the aid of limited and inadequate data and information. The analysis includes, inter alia, several aspects such as economic and spatial linkages, technological and consumption linkages existing between the towns and the hinterland.

Population and Growth Rate

It may be seen from table 1 that out of 22 sampled IDSMT towns, 15 towns have growth rates below 50 per cent in the last two decades. It may also be seen that 14 towns out of 22 sampled towns have populations below 50,000 persons in 1971 and 9 towns with populations below 50,000 persons in 1981. Further, the growth rate of 11 out of the 22 sampled towns has decreased in the 1971-81 decade.

It is surprising to note that though all the sampled towns barring one had growth rates above the national average in 1961-71, the growth rates of 16 towns out of the 22 sampled towns are found to be below the national average in 1971-81.

Table 1
Population and Growth Rates (1961-81)

Towns	Urban Population				Growth Rate	
	1961	1971	1981	1987	1961-71	1971-81
<u>Successful</u>						
Vijaynagaram	76,808	86,608	1,14,806	1,35,959	12.76	32.56
Begusarai	27,346	44,084	68,305	88,829	61.21	54.94
Anand	40,458	59,155	83,936	-	46.21	41.89
Thanesar	16,828	29,555	49,052	66,477	75.63	65.97
Hassan	32,172	51,325	71,534	87,301	59.53	39.37
Malappuram	N.A.	32,002	39,786	45,337	N.A.	24.32
Itarsi	33,611	46,866	63,541	76,273	39.44	35.58
Satara	48,709	66,433	83,336	95,477	36.39	25.44
Pudukottai	50,488	66,384	87,952	1,04,125	31.48	32.49
Barabanki	34,344	43,385	62,216	77,239	26.36	43.40
Bolpur	23,355	29,636	38,436	44,925	26.89	29.69
Suri	22,841	30,110	40,783	48,926	31.82	35.45
<u>Unsuccessful</u>						
Srikakulan	35,071	45,179	68,145	87,203	28.82	50.83
Dunka	18,720	23,338	31,068	36,886	24.67	33.12
Mehmedabad	12,561	17,592	22,309	-	40.05	26.81
Sirsa	33,363	48,808	89,068	1,27,779	46.29	82.49
Raichur	63,329	79,831	1,24,762	1,63,090	26.06	56.28
Kayankulan	44,571	54,102	61,327	66,117	21.38	13.35
Chhindwara	37,244	53,508	75,178	92,192	43.67	40.50
Kinwat	7,221	10,595	16,476	21,473	46.72	55.51
Coonoor	30,690	38,007	44,750	49,357	23.84	17.74
Almora	16,602	20,881	22,705	23,875	25.77	8.74

Location and Functions of Selected Towns

Fifteen towns out of the 22 sampled towns are District/Sub-District Headquarters of the towns and have railway linkages, while 14 are at distances of less than 100 km. from the nearest city with a population above 1 lakh (Table 2).

According to the 1971 census, the dominant function of the sampled towns was either services or trade and commerce (Table 3). In 8 out of 17 sampled towns, the dominant function was found to be services followed by trade and commerce, while 5 towns showed the dominant function as trade and commerce followed by services. Malappuram and Kayamkulam in Kerala indicated a change during the decade 1961-71 from services to primary activities while Pudukottai in Tamil Nadu and Raichur in Karnataka showed a change from services to trade and commerce during the decade. The change of function in the former might be to a general trend and the characteristics of urbanisation in Kerala, while Pudukottai and Raichur definitely showed strong linkages between town and hinterland. The hinterlands of the sampled towns are predominantly rural in character with agriculture as the dominant function in 20 out of 22 sampled towns.

Table 2

Location and Status of Sampled Towns

Towns	Civic Status	Year in which it was attained	Class	Administrative Status		Railway station	Bus stand	Nearest city with population of one lakh and more
				S.D.H.Q.	D.H.Q.			
1	2	3	4	5	6	7	8	9
<u>Successful</u>								
Vijaynagaram	M	1979	I					Vishakhapatnam (56)
Begusarai	M	1967	II					Munger (38)
Anand	M	1889	II		Kheda (36)			Nadiad (19)
Thanesar	M Corp.	1975	III					Karnal (38)
Hassan	M	1976	II					Mysore (121)
Malappuram	M	1970	III	Penntalmanai (20)		Tirur (26)		Calicut (51)
Itarsi	M	1929	II	Hoshangabad (14)	Hoshangabad (14)			-
Satara	M. Corp.	1853	II			Satara		Pune (110)
Pudkottai	M	1912	II					Tiruchirapalli (37)
Barabanki	M. Board	1972	IV	Nawabganj (3)	Nawabganj (3)	Nawabganj (3)	Nawabganj (3)	Lucknow (28)
Bolpur	M	1950	III		Suri (36)			Bardhwan (93)
Suri	M	1979	III					Asansol (81)
Srikakulam	M	1856	-	-	-	-	-	Bhagalpur (117)
Dumka	M	1903	III				Rampurhat (64)	Nadiad (28)
Mehmedabad	N. Panch.	1968	III	Nadiad (26)	Kheda (12)			

Contd...

1	2	3	4	5	6	7	8	9
<u>Unsuccessful</u>								
Sirsa	M. Corp.	1867	II					Hissar (89)
Raichur	M	1952	I					Adoni (72)
Kayankulam	M	1922	II	Alleppey (48)	Alleppey (48)			Quilon (38)
Chhindwara	M	1981	II					Nagpur (112)
Kinwat	M.Council	1946	IV	Nanded (148)	Nanded (148)			Nanded (148)
Coonoor	M.Council	1866	III	Coonoor (10)	Ootacamund (18)	Coonoor (10)	Coonoor (10)	Coimbatore (60)
Almora	M.Council	N.A.	III			Kathgodam (90)		Bareilly (189)

SDHQ - Sub-District Head Quarter, DHO - District Head Quarter, Municipal Board, Municipal Corporation, Nagar Panchayat, figures in parenthesis refer to distance in Km. from the towns.

Table 3

Dominant Functions sampled IDSMT terms and their hinterland

Town	Town		Hinterland 1987
	1961	1971	
1	2	3	4
<u>Successful</u>			
Vijaynagar	Sr/Id	Tc/Sr/Id	1. Agriculture 2. Agro processing industries
Begusarai	Sr/Id	Tc/Pr/Sr	1. Agriculture 2. Industries
Anand	N.A.	N.A.	1. Agriculture 2. Agro-processing inds. 3. Industries
Thanesar	Sr/Com.	Sr/Com.	1. Agriculture 2. Agro-processing inds. 3. Industries
Hassan	Sr	Sr/Tc/Id	1. Agriculture 2. Agro-processing inds. 3. Handicrafts 4. Industry
Malappuran	Sr	Pr/Sr/Com.	1. Agriculture
Itarsi	Tr/Sr/Id	Tr/Sr	1. Agriculture 2. Agro-processing inds. 3. Handicraft 4. Industry
Satara	N.A.	N.A.	1. Industries 2. Agro-processing inds. 3. Agriculture
Pudukottai	Sr/Id	Tc/Sr/Id	1. Agriculture 2. Industries
Barabanki	Id/Sr	Id/Sr/	1. Agriculture 2. Agro-processing inds. 3. Handicraft 4. Industry
Bolpur	N.A.	N.A.	1. Agriculture
Suri	N.A.	N.A.	1. Agriculture 2. Agro-processing inds. 3. Handicrafts

Contd...

1	2	3	4
<u>Unsuccessful</u>			
Srikakulam	Sr/Id/Pr	Sr/Tc/Id	1. Agriculture
Dumka	Sr	Sr/Tc	1. Agriculture 2. Handicrafts
Mehmedabad	N.A.	N.A.	1. Agriculture
Sirsa	Tc/Sr/Id	Tc/Sr	N.A.
Raichur	Sr	Tc/Tr/Sr	1. Agriculture 2. Agro-processed industries
Kayankulam	Id/Sr/Pr	Pr/Com/Id	1. Agriculture 2. Industries
Chhindwara	Sr/Id/Tc	Sr/Tc/Id	1. Agriculture 2. Agro-processing industries
Kinwat	Pr	Pr	1. Agriculture
Coonoor	Sr	Sr/Id/Tc	1. Agriculture
Almora	Sr	Sr	1. Agriculture 2. Handicrafts 3. Industry

Pr - Primary Ag. Agriculture
Sr - Secondary Ag.pro. Agro-processing industries
Tr - Tertiary Hand. Handicrafts
TC - Trade and Commerce N.A. Non available
Id - Industry
Com.- commerce

Note:- The figures relate to order of priority.

Though complete information in regard to agricultural output for consumption in the town and for export to other areas has not been made available, it may be seen from whatever information has been received that commodity flows for consumption in the town and for export to other areas have both increased from 20 to 29 per cent in the successful as well as unsuccessful sampled IDSMT towns (Table 4).

Thus, from Tables 2, 3 & 4 it is clear that the selection of towns has been somewhat ad hoc and preference has been given to district Headquarter/Sub-District Headquarter towns. The dominant functions of the selected towns have not been identified, with the result that the scheme is not tailored to the needs of the city; and its role in the regional context has not been prepared prior to the selection of the towns.

The 'guidelines' are silent about the most important force in development namely the economic base. The provision of assistance aims largely at improving infrastructure but not at improving the economic functions of the towns:

Development of mandies/markets, provision of industrial estates, provision of other services and processing facilities for the benefit of agricultural and rural development in the hinterland.

Nor do the guidelines clearly indicate how the 'spatial' and 'sectoral' linkages are to be established to achieve the objectives.

Table 4
Commodity Flows in Sampled IDSMT Towns

(In tonnes)

Town	For consumption in town		For export to other areas		Percentage variation in Quantity during 1979-80 to 1984-85		
	1979-80	1984-85	1979-80	1984-85	For consumption in town	For export to other areas	Total
<u>Successful</u>							
Vijaynagar	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Begusarai	80,000	1,00,000	55,000	70,000(in Q)	25	27.27	20.59
Anand	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Thanesar	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Hassan	18,250	36,500	36,500	73,500	100	100	100
Malappuram	10,800	14,400	12,000	15,000	33.33	25	28.95
Itarsi	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Satara	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Pudukottai	425.18	3010.44	N.A.	N.A.(in Q)	608	N.A.	N.A.
Barabanki	89,612	1,63,690	N.A.	N.A.	82.67	N.A.	N.A.
Bolpur	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Suri	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<u>Unsuccessful</u>							
Srikakulam	36,521	43,825	15,495	18,594	20	20	20
Dunka	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mehmedabad	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Sirsa	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Raichur	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Kayankulam	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chhindwara	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Kinwat	43,450 & 185239 (No separate break - up)						
Coonoor	1,550	1,820	24,200	31,482	17.14	30.10	29.33
Almora	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Note :- N.A. Not available

Source: NIUA Survey

Formulation and Implementation of the IDSMT Scheme

Though the plan document expresses a belief that the development of small and medium towns will impact positively on rural and socio-economic problems, the IDSMT as a policy option appears not to look beyond the physical boundaries of the towns in question and beyond the component of physical improvement in urban development.

It may be seen from Table 5 that in all the sampled towns, the project components have been implemented within the municipal jurisdiction area. Besides, in 4 towns the actual execution has been delayed by at least 1 or 2 years because of delays in either land acquisition or in the transfer of central assistance from the state governments to the implementing agencies. The data from 11 towns indicated technical shortcomings in the implementing agencies as the main obstacles in the way of project implementation. It may also be mentioned here that an opinion survey revealed that **sufficient publicity had not been given to the scheme to create a suitable development environment including community education and training of development operations.**

Table 5

Formulation and Implementation of IDSMT Scheme

Town	Project components within municipal area	Delayed commencement for first two years	No expenditure reported	Delay in land acquisition	Technical shortcomings	Delay in transfer of matching grant from state govt. & local bodies	Remarks
<u>Successful</u>							
Vijaynagar							
Begusarai							
Anand							
Thanesar							
Hassan							
Malappuram							Amount spent is more than sanctioned
Itarsi							
Satara					Not adequate		
Pudukottai							No state govt. sponsored scheme undertaken
Barabanki							
Bolpur		Started in 1986-87	Under state govt.				
Suri		started in 1983-84	Sponsored scheme				
<u>Unsuccessful</u>							
Srikakulam							
Dunka							
Mehmedabad							
Sirsa							
Raichur							
Kayankulam							
Chhindwara							
Kinwat							
Coonoor							
Almora			Partly unspent				

Source: NIUA Survey.

Extent of Hinterland

The extent of the hinterland of a town depends on the characteristics of urbanisation in the town, its growth, economic base and the functional characteristics which give rise to mutual interaction with its hinterland. As a rule the larger the area of hinterland, the lower will be the capabilities of the small and medium towns to cater to its services and other needs unless there are efficient and higher order facilities in these towns to enable them to fulfil their role as rural support centres. Another explanation may be that being virtually denuded of all its resources including manpower, and also being impoverished and backward, the larger area of the hinterland becomes dependent on the towns. Thirdly, it may also indicate the unbalanced distribution of urban population.

Considering the implementation of the IDSMT scheme for the development of infrastructure facilities and upgrading of services in the town, in 6 out of 19 sampled towns for which data were available, the extent of the hinterland was large enough for the scheme to have some impact (Table 6).

Table 6
Extent of Hinterland

Town	Area of the hinterland coming under the influence (in sq.km.) of the town
<u>Successful</u>	
Vijaynagaram	15.20
Begusarai	2.93 (sq.miles)
Anand	9.0
Thanesar	400.00
Hassan	5.0
Malappuram	149.47
Itarsi	N.A.
Satara	314.2
Pudukottai	N.A.
Barabanki	N.A.
Bolpur	315.00
Suri	250.00
<u>Unsuccessful</u>	
Srikakulam	15.00
Dumka	3.14(sq.miles)
Mehmedabad	20.00
Sirsa	N.A.
Raichur	9.85
Kayamkulam	10.00
Chhindwara	5.00
Kinwat	2063.20
Coonoor	213.29
Almora	20.00

Source: NIUA Survey.

Other Interaction Linkages

Apart from the economic, service and consumption linkages that exist between small and medium towns and their hinterlands, there are linkages in the socio-cultural field as well as those arising out of educational, medical and entertainment needs. In the absence of complete information, the analysis could not be attempted. However, on the partial information available, it appears that educational and medical linkages between the hinterlands and the towns account for larger proportions. This is expected because the semi-skilled and educated among those who are in the rural hinterland are employed in different vocations in the small and medium towns, and friends and relatives often to go visit them. Further, the hinterlands do not normally have institutions of higher learning nor those imparting technical and vocational training; People therefore go to these towns to take advantage of the availability of these facilities. The interaction of the hinterland with the town in terms of education, does not appear to have any bearing on the financial success or failure of the IDSMT project (Table 7).

Though there is no direct relationship between the project components of the IDSMT scheme and the interaction of the town with its hinterland in terms of educational facilities, it definitely indicates the centrality of a place for such facilities. In absolute terms, a significant number of students from the hinterland are studying in the sampled IDSMT towns and there has been a substantial increase ranging from 200 per cent to 263 per cent in training and technical institutes in

Table 7

Interaction with hinterland (educational and health facilities)

Towns	Patients from Hinterland				Students from Hinterland									
	Outdoor patients (%)		Indoor patients (%)		General			Technical		Training		Percentage Increase(+)		
	1979-80	1984-85	1979-80	1984-85	1979-80	1984-85	Percentage Increase(+)	1979-80	1984-85	1979-80	1984-85	Percentage Increase(+)	1979-80	1984-85
<u>Successful</u>														
Begusarai	90	90	90	90	1500	2000	33.33	500	650	30.00	150	200	33.33	
Anand	75	80	60	60	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Hassan	30	35	30	35	500	700	40.00	200	250	25.00	60	100	66.67	
Malappuram	Nil	Nil	Nil	Nil	604	636	5.30	-	-	-	45	52	15.56	
Itarsi	20	20	40	40	700	1200	71.43	-	-	-	-	-	-	
Barabanki	63	67	78	81	1654	1199	(-)11.99	44	162	263.18	-	22	N.A.	
Suri	60	80	70	65	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
<u>Unsuccessful</u>														
Srikakulam	-	-	-	-	400	500	25	75	100	33.33	100	300	200	
Dumka	80	80	80	80	3500	5000	42.86	175	300	71.43	80	100	25	
Sirsa	N.A.	N.A.	N.A.	N.A.	2465	2930	18.86	684	760	11.11	434	525	20.97	
Raichur	30	50	35	40	283	473	67.14	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Chhindwara	N.A.	80	N.A.	75	N.A.	N.A.	N.A.	-	-	-	-	-	-	
Kinwat	40	52	N.A.	N.A.	225	400	77.77	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Coonoor	10	12	8	10	151	162	7.28	-	-	-	150	154	2.67	

Source: NIUA Survey.

Srikakulam and Barabanki. It is also significant to note that student coming from the (hinterland to the town in Barabanki have decreased, which may be attributed to the fact that a new college has started functioning in the hinterland of the town.

In the IDSMT scheme, of the number of outdoor patients coming from the hinterland to the town for medical treatment also does not have any bearing on the financial success or failure of the scheme itself. It depends on the availability of the specific order of medical facilities in the hinterland of a town.

Small and medium towns provide the much needed support to the economy of the hinterland in terms of marketing of agricultural produce, technological and service linkages, educational and medical linkages and, above all, financial linkages. However, it is difficult to apportion the extent of contribution of these towns in the development of their hinterlands. The project component of the IDSMT is related to the upgrading of the level of services rather than integrating different sectors of the economy in order to enhance the contribution of the towns to the objectives of the IDSMT scheme. Another reason for the present limited contribution of the small and medium towns to the development of the hinterland is that they are not fully developed themselves to undertake this task.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

It was during the Sixth Five Year Plan period that 235 towns were selected for integrated development under the IDSMT programme. The IDSMT scheme itself and its objectives have been outlined with some amplitude in the introductory part of this report. To recapitulate briefly, infrastructure was to be provided for the integrated growth of selected small and medium towns so that the population could be deflected from the metropolitan towns where further growth had to be discouraged. On another plane, the towns selected for development were to serve as growth centres for their rural hinterlands. Accordingly, the measures suggested for such development were to be administered in two parts, one with centrally assisted funding on a matching basis and the other wholly funded out of the resources of the state and the implementing agencies. The components under both parts were to be integrated under one scheme to foster overall development.

The selection of the IDSMT towns was made according to the guidelines which had been laid down and which are discussed in an earlier part of this report.

In general the study of the population characteristics of the 235 IDSMT towns selected during the Sixth Five Year Plan indicates that

- A majority of the IDSMT towns fall in the medium size categories of Class II and III, with populations ranging between 20,000 and 99,999.

- Population growth increases with reduction in city size and is very high in the smaller towns. However, the total average population growth of IDSMT towns is below that of the national average and a majority of the towns have medium growth ranging between 21.0 per cent and 46.24 per cent.

An indepth evaluation study of the implementation of IDSMT scheme in 22 selected towns (a sample of about 10 per cent of the 235 IDSMT towns) across the country was undertaken during the period 1979 to 1984 with the objective of assessing the impact of the scheme.

Land acquisition and development, a major component of the scheme has become an onerous task in most cases. In general, proposals for land acquisition were challenged in the courts, sites were encroached upon or were not found suitable for the proposed project activities. Furthermore, the central share of assistance is made available to the local bodies only after the land acquisition proceedings have reached the award stage. This factor combined with the often weak financial position of most local bodies of IDSMT towns has severely constrained satisfactory progress of the land acquisition component of the scheme. Despite these impediments, however, some towns (Anand, Thanesar, Sirsa and Satara) were successful in acquiring the entire land proposed and notified under the scheme.

Appendix

List of Towns, IDSMT

Successful towns

Vizianagaram
Begusarai
Anand
Kurukshetra (Thanesar)
Hassan
Malappuram
Itarsi
Pudukottai
Barabanki
Bolpur
Suri

Unsuccessful towns

Srikakulam
Dumka
Mehmedabad
Sirsa
Raichur
Kayamkulam
Chhindwara
Kinwat
Coonoor
Almora

The development of residential plots, especially for the EWS was more or less satisfactory in four selected towns - Anand, Satara, Pudukkottai and Chhindwara - achieving full targets by disposing of the entire lot of developed plots for the economically weaker sections.

The main constraints faced in development and disposal of residential plots were :

- Urban land litigation precluded availability of land for residential schemes.
- The selection of sites was inappropriate.
- Lack of coordination between local and state agencies led to both intra and inter-agency breakdown and consequent costly delays in sanctioning project estimates.
- Cost escalations in the construction sector .
- Lack of affordability (particularly of the EWS and LIG categories).

There were hardly any proposals in most towns for the development of industrial sheds. However, Satara and Raichur showed good progress in implementing this part of the scheme. In some of the selected towns, the actual execution work on these projects could not take place because of administrative, technical and financial constraints. In 4 towns, the actual execution was delayed by at least one or two years owing to delays in either land acquisition or in the transfer of central assistance from the state government. The 12 towns indicated technical incapacity of the implementing agencies as the main reason for not achieving the desired targets in project implementation.

The development of traffic and transportation projects under IDSMT was not found to be very satisfactory. In four towns - Anand, Satara, Suri and Kayamkulam - the progress of the construction of new roads was excellent with actual completion being cent per cent of the targeted level. Three towns of the Southern states - Vizianagaram, Hassan and Malappuram could achieve 75 per cent of the proposed targets. The reasons for not achieving the targets were (i) legal problems, (ii) financial constraints, and (iii) administrative constraints.

Markets/commercial complexes have been developed satisfactorily with excellent results in 6 sampled IDSMT towns - Vizianagaram, Thanesar, Satara, Pudukottai, Suri and Bolpur. In these towns all the developed shops and stalls were disposed of and a cent per cent target was achieved. The development of mandis, however, has not met with much success with the exception of Satara, Bolpur and Pudukkotai. More attention is needed here.

Housing and commercial development projects (including shopping complexes and godowns) were the main income generators in 13 sampled IDSMT towns. The levels of income generated varied from a maximum of Rs. 139 lakhs in Raichur to about Rs. 50 lakhs in Anand and Pudukkotai.

After studying the componentwise investment pattern it can be observed that most local bodies of the selected IDSMT towns have accorded high priority to the remunerative and economically viable sectors such as the development of markets, mandis,

commercial complexes, as well as traffic and transportation schemes (such as development of bye-pass roads in particular).

In view of the fact that income generation from urban projects constitutes a significant objective of the IDSMT scheme the emphasis of local bodies on remunerative projects is necessary and such projects have contributed to their popularity in most of the IDSMT towns studied.

While a large number of sampled IDSMT towns were not able to initiate the state sector components such as (water supply, sewerage, training and slum improvement) the financial progress in regard to these components has been satisfactory in the towns where related projects have been taken up. The percentage utilisation of amounts sanctioned under the IDSMT scheme for the state funded projects varies from 67.91 per cent (Begusarai) to 100 per cent (Almora). Only in the case of Suri has the utilisation rate been on the lower side (42.67%). While the reasons for not utilising the entire amount are multiple and vary from town to town, in general they may be summarised as - delay in getting the administrative approval; delay in receiving funds, especially from state governments; lack of proper coordination between planning and implementation agencies; litigation over land ; and inadequate municipal finances.

Considering the above mentioned factors, it is suggested that contributions from the local authorities should not be insisted upon as the financial position of most local bodies is already weak. Besides, the total cost of the projects and the

central assistance offered are too meagre to provide for the development of small and medium towns as effective growth centres with a better environment and potential for growth.

There have been shortcomings in the land acquisition and development component under the IDSMT scheme. In almost all the cases there have been no demand surveys or feasibility studies of the projects to be taken up. Under the circumstances one cannot expect a better performance in terms of development as well as sale of plots. Out of the 11 towns where plots have been developed, 5 have been able to dispose of them during the reference years. Poor location of the site development has been the main factor responsible for this lack of demand. Specific cases that can be cited here are the sites developed in Barabanki and Almora. The first one is located on a trenching ground whereas the other is located in the outskirts. This has resulted in a total lack of demand for these components in these two towns. Likewise most problems pertaining to the sale of plots in other towns too are largely attributed to locational hurdles.

The provision for low income options as a part of the land acquisition component has been utterly inadequate in terms of scale and as part of low income housing backlog/demand. Considering the reasons such as lack of resources, material and technical expertise, it may not be possible to meet the entire demand from the for low income habitants. In such a context it would have been desirable to link the provision of low income plots with the state sector components of the IDSMT programme,

that is, slum improvement and upgradation. In this case, the low income plots could be initially allotted to the dwellers belonging to the low income areas that need to be cleared for the provision of infrastructural facilities such as roads/streets, schools, community centres and so on.

In most cases implementing agencies have not been able to tap the potential income from the sale of plots, shops, stalls, and so on. On the other hand, the agencies that have registered increase in income have confirmed a substantial scope for income generation from this source.

Although the initial proposals were made in accordance with the respective master plans, the low level of achievement of targets in the case of traffic and transportation component may not make a significant impact on the promotion of shelter and employment opportunities in the respective locations. Even though urban development plans have already been prepared for the development of small and medium towns per se, the question of linkages of the towns with their hinterlands for fostering regional development has not received the importance it deserves. Not much evidence is emerging to suggest that anything significant has been done in terms of integration of towns with their hinterlands.

Immediate and long term plans should be prepared keeping in view the above factors.

By and large, the development of markets and mandis has been able to make a positive impact on the economic base of the

respective towns. However, it also appears at the same time that their potential has not been utilised fully by the respective implementing agencies in the sense that there have been no efforts to utilise the available components for the processing and other services meant for the benefit of agricultural and rural development in the hinterland. It would have been better if the implementing agencies to coordinate with the other participating agencies in this field such as the state level Departments of Agriculture and Industries and also the commercialised banks.

The components (wherever implemented) for which central assistance was to be utilised on a matching basis, have made a significant impact in some of the towns in the improvement of the physical infrastructure. By contrast, the impact of the other components, for which funds were to be found from the resources of the implementing agencies and the respective state governments, has not been very noticeable. This is because in most cases the implementing agencies did not take up the execution of the projects.

Three main reasons seem to have contributed to the fact that even the centrally assisted projects did not produce the desired impact.

Firstly, the implementing agencies did not properly carry out the pre-project modalities required at the initial and preparation stages. Demand surveys and feasibility studies had not been conducted which would have minimised the problems

pertaining to the sale or disposal of plots, shops, stalls through which income could also have been generated.

Secondly, there has been a lack of integration and coordination among the various components. For instance, the provision of improved and widened roads can facilitate a better level of secondary (post-allotment) development of the land acquisition and the Market and Mandis components. However, efforts were not made to correlate these components in order to make them complementary. Similarly land acquisition and development could be linked with the slum improvement and upgradation projects.

Thirdly, it appears that there has also been a lack of suitable coordination with other participating agencies belonging to the same fields such as the state-level housing boards or local level development agencies for land acquisition and development and the Departments of Agriculture and Industry regarding the markets and mandis projects.

The selection of towns for development under the scheme seems to have been ad hoc with preference being given to District Head Quarter/Sub-District Head Quarter towns. The dominant functions of the selected towns have not been identified, with the result that schemes are not tailored to the needs of each city; nor has its role in the regional context has been prepared prior to its selection.

The "guidelines" are silent about the most important force in development, namely the economic base. The assistance aims largely at improving infrastructure but not specifically at improving the economic functions of the towns. Besides, the guidelines issued do not clearly indicate how the spatial and sectoral linkages are to be established in order to achieve the objectives.

The integrated development programme should be based not only on the size of population and the administrative status of the town in the district but on the needs and growth potential of the towns and their economic bases. The linkages of towns with their hinterlands should be studied and suitable strategies having a bearing on the migration pattern should be evolved to meet the main objective of the scheme of arresting the flow of migration to metropolitan areas.

Though the plan document expresses a belief that development of small and medium towns will make a positive impact on rural and socio-economic problems, the IDSMT policy does not seem to look beyond the boundary of the towns in question and beyond the bare physical improvement component in urban development.

In all the sampled towns, the project components have been implemented within the municipal jurisdiction area. It may also be mentioned here that during the opinion survey it was found that not sufficient publicity or propaganda had been given to the programme to create a proper development environment including community education and training of development operations.

Small and medium towns provide the much needed support to the economy of the hinterland in terms of marketing facilities for agricultural produce, and technological and service linkages. However, it is difficult to apportion the extent of their contribution to the development of the hinterlands. The projects of the IDSMT are related specifically to the upgrading of the level of services rather than integrating the different sectors of the economy in order to enhance the contribution of the towns to the IDSMT scheme. This view has also been endorsed by the earlier studies conducted by National Institute of Urban Affairs (1988), Indian Institute of Public Administration (1985) and All India Institute of Local Self Government (1986) on the evaluation of IDSMT scheme in different states. Among other issues, the share of the unorganised informal sector in the investment pattern of these towns has not been considered adequately.

In the foregoing paragraphs, as part of the summing up, certain factors have been highlighted to pinpoint the inadequate results of the schemes implementation that have emerged from the data analysis in this study. The IDSMT programme has no doubt improved the physical infrastructure in some of the selected towns, but there have been problems alongside. These relate to the ad hoc selection of towns, the identification of suitable projects and integration of sectoral programmes at the town level to improve the spatial linkages of towns with their hinterlands, inordinate delay in land acquisition; a mismatch of needs for improvement in physical infrastructure and the required funds inadequacy of technical staff, problems of co-ordination in

implementation and delays in getting matching contributions from State governments for the implementation of the programme in some of the towns which could not achieve the desired targets.

It is, however, clear that apart from the selection of the towns under the scheme, the resources have also been rather thinly spread and the total allocation inadequate to meet the objectives of programme. This criticism has in fact been made by the report of the National Commission on Urbanisation (NCU) while emphasising the need for a more scientific basis for developing similar growth centres.

Overall, much remains to be said in favour of following up the IDSMT programme in the Eighth Plan albeit with some modifications based on the findings of evaluation studies such as the present report.

It is still rather early to expect tangible and quantifiable evidence of the scheme's objectives having been realised. Much of the input has been towards physical improvement of infrastructure and environment whose impact can only be verified indirectly over time. The period up to the present can be taken as an initial phase where the direction of growth has been set with regard to the objectives. The follow-up can be taken up in the subsequent phases by amalgamating NCU's GEMs, SPURS and the IDSMT towns while taking from each the relevant recommendations and strategies for sustained growth in these centres.

It may be mentioned here that the NCU report has identified 329 settlements which are potential generators of economic momentum (GEMS). These include National Priority Cities (NPC), State Priority Cities (SPCs) and the towns and cities in Spatial Priority Urban Regions (SPURs).

The detailed statistical exercise of identifying GEMs and SPURs is supported by rather generalised strategy statements. Essentially, however the Commission advocates a "removal of bottlenecks and improvement of services", especially related to transportation, telecommunications, water supply, sewerage and power availability with an emphasis on the use of power. The objectives of the NCU and the IDSMT scheme do cover the same ground. Out of the 329 GEM, about 125 towns are found to be common to the IDSMT programme, which constitutes roughly 37 per cent of the total designated as GEMS. Despite the criteria adopted for the selection of IDSMT towns and the GEMs there is some discernible commonality in the centres selected by both.

Since the needs of towns with varying functions in different regions would be varied, therefore it is stressed that unless these variations are recognised and incorporated in the planning process, the planning approach will fail to integrate economic and spatial planning no matter how valuable and forceful are the pronouncements.

Keeping in mind the ultimate objective of the IDSMT programme, there has to be a conscious phasing of the entire programme particularly in view of the financial constraints. In the present first phase, probably the efforts have been made to simply upgrade the level of services. During the second phase, the various activities and sectoral programmes at the town level could be integrated thereby strengthening the economic base of the towns. This calls for suitable strategies for integrating economic and spatial planning within a region, flexibility in identification of the project component and adequate financial assistance. Finally, the third phase could be the development of the town as an integral part of the overall regional development plan. If these three phases could be taken up as important links in the chain of the development process, they may yield results in the first phase itself. Importantly, the perspective, direction and dynamics of development for optimum utilisation of the resources must be borne in mind. A similar suggestion was made during the discussion at a National Seminar on "Problems and Strategic policy issues for Integrated Development of Small and Medium Towns" held at IIPA in March, 1982.

In addition to the suggestions which have already been made in this report, a few specific recommendations are included here with the Eighth Plan approach to urban development in view.

- Land acquisition should be made a pre-condition for the selection of IDSMT towns. Land is generally available with municipalities; or else local bodies are often in a position to give assurances regarding the availability of land. Only such towns should therefore be selected for the IDSMT Programme to ensure a fair amount of success.

- The provision of infrastructure is another area where modifications can be made: while helping to upgrade and improve the physical infrastructure of the town, utilities should also be able to pay their way thereby strengthening the economic base of the town.

- The allocation of funds to the selected towns under the Programme are somewhat meagre; however, considering the long term objectives and the fact that the Programme has been continuing through the Sixth and Seventh Plans, the utilisation of funds should be based on a grant cum loan basis: grants may be given for non-remunerative projects while remunerative ones can be financed by loans. Further, in view of the fact that the financial base of the local bodies is often very weak, funds allocated on a grant cum loan basis should also be matched by contributions from the state government on similar lines.

APPENDIX I

List of the Sampled IDSMT Towns

Successful Towns

1. Vijayanagaram (A.P.)
2. Begusarai (Bihar)
3. Anand (Gujarat)
4. Kurukshetra (Haryana)
5. Hasan (Karnataka)
6. Mallapuram (Kerala)
7. Itarsi (M.P.)
8. Satara (Maharashtra)
9. Pudukottai (Tamil Nadu)
10. Barabanki (U.P.)
11. Bolpur (West Bengal)
12. Suri (West Bengal)

Unsuccessful Towns

1. Srikakulam (A.P.)
2. Dumka (Hihar)
3. Mehmabad (Gujarat)
4. Sirsa (Haryana)
5. Raichur (Karnataka)
6. Kayamkulam (Kerala)
7. Chindwara (M.P.)
8. Kinwat (Maharashtra)
9. Coonoor (Tamil Nadu)
10. Almora (U.P.)

AN EVALUATION OF THE INTEGRATED DEVELOPMENT
OF SMALL AND MEDIUM TOWNS PROGRAMME

Summary of Report

It was during the Sixth Five Year Plan period that 235 towns were selected for integrated development under the IDSMT programme. The Integrated Development of Small and Medium Towns (IDSMT) began as a centrally sponsored scheme in the Sixth Plan with a view to (a) slow down the growth of metropolises, and (b) ensure a balanced distribution of urban population. The scheme was based on the premise that by directing investments to small and medium sized towns for improvement of their physical and economic infrastructure it would be possible to slow down the growth of metropolises, and thereby achieve a better distribution of urban population. It was also implied that the cost of the scheme would be less than what the government may have to spend on maintaining the metropolises if they continued to expand at a fast pace. An amount of Rs.61 crores was released by the Central Government towards this scheme during the Sixth Plan Period. The states provided as per the provisions of the scheme matching contributions from their own plan resources. Accordingly, the measures suggested for such development were to be administered in two parts, one with centrally assisted funding on a matching basis and the other wholly funded out of the resources of the state and the implementing agencies. The components under both parts were to be integrated under one scheme to foster overall development.

In general the study of the population characteristics of the 235 IDSMT towns selected during the Sixth Five Year Plan indicates that

- a majority of the IDSMT towns fall in the medium size categories of Class II and III, with populations ranging between 20,000 and 99,999.
- Population growth increases with reduction in city size and is very high in the smaller towns. However, the total average population growth of IDSMT towns is below that of the national average and a majority of the towns have medium growth ranging between 21.0 per cent and 46.24 per cent.

An indepth evaluation study of the implementation of IDSMT scheme in 22 selected sample town (about 10 per cent sample of the 235 IDSMT towns) across the country was undertaken between the period 1979 to 1984 with the objective of assessing the impact of the scheme. The list of the sampled towns is given in Appendix-I. It may be too early to pass any conclusive judgement about the impact of the scheme within too short a period (i.e. 1979-84) and considering the long term objectives of the study. However, the study definitely gives some insights into the achievements and impediments in the implementation of the IDSMT scheme to achieve its objectives.

Land acquisition and development, a major component of the scheme has become an onerous task in most cases. In general proposals for land acquisition were challenged in the courts, sites were encroached upon or were not found suitable for the proposed project activities. Furthermore, the central share of assistance is made available to the local bodies only after the land acquisition proceedings have reached the award stage. This factor combined with the often weak financial position of most

local bodies of IDSMT towns has severely constrained satisfactory progress of the land acquisition component of the scheme. Despite these impediments, however some towns (Anand, Thanesar, Sirsa and Satara) were successful in acquiring the entire land proposed and notified under the scheme.

The development of residential plots, especially for the EWS was more or less satisfactory in four selected towns - Anand, Satara, Pudukkottai and Chhindwara - achieving full targets by disposing of the entire lot of developed EWS plots.

The main constraints faced in development and disposal of residential plots were :

- Urban land litigation precluded availability of land for residential schemes.
- The selection of sites was inappropriate.
- Lack of coordination between local and state agencies led to both intra-and inter-agency breakdown and consequent costly delays in sanctioning project estimates.
- Cost escalations in the construction sector .
- Lack of affordability (particularly of the EWS and LIG categories).

There were hardly any proposals for the development of industrial sheds. However, Satara and Raichur showed good progress in implementing the scheme. In some of the selected towns, the execution work could not take place because of administrative, technical and financial constraints. In 4 towns, the actual execution was delayed by at least one or two years owing to delays in either land acquisition or in the transfer of central assistance from the state government. The 12 towns

indicated technical incapacity of the implementing agencies as the main reason for not achieving the desired targets in project implementation.

The development of traffic and transportation projects under IDSMT was not found to be very satisfactory. In four towns - Anand, Satara, Suri and Kayamkulam - the progress of the construction of new roads was excellent with actual completion being cent per cent of the targeted level. Three towns of the Southern states - Vizianagaram, Hassan and Malappuram could achieve 75 per cent of the proposed targets. The reasons for not achieving the targets were (i) legal problems, (ii) financial constraints, and (iii) administrative constraints.

Markets/commercial complexes have been developed satisfactorily with excellent results in 6 sampled IDSMT towns - Vizianagaram, Thanesar, Satara, Pudukottai, Suri and Bolpur. In these towns all the developed shops and stalls were disposed of and a cent per cent target was achieved. The development of mandis, however, has not met with much success with the exception of Satara, Bolpur and Pudukkotai. More attention is needed here.

Housing and commercial development projects (including shopping complexes and godowns) were the main income generators in 13 sampled IDSMT towns. The levels of income generated varied from a maximum of Rs. 139 lakhs in Raichur to about Rs. 50 lakhs in Anand and Pudukkotai.

After studying the componentwise investment pattern it can be observed that most local bodies of the selected IDSMT towns have accorded high priority to the remunerative and economically viable sectors such as the development of markets, mandis, commercial complexes, as well as traffic and transportation schemes (such as development of bye-pass roads in particular)

In view of the fact that income generation from urban projects constitutes a significant objective of the IDSMT scheme the emphasis of local bodies on remunerative projects is necessary and such projects have contributed to their popularity in most IDSMT towns studied.

While a large number of sampled IDSMT towns were not able to initiate the state sector components such as water supply, sewerage, training and slum improvement, the financial progress in regard to these components has been satisfactory in the towns where related projects have been taken up. The percentage utilisation of amounts sanctioned under the IDSMT scheme for the state funded projects varies from 67.91 per cent (Begusarai) to 100 per cent (Almora). Only in the case of Suri has the utilisation rate been on the lower side (42.67%). While the reasons for not utilising the entire amount are multiple and vary from town to town, in general they may be summarised as - delay in getting the administrative approval; delay in receiving funds, especially from state governments; lack of proper coordination between planning and implementation agencies; litigation over land; and inadequate municipal finances.

Considering the above mentioned factors, it is suggested that contributions from the local authorities should not be insisted upon as the financial position of most local bodies is already weak. Besides, the ceiling for the total cost of the project and the central assistance offered are too meagre to provide for the development of small and medium towns as effective growth centres with a better environment and potential for growth.

There have been shortcomings in the land acquisition and development component under the IDSMT scheme. In almost all the cases there have been no **demand surveys or feasibility studies of the projects to be taken up.** Under the circumstances one cannot expect a better performance in terms of development as well as sale of plots. Out of the 11 towns where plots have been developed, 5 have been able to dispose of them during the reference years. **Poor location of the site development has been the main factor responsible for this lack of demand.** Specific cases that can be cited here are the sites developed in Barabanki and Almora. The first one is located on a trenching ground whereas the other is located on the outskirts. This has resulted in a total lack of demand for these components in these two towns. Likewise most problems pertaining to the sale of plots in other towns too are largely attributed to locational hurdles.

The provision for low income options as a part of the land acquisition and development component has been utterly inadequate in terms of scale and as part of low income housing backlog/demand. Considering the reasons such as lack of

resources, material and technical expertise, it may not be possible to meet the entire demand from the low income habitants. In such a context it would have been desirable to link the provision of low income plots with the state sector components of the IDSMT programme, that is, slum improvement and upgradation. In this case, the low income plots could be initially allotted to the dwellers belonging to the low income areas that need to be cleared for the provision of infrastructural facilities such as roads/streets, schools, community centres and so on.

In most cases implementing agencies have not been able to tap the potential income from the sale of the plots, shops, stalls and so on. On the other hand, the agencies that have registered increase in income have confirmed a substantial scope for income generation from this source.

Although the initial proposals were made in accordance with the respective master plans, the low level of achievement of targets in the case of traffic and transportation component may not make a significant impact on the promotion of shelter and employment opportunities in the respective locations. Even though urban development plans have already been prepared for the development of small and medium towns per se, the question of linkages of the towns with their hinterlands for fostering regional development has not received the importance it deserves. Not much evidence is emerging to suggest that anything significant has been done in terms of integration of towns with their hinterlands.

Immediate and long term plans should be prepared keeping in view the above factors.

By and large, the development of markets and mandis has been able to make a positive impact on the economic base of the respective towns. However, it also appears at the same time that their potential has not been utilised fully by the respective implementing agencies in the sense that there have been no efforts to utilise the available components for the processing and other services meant for the benefit of agricultural and rural development in the hinterland. It could have been better for the implementing agencies to coordinate with the other participating agencies in this field such as the state level Departments of Agriculture and Industries and also the commercialised banks.

The components (wherever implemented) for which central assistance was to be utilised on a matching basis, have made a significant impact in some of the towns in the improvement of the physical infrastructure. By contrast, the impact of the other components, for which funds were to be found from the resources of the implementing agencies and the respective state governments, has not been very noticeable. This is because in most cases the implementing agencies did not take up the execution of the projects.

Three main reasons seem to have contributed to the fact that even the centrally assisted projects did not produce the desired impact.

Firstly, the implementing agencies did not properly carry out the pre-project modalities required at the initial and preparation stages. Demand surveys and feasibility studies had not been conducted which would have minimised the problems pertaining to the sale or disposal of plots, shops and stalls through which income could also have been generated.

Secondly, there has been a lack of integration and coordination among the various components. For instance, the provision of improved and widened roads can facilitate a better level of secondary (post allotment) development of the land acquisition and market and mandis components. However, efforts were not made to correlate these components in order to make them complementary. Similarly the land acquisition components could be linked with the slum improvement and upgradation projects.

Thirdly, it appears that there has also been a lack of suitable coordination with other participating agencies belonging to the same fields such as the state-level housing boards or local level development agencies for land acquisition and development and the Departments of Agriculture and Industry regarding the markets and mandis projects.

The selection of towns for development under the scheme seems to have been ad hoc with preference being given to District Head Quarter/Sub-District Head Quarter towns. The dominant functions of the selected towns have not been identified, with the result that schemes are not tailored to the needs of each

city; nor has each city's role in the regional context been prepared prior to its selection.

The "guidelines" are silent about the most important force in development, namely the economic base. The assistance aims largely at improving infrastructure but not specifically at improving the economic functions of the towns. Besides, the guidelines issued do not clearly indicate how the spatial and sectoral linkages are to be established in order to achieve the objectives.

The integrated development programme should be based not only on the size of population and the administrative status of the town in the district but on the needs and growth potential of the towns and their economic bases. The linkages of towns with their hinterlands should be studied and suitable strategies having a bearing on the migration pattern should be evolved to meet the main objective of the scheme of arresting the flow of migration to metropolitan areas.

Though the plan document expresses a belief that development of small and medium towns will make a positive impact on rural and socio-economic problems, the IDSMT policy does not seem to look beyond the boundary of the towns in question and beyond the bare physical improvement component in urban development.

In all the sampled towns, the project components are implemented within the municipal jurisdiction area. It may also be mentioned here that during the opinion survey it was found

that not sufficient publicity or propaganda had been given to the programme to create a proper development environment including community education and training of development operations.

Small and medium towns provide the much needed support to the economy of the hinterland in terms of marketing facilities for agricultural produce, and technological and service linkages. However, it is difficult to apportion the extent of their contribution to the development of the hinterlands. The projects of the IDSMT are related specifically to the upgrading of the level of services rather than integrating the different sectors of the economy in order to enhance the contribution of the towns to the IDSMT scheme. This view has also been endorsed by the earlier studies conducted by National Institute of Urban Affairs (1988), Indian Institute of Public Administration (1985) and All India Institute of Local Self Government (1986) on the evaluation of IDSMT scheme in different states. The IDSMT programme has no doubt improved the physical infrastructure in some of the selected towns, but there have been problems alongside. These relate to the ad hoc selection of towns, the identification of suitable projects and integration of sectoral programmes at the town level to improve the spatial linkages of towns with their hinterlands, inordinate delay in land acquisition; a mismatch of needs for improvement in physical infrastructure and the required funds, inadequacy of technical staff, problems of co-ordination in implementation and delays in getting matching contribution from state governments for the implementation of the programme in some of the towns which could not achieve the desired targets.

It is, however, clear that apart from the selection of the towns under the scheme, the resources have also been rather thinly spread and the total allocation inadequate to meet the objectives of the programme. This criticism has in fact been made by the report of the National Commission on Urbanisation (NCU) while emphasising the need for a more scientific basis for developing similar growth centres.

Overall, much remains to be said in favour of following up the IDSMT programme in the Eighth Plan albeit with some modifications based on the findings of evaluation studies such as the present report.

It is still rather early to expect tangible and quantifiable evidence of the scheme's objectives having been realised. Much of the input has been towards physical improvement of infrastructure and environment whose impact can only be verified indirectly over time. The period up to the present can be taken as an initial phase where the improvement in physical infrastructure of town was undertaken with a view to upgrade the potentiality of the towns to be able to perform the function of growth centres.

It may be mentioned here that the NCU report has identified 329 settlements which are potential generators of economic momentum (GEMs). These include National Priority Cities (NPCs), State Priority Cities (SPCs) and the towns and cities in Spatial Priority Urban Regions (SPURs).

The detailed statistical exercise of identifying GEMS and SPURs is supported by rather generalised strategy statements. Essentially, however the Commission advocates a "removal of bottlenecks and improvement of services", especially related to transportation, telecommunications, water supply, sewerage and power availability with an emphasis on the use of power. The objectives of the NCU and the IDSMT scheme do cover the same ground. Out of 329 GEMS, about 125 towns are found to be common to the IDSMT programme, which constitutes roughly 37 per cent of the total designated as GEMS. Despite the criteria adopted for the selection of IDSMT towns and the GEMS there in some discernible commonality in the centres selected by both. Since the needs of towns with varying functions in different regions would be varied, therefore it is stressed that unless these variations are recognised and incorporated in the planning process, the planning approach will fail to integrate economic and spatial planning no matter how valuable and forceful are the pronouncements.

Keeping in mind the ultimate objective of the IDSMT programme, there has to be a conscious phasing of the entire programme particularly in view of the financial constraints. In the present first phase probably the efforts have been made to simply upgrade the level of services. During the second phase the various activities and sectoral programmes at the town level could be integrated thereby strengthening the economic base of the towns. This calls for suitable strategies for integrating economic and spatial planning within a region, flexibility in

identification of the project component and adequate financial assistance. Finally, the third phase could be the development of the town as an integral part of the overall regional development plan. If these three phase could be taken up as an important links in the chain of the development process, they may yield results in the first phase itself. Importantly the perspective, direction and dynamics of development for optimum utilisation of the resources must be borne in mind. A similar suggestion was made during the discussion at a National Seminar on "Problems and Strategic policy issues for Integrated Development of Small and Medium Towns" held at IIPA in March, 1982.

Considering the above factors, it is suggested that the IDSMT programme may be continued in the Eighth Plan with special emphasis on the second phase of the programme, that is, strengthening the economic base of the town and integrating the economic and spatial planning in a given region.

To sum up, the broad conclusions and their policy implications are :

- a) The selection of the IDSMT town is ad-hoc. The dominant function of the selected town have not been identified with the result that scheme is not tailored to the needs of the individual town. The following criteria need to be adopted for the selection of the beneficiary cities under the programme for development of small and medium towns.

- i. The selected town should have a decadal growth rate of atleast 40 per cent and above.
 - ii. The cause of the towns growth should be identified. This will require a detailed study of the employment characteristics of the towns, as also the changes undergone in the employment profile in the last decade.
 - iii. The size of the towns should be such that the growth does not become simply a function of percentages but represents a suitable number.
 - iv. It should have the growth potential arising from its strategic importance.
- b) Urban land litigation precluded availability of land for residential scheme.
- c) The planning and implementing agencies did not properly carry out the pre-project modalities required at the initial and preparation stage. Demand surveys, feasibility study or in some cases the planning for identification of scheme or the location of sites, had not been conducted. Besides, the same kind of component in the 'guidelines' for all kind of towns in all types of regions may not achieve the desired objectives. Therefore, it would be necessary to introduce some kind of flexibility in project formulation *& and* preparation of development schemes more suitable to the environment of town.

- d) These has been a lack of integration and co-ordination among the various components. Regional planning and regional development perspective in which the IDSMT programme has been conceived is lacking in identification of projects for execution in a given area.
- e) There has been a lack of inter-agency co-ordination in implementation of the IDSMT scheme. This can be achieved by proper planning indicating the phasing and schedule of the envisaged programme and constantly monitoring and evaluating the progress of the scheme.
- f) The study shows that there were hardly any proposals for the development of industrial sheds except in few cases which have shown good progress. In order to strengthen the economic base of the towns and to act as focal points of development and employment opportunities, an attempt should be made to promote industrial estates and small scale enterprises best suited to economy and functional needs and specialisation of towns hinterland. While licensing policy needs to be used both as incentive in small and medium towns and disincentive in larger towns to prevent excessive growth, the financial agencies such as Financial Corporations and State Industrial Development Corporation etc. should encourage the development of these sectors in the small and medium towns by extending facilities of loan and technical advice.

- g) The allocation of funds to the selected towns under the Programme are somewhat meagre; however, considering the long term objectives and the fact that the programme has been continuing through Sixth and Seventh Plans, the utilisation of funds should be based on a grant-cum-loan basis: grants may be given for non-renumerative projects while renumerative ones can be financed by loans. Further, in view of the fact that the financial base of local bodies is often very weak, funds allocated on a grant-cum-loan basis should also be matched by contributions from state government on similar basis.
- h) Considering the above factors, it is suggested that the IDSMT programme may be continued in the Eighth plan. While identifying the new towns under the IDSMT programme in the Eighth Plan, a special emphasis may also be given to the small and medium towns identified in the Sixth and Seventh Plan by extending the financial assistance to implement the second phase of the programme, that is strengthening the economic base of the town and integrating the economic and spatial planning in a given region.