

Maximising Economic Growth & Employment: 10 Strategies for Indian Smart cities

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Abstract:

India has witnessed rapid urbanization and a sustained economic growth for last few decades. Addition of another 150 million population will increase the urban population share in the country from 33.6% in 2019 to an estimate of 40% by 2030. In terms of numbers, the largest urban transformation of the 21st century is happening in India supported by its 'demographic dividend' (one-fifth of the world's working population). India also aspires to be \$5 trillion economy by 2024, of which its urban areas and population is estimated to contribute 85% of the total tax revenue. However, unemployment in urban India is alarmingly high at 7.8%. This is the biggest challenge at its doorsteps, for the country in general and urban India in particular.

It seems that the urban development and economic development in India are 'two people in two rooms'. Review of the existing central government urban development schemes (including the Smart Cities Mission) finds that it misses on the strategy to place urban India as the fountainhead for economic growth. The current central schemes of MoHUA focus more towards projects that enhance the ease of living of the citizens, but it does not necessarily address their economic prosperity and employment concerns. This strategy paper analyses the relationship between urbanization and economic growth. The paper proposes a city-centric economic growth approach, wherein it emphasizes the need to focus on large firms and big cities, to achieve the immediate economic targets. It further proposes 10 strategies to maximize economic growth and employment opportunities

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Keywords: Urban India; Smart cities; Strategy; Economic development, Employment; Urbanization

Introduction:

\$5 trillion economy by 2024 and \$10 trillion economy by 2032, may sound as a stiff target but surely, it is an aspirational target. This has been the highlight of the recent Budget 2019 and the Economic Survey 2019. Noticeably, India became \$ 1 trillion economy only in 2007 and another 7 years to reach \$2 trillion dollar economy in 2014. To achieve \$5 trillion economy target by 2024-25, India

would need to sustain a real GDP growth rate of 8% (*Economic Survey 2019*). This 'aspirational' target would need a different strategy and approach, from the existing one.

There is another parallel story of India's growth, i.e. of its urbanization. The Indian population residing in urban areas has been increasing 11.4% (1901), 28.53% (2001) and 31.16% (2017) to 34% (2019). According to the UN 'State of the World Population report' (2007), 40.76% of country's population is expected to reside in urban areas by 2030. Urbanization in India began to accelerate, due to the country's adoption of a mixed economy, which gave rise to the development of the private sector. The contribution of urban population to the net increase of Total Population has been more since 1951. The contribution of urban population growth to the net increase in total population in India, was around 35% during the period of 1970 – 2000 and it became more than 52% between 2000 -2019 (*Table 1*).

Table 1: Total population and Urban Population growth in India (1951-2019)

Census Years	Total Population (in million)	Growth in Total Population (in million)	Urban population (in million)	Urban Population (in %)	Growth in Urban Population (in million)	Net Contribution on Urban popu. growth in Total growth
	<i>a</i>	<i>B</i>	<i>c</i>	$d=c/a$	<i>E</i>	$f=e/b$
1951	361	-	62.4	17.29%	-	17.29%
1961	439	78	78.9	17.97%	16.5	21.12%
1971	548	109	109.1	19.91%	30.2	27.72%
1981	683	135	159.3	23.33%	50.2	37.21%
1991	846	163	217.6	25.72%	58.2	35.73%
2001	1028	182	285.6	27.78%	68.0	37.36%
2011	1210	182	377.0	31.16%	91.5	50.25%
2019	1350	140	453.6	33.60%	76.6	54.69%

However, historically India has been a reluctant urbanizer. Five Year Plans (FYPs) from 1950 to 2017 governed the urban development in India (*Appendix 1* - gives the focus of the successive FYPs). In the first three FYPs, urbanisation was happening by default. Thereafter, the next three FYPs emphasised on the need to limit the urban population, focus of smaller towns, and promote a balanced regional development. It was only during the 1990s, the urban sector was accorded greater attention, primarily by 74th Constitutional Amendment, which enabled devolution of funds, function and functionaries to the urban local bodies (*Sharma, 2018*). Jawaharlal Nehru National Urban Renewal Mission (JnNURM) from 2005-2017

and subsequently Smart Cities Mission (SCM) from 2015-2020 have brought the much needed attention to upgrade the urban infrastructure. This is more so important, when in the last 19 years; every second person added to the Indian population has been its urban population.

As urbanization in India grows, so does its contribution to economy. India's urban sector constitutes 63% of India's GDP (up from 45% in 1990) and could contribute 70-75% of its GDP by 2020, as per a Barclays report. While highlighting the opportunities in Urban India, another report by McKinsey also finds that the cities are central to India's economic growth, projecting that the cities will account for 70% of India's GDP by 2030 and urban economy will contribute 85% of total tax revenue (*McKinsey Global Institute - 2010*).

However, alarms are raised when the 'Periodic Labour Force Survey' (PLFS, May 2019) of the National Sample Survey Office (NSSO) showed that the unemployment rate in the country in FY18 was at 5.3% in rural India and 7.8% in urban India, resulting in overall unemployment rate of 6.1% (reportedly the highest in last 45 years). One also recalls here the most common quote these days that 'the city is not only the place where growth occurs, but also is the engine of growth itself' (*Duranton, 2000, pp. 291-292*). Therefore, here is a paradox when there is a stiff and immediate economic target, and urban India is going to be its biggest contributor, which itself is currently facing a very high unemployment rate. Is the 'engine of growth' of India ready for this \$5 trillion target? Thus, it becomes particularly important now to evaluate if the current government policies and programs about urban India, are in right direction from the perspective of economic growth and employment

This leads to the research questions of this paper. 1) Is there a relationship between urban development and economic growth? 2) How can urban India maximize its contribution towards India's economic growth (\$ 5 trillion economy target by 2024)? 3) What could be the ten strategies to maximize economic development and employment opportunities in the 100 Smart cities?

Current urban development schemes of Central government:

A report on 2011 states that 'the urban areas together get only 15% of plan allocation ... Both the Central and State funds mainly flow to rural areas' (*National Law University, Delhi – 2011*). However, urban development has received some attention in recent past. *Appendix 2* explains all the current central schemes of urban development. It is noteworthy that except for Smart Cities Mission and National Urban Livelihood Mission (NULM) all other have a focus of infrastructure creation; PM Awas Yojna Urban is about affordable housing, AMRUT is about water supply, sewerage and public gardens, Swacch Bharat Mission is about

cleanliness and Solid waste management projects. NULM too has been designed with a focus on the informal economies of the city. That leaves with only Smart Cities Mission, which has some intent to develop/promote the city economics.

Smart Cities Mission (SCM), launched in 2015, selected 100 cities in a two stage national competition. These 100 selected smart cities are hugely diverse in terms of population, geographical spread, economy, vision, priorities, capabilities etc. (*Appendix 3*). Since these 100 Smart cities were at different urban levels, the major focus in the mission became developing core infrastructure and IT-oriented solutions. SCM though provides an SPV structure in every city enabling the city to take independent decisions, which can include economic development and un-employment projects as well. It can therefore be concluded, that no current schemes of urban development, have been designed to address the context of city economics directly. In such a situation, how will the urban India deliver the \$5 trillion dollar economy target?

Review of Literature:

As income and economic opportunities in the cities grow, by 2050 more than half of India's population is likely to be urban (*United Nations, 2018*). Accommodating this large number of people implies massive investment requirement with a long gestation period. By one estimate, the period between 2012 and 2030 one would require an investment of Rs. 39.2 lakh crore (at 2009-10 prices) across eight sectors to service the basic needs of Urban population (*MoUD HPEC, 2011*). The eight sectors are water supply, sewerage, solid waste management, storm water drains, urban roads, transport, traffic support infrastructure and Street lighting. While this figure may be required to upgrade the city core infrastructure, this does not account for any direct investments required to upgrade the city economy to the next level.

There are studies too, which find urbanization more as an indicator than an instrument of economic development. The study finds that policies specifically aimed at accelerating, or retarding, urbanization are unlikely to speed up economic development. (*Bloom, Canning and Funk, 2008*). However, in the same study there are contrary results while mapping the urban population share and income level of Asian and African countries. It shows that, from 1960 to 2000 in Asian countries, as urban population grew from 20% to 36% the income per capita had a very significant jump, which was not a same case in African countries (the income per capita did not increase).

Nevertheless, in India we find lower-income states are less urbanised. States with low per capita income also have smaller shares of urban population. For example, Bihar, Uttar Pradesh, Madhya Pradesh recorded the lowest per

capita Gross State Domestic Product (GSDP) in 2011 and rank 27th, 23rd, and 15th in terms of urban share of population (*Census, 2011*) amongst the 28 states. It is noteworthy to mention here, that there are other literature which suggest a well-established link between the level of urbanization and economic growth (*Fay and Opal, 1999; Jones and Kone, 1996, Duranton, 2009; Overman and Venables, 2005; Rosenthal and Strange, 2004*). Two primary channels are highlighted in the urban economics literature (*Duranton and Puga, 2004; Puga, 2010; Brueckner, 2011*). First, cities enable firms to operate at a larger scale and take advantage of the productivity benefits that arise from increased division of labour. That is, urbanization fosters scale economies. Second, cities facilitate the sharing of resources between firms and workers. Shared labour markets, for example, make it easier for firms to hire new workers without spending a lot of time and money searching for the right candidate.

Recent studies also reveal that urban workers who live in larger cities learn more on the job than urban workers who live in smaller cities or towns (*De la Roca and Puga, 2017*). Such benefits—commonly referred to as agglomeration economies—arise as result of the external, urban environment rather than from individual firm or worker characteristics. This creates an opportunity for policymakers to influence city-level productivity and urban incomes through policies that promote agglomeration effects. It can thus be concluded that cities, and in particular the bigger cities, contribute more towards the economic growth.

Alternative approaches to growth:

The primary objective of any public policy, including urban policies, is maximizing social welfare subject to the resource constraint. Since the paper tries to question the macro-economic issues of Urban India along with the present employment opportunities, it is only appropriate to take reference of the Social Welfare economics. Social Welfare economics uses microeconomic techniques to evaluate well-being (welfare) at the aggregate (economy-wide) level. This is particularly helpful to strategize on how the government might intervene to improve social welfare. It is an attempt to draw some inference for urban development strategies in the country.

This paper broadly works on three social welfare functions based on equity - Utilitarian welfare function, Rawlsian utility function and Bernoulli-Nash welfare function. The first, Utilitarian Welfare function indicates that in a society the sum total of its welfare is sum of the utilities of its people. This means that if a person is contributing 100 and the other is contributing 2900, the sum is 3000 as the total welfare in the society. It thus has no regard for the inequality present. The Second, Rawlsian utility function is the other extreme, when it says no economic activity will

increase social welfare unless it improves the position of the society member that is the worst off. This means that for the sum of the total welfare in the society to be 3000, the utility of A and B should be equal to 1500. The third, Bernoulli-Nash welfare function is more pragmatic or practical. It concludes that some inequality in the society is inevitable.

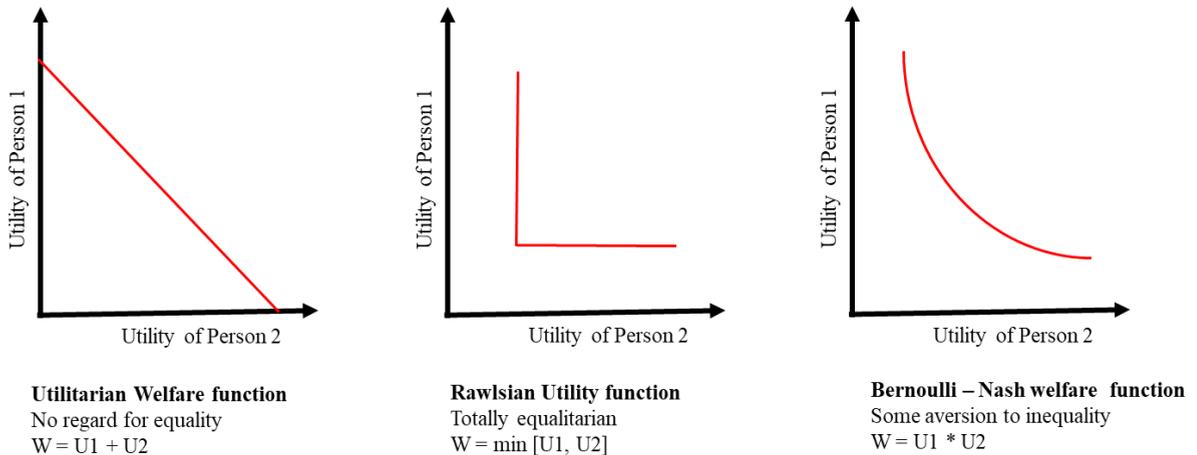


Figure 1: Social Welfare functions

In my opinion, there is a popular tendency to desire incremental growth focusing on the person standing last in the queue. In India, we often notice that in an attempt to create a 'balanced growth', we tend to neglect the person standing first in the queue. One simple example of this is that while the 100 smart cities development is an epitome of India's educated citizens' aspirations, the list does not include the bigger cities, which are in there in the front i.e. Mumbai, New Delhi, Hyderabad, Noida, and Gurgaon etc.

This is where I wish to introduce the 'Coming out of Well fallacy' (Figure 2). The image presents a situation wherein, there is a group of people are stuck in a well and need to plan a way out. This can be similar to a city/state/nation, which wants to grow economically, and is stuck in a particular situation. There could be two approaches; one a Socialist approach and the second a Capitalist approach. The first approach is a socialist approach, which is similar to the Rawlsian utility function, strategizes for an incremental growth. Here all people, irrespective of their size and capability plan an equal increment for all. Every person rises equally. Over a period, with persistent efforts all will come out of the well together. A similar policy adopted by the Smart Cities Mission, wherein all 100 cities (irrespective of their demography, size, capacity, economic base etc.) will receive Rs 100 crore for 5 years, in their pursuit to become smart. Bengaluru and Pune would get the same government money as Muzaffarpur and Saharanpur. This is not the best approach.

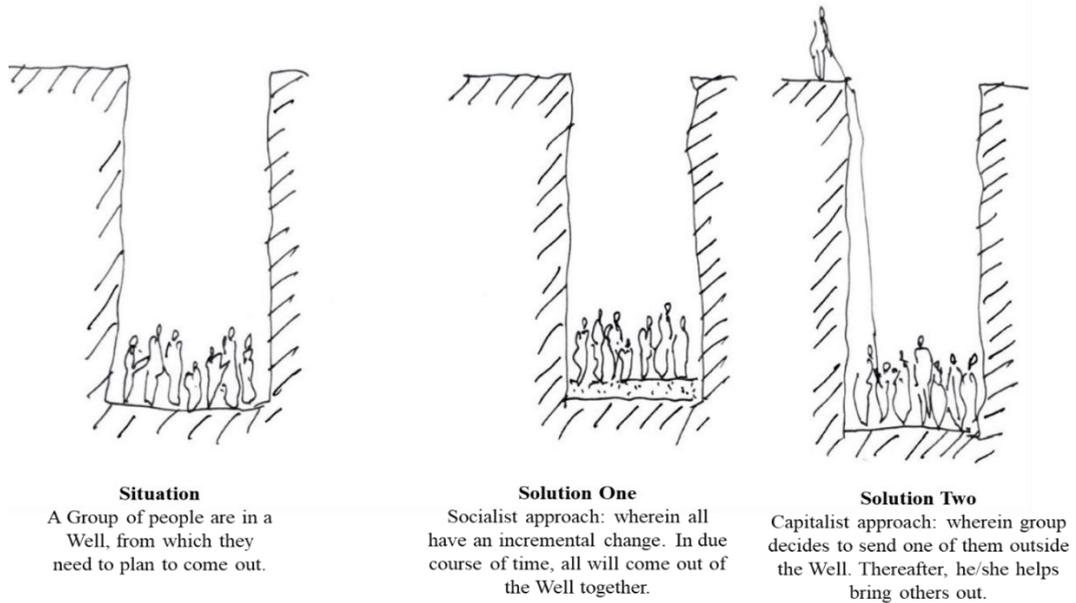


Figure 2: Coming out of Well Fallacy

The second approach is a capitalist approach, wherein the group in the well deliberates and find the strongest and most capable to coming out of the well. The group then support/helps their best to come out of the Well. Once out, the best is in the position to help others come out of the well. This approach accepts that there is an inequality in the society, and it would be unfair to expect that all in the group have an equal incremental growth.

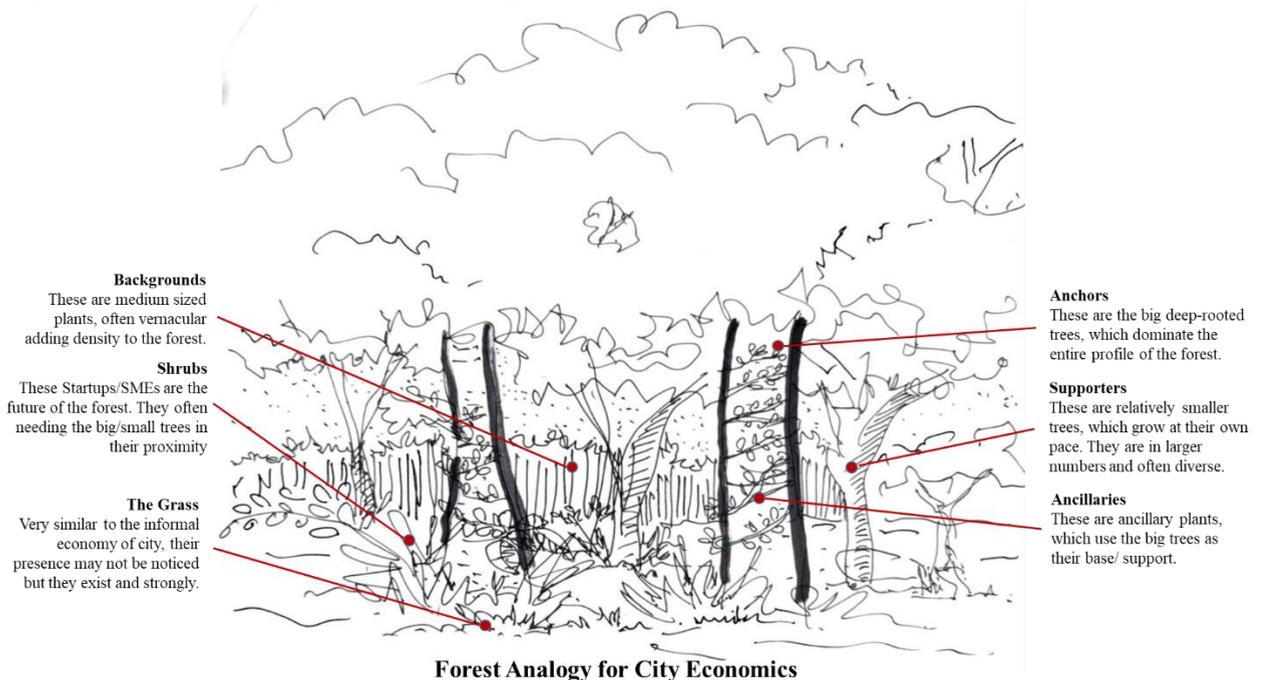


Figure 3: Forest Analogy for City Economics (FACE)

For a robust economic growth along with enough employment opportunities, the paper suggests that there can be 'Forest Analogy of City Economics (FACE)' (Figure 3). The analogy of the city economics has been explained from a cross section of a forest. It identifies six major components of a forest, which are similar to the components of City Economics.

It is important that a city have these six buckets of economies identified, as under:

- **Anchors:** They are the biggest trees (firms) of the forest (city economy). They are deep rooted and are the identity of the forest/city. Very similar to what Infosys is for Bangalore, Adobe is for Noida and Maruti for Gurgaon. They employ the best labour available in the city and are in fact the reason why the talented labour is attracted to the city.
- **Supporters:** These are the smaller trees (firms) in the city. They are larger in number offered a variety of services and thus attracting a diverse pool of labour in the city economy. The traders/merchants catering to the larger urban agglomerations can be brought under this classification.
- **Ancillaries:** The Ancillaries or the creepers are the firms that provide support and logistics to the Anchors and Supporters. They prosper on the growth of the Anchors/Supporters.
- **Backgrounds:** These are the institutional development in the city like banks, real estate, educational institutions, hotels/ restaurants, health, public administration city infrastructure, financial firms etc. These institutions provide their services to the local as well as the floating population.
- **Shrubs:** The SMEs/Start-ups in the city can be classified in this category. They are the trees (firms) of the future, which will add to the growth of the city economy.
- **The Grass:** The informal sector economy can be put in this criterion. They may not make their presence noticed but it is the fact that they strongly exist and employ many people.

The Economic Survey 2019 also reinforces the idea of large firms (Anchors) and its role in city economics. It is startling to note that for all the focus on SMEs/Startups (Shrubs), it is the large firms in India, which employ 76% of the total work force. This paper takes this information forward and proposes that while as a country we should keep working on increasing and diversifying the smaller firms and smaller cities, it's time to focus on the large firms and larger cities. The SMEs and Start-ups will effectively contribute to economy in future (when they grow big), but the immediate target of \$5 trillion economy can be accomplished by

focusing of the larger firms and larger cities. It is with this pretext, the paper proposes 10 strategies of urban India/Smart cities to work towards its \$5 trillion economy target as under.

Ten strategies for Indian Smart Cities:

- Identify your city's Anchor and add some more –

The 100 smart cities should map their six buckets as per the 'Forest analogy for city economics (FACE)'. Each of these six buckets of FACE have their respective role to play in the city economics. Though the classification of six buckets it may vary with the scale of city economy, a sample classification can be referred in Table 2.

Table 2: Sample classification of six buckets of FACE

Range of tax (Rs.)	Classification
Zero	Grass
Up to Rs 5 Lakh	Shrubs
Above 5L, upto 10L	Ancillaries
Above 10L, upto 25L	Backgrounds
Above 25L, upto 1 cr	Supporters
Above 1 cr, upto 50 cr	Anchors
Above 50 cr, upto 100 cr	Anchors

It should be the city onus to have regular interactions with the identified 'Anchors' and understand their growth plans and support them with suitable local government policies. These

Anchors are in the best position to propel the city economy and attract the best talent for employment. In a similar context, the 'Chaebols' of South Korea are an example when the State supports its industries/ firms. These Chaebols (Samsung, LG, Hyundai etc.) helped Korea to grow economically and provide ample employment opportunities in a very short period from 1960s. Korea has succeeded in building a unique innovation system that supports sustainable growth of the Korean economy. The factors that have influenced the Korean innovation system the most are (1) outward-looking development strategy, (2) large firm-oriented industrial policy, and (3) human resources, among many others (*Chung Shunchul, 2010*).

It is important that the 100 Smart Cities acknowledge the issues of unemployment in their cities and prepare a 'large firm-oriented (or Anchor oriented) industrial policies'. Based on the FACE mapping and aspiration of the city, these industries could be both service oriented or manufacturing units.

- Don't neglect small cities, but focus on big cities –

There is ample evidence from the rest of the world that cities generate many benefits that raise firm productivity (*review by Rosenthal and Strange, 2004*). Many of these benefits increase with scale: bigger cities generate larger productive advantages than smaller towns and rural areas. While it is good to

plan a balanced regional growth, but the support to the economy will come best from the bigger cities.

All the current programs of the Ministry of Housing and Urban Development, Gol miss this in their scheme of things. Of the total direct taxes of Rs. 11.5 lakh crore collected in 2018-19 about 50% comes from the top 10 cities (Table 3). To increase the national economy, these big cities are in the best position to accelerate; given that their average annual increment is over 16%. It can be inferred that to address the

Table 3: Direct tax collection from top 10 cities in India

Cities	Tax collection FY19 (Rs. Cr)	Tax collection FY18 (Rs. Cr)	% change
Mumbai	3,52,000	3,00,000	17%
Delhi	1,60,000	1,29,000	24%
Bengaluru	1,19,000	1,02,000	17%
Chennai	74,000	66,000	12%
Hyderabad	57,300	48,000	19%
Pune	56,800	50,000	14%
Ahmedabad	49,700	45,000	10%
Chandigarh	44,700	40,200	11%
Kolkata	43,200	39,800	9%
Kanpur	28,500	22,900	24%
Total	9,85,200	8,42,900	

high unemployment rate, we would need a Kuala Lumpur rather, than an upgraded Muzaffarpur.

After a FACE mapping of all million plus population Indian cities is in place, every city to prepare 'City Economic Development Plan' with a clear objective to take the city economy to the next level.

- Base line Data/Survey oriented planning –

The National Statistics Office conducts employment and unemployment surveys in India. It conducts Periodic Labour Force Survey (PLFS) every three months for both rural and urban areas taking a sample of about 4 lakh persons and about 1 lakh households. For making a data based development strategy, a more exhaustive survey is needed at least for the big cities (one million plus cities). The survey framework can take into account the FACE approach, mapping all the six types of firms and the people employed therein. This should be more frequent (bi-monthly), and must involve the local ULB in the process.

- Define outcome of every project as 'No. of jobs created' –

The cities of India should move towards an outcome oriented approach, wherein some part of central government grants are available based on the performance and achieving the set-targets. The set targets are number of employment opportunities created by those specific projects. Very similar to the 'Theories of Change' concept adopted by the multi-lateral agencies, wherein the success of a project lies in its ability to demonstrate the progress on the achievements of the outcomes (in this case 'jobs').

- One city – One Global hub, of any particular service –

Even as the Indian economy has been increasingly becoming a Services economy since 1980, its current contribution to GDP at 59% is less than the world average. Services sector is the largest sector of the world as 63 percent of total global wealth comes from services sector. Services sector is the leading sector in 201 countries/economies and about 30 countries receive more than 80 percent of their GDP from services sector.

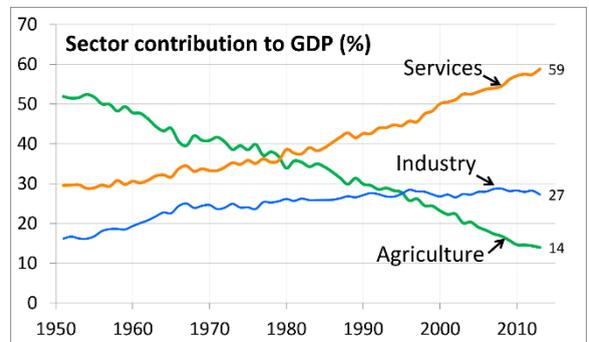


Figure 4: Sector contribution to GDP (%)

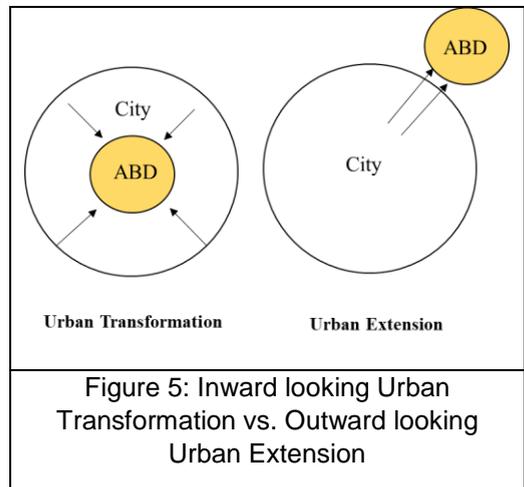
This means that there is a potential to increase the contribution of services in Indian economy by at least 10%. Since these are largely urban oriented it is important that the city, post its FACE mapping, deliberates to select 'any particular service' to position itself globally.

- Create suitable policies needed by different service industries –

In a study, to understand 'What determines Firms size?' (*Kumar Krishna, Rajan Raghuram, Zingales Luigi, 1999*) find the role of suitable and supporting policies important. They find that 'firms in capital intensive industries are relatively smaller when located in countries with efficient judicial systems, which lends support to organizational theories. Moreover, R&D intensive industries have larger firms when patents are better protected, though firms outside R&D intensive industries are smaller'. Since the Indian economy is largely service oriented, it is important that an enabling policy at National, State or the ULB level is drafted, keeping in mind the potential new Anchors of city economy.

- Prefer Urban Extension over Urban Transformation for more economic growth-

The Smart Cities Mission used citizen engagement to select the Area Based Development (ABD), using any of three models of development; Retrofit, Redevelopment or Greenfield. 91% of the 100 Smart cities chose the retrofit model (Appendix 3). This means that the citizens definitely wanted to improve the quality of life in their existing towns by Urban Transformation (retrofit model). Importantly, both the BJP manifesto of 2014 and 2019, mentioned development of new urban centers/towns and sub-urban townships which is an Urban extension approach. It is noteworthy that while the inward looking Urban transformation is good for developing better infrastructure and quality of life, it the outward looking Urban extension which would propel the city economy, as it ignites the whole set of city dynamics like real estate, more construction, mobility etc.



- Use Global events to upscale the economic momentum –
There is enough literature and examples (both national and international) available that global events give a boost to city economy, infrastructure and its branding. During the summer Olympics in London 2012, 20 million people visited the city and \$14 billion was generated (*Kubo Hiromi, 2014*). A survey in the article concluded that the participants also perceived that the games would generate a sense of national pride, cultural awareness, and spirit for offering hospitality. These elements are commonly identified as the intangible benefits for the hosting countries or cities while operating sporting events. Each of the million plus cities in India should plan to host one global event (not necessarily a sports event) in the next five years. This will also support the global aspirations of the city, more so if the event is in the selected service to excel.
- Everything in urban geography is an Urban issue –
It is proposed to introduce a 'City Economic Development Board' in all the million plus India cities, to propel the city economy to the next level. This proposed board will report to the Mayor and the Municipal Commissioner, have the city 'Anchors', coordinate with City/State/Center for approvals and clearances, and work towards city economic planning and development. This is even more relevant as the Ministry of Housing & Urban Affairs and the respective ULBs are handling a larger sector of projects now, than the JnNURM

days (*Appendix 5*). But, there are still many functions which impact the city economy like aviation, commerce, tourism, telecommunications, health etc. which are being handled by various ministries/departments. This City Economic Development Board would account all efforts towards the manifestation of city economic growth.

- Prepare for Economic Stress and Shocks –

We all know Agglomeration economies operate through scale economics (more people, more choices, more demand and the spiral goes on) lower infrastructure cost per capita, less information asymmetry (physical proximity of people, firm and modern civic centres to exchange ideas); hub of producers, suppliers, artisans (everyone has enough to contribute, collaborate and grow) and ease of networking. However, in the current times we notice big firms or the anchors (specially the technology-oriented firms) becoming obsolete in a very short time. The city will need to have a diversified plan for better stability in economics using agglomeration economics. The City Economic Development Board, with the Anchors on their boards, should be prior informed (preferably) and be better prepared for any likely stress or an economic shock.

Conclusion:

Urban India is growing at fast pace, and it faces challenges of maintaining high economic growth and addressing unemployment issues. There are enough reasons to believe that urban India will be the biggest contributor to the planned economic growth towards the \$5 trillion economy target. In this scenario, India needs a new 'city-centric economic growth' strategy to assess and put-forth an action plan. Since the 100 Smart cities mission is addressing a multiple of urban issues and have the basket of all major cities of India, it has to take the mantle of addressing these two challenges. This paper proposes a new approach on focusing on larger firms and bigger cities, putting economic development as a 'key result area'. The proposed FACE mapping and subsequent ten strategies lead towards the need for a setting up 'City Economic Development Board' and respective 'City Economic Development Plan(s)' to enhance economic development and addressing the unemployment issues better. This will enable India to overcome the 'Coming out of the Well fallacy'

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Appendix 1

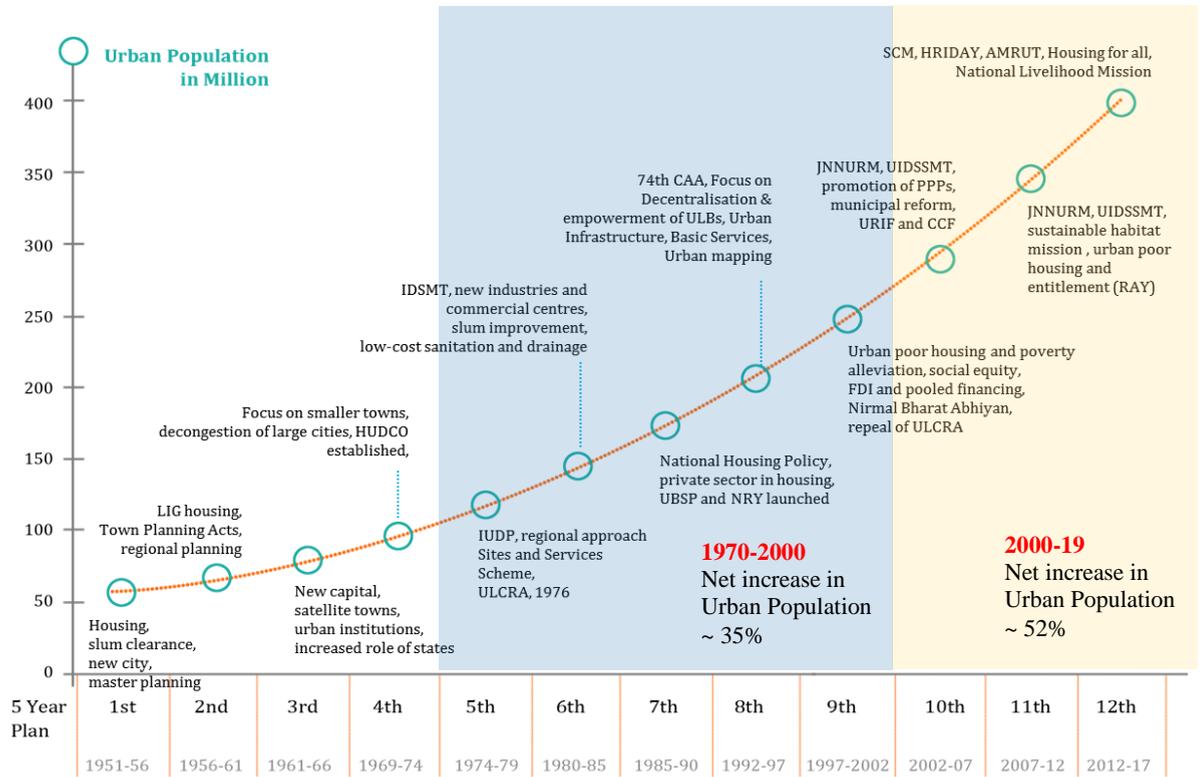


Figure 5. Plan period-wise policy focus on Urban Development in India Source: C-Step (2015)ⁱ

ⁱReconceptualizing Smart Cities: A Reference Framework for India. 2015. Bengaluru, India: Centre for Study of Science, Technology and Policy, pg 19.

Appendix 2

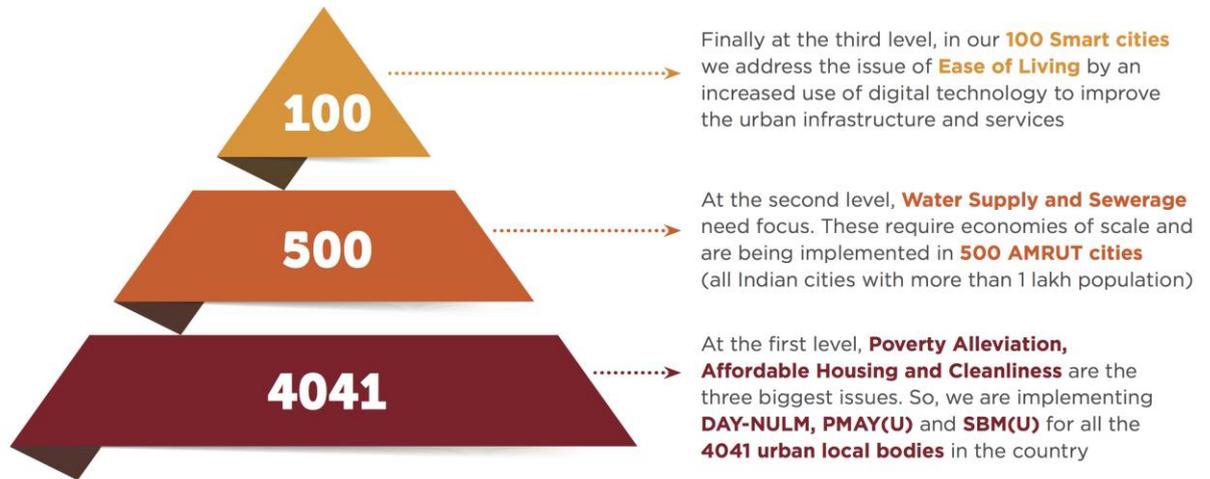


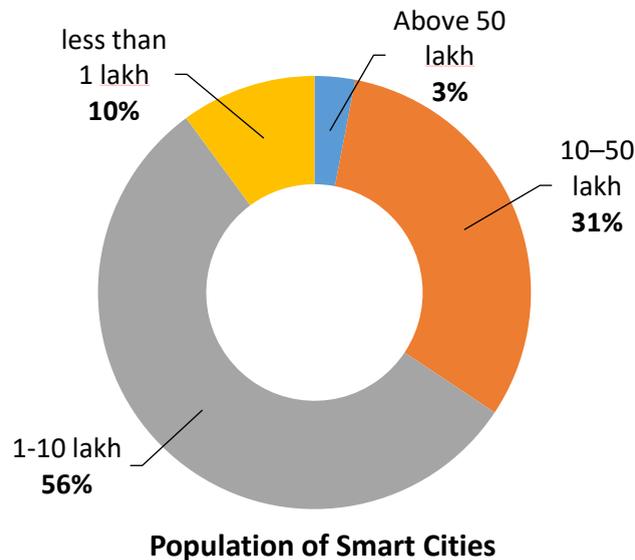
Figure 6: Strategy of Ministry of Housing and Urban Affairs, Government of India
(Source: 4 years of Urban Transformation, MoHUA)

Table 4: Scheme wise Budgeted Expenditure of Ministry of Housing and Urban Development, Govt of India

Sl.no.	Name of Schemes	Budgeted Expenditure 2018-19 (in Rs. Cr)	% of the total BE
1	MRTS & Metro Projects	15,000.00	35.9%
2	Pradhan Mantri Awas Yojna (Urban)	6,500.00	15.6%
3	Urban Rejuvenation Mission (AMRUT)	6,000.00	14.4%
4	Smart Cities Mission (100 cities)	6,169.00	14.8%
5	Swacch Bharat Mission - Urban	2,500.00	6.0%
6	National Heritage Program (HRIDAY)	161.50	0.4%
7	CPWD (Scheme)	847.35	2.0%
8	NERUDP & NER	400.00	1.0%
9	NCRBP	50.00	0.1%
10	National Urban Livelihood Mission	310.00	0.7%
11	Non-scheme (UD) including computerisation	3827.28	9.2%
	Total	41,765.13	

Appendix 3

Smart Cities Mission – Overview: Smart Cities Mission (a program of MoHUA), was launched on 25 June 2015 for a mission period of 2015-2020. It selected 100 cities in four rounds of national competition, proposing 5051 projects worth Rs. 2, 05,018 crore.



The Smart Cities Mission promotes three types of area-based developments - retrofitting, redevelopment and developments in greenfield areas.

- **Retrofitting** will completely develop an existing built area of more than 500 acres making the existing area more efficient and livable.
- **Redevelopment** will replace the existing built environment in an area greater than 50 acres and enable co-creation of a new layout, especially enhanced infrastructure, mixed land use and increased density.
- **Greenfield** developments will completely develop a previously vacant area, of more than 250 acres, using innovative planning, plan financing and plan implementation tools with provision for affordable housing, especially for the poor.

Appendix 4

Table 5: Direct tax collection from Companies/ Firms in India

Range of tax (Rs.)	No. of Returns	Sum of tax payable FY18 (Rs. Cr)	Average Payable
Zero	3.9 lakh	0	0
Up to Rs 5 Lakh	2.9 lakh	2,825	97,749
Above 5L, upto 10L	34,842	2,485	7.1 lakh
Above 10L, upto 25L	34,264	5,449	15.9 lakh
Above 25L, upto 1 cr	28,609	14,215	49.7 lakh
Above 1 cr, upto 50 cr	18,782	1,02,529	5.5 cr
Above 50 cr, upto 100 cr	412	28,669	69.6 cr.

Table 6: Direct tax collection from Individuals in India

Range of tax (Rs.)	No. of Returns	Sum of tax payable FY18 (Rs. Cr)	Average Payable
Zero	2.02 cr	0	0
Up to Rs 5 Lakh	2.55 cr	1,21,384	47,602
Above 5L, upto 10L	5.57 lakh	38,314	6.9 lakh
Above 10L, upto 25L	2.6 lakh	39,004	15 lakh
Above 25L, upto 1 cr	87,026	39,239	45.1 lakh
Above 1 cr, upto 50 cr	14,048	33,824	2.4 cr
Above 50 cr, upto 100 cr	16	975	60.9 cr
Above 100 cr	4	665	166.3 cr