

Reimagining Urban India: Why Small Towns Deserve Centre Stage in Policy and Planning?

Monalisa Patra¹ and Koel Roy Chowdhury^{2*}

Abstract : *Urbanisation in India is often narrated through the growth of megacities, yet a significant portion of contemporary spatial transformation is unfolding in small towns. These settlements function as transitional nodes linking rural hinterlands with metropolitan centres and play a crucial role in labour absorption, informal economic expansion, and socio-cultural mobility. A defining feature of India's recent urban transition is the proliferation of census towns-settlements that satisfy demographic criteria of urbanity but remain governed under rural administrative frameworks. This creates a structural disconnect between spatial transformation and governance capacity. Drawing upon secondary data, policy documents, and theoretical insights from subaltern and planetary urbanisation, this paper analyses the growth, governance challenges, and policy implications of small towns in India, with particular reference to West Bengal. The study demonstrates that small towns are not peripheral anomalies but central actors in India's regional restructuring. It argues for hybrid governance models, institutional flexibility, and participatory planning frameworks to address the infrastructural and regulatory deficits in transitional urban spaces. Recognising small towns as legitimate urban formations is essential for building inclusive, regionally balanced, and sustainable urban futures.*

Key words: *Small Towns, Census Towns, Subaltern Urbanization, Hybrid Governance, Rural-Urban Continuum*

Introduction

Urban studies have historically privileged metropolitan regions as the dominant sites of economic growth, infrastructural concentration, and policy innovation. Classical urban models such as Burgess's concentric zone theory, Hoyt's sectoral framework, and Harris and Ullman's multiple nuclei theory conceptualised urban expansion as structured, hierarchical, and centred on large cities (Hoyt, 1964). These models were developed within specific historical contexts of industrial capitalism in the Global North and assumed a clear rural–urban distinction reinforced by administrative and economic boundaries. However, the contemporary geography of urbanisation in the Global South, particularly in India, departs significantly from this linear and metropolitan model (Randolph & Storper, 2023). Rather than being confined to the growth of large cities, urban transformation increasingly manifests through the incremental conversion of rural settlements into urban spaces. This shift is neither always planned nor institutionally recognised. It is often driven by economic diversification, improved connectivity, migration flows, and localised entrepreneurship

¹ Research Scholar, Department of Geography, Presidency University, Email ID: monalisapresy@gmail.com

² Assistant Professor, Department of Geography, Presidency University,

* Corresponding Author : Email ID: koelgeog@presiuniv.ac.in

(Murphy, 1999). In India, this transformation is most visible in the rapid rise of census towns—settlements defined by population size (above 5,000), density (400 persons per sq.km.), and occupational structure (at least 75% of male workers engaged in non-agricultural activities), yet administratively governed as rural units (Denis & Zerah, 2014). These settlements exhibit urban characteristics in terms of density, economic activity, and built environment, but remain outside municipal governance frameworks (Goodfellow, 2018). This creates a paradoxical condition: urban in function, rural in administration. The 2011 Census recorded 3,894 census towns compared to 1,362 in 2001, representing a dramatic reconfiguration of India’s settlement structure (Dandekar et al., 2022). This growth signals a decentralised and dispersed urbanisation process that challenges conventional classifications. States such as West Bengal, Kerala, and Tamil Nadu demonstrate particularly high concentrations of census towns, reflecting rapid peri-urban transformation (Cattaneo et al., 2022). Theoretical developments in urban studies have begun to recognise such transformations. Subaltern urbanisation foregrounds the agency of marginalised actors in producing urban spaces outside formal state-led planning (Gururani & Kennedy, 2021). Planetary urbanisation expands the conceptualisation of the urban beyond bounded cities to encompass globally interconnected processes affecting even peripheral settlements. Together, these frameworks destabilise the megacity-centric narrative and open analytical space for examining small towns as legitimate urban formations. This paper situates small towns within contemporary debates on India’s urban transition and argues that these settlements must occupy a central position in policy and planning discourse. By integrating theoretical insights with empirical trends and focusing on West Bengal as a case example, the study highlights the structural governance challenges and institutional gaps embedded in India’s emerging urban geography.

Objectives

The present study aims to critically examine the role of small towns within India’s contemporary urban transition and to address the institutional and governance challenges associated with their rapid growth. To achieve this, the study pursues the following specific objectives:

1. To examine the growth and spatial significance of census towns in India’s urbanisation process, with particular emphasis on their contribution to decentralised urban expansion and regional restructuring.
2. To analyse the governance implications of the mismatch between urban socio-economic transformation and existing rural administrative frameworks, and to assess how this institutional gap affects planning, infrastructure provision, and service delivery in transitional settlements.
3. To interpret the emergence of small towns through relevant theoretical perspectives and to explore policy and institutional responses, with particular reference to the experience of West Bengal and the potential for hybrid governance mechanisms in managing peri-urban spaces.

Material and Methods

The study is a review article; hence, it adopts a qualitative research design based on secondary data analysis and conceptual interpretation. Data sources include Census of India reports (2001 and 2011), academic literature on small-town urbanisation, policy documents related to urban governance, and peer-reviewed research on peri-urban transformation. The methodological approach combines empirical trend analysis with theoretical interpretation. Census data are used to demonstrate the numerical growth and spatial distribution of census towns, while policy documents are analysed to identify institutional exclusions and governance gaps. Comparative references to international experiences of small-town development (e.g., China's administrative restructuring, Brazil's secondary urban centres, and Ethiopia's small-city expansion) provide contextual depth and allow for broader analytical framing. The case of West Bengal is selected due to its substantial increase in census towns. The analysis does not rely on primary interviews but draws upon published research, state-level data, and policy reports to substantiate arguments.

Structural Transformation in India's Urbanisation Pattern:

The analysis of Census of India data reveals that the trajectory of urbanisation in India has undergone a significant structural transformation during the early twenty-first century. Between 2001 and 2011, the number of census towns increased from 1,362 to 3,894, representing a growth of approximately 186 percent (Swerts et al., 2014). This sharp increase indicates that India's urban expansion is not merely the result of metropolitan growth but is increasingly driven by the transformation of rural settlements into functionally urban spaces. This transformation reflects a shift from concentrated metropolitan urbanisation toward dispersed and decentralised patterns of settlement growth. Unlike statutory towns that emerge through formal administrative recognition, census towns evolve through demographic expansion, occupational diversification, and infrastructural connectivity. These settlements represent a gradual transition from agrarian economies to non-agricultural activities, particularly in manufacturing, trade, and service sectors. The expansion of small towns also reflects broader processes of economic restructuring (Hinderink & Titus, 2002). Declining agricultural employment, rural distress, and increasing connectivity through transport and communication networks have facilitated migration from villages to nearby small towns rather than distant metropolitan centres. These settlements, therefore, function as intermediate nodes within regional economic systems, supporting labour absorption and enabling localised economic diversification. Furthermore, small towns contribute significantly to regional development by reducing pressure on major cities while promoting spatial redistribution of population and economic activity (Wanmali, 1992). Their growth illustrates a pattern of "in-situ urbanisation," where rural settlements gradually acquire urban characteristics without administrative conversion. This phenomenon challenges traditional definitions of urbanisation based solely on legal status.

Economic Transformation and Informalisation:

The growth of census towns is closely associated with the expansion of informal economic activities. These settlements are characterised by small-scale manufacturing, construction work, transport services, retail trade, and home-based production systems. Informal economic structures provide flexible employment opportunities for rural migrants and low-income populations who lack access to formal labour markets (McCaig & Pavcnik, 2015). However, the dominance of informality also generates structural vulnerabilities. Workers often lack social security, stable wages, and occupational safety. The absence of formal regulatory frameworks limits access to institutional credit, taxation benefits, and welfare schemes (Mehta & Awasthi, 2022). Despite these limitations, informal economies play a crucial role in sustaining the economic vitality of small towns. The spatial organisation of economic activity in these settlements is highly dynamic. Mixed land use patterns, overlapping residential and commercial spaces, and incremental construction practices are common features (Li et al., 2022a). These characteristics reflect adaptive responses to limited planning intervention but also contribute to infrastructural challenges.

Governance Mismatch and Institutional Constraints:

One of the most significant findings of the study is the governance mismatch inherent in census towns. Despite exhibiting urban characteristics, these settlements remain governed under rural administrative frameworks, particularly Gram Panchayats. These institutions were originally designed to manage agrarian development and lack the administrative capacity to address complex urban challenges such as land-use regulation, waste management, transportation planning, and infrastructure development. The absence of municipal governance leads to unregulated construction, inadequate drainage systems, traffic congestion, and environmental degradation. Limited fiscal autonomy restricts local governments' ability to invest in public services. Furthermore, census towns are frequently excluded from national urban development programmes, resulting in institutional neglect (Sharma et al., 2022). This governance gap may be understood as an institutional lag between spatial transformation and administrative adaptation. The rapid pace of urban growth has not been accompanied by corresponding institutional reforms, producing a structural disconnect between functional urbanisation and governance capacity.

Spatial and Environmental Implications:

The unplanned expansion of small towns has significant environmental implications. Informal land conversion, loss of agricultural land, and encroachment upon wetlands and common property resources are common features of peri-urban expansion (Carrilho & Trindade, 2022). The absence of environmental regulation exacerbates problems of waste management, water scarcity, and pollution. In many cases, small towns located near ecologically sensitive regions experience increased vulnerability to climate-related risks such as flooding and heat stress. The lack of planning mechanisms further intensifies these risks.

West Bengal as a Case of Concentrated Peri-Urban Transformation:

West Bengal represents one of the most prominent examples of rapid census town growth in India. The state recorded 780 census towns in 2011, indicating extensive rural–urban transition (Sen et al., 2024). Many of these settlements are concentrated around Kolkata and along major transport corridors, functioning as labour reservoirs and economic satellites of the metropolitan core. The spatial distribution of census towns in districts such as North 24 Parganas, South 24 Parganas, Howrah, and Hooghly illustrates the dynamics of peri-urbanisation. These settlements provide affordable housing and employment opportunities while maintaining strong economic linkages with metropolitan centres. However, the rapid expansion of these settlements has generated significant infrastructural and governance challenges. Limited planning capacity, inadequate public services, and environmental stress highlight the need for institutional reforms and policy interventions.

Rethinking the Rural–Urban Continuum:

The findings of the study challenge conventional binary distinctions between rural and urban spaces. Small towns represent transitional spaces where rural and urban characteristics coexist, forming a continuum rather than discrete categories. The persistence of agrarian social structures alongside non-agricultural economic activities demonstrates the hybrid nature of these settlements (Li et al., 2022b). This hybridity complicates planning frameworks that rely on rigid classifications. Administrative definitions based on demographic thresholds fail to capture the complexity of socio-spatial transformation. The emergence of census towns, therefore, necessitates a reconceptualization of urbanisation as a dynamic and fluid process.

Theoretical Implications–Subaltern Urbanisation:

Subaltern urbanisation provides an important analytical framework for understanding the growth of small towns. Unlike traditional models of urban development driven by state planning and corporate investment, subaltern urbanisation emphasises the role of grassroots actors in shaping urban spaces through everyday practices (Roy et al., 2025). Census towns exemplify this process as they emerge through local entrepreneurship, informal housing construction, and community-based economic activities. These settlements are not passive recipients of urban transformation but active producers of urban space (Mmbadi, 2024). The concept of subaltern urbanisation, therefore, highlights the agency of marginalised populations in shaping spatial development. Awakening in Postcolonial Urban Studies and Narratives beyond Small Towns (Banerjee, 2025). However, while subaltern processes enable adaptive growth, they also reflect structural inequalities. Limited state intervention and institutional support can reinforce infrastructural deficits and social vulnerabilities. The challenge lies in balancing grassroots dynamism with institutional regulation.

Planetary Urbanisation and Global Interconnections:

The concept of planetary urbanisation extends the analytical scope by situating small towns within global networks of economic and infrastructural flows (Jain & Korzhenevych, 2022). Even seemingly peripheral settlements are integrated into global systems through migration, remittances, supply chains, and digital connectivity. Small towns are therefore not isolated localities but components of broader spatial networks (Najarsadeghi & Dorostkar, 2022). Their economic activities often depend on global commodity markets, while labour migration connects them to international economies. This perspective underscores the need to examine small-town urbanisation within multi-scalar frameworks.

Governance Reform and Hybrid Institutional Models:

The governance mismatch identified in the results highlights the limitations of existing institutional frameworks. Traditional municipalisation processes may not adequately address the unique characteristics of transitional settlements (Hutchings et al., 2022). Instead, hybrid governance models that integrate rural and urban administrative functions may provide more effective solutions. Possible institutional innovations include transitional urban councils, participatory planning mechanisms, and flexible classification systems (Yasmin et al., 2022). Such arrangements could enhance service delivery while preserving local autonomy. Decentralised governance approaches may also improve accountability and community participation.

Policy Implications for Inclusive Urban Development:

The marginalisation of small towns in national policy frameworks reflects a metropolitan bias in urban planning (Sutherland et al., 2024). Recognising small towns as central components of regional development is essential for achieving spatial equity. Policy interventions should prioritise infrastructure development, environmental management, and economic diversification in transitional settlements (Intergovernmental Panel On Climate Change (IPCC), 2023). Participatory planning approaches, capacity building for local governments, and integration of census towns into urban development schemes can enhance institutional effectiveness. The experiences of states such as Kerala demonstrate the potential of community-based planning in improving governance outcomes (Sharjah, UAE & Iyer, 2025).

Small Towns and Sustainable Urban Futures:

The expansion of small towns presents both opportunities and challenges for sustainable development. On the one hand, decentralised urbanisation can reduce pressure on megacities and promote balanced regional growth. On the other hand, unregulated expansion may generate environmental degradation and infrastructural deficits. Sustainable urban futures, therefore, depend on integrating small towns into national planning frameworks and strengthening institutional capacity (Möslinger et al., 2023). Recognising their role in regional transformation is essential for achieving inclusive and resilient urban development.

Conclusion

India's urban future will not be shaped exclusively by megacities but increasingly by the thousands of small towns undergoing rapid socio-economic and spatial transformation. These settlements represent decentralised pathways of urbanisation characterised by hybridity, informality, and adaptive resilience. They function as critical interfaces between rural hinterlands and metropolitan regions, facilitating labour mobility, economic diversification, and regional integration. The emergence of census towns reflects a structural transformation in India's settlement pattern, where urbanisation is no longer confined to statutory urban centres but is dispersed across transitional and peripheral spaces. However, the study highlights that the growth of small towns is accompanied by significant institutional and governance challenges. The persistence of rural administrative frameworks in functionally urban settlements creates a structural mismatch between spatial transformation and governance capacity. This institutional lag results in inadequate infrastructure provision, weak regulatory mechanisms, environmental stress, and limited access to development programmes. Without timely policy intervention and administrative adaptation, such settlements risk experiencing unplanned expansion, declining quality of life, and increasing socio-economic inequalities. The findings of this study underscore the need to rethink conventional approaches to urban planning and governance. Reimagining urban India requires moving beyond the metropolitan bias that has historically shaped urban policy discourse and recognising small towns as integral components of regional development. This shift calls for flexible institutional arrangements that acknowledge the hybrid nature of transitional settlements and respond to their specific socio-spatial dynamics. Hybrid governance models that integrate elements of rural and urban administration may provide an effective mechanism for addressing service delivery gaps and improving planning outcomes. Furthermore, participatory planning frameworks and decentralised decision-making processes are essential for strengthening local governance capacity and ensuring inclusive development. Enhancing fiscal autonomy, improving institutional coordination, and integrating census towns into national and state-level urban development schemes can contribute to more effective governance. The experience of states such as West Bengal demonstrates the urgency of institutional reforms in regions experiencing rapid peri-urban transformation. From a broader theoretical perspective, the study contributes to ongoing debates on subaltern and planetary urbanisation by highlighting the role of small towns as dynamic sites of socio-spatial production. These settlements illustrate how urbanisation processes extend beyond formal planning regimes and are shaped by local agency, informal practices, and global economic networks. Recognising this complexity is essential for developing more inclusive and context-sensitive urban theories. In conclusion, the recognition of small towns as central actors in India's urban transition is crucial for achieving balanced regional development and sustainable urban futures. Strengthening governance frameworks, promoting institutional flexibility, and integrating transitional settlements into policy discourse can help address existing infrastructural and

regulatory challenges. A more inclusive and decentralised approach to urban planning that acknowledges the diversity of settlement forms will not only enhance spatial equity but also contribute to resilient and sustainable development trajectories in India.

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