



Growth Centers in Developing Countries "Factors and Requirements for Success" – Lessons from the Indian Case

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ABSTRACT— After the Second World War, many countries seek to achieve fast growth and remedy the development problems through using growth centres policy. India one of the developing countries which tried to get the policy benefits due to suffering from regional inequalities and unbalance in the implementation of plans and policy towards few privileged sectors of communities and neglect the other areas and sectors. The implementation of the policy happened on two distinguished stages and both of them have strong points like encourage the small and medium cities to develop them and help the poor rural and excess labor to find substitutional employment in their areas. The weak points appear in the difficulties of urban control in the growth centres and the disabilities of equipped the proposed growth centres with the proper infrastructures. To avoid the weak points and increase the success probabilities of policy implementation some recommendation are given such as providing adequate resources in the growth centres with the preparation to meet the urbanization requirements, should establish Periodic follow-up of economic changes and Create the multi integration between growth centres in the region.

KEY WORDS— Growth centres (GCs) - Indian experience - development problems - urban inequalities – developing countries.

I- INTRODUCTION

Since the emerging of the growth centres in the first of 1960 up to today, many countries especially the developing, which seek fast growth within the backwash region to adapt the growth, centres as a regional policy to achieve the goals of the international and regional plans. In next part will present the experience of India as a developing country to learn from the strong points and recommend some points to ensure the successful policy applying.

II- LITRATURE REVIEW

1- The IMPORTANCE of GROWTH CENTRES for DEVELOPING COUNTRIES

- Poyd Rodwin, 1961 who pointed that growth centers are centralized decentralization strategy that may help many developing countries to achieve their goals in the light of their lees resources comparing with developed countries [1].

- Rondinelli, 1985 emphasized the need for developing countries to build a well-organized network of growth centers and recommend the delivery of selective services and facilities and the establishment of government development-related offices [1].

- Misra, 1987 stated that growth centers would help the process of achieving balanced development. He believed that the "growth centers" strategy is an operational strategy in developing countries. Social and economic transformations can be achieved through these centers so that the national development plan focuses on the major national growth centers while regional and local development plans work on the lower growth centers in the administrative hierarchy [2].

- Al-Khedheiri, 1998 argued that the growth centers would help to strengthen the role of small and medium-sized cities based on the classic model of the hierarchy of centers developed by Christaller [1].

- This disparity is due to socio-economic differences in developed and developing countries and their potential effects.

- Here appears the importance of growth centers in the treatment of the problem of sharp polarization of some centers in the regional functions and therefore the goal of growth centers is the redistribution of investments and regional functions to achieve balance and the treatment of regional imbalances.

2- The GROWTH CENTRES to REMEDY the DEVELOPMENT PROBLEMS in DEVELOPING COUNTRIES

- Decrease the urban inequalities

GCs decreased the notable rural-urban gap, which leads to regional disparities and regional inequalities in the urbanization rates. Second, it will increase the urban specialization different industries may contribute to regional



economy if regions possess various types of GCs. Puga and Venables, 1999 recommend that in specific situations, urban spatial and regional inequality can be reduced by trade liberalization over time in successive regional waves and the GCs could do this perfectly [3]. The urban inequality is greater, when a few country's largest cities are full with concentrated urban population, and it's becoming more lower when the population spread over the small and large cities. GCs helped to promote the cities, which are missing in urban size system, and by using the regional urban hierarchy it would help to balance the urban needs overall the region.

- Reduce the degree of primacy

"Primacy" is the predominance of one city over all others, it occur in growing nations, one city overwhelms the others. From one perspective, vigorous empirical confirmation shows that productivity increments with the size of urban communities. Furthermore, some observational proof recommends that unnecessary "Primacy" may decrease general development. Governments should follow up on this outcome be simpler to adapt to the congestion and different expenses of broad urban areas than to redirect growth geography far from the prime city and toward its competitors. In addition, GCs will help in reducing the severity of primacy by increase the number of active centres, which have growth potentials, and economic power.

- Reduce spatial inequalities

The concept of GCs depend on the spatial aspect of the development process, and it uses the benefits of the place and how to maximize the returns of the natural resources. In the neoclassical approach, there is a significant role for nature to reduce spatial inequalities like resource endowments and closeness to ports and rivers, which help in rising the factor and returns created by the density of human interactions. This helps the regional economic development to get benefits from the geography natures and improve its advantage. Growth centres on the long run contribute to reducing the spatial inequalities within the region.

3- GROWTH CENTRES in INDIA

Since the emerging of the growth centres in the first of 1960 up to today, many countries, especially the developing seeks fast growth within the backwash region to adapt the growth centres as a regional policy to achieve the goals of the national and regional plans. In this part will present the experience of India as a developing country to learn from the strong points and point to the weak points.

3-1 The reasons for applying the growth centres policy in india

- The phenomenon of polarization is clear in the Indian cities distribution as more than 26 million of population lives in 20

cities according to 1991 census. Bharadwaj opinionated to a spilling population in the satellite cities to decrease the congestion to control the polarization through constructing new cities [4].

- The metropolises are growing under worse circumstances, and there is a need to establish counter-magnets against large urban centers to control them shortly. The mega-urban centres caused the urban life deterioration, and by using the growth centres policy depending on the small and medium cities, it would ease all of those problems as their different urban environment.
- India suffered from the unbalance in implementation of plans and policy towards few privileged sectors of communities and neglect the other areas and sectors, growth centers assists in rebalancing the implementation [4].
- The settlements of the scheduled tribes and scheduled castes usually located in backward areas where have less accessibility with towns and large cities and their people living down of the poverty line. This gives alarm to draw policy work on redistribution of centers to help them to have the required utilities and social services.
- Improving and enhancing the capacity of the rural areas to grow and to sustain their productive populations was the goal of GCs design. GCs expected to avoid the severe development issues which stemming from people concentration in massive urban centres [5].

3-2 Growth centres in Indian regional planning context

Indian planning remarked as single-level economic planning which essentially reliance heavily on the sectoral approach. The problem of the sectoral approach is the sectoral plans integrated into a single whole and fitted into the framework of national goals and objectives have been proposed and implemented. Nevertheless, since 1951 when the first five-year was started there was a strong emphasis on the comprehensive plans. Indian planning is also marked to be centralized at the national level⁶.

This sectoral approach failed to attain success in reducing poverty, unemployment and intraregional inequalities to attain balanced development. Consequently, the planning process was decentralized to state-level planning and new emphasis is laid on planning for regional development [6].

Historically we can distinguish between two phases of implementing growth centres policy as in the following:

A- The first stage of growth centres implementation

The establishment of "Growth Centers" in India has been taken up by the state and the central government with the strategy of all-round development of the states as well as the nation. An emphasis has been put on rural development and rural-urban integration. In the period from 1969 to 1974 was witnessed the launch of the Fourth Five-Year Plan aimed to establish twenty cells for research and investigation for



identifying the distinct growth centers in different states. In this phase, India also tried to use the growth pole strategy but it faced a lot of problems related to the nature of the India as developing country need new development approach for the development of rural areas, to achieve this bottom-up approach should be adopted. However, growth pole model emphasized on top-down approach by establishing industries in urban areas.

B- The second stage of growth centres implementation

The Indian government introduced the growth centres program (GCs) in June 1988 as a solution for the increasing regional disparities in India which have not reduced by the traditional approaches. The GCs policy aimed to stimulate the industrialization in the backward regions. Under the goals of this policy they succeeded to set up around 71 GCs overall the Indian states, and the variety of distribution depending on some criterions like development backwardness, industrial growth, population, available areas and locations and the extent of the urban-rural inequalities.

Under this policy, 71 GCs were set up throughout the country and were to be allotted to the various states by a variety of criteria consisting of area, population and the extent of industrial backwardness. Industrial infrastructures, which provide by the growth centres policy like financial networks (banks), water supplies, telecommunications and power lines helping in industrial investments attraction which will enable the states to develop [6].

3-3 Description of GCs program

Sridhar, 2006 mentioned the GCs in India, were originally conceived to move industrial development away from the urban centres. Criteria for selection of GCs are described and designed for Indian cities as follows [6];

- To avoid the negative effects of the big cities, GCs should be located; (a) within the boundary of the cities above 250000, by 50 kilometers, (b) within the boundary of the cities between 1500000 and 2500000, by 30 kilometers, (c) within the boundary of the cities between 750000 and 1500000, by 15 kilometers.
- Whatever district/ sub-district/ block or sub-divisional the GCs should be located close to them.
- The designed GCs should enjoy the full access to the main and sub-facilities such as linking or proximity with the national and state highways and railways, power and water supply, health and educational organizations and modern methods of telecommunications. In the case that such facilities not available, the establishment and development of them should be the priority and done with full commitment.

- 20-25 KM is the coverage radius of the suggested growth centre, and this assumption aimed to develop the different settlements within this radius.
- To positively affect the other settlements, the designed GCs surrounding influence would spread on an area about 20-25 KM.
- Choose and development of the GCs should not lead to the loose of the productive agricultural lands or result in forest erosion, this mentioned specifically in the government guidelines.
- The fund's contribution will be divided evenly between the central government and the concerned state government.

III- DISSCUSSION

Strengths in the Indian experience

- Establishment of GCs help to reform land value as most of plots constructed with more access to the roads networks, water supply provision, effective disposal systems, upgrading of existing schools, the housing stock, colleges, industrial training institutes, hospitals, provision of telecommunication facilities and distribution network for power within the GC.
- GCs reveals that the final total expenditures, the land demand, number of plots developed and allotted, the number of firms established, capital invested and employment created by growth centres.
- The costs of infrastructure in the major cities of the country make it difficult for Indian companies to win the price war.
- GCs are located in small and medium-size cities; this helps the firms to train the labor force adequately with low cost.
- Choose the locations of the GCs within the coverage of the small and medium-sized cities helps both wings of any industry –firms and trained labor force- to meet adequately at low cost.
- The emphasis of the GC policy would change the economic base of these areas to help for the alleviation of population migration from rural to urban areas.
- The growth centres policy encourage the development of the small and medium cities by developing the transportation links between the urban centres and their satellite to imply the concept of self-contained communities.
- The surplus labor whether rural poor labor or exceeded urban labor needs to find alternative opportunities in their areas, the relocation of the industries within the new GCs help in this way. Besides that, this leads to the success of the government's programs especially in poverty alleviation and improve the labor skills, which required in establishing modern functions.



Weaknesses in the Indian experience

- Not all of the proposed growth centers are equipped with fast access to facilities and infrastructure despite the fact that the centers are in the executive plans. Consequently, only 26 GCs are completely functional, with firms having located there from total 71 GCs proposed.
- Despite the design of the GCs program to achieve a set of objectives, the most important is the generation of multiple jobs, but the number of jobs in the growth centers is very little compared to investments pumped in the centers of growth.
- 1270 is the total number of employee-created per one GC. Comparing this number with other economic activities created in the districts, it is looking a small part as it presents 1% or less on average from total jobs and not more than 5%.
- The created jobs in the established GCs are quite costly for the state government as the jobs expenditure seems so much high compared to the traditional ways.
- High growth rates of cities with growth centers, which led to difficulties in urban control and monitoring of trends and rates of high urban growth.

Learned lessons

- Provides financial support for the construction of infrastructure at the highest levels.
- The establishment of service institutions are within the plans to establish a growth center, which is related to the industrial activities and is different from other countries, which established of service institutions come first and then waits for industrial growth.
- The availability of all the information in advance about the growth center needs to have land, factories and the volume of investments and others.
- Dependence on small and medium cities as growth centers for low land prices, wages, and the availability of trained workers, which contributed to the rapid provision of services and complementary activities.
- The role of the GCs in reducing rural migration rates for cities, since the establishment of industries in the backward rural region, has contributed to the reduction of urban-rural migration rates within these regions.
- GCs is the most important factor for the transformation of small and medium cities as independent communities and establishes links between the major cities.
- GCs play an effective role in reducing poverty rates and the number of informal settlements in the major cities as a result of creating jobs in small and medium cities with a rural periphery, this contributes to reduce migration then creating of slums.

IV- RECOMMENDATIONS

Provide adequate resources in the growth centres;

The main goal of any growth centre to help the GC coverage to be economically viable, to attain the goal there is a minimum limit of the adequate resources required to set up a satisfactory level of growth. Besides the fiscal resources, it is important to establish a proper pattern of saving, investments, capital formation, trained employment, a proper level of consumption pattern and income generation.

Maintain the growth centres using the comprehensive approach

The essential aim to any GC to create economic growth at high rates, but this not will happen through the single planning approach. In the whole GCs developing process it is needed to use the comprehensive approach as the design of the economic development goes up side by side with the spatial arranging and land use planning. Maintain the economic growth needs relooking and concentrating on the comprehensive approach at the regional scale.

Incorporate the small and medium cities in the growth centres policy

Small and medium cities play the role of urbanization wave absorbance from the major cities and by incorporating them in the growth centres policy, we will save our urban system from infrastructure decaying, and it will improve and renew the urban centres.

Prepare the growth centres to meet the urbanization requirements

The preparations may include supporting the existing cities with a wide range of labor and housing stock, mixed land use development and compact and dynamic business centres. Transportation methods variety and the protection of the agriculture lands should be found and this will be successful when citizens participate in the development decisions. Concentrate the development on a regional level is needed taking into account the political economy of regions and cities. Thus a coordinated and enforceable land use and transportation planning at the state, region, and city-region levels [7].

Periodic follow-up of economic changes

Before the developing countries accomplished in a few decades the targets of the economic growth. But today due to the rapid economic growth and rapid change in economic conditions with high-urbanized rates especially in industrialized countries so the sped up growth should be sustained because, if mishandled, the growth centres will pose problems can derail the growth [8].

Should have a diverse economic base



The Unilateral economic sector leads to disadvantaged market and it is noticed the economic system reflect the economic composition so the similarity in economic exercises of a city carries no advantage to each other⁸. Consequently, creating of economic agglomeration should take place within sectors and should be specialized, this creates strong links across sectors and more diversity will be observed if the agglomeration effects occur at a broad level of aggregation.

Create multi integration between growth centres in the region

The development of the GCs within the same region individually make them more prone to the "integrative shock". So whether the GCs found in one region or it effect many regions should affect the shock through creating links between them. When GCs are complementary within the region, a positive shock that originates in one region spread across other regions consequently. By turn, increasing the productivity in the complementary centers in one region will stimulate in-migration, which dampens the productivity growth in the region while increasing productivity in other regions⁸. If the competition is marked between the GCs the economic change has opposite effects which expanding the impact of productivity shock and lead it to fall in other regions and centres. Understanding whether parameters are such that regions and centres are complementary or competing is fundamental for successful growth centres policy.

Giving significant role for the private and international agencies

The GCs changed recently in the side of the development actors, now observed the governments played a smaller role than before as non-governmental organizations and international agencies been more active in the GCs system. There is a new form of regulation and relations among the social, political and economic actors and this is a clear sign of the new development policy. This needs a new governance form, which designs and carries out policies based on discussions and appropriate agreements between public and private actors. The usage of the actions is made through particular delegate organizations promoted and oversaw by the local performing actors [9].

V- CONCLUSION

There is no doubt about the role of the growth centres to alleviate the development problems in the developing countries, India used this approach to reduce the regional inequalities, urban poverty and enhancing the capacity of the rural areas. In more than 20 years of application, India achieved the significant part of its goals like improving the infrastructure, increase the number of industrial zones, attract some of the inner immigrates to new good planning locations. However, those successful points arose with weak points in

the application as the difficulty of urban control in some places, the slowness in the execution plans and high cost for creating the permanent Job opportunities. Depending on that there is considerable point should take into account to increase the chance of successful application in the developing countries like Providing adequate resources in the GCs, maintain the GCs using the comprehensive approach, and periodic follow-up of economic changes.

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