

# THE MISSING METRO

India growth story will remain stunted until at least one city in the Hindi heartland grows into a metropolis, reviving the Gangetic plains' past glory

Dinesh Narayanan

One day, king Sher Shah Suri who ruled the Gangetic plains in the mid-16th century, stood on the banks of the river Ganges keenly surveying the land around in what is today Bihar. After much reflection, Suri, who rebuilt the Grand Trunk Road from Kabul to Chittagong, said to those who were standing by: "If a fort were to be built in this place, the waters of the Ganges could never flow far from it, and Patna would become one of the great towns of this country..." Suri immediately ordered work to be started on the site, and thus began the restoration of Pataliputra which had fallen to ruin, according to an account in India as described by Megasthenes.

The history of the great plains of north India is synonymous with cities; beginning with Pataliputra of the Maurya empire and ending with Calcutta of the East India company. Other cities such as Kanauj, Mithila, Prayag, Ujjain and Kapilavastu waxed and waned in prominence in the intervening period. Even in the early 20th century, apart from the bustling port city of Calcutta, Patna, Lucknow, Meerut and Kanpur served as economic accelerators, fostering enterprise and industry which kept the plains rich, prosperous and envied. Over time, these cities not only lost their relevance in the national scheme, but their decline also triggered a talent and capital drain from the region.

"There is a metropolis vacuum," says Prateek Raj, professor at IIM

Bangalore. As per the 1911 census, eight of the 20 largest cities in India (Lucknow, Banares, Kanpur, Agra, Allahabad, Patna, Bareilly and Meerut) were in the region. "But today it has no major metropolitan agglomeration to attract talent and investments," he says.

According to Brookings' Global Metro Monitor 2018, more than half the world's population now lives in urban centres and the 300 biggest metropolitan economies in the world account for half of the global output. Employment and GDP grew at a faster rate between 2014 and 2016 in about 50 per cent of these metros compared to their home region.

Indian cities account for 63 per cent of the country's GDP but all the major growth centres are in the west or south leaving a hole in the northern half of the country. In the past couple of decades, the main drivers of growth have also been the west and south. Although the National Capital Region of Delhi is a growth centre, its dominant character is of governance, not commerce. Besides, it is grossly insufficient as the only large metropolis north of peninsular India.

"The prosperous south and west have a relatively high per capita GDP and lower population growth, while the north and east have low per capita GDP and are still experiencing a demographic surge," according to Nagarik, a new strategy report

## HOW THEY FARE

### Economic performance index, 2014-2016

Rank	'14-'16 Metro (Country)	Growth Rate	
		Employment	GDP per capita
1	Dublin (Ireland)	2.50%	21.20%
2	San Jose (USA)	3.40%	7.50%
3	Chengdu (China)	5.90%	7.20%
4	San Francisco (USA)	3.80%	4.10%
5	Beijing (China)	2.80%	6.30%
6	Delhi (India)	4.70%	6.60%
14	Hyderabad (India)	5.40%	8.70%
19	Surat (India)	5.90%	7.90%
23	Mumbai (India)	2.90%	6.90%

Source: Brookings Metro Monitor 2018

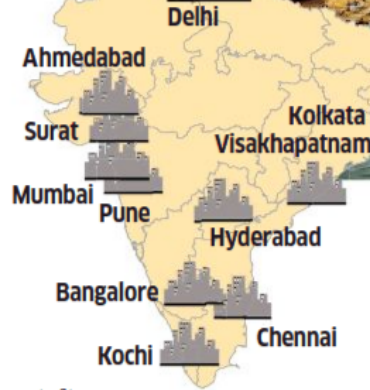
on employment generation by consultant PwC. Being home to nearly half a billion people most of whom are young, the northern region is critical to India realising its growth potential. PwC estimates that two-thirds of the country's workers live in 10 north and east Indian states and they would need about 80 per cent of new jobs.

After 2001 when the Indian economy hit the high notes, growth rate of those migrating for economic reasons rose from 2.5 per cent to 4.5 per cent even though growth rate of the workforce fell, according to the Economic Survey 2016-17 which studied internal migration patterns. Karnataka became a migrant magnet. Internal migration rates also surged in Tamil Nadu and Kerala reflecting the growing pull of southern states in India's migration dynamics. Out-migration rates increased in Madhya Pradesh, Bihar and Uttar Pradesh; the last two accounting for more than half of the wanderers.

PwC says these states are caught up in a vicious cycle of lagging infrastructure which makes them unsuitable for large traditional employment-creating methods involving large-scale manufacturing plants, organised services, and IT and IT-enabled services. That makes this region unattractive for capital as well. Uttar Pradesh and Bihar washed up at the bottom of the National Council of Applied Economic Research's state investment potential index, 2018, which ranks states for attractiveness and readiness to investment flows. McKinsey Global Institute estimated in 2012 that cities will need annual physical capital investment to double from \$10 trillion to \$20 trillion in 2025, the lion's share of which will be in the emerging world.

"What we need is functioning economic cities," says Jaijit Bhattacharya, president of Centre for Digital Economy Policy Research and adjunct professor at IIT Delhi. Bhattacharya, who, as head of economic and policy practice at KPMG, was deeply involved with the framing of the smart city mission, points out that Uttar Pradesh has 17 per cent of the country's population but contributes just 2.5 per

## THE HOLE IN THE PLAINS



cent of taxes.

He says if India doesn't plan and develop economic cities, it could have a situation of ghost cities like China. The cities should focus on delivering basic health, food, water, security and jobs. New Indian cities are often driven by engineers and consultants instead of economy, design and lifestyle. Often planning mimics that of western cities. "We have to plan our way—parking for autorickshaws (absent in western cities), middle-of-the-road celebrations etc.," says Bhattacharya.

The most spectacular growth among Indian cities has been that of Bangalore. Prateek Raj points out that Bangalore was a minor town during the 1911 census but ranks at number three today. The primary reason for the somnolent retirees' haven to transform into a bustling megapolis was the happy concentration of state-owned high technology organisations and high quality knowledge institutions there when the sun was rising over the information technology industry and allied businesses.

The presence of big state-owned entities such as Hindustan Aeronautics Ltd and

## AROUND THE CITIES

**\$30 trillion**

(65% of global GDP) - GDP of 600 cities in 2025

**440** number of these cities in emerging economies

**60%** (600 million) - proportion of new urban consumers living in these 440 cities

**\$1.2 trillion**

capital expenditure requirement of Indian cities to 2030

**6%** India's global share of new high income households in 2025; second only to China's 19%

**85%** of today's building stock equivalent would be required to be newly built

**80 billion**

cubic metre increase in municipal water demand expected by 2025. Mumbai and Delhi top the global demand ranking.

Source: McKinsey Global Institute, Urban world: Cities and the rise of the consuming class

Indian Space Research Organisation, top notch education establishments like the Indian Institute of Science and the Indian Institute of Management, and an

open cultural environment combined with a new generation of entrepreneurs, cutting edge knowledge, and risk capital turned Bangalore into an urban agglomeration churning with ideas and innovations that sculpted a metropolis rivaling global peers.

None of this happened in states such as Uttar Pradesh and Bihar, where once renowned educational institutions such as Patna University, Banaras Hindu University and Aligarh Muslim University remained the boiling cauldron of intense politics which often degenerated into communalism and casteism mixed up with violence. A dearth of capital, lack of innovation, endemic corruption and constant social strife slowly transformed once bustling business centres such as Aligarh, Meerut, Kanpur, Agra and Moradabad into industrial waste heaps.

PwC warns that unless the challenge of providing local employment opportunities in the northern and eastern states is tackled immediately, migration to the south and west will accelerate. If ignored, social strife that is on the increase in these states will continue. This could result in young citizens, who may be educated, often skilled, taking the law in their hands. IIM's Prateek Raj shares that fear. "People not having hope for a better future create a fervent ground for anti-social behaviour, like lynching and vigilantism. The Hindi heartland needs a few major cities, to get out of this vicious circle," he says.