

## Globalisation, Urbanisation and Spatial Inequality in India with special reference to North East India

Benjamin L. Saitluanga<sup>†</sup>

### Abstract

Globalisation, an increasing international interaction in economic, political and cultural aspects, is a highly uneven set of processes whose impact varies over space, through time, and between social groups. On one hand, as globalisation seems to be an inevitable reality, many developing countries are restructuring their economies to receive and reap the benefits of widening and deepening global economic interactions. On the other hand, there are regions, which are increasingly excluded, and 'structurally irrelevant' to the current process of globalisation. Moreover, cities are at the core of development strategy of globalisation. While cities in developed countries are becoming centres of globally integrated organisation of economic activity, cities in developing countries are usually at disadvantage positions due to weak financial bases, low levels of technology as well as lack of infrastructural facilities and institutional factors.

The present paper, in the limelight of these contradictions, analyses the differential impacts of economic globalisation in cities and regions of India in general and Northeast India in particular. It is noted that the ushering of globalisation through structural adjustment of the economy during the 1990s has disparate impacts on various cities and regions of the country. The paper also examines the infrastructural constraints of cities of Northeast India as well as the existing institutional arrangements to 'globalise' the region through neoliberal reforms and investments.

**Key words:** Globalisation, Northeast India, Cities, Urban renewal, Spatial Inequality, Z-Score method

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<sup>†</sup> Department of Geography & Resource Management, Mizoram University, Aizawl-796004, India  
Email: [bena.sailo@gmail.com](mailto:bena.sailo@gmail.com)

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## Introduction

Cities and urban regions are at the core of development strategy of globalisation and are therefore, increasingly redeveloped, renewed, marketed and promoted to attract potential investors and consumers. It has been argued that the process of globalisation is conditioned by restructuring of spatial organisation of economic activities at both global and city level and these are interrelated (Sassen, 2011). The interdependence between global and local has been heightened that cities are not only a product of local processes but “are shaped by the interplay of local, regional, national and international forces” (Healey & Ilbery 1990).

In general, the term ‘globalisation’ may refer to an increase in international interaction through more intense “transworld simultaneity” and “transworld instantaneity” (Scholte, 2007, p.13) due to “expansion in the scope, velocity, and impacts of international transactions such as trade, investment, migration, and communications” (Warf, 2006). Thus, in the new economic scenario created by globalisation, “the geography and the composition of the global economy changed so as to produce a complex duality: a spatially dispersed, yet globally integrated organisation of economic activity” (Sassen, 1991, p.3).

From economic perspective, globalisation is deeply associated with neoliberalism. At the global scale, neoliberal policies are pushed by multinational corporations (MNCs), and are strategically supported by state(s) on which national elites and MNCs wield substantial influences (Ellwood, 2001). These policies are further promoted by global governance institutions like the World Bank, the International Monetary Fund and the World Trade Organisation (Peet & Hartwick, 2009) collectively known as the Bretton Woods Institutions (BWIs).

Globalisation is criticised for intensifying global inequality. The impact of globalisation is highly uneven and varies over space, through time, and between social groups (Pacione, 2009). It has been noted that certain countries and regions failed to participate in economic

globalisation. Friedmann (1995, p. 40) describes the global economy as “a core space articulated by a small number of regional control centers and a fragmented and marginalised periphery”. Castells (1993, p.37) even contended that globalisation and consequent restructuring of economy has resulted in the emergence of a ‘fourth world’ of regions that are increasingly excluded and ‘structurally irrelevant’ to the current process of global capital accumulation.

This contribution examines the process of globalisation in Indian cities with special emphasis on the Northeast region. It is presupposed that the differential impacts of globalisation is clearly exposed in a highly imbalance country like India and the paper tries to argue the relevance of globalisation in an economically underdeveloped region like Northeast India. The first section introduces the idea of globalisation. The following sections then focus on impacts of globalisation in India and Northeast India followed by critical assessment of urban development projects in India. In short, the present paper is an attempt to analyse the complexities of the process of globalisation in India with special reference to the Northeast region.

## Globalisation and Cities-The Indian Scenario

“[G]lobalisation in India, expressed in terms of a freer flow of goods and services, capital, technology, and information, owes itself to a macroeconomic crisis that erupted in 1991” (Mathur, 2005, p. 44). India was facing huge balance of payment crisis during the 1990s mainly due to the Gulf War and turned to the Bretton Woods Institutions (BWIs) for funds. The BWIs, while lending the funds, make provisions to restructure the country’s internal economy to be more outward-oriented and aligned with the global economy collectively known as Structural Adjustment Programmes (SAPs). The SAPs involved a standard package of measures consisting of devaluation of currency, lowering of wages, removal of subsidies, liberalisation, privatisation, infrastructural development and measures to increase the state’s revenue.

With the liberalisation of the Indian economy, the stock of foreign direct investment soared from under \$2 billion in 1991 to almost \$45 billion in 2005. Accordingly, the growth rate of the national economy has increased considerably at least during the early period of neoliberal reforms. While the mean annual growth rate of real Gross National Product (GNP) could not climb above four until the 1980s, the figure grew at more than six after the 1990s consistently. However, it may be pointed out that the inflow of Foreign Direct Investment (FDI) is highly unequal at the state level. Among the twenty-eight states of India, only six states viz. Maharashtra, Delhi, Karnataka, Tamil Nadu, Gujarat and Andhra Pradesh together accounted for over 70 per cent of FDI equity inflow to India during 2000-2012 (Mukherjee, 2011). The inter-state difference in FDI inflow has been attributed to differences in macroeconomic policies, geography, political institutions as well as social norms, cultures and beliefs (Basu, 2001; Chakravorty, 2003a).

The structural reform and the associated development strategy are expected to not only generate higher economic growth but also accelerate the pace of urbanisation (Bhagat, 2004; Kundu, 2003). However, it may be seen from Table 1 that during 1991-2001, India's urban population growth rate declined to 31.30 per cent from 36.10 per cent registered in 1981-1991. The growth rate of urban areas has increased again to 32.15 per cent during 2001-2011, which is viewed sceptically by some scholars that the Census of 2011 would have identified new urban centres that are of much smaller denomination than in the earlier censuses (Kundu, 2011b).

Moreover, the population growth rates in the 3-mega cities with more than 10 million populations have slowed down considerably during the last decade. As shown in Table 2, Greater Mumbai urban agglomeration (UA), which had witnessed 30.5 per cent growth in population during 1991-2001, has recorded

12.1 per cent during 2001-2011. Similarly, Delhi UA (from 53.0 per cent to 26.7 per cent in 2001-2011) and Kolkata UA (from 19.9 per cent to 6.9 per cent in 2001-2011) have also slowed down considerably. In fact, predominantly urbanised regions like national capital territory of Delhi and the union territory of Chandigarh has grown during 2001-2011 at rates less than half of that in the preceding decade (Kundu, 2011a) even after inclusion of large number of new census towns which are without recognised urban local bodies. In fact, it has been pointed out that only 26 to 29.5 per cent of the urban growth from 2001-2011 can be attributed to the recognition of new census towns (Pradhan, 2012).

Therefore, it has been asked that why did the rate of urban population in India decline during a period of relatively high economic growth, outward looking economic policies, and greater reliance on market forces for development (Mathur, 2005). Various opinions have been given on the causes of deceleration in urban growth. Some scholars attributed to the success of various rural development programmes (Mohan, 2006) as well as stagnation in traditional organised sector in old metropolises like Kolkata, Mumbai and Chennai (Kundu, 2003). It has also been argued that a lot of pressure has been put on the absorptive capacities of urban areas due to infrastructural constraints. However, others maintain that the growth of cities in India is more determined by poor performance of the agricultural sector in the surrounding countryside rather than by a pull from increased industrialisation in cities (Nijman, 2012). In the post-reform period, the rural areas seem to have been forgotten and rural non-development has fuelled a rural refuge migration into the cities. Regardless of these contradictory views, it is certain that the absorptive capacity of Indian cities has not increased in the post-reform period as indicated by decreasing rate of population growth.

**Table 1: Pattern of Urban Growth in India, 1981-2011**

Census Year	Urban Population (in Million)	% Urban Population	Decennial growth rate of urban population	Population of million plus cities (in Million)	% of million plus cities to urban population	Decennial growth rate of million plus cities
1981	159.46	23.34	46.14	42.12	26.41	51.34
1991	217.17	25.72	36.10	70.66	32.54	67.75
2001	285.35	27.78	31.30	107.88	38.60	52.67
2011	377.10	31.16	32.15	160.70	42.60	48.96

Source: Census of India, various years

**Table 2: Growth Rates of Top-ten Urban Agglomerations in India, 1981-2011**

Sl. No.	Urban Agglomeration	Growth Rate of Urban Agglomerations		
		1981-1991	1991-2001	2001-2011
1	Greater Mumbai	33.7	30.5	12.1
2	Kolkata	19.9	19.9	6.9
3	Delhi	46.9	53.0	26.7
4	Chennai	26.4	21.0	32.6
5	Bangalore	41.3	37.8	49.1
6	Hyderabad	66.5	27.4	35.0
7	Ahmadabad	29.5	36.4	40.4
8	Pune	44.8	50.6	34.3
9	Surat	64.4	85.1	63.1
10	Kanpur	23.8	32.5	7.5

Source: Census of India, 1981, 1991, 2001 & 2011 (provisional)

It may, however, be noted that the urban population in India is already skewed towards large and metropolitan cities. According to 2001 Census, 65 per cent of the total urban population in the country settled in Class I cities and above. Increasing urbanisation and continued concentration of the urban population in large cities has led to tremendous pressure on urban basic infrastructures. To overcome the infrastructural constraints and scarcity of land in prime locations of inner city coupled by increasing concern of environmental deterioration in city proper or "bourgeois environmentalism" (Butola, 2000), industrial districts have either shifted or emerged along the metropolitan corridors and coastal areas (Kundu, 2003; Kidwai, 2006) outside the city limits. This is facilitated by increasing mobilities and technological advances in communications and information exchanges that enable domestic and

multinational companies to locate anywhere (Mathur, 2005).

Thus, an important impact of globalisation in Indian cities is reorganisation of urban space in the form of deindustrialisation and gentrification. Deindustrialisation or shift in geographical location of industries from inner city to peripheral areas has resulted into redistribution of urban population. To solve the increasing pressure on land, municipalities have either increased the permissible level of floor space index (FSI) and vertical limits of buildings thereby providing space for business houses, commercial activities and high-income residential units. This resulted in gentrification or creation of a few high-density business and high-income residential districts while pushing out households that could not afford the costs. The relatively poorer population has to settle in "degenerated periphery", get jobs in the industries located therein or commute to the

central city for work (Kundu, 2003). As a result, peripheral areas of metropolises have shown relatively higher growth rates in comparison to the growth rates of main cities. For instance, while the Delhi Municipal Corporation (DMC) has shown a decrease in growth rate and the New Delhi Municipal Corporation (NDMC)-a negative growth rate during 2001-2011, Gurgaon at the periphery of Delhi, has grown by a relatively high 5.7 per cent annually over 2001-11 (Denis et al., 2012).

The post-reform period is thus, marked by a visible slower growth of formal sector employment in the inner city areas (Mathur & Raikhy, 2002) mainly due to relocation of industries. At the same time, it is maintained that the capacity of unorganised or informal sector to absorb migrants as casual or self-employed workers also seems to be drying up over the years (Kundu & Basu, 1998) that may be due to combined effects of inadequate infrastructures, excessive size of cities and neoliberal policies. Therefore, a big question mark may be put on the beneficial impacts of neoliberal policies on cities that failed to provide employment opportunities to both formal and informal workers.

Another important implication of globalisation in Indian cities is increasing inequality. Using the NSS All-India Debt and Investment Survey, Jayadev et al. (2011) found out that during 1991 and 2002, the median wealth of the urban elite was much higher and grew faster to that of middle classes and manual workers. The wariness of some scholars that the post-reform period may witness an "increase in intra-urban disparity and lead to segmentation, particularly in India's metropolis and other large cities" (Kundu, 2001, p.187) may have been confirmed. Besides, not only intra-urban inequality but also inter-urban inequality increases during the post-reform period. A number of studies have found significant evidences of continuing disparities in India's urban regional system (Chapman et al., 1999; Sivaramakrishnan et. al., 2005; Shaw, 2007; Chakravorty, 2003a). It seems that with the changes brought forth in the post-reform era,

inequalities across regions and between different sizes or class of urban settlements have been accentuated (Kundu, 2003).

The above discussion provides us a point to ponder on the significance of neoliberal policy from the perspective of balance regional development. Inter-state inequality has been rising and regional disparities have been growing in the post-reform period (Ahluwalia, 2000; Bhattacharya & Sakthivel, 2004; Kant et. al, 2004). At district level, Chakravorty (2003a, p.135) has shown that the share of investment in industries continues to concentrate highly in the post-reform period and contended, "the top ten districts attract about one-third and the top 25 districts attract about one-half of total investment in the country in both pre-reform and post-reform periods". Therefore, it may be argued that the outlook that ushered in the reforms of the 1990s has made the inherent assumption of policy continuity invalid and as a result, "it is now necessary to formulate a new theoretical framework for the analysis of regional development" (Chakravorty, 2000, p.368). In the post-liberalisation period, the role of long-term national planning has been questioned (Harris, 2003) and a strong lobby is emerging in large Indian cities for making the cities relatively independent of state and central-level control (Sivaramakrishnan et.al, 2005).

For growth and development of major cities and city-regions, it may be suggested that major cities should be liberated from the stringent control of the national planning process in order to reinvent and transform themselves to become more productive and competitive. The reality is that long term planning like master plans and regional plans have contradicted the dynamics of market capitalism, which is holding the upper hand in the current process of urban and regional development. The 'new' neoliberal state is expected to follow the directions of the market in the long run. Thus, the role of the state has to be redefined and limited to more intensive intervention at the micro-level in the form of

flexible, short-term, local level spatial planning (Harris, 2003).

### **The Northeast Scenario**

Northeast India consisting of the states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura is a peripheral and distant territory from the mainland India and is considered as a "space that is territorially organised, patrolled, enforced and enclosed" (Kurien, 2009, p.1). The region accounts for 7.9 per cent of the total geographical area of the country out of which about 70 per cent are hilly areas. It is connected with the rest of India through a narrow corridor, the 'chicken neck' or 'Siliguri Corridor' in North Bengal. There are more than 475 ethnic groups and sub-groups and many of these ethnic communities try to carve out their own ethnic states after the independence of India until today. The region's path to development has been severely constrained by an intricate web of geographical, political, social and economic problems.

It seems that changes due to economic globalisation have been modest, if not bypassed, in the Northeast region. The structural adjustment and consequent liberalisation of the national economy has not yet benefited the region's economy and is "one of the pockets that do not seem to have profited in the changed economic environment" (Bezbaruah, 2007, p. 83). It may be noted that during 2008-2009, the region received US \$ 42 million, which was only 0.2 per cent of the total FDI inflow in the country. The figure was even reduced in 2010-2011 to 8 million, which constituted only 0.04 per cent of the entire FDI inflow in the country (Mukherjee, 2011). Thus, it has been argued that the prospect of globalisation is not promising as the region is unable to attract global players (Roy & Adhikari, 2008).

As the Northeast failed to participate in the globalisation process, no significant change has been identified in urban areas of the region. Instead, urban growth rates in bigger Northeast states have declined considerably in the post-reform period in comparison to the preceding

decade as shown in Table 3. However, it may also be noted that urban areas in Northeast India have been frequently reorganised through inclusion and denotification of whole towns or part(s) of towns due to administrative reasons. Large part of the urban growth process is due to notification of smaller villages as towns and expansion of bigger towns through incorporation of outlying villages.

At city level, the situation is more vivid. In 2011 census, there were twelve Class I cities in the region. Interestingly, the growth rates of all cities except Imphal, Agartala and Shillong have declined considerably during 2001-2011 in comparison to the preceding decades. It may be argued that cities in the region have lost their capacity to absorb migration, which may be due to declining employment opportunities and increasing diseconomies of scale without any significant investment in the post-reform period. The abnormal growth rate of Agartala city during 2001-2011 may be explained because of increase in the area of the city. In 2001, Agartala was under municipal council and its area was 15.81 km<sup>2</sup> but by 2011, it became an urban agglomeration and the area of the city has increased to 58.84 km.<sup>2</sup> Similarly, the high growth rates of Imphal UA and Shillong UA during 2001-2011 were due to inclusion of a number of census towns. For instance, Shillong UA comprised only five census towns in 2001 but another five census towns were added in 2011 apart from Shillong Municipality and Shillong Cantonment.

Why do cities in Northeast India failed to attract significant capital investment from private and global players? Till today, the region's economic backwardness due to geographical, political and socio-economic factors resulted into physical and economic isolation of the region. The failure to integrate with the outside world positioned the region into a mere consuming space.

It may be argued that the region has all the necessary characteristics of places that are likely to be bypassed by globalisation. The region's inland location or landlockedness, small market and weak economic base, as well

**Table 3: Growth of Urban Population, Northeast India, 1971-2011**

Sl. No.	States	Percentage of Urban Population				Annual Exponential Growth Rate		
		1981	1991	2001	2011	1981-91	1991- 01	2001-11
1.	Arunachal Pradesh	6.32	12.21	20.41	22.67	9.28	7.00	3.18
2.	Assam	9.88	11.09	12.72	14.08	3.29	3.09	2.43
3.	Manipur	26.44	27.69	23.88	30.20	2.98	1.21	3.55
4.	Meghalaya	18.03	18.69	19.63	20.07	3.10	3.16	2.70
5.	Mizoram	25.17	46.2	49.50	51.58	9.57	3.27	2.42
6.	Nagaland	15.54	17.28	17.74	28.96	5.58	5.27	5.15
7.	Sikkim	16.23	9.12	11.10	24.96	-3.23	4.83	9.29
8.	Tripura	10.98	15.26	17.02	26.17	6.19	2.53	5.65
	All India	23.73	25.72	27.78	31.16	3.09	2.73	2.76

Source: Census of India-1981, 1991, and 2001

**Table 4: Growth Rates of Class I Cities in Northeast India, 1981-2011**

Sl. No.	City	State	Population			Decadal Growth Rate		
			1991	2001	2011	81-91*	91-01	01-11
1	Guwahati UA	Assam	5,77,591	8,18,809	9,68,549	131.60	41.76	18.28
2	Imphal UA	Manipur	2,02,839	2,50,234	4,14,288	26.76	23.36	65.56
3	Agartala UA	Tripura	1,57,358	1,89,998	3,99,688	19.04	20.74	110.36
4	Shillong UA	Meghalaya	2,23,366	2,67,662	3,54,325	27.93	19.83	32.37
5	Aizawl NT	Mizoram	1,55,240	2,28,280	2,91,822	108.40	47.05	27.83
6	Silchar UA	Assam	1,15,483	1,84,105	2,28,985	119.57	59.42	24.37
7	Dibrugarh UA	Assam	1,23,885	1,37,661	1,54,019	49.51	11.11	11.88
8	Jorhat UA	Assam	1,11,584	1,37,814	1,53,249	58.52	23.50	11.19
9	Nagaon UA	Assam	93,350	1,23,265	1,47,137	68.09	32.04	19.36
10	Tinsukia UA	Assam	73,918	1,08,123	1,25,637	34.61	46.27	16.19
11	Dimapur MCI	Nagaland	57,182	98,096	1,23,777	73.92	71.55	26.17
12	Tezpur UA	Assam	54,999	1,05,377	1,00,477	38.16	91.59	-4.64

Source: Census of India, 2001 & 2011 (provisional)

\* The decadal growth rates for Assam towns should be read as 1971-1991 because census was not held in Assam in 1981.

as insurgency and bad governance are likely to inhibit the growth process of the region.

Adding to this, it has also been argued that in the post-reform period while the core cities continue to strengthen their global trading links, "the small and medium towns, located away from the emerging global centres of growth, particularly those in backward regions, have failed to attract much private investment" (Kundu, 2003, p. 3087). Cities in Northeast India are relatively smaller in size in comparison to other cities in the country. Large cities are bound to be more productive as they attract skilled and creative individuals, which, in turn, are responsible for the generation of new

ideas and the application of existing ideas in novel ways (Jacobs, 1969; Florida, 2005; Glaeser, 2011). Moreover, there has been acute deficiency of infrastructures and basic amenities across the region's states and cities. All states of Northeast India were classified under the 'low category states' in infrastructural development Index (TFC, 2004).

An attempt has been made to find out urban infrastructural index for Northeastern cities with the help of Z-Score method.<sup>1</sup> The

<sup>1</sup> A Z-Score or standard score method is a simple, but popular method of rescaling and 'standardisation' of data. Z-score measures the number of standard

composite index in Table 5 has shown that Imphal in Manipur is the most developed city in terms of urban basic amenities followed by Agartala and Shillong. It may be observed that certain cities in the region have low percentage of permanent house, drinking water facilities as well as drainage facilities. Generally, Northeastern cities are characterised by bad and congested roads, poor housing, and inadequate space for leisure and recreational facilities, inadequate and irregular power supply and communication facilities.

Besides, it is believed that the underdevelopment of industrial sector is one of the main reasons behind the exclusionary status of the region. It has been maintained that the northeastern region is in a disadvantageous position for industrial development due to inadequate infrastructure, small and fragmented markets, and social unrest and terrorist activities (Giri, 2008). Due to near absence of large-scale industries, the urban economy in northeast India is flooded with informal sector. It has been estimated that the share of informal workers to total workers in 2004-05 was 84.41 per cent and 83.72 per cent for Assam and other Northeastern states respectively as against the all India average of 86.32. More interestingly, the growth rate of informal sector during 1999-2000 and 2004-2005 was 7.17 per cent and 5.83 per cent for Assam and other Northeastern states respectively as against the all India average of 2.88 per cent.

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deviations an observation is away from the mean of all observations. The method converts all indicators to a common scale with an average of 0 and standard deviation of 1 that enable comparison of observed data. The method is defined as  $Z = (X_{ij} - X_j) / \sigma_j$ , Where  $Z_i = Z$ -score for the  $i$ th district,  $X_{ij} = X$  variable in the  $i$ th district and  $j$ th variable,  $X_j =$  mean of the  $j$ th variable and  $\sigma_j =$  standard deviation of the  $j$ th variable. After calculating  $Z$ -score for all the variables, composite score for each district is found out by adding all the  $Z$ -score values of each variable as  $C_i = \sum Z_i$ , where,  $C_i =$  composite score for the  $i$ th district,  $\sum Z_i =$  summation of  $Z$ -score for the  $i$ th district.

Therefore, low intense globalisation in the Northeast does not appear to produce any significant impact on the urban forms or urban spatial structure. In most cities, the only visible changes include the changing sky-line of cities due to erection of mobile transmission towers and renovations of buildings for multinational company's outlets. Only Guwahati has witnessed modest changes in its form with the rise of flyovers, shopping malls and high standard hotels and restaurants. From a regional development perspective, it may be argued that the northeast does not have any central core or city, which is capable to integrate the economy and culture of the variegated ethnic tribes of the region. The northeast has failed to identify itself as a 'region' in terms of nodes and inter-linkages, cultural cohesion and economic integration in spite of nearness and similarities. In the era of increasing importance of interconnectedness, development is related to proximity, concentrations and agglomerations and integrations of firms and markets more than before, and the term 'region' has evolved to mean "any area of sub-national extent that is functionally organised around some internal central pole" (Scott & Storper, 2003, p.580).

Although the future of globalisation in Northeast India is uncertain, the region has witnessed percolation of ideologies that drive economic globalisation. These ideological elements of globalisation or "ideological globalisation" include support for markets and trade, democracy and decentralisation, good governance and ideology of identity and identity politics, and are far more pervasive than economic globalisation (Chakravorty, 2003b). Moreover, in the absence of economic impact, cultural globalisation seems more influencing (Nayak, 2011). An endemic aspect of globalisation is that people and cultures are on the move. The region has become a supplier of cheap labour as lots of trained nurses, domestic helpers and workers in hospitality sectors are getting employment in other cities of India and abroad.

Class I cities	Percentage of Urban Households having									Composite index
	Drinking water	Electricity	Toilet	Bathroom	Permanent House	LPG	Separate kitchen	Latrine	Drainage	
Imphal	89.40	97.55	96.73	30.21	33.91	68.32	93.00	96.73	72.59	4.35
Agartala	95.75	97.08	97.39	70.52	11.45	73.32	93.28	97.39	77.86	4.17
Shillong	92.92	97.45	95.48	83.31	54.30	46.75	95.98	95.48	95.50	2.44
Aizawl	57.95	97.38	98.77	69.28	81.70	84.58	92.98	99.14	78.80	2.15
Dibrugarh	98.73	76.39	97.69	62.40	45.78	61.31	95.47	97.69	74.33	2.01
Silchar	83.86	78.42	98.29	69.67	48.18	54.59	92.02	98.29	68.95	1.87
Guwahati	54.76	80.14	97.11	55.72	43.52	69.58	94.66	97.11	62.68	1.62
Dimapur	38.19	88.63	98.16	57.29	47.83	49.22	87.97	98.16	66.28	1.56
Nagaon	99.69	78.46	99.38	47.86	34.29	52.41	93.64	99.38	44.04	1.13

**Source: Census of India-2001**

Lastly, globalisation is often equated with the much-hyped Look east Policy (LEP) in this part of the country. Implemented by the Indian government at the time of neoliberal shift in Indian economy, the LEP has been conceived as a policy to economically integrate the northeast with the South-East Asian nations. Major initiatives like opening of border trade and major infrastructural projects like Kaladan Multi-modal Transit and Transport project (KMMTP) that links Myanmar and mainland India through Mizoram are expected to provide opportunities to revive the local economies as well as situating the region as a transit corridor. At the same time, it has been argued that as the region is suffering from endogenous infrastructural constraints, the inflow of cheap products from other states and South-East Asia through opening of Indo-Myanmar border trade in the post-liberalisation period has led to the closure of many manufacturing units, ranging from the large to the small (Sharma, 2012). Therefore, it may be suggested that the opening of the region has to be preceded by internal transformation.

### **Urban Renewal: Towards Globalising the Indian Cities**

In the era of globalisation, cities have to position themselves within the global system to facilitate flows of capital, goods and people to receive growth and development. They have to be included in the “space of flows”, where they constitute crucial nodes in a world-wide network and act as points of transmission that

incentivised strengthening of local governance through implementation of 74<sup>th</sup> Constitutional Amendment Act, legislations have been enacted in the states of Sikkim, Arunachal Pradesh and Mizoram for the establishment of urban local bodies. Moreover, it has been conceived that the mission should take into account small and medium size cities to strengthen a regional urban system. Thus, Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) and Integrated Housing & Slum Development

link the global with the local and regional (Von Kempen & Naerssen, 2008).

In India, it was maintained that the rate of urban infrastructure investment was inadequate to sustain the demand of modernising, industrialising, and increasingly urban economy (Mohan, 2006). Therefore, the central government launched Jawaharlal Nehru Urban Renewal Mission (JNNURM) in 2005 to put the Indian cities on a fast track of development by focusing on improvement of economic and social infrastructure of cities, ensuring basic services to the urban poor as well as strengthening of municipal governments. JNNURM covered 63 cities throughout the country including seven mega cities, 28 million plus cities and 28 other sub-million cities, which are either state capitals or cities of particular cultural, historical or tourist significance. Thus, all capital cities of the northeastern states are also covered by the two components of the mission viz. Urban Infrastructure and Governance (UIG) and Basic Services to the Urban Poor (BSUP). City Development Plan (CDP) has been prepared for each city and funds have been allocated as per acceptance of requirements. Infrastructural development program is given the main priority under which projects for constructions of roads and flyovers, drainage, large market complex and water supply, urban transport, etc have been rolled out.

An important implication of JNNURM is the renewed importance of urban local governments. Since the JNNURM has Programme (IHSDP) to cover towns and cities other than the mission cities.

Implemented at the time of the introduction of New Economic Policy (NEP) in India, it was argued that the *raison d’etre* for the urban renewal mission echoed the neoliberal policies that the reform would lead to economic growth assisted with higher rate of urbanisation. It was expected that cities covered by the mission would emerge as “engines of growth” for the respective urban system (Banerjee-Guha, 2009).

However, urban renewal or inner city development is often criticised as anti-poor due to its association with slum-clearance or relocation. In India and Northeast India as well, most of the JNNURM housing projects for the poor under Basic Services to the Urban Poor BSUP program are systematically located in the outskirts of the cities in order to make slum-free cities. Thus, Mahadevia (2011) has pointed out that the metropolitan story in the reform era has been one of parallel and conflicting policies, with one set of policies focused on large-scale urban infrastructure projects to make cities into engines of economic growth and the other focused on poverty alleviation. While the former excludes the urban poor, the latter includes them.

Although the mission has been criticised for its systematic tendency towards increasing social inequality in large cities, making the disadvantaged sections of the society more vulnerable (Banerjee-Guha, 2009), it is expected that the mission will tackle infrastructural constraints in Northeast cities. Due to underdeveloped economy, states and municipalities in Northeast India are not able to mobilise resources and are in need to develop physical infrastructures and basic amenities for the welfare of the residents. In the relative absence of private investment, the Northeastern states are compelled to embrace the state-controlled urban renewal project in order to develop the economic condition of the region and its cities even if it is intended to "facilitate neoliberal capitalist accumulation" (Banerjee-Guha, 2011, p.83).

### **Conclusion**

Globalisation seems to be an inevitable reality and has been penetrating various countries with different intensities. Cities are at the centre-stage of the process of globalisation and the process is expected to increase urban growth and productivity. On the contrary, the growth rate of Indian cities has declined considerably after the 1990s indicating the minimal impact of neoliberal reforms. In the meantime, deindustrialisation or relocation of industries has taken place from inner cities.

Therefore, the neoliberal reforms not only failed to induce growth and development but also witnessed relocation of poorer population from central city areas to the peripheries.

Another important implication of globalisation in Indian cities is increase in inequality. The poorer people are getting poorer due to greater reliance on market rather than the public. At the same time, slower growth rate of traditional mega cities and increasing inter-city inequality has cascading effects on regional inequality as cities are at the core of regional development process. As a result, renewed emphasis to frame flexible and short-term regional development policy and planning based on large cities has been suggested.

Without having a core city, Northeast India has been conceptualised as a regional planning unit. The region fails to integrate internally and with outside. It could not translate its available resources and small size to achieve considerable development. Rather, the geographical disadvantages, the small sizes of market, weak economic and infrastructural bases inhibit full penetration of globalisation as indicated by negligible percentage composition of FDI. Cities in the region failed to expand its population base in the post-reform period due to employment and infrastructural constraints. The declining absorptive capacities of the region's cities reflect the unconvincing situation of the region to receive globalisation. In the meantime, ideological and cultural globalisations have been experienced thereby positioning the region into a mere consuming space.

To globalise cities in India, major projects like urban renewal projects have been formulated along neoliberal path to development. Urban renewal might have repercussions in the existing socio-spatial structure towards social segregation, marginalisation and spatial differentiation. However, states and cities in Northeast India are financially poor and wholly dependent upon the federal government. Therefore, contradiction appears when we talk of liberation of large cities in India from state and federal controls, and favouritism towards

strengthening of government controlled schemes like JNNURM in Northeast India. It is also methodologically inappropriate to compare large cities in India where neoliberalism is encroaching upon poorer spaces with cities in Northeast India where traces of liberalisation are yet to be found.

### About the Author

Benjamin L. Saitluanga is an Assistant Professor in the Department of Geography & Resource Management, Mizoram University. After graduating from Delhi University, he obtained master's degree and M.Phil degree from Mizoram University and Jawaharlal Nehru University respectively and is currently pursuing Ph.D in Mizoram University. He has received research fellowships from UGC and ICSSR. He has also completed one research project funded by UGC, New Delhi. He has published a number of research articles in national and international journals. His latest paper "Spatial Pattern of Urban Livability in Himalayan region: A Case of Aizawl City, India" was recently published in *Social Indicators Research*. His main research interests lie in urban social geography and regional development.

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