

Rural Non-farm Sector: Revisiting the Census Towns

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Abstract

The last decade (2001–2011) has witnessed a surge in the number of census towns (CTs) in India, which account for 30% of the country's urban growth. Though several studies have tried to understand the spatial patterns and factors determining the emergence of these CTs, the all India level has been neglected. Due to an increase in non-farm activities, villages have been transformed into CTs. By considering 2,328 CTs at the all India level, this article investigates the relevant economic determinants of such transformation. To group similar CTs we use cluster analysis by considering several factors such as the size of the population of CTs, rural specific changes, climatic conditions, the growth dynamics of large cities which may spill over to rural hinterland, economic potential, the availability of infrastructures and job opportunities. The analysis suggests that the availability of infrastructure and the growth dynamics of the large cities are important for the emergence of these CTs, whereas rural poverty and unemployment rates do not seem to matter significantly. Finally, we suggest that for higher economic development, the rural to urban transformation is essential. For this purpose, the new CTs can offer an opportunity for increasing non-farm activities and the overall prospects for India. Hence, the policy directives will have to address the requirements of the CTs to emerge as centres of growth.

Keywords

Census towns, non-farm activities, rural-urban transformation, India

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