

INDIA URBANISING



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THE BIG QUESTION

How urban is India really?

India's urbanisation is widespread and remarkably diverse. It is unfolding not only in large cities, but across small towns, census towns, peri-urban regions, and transitional settlements that connect rural and urban India.

This evolving landscape presents a historic opportunity to plan for growth more deliberately: to strengthen institutions, extend essential services to underserved areas, connect people to jobs and opportunities, and build resilience to flooding, extreme heat, and environmental stress.

The first edition of our monthly Urbanisation Dispatch—**India Urbanising**—explores how a National Urbanisation Policy could help India better understand this transformation, support places at different stages of urbanisation, and shape a more equitable, productive, low-carbon, and resilient system of cities.



India's Urban Future Is Being Built Beyond Its Cities

By Madhav Pai, CEO, WRI India

In December 2021, the Economic Advisory Council to the Prime Minister (EAC-PM) suggested that WRI India work with a wider ecosystem of experts to develop recommendations for a comprehensive National Urbanisation Policy (NUP), with a vision extending to 2047. Through a consultative and peer-reviewed process, we have now released a research report that attempts to answer three fundamental questions: WHY does India need a National Urbanisation Policy (NUP)? WHAT key cross-sectoral challenges and opportunities could it address? And HOW could it help India plan and achieve equitable, prosperous, low-carbon, and resilient cities?

These questions are timely, imperative, and urgent.

The Union Budget 2026–27, the Economic Survey, and the 16th Finance Commission — with its landmark “urbanisation premium” — have converged on a shared recognition: India's future will be shaped in its towns and cities. In 2011, we had an urban population of 377 million, spread across 8,000 cities and towns. The United Nations now projects this population to nearly double by 2050 – crossing 720 million.

This is a crucial moment where we can see the immense possibilities that lie ahead of us. For the first time, people, jobs, land markets, and infrastructure are becoming urban faster than ever before. This creates an unprecedented opportunity for institutions who need to recognise them as urban in order to transform them intentionally.

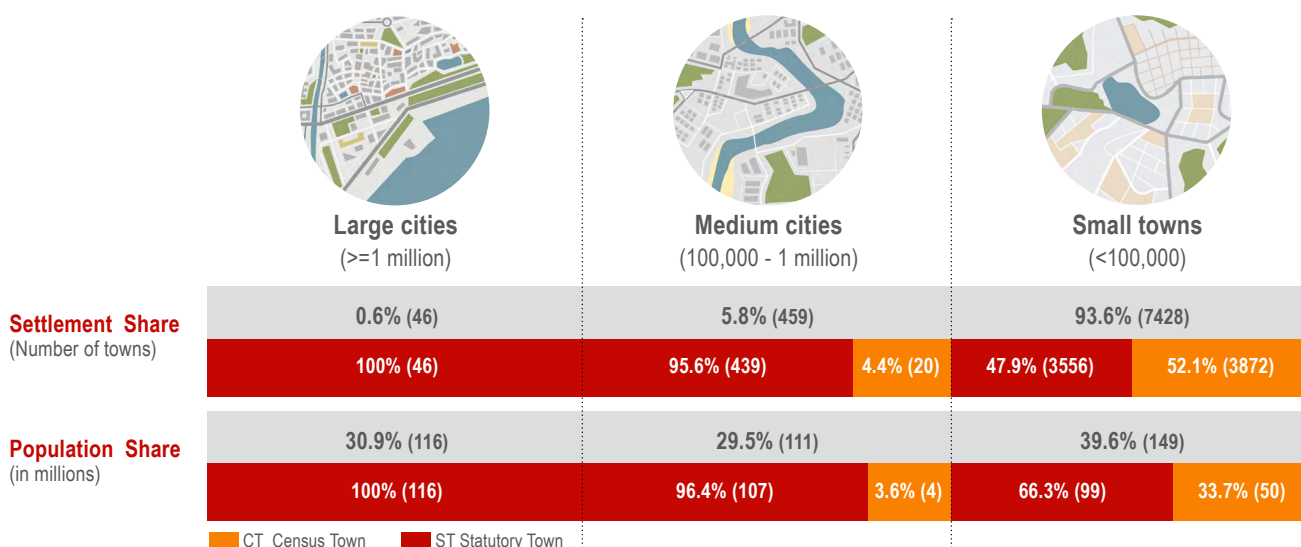
It is time we all looked beyond our 10-20 metros and started planning for an India that is urbanising through its small towns, Census Towns, peri-urban belts, expanding city-regions, and transitional settlements – all territories that are ready for new models and systems of urban governance and development.

While addressing the above, we realised we needed to answer an additional question: WHERE is the capacity to drive this? Where is there energy and readiness to act now - which areas have actors, institutions, reforms, or opportunities that could move forward now?

Viksit Bharat by 2047 is not a vision limited to our mega cities but includes all these transitioning geographies that hold the dreams, hopes and aspirations of over a billion people. With the right planning, infrastructure and empowered local governance that reflects how urbanisation is actually occurring, we will be setting a strong foundation that can hold us all up as we grow as a nation.

I would like to invite you to join us in this collective mission – let's work together to shape India's future as one that is equitable, productive, low-carbon, and resilient.

Settlement and population share of different scales of cities and towns



Note: CT = Census Town. ST = Statutory Town.

"Large cities" refers to Class I metropolitan cities with population ≥ 1 million. "Medium cities" refers to Class I non-metropolitan cities with population < 1 million but > 100,000.

The "Small towns" category refers to towns in Classes II-VI with population < 100,000. Population numbers include Outgrowths, if the town has any.

Population shares indicate the respective proportion of the total urban population that each category comprises; figures in parentheses give the absolute population in millions in each category.

Settlement shares similarly indicate the proportion of all towns and cities that each category comprises; figures in parentheses give the absolute numbers of towns and cities in each category.

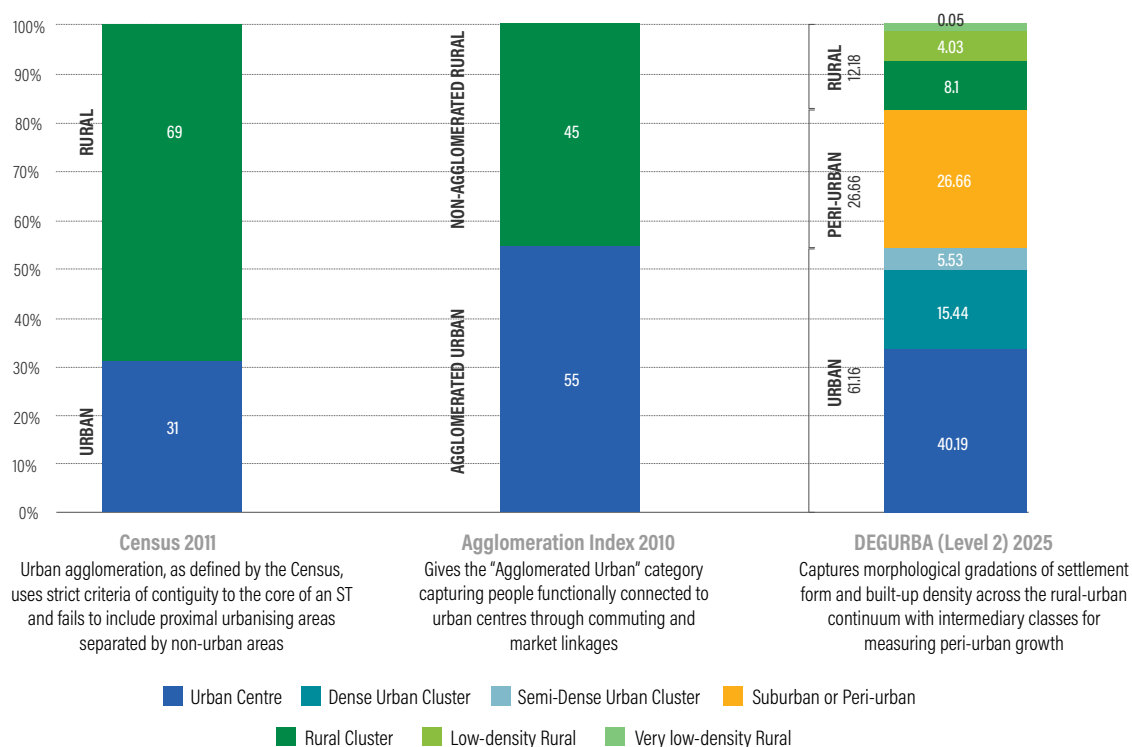
THE DATA STORY

31% vs **61%**

Different measures reveal different urban realities

The 2011 Census classified **31% of India's population as urban** based on administrative status and demographic criteria. The newer Degree of Urbanisation methodology, which uses population size and density to identify urban and peri-urban centres, estimates the share at over **61%**.

Comparison of urbanisation levels reported by the 2011 Census, agglomeration index, and DEGURBA shows vastly different findings.



Source: Conceptualized by WRI India based on ORGI (2011c, 2011e); Schiavina et al. 2023; European Commission 2020.

URBANISATION PULSE

Why do the numbers differ?

India's official urban population is assembled from distinct categories, each identified through different administrative, demographic, and spatial criteria. These definitions determine which settlements become visible to planning, governance, and finance.

Sources of urban population in India

Statutory Town



Classified by state governments based on criteria for urban areas in state legislation

Outgrowths



Villages or parts of villages contiguous with a Statutory Town possessing urban-like infrastructure and amenities

Census Town



≥5,000 population



≥400 persons/km² population density

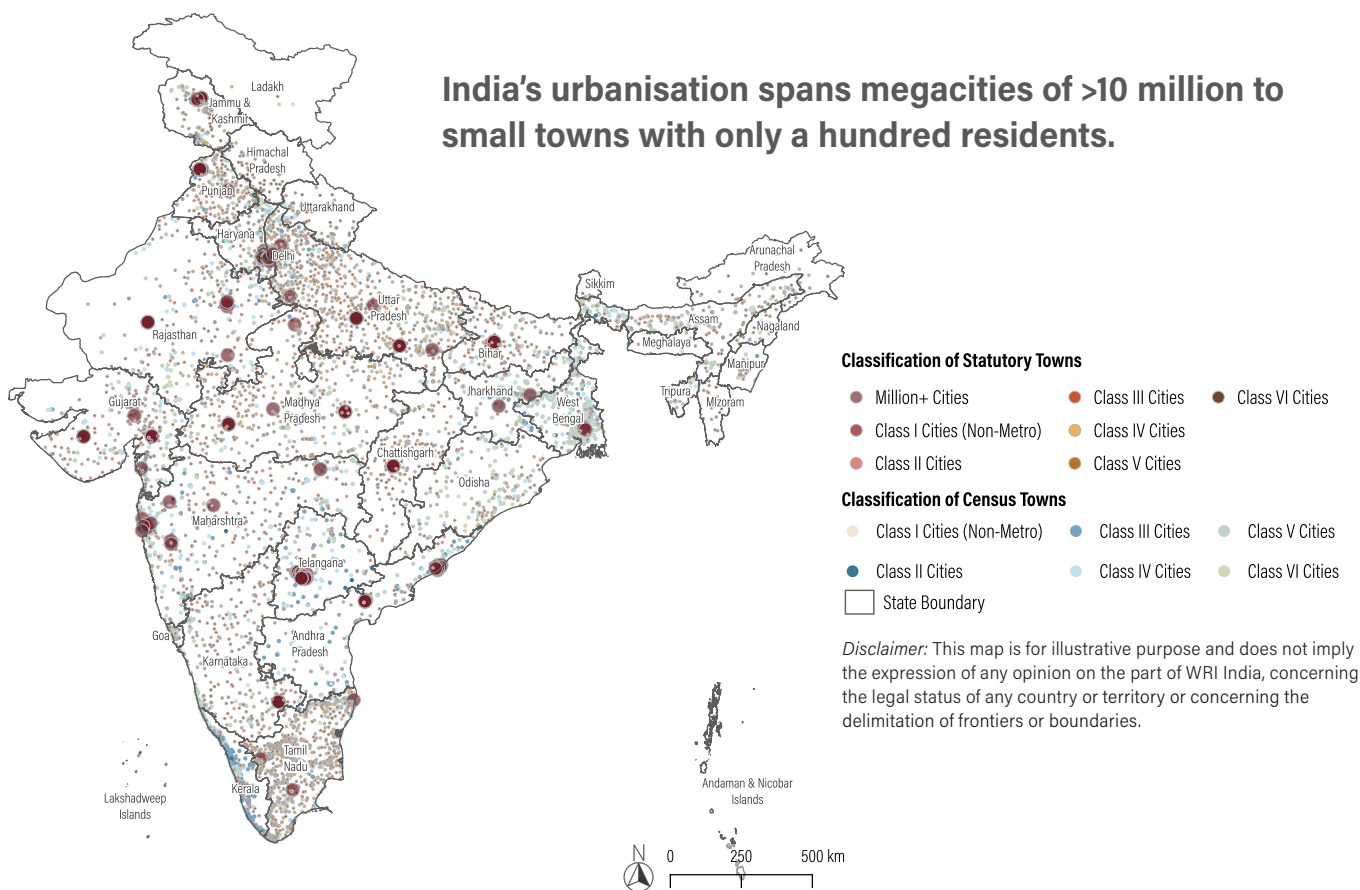


75% or more of the male main working population is engaged in non-agricultural pursuits



URBANISATION MAPPED

India's urbanisation pattern, with nearly 8,000 cities and towns spread all over the country



Note: The size of the bubble is proportional to the population of the city or town. Town class categories are as defined by the Census of India, 2011. Population numbers are inclusive of Outgrowths, if the town has any.

Source: WRI India analysis based on ORGI (2011a) and OSM Datasets.

WHAT INDIA NEEDS

The vision of Viksit Bharat by 2047 will be realised by recognising India's diverse and evolving patterns of urbanisation. The next step will be to align funding, institutions, and accountability so that every tier of India's urban system is equipped to plan, invest and deliver efficiently.

The NUP implementation is structured into four distinct phases

PHASE I-SCAFFOLDING: FOUNDATIONAL CONDITIONS



Standardising definitions and classification of statutory urban settlements and governance arrangements across states



Modernising spatial and regional planning
Evidence-based master plans; metropolitan-scale coordination



Reorienting public and private finance for urbanisation
Aligning fiscal transfers and private capital across levels of government

CONDITIONS FOR SUBSEQUENT REFORMS

PHASE II- SECTORAL REFORMS ON FUNCTIONAL FOUNDATIONS



Infrastructure systems
Water, sanitation, transport, energy-city-level service delivery norms



Housing and land markets
Tenure security, affordable supply, rental regulation, land pooling



Urban economic development
Agglomeration policy, industrial corridors, informal sector support



Climate resilience and environment
Heat action, flood risk zoning, green cover mandates, nature-based solutions



Urban governance and finance
Devolution of 74th Schedule functions; own-source revenue strengthening

PHASE III-REFINEMENT: STANDARDS, CODES AND FINE-GRAINED RULES



Sectoral standards and service-level benchmarks
Minimum urban service standards codified across all sectors



Fine-grained land use and building codes
Form-based codes, mixed-use zoning, FAR rationalisation



Urban data systems and performance reporting
Standardised urban data Infrastructure; public dashboards

PHASE IV-SYSTEM-SHAPING: POLITICAL ALIGNMENT AND KNOWLEDGE LOOPS



Aligning political incentives with reform

Visible ward-level improvements tied to elected representatives' performance metrics



Peer learning networks and urban challenge funds

Inter-city exchanges; competitive grants rewarding demonstrated reform performance



Bidirectional knowledge flows from small towns and peri-urban areas

Local and peri-urban experience institutionalised as bottom-up policy input

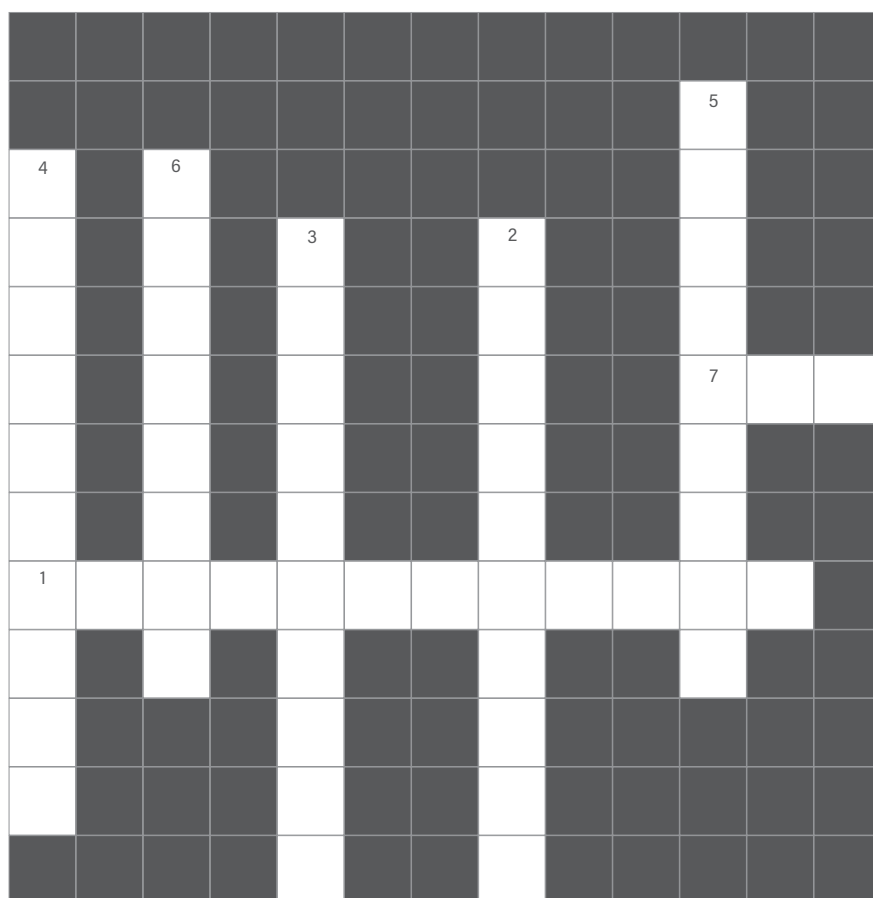


Institutionalising urban knowledge systems

Permanent urban observatory, statutory evidence mandates in planning legislation

URBANISATION DECODED

This month's crossword tests the vocabulary of India's changing urban system.



PS: Answers and winners announced in the next dispatch.

Across

1. What kind of settlement sits between rural and urban governance, but lacks uniform criteria under Article 243Q?
7. Which local government institution should be empowered to plan, finance, and deliver urban services?

Down

2. What must urban policy build so settlements can withstand heat, floods, and other climate shocks?
3. Which settlement is counted as urban by Census criteria but may still lack municipal governance?
4. What reform transfers powers, functions, and finances to local governments?
5. What do we call the fast-growing zone just beyond formal city boundaries?
6. What planning scale is needed to manage growth across cities, towns, villages, and peripheries?

LOOKING AHEAD

In the next edition: How can India plan for the full rural-urban continuum?

Learn More

