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PRIMUS RESEARCH

Beyond Urban Missions

India Needs a New Generation of Cities

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Executive Summary

The Next Chapter of India's development will be written not by its Megacities alone, but through a powerful network of emerging Cities.

India's journey toward Vision 2047 marks a defining inflection point in its development paradigm. As the country aspires to become a fully developed nation, the future of this ambition will be shaped not merely by national policy or macroeconomic growth but by the strength, resilience, and performance of its cities. Urban centers are already responsible for nearly **65% of India's GDP**, yet the current urban model, concentrated around a handful of metropolitan giants, is showing evident signs of strain. With nearly 30 people being added to India's urban population every minute, the speed of urbanization far exceeds the pace at which cities are being equipped to accommodate, sustain, and uplift their populations.

Despite generating a significant share of national economic output, India's cities remain globally underpowered. No Indian city ranks among the world's top 350 urban economies, while Delhi stands only at the edge at **rank #350**. At the same time, India invests around **0.4%** of its GDP in urban development, compared to **China at 2–3%** and Japan at **1.6%**, reflecting deep structural underinvestment. The consequence is visible in mounting congestion, environmental stress, and eroding productivity. Indian metros together lose upwards of $**6 billion annually** due to traffic-related productivity losses, while cities like Bengaluru and Hyderabad together account for upwards of **$1.2 billion** in annual losses. CO_2 emissions from traffic delays in Mumbai, Hyderabad, and Bengaluru lie between **2–3 million tons** every year, while Delhi's average AQI of 203 stands four times worse than Tokyo and San Francisco, amounting to over 11,000 pollution-related deaths annually.

These realities make it amply clear that India can no longer afford to remain glued to its current metro centric blueprint. The relentless accumulation of infrastructure, capital, and opportunity within a limited number of cities has exacerbated regional imbalances and shrinking liveability. "**Beyond Urban Missions: India Needs a New Generation of Cities**" presents a strategic shift from fragmented, scheme-driven urban interventions to a long-term, integrated approach to urban transformation in keeping with the aspirations of Viksit Bharat 2047.

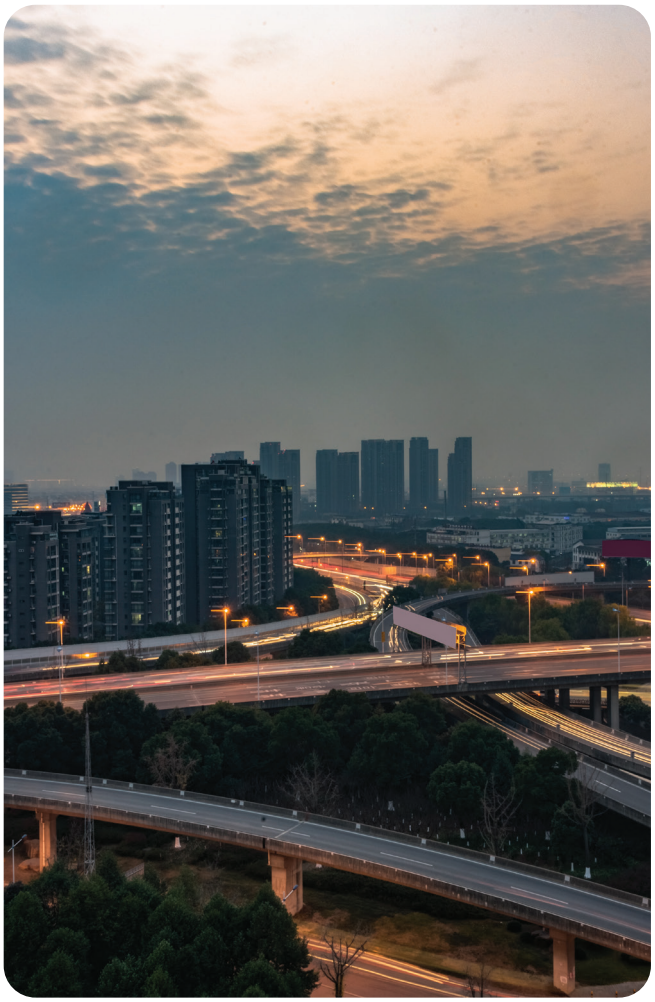
These 85 emerging urban centers across states and union territories have been identified through an extensive assessment framework, which demonstrate strong potential to evolve into next generation growth nodes. Essentially, these cities find their place based on economic anchors, demographic momentum, sectoral strengths, connectivity, and governance potential. Together, they represent the backbone of a decentralized, distributed urban network capable of absorbing future migration, stimulating regional economies, and decongesting overstretched metropolitan cores.

The report firmly emphasizes that infrastructure alone cannot create successful cities. It is robust governance, empowered urban local bodies, long term financing mechanisms, people centric planning, and strong public private collaboration that can bring about sustainable urban evolution. Case studies like Chandigarh, Navi Mumbai, Gurugram, and Naya Raipur prove that enduring success flows from continuity of vision, institutional preparedness, and active citizen participation.

To operationalize the transformation of these urban centers into growth hubs, six strategic imperatives are proposed: **strengthening regional and spatial planning frameworks, creating migration ready cities with affordable housing and social infrastructure, decentralizing economic value chains, empowering ULBs to act as strategic institutions, grounding planning in demographic and social assessments and implementing phased governance models through adaptive institutional structures.**

India's rise as a developed nation will not be defined by just the economic indices but by the quality, inclusivity, and resilience of its cities. India's new generation cities need to emerge as global competitiveness hubs: centers which generate jobs, drive innovation, and uplift standards of living. These 85 identified urban hubs are not merely alternatives to existing metros; they are the bedrock of India's next urban age, helping the nation leapfrog from growth by concentration to growth by design.

Beyond Urban Missions, there lies an opportunity for India to rewire its urban future-not just to manage growth, but to lead it. Through visionary planning, empowered institutions, decentralised economic ecosystems, and people-centric frameworks, India can construct an urban architecture that not only supports Vision 2047 but defines it.



#Strategic Recommendations at a Glance

India's recent urban missions have played a vital role in improving services and strengthening basic infrastructure, but the aspirations of Viksit Bharat 2047 require a broader, more deliberate approach to shaping cities. The next generation of urban centres must be built not only on physical assets but on strong regional systems, economic diversity, and capable local institutions. The report adopts a structured analytical approach to determine how India can create cities that are resilient, competitive, and people centred.

The recommendations ahead are derived from a detailed study of global and domestic urbanisation trends, evolution of cities across India, labour and economic networks shifts and how metropolitan pressures are reshaping regional growth. The evaluation of 85 potential urban centres provided insights into their demographic strength, offering attributes, and governance maturity. This was paired with an examination of different models of city formation and learnings from successful Indian examples where coordinated planning and institutional depth drove lasting impact.

Here is the recommendation snapshot, the detailed analysis and the complete recommendation framework follow in the next chapters.

Focus on Regional Planning

Adopting metropolitan/regional spatial plans

Establishing regional level institutional coordination mechanisms

Aligning regional plans with state and national strategies

Creating regional data observatories for evidence-based planning

Create Avenues to Absorb Migration

Develop sectoral hubs in smaller cities

Expanding skilling ecosystems

Promote private investments in Inclusive housing and social infrastructure.

Strengthening urban-rural linkages

Decentralize Value Chains

Redistributing value chain components to emerging urban centres

Supporting MSME and startup clusters in smaller towns

Developing logistics parks and warehousing outside metros

Incentivizing sunrise sectors in underdeveloped regions

Empower ULBs Beyond Service Delivery

Enhancing financial autonomy through new revenue tools and reforms

Building professional competencies in municipal cadres

Institutionalizing participatory governance

Integrating social and economic objectives into municipal planning

Use Social and Demographic Assessments as the Foundation

Conducting comprehensive demographic profiling

Segmenting social needs for targeted interventions

Embedding social infrastructure into city masterplans

Engage citizens to capture aspirations and local priorities

Establish a Phased Progression Model & Governance Blueprint

Implementing phased infrastructure and service development

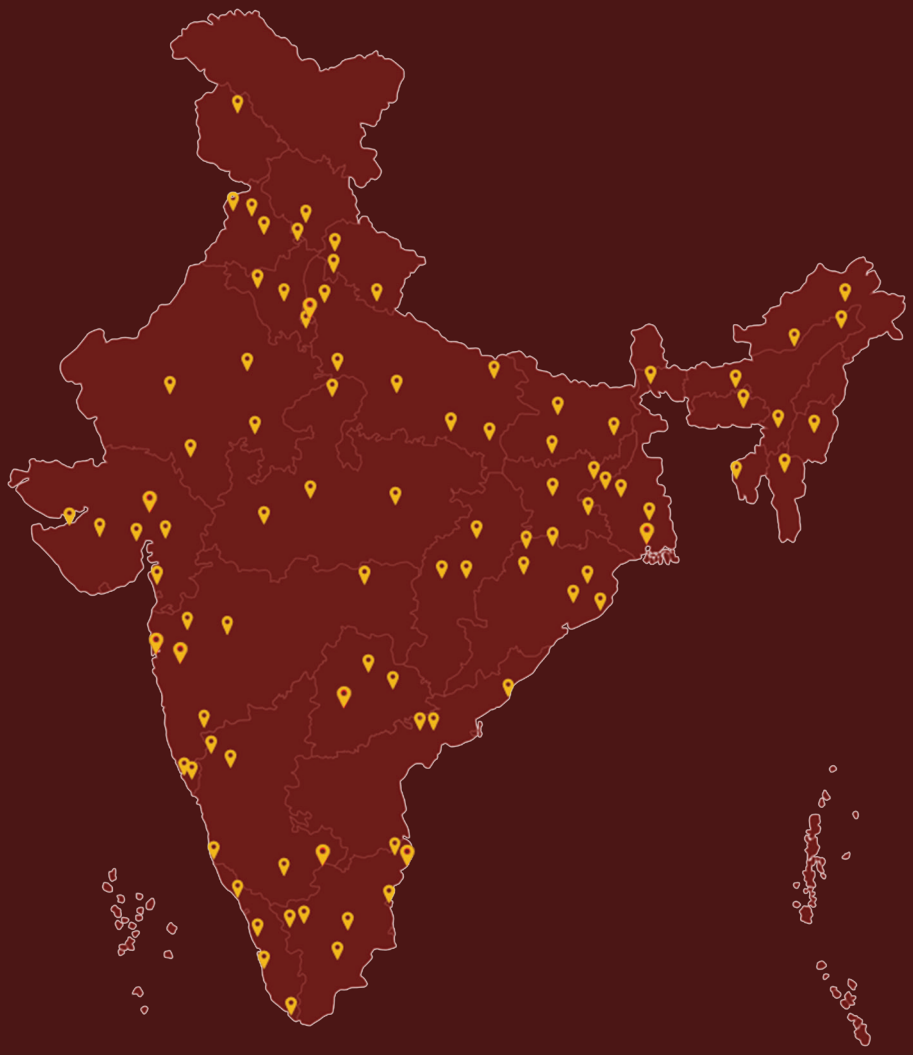
Define governance roles and financing structures upfront

Enabling adaptive governance systems

Strengthening multi level coordination between governments and private partners

85 Cities | Future Growth Nodes | Viksit Bharat 2047

This curated list of 85 emerging cities highlights urban centres with the structural capacity to evolve into strategic growth hubs. If supported through focused planning interventions, committed institutional efforts, and adequate financial investments, these cities can unlock their full potential to decentralise growth, strengthen regional economies, and contribute meaningfully to India's long-term Vision 2047



1. Visakhapatnam
2. Vijayawada
3. Tirupati
4. Guntur
5. Amaravati
6. Itanagar - Naharlagun
7. Pasighat
8. Guwahati
9. Dibrugarh
10. Silchar
11. Patna
12. Gaya
13. Bhagalpur
14. Naya Raipur
15. Bhilai - Durg
16. Bilaspur
17. Chandigarh
18. Panaji
19. Margao
20. Surat
21. Vadodara
22. Rajkot
23. Dholera
24. Jamnagar
25. Faridabad
26. Hisar
27. Rohtak
28. Shimla
29. Srinagar
30. Ranchi
31. Jamshedpur
32. Dhanbad
33. Mysuru
34. Mangaluru
35. Hubballi-Dharwad
36. Belagavi
37. Thrissur
38. Kochi
39. Kozhikode
40. Thiruvananthapuram
41. Indore
42. Bhopal
43. Jabalpur
44. Gwalior
45. Nagpur
46. Nashik
47. Aurangabad
48. Kolhapur
49. Imphal
50. Shillong
51. Aizawl
52. Rourkela
53. Sambalpur
54. Jharsuguda
55. Bhubaneswar
56. Paradip
57. Jajpur
58. Puducherry
59. Amritsar
60. Jalandhar
61. Ludhiana
62. Jaipur
63. Kota
64. Udaipur
65. Jodhpur
66. Coimbatore
67. Madurai
68. Tiruchirappalli
69. Tiruppur/Erode
70. Warangal
71. Karimnagar/Nizamabad
72. Agartala
73. Kanpur
74. Varanasi
75. Agra
76. Meerut
77. Prayagraj
78. Gorakhpur
79. Dehradun
80. Haldwani
81. Haridwar
82. Durgapur
83. Howrah
84. Asansol
85. Siliguri

01 India's Urban Story – The Big Picture

1.1 Urbanization trends – India and the world

The report published by the National Commission on Population, Government of India (2020) projects that the level of urbanization in the country is expected to reach 40 percent by the year 2036. When extrapolated linearly, this trajectory suggests that the level of urbanization may approach nearly 50 percent by 2050, unless moderated by a further decline in fertility rates.

Global urbanization trends indicate a relatively moderate pace of growth in the proportion of urban population, yet a significant expansion in the absolute size of the urban demographic, particularly within this region. At the global level, urbanization currently stands at approximately 55 per cent, with the most recent additions being driven by regions demonstrating the fastest rates of growth, namely sub-Saharan Africa, the Middle East and North Africa (MENA), and the Asia-Pacific. Each of these regions reflects distinct dynamics: in some, higher urbanization is largely influenced by elevated fertility rates and sustained migration, while in others, lower fertility rates are offset by reduced land-to-population ratios, resulting in spontaneous urbanization in areas where land availability is steadily diminishing. By contrast, the Americas, the European Union, and Australia now exhibit a marked deceleration in urbanization, having already attained advanced levels of growth. For example, the United States recorded an increase to approximately 83 per cent in 2023, up from nearly 70 per cent in 1990. Median age profiles across all these regions continue to rise, with several countries now registering median ages in the sixties. Furthermore, many of these countries benefit from vast territorial extents and favorable land-to-population ratios, thereby moderating both the regional pull and push factors that typically drive urbanization.

In contrast, the median age of India's population remains significantly younger, positioning the majority within the prime productive and reproductive age cohort. Although the most recent two rounds of the National Family Health Survey (NFHS) reflect a consistent decline in total fertility rates, with many States reporting figures below the replacement level, the demographic momentum will nevertheless sustain an overall population increase for several decades. This trajectory reinforces the projection that South Asia will experience low to moderate pace of urbanization, while simultaneously witnessing a substantial rise in the absolute number of individuals residing in urban areas.

Table1. Global vs. India Urbanization

Indicator	Global	India
2018 Urban Share	55%	34%
2020 Urban Share	56%	35%
2050 Projection	68%	50–55%
Urban Additions (2018–2050)	+2.5 billion people	+400–416 million
Region Share of Growth	Asia & Africa ≈ 90%	India ≈ 35% of global growth

UN DESA. (2018). World Urbanization Prospects: The 2018 Revision. Population Division.

1.2 The quality of Urbanisation

Despite the sustained trend of urbanization, a critical concern persists. Nearly 70 per cent of India's urban population resides within only 12 per cent of the 4,041 statutory towns (as enumerated in 2011, including urban agglomerations), which are categorized as Class I cities (with populations equal to or exceeding one lakh persons). This classification also encompasses definition of metropolitan area in Article 243P of Constitution of India, namely, a cluster of two or more statutory towns with elected local self-governments, and with a combined population exceeding 1.00 million or 10 lakh persons. Approximately 50 such metropolitan areas were recorded in 2011, the year of the most recent Census. Consequently, the pattern of urbanization in India continues to remain heavily concentrated in favor of larger towns and metropolitan centers.

India also comprises approximately 3,784 census towns. These settlements display distinct urban characteristics and are considered in the statistical calculations for assessing the level of urbanization, yet they continue to be administratively classified as rural areas.

Table 2: India vs. Peers Comparison

Country	Urban Share 2000	Urban Share 2020/2021	Projection 2050
India	28%	35–36% (2022)	50–55%
Bangladesh	24%	39% (2021)	—
Vietnam	24%	38%	>50%
Indonesia	42%	57%	>65%
China	36%	60%	>75%
Brazil	81%	>85%	Stable

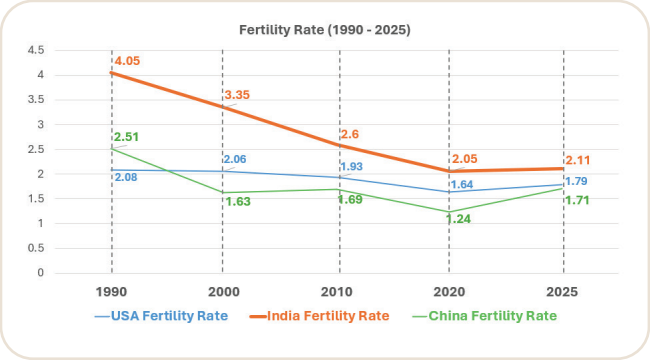
UN DESA. (2018). World Urbanization Prospects: The 2018 Revision. Population Division.

Numerous middle-income nations now report urbanization levels exceeding 50%; for instance, China is approximately 60% urbanized (with projections surpassing 75% by 2050), while Brazil records over 85%. India currently trails these counterparts; however, it has articulated ambitious objectives to expedite urban expansion. According to Government of India estimates, by 2047 nearly 50.9% of the national population will reside in urban areas. As this transition unfolds, India will align with the cohort of countries where at least half of the citizens are concentrated within urban settlements.

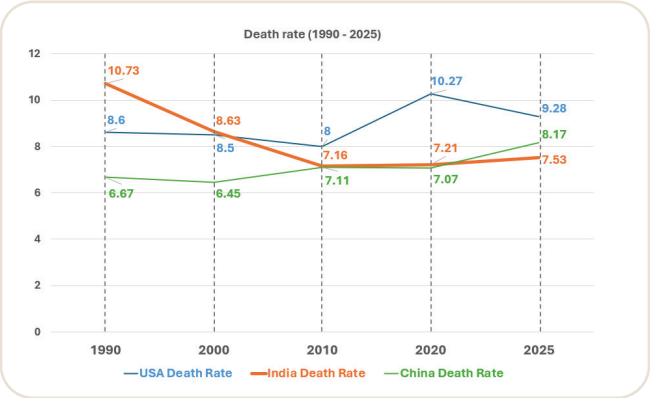
The World Bank report "The Hidden Nature of India's Urbanization", released subsequent to the publication

1.3 Key Drivers of India's Urbanization

Traditionally, India has had three principal drivers for urbanization:



Fertility: Driven by social and economic factors; this has been reducing for the most part in all States in India; even States with high TFR such as Uttar Pradesh has reached fertility levels of 2.4 in 2019-21 from over 4 in the 1980's. India enjoys a fertility of 2.0, just under the replacement rate. Traditionally, urban areas have exhibited lower TFR than rural areas, and an average TFR of 2.0 would typically imply a significantly lower TFR for urban areas.



Mortality: Has been largely stable, most causes of death are now endemic, and factors such as IMR and MMR have been reducing over the years. Average life expectancy at birth is now 70.82 years.

Net migration: The number of people entering a given geography to live perpetually less the number of people leaving it. In India, women moving after marriage comprises the single largest group of migrants; generally rural to urban migration has largely remained constant.

Publication of migration data, highlighted a significant shift in the underlying framework the introduction of the concept of 'reclassification.' This refers to the process by which areas previously designated as non-urban are redefined as urban. Such reclassification may result from modifications in administrative boundaries, the notification of new statutory towns, or transformations in demographic and economic attributes that lead to one or more enumeration blocks being recognized as Census towns.

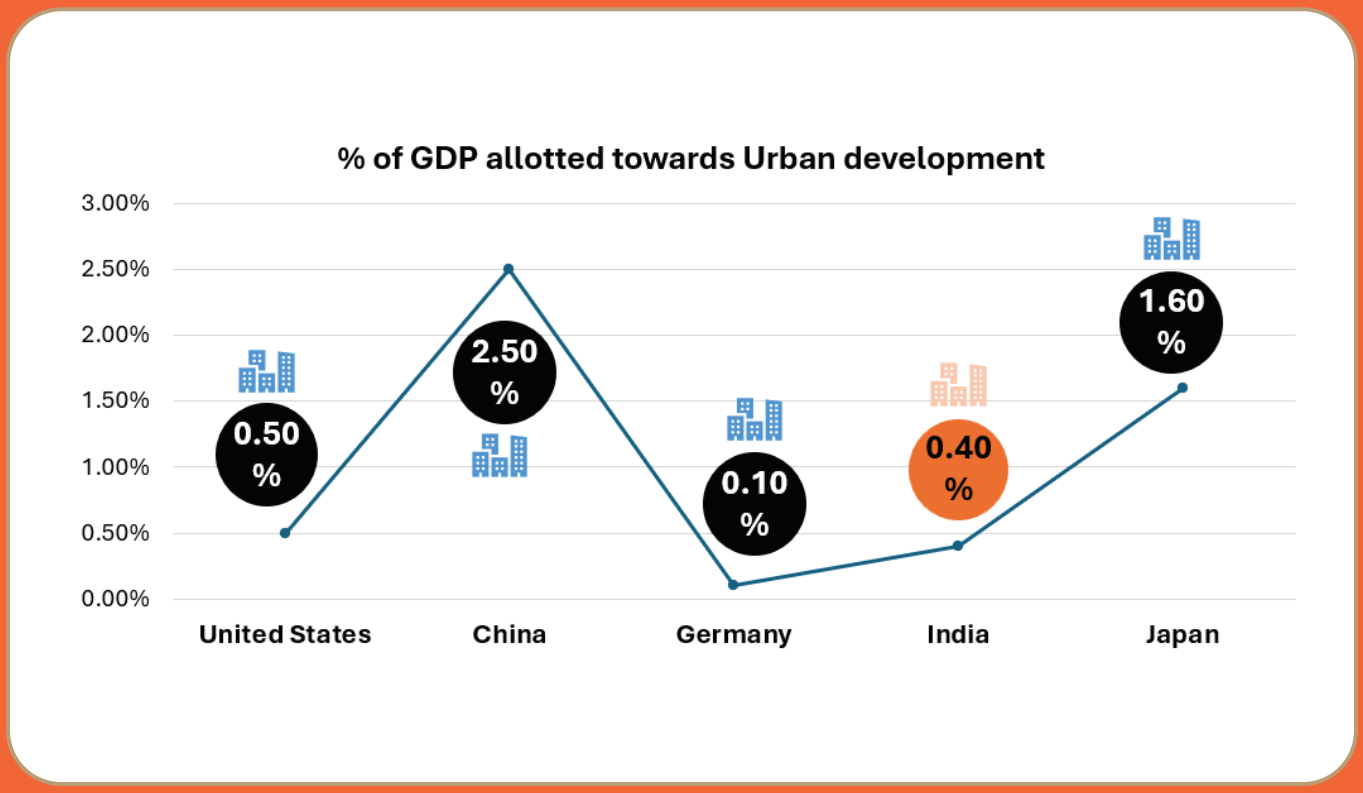
Although the Total Fertility Rate (TFR) has exhibited a declining trajectory in recent years, it will require a considerable period before the demographic curve effectively stabilizes or attains equilibrium. During this phase, the process of reclassification, characterized by a transition from agrarian to non-agrarian modes of livelihood, will serve as the principal driver of urbanization.

Industrialization and an expanding service sector have concentrated economic opportunities within urban areas. At present, Indian cities contribute approximately two-thirds of the national Gross Domestic Product. While the industrial (secondary) sector has experienced substantial growth, the contribution of agriculture has declined, despite nearly 50% of the Indian workforce being engaged in farming, which accounts for only approximately 18% of GDP. This significant disparity in income levels, with urban employment generally providing higher remuneration, serves as a strong incentive, attracting migrants to metropolitan centers. Accelerated expansion in sectors such as information technology services, retail, manufacturing, and construction has generated substantial demand for labor within urban environments.

Table 3: Drivers of India's Urbanization

World Bank Group. (2025). Urban population statistics and projections.

#India’s Urban Development budget share requires 3 to 4 fold upliftment in comparison to top 5 economies



The chart shows stark divergence. China devotes the highest share (2–3% of GDP) to urban development, followed by Japan (1.6%) and the US (0.5%). India’s 0.3% despite a $4.2T economy, is closer to Germany’s very low 0.1%. Given India’s urbanization rate and expectations, the spend intensity lags peers by 2 to 5x, suggesting a need to scale municipal investment and project pipelines substantially.

India's youthful and expanding population, coupled with rising income levels and a broadening middle class, is increasingly directing demand toward urban-centric lifestyles. The nation's robust economic growth approximately 7–8% GDP prior to the pandemic has driven consumption, credit expansion, and investment predominantly within urban centers. By 2025, India is projected to rank among the world's largest consumer markets. Moreover, a young and dynamic workforce actively seeks education, cultural engagement, and employment opportunities that are distinctively accessible in urban environments.

Persistent rural distress and structural transformations in the agricultural sector are compelling populations to relocate toward urban centers. Technological advancements in agriculture, including mechanization, coupled with climate variability and land fragmentation, have rendered smallholder livelihoods increasingly vulnerable. With constrained local economic opportunities, numerous rural households pursue migration in pursuit of higher income prospects. Consequently, stagnating agricultural incomes, alongside the declining proportion of agriculture in the national economy, generate a surplus labor force that increasingly integrates into urban labor markets.

Significant advancements in transportation and infrastructure have facilitated population mobility. The expansion of national highways, railway networks, and airports has physically integrated smaller towns and villages with major urban centers. Enhanced roadways and organized bus systems increase the feasibility of relocation, enabling migrants to maintain connections with their home regions. Furthermore, urban centers consolidate essential services: leading hospitals, higher education institutions, and critical amenities such as electricity, internet connectivity, and digital platforms are predominantly located in cities, thereby attracting individuals seeking these resources. Consistent power supply and reliable internet access in urban areas, for instance, generate economic opportunities including e-commerce and information technology employment that are comparatively limited in rural settings.

Recent governmental initiatives are explicitly designed to facilitate structured urban development. Programs such as the Smart Cities Mission (covering 100 cities), AMRUT (focusing on urban infrastructure), Housing for All (Pradhan Mantri Awas Yojana), and Swachh Bharat (targeting sanitation) are intended to enhance urban living standards and guide the establishment of new urban settlements. Investments in urban mass transportation systems (including metro networks and Bus Rapid Transit systems), essential utilities (such as water supply and sewage management), and digital infrastructure (including Wi-Fi access points and e-governance platforms) are further supporting the expansion of urban areas. Technological advancements also contribute significantly: the widespread adoption of mobile devices, the availability of affordable Internet services, and the proliferation of digital financial tools reduce barriers to mobility and facilitate the integration of migrants. In conclusion, the interplay of economic opportunities, demographic pressures, infrastructure improvements, and enabling policy frameworks is driving the ongoing process of urbanization in India.

1.4 Changing Narratives of Urban Growth

As a debate ranges on how fast and how much India is urbanising, a few trends do call for introspection. India's urbanization narrative has shifted in the recent years. The focus is no longer only on rapid population growth or slum clearances, but on building ***sustainable, inclusive*** cities.

Policymakers prioritize the provision of clean air, dependable utilities, and equitable public services within urban environments. According to the World Economic Forum, numerous Indian cities experience "unsustainable levels of stress," prompting future urban planning to emphasize the creation of cities that are "livable and safe," with clean air, adequate infrastructure, reliable utilities, and enhanced opportunities for education and employment. Specific programs are designed to address the needs of vulnerable populations; for instance, affordable housing initiatives and slum rehabilitation projects aim to ensure that urban growth inclusively benefits economically disadvantaged communities. In essence, the emerging paradigm of urban development advocates for progress that is "accessible to all" and fundamentally oriented toward the enhancement of quality of life.

Environmental considerations are increasingly assuming a position of strategic importance. India is advancing the expansion of renewable energy, evidenced by approximately 67% growth in wind energy output and record additions in solar capacity, while simultaneously promoting energy-efficient urban development. The green building sector is projected to double, reflecting a concerted emphasis on net-zero-energy residential and commercial structures. These developments acknowledge that India's built environment presently accounts for nearly 40% of national energy consumption and approximately 24% of CO_2 emissions. The urban discourse now incorporates climate resilience measures, including flood mitigation infrastructure and municipal heat-action plans, alongside a transition toward low-carbon transportation solutions such as electric buses and metro rail systems. In summary, India is positioning its urban expansion as a strategic "urban laboratory" to advance sustainable development practices.

Aarti Harbhajanka
Co-Founder & MD,
Primus Partners

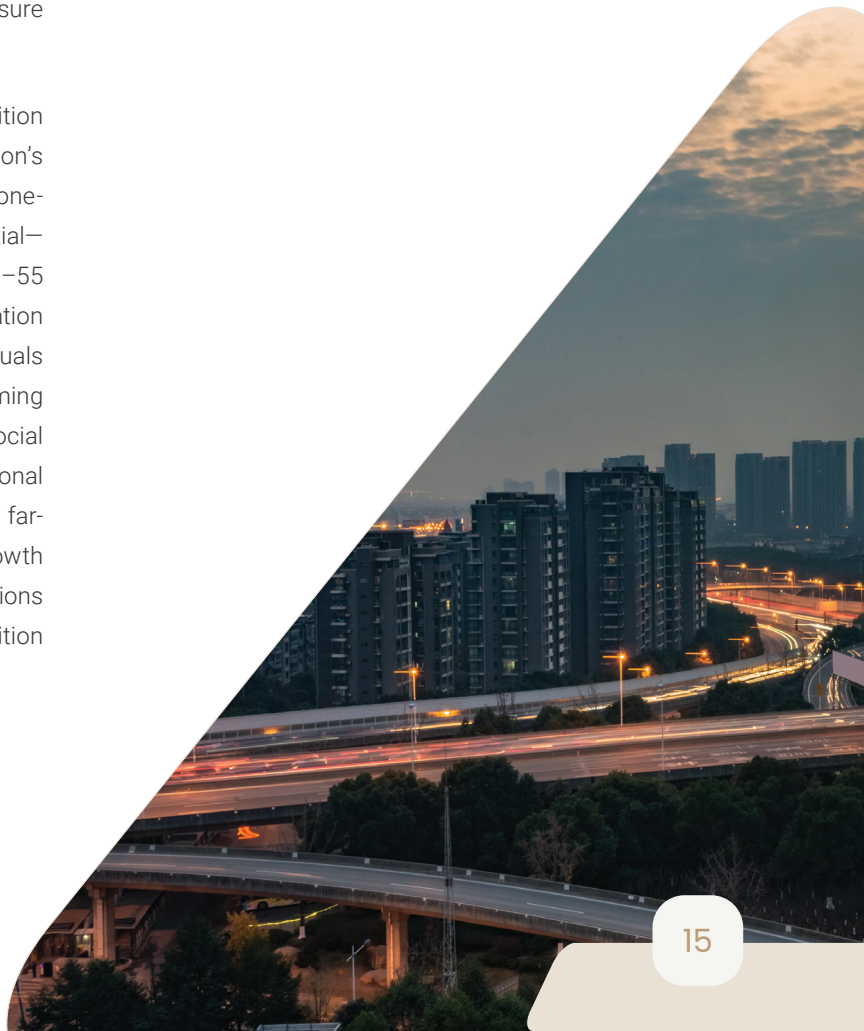
A sustainable urban future for India depends on creating opportunities beyond the major cities. The country needs several strong cities that are part of connected regional systems. Improving emerging centers with reliable services, skilled workers, and strong institutions will help them manage growth that is currently focused on large cities. Governance will be the key factor; local bodies must be allowed to plan, regulate, and deliver clearly and responsibly. With careful planning and consistent development of institutions, India can create an urban system that is more balanced, resilient, and truly meets people's needs.

Technology and innovation constitute foundational elements of the strategic vision. The Smart Cities Mission promotes the integration of sensors, advanced data platforms, waste-management technologies, and e-governance solutions to enhance operational efficiency. Emerging trends, including ridesharing, mobile banking, and telemedicine, are reshaping urban mobility and the provision of essential services. Cities are increasingly adopting digital planning instruments, such as Geographic Information Systems (GIS) and digital mapping, to support informed decision-making. Even lifestyle paradigms are evolving, with growing emphasis on public parks, walkable streets, and the preservation of heritage assets as integral components of contemporary urban environments.

These narrative shifts are evident in policy frameworks: for instance, the United Nations' Sustainable Development Goals explicitly advocate for inclusive, safe, resilient, and sustainable urban environments (SDG 11), and India's development programs are aligned with this objective. As one assessment emphasizes, the manner in which India's cities expand will fundamentally "determine the extent to which it attains its SDGs," highlighting the global significance of the nation's urbanization trajectory. Concurrently, there is an acknowledgment that urban planning requires advancement: strategic land-use planning, zoning reforms, and enhanced support for internal migration are being prioritized to ensure equitable and balanced development across regions.

India's emerging urban narrative presents a juxtaposition of challenges and opportunities. On one hand, the nation's urbanization level remains relatively low, at approximately one-third of the population, indicating substantial growth potential—the United Nations projects an urban share of roughly 50–55 percent by mid-century. On the other hand, this transformation is unparalleled in scale: several hundred million individuals are expected to migrate to urban areas in the forthcoming decades, fundamentally reshaping both economic and social structures. Indian cities already generate most of the national output and employment, and their trajectory will have far-reaching implications for indicators ranging from GDP growth to environmental quality. In this context, India functions as a global urban "laboratory," with an anticipated addition of approximately 300 million urban residents by 2050—a development that will be closely observed by developing countries worldwide. Successfully managing this transition is critical for India's domestic prosperity, through enhanced productivity and living standards, and for global sustainability, given the nation's demographic and economic scale.

Ultimately, India's urban trajectory is evolving toward a paradigm of planned, sustainable, and inclusive growth. Recent governmental initiatives, complemented by private-sector innovation, are designed to transform megacities and emerging towns into engines of economic opportunity rather than sites of congestion. When strategically managed—with targeted investments in infrastructure, housing, and green technologies—India's urbanization has the potential to sustain robust economic expansion, projected at 7–8% of GDP, while simultaneously enhancing social outcomes for its population. Consequently, the city represents both a significant challenge and a profound opportunity: with approximately 70% of its future urban fabric yet to be realized, India possesses a once-in-a-generation opportunity to conceptualize and implement sustainable, livable urban environments capable of advancing its economic and societal aspirations throughout the twenty-first century.



#Indian Urban centres generating 65% of country's GDP yet no Indian cities feature in top 350 global rankings of cities

Country	GDP	Rank by Oxford study
New York	$ 2.3 trillion	1
London	$ 1 trillion	2
San Jose	$ 475 billion	3
Tokya	$ 1.4 trillion	4
Paris	$ 941 billion	5
Seattle	$ 558 Billion	6
Los Angeles	$ 1.3 trillion	7
San Francisco	$ 778 Billion	8
Melbourne	$ 292 Billion	9
Zurich	$ 185 billion	10
Shanghai	$741 billion	278
Delhi	$293.6 billion	350
Bangalore	$110 billion	411
Mumbai	$310 billion	427
Chennai	$78.6 billion	472
Kolkata	$150 billion	528
Pune	$ 69 Billion	534
Hyderabad	$75 billion	564

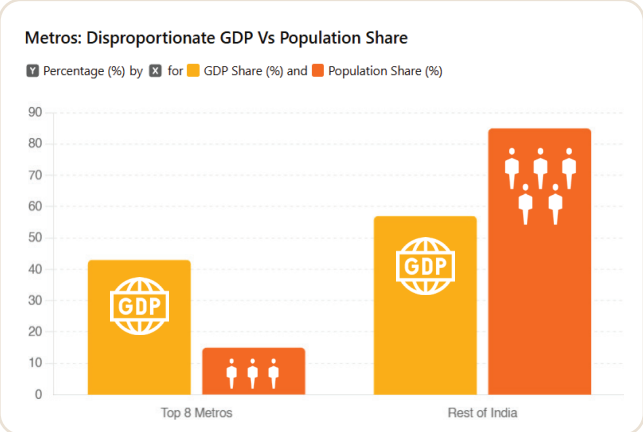
The Global Cities Index evaluates cities across five pillars of Economic performance, Human capital & skills, Quality of life, Environmental sustainability, and Governance/institutional effectiveness. New York's top rank reflects balanced advantages across these dimensions. India's urban leaders Delhi (350), followed by Bengaluru (411), Mumbai (427), Chennai (472), and others sit in the mid upper band because of mixed outcomes: strong services/tech engines, but headroom on livability, sustainability, and urban governance.

02 Why New Urban Centers and Why Now?

2.1 Stress on metros and unbalanced growth

India is currently positioned at a pivotal juncture in its urban development trajectory. With a population of 1.44 billion in 2024, the nation is anticipated to accommodate an additional 200 million urban residents by 2035. According to the United Nations World Urbanization Prospects (2022 Revision), India's urbanization rate is expected to increase from 36 percent in 2021 to approximately 50 percent by 2035. In other terms, by the middle of the forthcoming decade, one in every two Indians is projected to reside within an urban settlement. This magnitude of demographic transition is historically unparalleled and imposes substantial demands on the country's physical, social, and economic infrastructure.

Chart 2.1: Metros: Disproportionate GDP vs Population Share



UN World Urbanization Prospects (2018 Revision

India's prevailing urban development paradigm exhibits significant imbalance. The concentration of economic activity within a limited number of metropolitan agglomerations has engendered a pronounced dependence on eight primary urban centres, namely, Delhi NCR, Mumbai Metropolitan Region (MMR), Bengaluru, Hyderabad, Chennai, Kolkata, Pune, and Ahmedabad. Collectively, these metropolitan regions contribute nearly 43 percent of the nation's GDP while accommodating less than 15 percent of the total population (NITI Aayog; MoSPI). Within this cohort, Delhi NCR accounts for approximately 8 percent of GDP, whereas MMR contributes close to 6 percent (RBI, 2023). In the services sector, particularly within information technology, Bengaluru and Hyderabad jointly represent nearly one-fourth of India's IT export volume (NASSCOM, 2024).

Table 4: Concentration of Economic Activity in Metros

Metric	Value
Population share of top 8 metros	15%
GDP share of top 8 metros	43%
Delhi NCR GDP contribution	8%
Mumbai Metropolitan Region GDP contribution	6%
IT Exports from Bengaluru + Hyderabad	25% of national IT exports

NITI Aayog, Cities as Engines of Growth (2022)

This concentration has engendered multiple systemic challenges. Traffic congestion has intensified considerably, with Bengaluru commuters incurring an average of 1.5 hours daily in transit (TomTom Traffic Index, 2023). Air quality in the Delhi NCR region ranks among the poorest globally, with the area consistently appearing within the ten most polluted urban centres worldwide (IQAir, 2024). Likewise, housing deficits remain acute; in Mumbai, nearly 42 percent of the population resides in slums or informal settlements (Government of Maharashtra, Housing Department, 2023). These pressures underscore that the prevailing metro centric development model is unsustainable and is unlikely to accommodate the forthcoming phase of India's urban expansion.

2.2 Tier 2 & Tier 3 as future growth anchors

In contrast, Tier 2 and Tier 3 urban centers are increasingly positioning themselves as pivotal growth drivers, possessing considerable potential to recalibrate the spatial dynamics of India's urban ecosystem. Evidence derived from the Economic Survey (2022–23) and the Reserve Bank of India's State of the Economy reports demonstrates that cities including Indore, Surat, Nagpur, Coimbatore, Lucknow, Jaipur, Visakhapatnam, and Bhubaneswar are achieving annual GDP expansion in the range of 8–12 percent, markedly surpassing the growth rates recorded in established metropolitan regions.

The necessity for establishing new urban centers arises from the need to alleviate pressures on metropolitan regions and to capitalize on latent economic potential. India is witnessing an annual addition of 10–12 million new urban residents, a demographic increase equivalent to the construction of a city the size of Bengaluru every two years. Should this inflow continue to concentrate within existing metropolitan areas, potential risks include overcrowding, insufficient public infrastructure, and unsustainable patterns of land utilization. Housing shortages are already evident in cities such as Mumbai, where approximately 42 percent of the population continues to reside in slums or informal settlements. Among emerging urban centers, Surat has been identified by Oxford Economics (2023) as the fastest-growing city globally, with projections indicating an annual expansion of 6.5 percent through 2035. Indore has achieved distinction as India's cleanest city for seven consecutive years (MoHUA, Swachh Survekshan) and is concurrently developing a reputation as a nucleus for manufacturing, information technology startups, and innovation-driven enterprises. Nagpur, strategically situated at the geographic center of India, is positioning itself as a national logistics hub under the framework of the National Logistics Policy, with multimodal freight corridors enhancing regional and national connectivity. Coimbatore, historically prominent in textiles and micro, small, and medium enterprises, has evolved into a competitive ecosystem for information technology and entrepreneurial startups, while Bhubaneswar has garnered recognition for progressive urban governance reforms and the implementation of Smart City initiatives.

Table 5: Rising Tier 2 and Tier 3 Cities

City	Growth Driver	Highlight
Surat	Diamond, Textiles, Exports	World's fastest-growing city
Indore	IT, Startups, Manufacturing	Cleanest city (7 yrs in a row)
Nagpur	Logistics, Freight Corridors	Emerging logistics hub
Coimbatore	Textiles, MSMEs, IT	Growing startup hub
Bhubaneswar	Education, Tourism, IT	Smart City model

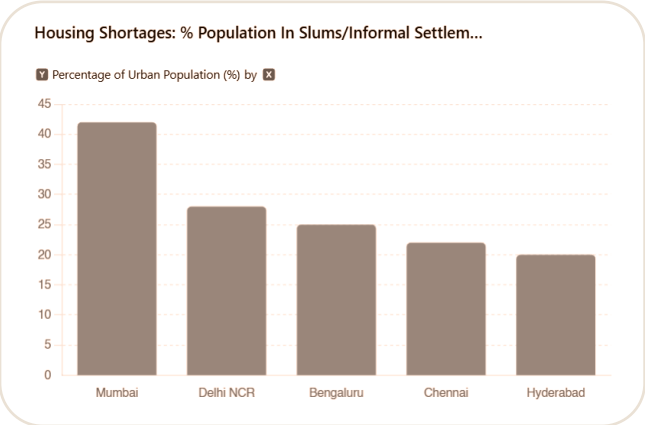
Oxford Economics, Global Cities Research (2018).

The performance exhibited by these urban centers illustrates that decentralized urban development can simultaneously advance economic growth, affordability, and resilience. By cultivating them as strategic regional anchors, India can alleviate the unsustainable pressures on metropolitan areas while generating new opportunities for employment, innovation, and inclusive prosperity.

2.3 Expectations: sustainability, livability, resilience, inclusivity

India's demographic and economic evolution is poised to sustain accelerated urban expansion. The nation is incorporating 10–12 million additional urban inhabitants each year, effectively necessitating the development of an urban center equivalent in scale to Bengaluru every two years (UN WUP, 2022). In the absence of strategic planning directed toward secondary cities, potential consequences include acute overcrowding within established metropolitan areas, critical infrastructure strain, and irreversible distortions in land-use patterns.

Chart 1.2: Housing Shortages: % Population in Slums/ Informal Settlement



Census of India (2011).

The intensity of contemporary urban pressures is increasingly apparent. In Mumbai, approximately 42 percent of the population resides within informal settlements. Bengaluru confronts a water shortfall of nearly 500 million litres per day, posing significant risks to both residents and industrial operations (BWSSB, 2024). The Delhi Metro accommodates 6.2 million passengers on a daily basis (DMRC Annual Report, 2024); notwithstanding, road congestion continues to persist. Additionally, twenty of the thirty most polluted cities globally are situated within India (IQAir, 2024).

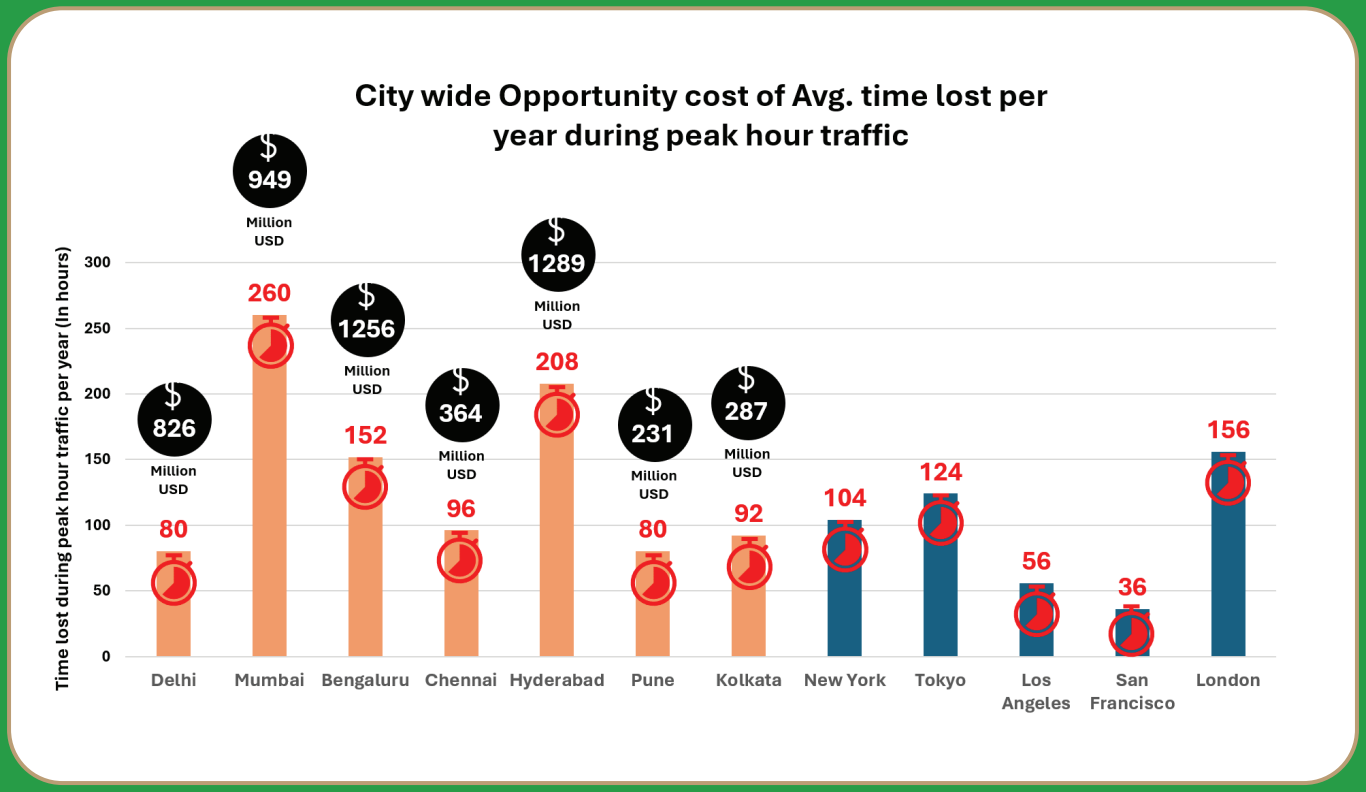
Table 6: Livability and Infrastructure Pressures

Challenge	Examples of the cities
Housing shortage	42% of Mumbai's population in informal settlements
Water stress	Bengaluru deficit: 500 MLD annually
Transport overload	Delhi Metro: 6.2M riders/ day, yet road congestion persists
Air pollution	20 of world's 30 most polluted cities are in India
IT Exports from Bengaluru + Hyderabad	25% of national IT exports

Informal housing and urban governance in India," Urban Studies, 2018

The rationale for developing new cities extends beyond merely

#Peak traffic imposes billion dollar productivity leak for Indian metro cities, $1.3B in Hyderabad, $1.2B in Bengaluru, and $0.8B in Delhi each year.



India's urban pressure is highly concentrated. A handful of metros absorb most migrants, jobs, and investment, then pay the congestion bill. Mumbai commuters lose 260 hours/year, Hyderabad 208h, Bengaluru 152h levels comparable to or worse than London 156h and the opportunity cost tops $1.29B in Hyderabad and $1.26B in Bengaluru (with Mumbai $949M, Delhi $826M). These losses are a symptom of under provisioned economic, transport, housing, and social infrastructure being squeezed into 5 to 8 cities, while many Tier 2 and 3 centers remain underdeveloped. The remedy is not just "more metro lines" in the same places, but creating and upgrading a wider system of urban centres.

promoting economic growth; it also encompasses addressing the increasing expectations of citizens for enhanced quality of life, inclusivity, and environmental sustainability. Urban environments should be conceptualized as resilient ecosystems, capable of responding effectively to diverse shocks such as those arising from climate change, migration, or public health, while simultaneously promoting social cohesion and ensuring equitable access for all residents.

Globally, there exist exemplars of balanced urban development

2.4 The risk of "no-action" for India's future

Catalyzing national economic advancement – the Pearl River Delta in China, encompassing cities such as Shenzhen, Guangzhou, and Foshan, presently accounts for more than 10% of China's GDP, driven by strategically planned secondary cities. For India to achieve comparable outcomes, emerging urban centres must be conceived as sustainable, inclusive, and resilient nodes of growth.

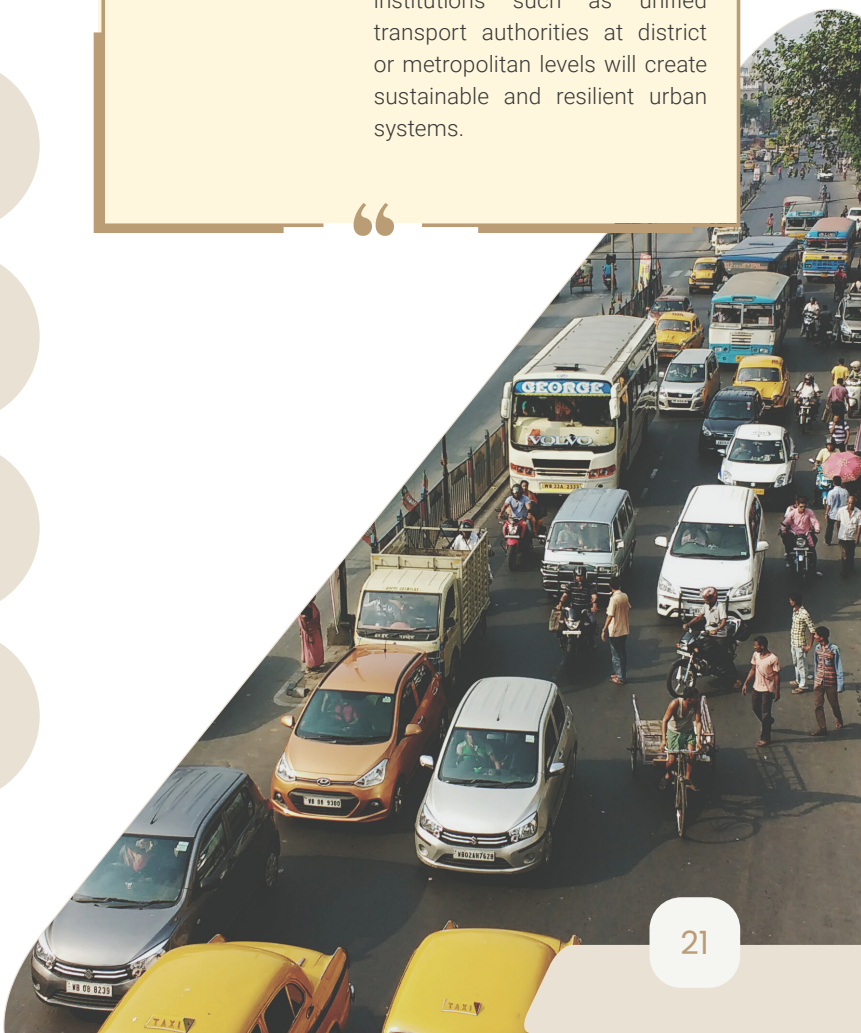
Failure to act at this stage carries risks that could undermine both economic and social progress. Without a deliberate push to create and strengthen new cities, India faces;

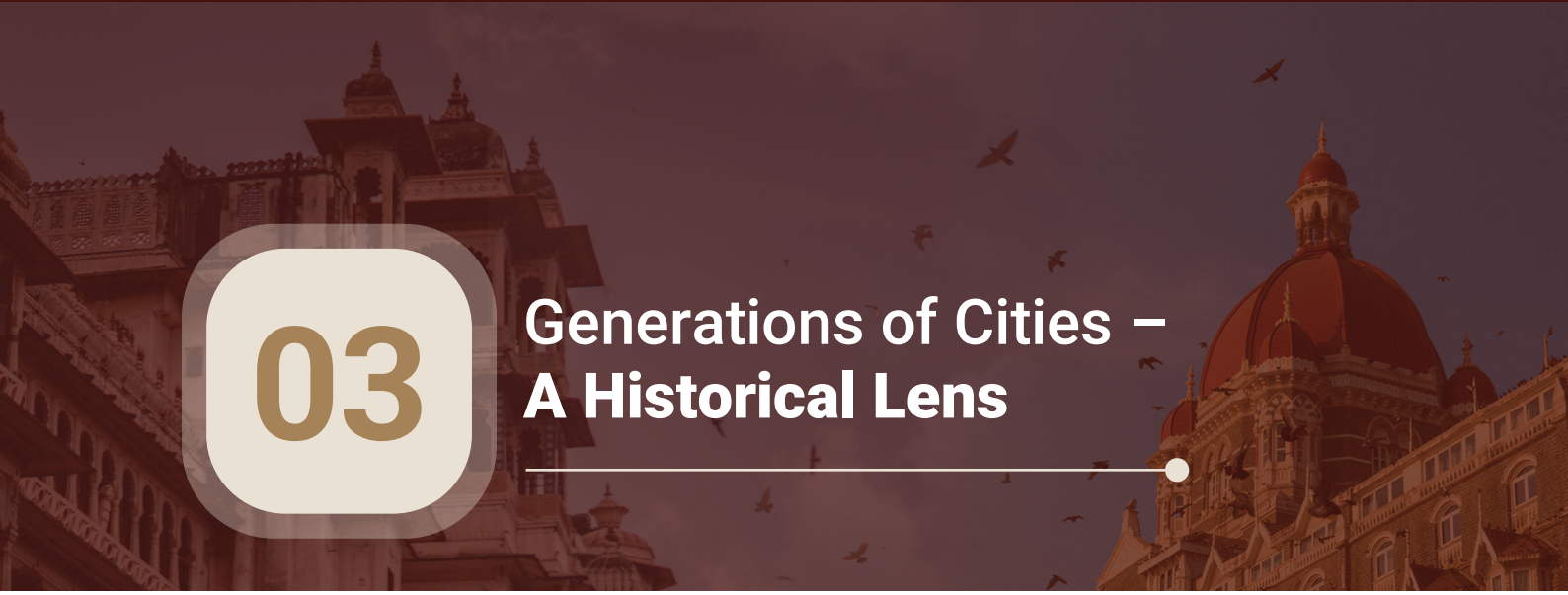
- Worsening inequalities between metro and non-metro regions, leading to political and social unrest
- Intensifying infrastructure crises, especially in water, housing, and transport, such as Bengaluru already faces an annual water deficit of over 500 million litres per day
- Environmental breakdown, as unchecked sprawl consumes agricultural and ecologically sensitive land
- Lost demographic dividend, since youth from smaller towns may migrate in distress rather than thrive locally

Consequently, the current juncture is exceptionally significant. As precisely articulated by the Chief Economic Advisor of India, Dr. V. Anantha Nageswaran, during the India Conclave 2025, India aspires to achieve a $10 trillion economy by 2047; therefore, the foundation of this growth must be established across 40–50 efficiently functioning urban centers. The development and strengthening of new cities is not merely an option, it constitutes the pivotal economic and social initiative for the forthcoming two decades.

Jagan Shah
CEO, Infravision Foundation

A sustainable urban future for India depends on the balanced growth of regional networks of cities connected to metropolitan centres through efficient connectivity. Universal standards of living and flourishing local economies driven by agricultural processing, small scale manufacturing, crafts, tourism and digitalised services will reduce distress migration and attract skilled workers. Local bodies must become capable of planning, financing, regulating and delivering infrastructure and services. Stronger institutions such as unified transport authorities at district or metropolitan levels will create sustainable and resilient urban systems.





03 Generations of Cities – A Historical Lens

Most of new urban development in India has been powered by one or both of the following key enabling factors:

New capital city development – evinced by the emergence of Chandigarh, Bhubaneswar and Gandhinagar in the past, and now with places such as Amaravati, Naya Raipur

Cities that have developed around industrial activity – such as Noida, Jamshedpur, Rourkela, Durgapur

In the subsequent period, concerted efforts were undertaken during the initial five-year plans to incorporate planned urban developments incrementally. Bombay commenced with the implementation of the Bombay Town Planning Act, 1915, while Improvement Trust legislations governed cities such as Delhi and Kolkata. Additional statutory frameworks, collectively reinforcing structured urban planning schemes, facilitated the emergence of most contemporary cities. Certain cities, including Bhopal, were developed by drawing upon experiential insights and lessons from other States, most notably Chandigarh and Delhi.

However, these initiatives also produced an unintended consequence. Given that the majority of economic activity was concentrated in these areas, the principal share of organized planning efforts was directed toward them. Small and medium-sized towns were included in planning frameworks, yet they were not developed with the same rigor or intensity as the larger urban centers.

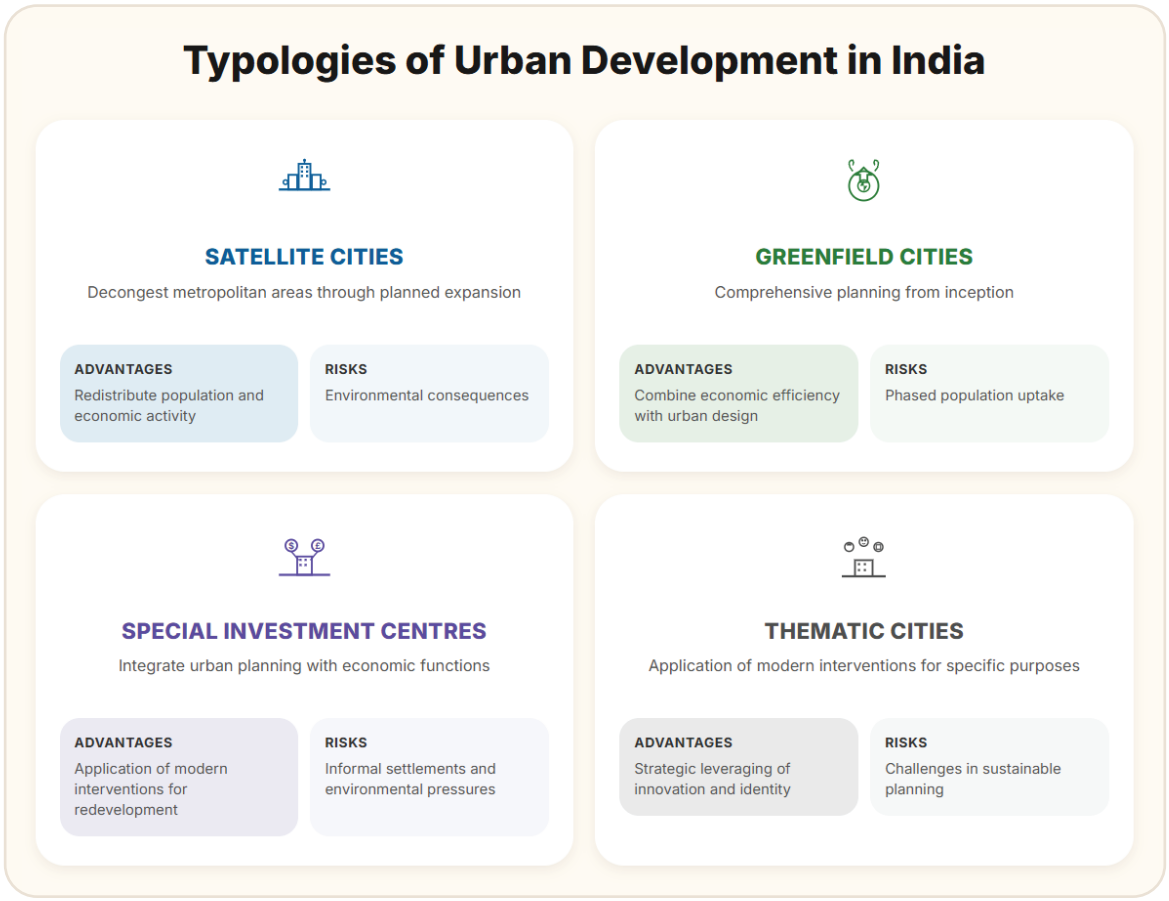
A fourth generation of cities has progressively emerged over time; these urban centres are typically oriented towards specific economic functions while maintaining close proximity to an established economic hub. Certain cities of this category may possess a pre-existing historic core, whereas others have been developed entirely from the ground up.

These successive generations of urban settlements generally encounter distinct challenges. Certain cities are unable to transcend the confines of their economic nucleus exemplified by Gandhinagar which has predominantly remained the locus of the State Government, frequently evolving into a mono-sectoral economy. Other cities encounter difficulties in attaining the requisite critical mass as observed in Naya Raipur which relied excessively on the anticipated migration of residents from Raipur. A subset of cities manages to achieve both objectives: expanding beyond the economic core for which they were originally designed while simultaneously attaining critical mass; however, they frequently encounter shortcomings in governance. For instance, Noida has been unable to establish a fully autonomous municipal authority despite considerable passage of time, whereas Gurugram has reached a stage wherein the private sector exerts overwhelming influence over urban expansion, and the State struggles to provide adequate infrastructure or ensure inclusivity.

The trajectory of urban development in India presents a compelling account of structured experimentation, strategic adaptation, and methodical innovation, with each phase reflecting the nation's evolving socio-economic priorities. The establishment of planned greenfield cities, exemplified by Chandigarh, Naya Raipur, and Dholera, signifies India's ambition to create contemporary and sustainable urban centers from scratch, unencumbered by the limitations of

legacy infrastructure. Concurrently, the brownfield expansion of Tier 2 and Tier 3 cities has illustrated the potential of systematically upgrading existing urban ecosystems to accommodate accelerated population growth and diversified economic activity. The development of satellite and peripheral cities, as observed in the National Capital Region and Navi Mumbai, represents a strategic initiative to alleviate congestion in overburdened metropolitan centers while redistributing economic functions. Moreover, the emergence of thematic urban centers, oriented around information technology, industrial clusters, religious significance, or knowledge-intensive activities, highlights the critical role of urban planning in fostering regional competitiveness and sector-specific growth. A detailed evaluation of these successive models of city development yields essential insights into their achievements, limitations, inherent challenges, and the enabling conditions that may inform India's ongoing and future urban transformation.

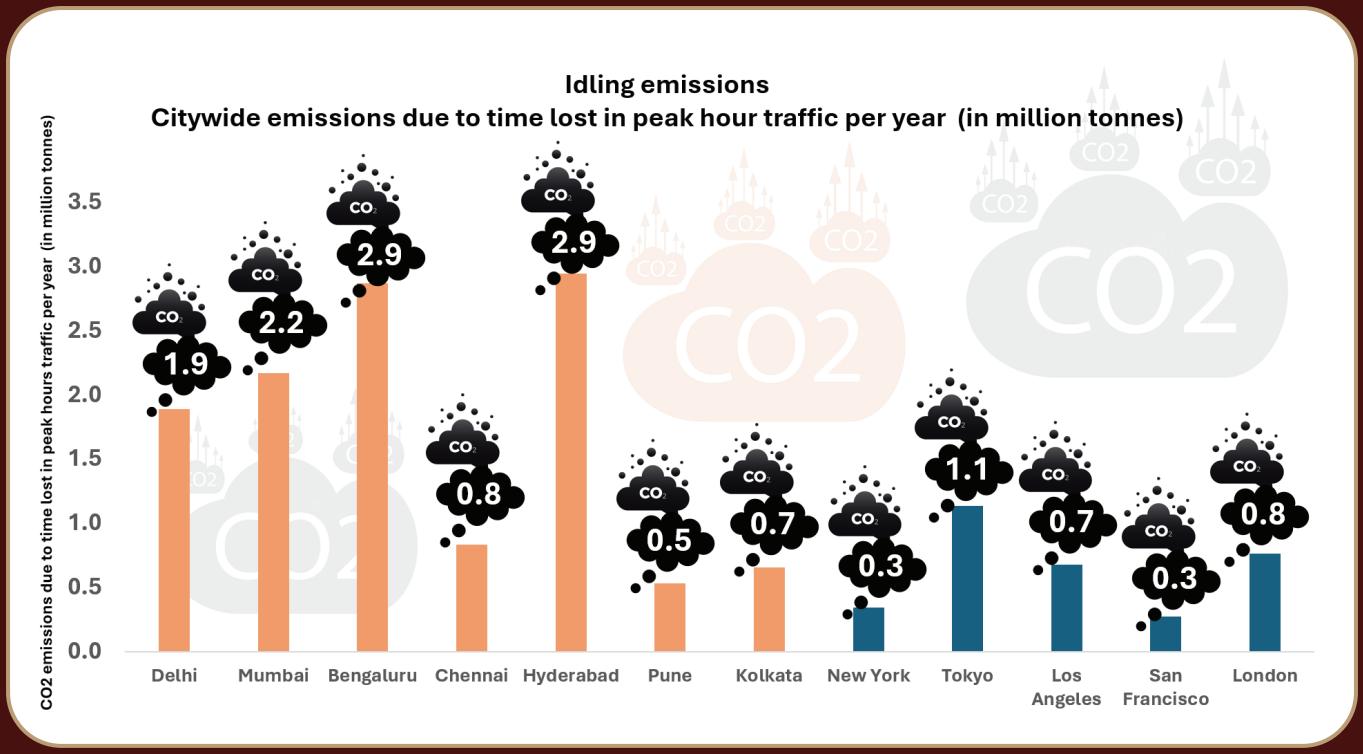
Chart 3.1: Generations of cities



Urban Planning and Smart Cities: Interrelations and Reciprocities, 2012

To comprehend the underlying rationale, potential advantages, and inherent risks associated with diverse urban development strategies, it is instructive to classify cities into categories such as satellite cities, greenfield cities, special investment zones, brownfield expansions, and thematic cities. The subsequent table presents a structured overview of representative instances within each category, elucidating the objectives behind their planning, the benefits realized in terms of infrastructure, economic growth, and livability, as well as the potential challenges and risks encountered throughout their development. This analytical framework facilitates a comparative evaluation of urban development strategies and provides actionable insights to guide future city planning initiatives in India.

#The carbon cost borne by India's biggest metros individually is 2 to 3 times of their global counterparts



A few Indian metros carry a disproportionate carbon cost of delay with Mumbai, Hyderabad, and Bengaluru alone emitting 8 Mt from traffic time loss, more than LA and London combined. Over centralised growth funnels migrants and jobs into limited cores, overwhelming roads and services. We can't solve a structural problem with ever wider roads, longer flyovers, or cosmetic green fixes. The answer is balanced distribution, which is to create and upgrade more urban centres.

Table 3.1: Satellite Cities

Cities	Background	Strengths	Challenges
Kolkata – Salt Lake City	• Planned in 1950s–60s to manage Kolkata's population surge • Land reclaimed for expansion.	• Self-sufficient sectors with amenities • Central Park as focal point.	• Built on wetlands causing ecological damage • Land subsidence and groundwater stress.
MMR	• Developed in 1970s as a twin city to decongest Mumbai.	• Planned housing for all income groups • Recognized globally as a satellite city model.	• Government offices never fully relocated • City's full potential not realized.
Delhi – NCR	• Satellite towns (Noida, Gurugram, Faridabad) created in 1970s–80s to ease Delhi's growth.	• Diversifies growth beyond Delhi • Creates new urban hubs.	• Rapid, uneven expansion; environmental and infrastructure challenges.
Noida	• Built to reduce Delhi's congestion with modern, sector-based planning.	• Affordable housing, good infrastructure, green spaces.	• Urban sprawl, traffic congestion • Weak sustainability practices.
Gurugram	• Grew in 1990s as an economic hub near Delhi, driven by MNC demand.	• Corporate hub with global firms, high living standards, modern housing.	• Haphazard growth, severe infra gaps, flooding, and ecological stress.
Faridabad	• Envisioned for industrial + residential expansion to support NCR's growth.	• Industrial base, eco-friendly transport, mixed land use.	• Urban sprawl, forest loss, illegal encroachments, weak public services.

Source: ResearchGate, Scribd

From satellite cities to meticulously planned greenfield hubs, the nation has pursued diverse strategies to balance economic growth, alleviate congestion in metropolitan areas, and establish new centres of opportunity. These models offer not only instructive lessons regarding achievements and constraints but also essential insights to inform the forthcoming phase of India's urban development.

The initial phase of satellite city development emerged during the 1950s and 1960s as a strategic response to the escalating pressures on India's metropolitan centers. **Salt Lake City in Kolkata** represents one of the earliest instances, constructed on reclaimed wetlands to manage population overflow. Its sectoral configuration, featuring self-sufficient neighborhoods and a Central Park serving as the focal point, exemplified the potential of systematically planned urban layouts. Nevertheless, ecological disturbances, groundwater depletion, and land subsidence underscored the environmental implications of disregarding natural systems within urban planning.

The **Mumbai Metropolitan Region,** initiated in the 1970s, constituted a highly ambitious urban development initiative. Conceptualized as a twin city, it provided residential opportunities across diverse income groups and attained international recognition as a benchmark in satellite city planning. While it effectively established an alternative urban centre, its full potential was constrained by the partial relocation of governmental and commercial institutions, emphasizing the critical importance of institutional alignment in urban development processes.

Simultaneously, **the National Capital Region (NCR)** model reflected India's push to redistribute Delhi's growth across Noida, Gurugram, and Faridabad. Each town offered distinct strengths:

Collectively, these urban centers exemplify both the potential and the challenges inherent in satellite and orbiting development models. Although they effectively facilitated diversified growth and established new economic and social hubs, unstructured expansion, environmental compromises, and deficiencies in governance frequently compromised their long-term sustainability.

India's urban development trajectory, exemplified by cities such as Salt Lake, Navi Mumbai, Noida, Gurugram, and Faridabad, demonstrates a recurring tension between strategic vision and practical implementation. The overarching objectives—to alleviate metropolitan congestion, facilitate affordable housing, and establish new economic hubs were largely realized in the short term. Nevertheless, limitations in sustaining infrastructure, safeguarding ecological systems, and forecasting demographic growth have generated enduring challenges. This experience highlights the imperative for a comprehensive urban planning framework that incorporates environmental protection, resilient infrastructure, and robust institutional coordination.

As India advances toward the development of the cities of the future, the insights derived from preceding urban experiences will be of critical importance. Achieving success will require not only the creation of contemporary, inhabitable spaces but also the maintenance of governance continuity, the preservation of ecological equilibrium, and the promotion of inclusivity, thereby positioning cities as authentic catalysts for sustainable development.

Noida combined affordability, sectoral planning, and green spaces to ease congestion in Delhi, though it later struggled with sprawl and sustainability gaps.

Gurugram, emerging in the 1990s, became a corporate hub with world-class offices, gated communities, and global connectivity. Yet, unregulated growth led to severe infrastructure bottlenecks, water stress, and ecological degradation.

Faridabad was envisioned as a balanced industrial and residential city with eco-friendly transport and mixed land use. Its trajectory, however, has been hampered by illegal encroachments, shrinking forests, and weak service delivery.

Table 3.2: Green Field Cities

City	Background	Strengths	Challenges
Chandigarh	• First planned city post-independence (1948). • Grid layout with self-sufficient sectors (800x1200m). • Designed for walkability and civic amenities.	• Balanced utilities with aesthetics; effective traffic management • Ample green spaces; pedestrian-friendly environment.	• Overcrowding; inefficient land use; informal settlements on peripheries • Environmental pressures outside planned limits.
Gandhinagar	• Capital of Gujarat (1960). Grid of 30 sectors with markets, parks, schools, and services. • Built to contrast older congested cities.	• Wide roads, green spaces, efficient utilities; smart traffic and energy systems • Eco-friendly with solar and water management; proximity to GIFT City.	• Urban sprawl; infrastructure strain; balancing modern growth with heritage • Lack of affordable housing.
Naya Raipur	• Planned capital of Chhattisgarh. • Target population: 560,000 by 2031. • Integrated transport corridors, BRTS, cycling tracks, and open spaces.	• 24x7 utilities; large recreational hubs (reservoir, stadiums, parks) • Emerging IT, pharma, and cultural hub; first debt-free planned city.	• Slow population uptake; need for job creation; balancing industry with ecology • Integrating villages with modern fabric.

Source: ResearchGate, Scribd

Greenfield cities constitute some of India's most ambitious urban development initiatives, meticulously designed to establish contemporary, sustainable, and efficiently organized urban centres, free from historical and structural constraints. Conceptualized across different decades, cities such as Chandigarh, Gandhinagar, and Naya Raipur serve not only as tangible manifestations of planned urbanism but also as prominent representations of political, cultural, and economic objectives. Their progression underscores the potential inherent in comprehensive urban planning while simultaneously illustrating the challenges associated with demographic shifts, housing affordability, and environmental sustainability.

Chandigarh, conceived in the late 1940s as India's inaugural planned city following independence, exemplifies the principles of the "City Beautiful" movement. Organized on a rectangular grid with self-sufficient sectors, it emphasized pedestrian accessibility, extensive green spaces, and overall human comfort. The city's deliberate integration of aesthetic considerations and functional design facilitated effective traffic management and the provision of high quality civic infrastructure. Over subsequent decades, however, accelerated population growth exceeded the city's original design capacity, resulting in overcrowding, the emergence of informal settlements along the periphery, and increasing environmental pressures.

Gandhinagar, planned in the 1960s as the new capital of Gujarat, was designed according to a grid based layout comprising 30 self sufficient sectors. Featuring wide thoroughfares, extensive green spaces, and environmentally sustainable systems, the city was envisioned as a serene and organized alternative to older, densely populated urban centers. Its notable attributes include effective water resource management, the integration of solar energy solutions, and strategic connectivity to economic nodes such as GIFT City. Nonetheless, Gandhinagar continues to confront challenges related to urban sprawl, demographic pressures, and the balance between contemporary development and the preservation of cultural heritage and housing affordability.

Naya Raipur, among India's most recently conceived greenfield urban initiatives, has been developed as a smart and sustainable capital for the state of Chhattisgarh. Its planning incorporates advanced infrastructure, including expressways, Bus Rapid Transit Systems, dedicated cycling tracks, and uninterrupted utility networks, complemented by extensive open spaces and recreational amenities. The city aspires to serve as a strategic hub for education, information technology, pharmaceuticals, and cultural activities, underpinned by substantial private investment and a debt-free development framework. Nevertheless, slow population adoption, constrained commercial dynamism, and the complexities associated with integrating pre-existing villages into a contemporary urban environment continue to pose significant challenges.

Collectively, Chandigarh, Gandhinagar, and Naya Raipur exemplify both the potential and the challenges inherent in greenfield urban development. Their meticulously designed layouts, contemporary infrastructure, and sustainability-oriented features demonstrate the strategic benefits of constructing cities from the ground up. Nevertheless, each case also highlights significant vulnerabilities: population growth surpassing initial forecasts, affordability constraints resulting in unplanned settlements, and the complexities of maintaining commercial vitality within structured urban frameworks.

The lessons are unequivocal greenfield cities achieve success when they harmonize strategic vision with operational adaptability, ensuring that urban design responds effectively to demographic trends and economic imperatives. For India's forthcoming generation of greenfield cities, sustainable outcomes will rely upon incorporating flexibility within planning frameworks, implementing inclusive housing strategies, and promoting initial economic activities that establish the foundation for enduring urban development.

Hitesh Vaidya
Urban Practitioner,
Ex. Director-NIUA

India's next phase of urban transformation hinges on recognising that economic vitality, demographic mobility, and regional planning are mutually reinforcing. Harnessing migration as a growth asset through portable social protection and dignified, affordable rental housing must become central to urban policy. India needs to shift from piecemeal interventions to strategic, climate-resilient city-region development, particularly in Tier 2 and Tier 3 cities and their surrounding Census Towns. These strategies must be aligned with India's global climate and SDG commitments. A One City, One Plan approach, integrating land use, mobility, climate adaptation, infrastructure, and fiscal strategies, will be essential to converge resources, eliminate duplication, and ensure long-term resource efficiency. Rigorous monitoring systems should support this to track outcomes and impacts. This transition requires profound fiscal decentralisation, predictable intergovernmental transfers, and locally controlled revenue instruments to enable cities to invest in infrastructure, resilience, and public services. Strengthening governance demands moving beyond traditional physical planning toward professional, digitally enabled, and accountable local governance institutions, staffed by planners, economists, GIS specialists, and administrators skilled in digital governance, data systems, inter-jurisdictional coordination, land management, and financial innovation. Equally important is the adoption of modern procurement and contracting tools, including outcome-based contracting, innovation sandboxes, and digital tendering platforms, to unlock innovation and enable cities to deploy new technologies at scale. This must be accompanied by significant investment in decentralised urban capacity institutes and innovation hubs, allowing the cities to generate ideas, test reforms, develop future urban leadership, and move beyond beautification-centric projects toward systemic, future-ready urban transformation.

Table 3.3: Special Investment Centers

City	Background	Strengths	Challenges
GIFT City (Gujarat International Finance Tec-City)	• India's first operational IFSC; 359 hectare smart city near Gandhinagar • Positioned as a global financial & technology hub.	• World-class smart infrastructure (district cooling, utility tunnels, 24x7 power) • Hosts public & multinational banks, fintechs, stock exchanges • Strong regulatory support under IFSCA Excellent metro, highway & airport connectivity	• Scaling foreign investments • Competing with global financial hubs • Managing ecological impact of rapid growth
Dholera	• Greenfield industrial city (920 sq. km) under DMIC • Planned as a global manufacturing & trading hub.	• 100% solar power zones, underground utilities, smart logistics • Flexible land parcels for large-scale manufacturing- Major investments (Tata, Vedanta, semiconductors) • Dedicated development authority with strong government support	• Synchronizing industrial growth with residential development • Environmental concerns due to coastal location • Competition from other DMIC nodes • Attracting a diverse skilled workforce

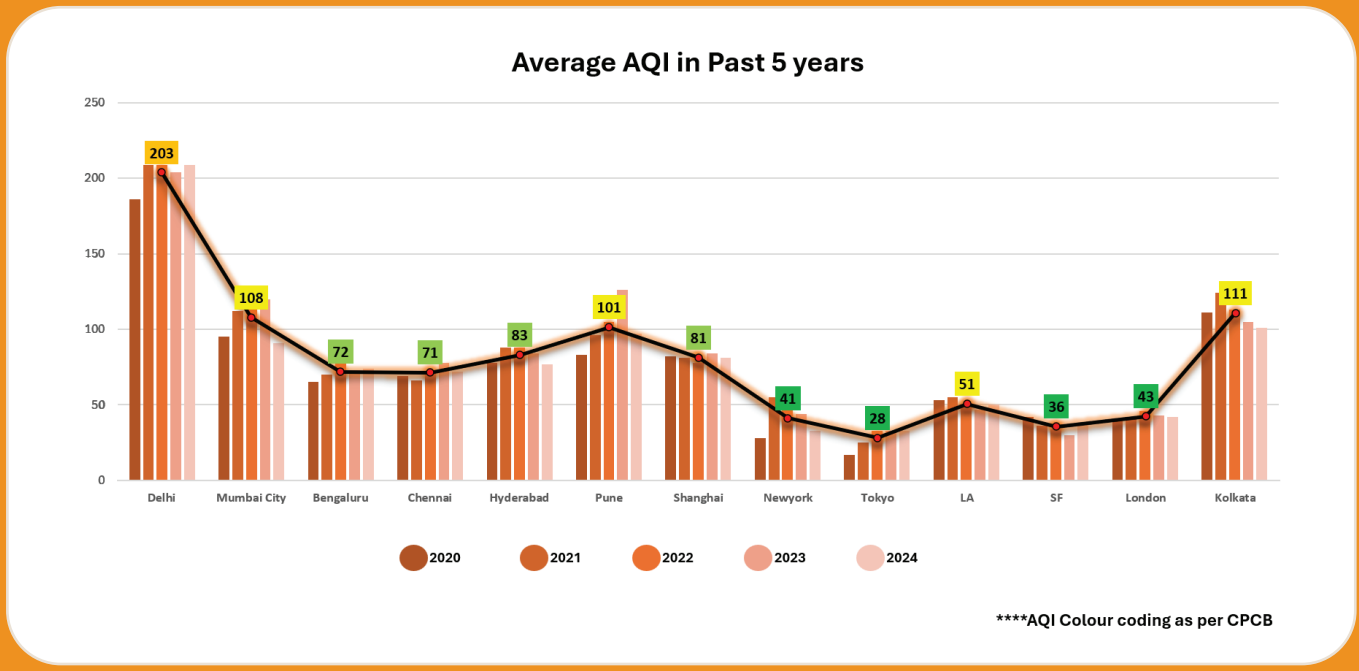
Source: ResearchGate, Scribd

Special Investment Centres constitute an advanced paradigm in India's urban development strategy, integrating sophisticated urban planning with strategically targeted economic functions. In contrast to conventional greenfield developments or satellite townships, these centres are designed as comprehensive financial and industrial hubs, harmonizing urban expansion with national economic objectives. Notable exemplars include GIFT City and Dholera, both situated within the state of Gujarat. These urban formations are conceived not solely for residential or administrative purposes, but as catalysts of global economic competitiveness, structured to attract international investment, technological innovation, and industrial activity, while simultaneously establishing benchmarks for intelligent and sustainable infrastructure.

GIFT City, India's inaugural International Financial Services Centre (IFSC), represents a landmark initiative in harmonizing urban planning with the strategic objectives of the financial sector. Spanning 359 hectares in proximity to Gandhinagar, it seamlessly integrates commercial, residential, and social infrastructure alongside advanced systems such as district cooling, underground utility corridors, and intelligent waste management solutions. GIFT City has successfully attracted twenty-three public sector banks, leading multinational financial institutions, fintech enterprises, and two operational stock exchanges. Its governance under the International Financial Services Centres Authority (IFSCA) provides rigorous regulatory oversight aligned with international standards, positioning it as a credible competitor to established financial hubs such as Singapore and Dubai. Nonetheless, significant challenges persist in scaling investment inflows, fostering sustained foreign participation, and reconciling rapid urban and economic expansion with environmental sustainability and smart city benchmarks.

Dholera, envisioned as an integral component of the Delhi-Mumbai Industrial Corridor (DMIC), represents a greenfield smart industrial city meticulously planned over an area of 920 square kilometers. Strategically situated between Ahmedabad, Baroda, Rajkot, and Bhavnagar, the city

#Air quality remains a critical concern in Indian metros, with Delhi (203) and Kolkata (111) far exceeding global peers such as Tokyo (28) and San Francisco (36).



The five year AQI trend shows Indian metros consistently in poor zone than global peers. Delhi (200+) is extreme, Mumbai (108) and Kolkata (111) stay in unhealthy ranges, Pune (101) and Hyderabad (83) also worsen. Even relatively better Bengaluru/Chennai (70) remain above New York (41), London (43), San Francisco (36), Tokyo (28) and close to Shanghai (81). Even after continuous efforts at policy, infrastructure and technology levels to ensure environmental safeguarding the situation is not improving. This pattern reflects root cause of this problem which is population and economic over concentration in 5 to 8 cities, straining transport, energy and housing leading to amplify pollution.

benefits from comprehensive multimodal connectivity, encompassing national highways, dedicated freight corridors, and a proposed international airport. The city's master plan prioritizes the establishment of 100 percent renewable energy zones, the deployment of underground utility networks, the integration of intelligent transportation systems, and the provision of scalable land parcels suitable for large-scale industrial operations. Supported by robust government initiatives and strategic investments from prominent industrial conglomerates such as Tata and Vedanta, Dholera is poised to emerge as a pivotal hub for semiconductor manufacturing and advanced industrial production. The city's long-term success, however, is contingent upon concurrent development of residential infrastructure, sustainable urban expansion, the attraction and retention of a skilled and diverse workforce, and the effective management of environmental and coastal risks inherent to its geographical location.

Both GIFT City and Dholera represent a strategic transition toward specialized, investment oriented urban ecosystems that extend beyond traditional residential or administrative frameworks. Their achievements demonstrate India's increasing capability to integrate urban planning with economic competitiveness, delivering globally benchmarked infrastructure and pioneering regulatory frameworks. Simultaneously, their trajectories emphasize the potential challenges of disequilibrium: financial centres are required to maintain global competitiveness, while industrial hubs must balance accelerated growth with environmental sustainability and quality of urban life.

The overarching insight derived from these initiatives is that specialized investment centres cannot achieve sustained success in isolation. Their enduring viability is contingent upon the development of comprehensive social ecosystems including housing, education, healthcare, and cultural infrastructure alongside industrial and financial frameworks. When strategically harmonized, such urban centres possess the potential to recalibrate India's global stature as both a financial nexus and a manufacturing stronghold, thereby making a substantive contribution to the nation's aspiration of a $10 trillion economy by 2047.

Table 3.4: Brownfield Cities

City	Background	Strengths	Challenges
Indore	• Grew from a riverside village to Holkar capital (1818) • Evolved into a commercial, educational, and smart city hub.	• Cleanest city (7-time winner), IIT & IIM presence, diverse economy (trade, pharma, IT) • Effective Smart City programs.	• Congestion at peripheries, informal settlements, water and pollution challenges • Need for stronger transport systems.
Coimbatore	• Historic trade-industrial town • Textile base expanded into IT, healthcare, and engineering sectors.	• "Manchester of South India," strong manufacturing, good education & healthcare • Smart City focus on water and clean energy.	• Lake encroachments, water pollution (Noyyal basin) • Urban sprawl, waste management pressures.
Madurai	• Ancient city (2,500+ years), temple-centered historic core • Now expanding via planned satellite township (19,500 plots).	• Cultural heritage & tourism, inclusive township planning (all income groups), modern amenities.	• Balancing heritage with growth, cohesive township development • Need for jobs & infrastructure integration.
Surat	• Historic port and trade hub (since 300 BC) • Now industrial and Smart City leader.	• Textile & diamond hub, smart mobility & waste systems • Award winning governance.	• Rapid expansion, congestion, river pollution • Affordable housing gaps.

Source: ResearchGate, Scribd

India's urban transformation extends beyond the establishment of entirely new cities; a significant portion is propelled by the redevelopment and expansion of historically established Tier 2 and Tier 3 urban centres. These municipalities bear the dual mandate of safeguarding cultural and historical heritage while concurrently responding to contemporary economic and infrastructural imperatives. The progression of cities such as Indore, Coimbatore, Madurai, and Surat exemplifies how brownfield development strategies can facilitate economic diversification, improve overall quality of life, and reinforce regional competitiveness. Nevertheless, their developmental trajectories also underscore the critical challenges associated with accelerated urbanization, encompassing congestion, environmental pressures, and socio-economic disparities.

Originally established as a riverside settlement, Indore evolved into the Holkar capital in 1818 and has subsequently transformed into a prominent center for commerce, education, and governance. At present, it is acknowledged as India's cleanest city for seven consecutive years, reflecting exemplary waste management practices and active citizen participation under the Smart City Mission. The presence of premier institutions, including IIT and IIM, reinforces its stature as a knowledge-driven economy, while sectors such as pharmaceuticals, trade, and information technology contribute to a diversified growth portfolio. Notwithstanding these accomplishments, Indore faces challenges related to peripheral congestion, informal settlements, and escalating water and air pollution. The city necessitates comprehensive transport infrastructure and sustainable housing strategies to ensure a balanced trajectory of growth and livability.

Coimbatore, historically recognized as a center for trade and textiles, has evolved into a diversified economy encompassing information technology, healthcare, and engineering sectors. Referred to as the "Manchester of South India," the city integrates robust industrial foundations with emerging Smart City initiatives emphasizing renewable energy and sustainable water management. Its premier educational institutions and advanced healthcare infrastructure position it as a key regional growth facilitator. Nevertheless, challenges such as lake encroachments, water contamination within the Noyyal river basin, and uncontrolled urban expansion present significant risks. Strategic interventions in waste management and ecosystem restoration are essential to preserve the city's industrial vitality and urban resilience.

As one of the world's oldest continuously inhabited cities, with a history spanning over 2,500 years, Madurai's identity remains profoundly anchored in its temple-centered historic core. Presently, the city's growth strategy encompasses the development of a meticulously planned satellite township, comprising 19,500 residential plots designed to accommodate diverse income groups while providing contemporary amenities. This initiative exemplifies a deliberate effort to integrate inclusive housing development with the preservation of cultural heritage. The principal challenge resides in harmonizing heritage conservation with the imperatives of urban expansion. Achieving cohesive township development, generating sufficient employment opportunities, and ensuring the seamless integration of infrastructure will be decisive in enabling Madurai to sustain its distinctive cultural legacy while evolving into a modern urban center.

Surat may be examined as a transformation from an Ancient Port to a Modern Industrial Powerhouse. With a legacy as a prominent trading hub since 300 BC, Surat has progressed into one of India's most dynamic industrial cities. It serves as the world's foremost diamond-cutting centre and a significant textile hub, reinforced by exemplary governance, integrated smart mobility systems, and advanced waste management infrastructure. The city exemplifies a successful model of brownfield expansion, effectively leveraging industrial growth alongside contemporary urban governance practices.

Yet, Surat experiences significant pressures from rapid urban expansion, escalating congestion, river pollution, and deficiencies in affordable housing. Ensuring a balance between its industrial growth and sustainable urban living continues to represent a strategic priority. The experiences of Indore, Coimbatore, Madurai, and Surat exemplify the transformative potential of brownfield urban development within India's Tier 2 and Tier 3 cities. Their achievements demonstrate how historical and cultural legacies can be effectively harnessed to drive contemporary growth, integrating industrial, cultural, and educational strengths with Smart City interventions. Concurrently, their challenges highlight the critical importance of sustainable infrastructure, ecological resilience, and inclusive urban governance frameworks. Moving forward, these cities are poised not only to anchor regional economic development but also to serve as exemplary models for

Table 3.5: Thematic Cities

City	Background	Strengths	Challenges
Bengaluru	• Founded in 1537, later evolved into India's IT hub. • Now supported by a 288 km Satellite Town Ring Road (STRR) connecting 12 satellite towns like Hoskote, Devanahalli, Sarjapur, and Bidadi.	• Decentralizes growth, improves regional connectivity • Boosts real estate, and promotes integrated infrastructure.	• Risk of sprawl, ecological stress • Need for strong multi-agency governance.
Tirupati	• Identified as Andhra Pradesh's "Space City", leveraging proximity to Sriharikota. • Part of Space Policy 4.0, targeting ₹25,000 crore investment and private-sector growth.	• Hosts satellite manufacturing, R&D, and startups; strong government support. • Potential global hub for space innovation.	• Requires sustained investment, balanced ecological planning. • Competitiveness against global hubs.
Jamshedpur	• Established by Tata Steel in early 20th century as a planned industrial city with focus on livability and sustainability.	• High green cover (37%), advanced waste & water management, • Reliable utilities, digital civic services via JUSCO.	• Economic reliance on steel. • Need for diversification and continuous infrastructure upgrades.

Source: ResearchGate, Scribd

harmonizing heritage preservation, economic growth, and sustainability in India's broader urbanization trajectory.

Thematic cities constitute a distinctive dimension of India's urban development paradigm, wherein planning is strategically oriented around a defined economic, industrial, or technological function. In contrast to general-purpose urban settlements, these centres are meticulously designed to harness unique regional advantages whether in industrial production, advanced technological innovation, or cultural and religious significance. Cities such as Bengaluru, Tirupati, and Jamshedpur exemplify how thematic urban planning can underpin specialized growth trajectories, stimulate employment generation, and enhance India's competitiveness within global value chains. Concurrently, they underscore the complexities associated with reconciling accelerated economic specialization with objectives of sustainability, inclusivity, and resilience.

Bengaluru, historically established in 1537, has transformed from a market town and British cantonment into India's preeminent information technology hub. Its rapid post-independence expansion has resulted in significant congestion and infrastructural strain. To address these challenges, the Satellite Town Ring Road (STRR) was conceived—a 288-kilometre expressway connecting twelve satellite towns, including Hoskote, Devanahalli, and Sarjapur. These satellite nodes are designed as self-sufficient urban entities, integrating residential, commercial, and industrial zones. The STRR has strengthened regional connectivity, distributed economic activity, and catalyzed real estate development. Nonetheless, the risks associated with unplanned urban sprawl, environmental degradation, and the complexities of coordinating governance across multiple jurisdictions remain critical considerations.

Tirupati, historically recognized as a prominent religious centre, is currently being developed into a specialized Space City under Andhra Pradesh's Space Policy 4.0. Strategically positioned near the Satish Dhawan Space Centre at Sriharikota, the initiative aims to attract investments exceeding ₹25,000 crore and establish Tirupati as a hub for satellite manufacturing, propulsion technologies, and space-

technology startups. The project is projected to generate substantial employment opportunities while enhancing India's competitiveness within the global space industry. With government endorsement and prospects for international collaboration, Tirupati's thematic specialization positions it as an emerging high-technology hub. However, the realization of its objectives depends on timely execution, adherence to environmental safeguards, and the ability to compete with established global centres of space innovation.

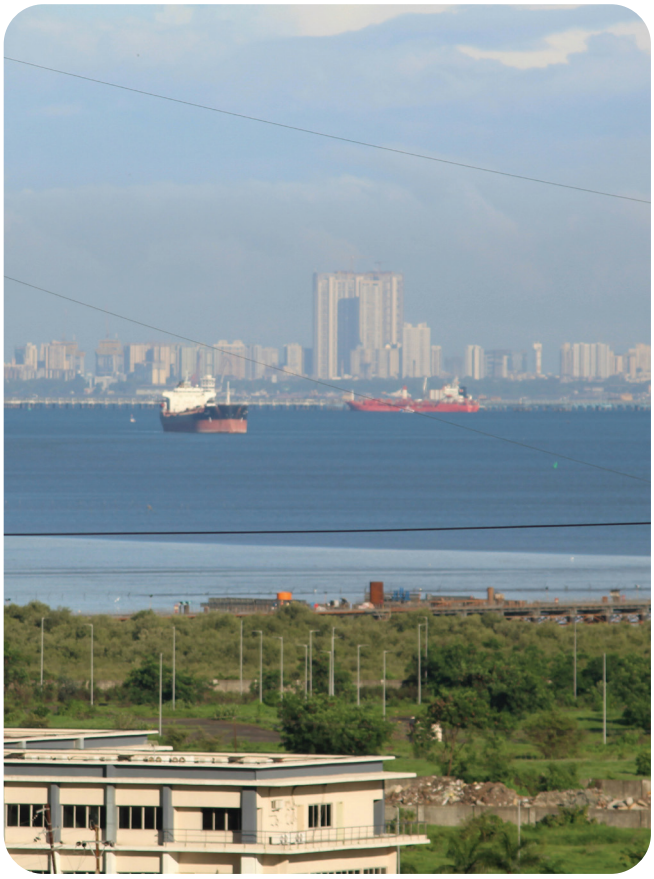
Jamshedpur, conceptualized in the early twentieth century by Tata Steel as India's first planned industrial city, exemplifies the model of an industrially oriented thematic urban centre. Conceived primarily to support steel production, the city was designed to balance industrial capacity with quality of life considerations. Presently, it maintains approximately thirty-seven percent green cover, near-universal access to reliable electricity, advanced water management systems, and efficient civic administration through JUSCO. Its integrated urban systems serve as a benchmark for sustainable industrial urbanism. Nevertheless, Jamshedpur continues to confront the dual challenges of diversifying its economic base beyond the steel industry and adapting its infrastructure to accommodate growing population and industrial requirements.

Thematic urban centers such as Bengaluru, Tirupati, and Jamshedpur exemplify the transformative potential inherent in sector-specific urban planning. Through the strategic alignment of urban ecosystems with focused economic functions, these cities have established globally recognized niches, encompassing information technology, space technology, and industrial manufacturing. Simultaneously, they underscore the inherent risks associated with excessive dependence on singular economic sectors, governance fragmentation, and environmental pressures.

For India's prospective advancement, the achievement of thematic cities will be contingent upon the integration of adaptive governance, environmental resilience, and social inclusivity within their developmental frameworks. As international competition escalates, these urban centres must progress beyond mere specialization to emerge as comprehensive, livable, and sustainable ecosystems, capable of fostering both economic excellence and human development.

Overall Analysis

Urban development in India has traditionally adhered to multiple models, reflecting both the limitations and prospects inherent to specific regions. Satellite cities emerged as a principal strategy during the mid-twentieth century to alleviate congestion in overburdened metropolitan areas. For example,



Salt Lake City adjacent to Kolkata and Navi Mumbai proximate to Mumbai were conceived as self-sufficient urban nodes, intended to absorb population overflow, provide contemporary amenities, and maintain structured growth patterns. These cities were systematically planned with sectoral layouts, broad thoroughfares, and green spaces to establish functional and liveable neighborhoods. The principal advantage of such satellite cities lies in their capacity to redistribute population and economic activity, thereby reducing pressure on densely populated core cities. Nevertheless, planning frequently neglected environmental implications, as exemplified by Kolkata's Salt Lake, where wetland reclamation and excessive groundwater extraction have resulted in ecological disturbance and land subsidence. Similarly, while Navi Mumbai achieved certain intended urban management objectives, incomplete relocation of governmental offices and commercial hubs constrained its overall impact.

#Economic & Innovation gravity is stuck in a few metros. High share, Higher strain, Clear saturation.

GDP Contribution

26% of India's GDP in **7 metros** (Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Pune, Hyderabad)

Startup/VC funding

84% of all funding captured by Bengaluru + Delhi-NCR + Mumbai (and **93%** by Tier-I cities)

Patent filings

53% of patent filing concentrated in **5 states** hosting leading metro cities

Formal job creation (EPFO) concentration (20-25 yrs)

26% of India's GDP in **7 metros** (Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Pune, Hyderabad)

GST concentration

47% of gross GST collection is concentrated in 6 states having leading tier-1 cities.

MH ₹37,671 Cr, KA ₹15,978 Cr, TN ₹12,210 Cr, DL ₹7,772 Cr, GJ ₹13,301 Cr, HR ₹12,168 Cr ₹99100cr of ₹2.10 lakh Cr

Greenfield cities constitute an additional deliberate strategy, emphasizing comprehensive planning from inception. Chandigarh, Gandhinagar, and Naya Raipur exemplify urban areas designed to achieve equilibrium among infrastructure, aesthetics, and sustainability. Chandigarh's grid-based sector configuration, augmented by pedestrian pathways and central green spaces, demonstrates meticulous attention to urban livability and traffic regulation. Gandhinagar incorporated environmentally sustainable systems and intelligent utilities, whereas Naya Raipur integrated modern transport corridors, recreational zones, and sustainable water and energy management. The primary advantage of greenfield cities resides in the capacity to deploy advanced urban design, smart technologies, and systematic expansion without constraints imposed by pre-existing structures. However, such cities confront challenges related to phased population uptake, as residents often require time to relocate, potentially delaying commercial activity and resulting in temporary underutilization of infrastructure.

India's urbanization strategy further encompasses the development of specialized investment centres, including GIFT City and Dholera, which integrate urban planning with targeted economic objectives. GIFT City seeks to position India as a global financial hub through world-class infrastructure and regulatory facilitation, while Dholera leverages its strategic location along the Delhi-Mumbai Industrial Corridor to attract industrial investments. The strength of such initiatives lies in their ability to align economic efficiency with urban design, thereby attracting both domestic and international stakeholders. Nonetheless, these projects also illustrate a recurring challenge: reconciling rapid industrial or financial growth with residential infrastructure, ecological sustainability, and overall quality of life for residents and workforce populations.

Brownfield expansion and modernization strategies have been implemented in existing historical or industrial cities, such as Indore, Coimbatore, Madurai, and Surat. These cities combine the benefits of historical infrastructure and established economic bases with contemporary interventions under Smart City programs. Indore's emphasis on waste management, water system optimization, and urban cleanliness initiatives exemplifies the potential of brownfield upgrades to enhance livability while sustaining economic activity. Nevertheless, persistent challenges remain, including informal settlements, congestion along urban peripheries, and environmental degradation. Similarly, Coimbatore's industrial expansion and Madurai's cultural heritage necessitate careful integration of modern infrastructure while preserving local ecological balance and historical patterns.

Finally, thematic cities, such as Bengaluru and Tirupati, exemplify urban planning designed to support specific economic or technological objectives. Bengaluru's satellite towns aim to decentralize the information technology hub, fostering self-sufficient nodes and enhanced connectivity, whereas Tirupati's emerging Space City concentrates on high-technology industries and private sector investment. Thematic cities constitute strategic instruments to leverage location-based advantages, including proximity to critical resources, industrial clusters, or specialized knowledge sectors. However, their effectiveness is contingent upon robust governance, coordinated infrastructure deployment, and environmental safeguards, emphasizing that even specialized urban centers remain subject to the imperatives of sustainable planning and population integration.

In conclusion, India's engagement with diverse urban development models underscores the critical importance of integrated planning that harmonizes population management, economic growth, environmental sustainability, and overall livability. Each model—satellite, greenfield, specialized investment, brownfield, and thematic—provides insights into both opportunities and risks, demonstrating that the trajectory of Indian urbanization will depend upon context-specific, meticulously planned, and forward-looking urban strategies.

04 Lessons from the Past

India's legacy of urban development represents a synthesis of strategic vision, experimental approaches, and inherent complexities. From the meticulously planned capitals of Chandigarh and Gandhinagar to the dynamically evolving urban centers of Pune and Surat, each instance of urban planning has generated insights that continue to hold relevance in contemporary contexts. These insights are particularly critical as India approaches a pivotal phase in its urban evolution. By 2050, an additional 416 million individuals are projected to reside in its cities (UN DESA, 2019). The decisions undertaken at this juncture will determine whether this transformation unfolds in a manner that is equitable and sustainable or results in disorder and inequality.

Planned vs. Organic Growth Trajectories in India

Organic Growth Mumbai, Pune, Indore	Planned Growth Chandigarh, Dholera
Grew through migration and opportunity	Long-term vision and zoning
Reactive infrastructure	Strong infrastructure
Informal settlements, congestion	High cost, slower growth
Strong cultural vibrancy	Less adaptive

Lessons for India's Urban Future

India's next wave of urbanization must blend planned structure with organic adaptability. Hybrid urban models can prevent repeating past mistakes at scale.

4.1 Planned vs organicgrowth trajectories

India's extensive history of urban development, whether through organic growth or strategic planning, provides essential insights for the future. An examination of cities such as Chandigarh, Navi Mumbai, Gurgaon, Pune, Indore, as well as more recent initiatives like Naya Raipur and Dholera, reveals the underlying factors contributing to their respective successes and shortcomings. These insights are particularly significant, as India currently experiences its most substantial wave of urbanization to date, and a failure to incorporate lessons from historical experiences could result in the replication of previous errors on an even larger scale.

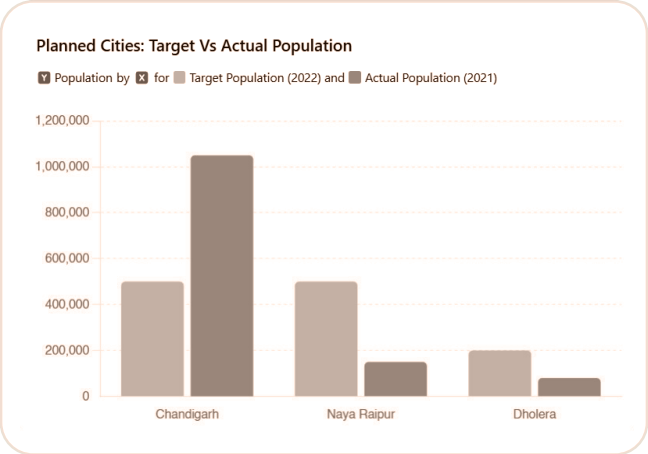
Chart 4.1: Organic Cities – GDP Estimates (2023)

Oxford Economics Global Cities Index, 2023

Historically, the establishment of new cities in India has been driven by political, administrative, or strategic imperatives. Chandigarh was conceived and developed following Partition to serve as the new capital of Punjab. Gandhinagar was systematically planned in the aftermath of Gujarat's formation. Naya Raipur (currently Atal Nagar) was developed

in conjunction with the creation of Chhattisgarh from Madhya Pradesh in 2000. These urban centers were meticulously designed with contemporary layouts, extensive open spaces, and modern infrastructure. Nevertheless, notwithstanding these inherent advantages, the majority of greenfield cities have encountered challenges in achieving significant urban growth. Chandigarh, although aesthetically distinguished, has not evolved into a major economic engine and continues to function predominantly as an administrative and service-oriented hub. Naya Raipur was projected to accommodate a population of 500,000 by 2022; however, by 2021, it comprised approximately 150,000 residents, representing less than one-third of the anticipated figure. Similarly, Dholera in Gujarat, envisaged as India's inaugural greenfield "smart city," has experienced delays in industrial development and adoption.

Chart 4.2: Planned Cities – Target vs Actual Population



NITI Aayog's Urban Planning Capacity in India Report (2021).

Conversely, organically developed cities such as Pune, Indore, Coimbatore, and Surat experienced expansion due to robust economic foundations, including education, industry, and trade, which consistently attracted migrant populations. Pune capitalized on its automobile manufacturing sector and information technology services, achieving an estimated economy of $70 billion in 2023. Surat's growth was underpinned by the textile sector and diamond polishing industry; according to Oxford Economics, it is projected to become the fastest-growing city globally, with an anticipated annual GDP growth rate of 6.5 percent until 2035. This comparison underscores that, whereas greenfield cities may succeed in establishing the physical 'hardware' of urban infrastructure, it is the 'software'—encompassing employment opportunities, cultural dynamism, and social networks—that ultimately drives and sustains meaningful urban development.

4.2 Migrants as the backbone of cities

Migration constitutes the underlying force shaping urbanization in India. Analysis of Census data indicates that between 2001 and 2011, approximately 33 to 35 percent of urban population growth was attributable to migration rather than natural increase. In regions such as Delhi, Maharashtra, and Haryana, this proportion exceeded 40 percent. This pattern is projected to intensify further, as India's Total Fertility Rate (TFR) has declined to 1.9 in 2025, falling below the replacement threshold of 2.1. Consequently, natural population growth will no longer sustain urban expansion at previous rates, positioning migration as the principal driver of city development.

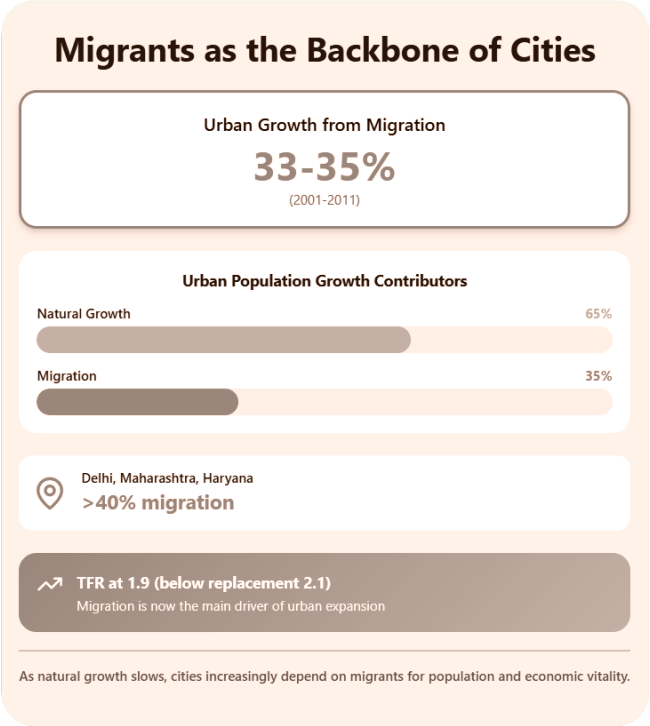
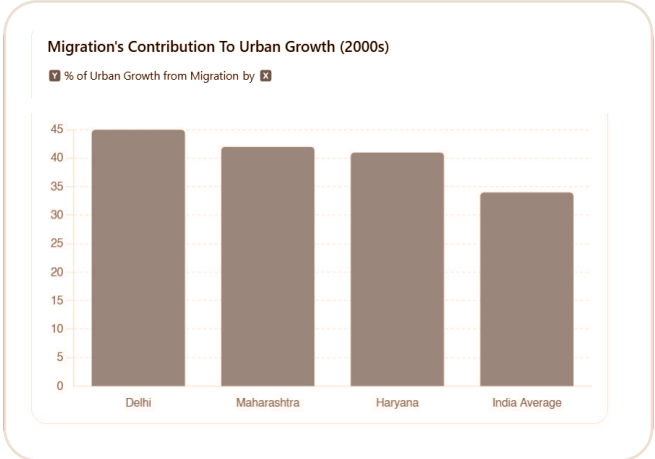


Chart 4.3: Migration's Contribution to Urban Growth (2000s)



Ministry of Statistics and Programme Implementation (MoSPI), Migration in India, 2020-2021 (2022).

Migrants represent far more than mere statistics on a demographic record; they constitute a vital component of India's economic vitality. Surat's textile and diamond industries are heavily reliant on migrant labor, with over sixty percent of the workforce originating from outside the state of Gujarat. Bengaluru's information technology sector prospers due to its ability to attract skilled professionals from across the nation, with approximately seventy percent of its workforce comprising non-local talent. Mumbai's construction sector would face significant disruption in the absence of daily wage laborers who commute from Bihar, Uttar Pradesh, and Odisha, many of whom reside in informal settlements with limited access to essential services, including water, sanitation, and healthcare.

Table 4.1: Migration and Urban Growth in Key States

State/Region	% Contribution of Migration to Urban Growth	Key Migrant-Driven Sector
Delhi	45%	Services, Trade
Maharashtra	42%	Manufacturing, IT
Haryana	41%	Corporate Services, Industry
India Average	34%	Mixed

Migration in India, 2020-2021,' Ministry of Statistics and Programme Implementation (MoSPI).

This juxtaposition of economic reliance and social neglect represents one of India's most significant urban paradoxes. Urban centres require migrant labour to construct infrastructure, operate industries, and sustain essential services, yet they seldom allocate resources toward affordable housing, public transportation, or healthcare for this population. The consequence is the proliferation of informal settlements, which subsequently reinforce cycles of social exclusion. Cities that actively incorporate and integrate migrant populations achieve sustained growth, whereas those that marginalize or exclude them experience stagnation.

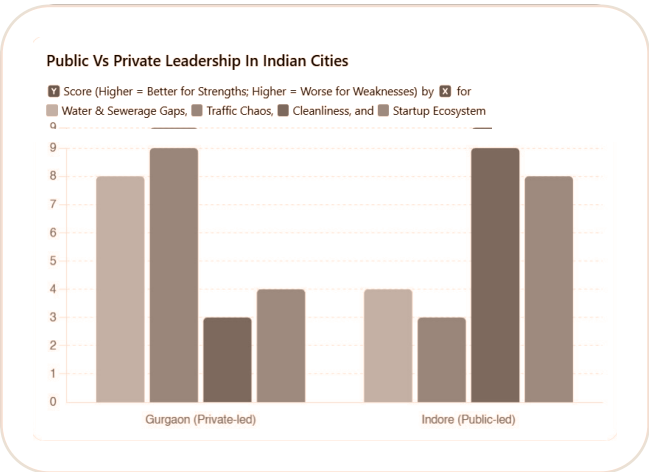
4.3 Leadership: public vs private models

Urban growth is fundamentally a narrative of leadership, and within the Indian context, it frequently reflects a complex interplay between public institutions and private enterprise. Gurgaon exemplifies the private-sector-driven development paradigm in its most pronounced manifestation. During the 1990s and 2000s, real estate developers reshaped the cityscape, introducing high-rise glass towers, premium residential complexes, and corporate office spaces. Its

economic output is currently estimated at approximately $100 billion, and it accommodates over 250 Fortune 500 corporations. Nevertheless, the relative weakness of municipal institutions resulted in inadequate water distribution, significant traffic congestion, and underdeveloped sewerage systems. Currently, more than fifty percent of households lack formal municipal sewer connections, while water supply remains heavily reliant on privately operated tankers.

Indore, in contrast, illustrates the impact of sustained and proactive municipal governance. By implementing straightforward yet effective measures including door-to-door waste collection, citizen engagement initiatives, and digital monitoring frameworks the city has consistently secured the distinction of India's cleanest city for seven consecutive years. Significantly, Indore has leveraged governance reforms as a catalyst to establish an enabling environment for startups and small enterprises. This example underscores that robust public leadership, when harmonized with active citizen participation, can simultaneously enhance urban livability and foster economic growth.

Chart 4.4: Public vs Private Leadership Model



Janaagraha Centre for Citizenship and Democracy, Annual Survey of India's City-Systems (ASICS) 2023 (2023

The fundamental insight derived from this analysis is the principle of balance. When the private sector advances unchecked by public oversight, development becomes disorderly and inequitable. Conversely, when the public sector assumes predominance without private engagement, progress is inadequately resourced and sluggish. Urban environments achieve sustainable success only when both sectors collaborate, integrating operational efficiency and innovation with accountability and inclusivity.

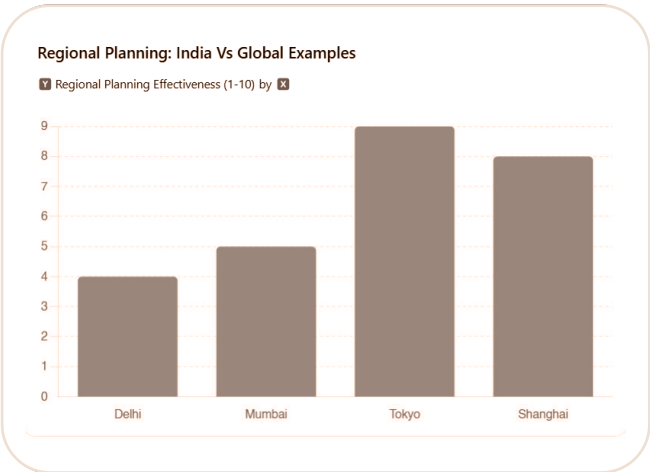
4.4 Regional planning gaps and neglect

A persistent challenge in India's urban development trajectory is the inadequate attention to regional planning. The 74th Constitutional Amendment of 1992 explicitly mandated the establishment of Metropolitan Planning Committees to facilitate coordination across municipalities. However, in practice, only a limited number have been constituted, and an even smaller subset functions with efficacy. Consequently, urban governance often suffers from fragmentation and redundancy.

Delhi exemplifies the consequences of this oversight. Its Master Plan 2021, originally adopted in 2007, has undergone more than twenty amendments, transforming it from a strategic guiding framework into a reactive regulatory instrument. Mumbai, situated at the core of the Mumbai Metropolitan Region (MMR), which encompasses over 26 million inhabitants, faces analogous challenges. Coordination between the Brihanmumbai Municipal Corporation (BMC) and adjacent municipalities remains suboptimal, resulting in fragmented transportation networks, inconsistent housing policies, and uncontrolled urban sprawl.

International experience provides instructive contrasts. The Greater Tokyo Area, with a population of 37 million, is administered by a regional authority that harmonizes land use, housing, and transportation planning. Similarly, the Yangtze River Delta region in Shanghai exemplifies how inter-city coordination can effectively synchronize industrial development, infrastructure expansion, and environmental stewardship.

Chart 4.5: Regional Planning Effectiveness – India vs Global Cities



2021 Global Cities Report (2021).

India's inability to establish robust metropolitan governance structures has resulted in its megacities expanding in a fragmented, inefficient, and unsustainable manner. In the absence of comprehensive regional frameworks, the burdens of congestion, environmental degradation, and socio-economic inequity are poised to intensify.

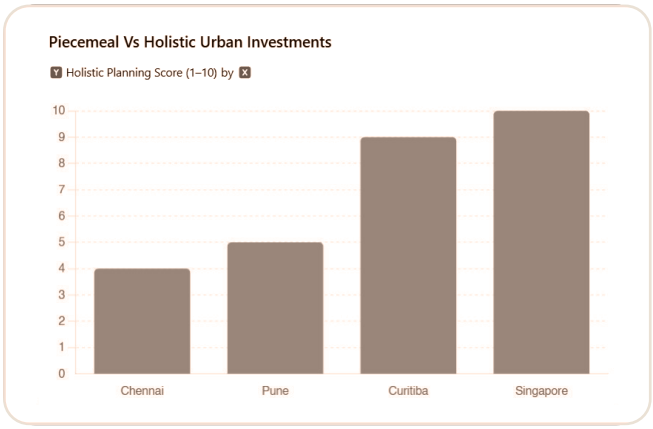
4.5 Failure of fragmented and piecemeal investments

A prominent and persistent pattern in Indian urban development has been the dependence on fragmented, project specific investments. Flyovers are constructed without adequate consideration for last-mile connectivity. Metro rail corridors are inaugurated in the absence of feeder bus services or proximate affordable housing. Residential colonies are developed without the necessary provision of schools, healthcare facilities, or commercial centers.

Chennai provides a compelling illustration of this phenomenon. Despite substantial allocations for arterial roads and flyovers, numerous interior streets remain inadequately addressed, resulting in enduring traffic congestion. Pune, despite its status as a high-growth economy, continues to have over forty percent of its population residing in informal settlements, reflecting a gap between housing investments and inclusive urban planning. At a national level, metro rail projects frequently underperform in terms of ridership, often achieving thirty to forty percent below forecasted levels, primarily due to insufficient integration with complementary feeder networks.

By contrast, cities such as Curitiba in Brazil and Singapore exemplify how coordinated investments across transportation, housing, and social infrastructure can meaningfully enhance urban life. Curitiba's integrated bus rapid transit system is closely aligned with affordable housing and urban green spaces, establishing it as one of the most sustainable cities in Latin America. Singapore, through the strategic alignment of housing policy, mobility planning, and environmental management, has developed a city that consistently ranks among the highest globally for quality of life.

Chart 4.6: Piecemeal vs Holistic Investments – India vs Global Cities



Piecemeal vs Holistic Urban Investments: A Comparative Study of Global Cities. Urban Planning Policy Institute (UPPI), 2023

India's experience emphasizes a fundamental principle: isolated initiatives may generate attention, but they do not achieve systemic transformation. Sustainable urban development necessitates an integrated approach, wherein transportation, housing, employment, and essential services are planned collectively rather than in discrete silos.

05 Approaches to New Cities

5.1 Greenfield cities

With rapid urbanization and the global urban population expanding at an unprecedented pace, over 4 billion individuals currently reside in cities, representing nearly half of the world's population as of 2025 (World Bank Group). By 2050, urban regions across Asia and the Pacific are projected to accommodate an additional 1.2 billion inhabitants, significantly increasing pressures on infrastructure, public services, and natural resources (World Economic Forum). Given this population trajectory, urban populations are expected to nearly double by mid-century, with approximately seven in ten individuals residing in cities, thereby imposing substantial demands on existing urban systems. Cities are expanding more rapidly than ever, as highlighted in data published by Steve Frolking (August 2024). Urban growth is no longer limited to horizontal expansion; vertical development is increasingly shaping cityscapes. A global study of over 1,500 cities indicates that Asian megacities are leading this vertical transformation, optimizing resource utilization while simultaneously exacerbating socio-economic inequalities. In contrast, Europe continues to prioritize horizontal urban expansion. Cities serve as economic engines, generating approximately 80% of global GDP, consuming 75% of total energy, and contributing 70% of carbon emissions. While urbanization offers substantial opportunities and the potential to enhance quality of life, it also presents challenges such as rural-urban disparities, reduced liveability, and socio-political tensions (UNDP).

As the international community strives to limit global warming to 1.5 °C rather than the previously anticipated 3 °C (IPCC), the emergence of data-centric, next-generation urban centres, powered by artificial intelligence and extensive data infrastructure as exemplified by Guiyang, China introduces a critical strategic dilemma: do such developments compromise climate mitigation efforts? This chapter examines various approaches to urban development and evaluates the potential risks and limitations inherent in each typology, drawing upon comparative analyses of Indian and international case studies.

Below are the lists of approaches to new cities:

A greenfield city constitutes a newly established urban settlement, developed from the ground up on previously undeveloped land—planned with contemporary infrastructure, sustainability principles, and enhanced quality of life as central objectives. India is undertaking the development of twelve industrial greenfield cities across ten states to accelerate economic growth through the promotion of domestic manufacturing (The Hindu, 2024).

The Trade-off lens:

Greenfield Mega-Cities absorb metropolitan overflow and showcase futuristic infrastructure.

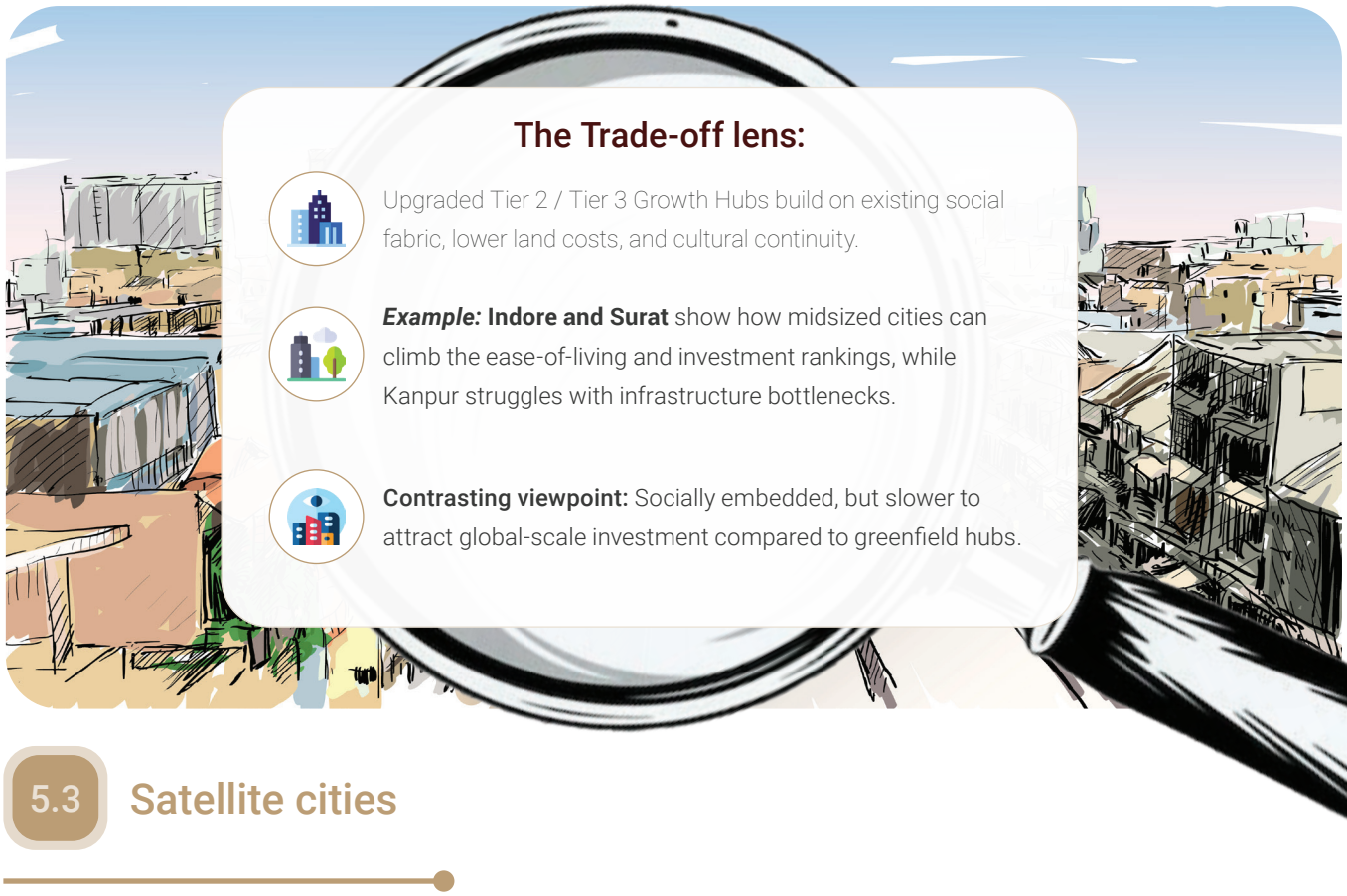
Example: **Dholera SIR (Gujarat)** promises a tech-driven hub, but faces the risk of becoming another **Naya Raipur**, where infrastructure outpaced demand.

Contrasting viewpoint: They decongest metros, yet risk "ghost city" outcomes if jobs and communities don't follow.

Along similar lines, the Union Government is contemplating the discontinuation of the ₹8,000-crore greenfield cities initiative, as recommended by the 15th Finance Commission, while redirecting its focus toward the enhancement of existing urban centers and smaller towns as strategic growth hubs, notwithstanding the receipt of 26 proposals, including Ayodhya, Jagiroad, the GIFT City expansion, and other locations (Hindustan Times, 2025).

5.2 Upgraded small & medium towns

This trend is driven by the rising purchasing power of the middle class, increasing investments in making housing more affordable, the expansion of digital connectivity, the growth of employment markets, and the emergence of remote work talent pools, which collectively act as key catalysts for economic and real estate growth in cities such as Nagpur, Indore, and Surat. Furthermore, not only tier-2 but also tier-3 cities, including Ayodhya and Haldwani, are emerging as significant growth centres.



The Trade-off lens:

Upgraded Tier 2 / Tier 3 Growth Hubs build on existing social fabric, lower land costs, and cultural continuity.

Example: **Indore and Surat** show how midsized cities can climb the ease-of-living and investment rankings, while Kanpur struggles with infrastructure bottlenecks.

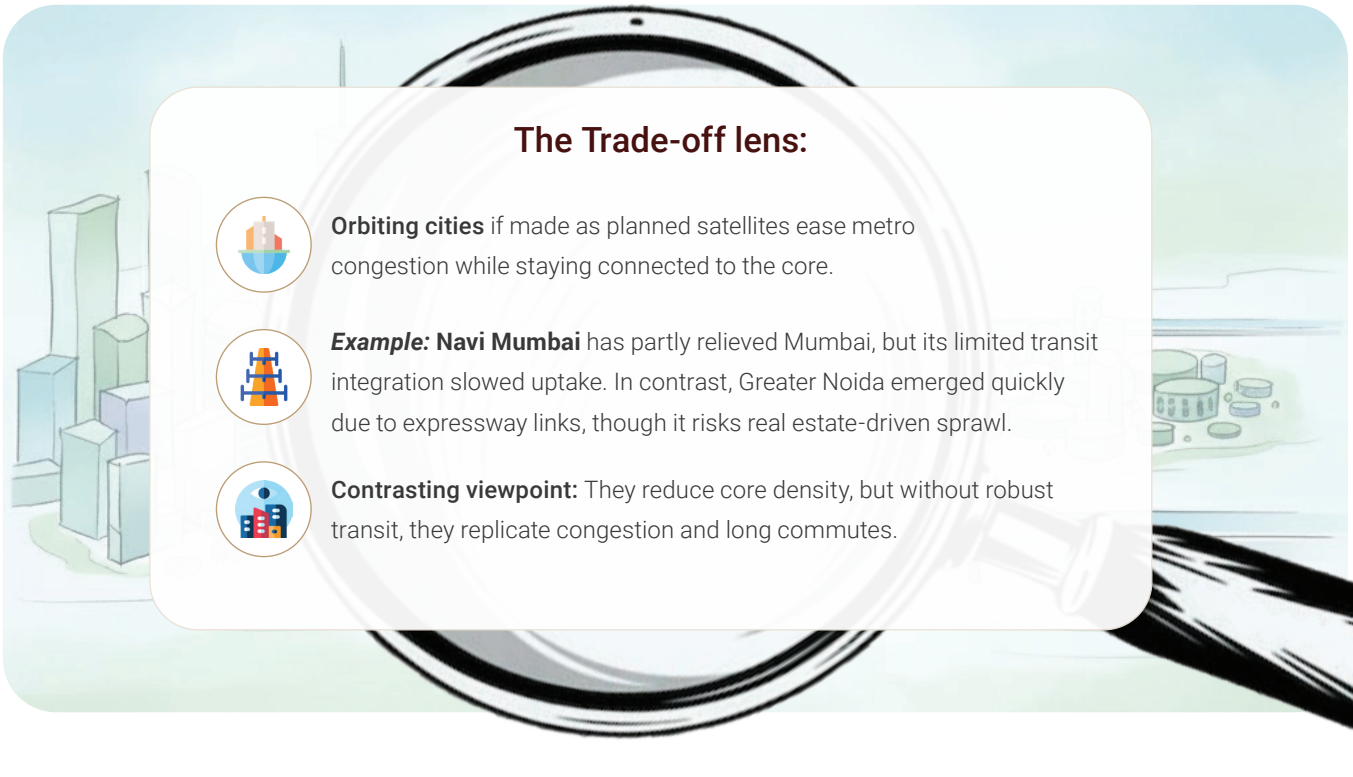
Contrasting viewpoint: Socially embedded, but slower to attract global-scale investment compared to greenfield hubs.

5.3 Satellite cities

One of the historically established strategies consistently employed by the National Capital Territory of Delhi throughout its evolution involves periodic relocation of administrative focus. Each successive ruler effectively adjusted the locus of the capital by a few kilometers, resulting in the formation of seven distinct sub-cities. Contemporary urban planning in Delhi has sought to reintegrate these sub-cities, while simultaneously designing additional sub-cities within the urban extension framework. Satellite cities such as NOIDA and Faridabad were promoted as part of a strategic initiative to contextualize Delhi's growth within the regional framework, as articulated in the Interim General Plan of 1953. The overarching objective was to strategically relocate select Central Public Sector Undertakings to these designated territories, thereby ensuring the associated workforce and infrastructure would also migrate.

Shubham Katyayan
Vice President,
Primus Partners

India's journey toward Viksit Bharat 2047 requires a clear change in how we think about and develop our urban centers. Historically, cities that had strong economic foundations, geographic advantages, or institutional strengths became engines of growth by drawing in people, businesses, and ideas. Today, India must intentionally help more cities create that same attraction for investment, jobs, and innovation. This "Pull" cannot come from infrastructure alone; it must be built through a larger system. It must be powered by influence, the integration of allied towns and peri urban regions, a sustained pipeline of talent and labour, the anchoring of new industries and jobs, and deep institutional capacity to ensure predictable, citizen centric governance. Together, these elements create the multiplier effect required for cities to become true magnets of opportunity.



The Trade-off lens:

Orbiting cities if made as planned satellites ease metro congestion while staying connected to the core.

Example: **Navi Mumbai** has partly relieved Mumbai, but its limited transit integration slowed uptake. In contrast, Greater Noida emerged quickly due to expressway links, though it risks real estate-driven sprawl.

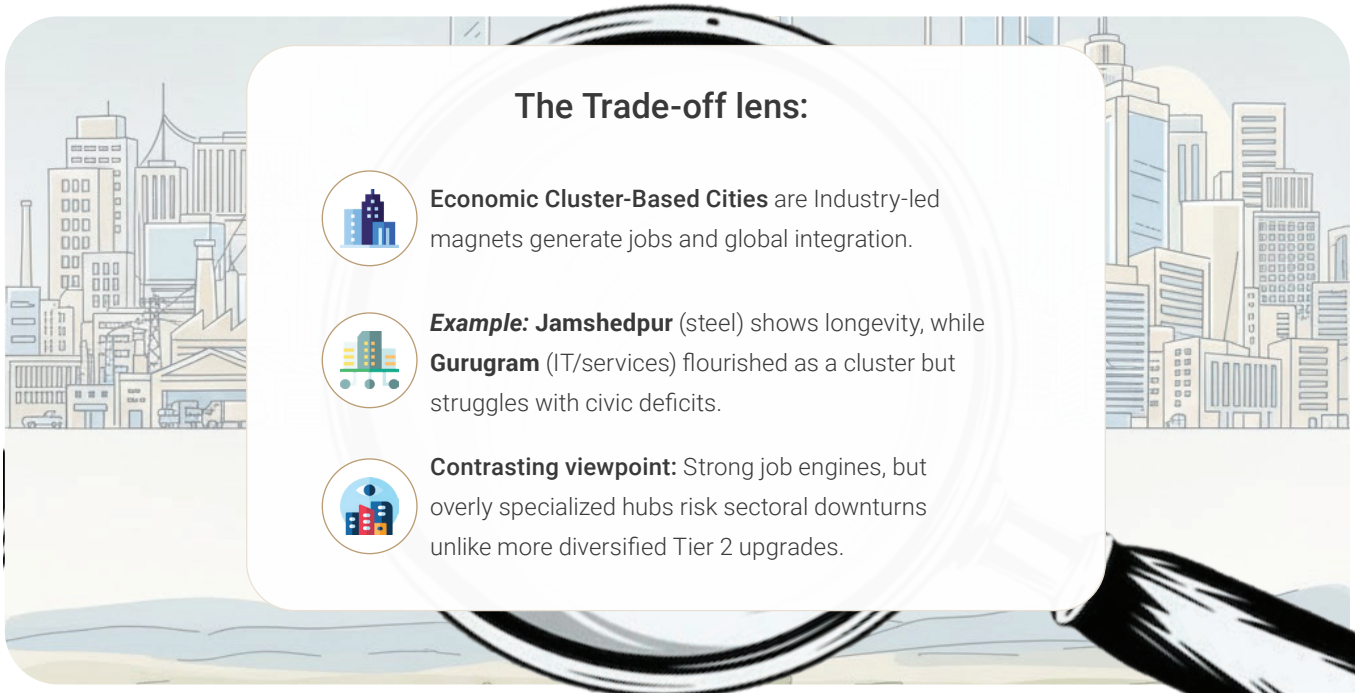
Contrasting viewpoint: They reduce core density, but without robust transit, they replicate congestion and long commutes.

During the initial phase, this approach was applied to emerging areas such as Nehru Place a Central Business District developed during the 1970s, alongside several contemporaneous CBDs and was subsequently expanded to encompass the broader Delhi Metropolitan Area following the implementation of the first Regional Plan of the National Capital Region in 1989.

5.4 Economic cluster based cities

Much of this category has emerged through serendipitous development, with the planned areas being structured around established cores that supported specific industries. Pimpri Chinchwad was initially developed around the pharmaceutical industry but has now evolved to function both as an extension of Pune's metropolitan region and as a significant industrial hub in its own right. The cities of Hyderabad, Bengaluru, and Gurugram have developed into prominent information technology hubs, largely driven by investment strategies rather than as the outcome of explicit urban planning.

Service and industrial sector growth is expanding robustly in cities such as Ahmedabad and Pune, whereas cities like Bengaluru and Hyderabad continue to serve as the primary powerhouses of the sector. In certain instances, regional development initiatives, such as the Western Dedicated Freight Corridor and the Delhi-Mumbai Industrial Corridor, have identified these cities as pivotal nodes supporting the broader corridor. The primary growth drivers for economic cluster-based cities include diversification beyond traditional sectors and the systematic development of infrastructure.



The Trade-off lens:

Economic Cluster-Based Cities are Industry-led magnets generate jobs and global integration.

Example: **Jamshedpur** (steel) shows longevity, while **Gurugram** (IT/services) flourished as a cluster but struggles with civic deficits.

Contrasting viewpoint: Strong job engines, but overly specialized hubs risk sectoral downturns unlike more diversified Tier 2 upgrades.

5.4 Sustainable thematic cities

When we refer to sustainability, the initial concept that often arises is green coverage; however, this alone is insufficient to be classified as truly sustainable. Decision making should be guided by the “triple bottom line” framework, which integrates environmental, social, and economic considerations for both people and the planet.

The Trade-off lens:

Sustainable Thematic Cities Climate-resilient or smart hubs brand India as future-ready.

Example: **Lavasa** (Maharashtra) envisioned a smart eco-city but collapsed due to governance and affordability gaps. Meanwhile, **Amaravati** aspires to be climate-sensitive remained stalled for a long time.

Contrasting viewpoint: They embed resilience upfront, but risk elitism, greenwashing, or stalled execution without citizen buy-in and financing.

06 India's Next Wave of Cities

Cities that were once the primary engines of national growth, such as Delhi, Mumbai, Bengaluru, Hyderabad, and Chennai, are now facing growing congestion, stressed civic systems, and saturated productivity. At the same time, India's emerging demographic and economic landscape offers a historic opportunity to create a new generation of urban centres capable of powering inclusive, resilient, and regionally balanced development.

Using our analytical framework and publicly available information, we have identified potential cities or urban centres which have potential to represent the next wave of urban nodes with the capacity to absorb migration, attract investment, and serve as new engines of job creation. What makes these centres particularly important is their inherent diversity, some are connectivity driven logistics strengths, having strong industrial potential, others are tourism hubs, capital cities, manufacturing clusters, or diversified urban nodes with strong IT or services economies. Together, these cities form a powerful network that can shift India from a metro centric growth pattern to a distributed model of development, reducing pressure on existing metros while unlocking new economic frontiers.

The key national priority missions of India in recent years, such as AMRUT, Smart Cities Mission, PMAY-U, Swachh Bharat, National Infrastructure Pipeline (NIP), Bharatmala, Sagarmala, Industrial Corridor Programs, and the Multi-Modal Logistics Parks (MMLP) initiative etc., have laid a strong foundation for this transition. These are targeted at securing city level infrastructure, introducing modern digital governance tools, enhancing water and sanitation systems, enabling affordable housing provision, and strengthening mobility networks. Importantly, they have pushed cities to build core competencies such as project preparation, data governance, service delivery reforms, and accountability mechanisms. While these individual interventions may be seen as incremental, collectively they form the "first layer" of readiness for any emerging urban centre seeking to absorb future economic activity.

However, infrastructure creation alone does not make a city a growth engine. What is now required is a strategic nurturing approach that aligns population trends, economic potential, governance capacity, and market readiness. Many of the cities on our list already show strong sectoral anchors like Visakhapatnam with port led industries, Indore with logistics and diversified industries, Nagpur with supply chain advantages, Kochi with port and tourism economies, Coimbatore with engineering and manufacturing strength, and Surat with its globally integrated textile diamond ecosystem. While these provide initial momentum, harnessing them fully requires a more deliberate and long-term approach.

These are cities that require planning approaches beyond administrative boundaries, with considerations for the wider regional economy. A city like Vijayawada, Indore, or Guwahati cannot hope to realize their full potential without integrated regional transport, land, and economic corridor planning in ways that link them with their satellite towns, logistics nodes, and the surrounding districts.

To understand where India's urbanisation and economic expansion will accelerate over the next decade, an analytical exercise was undertaken to identify 85 emerging cities that demonstrate strong sectoral potential and strategic relevance. These cities were evaluated through a structured, multi-criteria framework covering economic performance, infrastructure readiness, institutional capacity, demographic characteristics, sectoral specialisation, and alignment with national and state investment programmes. The findings were then categorised into eight thematic potentials, allowing for a coherent understanding of India's next-generation urban growth nodes.

The assessment began by screening Tier-2 and Tier-3 cities using indicators such as industrial output, freight movement, multimodal connectivity, workforce distribution, cluster development, presence of higher-education institutions, and quality of urban services. Cities were further analysed for their participation in centrally sponsored schemes including Smart Cities Mission, AMRUT, PM Gati Shakti, Industrial Corridor Nodes, logistics parks, and state-level urban renewal initiatives. This provided a comprehensive view of the cities that exhibit both inherent economic strength and supportive policy momentum.

Cities with a strong industrial base and upcoming investment pipelines were categorised under Industrial Investment Potential, including Jamshedpur, Ludhiana, Hisar, Aurangabad, Belagavi, Bhilai–Durg, Rourkela, Coimbatore, among others. Cities demonstrating a robust manufacturing ecosystem, supported by industrial clusters and skilled workforce availability, were mapped under Manufacturing Potential, such as Rajkot, Faridabad, Meerut, Indore, Madurai, Prayagraj, Tiruppur, and others.

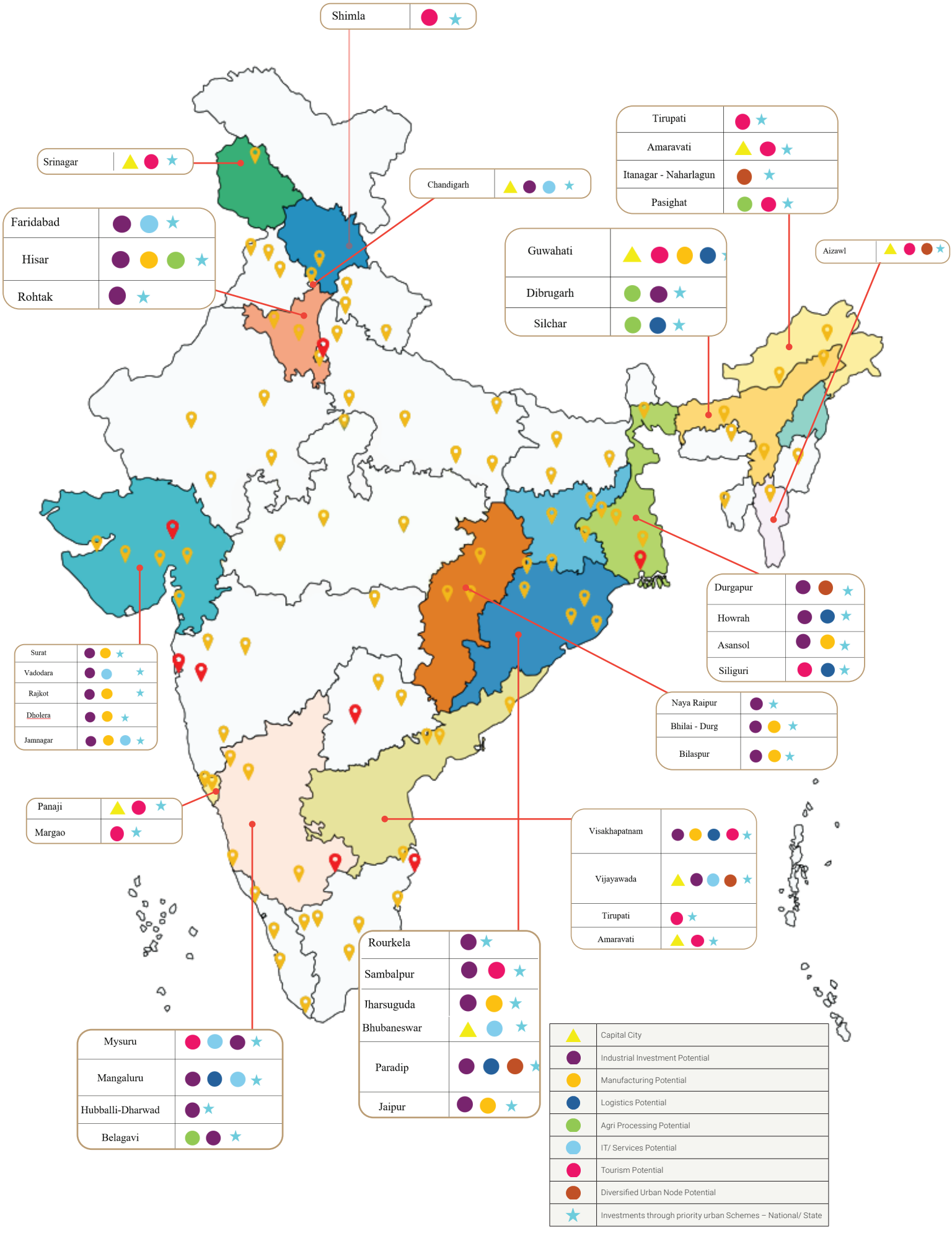
Urban centres with strategic connectivity through highways, rail corridors, inland ports, and air cargo infrastructure were identified as **Logistics Potential** cities, including Nagpur, Gorakhpur, Siliguri, Guwahati, Vizianagaram, Vijayawada, and Hubballi–Dharwad. Similarly, cities with agricultural hinterlands and processing clusters were classified under **Agri-Processing Potential**, such as Kolhapur, Bhagalpur, Gaya, Nashik, and Udaipur.

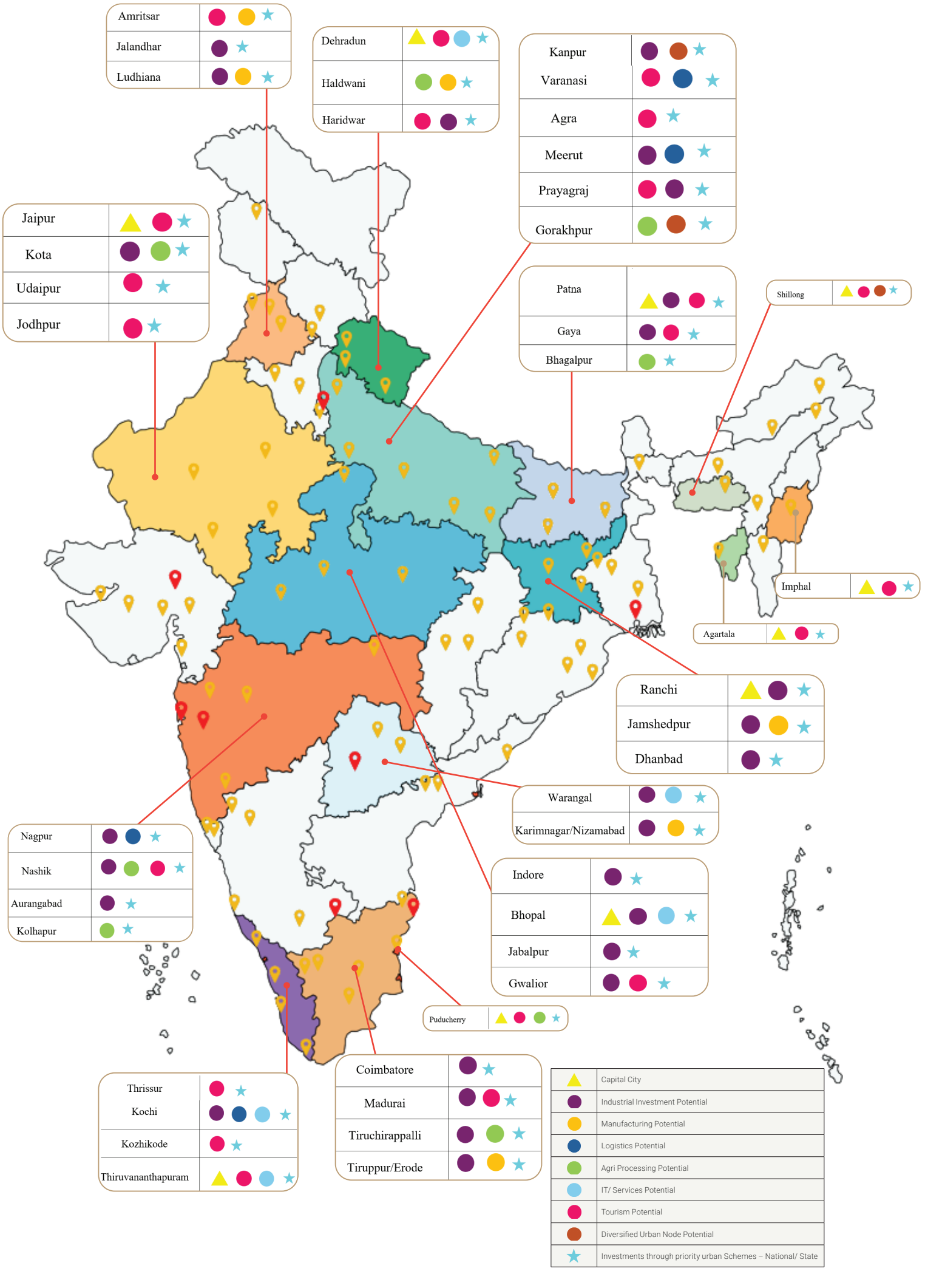
Cities with expanding digital services, IT parks, and knowledge ecosystems were identified for IT/Services Potential, including Mysuru, Thiruvananthapuram, Coimbatore, Dehradun, Ranchi, and Imphal. Cities with heritage, cultural and ecological assets were mapped under Tourism Potential, including Amritsar, Varanasi, Udaipur, Jaipur, Shillong, and Siliguri. Urban centres showing balanced multi-sector capabilities and acting as regional anchors were categorised as Diversified Urban Nodes, such as Bhopal, Raipur, Ranchi, Bhubaneswar, Warangal, and Guwahati.

Additionally, several cities such as Agartala, Aizawl, Shimla, Panaji, Puducherry have been recognised for their Investments through Priority Urban Schemes, reflecting strong institutional commitment towards infrastructure and service delivery enhancement.

Through this multi-dimensional assessment, the final list of 85 cities captures India's evolving urban landscape and highlights locations where economic diversification, demographic momentum, and sustained investments are converging. This provides a forward-looking framework to guide future national urban policy, investment decisions, and regional development strategies.

India's New Urban Power List : 85 Cities where India Will Grow Next




Amritsar
Jalandhar
Ludhiana
Dehradun
Haldwani
Haridwar
Kanpur
Varanasi
Agra
Meerut
Prayagraj
Gorakhpur
Jaipur
Kota
Udaipur
Jodhpur
Patna
Gaya
Bhagalpur
Shillong
Imphal
Agartala
Ranchi
Jamshedpur
Dhanbad
Warangal
Karimnagar/Nizamabad
Nagpur
Nashik
Aurangabad
Kolhapur
Indore
Bhopal
Jabalpur
Gwalior
Puducherry
Coimbatore
Madurai
Tiruchirappalli
Tiruppur/Erode
Thrissur
Kochi
Kozhikode
Thiruvananthapuram
Capital City
Industrial Investment Potential
Manufacturing Potential
Logistics Potential
Agri Processing Potential
IT/ Services Potential
Tourism Potential
Diversified Urban Node Potential
Investments through priority urban Schemes – National/ State

07 Building the India of Tomorrow – Roadmap

The establishment of new urban centers in India represents a complex and consequential undertaking that demands a carefully structured and strategic roadmap. Beyond the mere construction of physical infrastructure, such as buildings and transportation networks, it requires the deliberate integration of institutional mechanisms, financial frameworks, socio-demographic considerations, and phased implementation strategies. This holistic methodology is essential to ensure that emerging cities are not only operationally efficient but also sustainable, inclusive, and dynamic centers of human engagement. The subsequent sections outline a comprehensive framework for a multi-dimensional approach to urban development, ensuring that each element is examined with requisite rigor and foresight.

As illustrated in the preceding examples, each development model possesses distinct advantages and limitations, and the effectiveness of a particular model may vary across different cities or nations. This variability arises from the absence of a universal formula, as the principle of "one size does not fit all" applies in the context of urban planning. India's future trajectory requires a synthesis of these diverse approaches to mitigate the shortcomings of any single model. For instance, the enhancement of Class 2 city hubs is generally less exposed to risk compared to the creation of entirely new greenfield cities; however, it may encounter challenges related to slower developmental momentum, which can be addressed by strategically integrating these hubs with existing economic clusters.

As a debate ranges on how fast and how much India is urbanising, a few trends do call for introspection:

- 70 per cent of India's urban population was living in 453 class I cities in 2011 about 12 per cent of 4,041 statutory towns. It is estimated that class I towns have grown to about 600 along against close to 5,000 statutory towns; however in the absence of a new Census (now due for 2027), the skewedness in urbanisation cannot be precisely determined.
- NFHS (round V) and migration data from Census 2011 seem to suggest a declining fertility rate and a generally constant rate of rural – urban migration, prima facie – this would indicate a propensity for the skewedness of urbanisation to remain.
- The unorganised sector still makes up for over 90 per cent of establishments; many of which exist outside metropolitan and large urban agglomerations, but in smaller and medium towns.
- Real estate markets showing a high degree of production and uptake in the formal sector are also largely limited to 15 to 20 cities and regions

A significant proportion of State investments have been directed towards infrastructure; however, these allocations have been (i) predominantly concentrated in Class I towns, and (ii) not consistently aligned with the economic output of the respective locations. There exists minimal, if any, correlation between the revenue share assigned to a city by the State and the economic output generated by that city.

Although initiatives were undertaken to establish integrated economic development precincts through regional planning, such efforts rapidly shifted towards broad scale land use regulation and development control, with limited focus on achieving specific economic outcomes.

7.1 Focus on Regional Planning

Most of the urban planning activities are centered around master planning of urban centres, ignoring the value of regional plans. Urban growth rarely respects administrative boundaries. Cities are increasingly functioning as regional economies dependent on surrounding towns, villages, and peri-urban areas for labor, resources, and markets. Planning at a regional level ensures balanced development, reduces pressure on single urban cores, and enables integrated infrastructure development across jurisdictions.

Why?

Regional planning allows us to anticipate growth corridors, distribute development evenly, and ensure that land use, housing, infrastructure, and industry are developed in a balanced manner. It prevents the unplanned sprawl that typically results when core cities absorb unchecked migration. By linking smaller towns and rural hinterlands into the urban fold, regional planning also creates stronger urban-rural linkages, enhancing both competitiveness and inclusivity.

Strategic Measures

Adopt metropolitan or regional spatial plans - Expand planning beyond municipal limits, integrating urban, peri-urban, and rural belts into a single framework. This ensures balanced land use, reduces sprawl, and preserves ecological buffers.

Establish regional governance mechanisms – Create planning and coordination authorities across municipalities, districts, and states to harmonize development priorities and resolve jurisdictional conflicts.

Align regional plans with state/national strategies – Sync local growth priorities with industrial corridors, smart city missions, and national infrastructure pipelines to attract funding and scale.

Leverage regional data systems – Build regional observatories that map demographics, economy, land use, and environment, guiding decisions on where to invest and which sectors to prioritize.

7.2 Create Avenues to absorb migration

Migration from rural areas and small towns to large metros is continues process and inevitable as people seek jobs, education, and better living standards. But when opportunities are overly concentrated in a handful of cities, it creates unsustainable population pressures, leading to overcrowding, housing shortages, traffic chaos, pollution, and rising inequalities. Fact is that, Metros cannot expand endlessly and if they do, the quality of life for residents declines.

Why?

By creating avenues in smaller cities and new urban centres, we can distribute opportunities more equitably. Arresting "distress migration" where people move not by choice but compulsion, requires that people find livelihood, housing, and quality services closer to their origin. This is not about stopping migration entirely (since mobility is a natural driver of growth) but about balancing it so that cities remain liveable and smaller centres thrive.

Strategic Measures

Establish sectoral hubs in small and medium towns and the hinterland – Anchor industries like textiles, IT, logistics, or renewable energy in smaller centres to create local jobs and reduce the "pull" of metros.

Expand higher education and skilling infrastructure – Universities, polytechnics, and skill centres attract youth, create local talent pools, and become growth magnets for surrounding regions.

Incentivize private sector investment in social infrastructure – Encourage hospitals, schools, retail, and housing projects outside metros to create a balanced urban ecosystem.

Housing strategies as part of plans – Housing strategies need to cater to provide housing stock that caters to the needs and aspirations of their users. This includes redevelopment of old housing areas to suit modern day requirements, rental housing etc..

Strengthen urban-rural linkages – Connect nearby villages to city markets and services, so rural residents can benefit from urban opportunities without permanent migration.

7.3 Decentralize Value Chains

India's economic geography is overly concentrated. A few metros capture the lion's share of value chains, from corporate headquarters to high value services and logistics hubs. This creates regional imbalances, where smaller cities are relegated to peripheral roles with limited economic vitality. The pandemic showed how fragile such concentration can be, with disruptions in core cities rippling across the economy.

Why?

Decentralizing value chains distributes economic opportunity and resilience. Smaller urban centres can specialize in parts of manufacturing, logistics, or services, creating vibrant networks of cities rather than one or two dominant hubs. This model not only brings life to underutilized towns but also reduces costs, congestion, and vulnerabilities in larger cities. For India, decentralization is a pathway to balanced regional growth and inclusive prosperity.

Strategic Measures

Map and Redistribute value chain segments to emerging centres – Move warehousing, processing, and back-office services to smaller cities to reduce congestion in metros and tap into lower costs.

Support MSME and startup clusters – Encourage entrepreneurship and cluster development in specialized sectors (e.g., auto parts, textiles, food processing), linking them to larger value chains.

Develop logistics parks, warehousing, and cold chains – Strategic infrastructure in non-metro regions can reduce supply chain inefficiencies and create local jobs.

Invest in digital and physical connectivity – High-speed internet, highways, and regional airports integrate smaller centres into national and global economic networks.

Incentivize emerging sectors in underdeveloped regions – Offer fiscal incentives, ease-of-business reforms, and incubation support for sunrise sectors like EV manufacturing, green tech, and agritech.

7.4 Empower ULBs Beyond Service Delivery

Urban Local Bodies (ULBs) are the closest institutions to citizens, yet their role is often restricted to basic service delivery (water, sanitation, solid waste management etc.). They are underfunded, understaffed, and undervalued in strategic decision-making. This makes cities reactive rather than proactive in dealing with rapid urbanization.

Why?

To truly manage new urban centres, ULBs must evolve into institutions that not only deliver services but also plan urban growth, manage land, envision economic strategies, and drive social equity agendas. A narrow focus on utilities reduces their potential as engines of transformation. Strong, empowered ULBs can act as "city governments" that integrate economic, social, and spatial priorities into everyday governance.

Strategic Measures

Expand financial autonomy of ULBs – Enable new revenue tools (property tax reforms, user charges, land value capture) and promote municipal bonds to finance projects independently.

Invest in professional capacity building – Equip municipal staff with skills in finance, project management, GIS, and citizen engagement, making them strategic managers of urbanization.

Foster participatory governance – Establish citizen forums, digital grievance platforms, and open budget consultations to build trust and accountability.

Integrate social and economic development objectives – Go beyond roads and water to focus on employment generation, inclusion, and quality of life in municipal planning.

7.5 Social & demographic assessments as the foundation

Cities are ultimately about people, not just buildings and infrastructure. Every successful urban centre reflects the unique demographic and social fabric of its residents, their age mix, livelihoods, cultural practices, and aspirations. Without anchoring new city planning in a clear understanding of who the citizens are and what they need, even the most well planned urban spaces risk becoming mismatched, underutilized, or socially fragmented. Social and demographic assessments provide the bedrock on which all other urban planning decisions should rest.

Why?

Urban centres are sustainable only if they match the demographic realities they serve. Many projects falter because planners rely on top-down projections rather than actual data on migration, income, household size, or community priorities. Demographic profiling ensures that new cities grow in harmony with population needs, equity considerations, and cultural dynamics.

Strategic Measures

Conduct comprehensive demographic profiling – Use census data, surveys, and GIS to map population projections, migration flows, and household structures to inform housing, jobs, and service demand.

Segment social needs and aspirations – Different groups (women, youth, elderly, informal workers, migrants) have distinct requirements; design programs and amenities to be inclusive.

Integrate social infrastructure into master planning – Ensure that education, healthcare, community spaces, and cultural facilities are planned alongside roads, housing, and industry.

Use citizen surveys and participatory inputs – Engage communities early to combine hard data with lived experiences and aspirations.

Plan for dynamic change – Build adaptability in city designs to respond to demographic transitions like aging, youth bulges, or sudden migration surges.

7.6 Phased progression model & governance blueprint

Cities cannot and should not emerge overnight. They must be carefully nurtured, tested, and expanded in phases, with governance systems that ensure accountability and coherence. A phased development model prevents the "ghost city" syndrome where infrastructure outpaces demand, while a governance blueprint clarifies who does what, how funding flows, and how decisions are made. Together, they provide a structured pathway for transforming a vision into a functioning, evolving urban ecosystem.

Why?

Many new city projects domestically and globally have struggled because of rushed execution and weak governance. A phased model allows demand to grow gradually, with infrastructure and services scaled in tandem. A governance blueprint ensures that roles and responsibilities are clear, minimizing overlaps, inefficiencies, or conflicts. These two elements are essential to ensure both viability and accountability.

Strategic Measures

Adopt a phased development model – Begin with core infrastructure (transport, utilities, jobs) to attract early residents, then expand housing, services, and amenities as demand builds.

Design governance blueprints early – Establish institutional roles, financing mechanisms, and legal frameworks upfront to guide execution and avoid fragmentation.

Embed accountability mechanisms – Use public dashboards, performance scorecards, and periodic audits to ensure transparency in planning and delivery.

Encourage adaptive governance – Create flexible regulatory frameworks that can evolve with technology shifts, economic changes, and demographic pressures.

Foster multi-level coordination – Align central, state, and local governments with private players and community institutions in collaborative governance models.

A Vision Beyond Metros

The trajectory of urbanization in India has reached a critical juncture. For several decades, urban expansion has been predominantly concentrated in a limited number of metropolitan centers, resulting in substantial pressure on infrastructure and a pronounced rural-urban disparity. Nonetheless, the future configuration of India's urban landscape is no longer determined solely by its megacities. An emerging paradigm envisions development beyond metropolitan areas, aiming to harness the substantial potential of Tier 2 and Tier 3 cities, thereby fostering a more balanced, equitable, and sustainable urban ecosystem across the nation.

This progressive paradigm emphasizes decentralized growth. Rather than a limited number of urban enclaves of prosperity, the objective is to cultivate a national network of dynamic, interconnected urban hubs. These urban centers—whether represented by transformed industrial corridors, revitalized historic towns, or newly developed thematic clusters—are positioned to function as regional engines of economic growth. Such an approach alleviates the burden on existing metropolitan areas while simultaneously bringing economic opportunities closer to residents, mitigating distress-driven migration, and promoting comprehensive regional development. It envisions an India where economic vitality is not restricted to select locations but is accessible across states and regions, with each jurisdiction hosting its own thriving urban centers.

Realizing this vision necessitates coordinated action across multiple dimensions. It requires a fundamental recalibration of urban planning principles, transitioning from reactive development approaches to proactive, strategically informed frameworks. This includes leveraging data-driven insights to identify high-potential growth nodes, aligning both public and private sector investments with these designated centers, and establishing robust governance structures that empower local authorities. Investment priorities must extend beyond physical infrastructure to encompass social capital, ensuring that healthcare systems, educational institutions, and public amenities adhere to exemplary standards. The overarching objective is to cultivate urban environments that are not merely operationally efficient but also culturally vibrant, socially inclusive, and environmentally resilient. This forward-looking framework constitutes more than a development blueprint; it embodies a steadfast commitment to realizing a sustainable and equitable urban future for all regions of India.

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