

## Chapter II: Hyderabad Urban Agglomeration: Demography, Economy and Land Use Pattern

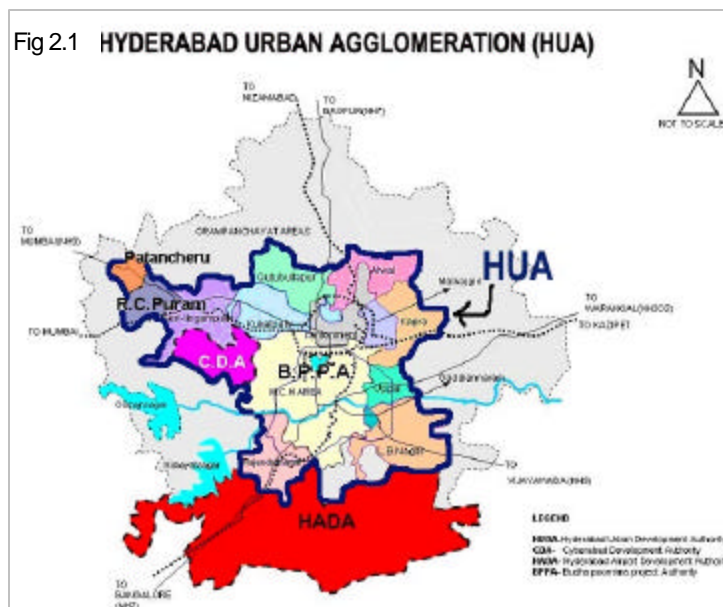
### 2.1 Demography

The Hyderabad is currently ranked as the sixth largest urban agglomeration in the country. The Hyderabad Urban Agglomeration (HUA) consists of the Municipal Corporation of Hyderabad (MCH), 12-peripheral municipalities, Secunderabad Cantonment, Osmania University and other areas. The population of HUA increased from 4.3 million in 1991 to 5.7 million in 2001. The growth of population was more than 50 % during 1981-91 and 27% during 1991-2001. However, several well established urban components of the city are located well beyond the Urban Agglomeration. The details of population of HUA and other constituents of Hyderabad Metropolitan Area are given in *Table 1*.

*Table 2.1: Population Trends - Hyderabad Urban Agglomeration (HUA)*

Component	Area (Sq Km)	Population (Lakhs)			Density (2001) (P/SQ.KM)
		1981	1991	2001	
MCH	172	21.0	30.5	36.3	21048
Surrounding Municipalities	419	3.8	9.9	17	4102
Others	187	2.3	3.2	4	2147
HUA	778	27.1	43.6	57.5	7393
HUDA	1905	29.9	46.7	63.8	3351

Hyderabad Metropolitan Area (HMA) can be broadly defined as the jurisdiction covered presently under Hyderabad Urban Development Authority (HUDA) and three Special Area Development Authorities (SADAs) namely Cyberabad Development Authority (CDA), Hyderabad Airport Development Authority (HADA) and the Buddha Purnima Project Authority (BPPA). The Hyderabad Urban Agglomeration area is presented in Figure 2.1.



The Hyderabad Urban Agglomeration has grown faster than Mumbai, Kolkata and Chennai between the years 1991-2001. The population density is also higher than the cities of Chennai, Kolkata and Bangalore. Thus, the population growth and density in Hyderabad is quite high as given in Figure 2.2 and this would necessitate long term planning and significant investments for improved service delivery.

Figure 2.2: Decadal population growth in major Urban Agglomerations (1991-2001)

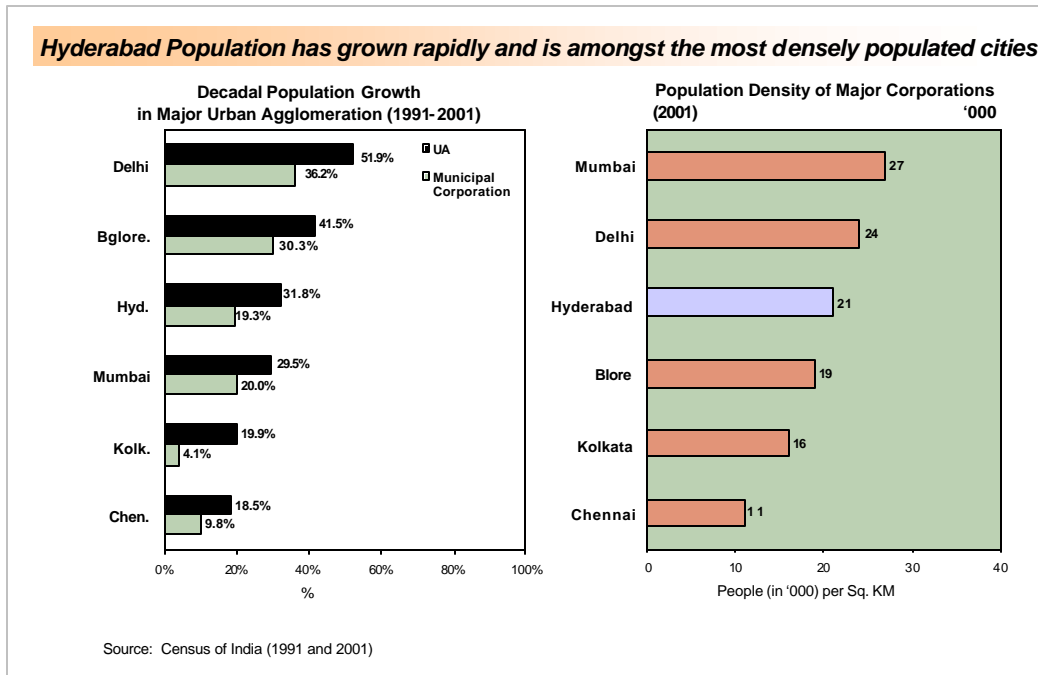
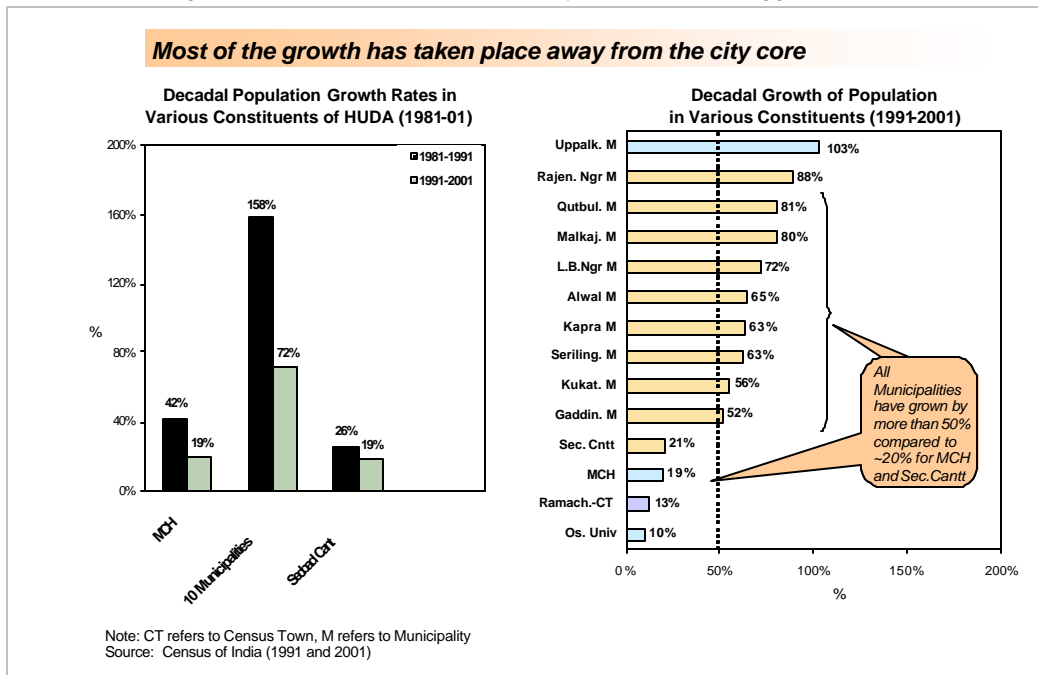


Figure 2.3 Decadal Growth Rates in Hyderabad Urban Agglomeration



A key feature of population growth in Hyderabad Urban Agglomeration is that most of the growth is occurring in the surrounding areas. The population growth in surrounding municipalities was phenomenal between 1981-91 at 158% as against 42% in the Municipal Corporation of Hyderabad area for the same period. Between 1991-2001 the population growth in surrounding municipalities stood at 72% as against 19% for the MCH area as given Figure 2.3. Most of the growth has taken place away from the city core.

### 2.1.1 Future Growth

The rates of growth of population experienced by Hyderabad Urban Agglomeration during 1991 and 2001 will continue in future though at a lesser rate. The projections indicate that the metropolitan area would house a population of 90.55 lakhs in 2011 and 136.44 lakhs in 2021 including the population of the city (Table 2.2).

Table 2.2: Population Projections

Component	Area (sq.km)	Total Population (in lakhs)				Density (Population / sq. km)			
		2001	2005	2011	2021	2001	2005	2011	2021
MCH	172	36.3	39.1	43.3	51.7	21048	22733	25116	29977
Surrounding municipalities	419	17	21.8	28.9	50.9	4102	5193	6926	12151
Others	187	4	4.4	5	6.3	2147	2353	2692	3391
HUA	778	57.5	65.4	77.2	108.9	7393	8404	9923	13997
HUDA	1905	63.8	74.5	90.5	136.4	3351	3910	4753	7162

Population growth characteristics of Hyderabad Urban Agglomeration are evaluated by looking at the past growth trends. The projections indicate that the city will have a population of about 4 million in 2006, 4.5 million 2011 and expected to cross the 5 million mark in 2021 (Table 2.2). The outer municipalities are growing at a faster pace than that of the Municipal Corporation. Accordingly, the forecasts for 2011 and 2021 indicate that the population is expected to be in the range of 29 lakhs and 51 lakhs respectively.

Table 2.3: HUA - Annual Growth Rates

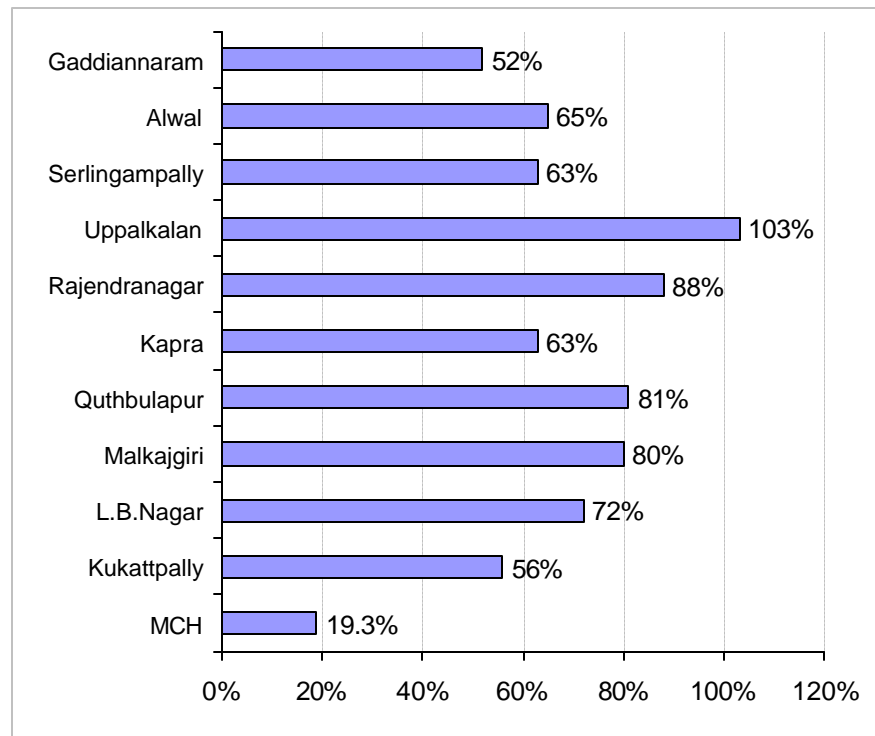
Year	Population (in lakhs)	Annual Exponential growth rate (%)
1981	27.1	
1991	43.6	6.4
2001	57.5	3.2
2005 (Estimated)	65.4	3.4
2011 (projected)	77.2	3.0

Table 2.4: Components of Population Growth (HUA)

Composition	Population increase during			
Year	1981-91 (Figures in lakhs)	% of total	1991- 2001 (Figures in lakhs)	% of total
Natural increase	8.7	59	9.0	70
In migration	3.7	25	3.1	24
Jurisdictional change	2.4	16	0.8	6
Total increase	14.8	100	12.9	100

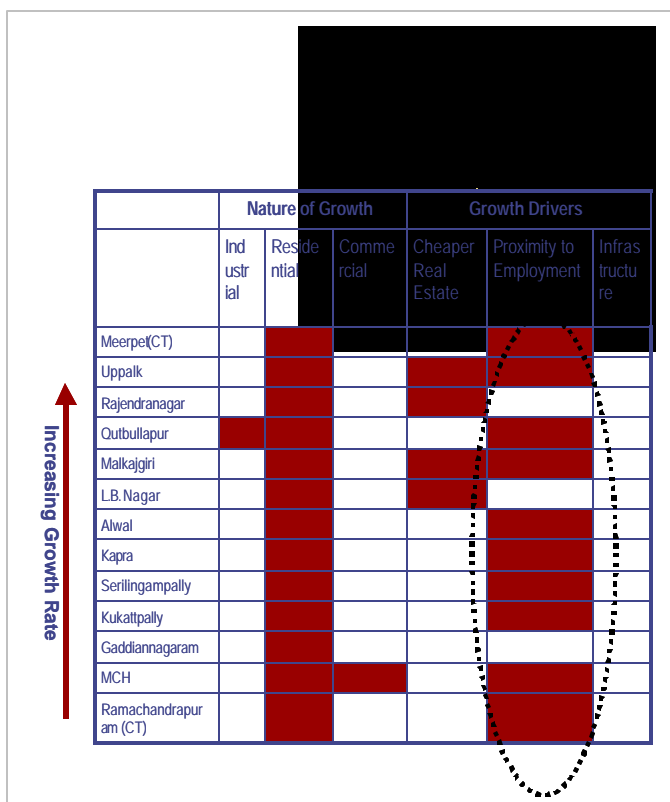
An analysis of composition of population growth indicates that natural growth contributed about 60 percent while migration contributed 25 percent in the year 1991. However, the contribution of natural growth has increased significantly in the year 2001 to 67 percent. This indicates that the urban growth in HUA will take place even if measures are taken to control migration. Hence long term and strategic planning is necessary to promote equitable economic growth and service delivery. Table 2.4 gives the details on composition of population growth.

Figure 2.4 Decadal growth of population in Surrounding Municipalities (1991-2001)



As indicated earlier, most of the growth in HUA is occurring in the surrounding municipalities ranging from 56% to 103%, where as the population growth in MCH area is only 19.3%. All Municipalities have grown by more than 50% compared to MCH and Secunderabad Cantonment.

Growth in non-core areas is driven by residential settlements and the industrial growth has been hampered by expensive real estate. Residential growth is creating demand for service delivery /infrastructure development in the surrounding municipalities. The fundamental reason for growth was the closeness to Hyderabad and proximity to employment.

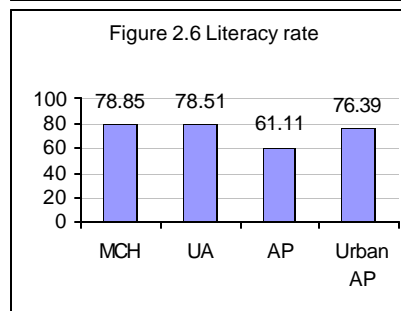
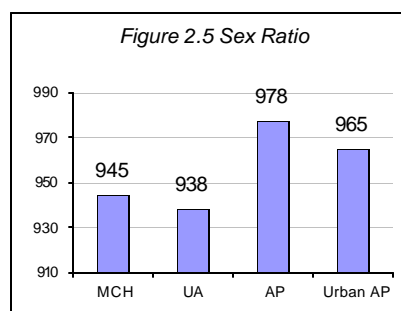


One of the key reasons for inadequate service delivery outcomes in Hyderabad Urban Agglomeration is the overlapping arrangement in functions, roles and responsibilities of the institutions resulting in poor accountability. The absence of an effective coordination mechanism, amongst municipal, metropolitan and state level agencies has implications for orderly spatial development, coordinated infrastructure provision, local economic growth, development management, service delivery and expenditure effectiveness. There is an urgent need to ensure spatial and functional integration of service delivery process through innovative

institutional arrangements for achieving better service outcomes. There is a need for widespread reform in governance and service delivery framework with a focus on metropolitan integration and co-ordination.

### 2.1.2 Age structure & Sex ratio

Sex ratio in Hyderabad urban agglomeration is 938 in 2001, but it remains below the state average of 978. The population below six years of age in 2001 was 6.57 lakhs constituting 11.8% of the total population. This assumes significance, as facilities/amenities have to be planned for this age group to ensure a safe and healthy living.



### 2.1.3 Literacy

Census figures for 1991 & 2001 for Hyderabad and the rest of the state reveal that general literacy and female literacy have improved. Hyderabad Urban Agglomeration leads in literacy in Andhra Pradesh, with 78.51% in 2001. Male literacy in the agglomeration is approximately 83.76%, while

female literacy is considerably lower at 72.90%.

#### **2.1.4 Demography: Emerging Issues and Concerns**

The Hyderabad Urban Agglomeration has experienced high growth in population and the same trend is expected to continue over the next two decades. It is projected that by 2021 HUA would emerge as the fourth largest in the country overtaking Chennai and Bangalore. Most of this growth would take place in surrounding municipalities away from the core city. However, this has serious implications for service delivery for both core city and peripheral areas since the traffic and population flows occur between them. This calls for integrated planning of Hyderabad Metropolitan Area with a focus on equitable provision of services to all the areas and all the sections of the population.

### **2.2 Structure of Economy- Hyderabad Metropolitan Area**

Hyderabad is not only the administrative capital but also the economic and financial capital of Andhra Pradesh. It is the largest contributor to the State's gross domestic product, state taxes and excise revenues and has reached high levels of commercialisation and monetisation. It has a large population that is growing and hence the potential to power and propel the State's future economic growth. The workforce participation rate, stable over the past three decades at 29 per cent, augurs well in comparison with many premier cities. Over past couple of decades, Hyderabad's economy has shifted from a primarily service city to a more diversified profile comprising trade, commerce, industry, transportation, storage, communication and construction sectors. However, the old city has suffered a decline and the peripheral areas have begun to play a more dominant role in growth and employment generation. This is also reflected in their significantly higher demographic expansion rate.

The urban economic profile is undergoing a transformation in recent years with service industry playing a major role in the economic development of Hyderabad. As per Census 1991, the total work force in Hyderabad Development Area (HDA) was 13.53 lakhs with the urban work force constituting 90% of the total workforce indicating the dominance of urban centres in the metropolitan area, particularly Hyderabad. The work force participation rate for Hyderabad Metropolitan Area declined from 32.85% in 1961 to 28.91% in 1981 and has increased marginally to 28.99% in 1991.

Manufacturing sector includes activities as disparate as the manufacture of pharmaceuticals, electronic goods and other industrial products. Pharma industry is a dominant player of the manufacturing sector and is expected to play an increasing role even in future in the exports of pharma products. Hyderabad is considered as the "bulk drug" capital of the country due to the presence of a large number of bulk drug units and accounts for about 30-35% of the total production in the country.

The tertiary or service sector has increased over the recent years with a significant proportion of new jobs across a whole range of activities. Of late, this sector has emerged as the single largest employer and will continue to grow as the dominant sector in the future considering the developmental initiatives planned in the area. The sector contributed to more than 72% of the total city's workforce in 1991 due to the development of IT sector, bio-technology and tourism, which are being identified as future growth engines.

The census of India 2001 did not furnish the detailed categories of main workers unlike the 1991 census, which published the workers data in nine categories. As an alternative, workers data available from the Andhra Pradesh Enterprise Survey, 1998 was analysed and presented in Table 2.5.

Table 2.5 Occupational Structure - 1998

S. N.	Workers figures out of enterprise data	Number of Workers	% Of workers
1	Raising of Livestock	13944	1.68
2	Agri Service & Hunting	1323	0.16
3	Mining and Quarrying	3464	0.42
4	Manufacturing	137479	16.58
5	Electricity, Gas and Water	936	0.11
6	Construction	7720	0.93
7	Wholesale trade	31013	3.74
8	Retail trade	262400	31.64
9	Restaurants & Hotels	35190	4.24
10	Transport	17963	2.17
11	Storage and warehousing	3971	0.48
12	Communication	13282	1.6
13	Financial, insurance etc	60540	7.3
14	Community, social and personal services	239975	28.94
15	Others	7	0
	Total	829207	100

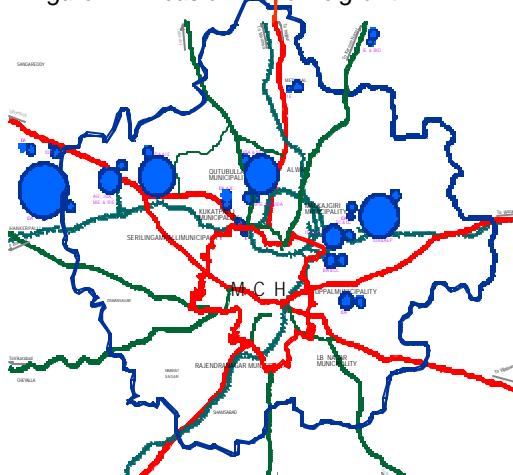
### 2.2.1 Areas of Economic Activity & Location Aspects of Growth

The economic activities, particularly manufacturing and associated facilities, are concentrated in Ramachandrapuram, Patancheru, Balanagar, Uppal, Cherlapalli, Jeedimetla, and Moula Ali. The developments, on one hand contributed to the economic growth of the city and on the other responsible for the spatial growth, particularly the growth of the surrounding areas. (Figure 2.7)

The economy of Hyderabad is witnessing a transformation from traditional manufacturing towards a knowledge-based economy. This is primarily due to policies of the state government to promote knowledge sector and tourism through a series of initiatives and programs. Knowledge sector, particularly Information Technology and IT enabled services (ITES) along with the Biotechnology is gaining momentum in the State. The knowledge sector Corridor consists of:

- ?? IT & IT enabled services
- ?? Biotechnology and medical sciences
- ?? Industrial technologies

Figure 2.7 Areas of Economic growth

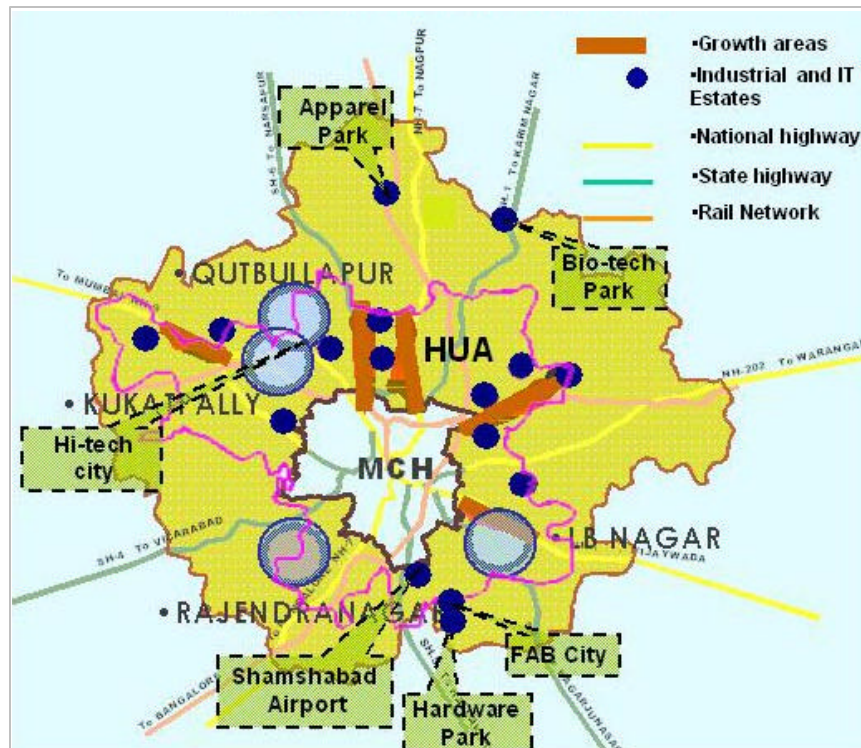


Hyderabad is emerging as one of the fastest growing IT cities of the country and is the fourth largest exporter of software products. The growth of exports had been phenomenal, year after year, achieving an annual growth rate of more than 80% during the last decade. Currently, the exports would be in excess of Rs.8000 crores. The state is making concerted efforts to promote key initiatives in this sector to leverage information technology to attain a position of leadership and excellence in the information age. The road map identifies "Hyderabad" as a large and thriving mega IT Hub with a significant number of top 500 IT companies having their presence in Hyderabad. In addition, the focus on IT enabled services is likely to increase employment opportunities in this sector.

Towards promotion of IT sector, several initiatives have been taken up such as setting up of IT training institutes, development of a hitech city, e-governance initiatives, and encouraging private sector presence in Hyderabad's Software Technology Park. Further steps envisaged in the same direction are the Hardware Park, development of a Knowledge Park, and a financial district. As the first step to tap the investments in the biotechnology sector, a Biotech Park is being set up to focus on research for industrial production. The thrust areas include vaccines, bio-informatics, seeds etc.

Acknowledging the vast potential of the sector and the spin-offs it offers, GoAP is focussing on tourism and Hyderabad is being promoted as a major destination for tourists considering its advantageous location and the initiatives taking place in developing it as a major transit hub between Europe and Far East. The State's Tourism Policy aims that by 2020, Andhra Pradesh will be a leading tourism destination in India attracting over 2.5 million international tourists and around 70 million domestic tourists by building upon the inherent strengths of the state and developing high quality tourist infrastructure. The economic growth centres of Hyderabad are presented in *Figure 2.8*.

*Figure 2.8: Economic growth centres of Hyderabad*





## 2.2.2 Domestic Product & Per Capita Income

The gross domestic product of Hyderabad has increased by more than 87% between 1993-94 to 1997-98. At constant prices, the growth was more than 40% during the same period. As per the household surveys conducted in three time periods viz., 1967, 1982 and 1994, the income per household as well as the per capita income has increased at an annual compound growth rate of 10.2 % and 9.9 % respectively between 1967 and 1994. The growth in per capita and household income at 1993 prices is presented in *Table 2.6*.

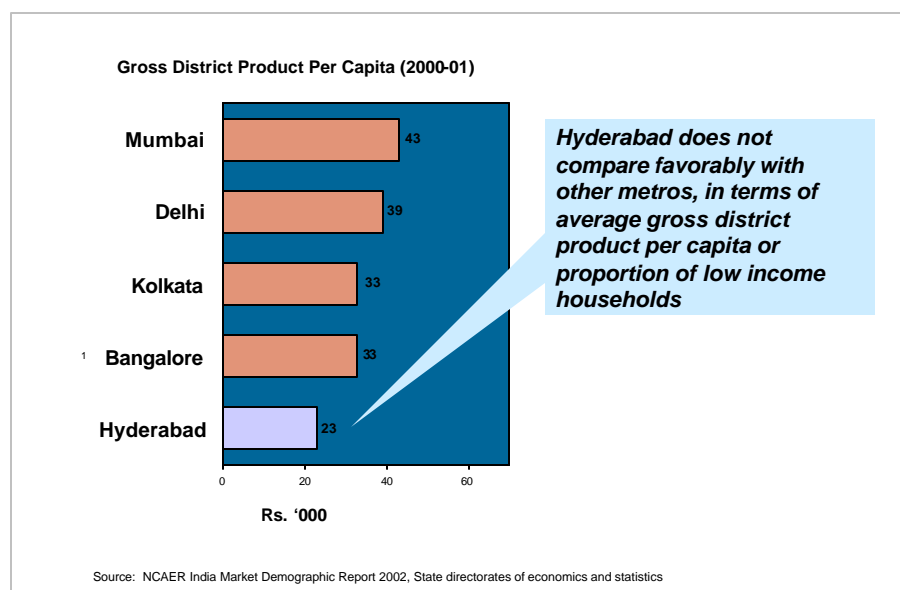
Though the overall GDP of the HUA is significant, it does not compare well with the GDPs of other major cities. The per capita GDP in Hyderabad is only 23, which is much lower than the per capita GDPs of Mumbai, Kolkata, Delhi and Bangalore as given in *Figure 2.9*. Thus, the potential of the city is under-utilised.

*Table 2.6 Per Capita Income of Households- Metropolitan Hyderabad*

Year	Per Household Income (Rs./ Month)	Per Capita Income e (Rs./ month)	CAGR	
			Household Income	Per capita Income
1967	309	49		
1982	1842	297	12.6	12.8
1994	4219	630	7.20	6.50
1967-94			10.2	9.90

Source: ESMAP Report on Household Energy Strategies for Urban India- The Case of Hyderabad

*Figure 2.9: Gross District Product per capita (2000 – 01)*



### 2.2.3 Income Distribution

A study on the household income patterns conducted in 1994 indicated that the monthly income per household was Rs. 4219 in 1994 with a per capita income of Rs. 630 per month. The per capita income of the highest 17% of the population increased by 82%, while the households in the next-highest income group increased their income by 20 %. The population below poverty line constitute 24 percent while those who are marginally above the poverty line stood at 9 percent.

## 2.3 Land use, Spatial Growth and Planning

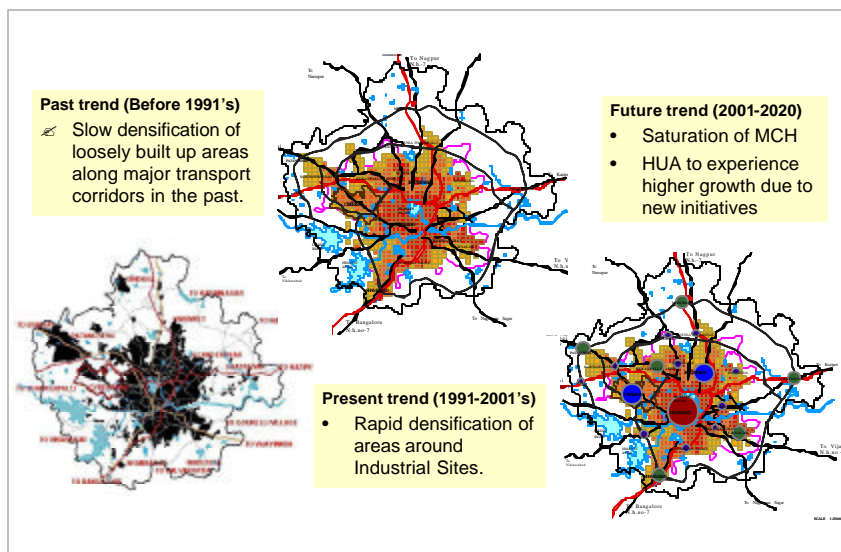
### 2.3.1 Land use structure

The land use structure has been worked out based on a survey and the activity centres present and future. The structure would help in limiting the decaying of certain areas through a conscious and judicious development of core city and the peripheral wards, which have the maximum potential to grow in future. According to the survey, residential area constitutes 44% followed by 12% under open ground and agriculture. The mixed use is around 6.2 %. There is also an increase in the institutional land uses than envisaged in the ZDP. The area under roads is also around 7% and considering the widening initiatives, it would be slightly more than what is observed.

It is quite evident from the analysis that there has been a modest increase in the mixed –land-use, decreasing changes in industrial land-use than that envisaged in the ZDP. This might be due to the successive industrial policies encouraging shifting of industrial units from the city. However, it is to be noted that the land uses shown are only indicative, the actual can be worked if a detailed, and extensive field survey is conducted.

An analysis of spatial growth patterns in the past as well as for the future indicate saturation of growth in the core area, high growth and densities in the surrounding areas along the industrial growth corridors (Figure 2.10). There is a need to plan the infrastructure investments corresponding to this growth pattern.

Figure2.10: Spatial growth Pattern of Hyderabad Urban Agglomeration



## **2.3.2 Development/Master Plan Initiatives for Hyderabad**

### **Development Plan of MCH - 1975**

After the formation of Andhra Pradesh, the City experienced a spurt in its growth with increased economic activities and growth of industries followed by sprouting of residential colonies. The city became multifunctional in character with haphazard growth and irregular pattern of circulation. To address the negative effects emanating from this uncontrolled and haphazard growth, the first Development Plan for the Corporation Area was prepared and notified in 1975 for an area of 172.60 sq. km. The most important feature of this plan was to provide a framework for balanced growth and development. The plan devoted totally to the physical aspects of development and recommended land uses, hierarchy of city centres, zoning regulations and development of road network.

### **Master Plan for Hyderabad Metropolitan Area –1980**

The expansion of the city and the haphazard growth of peripheral areas necessitated demarcation of Hyderabad Metropolitan Area (HMA) which was notified in 1975 under the provisions of Andhra Pradesh Urban Areas (Development) Act, 1975 and accordingly Hyderabad Urban Development Authority was constituted with the responsibility of planning, controlling and monitoring of developmental activities within HMA including the Municipal Corporation of Hyderabad. The first Master Plan for the Hyderabad Development Area (HAD), excluding the Municipal Corporation was prepared in 1980 for a co-ordinated peripheral development, to affect a synthesis between the rural hinterland and the metropolitan environment and to achieve a balanced development.

Detailed Zonal Development Plans (ZDPs) were also prepared during 1983-95 by updating the land use of the area and provided detailed classification of land uses and zoning regulations for the respective zones. The ZDPs are currently in force and form the basis for the developments such as land conversion, use, and conservation and recreation areas. The ZDPs provide guidance in issuing planning permissions based on the Floor Space Index and permitted densities and demarcates area for public and semi-public uses and other amenities.

Though the ZDPs do not provide long-term or strategic direction to city planning, they however, guide the current developments in the city. However, with ZDPs not being updated<sup>1</sup> with the current developments, they could not control the complex issues concerning rapid growth of the City. They lack a comprehensive strategy to city planning as they are all not clear and lack a concrete direction thereby not capturing the issues involved in the ongoing initiatives in the planning area.

### **Revision of Master Plan- 2020**

HUDA revised its Master Plan in 2003 with the aim of making Hyderabad a truly world class city with sound and equitable planning. Considering the current growth patterns, it advocates clustering of developed areas for a compact development instead of a sparse development, which is currently being witnessed. It promotes a corridor development but with adequate precautions in the form of controls, access and services. This underlines the need for an environmentally sustainable planning through appropriate planning for services and industrial areas. The future expansions are to be accommodated within or around the current developments in conjunction with the development of the transport corridors.

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<sup>1</sup> The ZDPs were prepared during 1983-95 and are not updated with the latest land use changes.

## 2.4 Emerging Concerns of Spatial Growth

The following are the emerging key concerns that need to be addressed:

- ?? Need for a coordinated strategy to disperse economic activities in a sustainable manner
- ?? Spatial plan needs integration with infrastructure and services
- ?? Housing stock for the poor
- ?? Controlled development in the surrounding ULBs

