LED

Local Economic Development: Data–led Approach to Build Capacity for Economic Planning

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63% of India's GDP comes from its urban centres which are engines of the nation's economic growth. Yet the majority of them are ill-equipped to enhance their competitiveness, trace gaps within the local ecosystem or enable themselves to attract FDI that is required to aid the process of local economic development. With resource constraints and lack of information, the process of planning for economic development is found to be strenuous yet it is one of the mandated functions of the ULB according to the 74th Constitutional Amendment Act. The objective of this project is to develop a tool that promotes a systematic approach to local economic development backed by robust data analysis, machine learning, visualisation and suggestive roadmap for the city's holistic economic growth ahead.

The team would develop a dashboard for the City Economic Assessment Tool, which would include tabs such as city profile, rapid economic assessment, revenue potential and the suggestive roadmap ahead. The last two would be kept restricted with a password for ULBs to access. The rest of the tool would be made public in order for businesses and researchers to access data and information pertaining to the city, making the city much more market discoverable and easier for external investors to seek information. The state government will be an important stakeholder as the state economy is driven by many of these important cities.

The city economic profile would contain basic information about the local economy and city. The LED framework is being developed to create an economic profile and to carry out a rapid economic assessment of the city which would aid the city in analysing the structural and ecosystem variables. Such a framework seeks to contextualise the nature of the city based on systemic factors and unique economic portfolio. Insights about the economic potential of the city and information about its comparative, competitive advantages will be generated using the framework. In addition, the tool will help the ULB to identify and harness potential sources of revenue from the upcoming economic activities and aid policymakers to take evidence-based decisions through a bottom-up approach.

Once the diagnosis and information bits are generated, the tool would provide cities with a suggestive roadmap for the next 3 years. The suggestive roadmap will provide an insight into how the economy could be placed on a growth trajectory as per the aspirations of the city or to explore new growth areas for the city. Thereby building capacity at the local level for economic planning.

The team is currently exploring collaborations with the United Nations Development Program and Institute for Competitiveness.