City Economic Assessment Tool

Team LED

Aman Singh Rajput, Radha Karmarkar, Vivin R Nair

External Mentor: Mr. Amit Kapoor, Chairman, President and CEO, Institute of Competitiveness, India

Internal Mentor: Dr. Debjani Ghosh, Senior Research Officer, NIUA

Cities by 2030...

590 - million people will live in cities

270 - million people net increase in working age pop.

70% - net new employment will be generated in cities

$1.2 - trillion capital investment necessary to meet demand

…Engines of Economic growth!

Source: India's urban awakening: Building Inclusive cities, sustaining economic growth, Mckinsey Global Institute

Problem(s)?

Even though the 74th CAA mandates function of preparing the economic development plan to the ULBs but the cities are…

- **I**ll - equipped to enhance their competitive and comparative advantage
- **T**race gaps within their local economic ecosystem
- **H**arness the potentials from economic development

Idea! Economic development through data led approach

Objective

To develop a tool that promotes systematic approach to local economic development backed by **robust data analysis**, **visualization** and **suggestive planning** for the city

Project phasing

1 Exploration (July - August 2020)

Process of ideation converting it from paper to celluloid

2 Investigation (August - September 2020)

Process of finalization of scope and limitations of the project

3 Design (September - January 2020)

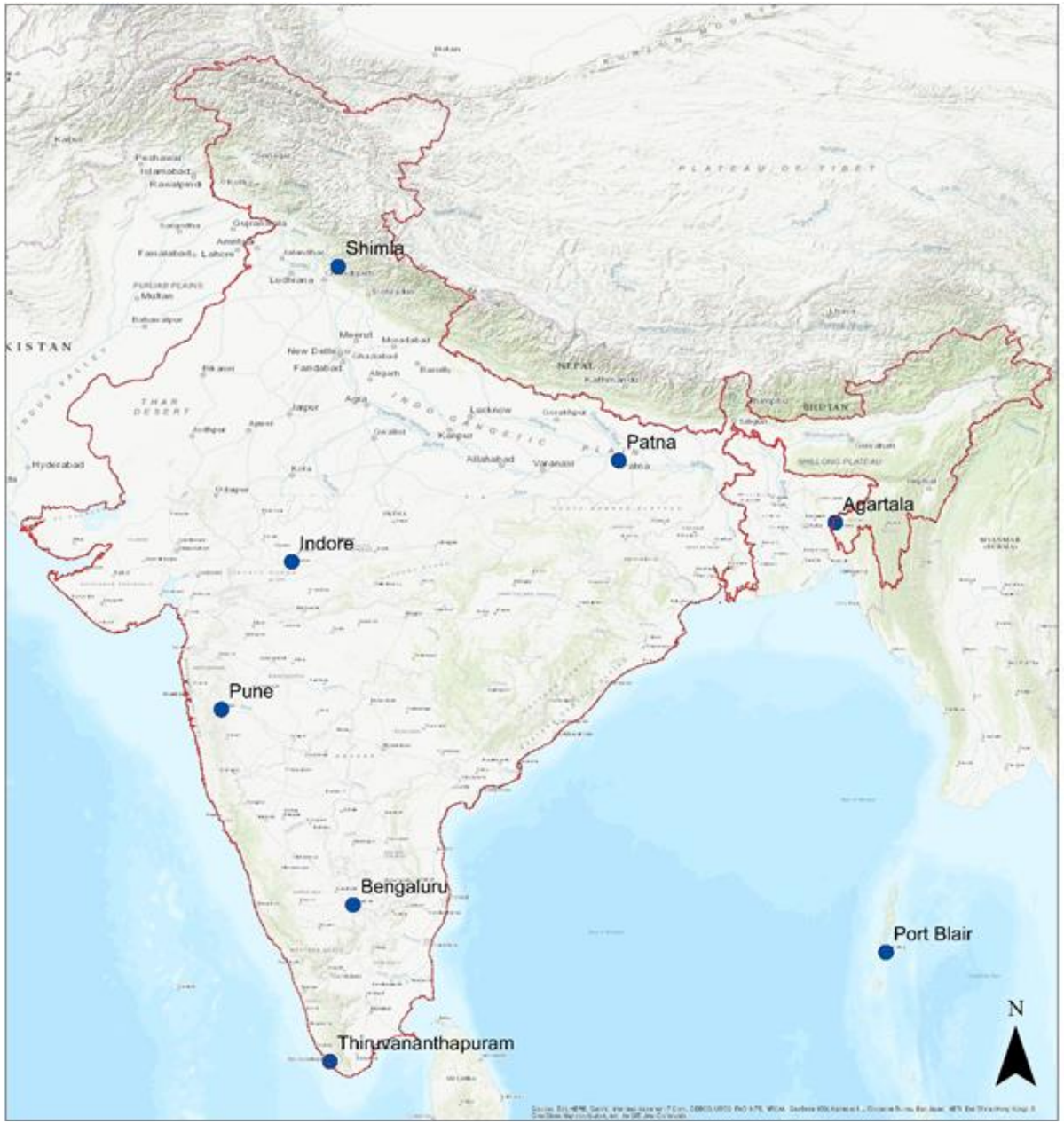
Methodology to analyze the market dynamics, comparative advantage and create local framework

4 Pilot (October 2020 - January 2021)

Conduct a pilot in a Smart City, a dashboard for representation of processed data

5 Review (February 2021)

Review the project on the basis of parameters defined



Shortlisted Cities

1. SWOT Analysis
2. Administrative Capitals
3. Commercial Capitals
4. Cities left behind

5. Availability of data
6. Language barriers

Stakeholders Mapping

MINISTRY OF ECONOMIC AFFAIRS

Finance Ministry of the State, Revenue/Accounts/Taxation

Department of ULB

MINISTRY OF TRADE AND COMMERCE

State Department of Trade and Commerce

MINISTRY OF LABOUR AND EMPLOYMENT

State government labour departments

CENSUS INDIA

District Census Handbook, District Revenue Handbook

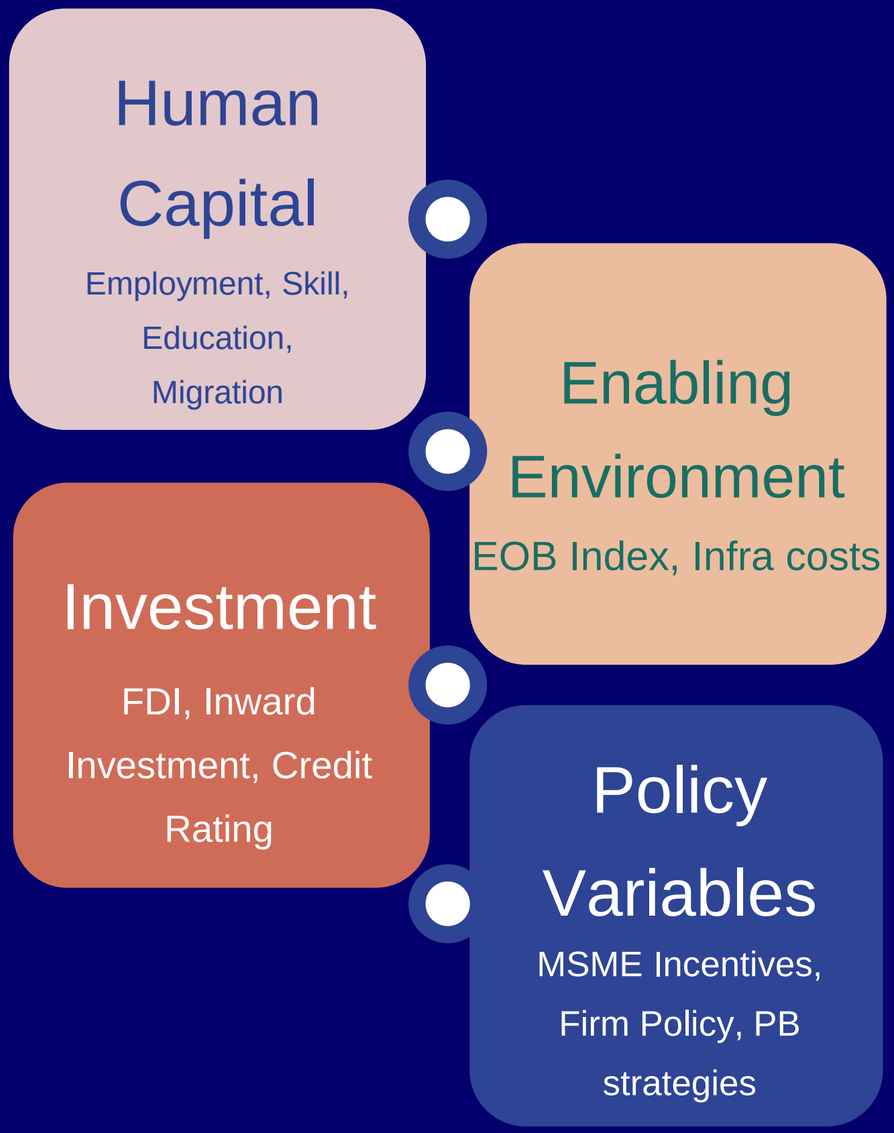
STATISTICAL REPORTS

Annual Survey of Industries, NSSO data

POLICY AND OTHER

Finance Commission reports, GIS based maps, Firm Policy, MSME incentives

Economic Ecosystem Variables



Methodology

CITY ECONOMIC PROFILE → **RAPID ECONOMIC ASSESSMENT**

- ➔ Smart city profile - Regional context, workforce
- ➔ Infrastructure
- ➔ Skill ecosystem
- ➔ Investment
- ➔ Local firm policy

COMPARATIVE & COMPETITIVE ADVANTAGE → **SUGGESTIVE ROADMAP**

- ➔ Location quotient & Shift share analysis
- ➔ Cluster analysis - DIAMOND approach
- ➔ Policy incentives

REVENUE POTENTIAL → **HOTSPOT WARD**

Expected Outcomes

1

Rapid Economic Assessment: Give information in the form of an economic profile of a city and use the LED framework to understand economic and locational advantages it has

2

Roadmap of the city: Develop a tool that will help city authorities formulate economic plans. The tool will read economic related data from sources and help take informed decisions

3

Revenue Potential:
The tool will use information from GIS based map and analyze the revenue potential from upcoming projects for the ULB

Challenges

1. Challenges related to data: Lack of economic data in cities and willingness of cities to provide data will be a challenge

2. Time Constraints: The team can face time constraints as the project is related to data and information coming from cities can delay the pilot

3. Constraints Related to Travel: During the pandemic, team might not be able to travel to the city

4. Data for Informal Sector:The project is limited to the organised sector as data availability is limited for the informal sector

Thank you.