Making Gurgaon The Next Silicon Valley

Over the last two decades, Gurgaon has emerged as one of top locations for IT-BPM companies not only in India but globally. It is home to not only various MNC's (including many Fortune 500 companies) and large Indian companies but also many SMEs.

Growth of the IT/BPM industry has been one of the key drivers behind the development of Gurgaon and its emergence as the "Millennium City".

i)   Gurgaon houses about 450 IT-BPM companies employing close to 3.0 lakh professionals directly and 9 lakh indirectly.

ii) 76% of employees from Indian IT-BPM industry are < 30 years of age; women constitute 31% of the workforce of which 45% are fresh intakes from campus. Similar trends apply to Gurgaon.

iii) Gurgaon contributes 7-8% of Haryana's State GDP.

iv) 10-12% of total Indian IT-BPM employees work out of Gurgaon.

v)   Gurgaon contributes to a total of about 7% of Indian IT-BPM exports.

Clearly, Gurgaon and IT/BPM industry has been a great partnership. They have grown together and contributed to each other's development. However, in the last few years we have noticed stagnation and even a dip in Gurgaon's contribution to the Indian IT/BPM industry. While in absolute terms the revenues from the city may still be increasing, clearly in relative terms there is a downfall in the overall contribution.

Data shows that not as many companies are setting up centres in Gurgaon as was the case 5 years back. Many state governments have recognized IT-BPM industry as an imperative source of mass employment and economic development empowering large sections of societies and are taking measures to attract the industry. A similar trend can be seen globally as all aspiring investment destinations are re-inventing themselves to come across as attractive locations. Given the mobile and replicable nature of the industry, our fear is that if the administration, which in our mind is a mix of centre & state, does not respond to Gurgaon's calling we might soon witness the city lose its dominant position.

Today there is little doubt that the city is facing severe growth challenges due to factors such as high cost of living and doing business, inefficient infrastructure, lack of reliable public transport, lack of skilled local talent for industry, alarming pollution levels, depleting water levels, perception of an being unsafe for women, multiple government agencies leading to slow decision making and last but not the least an out-dated IT Policy that is largely real estate oriented.

Some of the reasons for this downward trend and Gurgaon losing its attractiveness are :

a. City Infrastructure is limited and poorly planned with no reliable public transport system which covers all sectors of Gurgaon.

b. Due to unavailability of a reliable public transport system and limited connectivity to other parts of NCR, companies have to employ a fleet of cabs to transport their employees. This is leading to increased cost of operations, congestion on roads, health & safety issues.

c. An empirical study conducted by an independent agency showed that cost of doing business in Gurgaon is 10-15% higher than other metros & 20-25% higher than non-metros in India. High real estate cost also contributes towards making Gurgaon non-competitive.

d. Gurgaon is known to be one of world's most air polluted cities; typically 70% contributed by private vehicles. Further, limited power supply forces companies to run diesel generators fuelling pollution and increase in cost of operations.

e. There is limited supply of local talent from within the state because most of the graduates passing out from Haryana are not found employable by the IT-BPM industry. Most of the companies are forced to import talent from other parts of NCR & India. This further adds to the cost of operations for companies.

f. Gurgaon is perceived as unsafe for women with cases of mugging being reported often, raising a question on law and order situation.

g. Multiplicity of government agencies leading to lack of coordinated action & delay in decision making.

However all is not lost. Gurgaon has the right ingredients to turn itself around. Gurgaon houses about 450 IT-BPM companies employing 3.0 lakh professionals who additionally create jobs for another 9 lakhs. IT-BPM industry is youth dominated, globally connected, has high level of women participation, and can be leveraged as an instrument of positive change in the society.

Gurgaon requires dynamic leadership and personal involvement of senior political leaders and government officials to understand the need of the hour and bring along multiple agencies to believe in a single vision. We as industry leaders are acutely conscious of our roles as citizens. Industry is willing to play a key partnership role with the government, to volunteer its expertise, time and resources, and to engage its employees as necessary.

With this in mind NASSCOM Regional council for Haryana a representative body of the IT-BPM industry has identified a number of areas where action is needed, for Gurgaon to make progress to realize its potential. With deliberations over the last couple of years, the group has jointly developed a vision for Gurgaon.

Developing Gurgaon as the most preferred destination for IT-BPM industry – "bigger & better than Silicon Valley"

This vision has three components:

i) Gurgaon as great city to live & work in

ii) Gurgaon as hub of innovation and entrepreneurship

iii) Gurgaon ecosystem as nursery for world-class talent

What can make Gurgaon a great city to live & work in?

a. Active Commuting: Build an eco-system that promotes and supports sustainable use of public transport and non-motorised means like cycling, walking etc. Needless to say, a sustainable eco-system would need key elements like road safety, easy access to metro, bus and auto stations. Use of technology and encouraging companies and RWAs to take initiative in and around their areas.

b. Making Gurgaon a great place for women by providing a welcoming environment including safety and security, creating enablers for women to perform at their full potential and be leaders in our companies and communities.

c. Water: Immediate and appropriate steps to conserve water through measures like rain harvesting, water recycling.

d. Inclusive Development by ensuring that the fruits of Gurgaon's success reach all sections of society. This could be done through creating and implementing master plan that helps develop Gurgaon in a sustainable manner, provides options for low income housing, proper facilities for public education, healthcare, access to Government schemes for the migrant working class and ensuring fair working conditions and employment terms for all.

Gurgaon as hub of innovation & entrepreneurship

i) For Gurgaon to become "bigger and better than Silicon Valley" we have to encourage innovation & entrepreneurship at large scale and not just repeat the formula that got industry success over the past 15-20 years. Looking at global patterns the next frontier of growth will be driven by product companies focused on innovation & intellectual property creation. Hence it is an imperative to enable innovation & support entrepreneurship through fostering an eco-system that accelerates growth of product companies and start-up firms in Gurgaon.

ii) Revise the IT policy which is currently real estate oriented towards incubating & nurturing products & intellectual property focused companies.

Gurgaon ecosystem as nursery for world-class talent

Skill Gap is one the major issues impacting employment of Haryana graduates. There is a need for a   collaborative approach between key stakeholders i.e., Government , Industry ,

Academia to invest in world class intermediary & higher education institutions and upgrade infrastructure, curriculum & faculty of existing colleges.

Why is this vision feasible & necessary?

Gurgaon presents a unique set of opportunities that can help it grow to be "bigger and better than Silicon Valley"

a. With ~300,000 direct employees and ~1 million indirect employees, it is already one of the largest hubs of the IT/BPM industry in the world

b. Industry is geographically concentrated that makes it easier to collaborate and take collective actions

c. As a young city, there is a positive spirit of industry and citizen engagement and action on common issues. Initiatives like Raahgiri Day are a great example of citizens taking initiative and creating positive impact working along with government departments

d. IT/BPM industry is such a large proportion of the Gurgaon ecosystem that it is in a unique position to raise the bar for the city

At the same time, if Gurgaon does not address its problems it would lose its current position. IT/BPM industry is competitive and mobile. Competition from both Tier 2 centres in India and other locations across the world is rising and is backed by strong political will & administration-industry partnerships. Gurgaon cannot afford to sit on its laurels. If timely action is not taken, it will lose its current position in the IT/BPM industry. This will have serious socio-economic consequences for local communities, as this industry is such an important economic driver for Gurgaon and Haryana

Efforts by NASSCOM Haryana towards the Gurgaon Vision

NASSCOM Haryana has taken a proactive approach and number of actions towards realizing the Gurgaon vision. These include

- Active Commuting an initiative to promote use of public transport, cycling and walking
- Improve connectivity into major hubs in Gurgaon via feeder bus services.

- NASSCOM & similar thinking bodies to continue to drive Sustainable Transport adoption.

- Submission of recommendation on IT policy to State Government in Chandigarh

- Recommendations made for development of Rohtak and Manesar as IT/BPM industry hubs towards creating a "Greater Gurgaon" ecosystem

- Worked closely with Gurgaon police on cyber training initiative by bringing industry expertise

- Submission of proposal to State Government on Industry – Academia partnership to raise skills levels in both Technical and non-Technical colleges
- Promote Entrepreneurship by nurturing, supporting and promoting start-ups.

Suggested partnership approach for progressing on Gurgaon vision

To make progress and realize the vision for Gurgaon it is imperative that various stakeholders come together and act collectively in a spirit of true partnership. Both the opportunities and challenges for Gurgaon are so significant that no one party is likely to be able to address them on its own.

• Key stake holders like Political leaders, Government departments & Infrastructure providers to develop Integrated Master Plan, secure funding for key projects, ensure timely execution across key projects and most importantly define and deliver on Service Level Agreements to the citizens.

• Industry body & citizen groups to provide a platform to industry leaders for collective visioning, problem solving and action. Moreover, engage our employees to participate in positive changes.

• Form a hi-powered committee comprising of Govt and Industry to take overall responsibility for developing and implementing the vision for Gurgaon. This body should not just develop the vision but recommend policy changes and implementation mechanisms for making it happen. In addition to the various infrastructure related point discussed above, such a body needs to also focus on Inclusive Development, making Gurgaon a nursery of world class talent and a hub of Innovation & Entrepreneurship.

We believe Gurgaon has unique set of opportunities. With the right vision and action, we can truly create a success story that can be "bigger and better than Silicon Valley". This success story can be a great showcase of the "New India" and how Indian industry can be a world leader. We can showcase how development can positively impact lives of millions in the local communities. And, how government, industry and citizen group can work together on complex issues. We look forward to working together to make this beautiful vision a reality for Gurgaon.