



WRI INDIA

Economic Development Planning for City Regions

NATIONAL URBAN CONCLAVE - LUCKNOW

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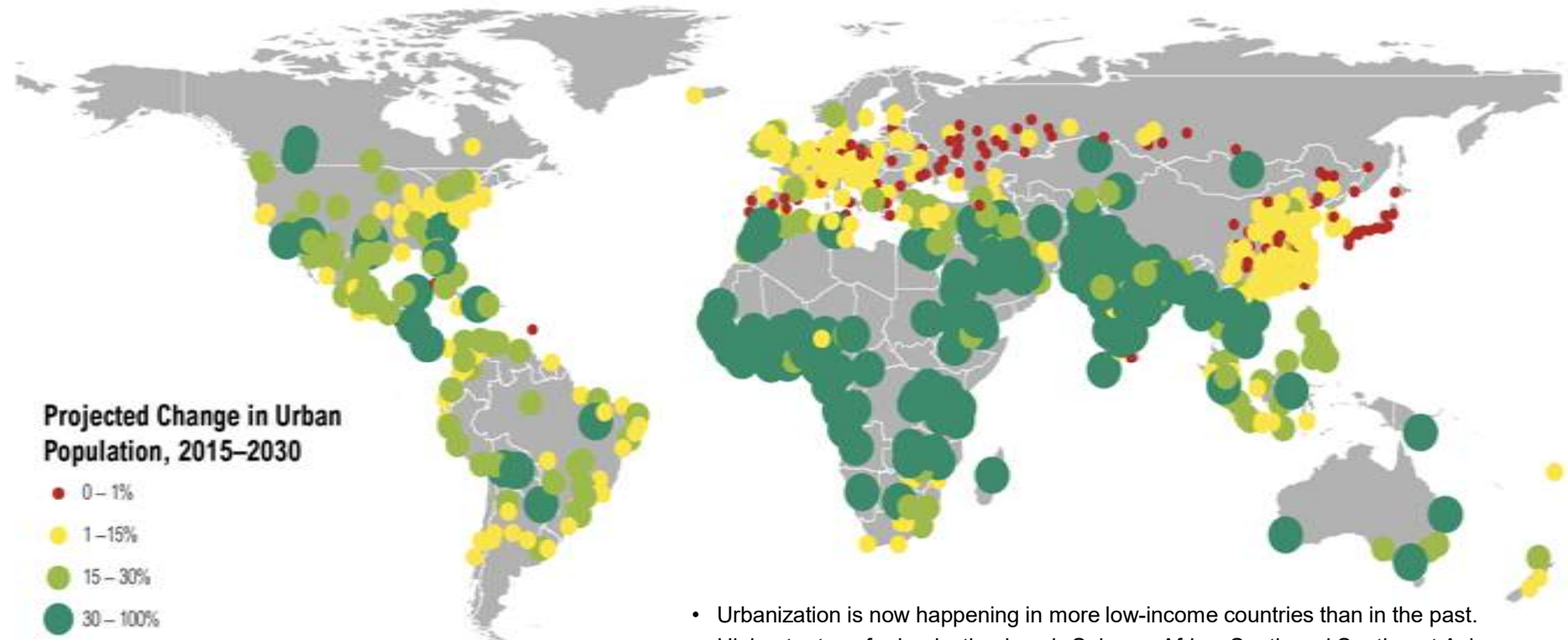
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PRESENTATION STRUCTURE

- 1. Global Urbanization Trends**
- 2. Delhi NCR's Regional Economy - Structure and Growth Trends**
- 3. Transformation between the Core, Periphery and the Region**
- 4. Uttar Pradesh's Economic Geography Snapshot**
- 5. Way Forward - Planning for Economic Development**

1. Global Urbanization Trends

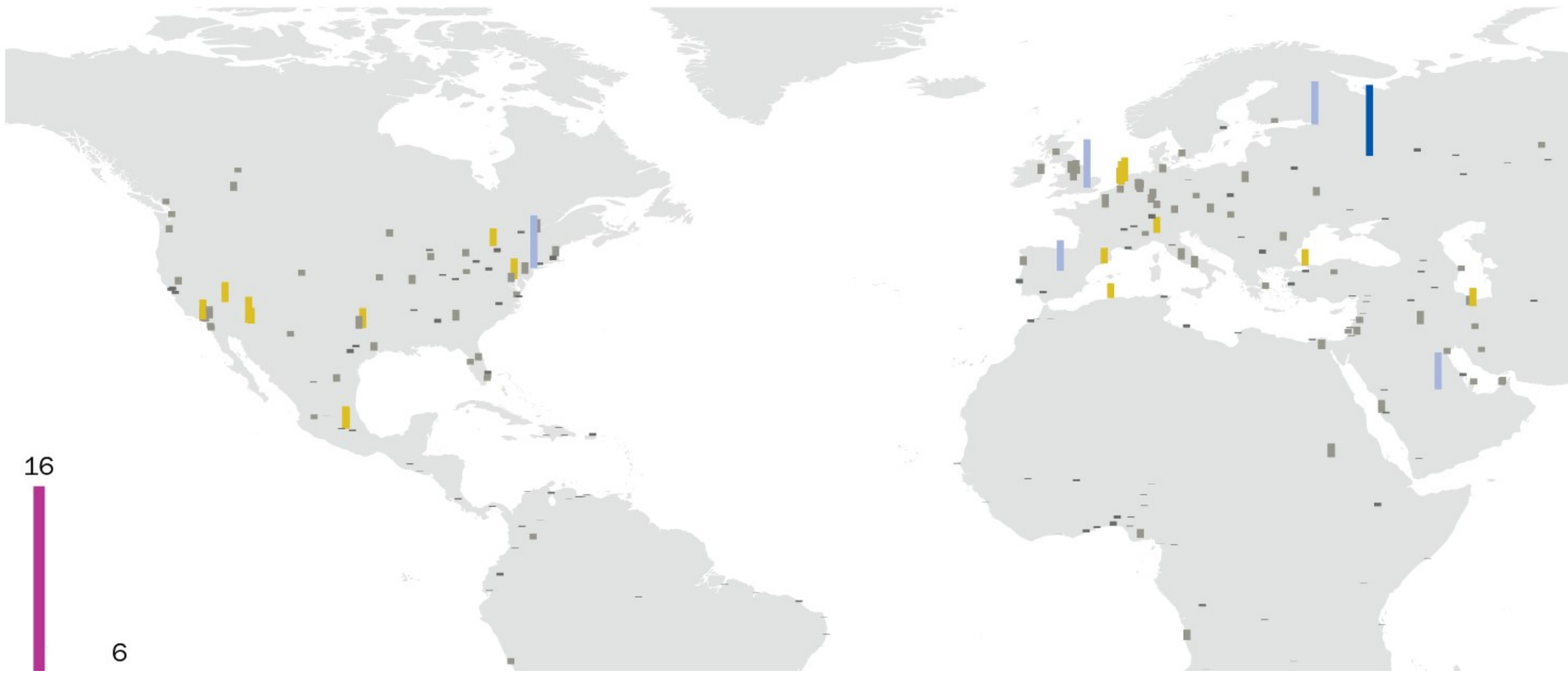
THE NEXT GENERATION OF URBANIZATION WILL BE DIFFERENT



- Urbanization is now happening in more low-income countries than in the past.
- Highest rates of urbanization in sub-Saharan Africa, South and Southeast Asia
- The share of poor people living in urban areas is on the rise worldwide
- Cities in the global South have the fewest public resources per capita - with at least 10-20 times lower budgets per capita than cities in the developed world

Adapted from 'World Resources Report: Towards a More Equal City'
Source: Oxford Economics, 2016

UPWARD GROWTH CONCENTRATED IN EAST ASIA

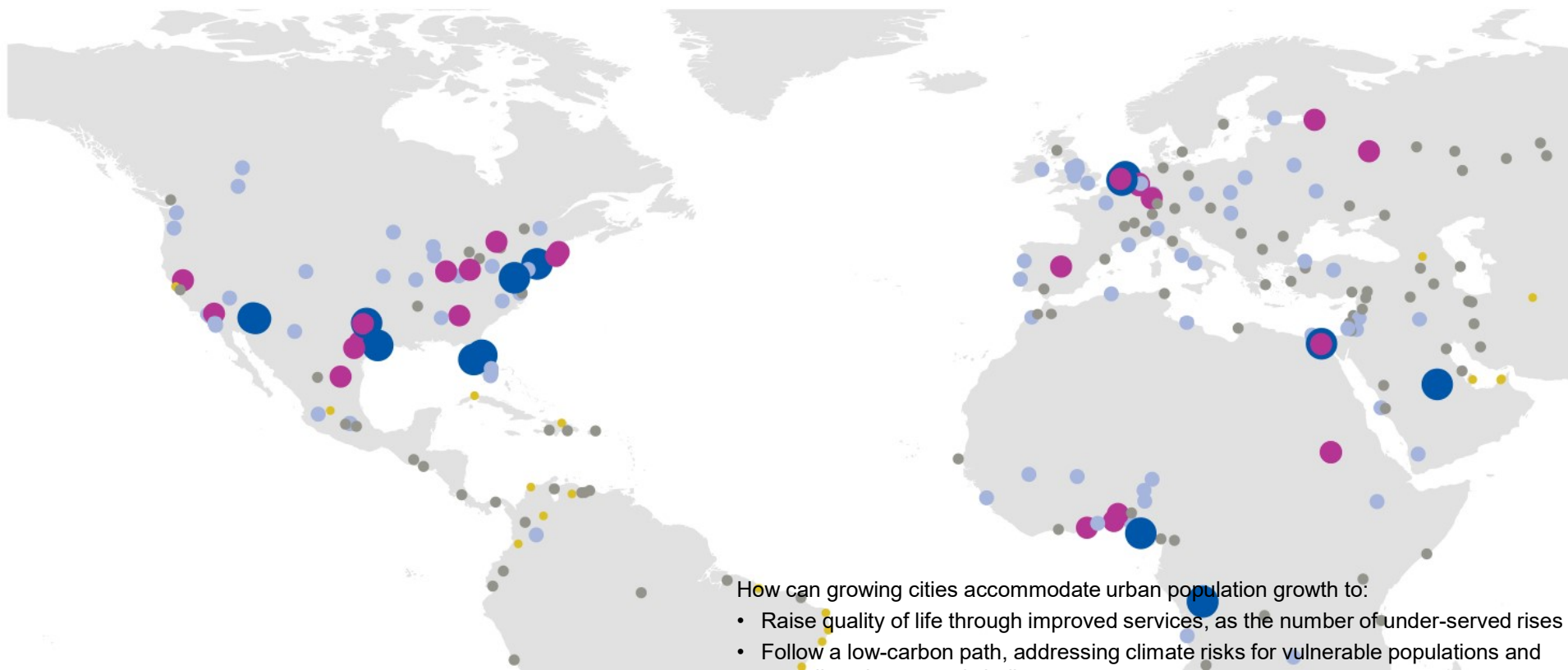


Source: Mahendra and Seto, 2019.

World Resources Report: Towards a More Equal City

 WORLD RESOURCES INSTITUTE

OUTWARD GROWTH PROMINENT ACROSS STRUGGLING, EMERGING, AND STABILIZING CITIES



- How can growing cities accommodate urban population growth to:
- Raise quality of life through improved services, as the number of under-served rises
 - Follow a low-carbon path, addressing climate risks for vulnerable populations and overall environmental challenges
 - Remain economically prosperous to support impending population growth

2. Delhi NCR's Regional Economy - Structure and Growth Trends

DELHI NATIONAL CAPITAL REGION

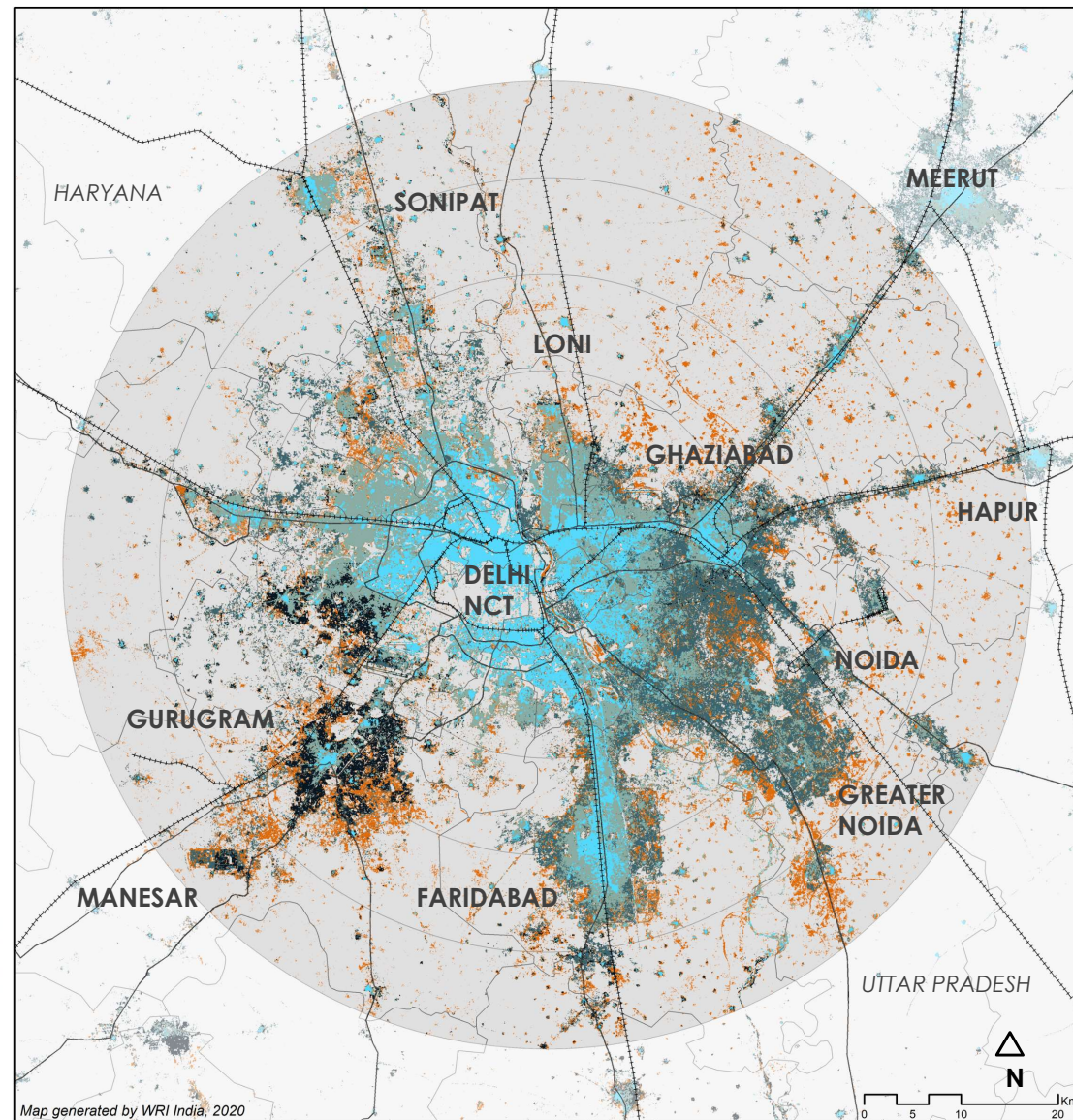
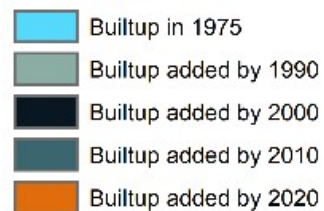
- Delhi NCR is India's leading economic agglomeration
- FDI inflows in Delhi including parts of Uttar Pradesh and Haryana stood at US\$ 74.150 billion (2000- 17, Draft NCR Plan 2041)
- NCR and its constituent States cover an area of 55,073 sqkm



Disclaimer: This PPT showcases ongoing research work of WRI India that is under peer review and is meant for discussion purposes only

UTTAR PRADESH SUB REGION BENEFITS FROM DELHI

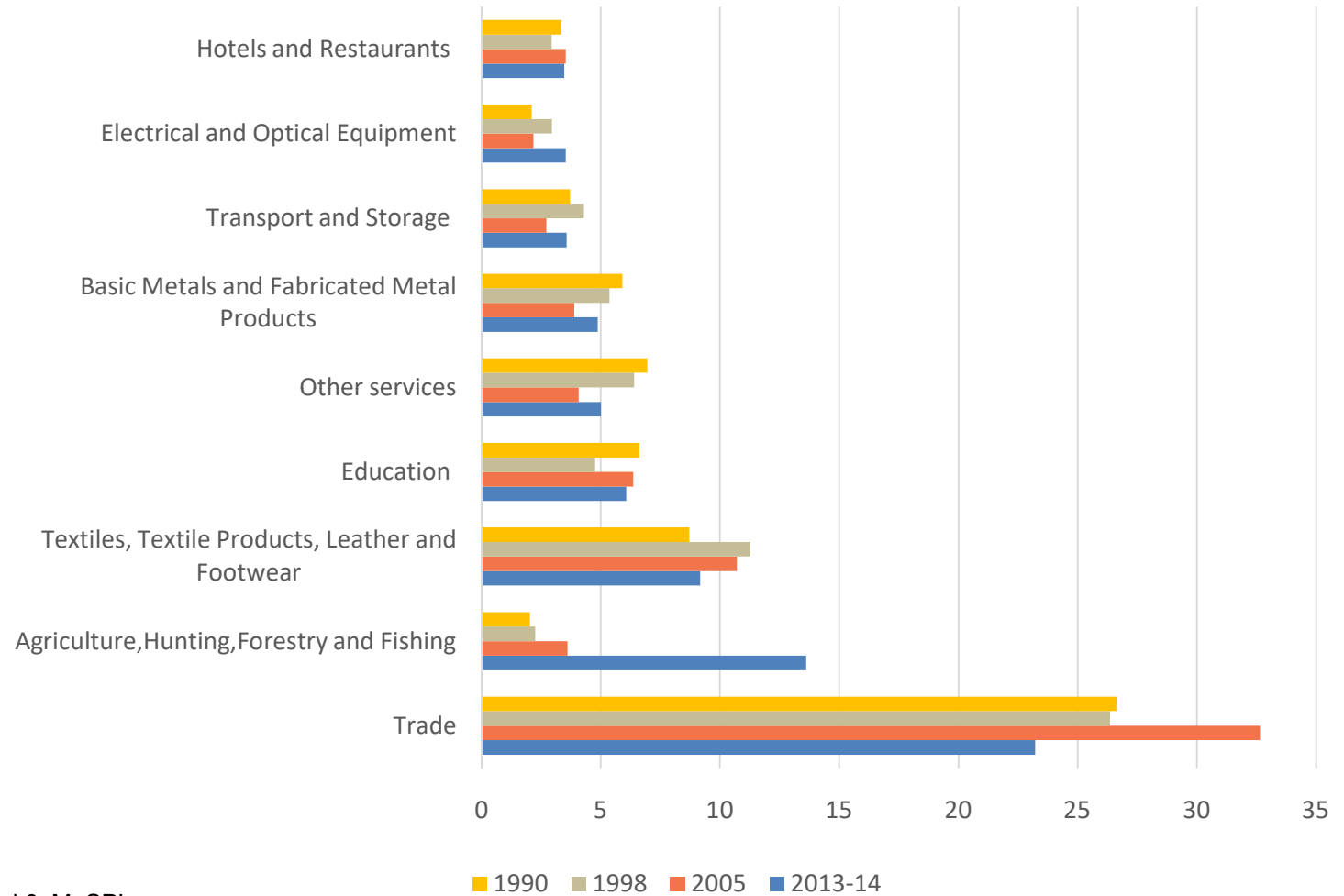
The peripheries of Delhi such as the districts of Gurgaon (in Haryana) and Gautam Buddha Nagar (NOIDA, Greater NOIDA in Uttar Pradesh) contribute amongst the highest per capita incomes and GDP by any district in their respective States by leveraging their proximity to Delhi.



NCR Economy

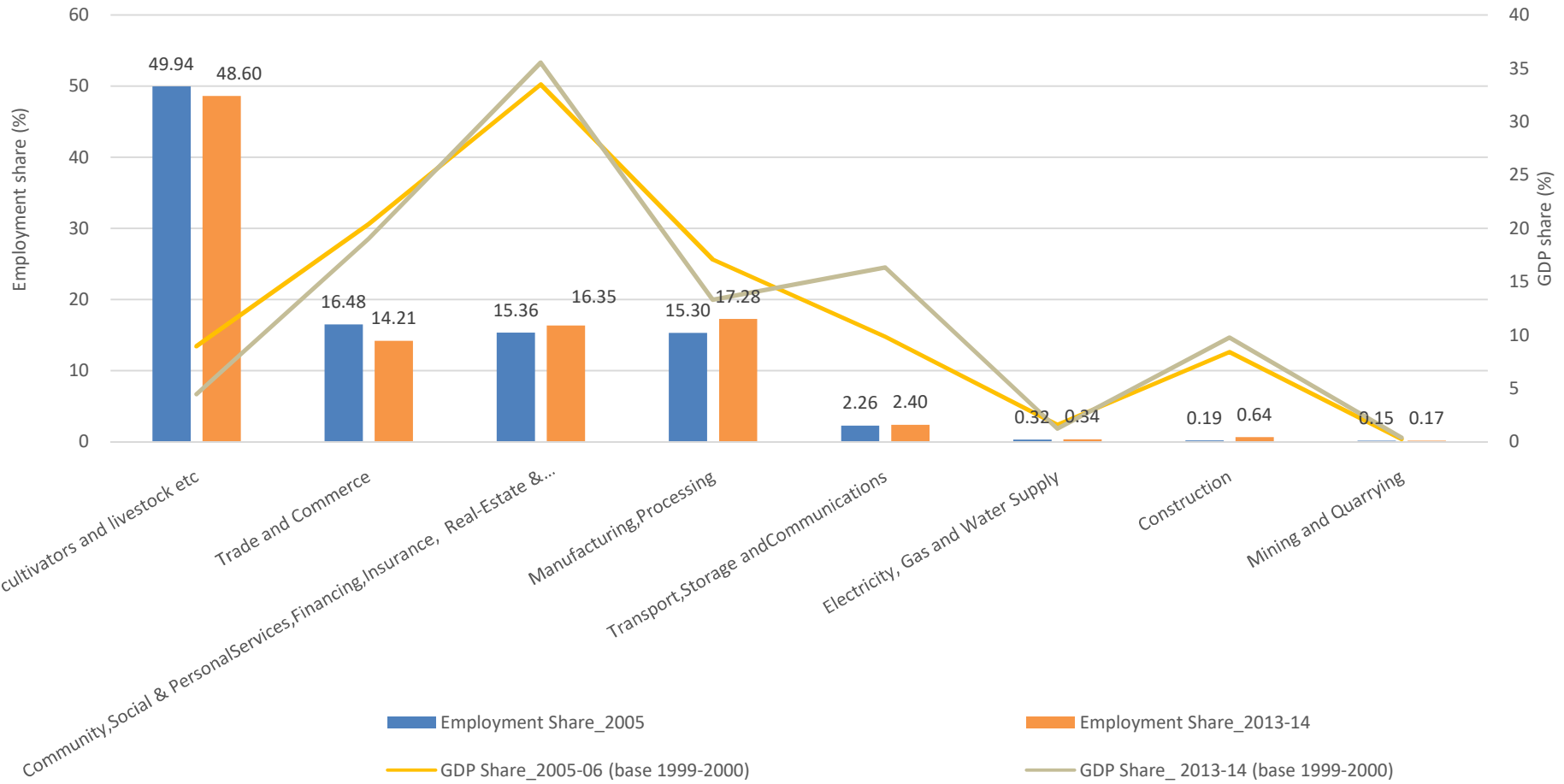
- Delhi remains the trade center for entire North India
- Delhi NCR presents a well-diversified economic structure
- NCR industrial structure has largely followed a predictable historical trajectory and has not transformed significantly post liberalization.

Leading Industries as per Highest Share of Employment in 2013-14 in NCR



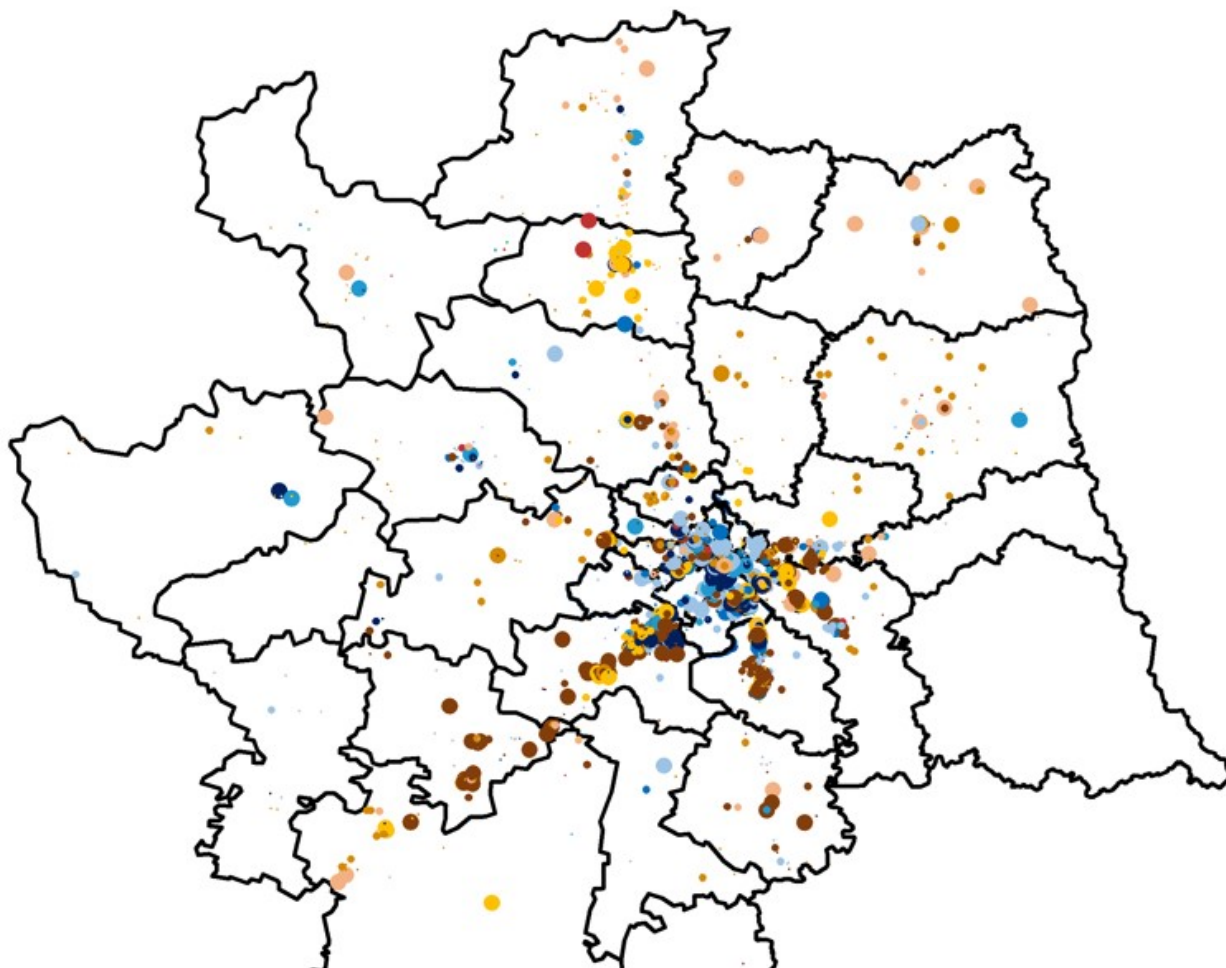
Data Source: Economic Census 3, 4, 5 and 6, MoSPI

Employment - GDP Share in NCR



Data Source: Economic Census 5 and 6 MoSPI, (NCRPB 2016), and State Economic Survey Reports

NCR - ESTABLISHMENTS

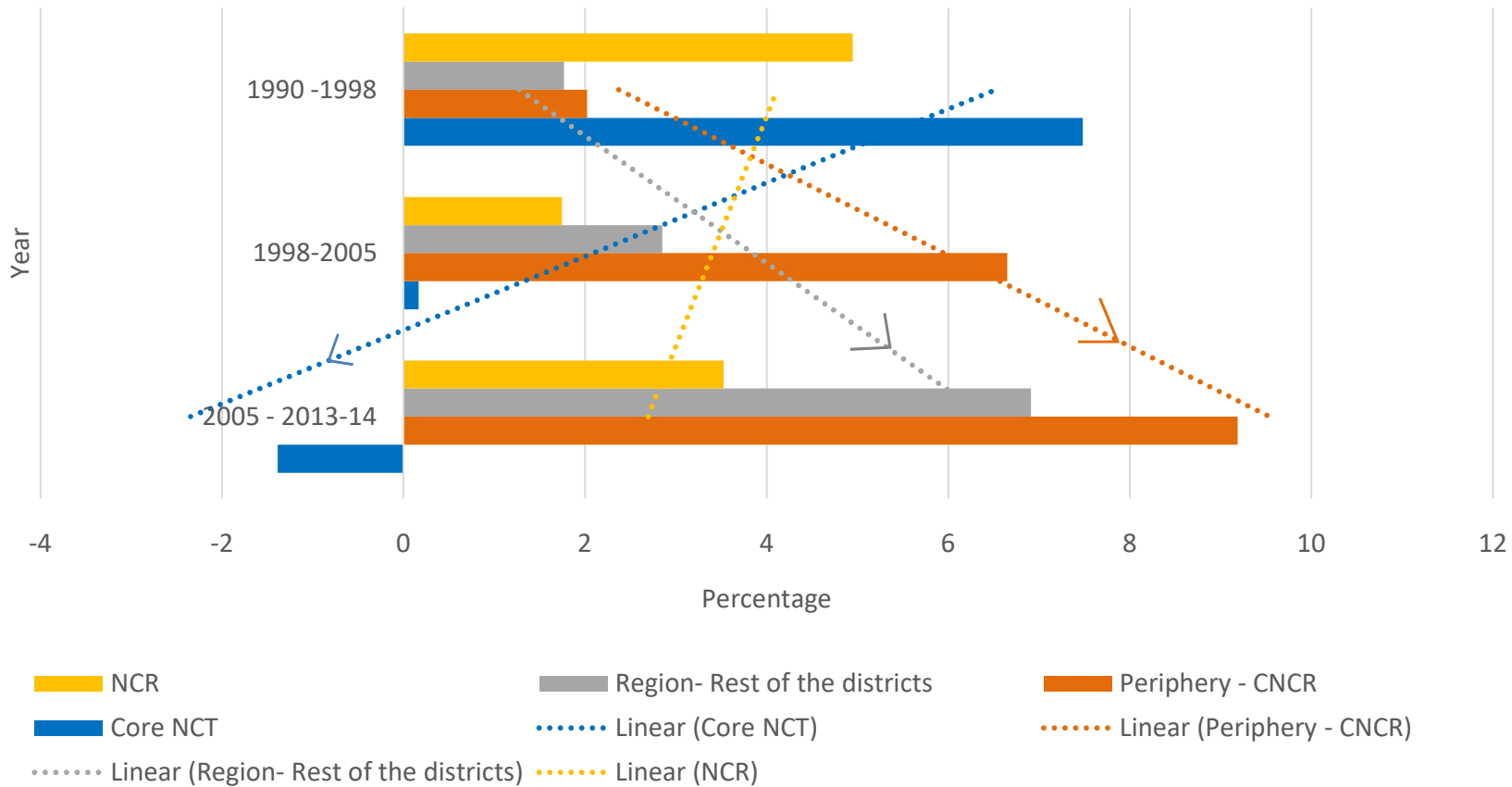


3. Understanding the Transformation between the Core, Periphery and the Region of Delhi



Divergent trend continues, where the CAGR of employment in the core has declined, whereas peripheral CNCR and Rest of the Region experienced a rise in the % CAGR between 1990 and 2013-14

% CAGR (Growth) Employment



Economic Census 3, 4, 5 and 6, MoSPI, and WRI Analysis

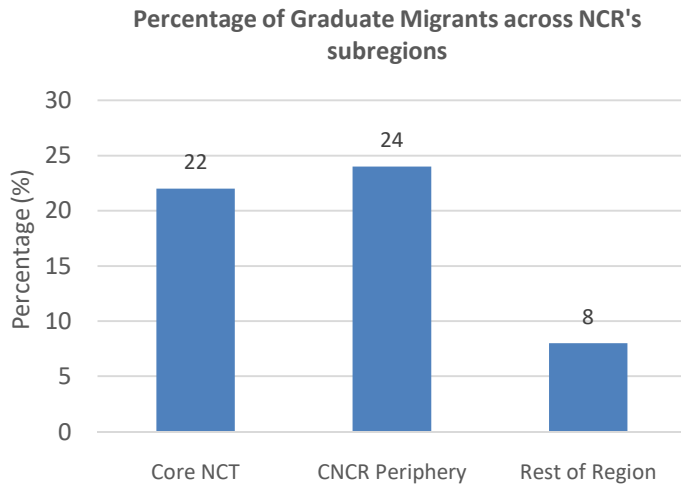
SUB- REGIONAL SPECIALIZATION

Categories	LQ/ NCR	LQ/ Delhi NCT Core	LQ/ CNCR Periphery	LQ/ Rest of Region	CAGR NCR
Year 2013-14	(Reference area-India)	(Reference area-NCR)	(Reference area-NCR)	(Reference area- NCR)	(2005 to 2013-14)
Agriculture, Hunting, Forestry and Fishing	0.78	0.04	0.29	2.21	21.03
Mining and Quarrying	0.75	0.00	0.20	2.30	3.54
Food Products, Beverages and Tobacco	0.48	0.50	1.06	1.40	-0.83
Textiles, Textile Products, Leather and Footwear	1.25	1.05	1.58	0.64	1.66
Wood and Products of wood	0.36	0.29	1.09	1.56	-0.96
Pulp, Paper, Paper products, Printing and Publishing	2.26	1.80	0.90	0.37	0.20
Coke, Refined Petroleum Products and Nuclear fuel	0.57	1.25	1.04	0.76	-1.01
Chemicals and Chemical Products	1.15	0.85	1.59	0.81	2.62
Rubber and Plastic Products	3.78	1.91	0.89	0.28	6.55
Other Non-Metallic Mineral Products	0.83	0.21	0.28	2.08	-6.79
Basic Metals and Fabricated Metal Products	2.24	1.45	1.33	0.43	6.29
Machinery, nec.	3.07	0.72	2.16	0.61	-0.80
Electrical and Optical Equipment	4.00	0.77	1.92	0.70	9.56
Transport Equipment	5.33	0.53	2.87	0.38	11.46
Manufacturing, nec; recycling	1.15	1.10	0.86	0.99	5.71
Electricity, Gas and Water Supply	1.06	1.03	0.98	0.98	2.48
Construction	0.67	1.16	1.04	0.84	17.52
Trade	0.91	1.28	0.75	0.90	-0.55
Hotels and Restaurants	0.75	1.35	0.94	0.73	3.31
Transport and Storage	0.95	1.74	0.49	0.65	6.92
Post and Telecommunication	1.48	1.46	1.08	0.56	-6.60
Financial Services	0.65	1.46	0.79	0.72	1.62
Business Service	1.34	1.04	1.81	0.52	4.05
Education	0.78	0.76	0.81	1.31	2.94
Health and Social Work	1.06	1.35	0.77	0.82	2.41
Other services	0.91	1.20	0.94	0.86	6.09

- **Location Quotient Analysis shows that the NCR is specializing in the Manufacturing Sector followed by tertiary sector when compared to India.**
- **CNCR is specializing in (Transport Equipment, Machinery Electrical and Optical Equipment, Basic Metals and Fabricated Metals) and Core NCT (Rubber and Plastic Products, and Pulp, Paper, Paper products, Printing and Publishing).**
- **Despite aspirations and policies to attract clean and knowledge-based economies to NCR's core areas, sectors such as financial services and education have declined in locational advantage.**

5th and 6th Economic Census

IMPACT ON PEOPLE OF NCR'S INDUSTRIAL STRUCTURE AND TRANSFORMATION

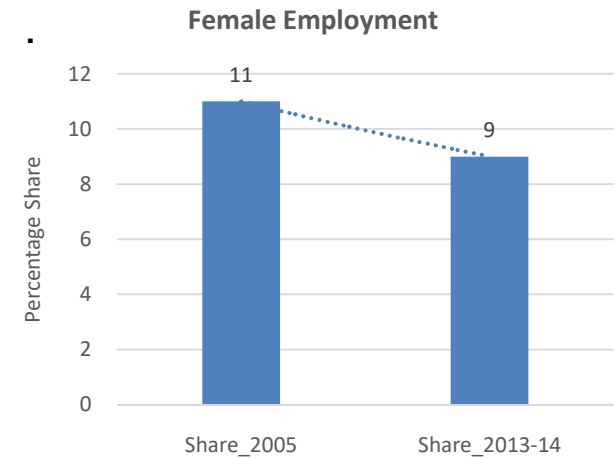


Educated and technically qualified migrants (above 20 years of age) are 1 in 6 in the NCR. Nationally it is 1 in 10

NCR's intra-regional industrial transformation resulted in an **increased movement of skilled labour towards the CNCR** with 24% of the migrants here being graduates or higher in qualification

Unemployment rate showed an increasing trend during the period from 2004-05 to 2018-19, with CNCR having the highest unemployment rate amongst the three regions

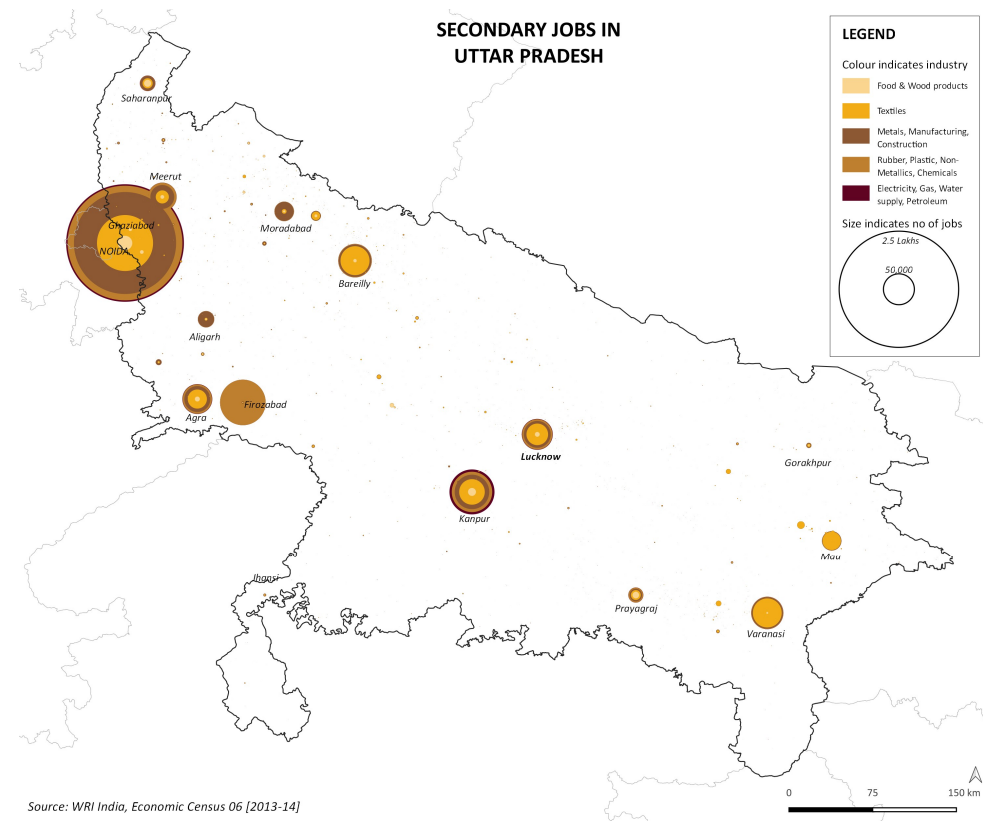
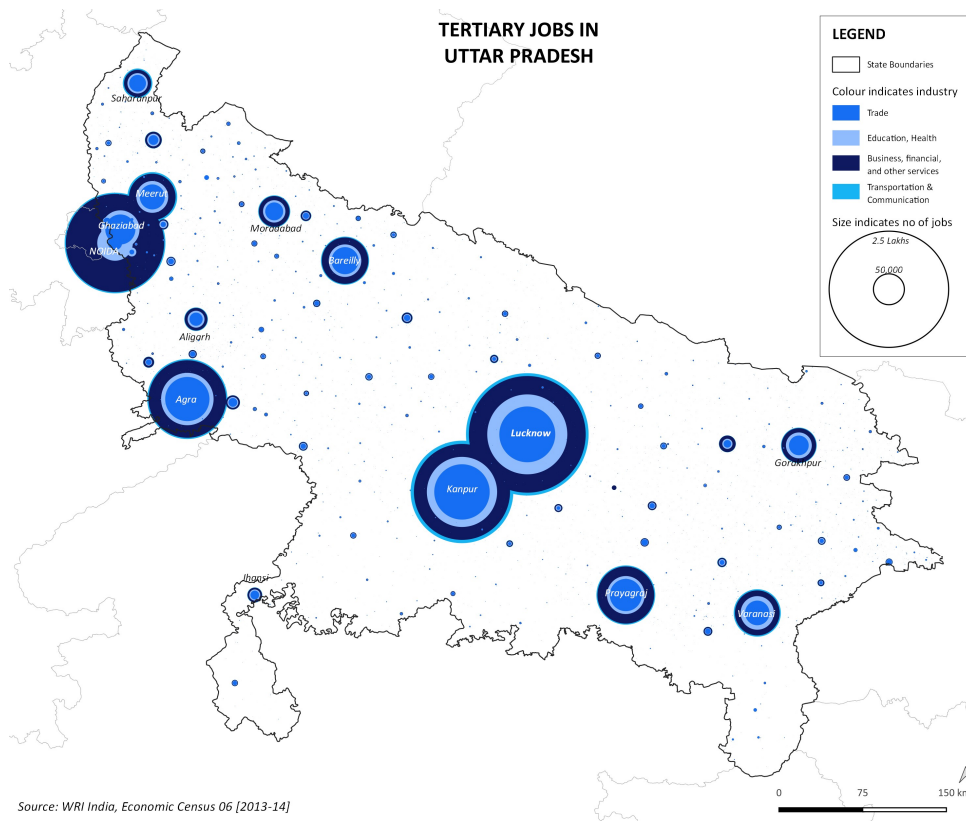
The per capita income rise has translated into **reduction in poverty rate** from 24 percent in 2004-05 to 9 percent in 2011-12, which is lower than the national poverty rate of 22 percent in 2011-12.



Despite rise in female literacy rate, Female WPR remain lesser than the National Average.

Decline in Female WPR over the last two decades.

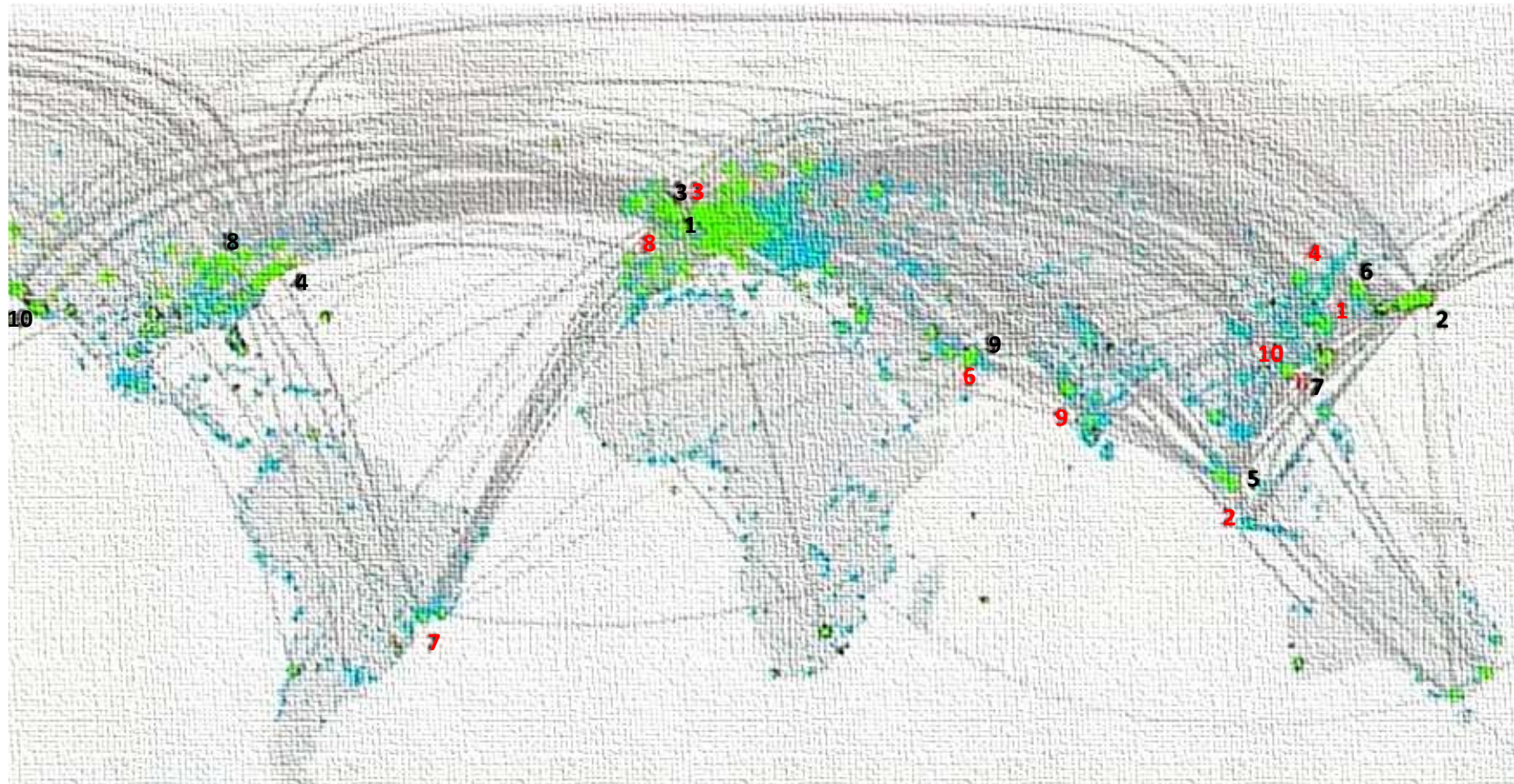
4. Uttar Pradesh's Economic Geography Snapshot



- Proximity to Delhi's agglomeration economy has significantly boosted urban and economic growth in NOIDA, Greater NOIDA and Ghaziabad.
- Built up area of Ghaziabad district increased by 90% between 1990 and 2015. Guatambudhnagar district grew by 246% during the same time
- In 2020-21, secondary sector contributed to about 24% of UP's Gross State Value Added (GSVA) at current prices. State is the leading manufacturer of export-oriented items such as computer hardware, brass works, hand printing, cotton yarn, black pottery, jewelry, silk dress materials, etc.
- In 2020-21, tertiary sector contributed to about 49% of UP's Gross State Value Added (GSVA) at current prices. State is an emerging hub for IT & ITeS industries, BPO & electronics. Also a hub for the semiconductor industry with major players having their offices and R&D centres in Noida.

5. Way Forward - Planning for Economic Development

Uneven distribution of FDI across world cities (2003-2016)



● FDI Source city

1. Paris
2. Tokyo
3. London
4. New York
5. Singapore
6. Seoul
7. Hong Kong
8. Chicago
9. Dubai
10. San Jose

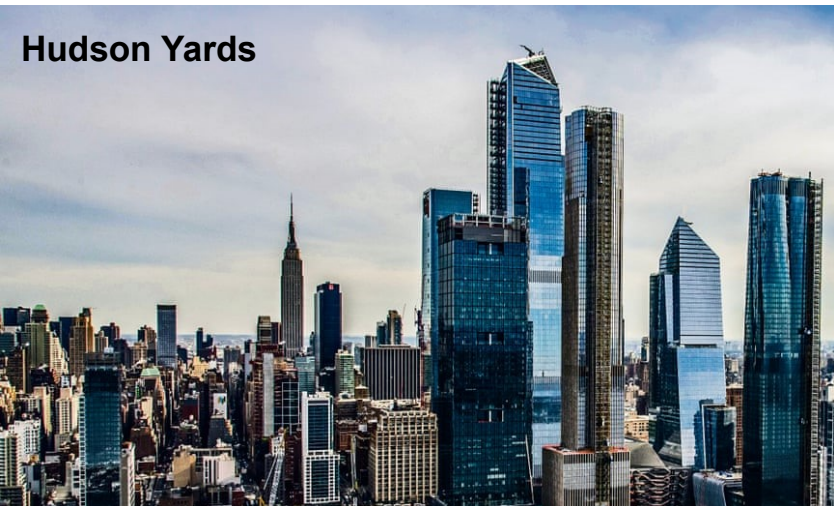
● FDI Destination City

1. Shanghai
2. Singapore
3. London
4. Beijing
5. Dubai
6. Hong Kong
7. Sao Paulo
8. Paris
9. Bangalore
10. Guang zhou

Map source: Ronald Wall, Institute for Housing and Urban Development Studies at the Erasmus University Rotterdam, <https://www.coursera.org/learn/local-economic-development/lecture/k1Xnp/globalisation-and-restructuring>



Cornell Tech



Hudson Yards

Case Example: New York City

- An important shift in thinking about Economic Development and Competitiveness lies in recognizing that it is not Nations or States that are competing with each other, but city-regions that are globally connected.
- If NYC was a country, its economy would be the tenth-largest in the world, leaving behind the entire economies of countries like Canada and Russia.
- Globally competitive cities such as New York and Singapore do not leave Economic Development and Job Creation to chance!
- They plan for it through Local Economic Development (LED) Strategies typically with the institutional set up of an LED Office and Officers.
- LED Strategies have been prepared across global cities for at least 20 years with successes and learnings. UN Habitat brought out guidelines in 2005, and ILO's LED approach has been used by over 36 countries.

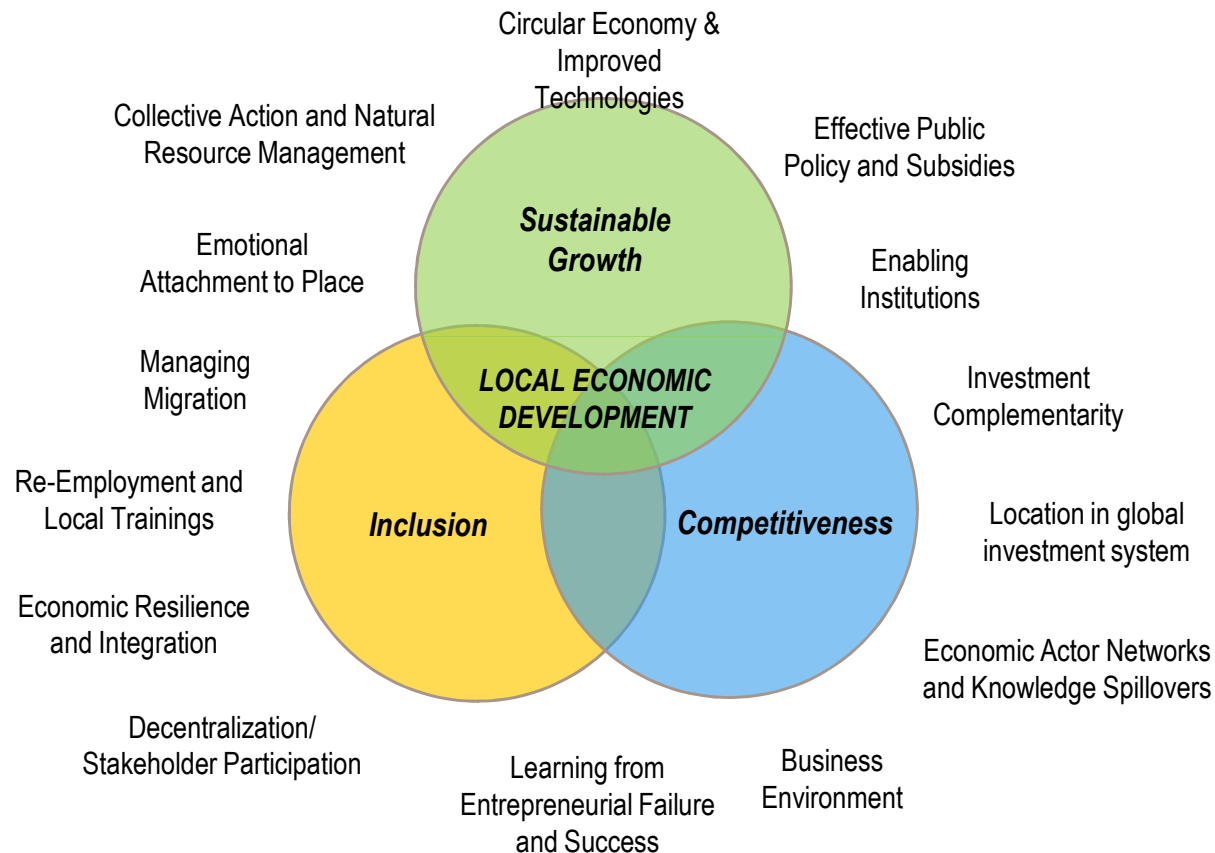
Case Example: New York City

Agency/Organisation	Role
State level	
<p>Empire State Development New York's chief economic development government agency (umbrella organisation for New York State Urban Development Corporation and Department of Economic Development)</p>	<ul style="list-style-type: none"> • Mission is to promote a vigorous and growing state economy, encourage business investment and job creation, and support diverse, prosperous local economies across New York State through the efficient use of loans, grants, tax credits, real estate development, marketing and other forms of assistance. • Empire State Development's Division of Science, Technology and Innovation (NYSTAR) programs and centers emphasize the importance of working with industry to leverage New York State's technology strengths to produce new products
<p>New York State Economic Development Council (NYSEDC)- State's principal non-profit membership organisation</p>	<ul style="list-style-type: none"> • Lobbying state and federal govt. on issues affecting New York's business climate and economic development programs • Conducting educational and professional development programs • Organizing business marketing programs to promote New York as a world-class business location and to provide opportunities for NYSEDC members to market their regions of the state to potential business investors
Regional Level	
<p>1. Regional Economic Development Councils(REDC) Economic development advisory body for the regions</p>	<ul style="list-style-type: none"> • Develop strategic plans with input from a broad spectrum of stakeholders considering the unique strengths and weaknesses of each region. The strategic plans serve as a road map, guiding each region's efforts to stimulate economic growth
City Level	
<p>Department of City Planning (DCP) Department under the city government led by the Mayor</p>	<ul style="list-style-type: none"> • Undertakes initiatives to assess occupation pattern, geography of jobs and industrial innovation plans • Conducts research and analysis on economic development and related issues with citywide planning implications, using large administrative data sets, surveys, and public outreach. • Works closely with other agencies to help achieve the Mayor's economic development goals through citywide and local initiatives
<p>New York City Economic Development Corporation (Mission-driven, nonprofit organization)</p>	<ul style="list-style-type: none"> • Work with and for communities to bring emerging industries to New York city, develop spaces and facilities for businesses ,empower New Yorkers through training and skill building and invest in sustainable and innovative projects

Case Example: New York City

City organisations –New York	Programs undertaken	Impact
<p>New York City Economic Development Corporation</p>	<p>Applied Sciences NYC competition to attract top ranked applied sciences university to establish a new ground up campus at one of the several city owned sites</p>	<p>Establishment of Cornell Tech campus NYC 2nd most valuable startup ecosystem in the world, graduated in 2010.</p> <p>1,200 tech leaders, launched 82 startups and raised \$920 million</p>
<p>New York City Economic Development Corporation + Department of City Planning</p>	<p>Hudson Yards Development Program Implemented through Hudson Yards Development Corporation, established by the city of New York in 2005</p>	<p>Hudson Park and Boulevard –new public spaces opened to public No. 7 Subway extension constructed Spurred \$5 billion of investment in the area</p> <ul style="list-style-type: none"> - Will bring more than 55,000 jobs - Nearly \$ 500 million in Annual taxes estimated to be generated for New York City

Local Economic Development: The LED process builds relationships between local governments, civic organizations, and academia with the private sector to manage resources (human and natural) to create jobs and stimulate the economy of a defined area.





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Thank You.

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