

Selecting 100 SMART Cities the SMART way

BACKGROUND

Investment in our cities has sound Economic Imperative – More Jobs & Better Quality of Life

The criterion to select 100 SMART Cities to be taken up in the first phase is being finalized by the Ministry of Urban Development. There have been consultations with various stakeholders including urban development secretaries of the states, ministers and municipal commissioners. I have participated in some of these consultations and was pleasantly surprised to see the pre-consultation enthusiasm of many states and cities that were keen to be included in the coveted list. Most of the states and cities have had the experiences of project driven central government funded schemes like JNNURM and their expectations were on the similar lines. Andhra Pradesh wanted as many as 13 cities to be included in the list. As consultations drew to a close many were dismayed and were at a loss when they heard that unlike JNNURM Government of India is not about to bankroll their Smart City projects but they themselves have to put their house in order by first preparing city comprehensive development plans, improve governance, establish city's creditworthiness, explore PPP models for their projects and finally if selected, they may seek only viability gap funding from the central government.

Ministry of Urban Development is working on a City Challenge where cities have to present their credentials and compete with other cities to be included in the sought after list of 100 Smart Cities. As a concept this is a great idea as it fosters competition, brings discipline and would ensure that the vision of Smart City actually gets implemented on the ground. Bloomberg Philanthropy conducts a "Mayors Challenge" designed as a "competition for bold ideas from city leaders". This year's winners in Europe are Barcelona, Athens, Kirklees, Warsaw & Stockholm. Bloomberg Philanthropy is working with MoUD to design this City Challenge for India.

European and American city challenges are called "Mayors Challenges" because cities in Europe, America and most of Asia have empowered city governments where decision-making authority lies with the Mayor and the City Council. Mayor of Shanghai is the second most powerful man in China. Bloomberg himself became famous as Mayor of New York where he could steer the city as per his vision.

Unfortunately most of our cities have only ceremonial Mayors with no authority to tax their citizens, plan city's development and execute those plans. Our states have not implemented 74th amendment in letter and spirit. Consequently most of our city governments are bankrupt unable to even pay the staff salaries and merely survive on state and central grants. This is the main cause for the mess our cities are in which necessitated initiatives like Smart City. Our cities do not have administrative capacity and techno-managerial competence to present their case meaningfully for any City Challenge.

Hence in my view, we need to have a graded two-stage approach to selecting SMART Cities. In the FIRST stage we should identify an objective criterion in line with the national priorities to short list 100 cities. Then we should handhold these cities and guide them through capacity building workshops, by providing them with consulting advisors and knowledge sharing platforms. This will make them aware of what is expected of them and they will have necessary resources to meaningfully prepare their case to be presented in City Challenge – Stage TWO of the selection process.

Now, whichever of the 100 Cities selected in STAGE 1 are able to qualify in the City Challenge should be included in the Phase-1 (20 Cities to be selected in 2015) and remaining should be provided with additional help and resources to prepare them for selection in the Phase-2 (40 Cities in 2016) and further Phase-3 (40 Cities in 2017).

While the modalities of City Challenge are being worked out, let's focus on STAGE 1, what objective criterion should be applied to select these 100 Cities that will participate the City Challenge.

Which 100 Cities should be Chosen to become SMART Cities

While every city deserves to become efficient and provide better quality of life to its citizens, but if we have to choose the first set of 100, we need to go back to the basic purpose of SMART Cities – to create enhanced economic activity leading to employment generation and better quality of life. So we should obviously give high priority to the cities that are already economically significant but are unable to sustain their economic growth and quality of life for their citizens due to poor planning and inadequate infrastructure.

The 8 Metro cities with population of more than 50 Lakhs - Delhi (NCR), Mumbai, Bangalore, Chennai, Kolkata, Hyderabad, Pune and Ahmedabad are responsible for 70% of tax revenue and contribute 80% to the net job addition to India's organized labor market.

This will put these 8 metro cities in the high priority category to be considered for inclusion in the list of SMART Cities. Though the investment required to make these mega cities SMART will be huge, but these cities will be able to attract private sector investment due to enhanced economic activity and the ability of the city dwellers to pay user charges for better services. Every rupee invested in these cities will lead to a proportionate economic return due to increased productivity and economic efficiency gains. Hence investment in these cities makes good economic sense.

Second in the list should be 47 Tier 2 regional cities with a population of more than 10 lakhs, which have significant economic and industrial activity.

Cities such as Kanpur, Mangalore, Vizag, Indore, Ghaziabad, Asansol, Dhanbad, Gauhati, Jamshedpur, Ludhiana, Jaipur, Coimbatore, Kochi, Faridabad, Ranchi, Jabalpur, Bhopal, Surat, Vadodara, Nasik, Nagpur and so on. These cities are economically significant and have huge growth potential and if developed well, will also reduce the growth burden on 8 Metro cities.

Third in the list should be 20 tier 3 industrial and economically significant towns, which are dependent on single industry and can diversify to enhance economic activity.

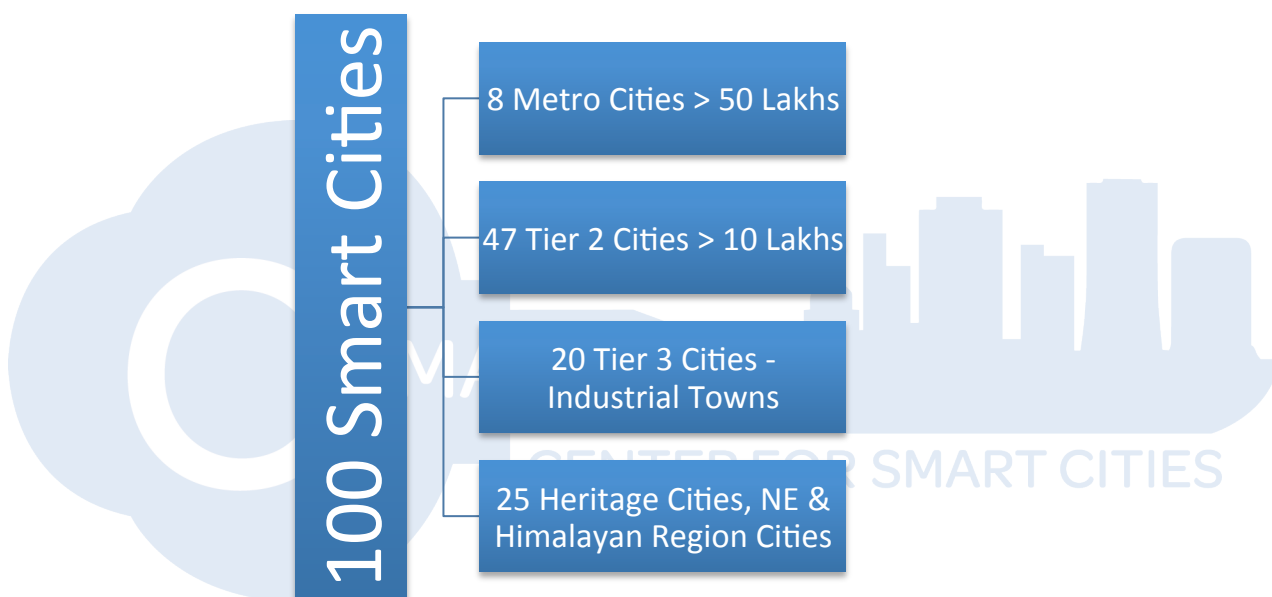
These towns need basic infrastructure and facilities to attract investment to grow and diversify their businesses. These are small cities with land availability for industry expansion and diversification. These include cities such as Moradabad, Saharanpur, Aligarh, Tirupur, Salem, Aurangabad, Bhagalpur, Nasik, Varanasi etc.

Finally we should list 25 cities which do not fall in the above 3 categories.

These will include centers of tourist attraction, heritage and pilgrimage towns. Capital cities in underdeveloped and remote Himalayan and North-Eastern states should follow a cluster and Network or Hub & Spoke approach and be developed keeping in mind potential economic opportunities for the region as a whole.

The list for the first 100 cities should be made on the above objective criteria and state governments should be taken on board to ensure coordination and timely execution. It is an ambitious target to develop 100 Smart Cities, given the abysmal state of infrastructure, non-existent city governance structures, we have to be realistic in our expectations.

We should prioritize and focus on low hanging fruits starting from 8 Metros which have the institutional capacity to plan, design, finance and execute better than other cities which would need education and hand holding from the center and respective state governments.



About the Author

RK Misra (www.rkmisra.in) is the founder director of Center for SMART Cities, a knowledge bank and repository of best practices in collaboration with leading global organizations. He is also founder of Indian Council for Public Private Partnership. RK has been a serial entrepreneur and founded several technology business before engaging with matters of public policy and governance.

He was part of team at Tokyo University which developed world's First SMART City blueprint with SMART Transportation and Urban Management systems for Tokyo's SMART City initiative in early 1990s and have been deeply engaged in urban issues of Indian including contribution to JNNURM policy formulation and several other urban infrastructure initiatives and task forces in various states.

He is a BTech from IIT Kanpur and Masters from Tokyo University. He is a fellow of Harvard Kennedy School of Government and Aspen Institute USA.