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Q17

What are the main socio-economic implications arising out of the development of IT industries in major cities of India?

UPSC Civil Services Mains 2021 · GS I · 15 marks · Natural Resources and Industries

Distribution of key natural resources across the world (including South Asia and the Indian sub-continent); factors responsible for the location of primary, secondary, and tertiary sector industries in various parts of the world (including India).

Core demand of the question

- What are the main socio-economic implications arising out of the development of IT industries in major cities of India?
- Keep a 15-mark length

Revision summary

IT in a few metros built export income and a salaried class.

Multipliers hire drivers and cooks around the campus.

Rents, sprawl, and lake loss are the urban bill.

Women gain office work with remaining safety costs.

Policy should add transit, rental stock, and Tier-2 spread.

Introduction

IT in Bengaluru, Hyderabad, Pune, Chennai, NCR, and a few others made a new middle class and a new urban stress. The implications are jobs and housing, not only software exports.

Body

Economic

- Export services, **SEZs**, and Global In-house Centres raised foreign exchange and a salary class that spends on housing, malls, and aviation.
- **Multiplier:** drivers, security, food delivery, and construction around Outer Ring Road and HITEC City.
- **Dual economy:** a dollar-wage enclave beside informal services, which **Sassen**-style global-city literature would recognise.

Social and spatial

- In-migration of young graduates reshapes language, food, and delayed marriage; a new professional culture sits on older city cores.
- **Land and rent:** gated IT corridors inflate prices and push service workers to long commutes, as in Bengaluru's traffic.
- **Gender:** more urban women in white-collar IT than in factory floors, with safety and night-shift issues still real.

- **Education race:** coaching and engineering seats concentrate on the IT lottery, distorting skilling for manufacturing.

Civic stress and inequality

- Water, lakes, and waste in Bengaluru and Hyderabad show that IT wealth did not automatically buy planning.
- Footloose capital can leave a campus empty; the city still holds the slum that served it.

What to do

- Transit-oriented housing, rental policy, and spreading IT to **Tier-2** under **Digital India** so one ring road does not eat the region.
- Tax and CSR into public buses and lakes, not only into campus lawns.

Flow diagram

IT industry industry -> New middle class FX
IT industry -> Sprawl rent commute
IT industry -> Gendered white collar
Sprawl rent commute -> Water traffic lakes

Conclusion

IT cities created income, women's white-collar entry, and a globalised youth. They also created rent, sprawl, and a two-speed society. The implication is to civilise the corridor, not to romanticise the campus.

Facts & figures

STPI / SEZ

Policy shells that clustered software export in chosen cities.

Bengaluru ORR

Classic IT corridor of jobs plus congestion and lake stress.

Hyderabad HITEC City

Planned IT geography that still generated gated inequality.

NASSCOM

Industry body whose employment figures show concentration in a handful of cities.

Tier-2 push

Policy hope to move campuses to Coimbatore, Jaipur, Bhubaneswar and the like.