

The urban renewal we need

To become innovation hubs,
Indian cities need to improve
The quality of life they offer

- **Amitabh Kant***

US President Donald Trump's order to impose a \$100,000 fee on new H-1B visa applicants penalizes global talent and risks a brain drain from U.S. labs and startups. Combined with mounting protectionist tariffs and immigration barriers, these measures raise costs for companies and restrict access to specialized skills, slowing innovation. With the Global South set to drive two-thirds of global growth in the coming decades, the U.S. risks ceding leadership in technology and entrepreneurship to rising economies.

This is India's opportunity. As barriers rise in, skilled professionals, senior clinicians, technical experts, and founders will weigh returning to or investing in India. To convert this into lasting advantage, India must give them cities they can live, work, and play in. Cities that prioritise quality healthcare, clean air and water, reliable public transport, affordable housing, world-class research institutions and predictable regulation. If we get the urban ecosystem right, India can become the hub for the next wave of labs, startups and medical excellence, turning America's retreat into India's gain.

As of now, a mere 15 Indian cities contribute 30% of India's GDP – Mumbai, New Delhi, Bengaluru, Chennai, Hyderabad, Kolkata, Ahmedabad, Pune, Surat, Coimbatore, Noida/Greater Noida, Kochi, Gurugram, Vishakhapatnam, and Nagpur. Their ability to drive an extra 1.5% of growth will determine India's ambition to become a 30 + trillion economy by 2047.

Yet, they are fundamentally hobbled by extreme air pollution, water scarcity, urban flooding, garbage mountains, and poor governance. They are not world-class; but I believe, with the right intervention, they can become.

Cleaning the Air: With India home to approximately 42 of the 50 most polluted cities, vehicular emissions must be curtailed immediately. This requires the rapid electrification of public transportation and the strict implementation of construction dust norms. We must utilise mechanisms like the proposed Rs. 1 lakh crore Urban Challenge Fund, ranking cities based on performance and disbursing financial incentives accordingly.

Transforming Waste Management: The failure of municipal governance is evident in the fact that only a quarter of the upwards of 150,000 tonnes of solid waste generated daily is processed scientifically. State governments must invest heavily in strong infrastructure

and trained staff for waste collection and transportation. Clear policies promoting performance-based accountability and ensuring that communities segregate waste are essential to transition to a sustainable, circular economy.

Ensuring Water Resilience: Addressing acute water shortage, which threatens 30 Indian cities, is critical. Cities must adopt strategies to collect, treat, and reuse used water on a vast scale, necessitating fully sewered systems and separate drainage infrastructure. We must also tackle the inefficiency that sees 40-50% of piped water lost in transmission. A rational and pragmatic policy for pricing water must be introduced, based on a “pay as you use” model that includes subsidies for the needy and rising rates as a disincentive for over-consumption.

Build Vertically and Smartly: We must discard the "failed fallacy" of restricting the Floor Space Index (FSI) to artificially low levels, which drives urban sprawl and increases commuting distances. Indian planners must shift away from creating urban sprawls by allowing higher FSI and changing archaic regulations that limit optimal land usage. Singapore has demonstrated that planned, dense vertical development can co-exist with high livability and biodiversity.

Affordable Shelter: The shortfall of affordable homes, projected to triple to 31 million by 2030, must be addressed. Increasing FSI/FAR growth promotes vertical development, and cities should explore density-related incentives, following models from Sao Paulo and Tokyo, where developers gain height allowances in exchange for contributions to social housing or transit infrastructure.

Prioritise Public Transport: To tackle congestion, which costs the average city dweller up to two hours daily, we must invest heavily in public transport, complementing metro systems with electrified last-mile solutions. Implementing Transit Oriented Development (TOD) is key, focusing planning around rapid transit networks to foster compact, vertical growth, reduce car usage, and enhance productivity through agglomeration.

Professionalise Leadership: Our cities are badly mismanaged. India currently lacks sufficient urban planning capacity, with NITI Aayog reporting fewer than one planner per city. States must strengthen urban governance structures, build a cadre of professional urban managers, and grant greater administrative and financial freedom to cities. We must also dramatically increase property tax collection, digitise land records, and explore Land Value Capture (LVC) to fund municipal growth, a proven model demonstrated by Hong Kong.

Indian cities must scale up nationwide the success demonstrated by Indore, particularly in resource management. This city has proven that efficient, scientific waste

management is achievable through door-to-door segregated waste collection and world-class processing plants that convert wet waste into bio-CNG. Similarly, Indore's designation as India's first 'water-plus' city, achieved by plugging sewage leakages using GIS technology and rigorously implementing rainwater harvesting and treated water reuse, offers a clear, replicable path to water resilience across India.

Urbanise or Stand Aside

Sustainable urbanisation will define India's future prosperity. India already operates the world's second-largest urban system, exceeding the combined urban populations of the USA, Germany, Japan, and the UK. In the last decade alone, we have added 91 million people (a 32% increase) to our urban population. By 2030, approximately 350 million people will move to cities with urban growth contributing 73% of the total population increase by 2036. Urbanisation will be the single biggest agent of growth, functioning as the indispensable engine of innovation and job creation.

Historically, successful urbanisation across countries has been key to lifting vast segments of the population above the poverty line. The transformation of our cities is an economic necessity. Without strategically transforming our cities into world-class entities, India cannot fulfil this economic ambition. India can no longer afford to be a "reluctant urbaniser".

People don't leave India for just a high paying job; they leave for a better quality of life. America is opening a door for India by closing its own. We have the chance to bring our brightest minds back home or ensure we never lose them in the first place, but to do that, we need to give them a reason to stay. We must give them cities where they want to live, work, and raise their families.

India's rise in the global AI and tech landscape hinges on our ability to transform urban life, making it attractive to retain our talent and attract global innovators. This is an opportunity India cannot afford to lose.

** The author was India's G20 Sherpa and former CEO of NITI Aayog. Views expressed are personal.*