Indian Economy · GS - III

Can the development of technology hubs beyond India's established metropolitan centres promote balanced regional development? Evaluate the opportunities and constraints.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 27/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Regional industrialisation, digital infrastructure, technology clusters, skilled workforce, urbanisation, energy security, logistics, regional inequality

Model Answer

The emergence of technology centres beyond Bengaluru, Hyderabad and other established metropolitan regions can broaden India's economic geography. Visakhapatnam's proposed combination of data centres, subsea connectivity and semiconductor-related investments illustrates this opportunity.

Potential contribution to regional development

1. **Economic diversification:** Technology investments can reduce dependence on traditional industries and create new sources of high-value economic activity.
2. **Employment generation:** IT services, engineering, data management and electronics manufacturing can create skilled and supporting jobs.
3. **Industrial linkages:** Technology clusters encourage collaboration among universities, start-ups, suppliers, research institutions and multinational companies.
4. **Regional connectivity:** Port infrastructure and international digital links can strengthen integration with global markets.

Constraints to be addressed

1. **Energy requirements:** AI data centres require uninterrupted, high-quality electricity and efficient cooling systems.
2. **Human capital:** Shortages of advanced engineering, semiconductor and AI talent may constrain expansion.
3. **Urban infrastructure:** Housing, public transport, water supply and waste management must keep pace with investment.
4. **Ecosystem limitations:** Technology hubs require research institutions, venture capital, specialised suppliers and stable regulatory conditions, not merely large investment announcements.

Policy priorities

A coordinated approach involving state governments, industry and educational institutions is essential. Skill development, renewable energy integration, reliable urban services and support for local enterprises should accompany infrastructure investment.

Technology hubs can promote balanced regional growth only when investment translates into durable local capabilities rather than isolated industrial enclaves.

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