IT BUSINESS MANAGEMENT PARAMETERS FRAMEWORK FROM INDIAN CONTEXT

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Abstract
This paper is an attempt to present IT Business Management (ITBM) parameters framework in India by studying state IT policy documents of different states in India. This paper presents categories of ITBM parameters and their sub-parameters. It contains three sections viz., first section provides introductory details, and second section lists main categories of ITBM parameters followed by third section containing their sub parameters under each of these categories. In last section conclusions with vision of state IT policies in India towards ITBM is presented.

Index Terms: ITBM, IT Policy, framework, parameters, sub-parameters etc…

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1. INTRODUCTION

This paper puts focus on provisions in Indian State IT policy documents aimed at facilitating and ensuring growth or development of IT business itself. Policy provisions for IT business are basically explicit declarations of the intent of the respective governments reflecting their understanding and vision about IT business [24]. The main thrust of these provisions is to foster growth of IT business by promoting private sector participation and improving infrastructure for IT business. The policy provisions are organized into five main categories and in following section their sub-parameters are listed which are thirty nine in number. The arrangement of main categories and sub-categories of ITBM parameters is termed as their framework.

1.1 IT Business and Indian State IT Policies

The IT industry is one of the fastest developing industry or business in the world as well as in India. India is in forefront of this world-wide phenomenon. This achievement is combination of entrepreneurship of Indian businessmen and professionals as well as the support offered by the government agencies in the country.

In this context, it would be interesting to undertake a preliminary study of state government IT policies. In the federal political and administrative structure, the states in India have a wide political, legislative, and policy freedom, which many states have often used to make forays in different aspects and dimensions, not only economic, but also social, cultural and political. One of the instruments that governments and especially the state governments are using, in recent years, across the sectors, is the state-level policy documents. These policy documents are used to announce the intentions and plans of the state government to inform citizens and other stakeholders as well as to assure and attract industries and allied business. Hence, this study is related to state-level policy documents of different states on their IT Policies.

Karnataka was the first state to adopt an IT policy in 1997 [1]. Maharashtra, Tamilnadu, Kerala and Andhra Pradesh took the cue and followed soon. In May 1998, the central government adopted recommendations of the National Taskforce on IT and Software Development that each state government should formulate an IT policy [1].

The broad objective of these IT Policy documents is to promote growth of IT business by providing fiscal, regulatory, procedural, and administrative support and to achieve growth of IT business, as well as to promote societal welfare through use of IT in governance, education and other development related aspects. For achieving these objectives, every state IT Policy has considered different set of measures. So, there is a need to look at these measures in order to understand and gain insight into different strategies for using IT for governance and development as well as for achieving growth of IT business itself.

This organization of this paper is viz. first sections gives introductory details and research methodology used for carrying out this study, second section provides list of five main ITBM categories and sub-parameters under each of these

main categories are presented in third and last section gives concluding remarks.

1.2 Objectives of this study

The specific objectives of this study are:

1. To analyze provisions in different IT policy documents to obtain their different elements, including strategies and immediate or step objectives they are aimed at.
2. To understand and find out categories of ITBM parameters and in turn find out their sub-parameters.

1.3 Explanations of Some Terms Used

1. Provision refers to the exact statement as articulated in the policy documents.
1 Parameter refers to an element of provision that have substantive or strategic importance.

1.4 Conceptual Scheme, Research Methodology and Scope of this study

This study is mainly based on IT Policy documents of different states in India. The provisions from state IT policy documents are first classified on the basis of the broad objectives and their sub-objectives to which the respective provisions are aimed at.

These broad objectives and their sub-objectives are as follows:

1. **IT for Development:** Using IT for achieving development of the state and in turn of the country. This could be further divided in the following sub-objectives:
   i. IT for Economic Development
   ii. IT for Social Development
   iii. IT for Political Development or Democratic Governance
2. **Development of IT Sector or Business:** The policy document contains many policy provisions that are aimed at fast, healthy, and wider development of IT and allied industry or businesses in the state.

This study is situated in the above discussed conceptual scheme. It is focused on the policy provisions that are aimed at IT for Social Development and IT for (Democratic) Governance. It also covers the policy provisions aimed at the objective to develop IT Sector.

Coming to the methodology, following steps are adopted to collect ITBM parameters and to formulate this paper.

1. The provisions in the policy documents are classified first in three broad groups as per their three broad objectives: (a) IT for Social Development, (b) IT for E-Governance, (c) Development of IT Sector. Here, policy provisions related to development of IT sector are analyzed.

2. The strategic part of each of these provisions is marked and studied to identify the underlying strategic elements or strategic theme and subtheme or sub elements.
3. The provisions within each of the broad groups are further classified and grouped together along with their strategic elements or strategic themes and subthemes.
4. Provisions in these smaller groups are analyzed to identify the parameters on which they could be compared.
5. Observations and findings are articulated on the basis of these steps in each of the subgroup for each of the strategic element or strategic theme and sub-theme.
6. Broader conclusions are elicited and recorded in the last section of this paper.

Regarding the scope of analysis carried out about ITBM parameters in this paper is that, it is based on study of approximately 350 provisions collected from 23 different state IT policy documents in India.

2. MAIN CATEGORIES OF ITBM PARAMETERS

The collected ITBM parameters are categorized into five main categories. Following figure shows details about same.
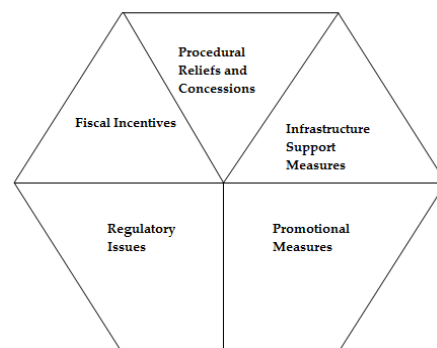

Fig -1: Five Main Categories of ITBM Parameters

3. CATEGORY-WISE ITBM PARAMETERS

Following section gives sub-parameters under five main ITBM categories.

A) Fiscal Incentives

o   IT as a priority sector for lending
o   Turnover and sales tax exemption
o   Exemption from stamp duty and registration fee
o   Exemption from octroi or entry tax
o   Exemption from payment of electricity duty
o   Exemption from land and building tax
o   State capital investment subsidy
o   Subsidy on allotment of land premium
o   Interest Subsidy
o   IT/ITES (IT Enabled Services) industries be exempted from Payment of VAT (Value Added Tax)
o   Venture capital fund

B) Procedural Reliefs and Concessions

o   Preferential allotment of land for IT / ITES units
o   Existing industry shall be allowed to convert to IT unit/ IT Park
o   IT Training Industry will be given IT Industry status
o   FAR (Floor Area Ratio) is applicable to buildings constructed for IT/ITES companies
o   S/W (Software) Units shall be allowed to be set up in residential Areas
o   Exemption from zoning regulation
o   CLU i.e. Change of Land Use is allowed for IT units
o   IT and ITES units are allowed to work in three shifts (24X7)
o   Single desk clearance facility especially for IT units
o   IT/ITES units shall be eligible for self certification
o   Exemption from Pollution Control Act
o   IT/ITES Units shall be exempted from seeking clearance of electrical inspector
o   Precedence in sanctioning and service of power
o   Special incentives to mega projects
o   Subsidy on quality certification
o   Subsidy on expenses on project report preparation for IT unit

C) Infrastructure Support Measures

o   ROW (Right of Way) clearance
o   Improving social and business infrastructure
o   Uninterrupted power to IT units
o   Permission to set up captive power plants
o   Setting up of IT Parks or STPs (Software Technology Parks)
o   Setting up SEZ (Special Economic Zones)

E) Regulatory Issues

o   Data Protection Act
o   Protection of IPR (Intellectual Property Right)
o   Price preference to IT products or IT Units

F) Promotional Measures

o   Showcasing of IT
o   Awards of excellence
o   Incubation units

CONCLUDING REMARKS

Thus, policy documents have by and large laid emphasis on providing incentives to IT and allied industry, on private sector participation, and on expansion of IT infrastructure centered towards establishment of Techno-Parks and STPs. Strengthening of the existing industrial base centered towards Software Technology Parks STPs (especially sponsored by Department of Electronics) is understandable. This, however, has the danger of creating enclaves of IT concentrated in large cities with limited linkages to rural and backward areas. It is evident that there is limited focus on dispersed growth of IT industry through Small and Medium Enterprises (SME) taking advantage of the footloose nature of IT industries and their potential for networking. Also, there is a need to take ITBM parameter specific study at next level to gain their further details about them.

ACKNOWLEDGEMENT

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