

**BPO companies Shifting their operations to rural areas**

\*243. SHRI BAISHNAB PARIDA: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that BPO companies are shifting their operations to rural areas of the country for tapping talent to run cost-effective operations;

(b) if so, the details thereof along with status of the project;

(c) whether Government is offering certain incentives to such companies to attract them to operate from rural India; and

(d) if so, the details thereof?

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD): (a) to (d) A Statement is laid on the Table of the House.

***Statement***

(a) to (d) Indian BPO companies locate their operations based on techno-commercial considerations. Under the Digital India Programme, a North East BPO Promotion Scheme (NEBPS) has been approved to incentivize BPO Operations in the North East Region (NER), including rural areas, for creation of employment opportunities for the youth and growth of IT-ITES Industry, by the establishment of 5000 seats, with capital support in the form of Viability Gap Funding (VGF). The Software Technology Parks of India (STPI), an autonomous society under the Department of Electronics and Information Technology (DeitY), Government of India, has been designated as the Nodal Agency for implementation of the NEBPS.

Further, another Scheme for promotion of BPO Operations, for other parts of the country, particularly small towns, is contemplated for creation of employment opportunities and growth of IT-ITES Industry. The proposed Scheme would, *inter-alia*, lay down the appropriate guidelines in regard to eligibility, location, nature of support to the Industry and other related aspects, and would be operationalized, after obtaining necessary approvals of the Competent Authority.

SHRI BAISHNAB PARIDA: Sir, the short form of Business Process Outsourcing is BPO. Till now, these BPO companies have been concentrating their work in the metro cities, but, now they are also planning to go to the rural areas to find the new talent, and, to provide the rural youth new opportunities to know about the employment facilities and also to avail them. I would like to know from the hon. Minister the States in India which have taken interest to provide the facilities and infrastructure to these companies to function in the rural areas.

SHRI RAVI SHANKAR PRASAD: Sir, Indian IT industry is growing enormously. About thirty lakh people are directly employed and a large number, about one crore, is indirectly employed. But when we came in Government, we found that hardly eight-nine cities are catering to the IT needs of India. We have taken one initiative to go to North-East. That proposal is already in place wherein we are going to establish call centers and BPOs in all the nine States of North-East. Another policy for establishment of BPOs in small *mofussil* towns is in place. You talked about specific States. States like Karnataka, Andhra Pradesh or Tamil Nadu are encouraging it. But all the States have to become proactive as far as land availability, water availability is concerned. Because BPO in small towns and North-East is going to generate big employment, I would like that cooperation from all the States.

SHRI BAISHNAB PARIDA: Sir, my second question is this. This programme is being implemented in some of the States. Like Odisha, there are many States where many of them don't know about it and especially the BPO companies are not taking interest also. So, what steps is the Central Government or the concerned Ministry taking to help the youths of those States?

SHRI RAVI SHANKAR PRASAD: Sir, as in case of North-East, once the scheme is finalized for BPOs in small towns, there will be incentives. But the State Governments have also to supplement the incentives in terms of energy, electricity, land and other infrastructure because, as the hon. Member would appreciate, the call centers are linked by wire through Internet. Therefore, work can come from New York to Washington to Dhenkanal and Bhubaneswar also. Therefore, if proper enabling atmosphere is there, surely, we are working in that field. I would appeal to the hon. Member and to all the States in this House that BPO in small areas is a big game changer and we all need to work collectively.

DR. E.M. SUDARSANA NATCHIAPPAN: Sir, we fully appreciate the hon. Minister's intention and his dynamism. But, at the same time, the present availability of the system by BSNL is very poor in the rural areas and we need a gateway for making these BPOs. For that also, there is no facility and no machineries are coming up. I can take my own constituency, Sivaganga, and also the Saansad Aadarsh Gram Yojna; we have taken up Marvamangalam. These are the areas where many of the software engineers and graduates are available. They want to have the jobs. Will the Government take up the issue aggressively to take the facilities at the rural level for having the 3G facility and gateway facility so that the BPOs can come up?

SHRI RAVI SHANKAR PRASAD: Sir, the concern of the hon. Member is well taken. There are issues. I think what is important is that the National Optical Fibre Programme, which our Government has unleashed in a very aggressive mission mode, linking 2,50,000 Gram Panchayats through optical fibre network, is in place.

BSNL problem is well-known. Why has this problem happened? As I have said earlier, a company having a profit of ten thousands of crores in 2004 is having a loss of eight-nine thousands of crores now. Who is responsible for this is a larger question. But my commitment to this House has been that we will restore the health of BSNL. All have to work together. They are going to instal 25,000 plus towers in the country under the seventh phase. We are doing all. The future is bright. We have to work together.

SHRI PRAFUL PATEL: Mr. Chairman, Sir, I think there are two things which are most important for BPOs' establishment all over the country. First is proficiency of the English language, which, fortunately, is gaining a lot of popularity in our country. So, that is a good thing. The second thing, Sir, is about the OFC. Ultimately, the data has to be processed fast, which, as Mr. Natchiappan has just pointed out, is a problem. The only limited issue is you have talked of incentives from the States. What incentives the Central Government would provide in this matter you have not spelt out.

SHRI RAVI SHANKAR PRASAD: As far as the incentive for North-East is concerned, the Government of India is giving one lakh per seat.

SHRI PRAFUL PATEL: What about beyond North-East?

SHRI RAVI SHANKAR PRASAD: As far as beyond North-East is concerned, as I said in my initial reply, the policy is still in the stage of being finalized. Proper incentives shall be there.

SHRI PRAFUL PATEL: Why don't you extend that to all the backward districts of the country?

MR. CHAIRMAN: Please, Prafulji.

SHRI RAVI SHANKAR PRASAD: I get your point. The policy is being finalized. But what is important, Mr. Patel, the hon. Member, is the Centre and the States have to work together, have to walk together. The incentive of the Centre must be supplemented by the incentive from the States.

SHRI V.P. SINGH BADNORE: Sir, my question here is: Will the Minister consider that if there is infrastructure in the rural areas, because you do not have to have a city, a mega city, to have BPOs, then only the BPOs can work? It can also be an incentive for the migration to the mega cities; that will also stop. So, it can be a generation for the employment. Then, density of optical fibre is not there. That is why it is not coming.

---