

Assessing the GIFT City's Imperative Role in Raising India as a Global Soft Power

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INTRODUCTION

Gujarat International Finance Tec-City, popularly known as GIFT City, represents India's ambitious stride towards becoming a leading global financial and technology hub. As a project of national importance, GIFT City has been designed to foster a thriving financial ecosystem that not only supports but also expands businesses, placing it on par with the world's leading financial hubs. This initiative aligns with India's vision of evolving into a developed nation, driving significant reforms to create a conducive business environment. Anchored in values of sustainability, inclusivity, and excellence, GIFT City embodies the vision of establishing a premier global financial and technology hub. Strategically located on the banks of the Sabarmati river between Ahmedabad and Gandhinagar, GIFT City serves as the economic centre, complementing the historical richness of Ahmedabad and the policy-driven environment of Gandhinagar.

Central to the functioning of GIFT City is the International Financial Services Centres Authority (IFSCA), established on October 01, 2020, under the International Financial Services Centres Authority Act, 2019. Headquartered in GIFT City, Gandhinagar, IFSCA serves as a unified authority for the development and regulation of financial products, services, and institutions within India's International Financial Services Centre (IFSC). Before its establishment, regulation of IFSC business fell under various domestic financial regulators, including RBI, SEBI, PFRDA, and IRDAI. Recognising the need for a cohesive

regulatory framework to address the dynamic nature of business in IFSCs, the IFSCA was created to streamline inter-regulatory coordination and enhance the ease of doing business. Its primary objective is to cultivate strong global connections, cater to the needs of the Indian economy, and serve as an international financial platform for both regional and global economies.

ASSESSING GIFT CITY'S OBJECTIVES

Under the Setting up and Operation of International Branch Campuses and Offshore Education Centres Regulations, 2022, of the IFSCA, the regulator brought forth a bevy of regulations, with the following objective – to establish GIFT IFSC as a global educational hub by facilitating the setup of International Branch Campuses by foreign universities, either independently or in other approved forms. These regulations also enable other foreign educational institutions to create Offshore Educational Centres within GIFT IFSC. The overarching goal is to transform GIFT IFSC into an international educational centre that attracts both Indian and foreign students across various disciplines.

Emphasising research in areas such as Banking, Insurance, Capital Markets, Funds Management, FinTech, Longevity Finance, Sustainable Finance, and Quantum Computing, the regulations aim to develop highly skilled professionals in finance, technology, and related fields. Additionally, the regulations promote executive education and ensure that the education provided meets world-class standards. To safeguard the interests of students, the regulations establish an objective and transparent registration process for foreign universities and educational institutions, allowing them to offer accredited courses and research programmes in GIFT IFSC.

ANALYSING THE REGULATIONS

The IFSCA (Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022, aim to transform GIFT IFSC into a premier international educational hub. These regulations facilitate the establishment of courses, including research programmes, in critical areas such as Financial Management, FinTech, Science, Technology, Engineering, and Mathematics. According to the regulations, foreign

universities wishing to set up campuses must rank within the top 500 in global or subject rankings, while other foreign educational institutions need to be well-regarded in their home jurisdictions. Applicants must demonstrate substantial financial capability and commit to establishing suitable infrastructure to ensure the continuity of their programmes.

The regulations highlight a rigorous application process, requiring a resolution from the applicant's governing body, detailed information about infrastructure, faculty, fees, academic plans, and contingency arrangements in case of discontinuation. Applicants must also provide an undertaking that the degrees, diplomas, or certificates awarded in GIFT IFSC will be recognised in the home jurisdiction and equivalent to those awarded by the parent entity. Additionally, a Quality Assurance Audit report from a recognised agency in the home jurisdiction is mandatory.

Under the regulations, upon receiving applications, a Committee of Experts appraises them and makes recommendations to the Authority. Successful applicants receive in-principle approval and have 180 days to establish the necessary infrastructure and manpower, with possible extensions granted by the Authority. Upon fulfilling all conditions, a Certificate of Registration is issued, valid for five years and renewable for another five years.

The regulations further state that courses offered in GIFT IFSC must be identical to those in the parent entity's home jurisdiction, with any modifications approved by the parent entity's academic council and notified to the Authority. The degrees, diplomas, or certificates issued will hold the same recognition and status as those conferred in the home jurisdiction. Importantly, IBCs or OECs in GIFT IFSC cannot act as representative offices for promoting programmes outside GIFT IFSC.

In terms of the deposit, the Authority, after considering the scale of operation of the IBC or OEC, may require them to submit such deposit, in any form as it may deem fit. Additionally, the IBC or OEC which is keen on undertaking permissible activities is required to pay the Authority the following fees:

- Application Fee: USD 1,000 (one time)
- Initial Registration Fee: USD 25,000(one time)
- Annual Fee: USD 10,000 (Second year onwards)
- Processing fee for application seeking relaxation: USD 10,000

These regulations are designed to ensure that GIFT IFSC offers world-class education, fosters cutting-edge research, and provides top-tier executive education, thereby safeguarding student interests and ensuring high standards. By attracting leading global educational institutions, these regulations aim to position GIFT IFSC as a premier international educational centre, drawing students from both India and abroad, and contributing to India's reputation as a global leader in education and innovation. This holistic approach is expected to create

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a vibrant academic ecosystem that supports the growth of high-end human resources in finance, technology, and related fields, furthering India's soft power on the global stage.

BOLSTERING THE TALENT & OPPORTUNITY ECOSYSTEM

The IFSCA Regulations have the power to significantly enhance GIFT City's position as a global hub for education and talent development, particularly in technology and finance. India boasts a vast pool of talent, especially in tech and finance sectors, with a steady supply of graduates eager to enter the workforce. For instance, in just financial year 2024, India has reportedly produced about 15 lakh engineering graduates¹, indicating the humungous amount of talent ready to shoulder the talent requirements at GIFT City. In terms of opportunities, GIFT City, already home to leading Global Capability Centres (GCCs), experiences strong demand for such skilled professionals, ensuring a robust demand-supply equilibrium. These enabling regulations are set to elevate GIFT City's status further, making India a formidable global soft power.

Separately, the regulations under consideration address the persistent issue of talent management and brain drain, by permitting prestigious foreign universities and educational institutions to establish campuses in GIFT IFSC. They create opportunities for Indian talent to access world-class education and research facilities within the country, reducing the need to seek such opportunities abroad. This strategic move is expected to reverse the brain drain, encouraging Indian professionals to stay and contribute to the country's growth. The influx of global institutions will not only provide Indian and foreign students with top-tier

¹ <https://timesofindia.indiatimes.com/gadgets-news/why-only-10-of-15-lakh-engineers-graduating-this-fiscal-year-may-find-jobs/articleshow/106134217.cms>



education opportunities in India but will also infuse GIFT City with international expertise, creating a rich, diverse learning environment.

Indeed, the regulations facilitate the creation of a vibrant academic ecosystem that meets the high standards of global education while catering to the specific needs of the Indian economy. By offering courses and research programmes in cutting-edge fields such as Financial Management, FinTech, Sustainable Finance, and Quantum Computing, GIFT IFSC is set to become a magnet for both domestic and international students. This integration of global and local talent will empower GIFT City to produce highly skilled professionals who are well-equipped to meet the demands of the global market.


DEVELOPMENTS SO FAR

The announcement of two Australian universities, Deakin University and the University of Wollongong, opening campuses at GIFT City in Gandhinagar, aligns with India's National Education Policy (NEP) 2020, which emphasises the internationalisation of education. The vice-chancellors of both universities have underscored the importance of international partnerships and the robust bilateral relations between India and Australia, even during challenging times like the COVID-19 pandemic. Deakin University's campus at GIFT City, the first international branch campus of a foreign university in India, has already received over 3,500 expressions of interest for just 100 seats in its Master of Cybersecurity (Professional) programme². These applicants come from diverse educational backgrounds, including IT, engineering, and computer science, from prestigious institutions like IIT, University of Pune, and University of Mumbai. Additionally, the Master of Business Analytics programme has attracted interest from students across various disciplines such as commerce, science, arts, technology, engineering, and business administration. The University of Wollongong is also inviting applications for its graduate certificate and master's programmes in

Financial Technology, along with its previously announced Master of Computing (Data Analytics) and Graduate Certificate in Computing programmes.

Further, the proposed International Fintech Innovation & Research Centre at GIFT City, supported by a USD 23 million loan agreement between the Government of India and the Asian Development Bank (ADB)³, is expected to significantly boost fintech education, research, and innovation. The Fintech centre will offer industry-aligned fintech training programmes that meet international standards and support startups, especially those led by women, through incubation and acceleration services. It will also foster collaboration between the industry, skills development institutes, and venture capital funds, enhancing the growth of fintech startups and contributing to employment opportunities, workforce competitiveness, and productivity in new and green technologies. The ADB programme will further support research on innovative solutions in climate fintech, regulatory technology, social inclusion, and gender equality in finance, establishing a state fintech readiness index and developing new solutions to emerging technologies.

CONCLUSION

The presence of these renowned global universities and the establishment of the International Fintech Institute is empowering GIFT City with world-class talent and education, offering Indian students exceptional opportunities within their country. This initiative not only aims to reverse the talent drain but also positions GIFT City as a premier global educational and fintech hub, contributing to India's stature as a global soft power. Indeed, these initiatives, are a game-changer for GIFT City, fostering a symbiotic relationship between educational excellence and economic development. They provide the framework for a world-class educational hub that will attract, retain, and nurture top talent, thereby solidifying India's position as a global leader in education and innovation. 

² <https://indianexpress.com/article/cities/ahmedabad/over-3500-aspirants-for-100-seats-at-deakin-varsitys-gift-city-campus-9216910/>

³ <https://www.freepressjournal.in/education/india-and-ADB-sign-23m-loan-agreement-to-boost-fintech-education-at-gift-city>