

## **Editorial**

### **A unique budget for a unique context**

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There is reason to believe that Kerala's Budget for the year 2021-22 will be remembered for its uniqueness. On 15 January, 2021 Professor T M Thomas Isaac presented a complete budget with a new vision for the development of Kerala that involved transforming Kerala to a knowledge economy. When the initial budget was presented the COVID 19 in the state was almost under control. During the assembly election held on April 6, 2021 people of Kerala took a historic decision to provide the Left Democratic Front a continuous second term and Shri K N Balagopal assumed took over as the new Finance Minister of Kerala. Although a complete budget has already been presented, the alarming spread of the pandemic and the eventuality of a third wave along with its adverse economic impact made the case for a revised budget that fully equipped the State to deal with the adverse consequences.

Shri K N Balagopal, presented the revised budget in the Assembly on Friday, June 4, 2021. In all sense the revised budget has been built on the edifies laid down in the budget presented by Prof Isaac. To begin with, it has reiterated the commitment towards transforming of Kerala economy to a knowledge economy wherein it is envisaged to create 2 million additional jobs by 2026. This involved a total transformation of all productive sectors of the economy with the emergence of new knowledge based economic activities on the one hand and infusion of knowledge- both science- based and experience based- into all sectors of the economy leading to enhancement in productivity, efficiency and employment generation. The idea is to build up an economy that competes in the globalized world by harnessing knowledge capital, instead of cheap labour. The commitment is evident from an almost 50 per cent increase in

the outlay for this programme at the instance of K-DISC. The budget has promptly responded to the second wave of COVID by a substantial increase in the budget meant for health sector which could also help to be prepared to counter the plausible third wave of the pandemic.

This special issue is based on a unique post budget discussion organised by Gulati Institute of Finance and Taxation wherein the present Finance Minister and the former Finance Minister participated. In the meeting chaired by Prof T M Thomas Isaac, Shri K N Balagopal highlighted the key tenets of the revised budget that firmly pushed forward the agenda envisaged in the previous budget while making the much-needed changes to accommodate the exigencies that arose after the introduction of the initial budget. We are extremely happy that the meeting had the participation of senior officials, eminent scholars, policy makers of repute, trade and industry representatives and committed activists. It is my hope that this issue that consolidates the views expressed during the discussion will be of interest to the readers of *Kerala Economy*.

**K J Joseph**