

Editorial

Blueprint for a great leap forward

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Kerala's unique development experience of achieving a remarkably high human development at a relatively low per-capita income has by now being touted as the Kerala model of development. While the claim of being a model is questionable, there is much in Kerala's development trajectory for others to learn from. This includes, but is not limited to, extensive social sector innovations at the instance of social reformers that laid the foundation of Kerala's development and innovations in governance like decentralized development. Above all is the competition between the two leading political coalitions of Kerala to support a progressive agenda and to protect the less privileged by various public actions. The question, however, arises; has Kerala exploited its potential fully? The answer, unfortunately appears to be not in the affirmative.

In this context, the blueprint for development presented by Dr T M Thomas Isaac, in his latest budget could help Kerala exploit its potential and become yet another contribution for others to emulate. The blueprint is the manifestation of a realistic understanding of one of the core issues of Kerala's development problem - growing unemployment of the educated manpower, especially women. At the core of the budget is the most innovative strategy of transforming Kerala to an inclusive knowledge economy as a conduit for creating employment opportunities for the educated unemployed including women, by harnessing modern technology. This strategy is also a reflection of the perspective that the government holds towards the fourth industrial revolution and its commitment towards making use of the new opportunities offered by it in a manner that excludes none.

The knowledge economy, as envisaged by the Finance Minister, stands on three key pillars. The first one is the IT Infrastructure -including hardware, software and communication

network. Kerala, being a state that set the model for other states to emulate by establishing a state level electronic development corporation in early 1970s (KELTRON) and established the first technopark in the country, is visualizing the reemergence of an electronic system design and manufacturing sector in the country when the electronics production base in India is totally eroded, thanks to "Globalization, not in our terms and not in our pace". With innovations associated with Artificial Intelligence, Machine Learning, Robotics and others those segments of software industry surviving on the labor arbitrage will have to redefine and reposition themselves and the budget underlines the need for such a transformation. The State's attempt to build its own communication network- Kerala Fiber Optic Network (K-FON), deserves appreciation in the current context wherein competition is becoming a fact of history as the telecommunication services is becoming monopolized. This is also essential to ensure that the knowledge economy envisaged is devoid of digital divide.

The second pillar and perhaps, the central one of the knowledge economy is a vibrant innovation system. The budget recognizes that the key resource in the modern economy is knowledge and if knowledge is the key resource, learning is the key process. It is in this context that various initiatives are being laid down in the budget towards building an innovation system at the regional and sectoral level at the instance of the Kerala Development and Innovation Strategic Council (K-DISC). While linking knowledge to development, especially inclusive development, the science technology and innovation Policy, 2013 has clearly stated that all forms of knowledge are equally important. Hence the budget aims at harnessing both science based and experience-based knowledge from different sectors of the economy and society indicating the inclusive approach towards transforming Kerala to a knowledge economy.

The third pillar is the human capital. Though the State is known for its commitment towards human capital formation and the investment in higher education, there is reason to believe that the public returns to such investment has been limited on account of migration of the skilled man power out of the state. It is in this context that the budget envisages a revamp of the higher education system in the state and to re-skill and up-skill the labor force for the new economy. Here the budget has a global perspective and the highly innovative network of institutions in the form of inter- university centres could be considered as the right step long overdue. In this process much is expected to be accomplished with the involvement of eminent non-resident scholars of Kerala.

Needless to say, whether the blueprint will lead to a great leap forward depends on a number of supplementary factors. The most important one being the bureaucratic readiness, transition to a knowledge economy may be difficult with the current bureaucracy, accustomed to the brick and motor economy. Hence appropriate administrative reforms are needed. It is also high time to search for innovative measures to enlist the constructive cooperation of the opposition parties. Wish such innovations that keep the welfare of people upfront will also emerge from Kerala.

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