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Post Budget Discussion on Revised Kerala Budget 2021-22

KERALA ECONOMY

A PUBLICATION OF GULATI INSTITUTE OF FINANCE AND TAXATION

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Editorial

A unique budget for a unique context

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

Not a new budget, some changes for better result

K N Balagopal

The latest budget is an amended version of the budget presented by the former finance minister Dr. Thomas Issac. This seems to be an exemption to our convention. Conventionally, when a new government came into power, there would be a complete revamping of the earlier ad-hoc budget. However, we need not insist such a revamping this time, since this government is a continuation of the immediate past government. So we thought of some minimum essential changes in the new budget.

Actually, the last budget was a detailed one, presenting lot of new ideas for the better future of Kerala. Health sector gets paramount importance in a state like Kerala, especially during a pandemic period. Our health sector is performing very well. Administering Covid vaccine to all our citizens is very much pertinent. We have to be prepared to counter the third wave of Covid pandemic. Hence the budget provided Rs 2800 crore for developing additional infrastructure in medical sector. Rs 1000 crore is earmarked for vaccination purpose alone and Rs 500 crore for mobilizing more medical equipment. In addition to that we need most modern facilities in hospitals, including ICUs, ventilators and ICUs for

children. Facilities should be enhanced at least in two medical colleges where permanent facility for Covid treatment must be created. We have also provided fund for research in medical services sector.

For this purpose, the earlier budget had proposed to create 3000 additional posts in health sector. Funds were also earmarked for research initiatives in vaccine development. The government wants to provide medical facilities to the people in the lower strata of the economy and target to tide over the medical emergency pertaining to the pandemic. We are committed to provide free vaccine to all Keralites even though the union government fails to distribute the required number of vaccines to our state. Of late the central government had agreed to provide free vaccine to all the citizens of the country.

If a person administers double doses of vaccines, he or she will not be in a serious condition even if he/she had an attack of the virus. So if the major chunk of population got vaccinated, then we can open our industries, shops and tourists centers. We can have a fresh beginning in the agriculture sector too. So the two paramount important factors are, ensuring the health of the people and revival of the economy.

In a situation like this government announced an additional Covid package of Rs 20,000 crore. Rs 8300 crore is set apart for extending loans with low rate of interest. Ensure food to all is a major commitment of the government. Plantation is one of the main sectors in agriculture scene of Kerala. 27 per cent of our land is utilized for plantation crops.

There should be a rethinking over plantation segment in the light of land reform activities in Kerala. Rs 2000 crore is provided in the budget for agriculture loans through the primary agriculture credit societies and Rs 1000 crore earmarked through other means of financing. Pineapple growers are facing a tough time as price realization is too low. Although floor price is fixed, they get lower prices for the crop. Same is the case with tapioca. Sectors like these should be examined thoroughly.

Rs 800 crore is set apart for industries. In addition to that MSME sector will be provided with additional funds. KFC will facilitate loans to the ailing tourism sector. Infrastructure development is the key element in developing tourism segment. Direct benefit transfer is already active in traditional sectors like coir, cashew nut and handloom. These sectors can provide direct employment to a lot of people. Reviving sectors like tourism, protection of coastal belt and reviving the economy are the major issues currently Kerala is facing. Measures have already been initiated addressing these frontal issues.

Inland water resources, which provides labour to people in abundance is in bad

shape now . By providing Rs 500 crore, employment opportunity will be enhanced in this sector.

Debt burden of all Indian states is edging up to a critical position. Kerala's debt burden is low compared to other states, especially that of Gujrat and Maharashtra. Central aid to Kerala had dropped from 3.92 per cent to 2.45 per cent. As per the award of the 14th finance commission this again dropped to 1.92 per cent. Revenue deficit grant also dropped. This caused serious shortage in the overall revenue of the state. Issues relates to GST also irks the financial health of our state. According to the last budget our total revenue is Rs 1.28 lakh crore. If we had a revenue to the tune of Rs 90,000 crore, few years back we would have been in number one position in the case of economic growth. In this circumstance we can not go ahead with plan that envisages drop in expenditure. As we know, this is an abnormal economic situation. We can travel to the future only by reviving our economy. For that we need support from our society and central government . Unlike a number of states , Kerala is not in critical position with regard to debt. We have financial crisis and we planned our finance and budget accordingly. We have not changed the main announcements in the last budget, but made some amendments. I hope that this will bring in better result in the development of the state.



(The author is Hon'ble Finance Minister, Government of Kerala and Chairman, GIFT)

A daring vision on Kerala economy

TM Thomas Isaac

As an opening sentence I state that you have to consider both the documents that presented in the Assembly in January last and the revised budget presented in June together. One problem with the discussion is that it has been confined to the revised budget and then you will miss the whole logic of the budget document for FY 2021-22. Now, without going into numbers that will definitely come later, what is the logic of this budget? Why does it become a major turning point in Kerala's economic revolution?

The logic is one; it wants to ensure a decent, secured livelihood for the people of Kerala. There is an unprecedented increase in the welfare expenditure like social security, livelihood and care economy during last few years. The provisions for this have been very generous in the last couple of budgets, given the present COVID situation when you have to provide relief to the people and support their livelihood. And for responding the situation, the budget has been very generous in providing for the social sectors and welfare.

Two, unlike in the past, for the last two-three years, despite the highest expenditure

on social welfare and social sectors, we have been spending heavily on infrastructure, not directly from the budget, but from outside the budget. This has been a controversial stance, but after the presentation of last Union budget, I think nobody can contradict what we have done. What is Development Financial Institution (DFI); it is another form of KIIFB. Every sense, whatever the 4 lakh crore rupees, DFI is going to borrow, is not part of the budget. But on the other hand, the shareholding support and other support from the budget goes into that institution, need to use that money to leverage Rs 4 lakh crore. Kerala is leveraging something like Rs 60,000 crore and the processes is going on and you can see the dramatic impact upon the social infrastructure like education, healthcare, roads and so on. This is going to transform Kerala's infrastructure in another two three years time. Now there is a contradiction between the welfare expenditure and expenditure on capital expenditure. For simple reason after welfare expenditure, you don't have sufficient resources for Kerala's capital expenditure. So it has been relatively one of the lowest in the country. But now we

have found the solution for it. Of course, you cannot go on endlessly borrowing and investing in infrastructure and that certain norms has to be taken care of . There is enough capability in that institution, KIIFB to ensure this.

Now, assuming this a basic infrastructure is going to be in position within two - three years, we use this infrastructure created to transform our economic base, from a handicraft low productive economy to a knowledge based economy. It would produce quality jobs for the young people. How do you do it, what are the components of it ? One, a major effort we have to make to integrate modern science and technology to every sector of production, traditional industry, agriculture, agro processing and so on. Two, in our SME sector and startups , we have to focus upon more knowledge intensive sectors, skill intensive sectors and we have to see that they absorb the innovation. We need to have a program for promoting innovation. Three, We have three industrial corridors, capital city region, Mangalore-Kochi and Manglore-Palakkad and with better ease of doing business, we will be able to attract more private investment to the state. Four, there are something like 50 to 60 lakh persons, mostly women, who are at present, outside the Labor force but educated . COVID creates a new opportunity that post-COVID world is going to be large proportion of workers who would be working digitally from home; may be something like 80 crore people working digitally from home. If we can attract a part of that employment

opportunity to Kerala that will change our economic base, it will become the largest employment sector in Kerala. So we are able to negotiate with global players and employers and use our brand name to attract employment to Kerala. K- DISC could be an important institution for the new government as KIIFB was for the last government.

Now what has been the additions brought in the revised budget. Second wave of COVID has come and we have to address that, so there is a special package which addresses that. Secondly, three sectors , the coastal areas, plantation sector and crisis ridden sectors need special package. So the budget for FY 2021-22 gives a daring new vision for the progress of Kerala. Unlike what many people think during last five years, both the fiscal deficit and revenue deficit have been coming down, except for last year, which is inevitable. It could be possible with the GST, that we can have fiscal consolidation of bringing down, that's very much possible. All the statements regarding huge debts etc, are totally baseless . For the simple reason no states in India has right to borrow as they want, they can borrow only up to 3 per cent of GDP. Therefore it is fully within the sustainable limits of what FRBM act is supposed to be. Therefore discussion about that, through number of debt etc is all misplaced, all debate that can take place is about sustainable off budget borrowing.



(The author is former Finance Minister, Government of Kerala)

**The development perspective of Kerala budget 2021-22:
The short run and long run**

The revised budget for fiscal 2021-22: High lights and issues

MA Oommen

On January 15, 2021, Thomas Isaac former finance minister presented a full-fledged budget for the fiscal year 2021-22. Subsequently contrary to the long-standing convention, spread over more than four decades, to elect alternatively the united democratic front (UDF), and the left democratic front the Kerala electorate voted a second term for the LDF in the legislative assembly election held in May 2021. Despite the fact that the LDF with the same Chief Minister assumed office the new Assembly has to approve a new budget. K N Balagopal the new finance minister dutifully presented on June 4, a 'revised budget'. While the vision and approach of the two finance ministers of LDF could arguably be the same, a new budget was inevitable. More over, the compulsions of the second wave of the pandemic and the lock-down that it induced, well exemplified in the Budget speech of Balagopal, could significantly affect the estimates of the new budget. I wish to raise five issues that are directly germane to the new budget. The first refers to the structure and integrity of the budget and all others to the development policy choices.

One, a budget is an estimate of income and expenditure for an year, called, fiscal year spanning April 1 of the current year to March 31 of the next year in India. A budget is judged best by its fiscal marksmanship. Its estimate whether it refers to a single item or an aggregate of several items, whether they refer to revenue or expenditure should be done with realism, prudence and integrity. In many parliamentary democracies there are Estimate committees to scrutinize these numbers later on. Fudging of numbers or window-dressing to make deficits look pleasing or acceptable to the public is a questionable practice. In this context the attempt to keep the revenue and fiscal deficit numbers of the January 15 budget (referred to as 'old' for convenience) and the revised budget estimate of June 4, 2021 in tact (which will automatically maintain the ratios with the given GSDP) does not speak highly of the wisdom behind the exercise.

In the old budget estimate revenue deficit is Rs. 16,910.12 crore and fiscal deficit is Rs. 30,697.59 crore with the corresponding GSDP ratios placed at 1.93% and 3.50% respectively. Exactly the same numbers

and ratios are maintained in the revised budget estimate (R.B.E) given in Table 1 of Budget at a glance. That 75 days were completed by March 31, at the close of the previous budget year (2020-21) and 140 days by June 4 cannot be heroically assumed away as static with no revenue inflow and expenditure outflow. The finance department ought to have shown better circumspection in such circumstances. They have kept the revised estimate for 2020-21 more or less the same as in the January 15 budget. With no change in the public debt and public account numbers in the revised budget estimate no change in the capital expenditure also could be envisaged. The fiscal deficit which is the difference between total expenditure (Rs 162032.39 crore) and revenue receipts (Rs 130981.06 crore) plus recovery of loans and other capital receipts (Rs 353.74 crore) in the revised budget is Rs.30697.59 crore which is exactly the same as in the old budget. Given the great promises announced in the budget speech of June 4, in the final reckoning the state public finance surely will have to witness drastic slippages in the fiscal deficit ratio maintained at 3.5% of the GSDP, not to speak of the revenue deficit. To be sure, unprecedented situations demand radical measures

Two, the new finance minister declared that double the Rs. 20,000 crore package for 2020-21 to contain the COVID pandemic has been spent. If this is true, it is something to write home about. Transparency demands that this is substantiated with an annexure to the Budget. Another fresh dose to the tune of

Rs. 20,000 crore is also announced to stimulate the economy. Indeed a great and bold gesture. The budget speech declared that, out of this Rs. 8300 crore is earmarked towards interest subsidy for loans provided for economic rejuvenation. Budgetary propriety demands that this finds an entry into the estimate of revenue expenditure. But Rs. 21,940.20 crore provided for interest payments in the old budget is repeated in the revised budget estimate as well. Because you want to keep the revenue deficit figure undisturbed this surely was the only alternative.

Three, it is good that the ethos and priorities of the 'Kerala Model' are scrupulously maintained with the continuing emphasis on the triptych of health, education and social security. The allocations in some cases have been stepped up and new programmes have been launched. The K-DISC (Kerala State Development and Innovation Council) a strategic think tank and advisory body has been given a 150 percent increase in allocation compared to the old Budget estimate. The efforts to transform Kerala into a knowledge society need much more structural transformation. The unplanned and linear expansion of higher education that influenced the social, economic and political character of Kerala in the past to be sure, needs substantial change. The issues of quality and social equity cannot be sidelined for long. This calls for bold policy choices.

Four, the emphasis given in the revised budget is in sync with the LDF government's election manifesto. But

some of the issues either remain rhetorical or left unanswered. In 1961 the wetland paddy lands considered to be one of the most eco-sensitive and valuable spots in the world (acknowledged in a scientific paper in Nature (1997) comprised nearly 35 percent of the cultivated lands of the state. Today it is reduced to a little over 7% inflicting irreparable damage to the unique eco-system in the process, besides considerably jeopardising Kerala's food security prospects. Kerala Wet and Paddy Land Act, 2008 was a belated intervention. Even that was amended and made ineffective over the years. The data bank remains a sort of non-starter and several issues continue unaddressed. Similarly, the quarry mafia continue to wreak havoc in Kerala despite the ongoing protests. The sixteenth Legislative Committee on Environment in 2019 reported that the number of illegal quarries is "more than ten times" the legal. Instructively that their number keeps growing is an undeniable fact. Kerala is one of the richly endowed environment systems of the world. It is hoped that the new government will come up with a comprehensive project with budgetary support and place Kerala on a durable ecological foundation. Tourism indeed has a place in the economic development of Kerala. Even so her beauty and environmental charm deserve special management and care.

Five, despite the serious constraints of time K N Balagopal deserves kudos for some of the initiatives he launched. 'Health first' projects herald a new era in the context of the health emergency underway. A

promising system of equitable health delivery from free vaccination to oxygen and ventilator provisioning is envisaged with budgetary backing. Kerala with the highest proportion of health workers to total employment among the major Indian states [See NSSO Report (2020) on Annual Periodic Labour Force Survey (July 2018-June 2019)] could successfully deploy them to reduce the fatality rate. Not only that, the Kudumbashree is considerably strengthened to function as a subsystem of local governments in containing Covid -19, besides developing it as a support to care for the vulnerable sections in the crisis enveloping them. That a microfinance institution is converted to serve as a hub of local economy and livelihood is also something to be noted. Although the smart kitchen project is allocated only Rs. 5 crore, it is likely to emerge as a big event in the coming years. Another noteworthy initiative is the effort to address the problem of educated unemployment.

To conclude, I have been selective. A budget and the policies that it seeks to support is good only to the extent that it is implemented. Routine incantations have no value unless announcements become real activities meaningful to the people. Therefore it is desirable to have a progress report card attached to every budget that details the announcements made and the achievements realised.

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(Prof M A Oommen is Distinguished Fellow, GIFT)

Need to address structural challenges

R K Singh, IAS

According to NITI Aayog's, SDG index rankings for states, Kerala retained its number one position because of its achievements in various fields like social sector, health, education and also in areas like telecom density, Internet coverage, environmental parameters, etc. We are narrowly followed by states like Himachal Pradesh which is just one point below and is probably going to compete with us closely in the future. We are also at the top rank in the devolution index and we are now on a per capita basis 60 per cent higher than the national average as far as per capita GDP is concerned. This is based on substantial growth of the last decade, particularly in services sector and as a result of which growth rates have normally have been in double digits for most years.

But I don't want to downplay the considerable structural challenges that we face. The two major challenges are one, that our capital expenditure, as a percentage of GDP is very low, it is only 1.1 per cent against the national average of 2.5 per cent. although, hopefully, the KIIFB interventions will lead to some increase in that. The other is that, among the major Indian states, we have the largest

unemployment problem; almost 11 per cent against the all India average of 6 per cent.

There is also a structural fiscal challenge, in that we are probably spending too much on revenue expenditure and we have too much of committed liabilities as part of that revenue expenditure as compared to the rest of India. Our committed expenditure in terms of salary, pension and interest is 61 percent of total revenue expenditure, the average for other states is far less. So there is a structural problem in the economy and there are also some structural issues in our fiscal setup itself. We have to address all of these and the budget actually tries to address many of these. Not just budget, but in our policy in the last two years, in the face of the pandemic, we tried to follow a counter cyclical type of strategy, meaning we kept spending money on public works, as well as on social safety net and we tried to ensure a combination of proactive measures in the health sector and a rely universal basic income support ; while ensured , that our fatality rate revised one of the lowest in the world, while taking care of the most vulnerable sections of our population.

However, we now need to move on to a path of fiscal consolidation, because otherwise we will have a difficult time in the future and only way to actually do that is to return to the path of growth. As I mentioned our expenditure profile is such that most of our expenditures are committed expenditures and there is not much room for reduction. Other than trying to reduce the increase in a permanent establishment by not creating too many your salaried positions in government in the future, there may be some possibility of elongating the majority profile of our debt and try to reduce the interest burden a bit, but as far as the 61 per cent of our revenue expenditure is concerned, it is fairly inflexible. As Dr Isaac also mentioned our Debt - GDP ratio went up to 36 per cent in last year, mainly because we were also able to access an additional 2 per cent in borrowings which was given to us, subject to certain reform parameters, all of which we were able to achieve. There are other states which are at over 40 per cent and these include states like Punjab, Rajasthan, Uttar Pradesh, Bihar etc.

However, we unlike UP and Bihar, we don't have their much more generous levels of devolution from the Finance Commission which, of course, in our case is far less. So what I wanted to stress is that there is a two year breathing space that we have in the state, mainly because the Finance Commission has been generous enough to compensate for the lower devolution figures by giving us higher transfers in the form of revenue deficit grants, which will taper down over the next two years.

Similarly the 14% protected revenue growth under the GST regime, that will also fade out by the middle of next year, though there will be some tail to that which will continue for the whole of next year.

In that two year period we basically have to return to the path of growth and also control our fairly runaway expenditure growth rate of 10-15 per cent. We need to bring it down to about 10 per cent . In that case, we should be able to ensure that the Kerala model of development that we have achieved, and which has shown such a spectacular results and outcomes, as has been recently recognized ever by the Government of India, remains sustainable. As the projection of the 15th FC indicate , over the next five years, we should be able to grow at least 13.1 per cent, in the highest growing category of Indian states along with Haryana and Goa. If we are able to achieve that I think we will be in striking distance of the FRBM targets that were mentioned earlier. Hopefully, the abatement of the pandemic and the return of tourism, which contributes almost to the extent of 10 per cent to our GDP, will also help regenerate our economy.

As I mentioned earlier, the structural challenge of lower capital expenditure is being sought to be met through higher expenditure through KIIFB, as well as through externally aided projects, many of which we have tied up in the recent past. As far as the unemployment issue is concerned, the current year's budget, had a particular focus on the second challenge, of reducing the educated unemployment, through steps for providing employment

for a higher percentage of our educated under employed categories and housewives, so that they are able to access and start working in the digital economy. A new online platform that we are in the process of deploying with the help of leading international placement agencies/firms will focus on this objective. I'm cautiously optimistic that with these

interventions, we will ensure higher levels of growth and help sustain our unique Kerala model of development in the short and medium term.



(The author is Additional Chief Secretary (Finance), GoK)

Some crucial questions to be answered

C P John

I have gone through the budget presented by Dr. Thomas Isaac thoroughly. He says that K-Disc is the new 'Avathar' of KIIFB. I am not in an opinion that his ideas would not be fruitful. A section of people contradict the idea of knowledge economy, even though it is labour intensive, but unproductive. I do not agree with the term, knowledge economy. I prefer this can be termed as knowledge based economy.

The United Democratic Front [UDF] is not against KIIFB. But we oppose availing loans with high interest rates in the pretext of infrastructure development. We need investment which is capital intensive. Unfortunately, KIIFB does not have a proper view point regarding capital intensive investments. This is a serious point to be discussed.

Dr. Thomas Isaac clearly opined that there is no way that fiscal deficit to touch 4.25 per cent from 2.45 per cent. He also says that revenue deficit will be to the tune of 2.94 per cent. Fiscal deficit of central government had increased to 9.25 per cent. This means that Fiscal Responsibility and Budget Management [FRBM] Act is no more.

We must examine the serious fall in the

revenue of our state and the increasing trend in revenue expenditure seriously. As per the revised estimates of 2018 -19 budget, total revenue receipts is Rs 160,000 crore. This had dropped to Rs 99,042 crore in next year. We can assume that the abnormal rainfall and the flood in 2018 caused this. But when it comes to the 2020-21 budget total revenue estimated is Rs 93,115 crore. State's public debt (net) has increased to Rs 24,419.91 in this year. Still we have a revenue shortfall of Rs 16,910.12 crore. How it happens ? This is the crucial question raised by the opposition parties.

In his budget presented on 15th January, 2021 Isaac says that the state would have a total revenue of Rs 128,375 crore. But this is not correct. The issue is that both finance ministers, Dr. Isaac and Mr. Balagopal gave the same figure as revenue deficit. There is no logic in this because as per the latest budget revenue expenditure increases. So how can the two budgets envisage the same revenue deficit. This is the crucial question to be answered.



(The author is former member, Kerala State Planning Board)

Not human resources, work to be exported

Saji Gopinath

As we know that the budget is based from the Michael porter's theory of competent in terms of nation, also where it speaks about you can actually leave out the older theories which focuses only on natural domains, Labor, interest rate and financial problems for growth. Rather than looking at, both the innovation and knowledge as the lead from elements for the economy. I think in the first budget as well as in the revised budget, there is a substantial emphasis happened on that aspect. When you look at knowledge based economy and where the economy actually derives returns, by looking at production of knowledge goods and transfer of knowledge goods. Kerala is already doing that, in fact we know that conventionally leveraging on our education system people actually use to move out of Kerala and for knowledge work be in healthcare sector, be in IT sector, some of us know that almost one third of the whole IT workforce in India is actually being funded by Kerala. But I think there are two major changes which is happening in the external world which we need to be which, is being taken care of in the budget.

One , there is a change from this large centralized models of Economic development or blogs factory based model of economic development of industrial world is actually slowly shifting to small decentralized models of economic development. We have now getting efficiencies of scale, even at a lot smaller format, so that is actually one big change from the industrial economy world which has happened. The second thing is, we also have through the Digital technologies, we have seen that many areas, which was conventionally were not dematerialized is actually getting dematerialized. Education is one example where conventionally you are looking at this as something is quite a bit of a physical dependence on is there now actually getting dematerialized to a large extent. So externally, there is a change happening; there is a decentralization of work spaces are happening, the dematerialization of many of the conventional factors of economic growth is happening. How do we actually make best use of that is primarily what I think the budget tried to address. As we discussed, we have a large pool of people who are within the

state who are unemployed, who are educated. Perhaps not skilled, but educated and you also have people moving out earlier, so we were exporting. If you use that word, you are exporting human resources in the past, now we need not have to export human resources for the work can actually be exported, people can still remain in the State itself, which means you are actually having people who will consume which is triggered the consumption will be in the state. This actually get in a long event will help develop the growth of the economy person. Now in that context, how do we actually have these opportunities is primarily what I think the budgets were trying to address. But there are quite a bit of challenges in that primarily look at two three elements, one, you need to have a good skilling infrastructure and come to that a little later. The second is you need to have very major structural changes in the education and the third thing is obviously there is a mindset change from your movie common factor based economy to an innovation based economy. We know that we have close to 3.5 million people who can actually be potential contributors of work in various domains, many of them can actually be done on a remote manner, but the skilling infrastructure of the state is still not able to address that. If you take the whole skilling infrastructure of the state, we can skill around 100,000 - 150,000per annum, which means we are basically speaking about a huge gap in the scaling infrastructure, which is required. The

challenge here is that somehow we are actually keeping the scaling infrastructure away from the mainstream of education. Because the mainstream education is never been looked at, something which can actually provide education and the budget speaks about some changes in the education like creation of centers of excellence, creation of the higher and knowledge production, etc. I think there will be an emphasis on how do we actually integrate the skilling along with the education itself. Primarily, maybe, looking at the teacher training and things like that, so there is an area where we require if you really wanted to achieve this very ambitious but achievable target person.

The second element is that there need to be a structural change in the education person. We know that the education system is having a huge amount of regulations and policy challenges which requires if you wanted to make any of the changes which envisage in the budget, even if you wanted to set up a Center of excellence within an existing university system, you really require some changes in the statutes and regulations of the university. Unless that is addressed it may not be possible for us to many times and that is the second element which we need to look at.

The third element of course is that how do we actually move from a world where we are looking only on a job which is primarily based upon conventional factors of production to an innovative job which may request continuous skilling which may require to take a

break in between the re-energize themselves and combine. Budget has provided a very interesting social network for that, but addressing that taking that in and educating people that type of a model so work is actually going to happen in the knowledge economy is

an area which, I think we need to propagate quite a bit if you really wanted to achieve.



(The author is the Director, IIITMK)

Global recession and Kerala budget, 2021-22

Alwin Prakash

According to World Bank, COVID-19 induced recession in 2020 is the deepest recession experienced in the World since Second World War. India and the state of Kerala have been experiencing the worst recession since 1947. The total COVID-19 cases in India so far is 3.02 crore and COVID-19 death is 3.96 lakh. In this context, the article examines the measures proposed in the two Kerala budgets for 2021-22 to address the pandemic, recession and fiscal situation of the state.

Merits of the budgets

The budgets have given high priority to contain the spread of the pandemic, speed up vaccination, strengthening the public health infrastructure, distribute the food kits to the people etc. The budgets have proposed measures to address the recent sea erosion, floods and other environmental problems. The proposals on educated unemployment, female educated, promotion of skill training, transformation of the state as a knowledge society, promotion of digitalization, measures to improve the quality of higher education, promotion of innovation and enterprise etc are suited to the changing situation of labour market and economy

of the state. These are the notable merits.

Demerits of the budgets

But a key policy error in the budgets is the lack of measures to address the unprecedented recession experiencing in Kerala. The pandemic induced crisis has created deep recession in all sectors except agriculture, livestock, forestry and fishing. Due to the recession the Indian economy experienced a negative growth of 7.3 percent of GDP in 2020-21. The fall in GDP in the state economy is likely to be larger in magnitude as the state heavily relied on external factors.

Some of the sectors which experienced total stagnation are tourism and related activities, hotels, restaurants, travel etc, sports, entertainment, cinema, private educational institutions from nursery schools to parallel colleges etc. Operations of many services and trade were severely curtailed. Examples are private bus transport, operation of autorickshaws, taxis, shops and trading centers other than selling essential items, small scale industrial units, construction activities of all kinds, real estate etc. Many of the activities were shifted from work places,

educational institutions, IT units, offices etc to homes. Due to loss of jobs many people become street vendors, selling vegetables, fruits, fish, food items etc. The state government and its agencies failed to enumerate the magnitude of losses in production, employment, income created due to the recession. Attempts are not made to conduct quick surveys of each sector or sub sector to enumerate the magnitude of loss in production and employment.

Huge losses in employment

The state imposed 55 day lockdown with strict restrictions in the first month and with some relaxations in the remaining period from March 24, 2020. Subsequently various other restrictions and micro level containment were also implemented in local areas during the entire year. During 2021, 40 days statewide lockdown was implemented from May 8, 2021 to contain the second wave of the pandemic. Two day lockdowns during the weekend is in force even now. The various restrictions including the lockdown have resulted in unprecedented loss in employment in all categories of workers. Some of the major sectors which experienced severe loss of employment are industries (account for 11 percent for total employment), construction (19 percent of total employment), trade, repair of motor vehicles (14% of total employment), transport and storage (9% of total employment) and education (5 percent of total employment). Among the categories of employment (workers) those who experience severe loss of employment are the categories of self-employed and casual

workers which account for 67 percent of total workers. Nearly one third of the total employment might have lost due to the recession. This loss of jobs and income of workers can be considered as the worst situation faced by workers since the formation of the state. Except the categories of those employed in government, public sector undertakings, semi-government organisations and organized private sector, who receive fixed wages, all other sections of workers experienced job and income losses. This core issue is not addressed by the budget.

New economic order

The pandemic is creating rapid changes in ways of life, travel habits, use of technology, shift of work places, automation, digitalization, change in preferences of goods and services, changes in skills for jobs etc. The post pandemic economic situation will be different compared to pre-pandemic situation. Preparations are needed to face this transition.

Return of Keralite migrant workers

The global recession has led to large scale return of Keralite migrant workers from Gulf countries and others to Kerala. One pillar in which the Kerala model and prosperity of Kerala society thrived is the large remittances received from Keralite emigrants. The major source of income of lakhs of families in Kerala is the remittances sent by Keralite emigrants. For the last four decades, the state has been getting an annual amount of remittances (through formal and informal channels) which exceeds the total annual expenditure of the state government. It is likely that the loss

of jobs and return of large number of Keralite workers will have far reaching negative consequences in the labour market and economy in Kerala. It is pointed out in the revised budget that 14.33 lakh Keralite migrant workers from foreign countries return to Kerala. Of this, majority returned due to loss of jobs. It is likely that majority of Keralite migrants workers in foreign countries might have already return to Kerala due to the global recession. This issue creates a host of issues such as rehabilitation, assistance to find jobs, support for remigration to other countries etc.

Persistent fiscal crisis

In the fiscal front, the state totally failed to improve the acute and persistent crisis prior to the pandemic period. And the pandemic induced recession has worsened the fiscal crisis. The provisional figures of CAG show that there has been a fall in tax revenue comprising state taxes and share of union taxes by 11.3 percent in 2020-21 compared to previous year. Non-tax revenue of the state fell by 48 percent during the period. The revenue deficit increased from Rs. 14,495 crore in 2019-20 to Rs. 23,256 in 2020-21, a 60 percent increase. The fiscal deficit increased from Rs.23,837 crore in 2019-20 to Rs.38,190 crore in 2020-21, an increase by 60 percent. Normally in a situation like this the state government will be forced to close the treasury for many days, but the large amount in grant-in-aid received from the central government such as revenue deficit grant, grants to local governments, sector specific grants etc have averted such a situation. The grant-in-aid received from the central

government increased from Rs.11,235 crore in 2019-20 to Rs.31,049 crore in 2020-21 (176% increases). With the fall in revenue deficit grant the state is likely to move to precarious fiscal crisis in the near future. Due to the acute fiscal crisis, the state totally lost its fiscal capacity to spend money for reviving state's economy or provide assistance to the lakhs of workers who lost their jobs or earnings. The lesson we have to learn from this is that Kerala cannot survive unless steps are taken to improve the fiscal situation.

Issues in off budget borrowing

The budget heavily relies on funds of Kerala Infrastructure Investment Fund Board (KIIFB) for implementing major development projects in the budget. The budget says that the state government announced Rs.50,000 crore investments for five years through KIIFB in the first budget. But project worth Rs.7,000 crore was completed till January 2020-21. It is mentioned in the budget that KIIFB has accorded sanction for 821 projects worth Rs.40,100 crore. Another Rs.20,000 crores has been sanctioned for land acquisition for industrial parts. Thus most of the major infrastructure development projects are funded by KIIFB. But the CAG, a constitutional authority of India says that KIIFB cannot be considered as an off budget borrowing institution and the borrowing of it should be brought within limits on government borrowing under article 293 of the constitution of India. If the central government decides to accept the view of CAG and implement the same, the KIIFB funds come within the borrowing limit. This will create total

uncertainty in the borrowing funds for the development.

The analysis may be concluded as follows: The budgets have given high priority for containing the spread of the pandemic and strengthening the public health system. But the budget has failed to address the unprecedented recession experienced in the state's economy due to the pandemic. The state even failed to collect data to know the magnitude of the losses in production and employment. Due to the acute fiscal crisis, the state lost its fiscal capacity to

spend money for stimulus packages or assisting the people who lost jobs. The CAG's view that KIIFB cannot be considered as an off budget borrowing institution has very serious implications on future borrowing for development of the state. All these suggest the need for improving the state finances by all means and at all costs.



(The author is Chairman, Fifth State Finance Commission, Kerala)

Kerala needs consensus on development issues

G Vijayaraghavan

Dr. Thomas Isaac talked about 20 lakh of jobs over a five year period and the same thing was repeated by K.N Balagopal in his first budget. But what we should understand is that the total number of jobs in that sector, which is targeted on what one, can do for one from home is less than 45 lakh in the country today. Alright, are we thinking that 50 per cent of them will come from Kerala, even if this number grows over the next five years? What is the problem that we are not able to get 50 per cent of the jobs in India, we today have about one third. Dr Saji Gopinath , talked about the reason for that is the quality of our higher education which is actually a disaster. When we look at the statistics of companies who give test for recruitment, less than 5 per cent of those who appear in the tests are able to get through the test and from that less than 20 per cent ultimately get a job. This means when you look at 100 students in Kerala, who appear for a test for a job in a software or an IT company, only one will get it. This is something we need to look at because both the UDF government and the subsequent LDF government diluted the Kerala Technical University, to make it an affiliate in your risk which was originally supposed

to be a re affiliating university. So the quality of what we give on the technical side is low. I don't think our universities and education institutions should become skilled centers, we need to provide the right kind of inputs, which will enable them to be continuous learners and be able to quickly acquire skills, because continuous learning is going to be very critical in the period as we go forward. What I would suggest is that 20 lakh jobs is possible, but not in the knowledge worker level alone. I would suggest Dr Isaac and K.N Balagopal to look at converting this whole thing into a State initiative on employment generation today. There is no department in government who is responsible for creating new jobs, everyone is only looking at capital expenditure. If we are going through a time when across the world, we actually have a job less economic growth happening. We need to see how can we change the focus from investment to job creation. It is true that we have a very large number of housewives, where you get an unemployed, but they are not in a position to take on these jobs today. There are companies prepared to give jobs to people who have taken a break in their career to do it, but, unfortunately, is not finding the

right skill set.

Let me come to the second point, and this is something which I think is the right opportunity today. It is probably the best time to really create a political consensus on how Kerala's development should happen. I would say that that is the shape, you can be taken by the government, you will have civil society will work with you on and that is something which is to be done.

The third point that I have to see is that the tools for looking at tax evasion on the GST are available, we need to apply those tools and ensure that our compliance on tax is substantially higher than what it is today. None of the numbers which you see today in terms of our tax collection or the kind of overspending etc, justify the level of tax collection that we have. I am not in favor of introducing a digital tax or an additional income tax because the moment you do that people will go for jobs in another State. So they will go elsewhere it works I'm not in favor of that, but I think compliance should increase and we need to look at that I also think that today, because we have gone through a major crisis. It is the best time to start thinking of introducing a participatory social security net, which is sector specific. The tourism sector, you can have a participatory social security net, the IT sector, you can have a participatory social security net, in addition to provident fund and I would request that the government seriously think about working on that the next one. I am happy that there are some points or direction, which is coming up in the area of plantation and they're talking about

what more things can we add. I think we should be very open there that has been revolutionary about it. Let us say that you give the farmers, the freedom to cultivate whatever they want, otherwise you're going to say tomorrow Rambutan, then you know suddenly everybody starts cultivating Rambutan the market falls. Then you won't get any price for that. So don't do that, give the farmer, the right to cultivate whatever they want, don't allow real estate development there you can allow food processing, value added on agriculture, nothing more than that. I would also suggest one more thing is to allow them to get us some of the land to be allotted to their workers so that accommodations can be built by the workers for themselves. so I would say, look at the complete reform breaking that upskill , I said earlier, the higher education sector basic needs to be broken up the land use patterns, need to be broken up.

I talked about the state initiative on employment generation, we talked about their, was just giving an example because coastal sector was talked about. How many fishermen have their children going to see nowadays they allowed to see the kind of jobs, some of the best divers in the world came from Neendakara, okay why don't we look at finding a model, by which we give them employment here. Can we not have people going in fishing boats with tourists go through a two hour three hour trip catch fish and come back. They will make more money, then they will be gone fishing today, so you need to start thinking innovative. You need to have developed initiative on employment generation.

What I would say is that the other thing which I was mentioned earlier, and I think Dr Isaac promise that it will be done is that I would say, with every budgets, you have to see what you promised and what you achieved. There should be a quarterly progress done on the promises that were made the expenses that were talked about and the income that was generated make

it a quarterly. The same can be a one page or two pages document pull out the main things and do that and do it on a quarterly basis and I would say that things will be implemented.



(The author is Honourary Fellow, GIFT)

Kerala budget 2021-22 : A few comments

Mary George

The Budget was presented in the backdrop of severe economic slowdown caused by the pandemic COVID -19. Latest Consumer Confidence Survey of RBI has reported that economic situation of India is grave. Accounting to the report, urban unemployment in India during the 2020 lockdown was 23.14% which has come down to 14.73% in 2021. But economic situation is worse in 2021 than in 2020 as wholesale price Index and consumer price index have worsened. Pew Research Centre, recently came out with the findings that poverty population has increased in India. The pew, defines poverty person as one whose daily income is equal to or less than 2 dollars a day. Poverty population in 2020 was 60 million which has increased to 134 million in 2021 in India.

Chief Minister of Kerala stated that unemployment in Kerala is around 11%. The new budget which is an extension of the election budget January 15, has given top priority to fight the pandemic. Covid -19 incentive package of Rs. 20,000 crore is praise worthy. We have to fight the pandemic and the recession. Great economists like JM Keynes had given the dictum that a recession should be fought

with public expenditure.

Government has declared a 100 day work plan with the expenditure of Rs. 2464 crore. This project promises, 20 lakh work days in 100 days, 25000 hectares under organic farming, 10,000 houses under Life Mission, nine roads under rebuild Kerala initiative These are the major labour oriented programmes declared. If these promises are kept, Covid -19 economic impact on Kerala Economy during 2021-22 will definitely be minimised. These budgetary measures declared with a short term vision are praise worthy.

But, the long-term development vision shared in the budget, I am afraid, may take Kerala to a debt trap. Of course, infrastructure projects are good. If an industrial corridor -eg; Kochi-Bangalore- is completed, that will reduce the logistic costs and increase private investments, would crowd in. But when we undertake long-term capital projects, with borrowed funds, we have to complete them in a strict time bound manner which is a mirage in Kerala.

There is yet another more serious danger. Kerala Government usually transfer money set apart for capital expenditure

to revenue Expenditure. Every Budget in Brief Document of Kerala government substantiates this statement. Money borrowed at the international level for Rebuild Kerala Initiative like The World Bank (1st and 2nd tranche) ,The German government, (1st and 2nd tranche) with certain beneficial conditions like (1) protection of river banks (2), reconstruction of flood damaged roads (3) restoration of flood displaced lives, (4) Preservation of ecology etc. are still on paper only.

Personal experience

In 2019, immediately before the budget 2019-20, one memorandum prepared by people living on the bank of river Kabani in Wynad District, signed by 480 persons, mostly tribes, was handed over to the then Finance Minister Dr. Thomas Isaac, by me, leading the team. River bank of Kabani from Koodal to Kuruva Dweep (a tourist hot spot) was damaged, road was fully washed away, houses were destroyed. In the budget, there was lofty promises .But so far nothing has been done. Kavalappara, Pettimudi, Puthumala are all land slip damaged places which are still in doldrums.

Debt Profile Budget in brief 2021-22 Table A9, as per table A-9 total debt as percentage of GSDP was 29.86% in 2020-21(BE), which has risen to 36.11% in the revised budget estimate. Because of the pandemic, Finance Minister of India had permitted states to borrow additional 2% as the second Covid -19 incentive. Even if that is taken into account, the revised GSDP/ debt ratio has to remain within

31% of GSDP. More worrying is the 37.39%as the GSDP/ debt ratio in the budget estimate 2021-22. In addition to this, Off-budget borrowing through KIIFB is there. Interest charges on these borrowings vary from 9.72% (CDPQ) downwards.

CAG report 2020 for Kerala highlights the debt maturity profile of Kerala budget the debt maturity profile of Kerala. The report shows that 51.22 % of Kerala States' debt would be maturing in 2026 March. This amount comes to about Rs 81056.92 crore. Sufficient precautions are needed to keep debt sustainable or to avert a debt trap.

Possible way out

If the govt. wanted to keep debt sustainable, reduce incremental debt and depend more on state's own sources of revenue on the one hand and reduce extravaganza on the other hand. Ten year Pay Revision without doing any damage to the civil servants is one important step. Tax / GSDP ratio is around 8% for the state while it is above 30 percent for the developed economies It may be raised above. 20 per cent for the state Non tax revenue was around 33 percent of State's own revenue in the 1956-57 -1966-67 Period. It has declined to less than 10%. There are 36 sources of non- tax revenue. Quick steps are necessary to be taken to tap revenue from these sources. Third Kerala Public Expenditure Review Committee (KPERC) had made a detailed study of non-tax revenue. Following that non-tax revenue share in State's own revenue increased from 6% to 13%. Latter,

Instead of further rise, it slipped down below 10%. (I am ready for a discussion to improve this).

Environmental fiscal policy:

Environmental fiscal policy would help the growth of revenue. An Eco tax. based on the cost benefit analysis of environment is the order of the day in every country. Forest revenue was 21% of the non- tax revenue in 2001. It has declined to less than 7% in the recent years. Forest mafia, Quarry mafia etc. should be subjected to Eco tax.

Lottery revenue is swallowed By lottery administration. Steps are required to bridle it.

Knowledge hub

Knowledge hub is a multifaceted vision strategy.

Technology hub may prepare ground for electric mobility of the country and the world. Lithium-ion batteries and electrodes would be required on a large scale in the shift to electric vehicles. Right now, demand for lithium-ion and cobalt requirement of battery manufacturers is met by imports from China Vietnam and Hong Kong. Lithium has medical and environmental uses as well. Technological universities and related research centres of Kerala can promote the production of lithium and cobalt. Individual and group fellowships can meet the requirement of industry and perhaps create new patents.

Start-up innovation hub

Our organic products like, jack fruit, coconut and spices based products are

internationally accredited food products and can attract the world market as food delicacies and as organic medicinal food for life-style diseases. COVID-19 virus inspired spurt in demand for ginger based products of India from the north America and Europe is a case in point. Innovate new products from these to capture the new generation need. ISO Certification in the quality packing etc of the product needs assembly line production and packing. Internship programme of engineering students with industry should be made compulsory and part of the expenses should be financed by the government. Kudumbasree micro-enterprises may be taken into confidence. Traditional food delicacies produced and marketed by them have already captured the market.

Ayurveda medical tourism is another area with immense potential for development. Ayurveda research should be linked with western ghat exploration to identify new herbal medicines. Such internships may be linked with responsible tourism. In the initial stages government may have to meet part of the expenses. Later it will work wonders.

AI and machine learning:

Perhaps Kerala has most congenial atmosphere for the development of artificial intelligence, machine learning, robotics etc. If academic support and financial assistance are given, Kerala might leap forward ahead of china in these sectors. Data, being the brain of AI and Machine learning, there exists an immediate need to establish a data hub.

Keltron and light electronics:

Either grow as a technology centre or perish must be the attitude to Keltron. Budget provision to a Public Sector Enterprise for mere survival is penalising the tax payer, When digital platform is becoming universal light electronic equipment like sensors, camera etc would be high in demand. Keltron can give a lead in the production of such light electronic items. Engineering internship should be linked to Keltron. An incubation cluster hub along with Keltron should be financially supported by the government.

Rebuild Kuttanad

Geological similarities of Netherlands and Kuttanad may be examined. A committee led by people like Padmasree Sanker, R.V.G.Menon etc should be appointed to do the job. Priority given to High Speed Rail should be shifted to re-building Kuttanad. This is important for three reasons; rehabilitating the population for a decent life, correcting the

damage already done to the ecology, and finally to safeguard one of the granaries of Kerala.

High-speed rail is both uneconomic and unsustainable. When countries move to Hyper-loop mode of transport can Kerala cope with that? High speed rail is a debt weight on public revenue, unbound damage to environment, takes over many hectares of paddy fields of food deficient state of Kerala and debt vulnerability of the state will be worsened.

A Tribal Study Centre

A tribal study centre to be set up in Waynad which is the highest tribal density district in Kerala. A Sports University in Trivandrum.

Last but not least: Do not kill Re-build Kerala initiative.



(The author is former Chairperson, Public Expenditure Review Committee)

Care economy vaccine and beyond: Does the Kerala budget open a countercyclical window?

K Raviraman

Pandemic COVID19 is not just a public health or epidemiological crisis; it is a moral economy crisis, too, which demands a moral economy solution. In both the supplementary budget by Balagopal and the earlier budget by Thomas Isaac in January 2021, the state government has taken measures in the direction of ethical economy even though it has yet to adopt a moral economy resolution. Both the budgets address the double negatives that have emerged in the first and second waves of Covid19 conditions: a contraction of both demand and supply that renders new taxes impossible, yet demands further public expenditure, if the state maintains its social democratic approach to governance (see Oommen 2021; Chakravartti P and Anitha Kumary 2021). In a time when many economies around the world are still grappling with healthcare crises and crisis-ridden democratic institutions, this is essential. Even under the economic pressures of the Covid19 pandemic, the state refuses to hollow out social security measures and instead reiterates its commitment to ensuring the people's security and safety. Knowing from experience that imposing taxes when aggregate demand is weak

would be counterproductive, the budget has not attempted to do the same, although the tax potential has not yet dried up. I will return to this shortly.

In the announcement of the second economic package worth Rs20000 crores - a care economy package indeed - which is the first in India, and equivalent to last year's relief package, the Kerala government has once again demonstrated its concern for vulnerable social groups in a crisis. Health is the first element of the package (Rs2800 crores) by taking precautionary measures against the cyclical occurrence of Covid19, followed by livelihood and welfare (Rs8900 crores). This was accompanied by coastal developments, scaling up of MSMEs, diversification of plantations, livestock developments, as well as loans and interest subsidies (Rs8300 crores) resulting from the moral economy crisis that Covid has caused to the state. The proposed Comprehensive Financial Rejuvenation Loan Scheme is an ambitious project as it would involve the full utilisation of existing refinancing schemes (NABARD, for instance) and more importantly, the Cooperative Initiative for Agriculture

Infrastructure in Kerala (CAIK). This will certainly produce a paradigm shift from crop credit to investment credit in processing centres for meat, fish, dairy products, fruits and vegetables, which in turn will increase the income flow to farmers and create new employment opportunities, aside from ensuring food security. Its goal is to make cheap, subsidised loans available to sectors without sufficient funds. Kerala Bank will often work with NABARD on this.

Further, funds would be made available at low interest rates for imaginative schemes in sectors such as Labour Enterprises and Kudumbasree Neighbourhood Groups. Venture Capital Fund initiative with a corpus of Rs.100 crore aims to scale up small-scale enterprises and start-ups and help the state to achieve V-shape recovery is also important. A new knowledge economy is being achieved, thanks to KIIFB, by upgrading higher education, digital innovation, and multi-skilling, thus making Kerala an exciting and valuable new education hub; KIIFB plays an important role in this transformation.

An increased emphasis on three levels of infrastructure - technological (roads, bridges, canals etc.), social infrastructure (schools, skill centres) and financial (KIIFB, public-private participation and other sources of resource mobilisation) reveals the state's planned approach to sustainable development by taking into account the resilience of the region and the relevance of modern technology across sectors such as IT and MSME in rebuilding the state. In spite of the claim that Kerala has already borrowed huge funds at high

interest rates, and that the debt could not be sustained, the state's debt-to-GDP ratio in Kerala is lower than in Congress-led Punjab (40.3%) and in BJP-led Uttar Pradesh (34%). Secondly, an economy like Kerala's can sustain the economy so long as there is no debt overhang and, thirdly, the loans raised are also used to fund the state's otherwise lagging infrastructure projects, which would enhance the quality of social development (also see Joseph and Kumar 2020).

As the new finance minister is fortunate enough to have a favourable access to the revenue deficit grants of the 15th finance commission - worth of Rs19891 crores this year alone and Rs13174 crores next year - and sectoral grants to health and Covid19 protection measures and a provision for additional borrowing within the FRBM regulations, this would provide the state maximum manageability to address the fiscal challenges and developmental efforts. It is equally important for the state to address how to scale up the productive capacity of the state during these two years. The state would also be eligible for GST compensation worth of Rs4500 crores. Nevertheless, new sources of tax revenue could be identified and tax revenues could be increased by improving tax collection efficiency.

Evidence suggests that due to the economic impact of Covid19, various state governments' tax revenues have collapsed in an unprecedented manner. States have slashed their developmental expenditures. In the case of Maharashtra, it was reported that the government had imposed a 67 per cent cut on all developmental expenditure,

a freeze on hiring, a halt to farm loan relief (already sanctioned), and a 25 per cent cut in departmental expenses. Similar cuts across all states would deepen the demand depression. Both under the earlier finance minister Isaac and now under Balagopal - both with Pinarayi Vijayan as Chief Minister - Kerala has been able to widen its social welfare system with more infrastructure investments. Austerity is a policy that has failed to create the outcomes that are expected, particularly during difficult times, as well as the policies proposed by the IMF for Latin America and East Asia.

As the Covid19 pandemic still haunts the economy, it is likely that the negative growth rate and revenue decline would be much higher than what is explained in the budget. In the budget, for instance, it is stated that there is a decline of 3.82 in GSDP and an 18.77 per cent decline in state revenues. This was a figure relevant until the end of March 2021, and the second wave Covid 19 peak was in April, revealing that the economic catastrophe would be much severe which would compel the state to go for additional borrowing within the FRBM regulations. Further, with the second wave, the double negatives of contraction in both demand and supply have also surfaced. This cyclical occurrence of COVID19 with new layers of economic setbacks would not give space for new taxes as it would prove counterproductive. But it does not mean that all sources of revenue are dried up, and it is also where the state needs to go for post-pandemic tax reforms. A tax reform should be synchronized with the phases of economic

transformation. Waiting for the economy to transform before enacting a tax reform is not going to be good economics.

States, who argue that they have high revenue surpluses in contrast to the state's growing deficit, as was the case in Kerala, completely ignore the fact that an increase in central transfers allows them to maintain high revenue surpluses. In some other states such as Bihar, UP and Odisha, it is specifically due to a low allocation of funds for social development and public provisioning that help them to maintain a high revenue surplus. Kerala, in contrast, refuses to hollow out from the social sector expenditure as the state's egalitarian social democratic project could be continued only by an increased expenditure by the state. This doesn't mean that the new sources of tax are dried up. The average own tax-GSDP ratio in India during 2015-16 to 2020-21 has been 6.3% and for Kerala, it is 6.4 per cent. This is much lower when compared to several countries and there is so much potential for Kerala to increase the tax-GSDP ratio.

New sources of revenue

In his maiden budget, K N Balagopal said, "We do not believe in intimidating and coercing traders and industrialists." State cannot ignore CAG's estimated arrears of revenue of 20,146.39 crores (22 per cent of state revenues), among which 5,765.84 crores (27 per cent of state revenues) were outstanding for over five years. This shows that there is so much tax abuse taking place in the state. While the disposal of certain arrears such as building tax has been highly "appreciable", the government will have to

scale up its performance in arrear collection in most of the sectors. The Finance Ministers budget speech with a moral tone that "if everyone starts remitting their due tax, our fiscal stress could be easily overcome" is positive and his stance that once the economy returns to normalcy, "vigorous efforts will be initiated to increase tax and non-tax revenues" is promising. It is important to look outside the box to think creatively in order to come up with new, more effective ways to deal with fiscal stress. Traditional solutions like one-time settlements and increased lease rent and so on should, of course, be operationalized. But this is not enough. Apart from the traditional way of raising revenues, the government must be able to scale up the existing tax rates and locate imaginative forms of new sources.

A few such sources are worth citing (i) property tax and new tax on vacant houses/flats (ii) digital state cess/digital state tax (DSC/DST) (iii) inheritance wealth tax.

(i) Property tax and new tax on vacant houses/flats

At present, the property tax in India is as low as 0.2 per cent of GDP as against around 3 per cent in advanced countries. Given the fact that Kerala is a state with high cost in land value and mostly with pucca houses, the potential for raising property tax is huge. It is equally important to adhere to the suggestion made by the Kerala Post Disaster Needs Assessment (PDNA, 2018; Raman 2020) to levy a new tax on vacant houses through local self-governments (LSGs). It is estimated that

there are about 1.2 million houses and flats in Kerala vacant for years together. An additional tax of Rs 2 per square feet per year would yield tax revenue of Rs 220 crore. There are three advantages in a symbiotic manner: first, it would help increase the state revenues, particularly the revenues of LSGs; secondly, it would help to bring around 1.2 million houses in the rental market benefiting those IT employees seeking accommodation; this would also help the guest workers who flow in the state and thirdly, it would discourage the over-extraction of natural resources for the building of expensive houses and flats aiming to reap speculative interests only.

(ii) Digital state cess/digital state tax (DSC/DST)

The economy is increasingly oriented to digital economy with the digital transformation is the key driver of the economy and society. Governments should emphasize providing as many public services as possible via e-Government in order to lower the transaction costs for customers and publics. Since such public services are easy to use and take up little time for the citizens, it is reasonable to tax them incrementally. Additionally, it empowers the democratic structure of society by ensuring more accountability and transparency. Furthermore, it would strengthen digital democracy, which otherwise would have been left to those who drive digital technologies alone and improve the productive capacity of the state.

In addition to reducing tax abuse, DST

reduces fraud and concealment by reducing electronic transactions. It would also be easier for the government to set compliance targets and increase transparency. DST has one more, and perhaps the most important, rationale. No other state in India is expanding its services sector as fast as in Kerala. More importantly, the Kerala economy is poised for digital transformation, with digital interventions as the key for transforming almost all sectors in the state, particularly education, health, deliveries and even day to day administration. There is a drastic reduction in transaction cost due to digital transformation which would also justify why a portion of the cost advantage should be mopped for the larger society.

It is where the DST should be pitched in and Kerala's "multiple scissors crisis" call for the same. A further advantage of DST for Kerala would be, in contrast to GST, it would allow the state to exercise its rights on it. Otherwise, the state would have plunged in multiple scissors crises, in productive domains as well acting as constraints for improving the productive capacity of the state. DST's additional resources could also be effectively used for

cross subsidizing the state's ambitious projects both in the digital domains like K-FON and free computers for the vulnerable social sections, but also in other areas of the state's welfare obligations, which would limit the state's exposure to deficit.

(iii) Inheritance wealth tax

In India, Inheritance Tax (also known as Estate Tax) was imposed until 1985 and was payable when the property was transferred to the heirs. The inherited wealth tax was also in force until 2015. It is time to reintroduce the inheritance tax as one of the instruments to address the rising inequality in the country, particularly in states like Kerala. Also, states could impose their own inheritance taxes.

The post-Covid tax reform must include the establishment of an expert group to help the state develop the resources it needs to expand and strengthen its capacity to serve people more efficiently.



(The author is a Member, State Planning Board, GoK)

The sectoral focus

Health

Futuristic position on healthcare

B Ekbal

This is an unusual budget in an unusual era. In fact, this is not a budget which was presented in the normal times; we are facing an abnormal time and going on to a new normal situation. Even if the COVID is subside in, say, by the end of the year or early next year, even then, we will be entering into a new normal situation. This is called a new normal situation, 'Nava saadhanavam'. Our finance minister, as presented in the budget, taking into consideration the abnormal situation and also what we should have in the new normal situation. Dr Thomas Isaac, when presented his budget, it appeared that we were on the verge of almost controlling the COVID pandemic. The cases per day was around 3000 plus and the death per day was around 20. But then the second wave, In other parts of India, as well as in Kerala the Delta radius of the bow the coronavirus is still present and, at one time the daily case as bought up to 41,000 and that death case is increasing, more than 200 per day. But in spite of the lock down the COVID cases are not coming down as we expected, but we hope that it will come down and there is a fear that there they make up usually pandemics

come in waves and we think that the third wave come at any time. But a third wave does not come automatically, in fact, a third wave is created by us, you take appropriate policy measures, we can even prevent the occurrence of third wave.

Taking all this into consideration, Finance Minister, K.N. Balagopal has given, this is a COVID budget, actually, this should be called a COVID budget than anything else, because he has also set apart around Rs 20,000 crore for the second COVID package. Out of which Rs 2800 crore was set apart, there are nine projects, he has outlined here specific to health sector and these include infectious diseases. He has also mentioned about the upgrading of the intensive care units for the pediatric section. This is because we expect that children will be affected in the third wave. In the third wave, even though I am very doubtful about it because there are various scientific reasons why the children need not be affected. He has taken the a precautionary position by improving the functioning of the pediatric ICU and of course oxygen supply is extremely important and liquid medical oxygen plants to be established.

He has also mentioned about two very important project, one is that setting apart money for research, this is very extremely important. In fact, one positive thing that has emerged during the COVID period is that our research institutes are indulging in the research work, especially to develop new technologies, new diagnostic tools and new treatment technologies to manage the COVID. We have an International Biology Institute in Thonnackal, he has also set apart Rs 10 crore for research work there. There is an outlier here, this outlier here is the conversion of auto play setup to central surveyed supply department in the medical colleges. Now it may appear on the surface, that after all infection control is extremely important, but I would say that this is a extremely important and it has been mentioned in the budget. This is to prevent nosocomial infections. Nosocomial infections are hospital based infection the patients, develop the same function at the hospital in fact the black fungus is, one type of nosocomial infections. Now this is important because you know that large number of microorganisms developing resistance to existing antibiotics and antivirus medicines.

In fact we have multi drug resistant tuberculosis has already immersed in this format, the Kerala state is implementing what is called anti microbial program in Kerala. There is a national program based upon that Kerala has already prepared a project for strategic approach to control of antimicrobial resistance. So

I think this is an outlier, an extremely important outlier, which has been mentioned here. I may have said that we have to see that these are not at the folk arrangements which he has done. All these setups will further improve the quality of the healthcare institutions in our state. Because infectious diseases are present in Kerala, that should we understand whether there is COVID or not, infectious disease are still present in Kerala, H1 N1, dengue fever, chikungunya, Japanese encephalitis even waterborne disease are there in Kerala. So Kerala is a highly more bits stayed with non communicable as well as infectious disease present in Kerala. In that situation establishing the infectious disease bar and blogs, are extremely important, as well as the case of pediatric ICU. I think what we have now to cut for to reduce infant mortality is look at the neonatal mortality. That is children below 40 days of their life, this is extremely important in fact it's not be above age group children who are affected, it is neonatal who are affected, and therefore these projects will be very valuable.

We may be saving thousand crores, since the central government has agreed to supply vaccines, we have set apart Rs 1000 crore for vaccine, so this can be used very effectively for a few other projects . There is a duplicated project here. The budget has allotted money to develop a project report for and Center for Disease Control Model Institute in Kerala. But already an institute for epidemiology and public health has been established in the medical

university and therefore it may be a duplication and this is should be looked in.

Secondly, since we have about Rs 1000 crore with us now the post covid clinics have to be established already, we have established post covid clinics. Even Dr Thomas Isaac's budget mentions that starting from primary health centre to Medical College, but by now we know more about the post covid syndromes which needs a lot of input, so I would suggest to the Finance Minister to allot a few more amount for establishment of post covid things. Now the Finance Minister set apart funds for research in COVID products, but hardly any research has been done on the COVID

situation in our state. Hence I would suggest that some amount may be set apart for COVID related research in our state, especially by the youngsters. So these are some of the points, I have to mention, but I should congratulate the Finance Minister that in the very short time available he has actually gone to the crust of the problem. Kerala state is facing the COVID situation is not really addressing the abnormal situation he has taken a futurist position of addressing the new normal which may emerge after the COVID pandemic.



(The author is former Member, State Planning Board, GoK)

Agriculture

The budget and agriculture: Key emphases and way forward

R Ramakumar

The revised budget for 2021-22 presented by the Finance Minister K. N. Balagopal is an ideal intervention in the time of the second wave and the economic disruptions that have followed. In this note, I shall dwell on the policy initiatives in agriculture alone.

I will begin with an item in the budget that is not actually included under the department related to agriculture but under the departments of revenue and registration. This pertains the question of land records, which is extremely important in the scientific planning of land as a resource. The money allocated for this purpose is included under many heads, such as land records modernisation, computerisation of revenue department and computerisation of registration department. This was a programme that was initiated under the last Planning Board but executed poorly. For the new government, this will be an important challenge and if executed successfully will be a game changer for the Kerala economy. I wanted to highlight this at the outset both as an important inclusion, as well as an important challenge.

Secondly, an important scheme initiated in the 5th year of the last government was Subhiksha Keralam. This was a major programme that aimed, for the first time, an integration of four departments: agriculture, animal husbandry, fisheries and water resources. It is commendable that the budget named this project and vouched for its continuation. In my view, the task of subsidising agriculture to a large extent has already been achieved by the previous government. Now, the task is to move towards more substantive steps in investment, so that agriculture and agri-entrepreneurship can be founded on a sound economic basis. The key intervention required is in agricultural infrastructure and marketing.

This is where the budget does well to focus on (a) value addition in agriculture on an industrial basis: tapioca, tubers, cashew, mango, jackfruit, banana and spices; (b) expansion of the capacity of Kerala Bank to intervene in agricultural credit; (c) the use of NABARD's investment credit to rejuvenate investment in Kerala's agriculture at 4% RoI; (d) establishment of five agro-parks; (e) establishment of

FPOs and cooperatives.

Thirdly, the budget announced an important new scheme to introduce smart krishi bhavans. Studies show that about 70% of the time of an Agricultural Officer (AO) is now spent on files, meetings and travel to the district headquarters. This must be brought down to 30% so that the AO can spend more time with farmers doing what he/she is supposed to do: agricultural extension. Key measures here include computerisation of Krishi Bhavan administration; introducing an e-filing system and restricting meetings to videoconferencing where required.

Fourthly, in animal husbandry, a key achievement over the last five years was to take the State's dairy sector close to self-sufficiency in production. By 2023 or 2024, Kerala will be producing a surplus in milk, and it needs to be ready with facilities to derive more value-added products in dairy and store excess milk as milk powder. Thus, a powder and evaporation plant has been suggested in the budget, which is important. There are adequate funding possibilities from NABARD's RIDF, which should be tapped for this purpose.

Fifthly, the interventions in the plantation sector are a first. Kerala has always held that plantations are a central subject under the commodity boards. But consistent defunding of commodity boards over the years had led to major demands from plantation growers for more State government interventions. Thus, a plantation policy was announced

last year and one announcement there was the establishment of a Plantation Directorate. An allocation of Rs 2 crore has also been made under the Department of Industries. This is welcome.

The budget has also agreed to positively examine the question of changing the cropping pattern of plantations towards more diversification, such as rambutan, avocado, dragon fruit and mangosteen. But it is important to note here that there cannot be complete freedom to the grower to decide on the cropping pattern in the plantations. The basic character of the plantations should be non-negotiable. Only those changes that do not disturb the basic character of plantations will be acceptable in Kerala.

With a series of steps in the plantation sector over the last two years, the government has agreed to most of the demands raised by plantation growers. This should allow us to move into more important concerns, like replanting and value-addition in the sector at an early date.

Finally, I wish to flag two areas of concern.

First, the thinking on coastal erosion and protection in Kerala should not be narrowed down to physical barriers like dropping rocks or tetrapods. There are broader reasonings based on good science, which would argue that physical barriers should form only a small part of our strategy to address coastal erosion. An important strand in this line of thought is to understand oceans and

ocean behaviours better, including tuning our strategy to the realities of littoral currents, their direction of flows from north to south and how it can be addressed through measures like artificial nourishment of sand from the deep sea into the shores, erecting biological barriers where possible and rehabilitating the vulnerable population inwards from the shores. Kerala's strategy should be a mix of all these possibilities.

Secondly, we should appreciate that the key challenge in Kerala's agriculture is raising productivity. This challenge requires more of scientific farming, not types of farming that promote unscientific methods in the name of protecting tradition and environment. For instance, a misleading discourse related to presence of poisons in vegetables has been detrimental to the promotion of

scientific agriculture in the State. Studies show that there are limited cases (about 5% of all samples) where the pesticide content is higher than scientifically mandated levels in Kerala's vegetables. Yet, we have a disproportionately large-scale discourse on the dangers of poisons in vegetables, and calls for organic farming. In my view, organic farming should be limited to those areas where there are niche markets with premium prices for outputs. It cannot be the rule in crops that are required for domestic consumption among the masses. Here, productivity is the key challenge.

I hope these two concerns would be positively received by the policy makers.



(R. Ramakumar is Professor, Tata Institute of Social Sciences, Mumbai and a member of the Kerala State Planning Board)

NRI and migrant labour

Can the state government be more migrant-friendly?

Irudaya Rajan

The state budget for the financial year 2021-22 presented on June 4, 2021 by the Finance Minister of Kerala rightly prioritized the health status of the state. With vast expenditures towards reducing the impact of the second wave of the COVID-19 pandemic and preventing a third wave, the state has to target and optimize welfare and compensation measures especially in a situation of financial strain. This commentary on the budget report, with an emphasis on the subjects of migration and ageing, propounds measures to improve the scale, reach and efficiency of budget proposals. Beyond the state of affairs during the pandemic, the commentary also discusses strategies to reinforce the longer-term economic well-being of the state.

Migration

The budget report, discussing the schemes of the Department of Non-Resident Keralite Affairs (NORKA), states:

91. The Covid pandemic has created severe impact among Pravasi Keralites. Due to Covid Pandemic 14,32,736 Pravasis have returned so far and most of them have lost

their jobs. Norka Self Employment Scheme is a rehabilitation programme to rehabilitate Pravasis who lost their jobs and to equip them to begin self-employment enterprises.

The figure of 14,32,736 (henceforth rounded to 1.4 million) is based on data from flights to Kerala under the Vande Bharat Mission (VBM). This includes not only migrants but also their dependants and short-term visitors/tourists to foreign countries. Hence, the number of migrants that returned to Kerala is lower, and can be estimated at around 1.1 million. For instance, among the passengers of the Air India Express Flight 1344 that crashed on landing at Calicut International Airport on 7 August, 2020, only 60 percent were migrants.

The Kerala Migration Survey (KMS) estimated that there were 2.1 million Non-Resident Keralites (NRKs) in 2018. This means that more than one in two migrants (1.1 million out of 2.1 million) have returned to Kerala so far. However, it is relevant to be noted here that a third of these return migrants (roughly 400,000) are regular returnees and did not return during the pandemic due to

distress such as job loss, health issues and higher risk of contraction of the virus, difficult familial situation etc.

The NORKA Self-Employment Scheme (NDPREM) has been in place since the financial crisis of 2008. However, this scheme has not been highly effective in encouraging return migrants to set up private enterprises. There might be various reasons for this - the propensity among return migrants to re-migrate, a generally weak entrepreneurial spirit in the state, and lack of continued support and engagement from the department and other institutions.

Nishi Niyas of Thrissur, mother of four children all under the age of 15, lost her husband in the UAE. She has this to say.

"Our loss is irreplaceable. It is all at the mercy of our relatives and his employers in UAE we could move ahead. His employers in UAE credit us monthly with a good sum of money. Now our family is run on their kindness. I could not go outside for work leaving my children alone in the house. But we should also live. Now I bake cakes at home and deliver them to nearby places. It is not at all an established business nor is there a separate unit for it. I don't know how long it will help me, as I only get a few orders. I have to find some way to develop it to sustain my family. I also applied for educational assistance for my children of dead expatriates in NORKA last year. But we haven't got it yet."

The budget report continues:

92. As part of this program, an amount of Rs. 1000 crore will be provided as loan at

low interest in association with various financial institutions. An amount of Rs. 25 crore is earmarked as interest subvention. The budget allocation towards various welfare schemes for expatriate Keralites is enhanced to Rs. 170 crore.

Considering both the severe impact of the pandemic on migrants and their contributions to Kerala society especially during crises such as the floods in 2018 and 2019, these figures can be raised. KMS estimated that the state received around Rs. 1,00,000 crores as inward remittances in 2018. This amounts to nearly 13 percent of the state's Gross Domestic Product (GDP). Remittances directly and indirectly support one-third and two-thirds of the population respectively. The current budgetary allocation for the rehabilitation and reintegration of return migrants falls short.

To maximize the impact of NORKA schemes - NDPREM, Santhwana, Karunyam and Pravasi THANAL - particularly during the pandemic, the department has to, at least for the time being, concentrate its efforts on identifying the most affected and delivering targeted and optimized welfare and compensation measures. This might translate to a single engagement such as one-time payment to some, multiple payments over a period to others, and looking beyond financial and monetary actions. Existing schemes must be sensitized and adjusted to recognize the diversity in the nature of problems faced by migrant families.

Haseena from Palakkad, who lost her

husband Muhammed Faisal due to COVID-19 in Oman says:

"The monthly income of Rs. 10,000 that he remitted home was our only source to meet our family expenses. But now we lost that also. With his earnings, we could construct a house, but it is yet to be completed and now even many parts of it have become food for termites. A couple of our relatives and friends are helping us now. But we could not depend on them forever. I received a widow pension last month from the Kerala Government, but that could not make anything. I have to sort out some way to find a job to sustain my family consisting of his parents and my two children. We have also taken loans for certain needs and meeting the hospital expenses. Somehow I have to repay it."

NORKA can immediately take up two other concerns:

1. Prioritize vaccination for return migrants

The Health and Family Welfare Department (DHS) scheme which prioritizes vaccination for migrants and persons travelling abroad can be broadened to include return migrants. This will incentivize many return migrants to get vaccinated fast and re-migrate. NORKA can coordinate with DHS in organizing vaccination camps for return migrants.

2. Provide additional skills to return migrants

NORKA, through schemes such as the Additional Skills Acquisition Programme (ASAP), can re-skill return migrants

which can help both in securing better jobs and re-migrating faster. The global economy is undergoing massive structural changes, and the post-pandemic world will call for migrants with supplementary and complementary sets of skills.

These suggestions reflect a perspective where return migration is viewed as a temporary phenomenon of re-skilling and up-skilling as opposed to a permanent state of rehabilitation and reintegration. The conception that Kerala's migratory experience with the Gulf is nearing its end is a limited one. It is an opportune time for the State to look towards new destinations. The post-pandemic world will have a lot to offer. The State should actively seek opportunities for the migration of Malayalis.

As a long-term policy - one that can both be a foundation for growth and a hedge against systemic risks - the State must attempt to maintain a stock of 2 million NRKs remitting Rs. 1,00,000 crores annually (at current levels). The developmental and cultural contributions of NRKs and their networks have been indispensable in Kerala's journey. Based on the results of the Kerala Legislative Assembly elections of 2021, it is also not far-fetched to speculate that NRKs and return migrants are sympathetic to the vision of the current ruling coalition.

To effectively formulate and execute this policy of maintaining and expanding sustainable migration levels, reliable and

periodic data is fundamental. The Kerala Migration Surveys (KMS) have been collecting data every five years since 1998. In addition to these (the next one is scheduled for 2023), there is the need for an immediate pan-Kerala survey on the pandemic and its effects on migration patterns. A survey that covers 20,000 sample households in the state will be able to provide answers to questions on migration, remittances and attitudes towards future migration. There is a time sensitivity to this project as the appropriate window for study may close soon.

Ageing

On ageing and the elderly, the budget report states:

161. In our state many people are taking medicines regularly for life style diseases and the like, especially the aged. A project named 'Karunya at Home' will be implemented under the aegis of Kerala Medical Service Corporation Limited, for supplying medicines at their door steps. On top of the discount given by Karunya medical shops, 1% of additional discount will be given to the aged. For those who register, medicines are delivered at their door steps strictly on the basis of prescription. At the present context of living along with Covid-19 pandemic, 'Karunya at Home' project will be a great support for the aged.

162. Geriatric Clubs in all wards was an important proposal in the last year's Budget. But such a gathering centre would have been against the reverse quarantine protocol at the time of Covid-19. But in

2021-22, with the recess of Covid-19, Local Self Government Institutions will take measures for this. There is no need to construct new buildings. The existing reading rooms and rented building can be utilised for this purpose. Neighbourhood Geriatric Groups will function in these centres. Local Self Government Institutions will set apart at least Rs.290 cores from their plan fund for the elderly. In 2021-22, 5000 'Geriatric Clubs' will be started. An amount of Rs.30 crore is earmarked for 'Vayomithram' and 'Sayampraba' schemes.

While Rs. 9011 crore was disbursed as pension during the tenure of the previous government, this government has so far disbursed Rs.32,034 crore as pension. The number of beneficiaries of Social Security Pensions, which was 34 lakh in 2015-16 has now been raised to 48.6 lakh. There are 59.5 lakh pensioners including welfare pensioners. Among the social security pensioners, 30% have received pension for the first time during the period of this government.

A sample survey on ageing, which can supplement the data from the Kerala Ageing Surveys (KAS), is the need of the hour. The State spends substantially on the care and welfare of the elderly, and inefficiencies in spending will make it untenable. Moreover, the challenges of the elderly are likely to be qualitatively altered by the pandemic and its effects. The policies and positions that have worked so far need not necessarily work henceforth.

Kerala has witnessed multiple and recurring crises in the last few years. The

exceptional response by the government led by the ruling coalition is unquestionably due to informed decision making and precise and delicate manoeuvring of various challenges. The lesson from the last few years is perhaps to be fully prepared for the next challenge and be proactive. To realize this objective, the State has to be fully informed of the

undercurrents of social phenomena at all times.



(S Irudaya Rajan is Chairman, The International Institute of Migration and Development, Kerala and Honorary Fellow, GIFT. Kerala)

Banking and finance

State economy deeds, not words!

S Adi Kesavan

"It's growth, stupid!" could well be the theme for any discussion on the State's economy. For too long have we been focusing on the peripherals of the subject matter including the so-called overhang of debt that we have lost sight of the keystone or the purpose of all discourse.

A development model tilted in favour of distribution/equity rather than growth has also been a contributing factor to the current impasse that we face.

Did we place too much of emphasis on welfare to the detriment of growth? What are the pluses and minuses of the famed Kerala model of development? Who were the political leaders or more precisely, heads of Government in the State, who contributed to the growth we have achieved so far? Over a period of the last 60 years, since the formation of Kerala, which political party can we credit with

having made the largest and the most significant contribution to development and growth in the State? It is high time we studied these issues without biases and the answers then will point to the path that we need to pursue in future.

The contribution to the State Domestic Product comes from sectoral contributions as detailed in Table 1.

If we take the primary sector, we notice that there was a degrowth during 2018-2020, of - 2.38% and - 6.62% in the two years. But, as the Economic Survey of the State Planning Board notes "the growth of value added in agriculture and allied sectors in Kerala continued to remain slow or negative for most part of the period between 2011-12 and 2018-19"

No State can hope to achieve overall growth with its primary sector sluggish.

Table. 1 Sectoral contributions to state domestic product (Rs. Crore)

	2017-18	2018-19	2019-20
GSDP	516189.76	549672.93	568635.52
Primary Sector (GSVA)	47619.23	46004.41	42373.83
Secondary Sector (GSVA)	129866.26	138033.99	141805.63
Tertiary Sector (GSVA)	283268.51	305303.78	317781.22

(Source: Kerala State Planning Board - Economic Review 2020)

Perhaps, there is only one country in the developed world which has managed to grow its economy and improve per capita income without the primary sector's contribution at all - Singapore. But the model of development and its system of governance are entirely different and its not an apt comparison.

So if Kerala has to grow, it is essential that Agriculture and allied sectors grow at reasonable rates. The development model that Kerala has pursued has not given enough of importance to economic growth or creation of surplus value as an objective within the State. This sector is primarily stunted because of the lack of a supportive ecosystem, with value-addition industries in the Agro/food processing sector and lack of investments in agri infrastructure. This negative growth is then related to our "approach" towards development.

The two political formations that are dominant in the State have an overwhelming "socialist/Left" touch, always. This is good as far as welfarism is concerned but is not so helpful when it comes to growth. The only leader who stuck a different path even while rooted in a "Left" stance was the late C. Achutha Menon. Of late, the current CM has come across as someone who is prone to such a "pragmatist" praxis.

That the State survives on remittance from NRIs is well known. Not so widely known is the fact that the State also receives money transfers, both through the formal channels and informally in cash, the proceeds of "surplus value"

created in other States in India by the Keralites working there.

Why is it that the average Keralite has to go out of the State for jobs which they could have very well found here ? Why is Kerala not a preferred destination yet for investments, though we have had some recent breakthroughs like the Nissan outfit in Thiruvananthapuram and a few IT showpieces ?

Why is it that there is hardly a Rs 1000 Cr turnover manufacturing company in the State which also generates profits/is self-sustaining ?

These are the questions which should bother us and we shall find plenty of political reasons why this has not happened. The political formations which have enabled major successes in the achievement of high level of social indicators and a more just and equitable society (compared to other States in India) are also responsible in parallel for this state of affairs.

None of the major corporates which are contributing to national output and jobs too - take the top 20 or 25 - have any presence in Kerala. It is high time we decided once and for all, whether we want them to come and invest or we would rather do without them. All I plead for is clarity on this matter. Responses like "yes, they can come but we shall not tolerate exploitation of labour or natural resources like in other States" are not good enough for two reasons.

First, if there is anything we do not want these "capitalists" to do, let us legislate

and leave it at that. Let us not politicise this. (The recent hue and cry over the Adanis acquiring rights to run the Thiruvananthapuram airport is a case in point. If there is any violation of law/legal process, let's oppose it but if we are opposing it for political/"ideological" reasons, then we bring this factor into our growth discourse and to that extent growth will remain muted. I argue that this clarity of stance is very much required. Are we willing to sacrifice growth for ideology ? If yes, let us say so openly. This will help neutral stakeholders understand the limitations in discussing the Kerala growth plans).

The second reason is that we are a State of the Union and we have to compete for investments. If all other States have a different view of private capital and the way it is treated, we should then realise we are giving up, on our own, what is in essence a level playing field. In other words, we would be consciously and wilfully "dislevelling" a common play field. You cannot hope to compete and win on these terms. Let me reiterate that I am okay with a stated position which indicates a preference for a separate paradigm of development which would sacrifice growth at the altar of ideology, provided that is also articulated clearly.

We have had too many back and forth movements on this issue. I remember the time when Industry Minister, the late KR Gouri went to Mumbai to meet industrialists in the 1990s to invite them to Kerala. Under the UDF, in 2002/03, Kerala held its first Global Investors

Meet(GIM) which has then been followed up with similar attempts. Yet, in ease of doing business we merged 28th out of a total of 29 States in the EODB index!

As a banker I believe the following are the step to be taken for "growth" to be the centre of our planning and development.

- Immediately target an improvement in the EODB index (within a year itself) and capitalise on the improvements which would accompany the achievement of this target.
- Create a marketing team (from the existing bureaucracy itself) for scouting and attracting investments based on identified sectors. In these sectors, go the whole hog. No half-way steps.
- Please remember that debt (bank loans) will lag "equity". The Planning Board should function like the "Niti Aayog" at the Centre is being a driver of pro-growth policies so that equity comes in. Debt will follow. This is the model of all the neighbouring States where the CD ratio is about 100%.
- Along with K-Swift, let us examine whether some of the Central Acts can be "tamed" or "mellowed" in implementation at least for Micro units in the MSME sector. (At present, for instance, even a way side tea seller needs to "register" under the Food Safety and Standards Act of 2006. Non-registration is actually a violation of the law. This may affect credit flow too)

- Let us think of creating a State Development Council where proportional representation (based on perhaps the local bodies election vote share for all political parties including even the 20/20 is given) to build a consensus on development, investment and growth. Quarterly meeting of this SDC could be forums where continually we build and sustain a "Development Consensus" for the State irrespective of who is in power. ■

(The author is Chief General Manager, SBI)

IT and software

Incentivize IT industry to create job

E S Binu Jacob

It was really useful to see that the budget was focusing on recouping the workforce, recouping the entire Community. I also saw that there was a mention about creating more 20 lakh jobs and the plans for that. So from the industry experience what I would like to state is that the IT industry in Kerala which is just about 2 per cent of the global exports from India, which is only about \$3 billion or Rs 25,000 crore. This industry could only generate about 1.5 lakhs less than two lakhs jobs in the entire 30 years of its existence in Kerala. So possibly generating 20 lakh jobs may not be possible and practically in the next five years, because if it took 30 years for us to create 1.5 lakh jobs and Rs 25,000 crore. I think we should put a realistic plan in place to see how we can double it.

The possible outcomes, especially because we have a very good market outlook, government should definitely focus on the IT industry very significantly, because this is probably the only industry that is showing a significant growth. so the projections from the likes of Gardner and so on is that this is expected to double in terms of top man almost doubled like we have 191 billion as the IT industry is

growth. You know, as of last year, and this is expected to be about US \$ 350 billion by 2025- 26. So I think we are definitely in an industry where Kerala can leverage on this because Kerala has got educated talents. 30 of the employees of major companies like Microsoft are Keralites. So if we can actually use this industry as growth engine I think Kerala can definitely benefit. So primarily looking at doubling it from 1.5 to three lakh, our revenues could be for Rs 25,000 crore definitely we can take it to Rs 50,000 crore. I think there is a lot of activities being done from by the knowledge economy mission and so on, to create talents. Because talent seems to be the only bottleneck, for reaching this object, you have \$ 50,000 from which definitely even if you look at about 10 per cent of the GDP and then also the spent by the IT workforce and the associated teams that would come in. If one IT jobs can possibly create three to four an alternate jobs. So overall tax revenue for the government could potentially be in the range of Rs 2200 - 3000 crore by 2025. So I think what needs to be done is to invest on two fronts, one is on creating talent. IT industry is also supporting the

government initiatives by a talent support project that we have kick started where we hope, industry can support the interns and support the students to become better work ready by the time they pass out. But I think from the government point of view, what needs to be done is to incentivize companies to bring more jobs here. So we can attract larger companies, incentivize them like what Hyderabad is doing. I would say soaps to get them to come and invest here, we only have the emphasis and TCS and so on a few companies, but there are a lot of multinationals who are in Bangalore and many multinationals, for example, are looking at opening centers in tier three cities, tier two cities, and we have Kochi, Thiruvananthapuram and Kozhikode. Look at how to incentivize them and also support the existing companies. Smaller companies have actually set up shops here and grown. So can those be incentivized now, I think we should also take a very serious look at the rental policies. This is very important because, a lot of companies are exiting because work from home is working very effectively and I was talking to the TCS head and their plan by 2025 only 25 per cent will be in offices. Interestingly Techno park will increase the rent by 5 per cent. Techno park and Info park will increase rent by 5 per cent which is not for anybody's

benefits, so I think we should probably look at that, as to how that can be kind of taken off. While the industry was asking for a rental waivers primarily for smaller companies, large companies are fine because there is business coming for larger companies. But smaller companies are the ones who probably will come in and then create more jobs, we are not getting a lot of larger companies to come and invest here. If these three two things, primarily, you know, enabling the youngsters like, let's say if we can onboard 20,000- 30,000 people every year for the next five years, we have that 1.5 or two lakhs of more jobs being created in Kerala, so that we are able to leverage that Rs 3000 crore of tax revenues for the state So I think that incentivize existing customers, because the more rental or any incentivization and other example is you know interns should be probably given money to probably get them to be employable because companies would not just go and take interns but if there is some incentives. These two things are primarily what I am suggesting to create this industry, real anchor industry for Kerala Economy to grow.



(The author is CEO&MD, Experion Technologies)

Tourism

Revival package essential for tourism sector

E M Najeeb

In Kerala unemployment rate is 11 per cent and the national average is about 6 per cent. The LDF Government both the last government as well as the present government has given prime importance for tourism sector in Kerala. Both the budgets of Dr Thomas Isaac and K.N Balagopal said, tourism is an important sector for the development of the state. You know in the last budget, as well as this budget, some important announcements regarding tourism sector. The tourism minister explained the details of the various schemes and what government is offering for the sector.

Tourism sector contributes 11 per cent to the GDP of Kerala. This is roughly Rs 45,000 crore revenue and about 2 million jobs in tourism. It is a major sector and the minister announced that this is about Rs 36,000 crore during last year. So, probably, it is much more, but the department states that it is Rs 36,000 crore. It is a huge revenue loss for Kerala in the current situation.

Presently if you look at the job situation you know the entrepreneurs have been trying to support the employees to a greater extent. But unfortunately, almost

80 per cent of them have lost their jobs because there is absolutely no way the entrepreneurs can support them anymore. On that condition, what we have to do to revive this sector. This is what I have represented the Finance Minister and the Tourism Minister. What we have to do is, we have to announce a survival package immediately. A package has been announced by the Finance Minister with a loan scheme of Rs 500 crore from KFC . But we don't know, what are the conditions which KFC is going to put across while availing this loan facility. The loan facility of the chief minister, which was announced by last government was denied by the banks. Unfortunately, because of several reasons, so what is required is the ECLG scheme, which was announced by Government of India. For that also they have put conditions which the tourism entrepreneurs cannot meet, in fact we have represented several times to cancel the DPD of 90 days and self service, they have not done it. So what is important is that there should be a capital support to be given to the entrepreneurs of Kerala to survive. If the entrepreneurs are not being supported, you know the employees will not be able to support. That is the kind of

situation which is going to come and we are going to face as more entrepreneurs and employees are in serious crisis. I am not saying, to give free money from the government, because we all know that tremendous leverage, what is important is that, almost all the entrepreneurs are under threat of revenue recovery.

So what I suggest is under the leadership of the Finance Minister, or if it is required by the former finance minister, as well as required by the chief minister, there should be a serious meeting with the banking sector and give a moratorium for tourism sector for a couple of years. This is very important and restructuring all the existing loans and under the schemes, either by the state government or by the central government with a survival package of Rs 15,000 crore, to be announced. But the banks are not actually proactively supporting the tourism sector because of several reasons; one is tourism is not an industry, second thing is tourism is not a priority sector by RBI. The third thing is tourism is putting the real estate sector so that they make the last preference and the fourth thing is that the sector will take time to revive. So there should be a solution for it, because all your hotels and

resorts have to be funded, otherwise, if you aren't able to open, because you have to go for a lot of renovation to bring it back to the original situation to welcome the tourists. So I have requested the Finance Minister, we are very happy that you are doing it. So you have to support all the entrepreneurs here to support the employees for survival and subsequently once the international borders and the domestic borders are open revival will happen. We request to open the borders for the domestic tourism at the earliest possible with one uniform condition for all those days, so that you know the tourism can survive, at least for the time being, with domestic tourism. Tourism sector should be treated sectors like the agriculture or the fisheries sector or other sectors, tourism is a revenue earning and most employment generation sector, which has been considered very seriously and effective measures on an emergency basis should be taken. Then only you can bring it back and create more jobs and more revenue.



(President, Confederation of Kerala Tourism Industry)

Gender perspective

State Budgets 2021-22: Implications for women in Kerala

Nirmala Padmanabhan

Budgets being an important fiscal tool available with Governments to protect and provide for the vulnerable, analysis of the same from a gender angle is of utmost significance more so in the current pandemic situation which has clear gender ramifications. Allotment for women, as highlighted, in the revised Kerala budget of June 2021 were in three sectors- one being MGNREGS where it clearly provided for 7.5 crore of person days which was projected to be increased to 12 crore person days through modification of labor budget. This allotment has very clear gender implications since around 92 percent of the scheme's beneficiaries are women. During this severe second wave of Covid 19 Pandemic which has adversely affected livelihoods of many people and enhanced financial vulnerability, this is a much needed initiative which will ensure livelihood to the most deserving. Second, there is also a mention of the funds for Ayyankali Urban Employment Guarantee Program being increased from Rs.75 crore to Rs.100 crores. Since 50 percent of that will benefit women, it will provide some solace to urban women. Third, the revised budget also talks about funds particularly Rs10 crore for agro- based processing for

Kudumbashree. During this time when markets are rather weak for agricultural produce, processing and preservation is essential for ensuring fair returns to producers many of whom are small scale or marginal farmers for whom a reasonable return is critical for survival. Linking Kudumbashree to such value addition of agricultural produce is a feasible strategy considering the fact that areas where Kudumbashree units have marked their presence in Kerala is in agriculture (through joint livelihood groups), catering, bakery products and similar small enterprises. But care needs to be taken to ensure that such initiatives are not confined to training programs per se and are supplemented with sustainable business models covering branding, quality control, grading and marketing.

Since this budget is reported, by both current and former finance ministers, to be a continuation of the previous budget presented in January 2021, gender dimensions of that budget is also significant for analysing implications for women. Kerala budget documents from the year 2017- 18, onwards have included a separate gender and child budget

statement which culls out and presents the resources allocated in annual budget for welfare of women and children in the state. Kerala Gender Budget has two parts- Part A which includes 90-100 percent women specific schemes and Part B which includes all schemes in which the allocation is anything less than 90 percent. The total allotment for women as specified in GRB statements, which was recommended as minimum of ten percent of total state plan outlay, was in reality 11.4% in the first budget of 2017-18 and has been steadily increasing in subsequent ones with 14.6% in 2018-19, 16.9 % in 2019-20, 18.4% in 2020-21 and to 19.4% in the 2021-22 January budget of which 6.54 percent was from Part A and 13.0 percent from Part B. Concerted attempts have also been made all throughout to visibilise women across sectors in plan write ups.

Two primary concerns of women were highlighted in most of these budgets including the 2021-22 one - the first being gender based violence and second being their economic empowerment through employment generation and livelihood security. Of these, some progress has been made in setting up systems to address the former through schemes like 'Seethalayams', 'Bhoomika', one stop centers, Kudumbashree's Snehitha helpdesk, 181 Mithra help line etc and 17 POSCO courts have also been actualized. That is not to argue that gender based violence, which is a very serious concern during pandemic time, has come down significantly. But some systems have at least been put in place to mitigate the issue and we appear to be moving in the right direction.

But what continues to remain a real challenge is the second - that is ensuring livelihood to women which in turn is also absolutely essential for enabling them to resist and overcome the issue of violence. The emphasis on employment in government policy as reflected in the gender budgeting exercise is reported to have paid dividends to some extent with Periodic Labor Force Survey 2018-19 revealing an increase in female workforce participation rate to 20.4 percent in Kerala higher than all-India level of 17.6 percent. However, such gains have been observed more in the case of the less educated and low paid women workers and the challenge of enhancing employment of educated women still persists.

Twin broad strategies are visualized for enhancing educated employment - one of skilling women and enabling them to make use of job opportunities opened up particularly in the knowledge economy and the second one of promoting self employment through entrepreneurship opportunities. Regarding the first strategy of skilling women, a critical component will be skill upgradation of students enrolled in undergraduate and post graduate courses in higher education sector in Kerala since 60 to 80 percent of such students are women. As professionals working in the education sector will testify, at present there is a clear mismatch between the demand for labor in our economy and the supply of the same from our higher education campuses. When potential employers recruit from such campuses, a few do get selected, but they generally would be students who do not

genuinely desire that job since their primary aim would be to go for higher studies. On the other hand, those who really need and desire the jobs offered do not get selected due to lack of relevant skills particularly soft skills needed to get employment. A solution to this paradox, as many experts have highlighted, is tweaking the education system to enhance employability which is not easy considering the fact that education system is generally resistant to changes. Further the solution of one size / strategy fitting all is also not a viable one. Thus the real challenge is how to tweak the education system to enable skilling and enhance employability of our young women.

The second broad strategy of promoting women entrepreneurship is also a major challenge in the patriarchic social structure that prevails in Kerala where the ultimate objective of parents is to get their daughters married and settled. It is true that parents in Kerala have progressed a lot in terms of educating girls and encouraging them to seek employment for which they have no hesitation is spending whatever is possible within their capacity. But once these objectives are attained, then next priority is marriage and whatever funds are available are then set apart for that purpose. Thus daughters are generally not encouraged to avail or use funds to start entrepreneurial pursuits. Ambiguity about where their daughters will get married to is another discouraging factor as that may affect the sustainability of units set up. Non availability of information on role models, presence/ success of women

in entrepreneurial eco system in Kerala does not help in overcoming such social constraints. Publishing and popularization of related data in public sphere is critical to reduce such barriers along with special hand holding to bring women into the entrepreneurial front. Strategies such as actualization and expansion of women facilitation centers to provide industrial/commercial spaces in all major cities, making available special grants, offering comprehensive support through special business incubators for women etc are needed along with other support systems which have already been initiated encompassing elderly day care, creche facilities, studio apartments, she lodges and working women's hostels. Thus, while the latter facilities may serve as push factors that enable more women to come out of their domestic sphere, what are also needed are stronger pull factors to ensure their entry, sustenance and survival in the dynamic world of entrepreneurship. It is in this context that fructification of envisaged schemes in 2021-22 GRB such as Women Entrepreneurship Mission (KSIDC), Women Facilitation Centres in 9 industrial parks of KINFRA/ KSIDC, International Women's Trade Centre in Gender Park, Skill Development/ Employment schemes for Women and self-employment schemes of Women's Development Corporation assumes centrality.



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Informal sector, women

Some reflections on the Kerala budget: Concerns of gender and informal sector

Sonia George

The Kerala budget which was presented on the 4th of June is the final and extended version of the interim budget that Dr. Thomas Isaac presented in January, 2021. As the January budget was placed before the state after the first wave of COVID 19, many measures to contain the effects of the pandemic were included. The first budget of the new government had to consider the devastating experiences of the second wave of the deadly disease. Definitely more cautious measures are included in the new budget presented by the Finance Minister, K.N. Balagopal. We all have seen how dreadful the pandemic is, especially amongst the lower strata of the society. It was an eye opener to the mainstream society vis-à-vis the vulnerabilities and destruction that the informal economy in the country has to face. This budget has a special emphasis on livelihood packages for the informal sector workers. In the 20,000 crore COVID package it was mentioned that 8900 crores will be spent for disbursing money directly to those who are in crisis due to loss of livelihood and 8300 crores as interest subsidy for loans provided for economic rejuvenation. When we look at more detailed allocations of this account, it was

found that the existing livelihood package through Kudumbasree is raised to 100 crores as subsidy for enterprises and also to impart training to those who have lost their livelihoods. Value added production in the agriculture sector through the 70000 women collective farming groups is another area. Generating employment opportunities in the care economy is another suggestion that has come up. The budget also promises to increase the number of working days in both MNREGA and Ayyankali urban employment guarantee programmes. Special programs to support enterprises in the Scheduled caste/scheduled tribe sector and also mentioned in the budget. Moreover, the gender specific budget has a 20% allocation of the total amount which has been a substantial increase from the last year's budget.

State of the informal sector was not decent before the pandemic itself. Women participation rate in employment is still around 20% which is extremely low. Majority of the work women are engaged in are not counted as employment and no decent employment relationships are involved in it. The pandemic has caused

severe damages to the livelihoods of the poor, informal working class. Compared to the central or other state governments Kerala Government has taken special measures to contain the loss of lives and livelihoods of people. Universal distribution of rations, food kits and community kitchens have consistently saved people from hunger. As a temporary means of relief this was the most essential approach but sustaining people in the long run is not well planned. Most of the recovery measures were based on loan schemes, either short-term or long-term. Enterprises which have been built up or revived using this loan have again got affected during the second wave and people who have taken loans are in a traumatic situation. They are not able to resume their business after the second wave. It was again a blow to these people who have no other means for livelihood. There should be a rethinking on the means of support for these recovering livelihoods. Already most of the women have a huge burden of loans in their hands through government agencies and private micro finance institutions. Sustainable livelihood options with financial support is the need of the hour. Alternate livelihood mechanisms through local economic sustainability will provide a breathing space in these unexpected situations.

Access to resources and viable employment opportunities for traditional communities will only support the workers there. Most of the traditional sectors are survived by women and there is a passivity in terms of minimum wages and other support for these workers.

Technological and new skills innovation only can enhance their status. The budget has kept aside a huge share for coastal management. More systematic and resilient activities for the fisher people should come as the priority in this. The pandemic has affected the normal activities in the fisheries sector. Women who are selling fish in the coastal communities of Trivandrum and Kollam had to completely stop their livelihood due to COVID protocol. During that time youngsters and others who have lost their other means of livelihood from the mainland areas have opted for fish vending as their living. This had to do with access to vehicles, online facilities and availing new market techniques. Poor women, who have no such access had to forcibly be at home. This has created chaos in the marketing areas. So, the government should make more concerted efforts to support the livelihood activities of women in the fisheries sector.

This budget is talking about the care economy. We are eagerly waiting for its structural framing and its link to the knowledge economy which is a focus of the budget. Women who are pushed to more care-oriented jobs are marginalized in the labour markets especially domestic workers and those who are involved in so called 'menial' jobs. In the last budget Rs. 5 crore was earmarked for domestic workers. This is a sector where the visible invisibility of employers got exposed during COVID. Measures to address this instability of the sector should come as a priority. There are other possibilities of young women who are para medical or

nursing professionals who are jobless to get integrated into the local knowledge economy plans through systematic identification of opportunities and networking.

Gender budget document says around 20% of the total budget is allocated for women-oriented programs and schemes. Skills get so much attention in gender budgeting. We have to critically analyze the skill augmenting process in the state through Kudumbasree which is the nodal agency for National Rural and Urban Livelihood Mission. The employment situation is not identified before fixing the training and quite common skill workshops are organized without any options for the future. Same person will get training for many things and none of them are converted to employment. Linkage between skills and employment opportunities through convergence of various departments can address this lapse of spending money without employment creation. A large majority of women are engaged in home-based workers in the state. Some are part of the international or domestic supply chains, and many are self-employed, running their own account enterprises. But there is no regulation in the state for such employment that is inside the private space of houses. There is a mechanism to measure the number of hours these women spend for work and also their productivity. Sustainability of these works which have a manifold impact on the life and livelihood of women is particularly important. Integrating new technologies into the jobs that women are undertaking

will enhance their productivity thereby wages too. Equal pay for equal jobs and also systematic re-designing of work deviating from the traditional normative should get highlighted in the gender budget. Most of the women are working in their homes or other homes or public spaces. Converting these unconventional workspaces to decent workspaces can only improve their situations.

Another new scheme that has been announced in the budget is the 'Smart Kitchen' project. This has been envisaged as an approach to ease the burden of women in the kitchen through modern gadgets. It is not the responsibility of the women to make the kitchen smart and as family is a joint venture of the people involved in it, an idea of equality should generate from sharing equal responsibilities. On the other hand, this project should ensure more participation of women in the workforce. The government should initiate specific measures to ensure minimum wages for women workers in the informal sector and also develop novel schemes of social security for these most vulnerable categories of workers. While in the main budget there are many schemes announced to enhance the work participation rate of women, the state has to be alert on the money being spent earlier and the structural limitations that were experienced while developing implementation mechanisms. The short life of many of these enterprises have to be analyzed objectively to a renewed vision and mission. Actions to prevent prolonged informality need professional

handholding and mentoring. Wide range of activities looking at the diverse needs of the people involved have to be planned for the formalization process. It is the responsibility of the state to support the workers who have no visible employers. The state is ought to enable income and wage support schemes for these workers who have no other means of support.

While many schemes for the returnee migrants have been announced, the plight of women workers mostly involved in domestic work and other care work in GCC countries mostly goes unnoticed. They have faced a lot of issues from the beginning of their migration including illegality and exploitative employment situations. They face estrangement and seclusion once they return from their families even. When the reintegration

packages are planned these women should get proper inclusion through well prepared livelihood programs.

It is not jobless growth that we have to talk about but a growth-based economy with jobs in the production and service sectors. Acknowledging the contribution of the low paid workers through systematic and sustainable support of income and social security will boost the economy. Critically looking at some of the activities like employment guarantee programs both rural and urban, enterprise formulation and marketing strategies will create a more favorable employment for workers in the informal sector, especially women workers.



(The author is General Secretary, SEWA)

New studies on Kerala

Young Scholars' Forum, GIFT

Led by Divya Kannan

Economics

Scopus indexed journals

1. Binoy, P. (2021). Pollution Governance in the time of disasters: Testimonials of Caste/d Women and the Politics of Knowledge in Kathikudam, Kerala. *Geoforum*, 124, pp. 175-184. <https://doi.org/10.1016/j.geoforum.2021.06.008>

This paper draws on fieldwork conducted in the agricultural village of Kathikudam in the South Indian state of Kerala. The paper looks at the ways in which the production of knowledge of contemporary pollution governance in India is configured through the reproduction of marginalization through the devaluation of knowledge held by racialized and caste/d subsistence women farmers in Kathikudam. This paper also illuminates how this production of knowledge and the attendant marginality it produces creates a sedimented form of disaster in the community.

2. Mohan, P., Johnson Baby, G. P., & Karthik, M. (2021). Effect of 2018 Flood on Land use changes of Achankovil River Basin, Kerala, South West Coast of India. *Annals of the Romanian Society for Cell Biology*, 25(6), 12922-12929. <https://annalsofrscb.ro/index.php/journal/article/view/8051>

The paper discusses the change in land use of Achankovil river basin of Kerala before and after the flood in 2018. Eight stations such as

Achankovil, Konni, Omalloor, Konathumoola, Kaippuzha, Attuva, Pallippad and Veeyapuram covering upstream, midstream and downstream are selected for assessing the impact of flood on land use. From the comparison of land use maps before and after the flood, it is clear that the flood has damaged a total of 28.15% land use of the Achankovil basin fully or partially. Among the total loss, mixed crops faced the highest damage of 61.81% ,14.79% loss to paddy field, 14.76% of fallow land and 5.92% settlement with mixed tree crops were damaged.

3. Linta, M. R. (2021). Impact of Covid 19 on Work-Life Balance of Asha Workers at Thrissur District, Kerala. *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*, 12(12), 1378-1386.

This study analyses the work-life balance of Asha workers at Thrissur district and relates its impacts on the work environment, individual issues, workload, and personal life. The obligation of Asha staff has increased massively as the pandemic goes out of hand. Asha workers are deployed to perform door calls, keep an eye on migrant employees, touch tracing, etc. The pandemic has meant more working hours and personal risk. As a consequence, Asha suffers from high levels of tension, anxiety, and an unpleasant, unbalanced, harmonious family life.

4. Swaroop, K., & Lee, J. (2021). Caste and COVID-19. *Economic & Political Weekly*, 56(13), 35-42.

The article looks at on-ground shifts in patterns of how the state and general public are treating sanitation workers, during the CoVID-19 pandemic. Based on interviews with sanitation workers in Hyderabad and Lucknow, three trajectories are identified in municipal and societal reactions to COVID-19. A variability is seen in how state and society respond in the face of renewed caste-based stigma underscored by inaction on the part of the state to concretely recognise sanitation workers' rights.

5. NeepraPremodh, & Sreenivasan, C. (2021). Impact of Houseboat Tourism-A Study on Alappuzha Region, Kerala. *Annals of the Romanian Society for Cell Biology*, 25(6), 7475-7489.

The present paper focuses on the impact of house boat tourism on the lake system of Alappuzha as a result of its tremendous growth. The objectives of the study include the study on the perception of various impacts of house boat tourism in the Kuttanad region of Alappuzha. The paper also suggests a suitable sustainable tourism development model on the backwaters of Alappuzha.

6. Umesh, U., Moosa, S., Sudhir, P., Vilvijayan, C., Lalitha, N., & Dhinakaran, D. P. (2021). Work Environment during Pandemic and Post Pandemic. *International Journal of Management (IJM)*, 12(6). 10.34218/IJM.12.6.2021.004

In the context of the COVID-19 pandemic, emergency measures, design strategies and plans adopted to face pandemics could help build a sustainable environment. Consequently, transformation of the environment has become the non-permanent reaction or the new normal. In this study, a detailed discussion is made on the employees work environment, the consequences faced by them during pandemic and the few relaxations named by the government post pandemic.

7. John, J., Rosamma, C. N., & Thampi, S. G. (2021). Assessment and Prediction of Soil

Erosion and its Impact on the Storage Capacity of Reservoirs in the Bharathapuzha River Basin, India. *Environmental Modeling & Assessment*, 1-27. <https://doi.org/10.1007/s10666-021-09786-2>

This study aims to assess the effects of climate and land use-land cover dynamics on soil erosion in the Bharathapuzha river basin over the last three decades. Annual soil loss estimation maps for 2020 and 2035 under two Representative Concentration Pathways RCP4.5 and RCP8.5 reveal the urgent necessity to plan and implement soil conservation measures in the erosion hotspots, especially in the Malampuzha, Anamala, and Attappady sub-basins.

8. Nair, A. B., Prabhu, K. S., Aditya, B. R., Durgalashmi, C. V., & Prabhu, A. S. (2021). How will the Covid-19 Crisis Affect the Trend in Individual Savings. *Turkish Journal of Physiotherapy and Rehabilitation*, 32(3), 8482-8503. <https://turkjphysiotherrehabil.org/pub/pdf/321/32-1-1050.pdf>

COVID-19 outbreak has brought a global challenge in the economy. It has affected the financial sector all over the world. This study was conducted by collecting 200 responses from the employed and student population from various parts of Kerala using a structured questionnaire. It is concluded that savings have played a significant role during this pandemic to sustain and also this pandemic encouraged others to start saving because of the experiences they had.

9. Ray, S., & Varughese, A. (2021). Economic Voting in Multi-level Contexts: Evidence from Kerala and West Bengal in India. *Electoral Studies*, 73. <https://doi.org/10.1016/j.electstud.2021.102378>

This study aims to identify the determinants of electoral support for national incumbent parties and state-level challengers in sub-national pro-poor context. Based on survey data from the Indian states of Kerala and West Bengal, collected prior to the 2019 national

election, it has been found that voters were more (less) inclined to vote for the sub-national incumbent relative to the national incumbent if their household economic conditions were perceived to have improved (deteriorated) relative to national economic conditions. The findings indicate that voters in these settings correctly assume that the sub-national incumbent cannot be held responsible for changes in national economic conditions, but, at the same time, the existence of a strong welfare state at the sub-national level creates expectations that the sub-national government is responsible for personal welfare.

10. Dhanabhakym, M., & Joseph, E. Conceptualising Digitalization in SMEs of Kerala. *Journal of Tianjin University Science and Technology*, 54(4), 330-335. <https://doi.org/10.17605/OSF.IO/K7ZMS>

Supported by a service ecosystem that is increasingly immersed in digital transformation, Small and Medium Enterprises (SMEs) have access to Information Technology (IT) applications, which may come for free but is not without worries. The purpose of this paper is to explore the knowledge about the usage of digitalized tools in SMEs. A conceptual model is framed to understand the digital transformation of SMEs and to find the mediating role of digitalization. The study finds that job acceptance and digitalization have a positive impact with digitalization being the main factor influencing the satisfaction level of the employees. Thus, the mediating role of digitalization between job satisfaction and employee-employer relationship is very much significant and high.

Other journals

1. Refeque, M., Azad, P., & Sujathan, P. K. (2021). How Do Workers Sustain COVID-induced Labour Market Shock: Evidence from the Indian State of Kerala. *The Indian Economic Journal*. Advance Online Publication. <https://doi.org/10.1177/00194662211023814>

This article is an empirical analysis of the resilience of workers over the COVID-hit labour market in the Indian state of Kerala. Evidence conveys that all the five categories of workers under study were disproportionately buffeted by the pandemic. However, the factors education and experience were found to have a stabilising effect on the rate of labour market participation. The article pitches for a more responsive and responsible role that the State can deliver to embolden and reinforce human capital so that the pandemic like COVID-19 can at best be averted.

2. Parel, J. T., & Balamurugan, G. (2021). Rehabilitation of Flood Victims: The Kerala Model. *Journal of Nursing Science & Practice*, 11(2), 1-5. <http://medicaljournals.stmjournals.in/index.php/JoNSP/index>

The aim of this paper is to understand the rehabilitative process after the flood disaster in Kerala. A thorough literature search from the databases between 2006 and 2020 including MEDLINE, PsycINFO, PubMed, EMBASE, CINAHL, The British Nursing Index, and the Cochrane Central Register from the time period 2000- 2015 was conducted. Kerala model found to be effective in rehabilitating the flood victims as per the need.

3. George, A., Mohan, A. R., & George, G. Impact of demographic factors on consumption pattern of millets in Kerala. *Mukt Shabd Journal*, 10(5), 1521-1544.

This study is conducted in the state of Kerala, covering 14 districts to study the influence of demographic factors on the consumption pattern of millets. The findings of the study revealed that not all demographic factors except income and age have an influence on the consumption pattern of millets. The concerned agricultural department can frame policies and programmes that improve the consumption of millets in Kerala.

4. John, D., Narassima, M.S., Menon, J. C., Rajesh, J.G., & Banerjee, A. (2021). Estimation of the economic burden of COVID-19 using

Disability-Adjusted Life Years (DALYs) and Productivity Losses in Kerala, India : a model based analysis. *BMJ Open*. <https://doi.org/10.21203/rs.3.rs-118146/v2>

The present study estimates Disability-Adjusted Life Years (DALYs), Years of Potential Productive Life Lost (YPPLL), and Cost of Productivity Lost (CPL) due to premature mortality and absenteeism, secondary to COVID-19 in Kerala state, India. Most of the COVID-19 disease burden was contributed by YLL. Losses due to YPPLL were reduced as the impact of COVID-19 infection was relatively lesser among productive cohorts. CPL values for 40-49 year-olds were the highest. These estimates provide the figures and data necessary to policymakers to work on, in order to reduce the economic burden of COVID-19 in Kerala.

5. Tripathy, K. K., Paliwal, M., & Nistala, N. (2021). Good Governance Practices and Competitiveness in Cooperatives: An Analytical Study of Kerala Primary Agricultural Credit Societies. *International Journal of Global Business and Competitiveness*, 1-9. Advance Online Publication. <https://doi.org/10.1007/s42943-021-00020-0>

The study examines various business activities of select Primary Agricultural Credit Societies (PACS) in India's southern State of Kerala and provides insight into their governance practices and its relationship with competitiveness. The research study concludes that participation, accountability, and transparency are the effective pillars of cooperative governance in the presence of diversification strategy which further leads to improved competitive performance of Kerala's PACS. The competitive process led by good governance has been demonstrated as a key determinant for the growth and development of cooperatives. The study supports that the system of governance should not be rigid and imposed on cooperatives, rather be flexible and adaptive to each evolving situation.

6. Varghese, S. M. (2021). A descriptive analysis on opportunities and challenges of women entrepreneurship in Kerala. *International Journal of Research*, 8(5), 627-632. <http://ijrjournal.com/index.php/ijr/article/view/58/51>

This paper tries to discuss the opportunities and challenges facing women entrepreneurs in Kerala. The Government has introduced many schemes for the promotion of women entrepreneurs. Although women entrepreneurship has many opportunities, they face many challenges. Entrepreneurs are the strength of a successful economy in the world. In the process of empowerment, women should realize their strength, weakness, opportunities and move forward to achieve their goals through self-development.

7. Yousuf, R. (2021). A study of customer preference towards online shopping in Pathanamthitta district. *International Journal of Research*, 8(5), 633-644.

This study aims to know the customer preference towards online shopping in Pathanamthitta District. It also aims to find out the key factors that influence online shopping behaviours of consumers and to identify the determinants of online purchase intention among customers. Online shopping is now preferred over conventional methods of shopping in stores. According to UCLA Center for communication policy (2001), online shopping has become the third most popular internet activity, immediately following e-mail Using/instant messaging and web browsing.

8. Joseph, E., & Vikraman, N. (2021). A Study on Attitude towards Self Employment of Agri-Entrepreneurs in Kottayam District. *Journal of Scientific Research*, 65(4), 1-12. <https://doi.org/10.37398/JSR.2021.650401>

This paper investigates the relationship of the entrepreneur's attitude on factors like financial management, production management, human resource management, marketing management, problem solving attitude and

acquiring of technical knowhow towards self employment. The researcher used data from a sample of 400 agri-entrepreneurs of Kottayam district in the state of Kerala to test this hypothesis. The results revealed that the attitude towards all the factors like financial management, production management, human resource management, marketing management, problem solving attitude and acquiring of technical knowhow has a significant impact towards self employment on progressive agri-entrepreneurs in agri based allied sectors.

9. Kumar, B. P. (2021). Economic Growth, Structural Transformation and Incidence of Poverty: Evidence from Kerala Economy. *Humanities*, 8(4), 55-60.

In this paper, the emphasis is given to discussing the association between the growth rate and poverty reduction in Kerala. Poverty could be regarded as a declining function of the growth and structural change of an economy. Kerala, to a greater extent, stands testimony to this hypothesis. It is obvious that Kerala has registered remarkable progress in the growth rate of State Gross Domestic Product (SGDP) and the per capita income compared to other states in India. It is also found that the high growth that Kerala achieved in recent times has led to a commensurate decline in her poverty ratio compared to the all India levels and other states in India.

10. Sreelekha, E. K., & Ambily, A. S. (2021). A Study on the Socio-economic Condition of the Bamboo Handicraft Artisans in Palakkad District, Kerala. *Bulletin Monumental*, 22(7), 139- 152. <http://bulletinmonumental.com/gallery/16-july2021.pdf>

This study probes the socio-economic condition of the bamboo handicraft artisans in Palakkad district, Kerala. It focuses on the health condition, saving and debt condition, involvement in social group activities of the artisans and also investigates the relation between monthly income and monthly

expenses of them. The primary data were collected through the schedule method from 120 bamboo handicraft artisans of Palakkad district and secondary data were collected through. The study shows results with respect to health issues, amount of savings, type of savings, social group memberships, that may or may not have a significant relationship with various socio-economic conditions like nature of employment, age, education, years of experience, number of earning members and dependents in the family etc.

11. Rajeev, P. (2021). Climate Change Risk Management in Coastal Fishing Villages of Malappuram District, Kerala, India. *Social Vision*, 8(1).

The development of specialised adaptation solutions and resilience capacity among coastal fishing communities against climate change impacts requires a detailed examination of local level livelihood capitals and its vulnerability. In this study, ISO 31000 (2009) 'Risk management guidelines' management framework and processes are applied in Malappuram district of Kerala, India to identify, analyse, evaluate and treat the climate change risks to create a resilient fishing community. This output shall support local level planning of fishing villages and to take action for climate change risk management.

12. Thomas, S., Prasad, A., Alan Stephen, V., Azeez, A. B., Arunima, T. S., & Johnson, D. (2021). Efficacy of clean milk production protocol on quality of milk in smallholder production system. *The Pharma Innovation Journal*, 10(7), 1193-1196.

Milk quality is the result of a total integrated approach involving cleanliness at different phases of animal handling, processing and transport of milk and milk products. The main aspects of CMP are animal hygiene, milking hygiene, equipment hygiene and processing hygiene. An exploratory cross sectional study was carried out to improve the level of knowledge of smallholder dairy farmers on

clean milk production protocol. Survey results portray that the majority of the farmers are still reluctant to practice machine milking and rely upon the traditional hand milking for milking their animals. But the method of milking was found to have no significant effect on the incidence of mastitis. The cleanliness of cattle shed, washing of udder prior to milking and hygiene of milker's hands were found to have a significant ($P < 0.01$) effect on udder health of animals.

13. Parvathy, P. R. (2021). Impact of Irrational Judgement among Equity Investors in the state of Kerala. *Kala Sarovar*, 24(1).

In this study irrational judgement of investors are studied using four cognitive behavioural biases selected on the basis of their occurrence and prevalence among the investors of Kerala. Four cognitive biases such as representativeness, illusion of control, cognitive dissonance and self attribution bias are chosen. Classification of behavioural biases as suggested by (Michael, 2008) have been used. The relationship between various demographic factors and selected biases has also been taken up. The study finds that cognitive bias greatly affects the equity shareholder followed by representativeness bias. Self-attribution comes third and the illusion of control has the least influence on equity shareholders of Kerala. It has also been found that except in the case of cognitive dissonance bias, gender has no impact with respect to other biases and that post graduates tend to become prone to biases more than the graduates.

14. Mathew, I. M. (2021). A Study on the Impact of Demonetisation in Systematic Investment Plans (SIPs). *International Journal of Research and Analytical Reviews (IJRAR)*, 8(1), 319-328. It is crucial to analyse the factors which influence the investment portfolio of the people and also suggest more safe and diversified investment avenues to the common man. This study is an attempt to find out a

more safe investment avenue for small investors in the middle income group. It is expected that SIPs have a prominent status among other investment avenues among the investors in the middle income group. The growth in SIPs is mainly due to their low risk and steady growth pattern. However there is lack of professional assistance in this field which makes many investors averse to investments in SIPs. Hence a study on SIPs is very relevant.

15. Priyanka, U., & Vimala, V. (2021). Geographical Indicated (GI) Products of the Regional Ethnocentrism of Kerala Prudently Influences Consumer Behaviour. *REVISTA GEINTEC-GESTAO INOVACAO E TECNOLOGIAS*, 11(4), 2008-2018. <https://doi.org/10.47059/revistageintec.v11i4.2250>

This study emphasises the influence of regional ethnocentrism towards the purchase of Geographical Indicated (GI) tagged products. A sample of 102 consumers was randomly chosen from the central zone of the state of Kerala. A reduced version of the six-point scale validated and introduced by Klein et al. 2006 and Fernández-Ferrín et al., 2019 was adopted in this study to examine the regional ethnocentrism towards these products. Based on the findings, highly valuable suggestions were imparted to the producers to market regional geographical indicated products effectively. Regional ethnocentrism can be adopted as an appealing and victorious strategy, thereby enabling the smaller producers to survive in this globalised world of technology.

16. Kumavat, P. P. (2021). A Study on Kerala Ecotourism and role of Marketing Strategies in the promotion of Ecotourism sites. *Revista Review Index Journal of Multidisciplinary*, 1(1), 21-26. <https://rrijm.com/index.php/RRIJM/article/view/10>

The government has undertaken several initiatives to promote eco-tourism but were not found to be effective. The aim of this paper is to understand some of the strategies that

has been adopted by the Department of Tourism to promote Ecotourism and tourism in general. This paper also looks into the concept of ecotourism in Kerala. The study is descriptive in nature and uses only secondary data collected from various books and articles. The study mainly deals with the strategies of developing eco-tourism and how it is advantageous to tourism in Kerala.

Chapter in an edited Book

1. Zehba, M. F., Firoz, C. M., & Babu, N. Spatial Assessment of Quality of Life Using Composite Index: A Case of Kerala, India. In S. Tripathi, R. Rai, Rompay-Bartels, I.V. (Eds.), *Quality of Life* (pp. 181-207). CRC Press. <https://doi.org/10.1201/9781003009139-11>

This study was conducted to assess spatially, the quality of life (QOL) in the settlements of Kerala, a southern state of India. The initial step was to identify a set of 23 variables under seven domains of QOL through a methodological process. Secondly, a QOL index was formulated to assess QOL specific to the context. A series of statistical analysis was conducted on the data set to form a Composite Quality of Life Index. The results were spatially interpreted. Thirdly, a spatial assessment of QOL particular to the site was conducted to understand the pattern and analyse inequities. Accordingly, the spatial study units were grouped into three categories having High, Medium and Low QOL. Inferences were drawn and planning recommendations were suggested. The methodological framework used here can be replicated in any other context with proper changes in the variables.

Health

Scopus Indexed Journals

1. Ravindran, R. M., Anjali Krishnan, R., Kiran, P. S., Mohan, B., & Shinu, K. S. (2021). Psychosocial Intervention Model of Kerala,

India During Pandemic COVID 19: "Ottakkalla Oppamundu (You're not alone, we're with you)". *International Journal of Health Services*. Advance Online Publication. <https://doi.org/10.1177/00207314211019240>.

The study provides an overview of the psychosocial intervention adopted by the state during the pandemic, which has helped both the beneficiaries and the providers. It has also helped to promote positive thinking and change the attitude toward the disease among the beneficiaries. It is highly commendable that timely intervention could obviate quite a few psychiatric emergencies, including suicides and aggressive behaviors. Considering its efficiency, flexibility, and sustainability, this model can be replicated in any setting.

2. Jayakrishnan, M. P., Krishnakumar, P., Geeta, M. G., & George, B. (2021). Changing trends of accidental poisoning in children over the last two decades. *Indian Journal of Community Medicine*, 46(2), 350-351. https://doi.org/10.4103/ijcm.IJCM_723_20

The present study was carried out to analyze the changing trends in poisoning in children over a period of two decades from 1999 to 2019 in the Department of Pediatrics, Government Medical College, Kozhikode. Retrospective analysis of hospital records of children admitted with poisoning during the 5-year periods from 1999 to 2003 and from 2015 to 2019 was done. The age, gender, type of poisoning, and outcome were compared. Cases of food poisoning, inadvertent therapeutic mistakes, bites, and stings were not included.

3. Hari Krishnan, U., & Sailo, G. L. (2021). Prevalence of emotional and behavioral problems among school-going adolescents: A cross-sectional study. *Indian Journal of Community Medicine*, 46(2), 232-235. <https://www.ijcm.org.in/text.asp?2021/46/2/232/317066>

The objective of the study is to assess the prevalence of emotional and behavioral

problems among adolescents across gender and location. It analyzes the Strengths and Difficulties Questionnaire (SDQ) total score with sociodemographic details among school-going adolescents in Kollam district. The findings indicate that a little more than a tenth of school-going adolescents had emotional and behavioral problems and multiple regression analysis revealed a significant association in SDQ total score with the type of schools, settings, and socioeconomic status. Early detection, periodical assessment, and intervention in the schools with the aid of mental health professionals can help adolescents in coping with different issues and for a healthy transition into adulthood.

4. Sadanandan, S., DSilva, F., & Renjith, V. (2021). Depression among rural stroke survivors: A cross-sectional study. *Indian Journal of Community Medicine*, 46(2), 309-312. <https://www.ijcm.org.in/text.asp?2021/46/2/309/317095>

Depression is a major neuropsychiatric complication of stroke. Poststroke depression (PSD) can lead to inadequate functional recovery, social withdrawal, poor quality of life, and suicidal ideations. The study explored the Poststroke depression (PSD) among stroke survivors of Kozhikode district, Kerala. The study concluded that a high prevalence of undiagnosed depression remains a significant challenge to primary care

Other Journals

1. Neethu, L., & Helan, A. P. (2021). The Health Issues And Problems Faced By Returnees From Gulf Countries In Kerala. *International Journal of Economic Sciences*, 10(1), 71-83. <https://doi.org/10.52950/ES.2021.10.1.005>

This study seeks to analyse the health of expatriates who have returned to Kerala after a long stay in the Gulf. Using the multi-stage sampling technique, a comparative study was done to find the health condition between the returning migrants and non-migrants in the

homeland. The study found that expatriates, who had spent more years in exile, were more likely to have health problems when compared to non-migrants.

2. Krishnan, K. P. (2021). Psychological Influences of Architecture on the Demented in Care Homes of Kerala. *International Journal of Engineering Research in Mechanical and Civil Engineering (IJERMCE)*, 6(5), 60-72. <https://doi.org/10.1617/vol8/iss5/pid4827>

This paper discusses how an architect can create an environment that triggers positive neurological changes in its users by formulating guidelines that can help architects make more informed design decisions. This will improve the quality of life of the ageing population in Kerala, where there are no set standards for their living environment.

3. Padmini, A. K., & Viswanathan, G. (2021). Child Rearing Beliefs and Practices Among Rural Mothers in South Kerala. *World Wide Journal of Multidisciplinary Research and Development*, 7(6), 12-14. <https://doi.org/10.17605/OSF.IO/G4BPS>

This study seeks to identify various child rearing beliefs and practices among mothers in a rural village Nellanad Panchayath in the Trivandrum district in the state of Kerala, South India using community based cross sectional study. The results showed that the majority of the study participants are following proper child rearing practices. Although the proportion of mothers following faulty practices is less in this study, these practices need to be further discouraged.

4. Marbaniang, S. P. (2021). Forecasting the prevalence of COVID-19 in Maharashtra, Delhi, and Kerala using an ARIMA model. *Aditum Journal of Clinical and Biomedical Research*, 2(1). <https://doi.org/10.21203/rs.3.rs-34555/v1>

In this study, an ARIMA model was developed to predict the trend of COVID-19 prevalence in the states of Maharashtra, Delhi and Kerala. The results of this study throw light on the

intensity of the epidemic in the future and will help the government administrations in Maharashtra, Delhi, and Kerala to formulate effective measures and policy interventions to curb the virus in the coming days.

5. Athira Krishnan, I., Balan, S., & Khanna, A. (2021). Developing Communication Tools for Creating Awareness on COVID-19 Pandemic Among School Going Children (6-12 YEARS). *Journal of Scientific Research*, 65(4), 18-22 <https://doi.org/10.37398/JSR.2021.650403>

The objectives of the study were to develop and design games for creating awareness about COVID-19 and to check the effectiveness of these games. Online questionnaire was carried out to collect the data regarding the sampling. Different games like puzzles, word search, Aksharamala, Bingo, etc. were introduced to the samples, along with many daily tasks. The responses were very encouraging. Significant difference was found in the level of awareness about the COVID-19 among children. The level of accuracy of the knowledge regarding the pandemic was also found to increase.

6. Thomas, A., Anvarasulthana, A. R., Ajayan, A., Abraham, L., Benny, L., Shaju, P. M., ... & Joseena, S. V. M. (2021). A Study to assess the Knowledge on Lifestyle modification for Prevention of Hypertension among Adults in a selected Hospital at Kidangoor. *Research Journal of Science and Technology*, 13(2), 85-88. <https://doi.org/10.52711/2349-2988.2021.00013>

The present study was conducted to assess the knowledge on lifestyle modification for prevention of hypertension among adults in a selected hospital, Kidangoor, Kottayam. It concluded that the majority of the sample has average knowledge regarding prevention of hypertension. There is statistically significant association between level of knowledge score with selected demographic variables like age and religion.

7. Arundhathi, P. S., & Jins, C. G. (2021). Evaluation of stress among autonomous college students caused by online class. *International Journal of All Research Writings*, 2(12), 36-39.

This study aims to understand the attitude of students towards online classes and the level of stress experienced by them during the pandemic period. 120 samples were collected using convenient sampling from four autonomous colleges in Thrissur district of Kerala namely Vimala College, St Thomas College, St Joseph College, and Christ College. The findings of the study could contribute significantly to a better understanding of the stress and the remedies to reduce the same among students due to online classes.

Chapter in an edited Book

1. Rajesh C.B., Cherappurath N., Vinod V., Elayaraja M., Hussain S., Sreelekha N. (2021) COVID-19 Lock Down Impact on Mental Health: A Cross-Sectional Online Survey from Kerala, India. In: Niranjanamurthy M., Bhattacharyya S., Kumar N. (Eds.) *Intelligent Data Analysis for COVID-19 Pandemic. Algorithms for Intelligent Systems*. Springer. https://doi.org/10.1007/978-981-16-1574-0_1

This study aims to investigate the impact of COVID-19 lockdown on the emotional and mental status of individuals in the state of Kerala, India. It is observed that the mental health of individuals was significantly impacted during lockdown due to the pandemic. It is suggested that international organizations like the World Health Organization (WHO) and the governments can play a vital role in addressing the mental and psychological issues caused due to a lockdown and make people comfortable to face the pandemic.

History and Culture

Scopus indexed journals

Saranya, R. (2021). Disaster Management of Flood Affected Public Libraries of South Kerala. *Library Philosophy and Practice* (e-journal). <https://digitalcommons.unl.edu/libphilprac/5834>

This study was designed to examine disaster management of flood affected public libraries of south Kerala. The population selected for the study was flood-affected libraries of South Kerala, affiliated to Kerala State Library Council. According to Kerala Library Council, the 2018- 19 floods affected 113 libraries in Pathanamthitta, Alappuzha, and Kottayam district, among which 95 libraries were selected. The samples were collected from 95 professional and non-professional staff of these libraries. The findings of this study show that the 2018-19 floods caused huge destruction in the public libraries of South Kerala affecting 85.26% of the library.

Other journals

1.Premkumar, G.(2021). Genesis and Growth of archaeology in Kerala. *International Journal of humanities, Law and Social Sciences*, 8(1), 1-8. This paper is an attempt to unravel the history of the genesis and growth of archaeology, in the context of the increasing importance attached to archaeology as an emerging area of study in Kerala. Extensive studies into the archeological heritage of Kerala commenced during the colonial period. Malabar archaeology developed under the British administration under the then Madras presidency. The Travancore archaeology and the Cochin archaeology developed under the princely states of Travancore and Cochin respectively. Hence the department of archaeology in Kerala with the state's priority to explore the heritage and conserve it with full proof formulations started since the state's formation.

2. Sasi, A. K. (2021). TK Madhavan And Vaikom Satyagraha. *EFFLATOUNIA-Multidisciplinary Journal*, 5(2). <http://efflatounia.com/index.php/journal/article/view/120>

Vaikom Satyagraha was a movement in Travancore related to temple entry of the depressed classes. It took place near the Shiva Temple at Vaikom, Kottayam district, Kerala during 1924-25. To the people in Kerala, Vaikom is associated with the name of the great social reformer, T.K.Madhavan. The historically minded would associate it with an important Satyagraha during the freedom struggle. Vaikom Satyagraha was a struggle for establishing the right for backward class people to walk through the temple roads of Vaikom, a small temple town in North West of Kottayam. Gandhiji agreed to include the issue in the agenda of the Indian National Congress. This study highlights the importance of Vaikom Satyagraha in this regard.

3. Mohanan, A. (2021). Sounds from a Silenced Divinity: The Interaction of Caste with Music in the Theyyam Rituals of Kerala. *The SOAS Journal of Postgraduate Research*, 13, 55-77. <http://doi.org/10.25501/SOAS.OOO35317>

The ritual art form popularly known as 'Theyyam' occurs annually in the northern regions of the South Indian state of Kerala. The ritual is orchestrated and demonstrated by Dalit communities, who were formerly treated as untouchables throughout the history of the subcontinent. The impact of caste dynamics on this form of religious expression is explored in this work through ethnomusicological analysis, wherein the musical elements of Theyyam are compared to forms of music practised by upper-caste communities in the same region. This work aims to highlight how knowledge, in essence, is a product of social hierarchy and forms of expressions birthed from knowledge are subtle representations of social discrepancy.51-53

4. Babitha, M. (2021). Historicising Pinarayi Parappuram Communist Movement. *International Journal of English Literature and Social Sciences*, 6(3), 51-53. <https://dx.doi.org/10.22161/ijels.63.8>
Pinarayi Parappuram Communist Party Conference, which in turn recorded in the golden letters in the annals of Kerala history. Paper examines the importance of Parappuram Conference in the history of North Malabar and also discussed the growth and impact of Communist Party in Kerala Society and actual Importance of Pinarayi Parappuram Conference in the Political History of North Malabar. Through their self-effacing work, the communists have galvanised hundreds of millions of people into action in order to bring about far-reaching changes in society. The paper also tries to find out while the communist leaders select this place for the secret conference.

Chapter in an edited Book

1. Devika, J. (2021). The Kiss of Love protests: A report on resistance to abjection in Kerala. In P. Kumar (Ed.), *Sexuality, Abjection and Queer Existence in Contemporary India*, 131-148. Routledge. <https://doi.org/10.4324/9781003193531>

This chapter reflects broadly on the production of marginals in the context of Kerala State, India and more specifically, on the contemporary moment in which young people face the increased risk of abjection. The author recounts the complex historical conjecture of demographic change and economic transformation subsequent shifts in the structure and functions of the family which seems to have intensified the disciplining of youth in Kerala. And then interprets the Kiss of Love protests (2014-2015) which originated in Kerala but spread to other places in India as an effort not only to challenge Hindutva violence in public spaces but also as an attempt to resist the more fundamental resistance to

the objection of the body and sexuality.

2. Sebastian, T. (2021). Laughter and abjection: The politics of comedy in Malayalam Cinema. In P. Kumar (Ed.), *Sexuality, Abjection and Queer Existence in Contemporary India*, 112-130, Routledge. <https://doi.org/10.4324/9781003193531>

In this context, the chapter investigates the popularity of mimicry in Kerala, and the brand of comedy that it perfected by closely looking at it as a response-dependent stage performance. Far from being the egalitarian art form that it was purported to be, mimicry owed its popularity to the faithful reproduction of hierarchies of domination within the diegetic space of performance. The chapter draws from the career of the mimicry artist turned actor-businessman Dileep to demonstrate how Malayali identity is invoked to turn the abjection of marginalized identities into a comedic spectacle. It then directs its gaze to the extra-diegetic space of the performance where the epistemic violence of laughter translates into configurations of embodied violence and abjection.

Others

Scopus Indexed journals

1. Kumar, P. (2021). Study on Factors Influencing Effectiveness of Learning during Covid 19. *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*, 12(12), 1951-1959. <https://www.turcomat.org/index.php/turkbilmamat/article/view/7726>

This paper examined the factors that influenced the effectiveness of learning during COVID 19 pandemic. It is based on an empirical survey conducted during Nov-Dec, 2020. Students from Ernakulam district, state of Kerala were issued with an online questionnaire. Response rate was satisfactory. Factor analysis was conducted and five prominent factors influencing learning effectiveness were used for further model

building and inferences. We found factors like Instructor-Learner Connect, Course Coherence, Interactive Learning were more statistically significant than Proactive & Appropriate Pedagogy and Prompt Feedback.

2. Elias, J., & Mirunalini, M. Nomophobic rate of higher secondary students in Kerala. *Turkish Journal of Physiotherapy and Rehabilitation*, 32(2), 3381-3383.

In the context of the lock down due to Covid-19, usage of mobile phones has increased among the adolescents. Usage of mobile phones for educational purposes as well as for entertainment makes them more addicted to mobile phones. In this scenario, it is relevant to study the correlation between nomophobic rate and academic achievement of adolescent. This research study aimed to prepare a Nomophobia rating scale (NMPRS) for adolescents and to implement it for students at higher secondary level to check their Nomophobic rate. The Nomophobic rate is then correlated to their academic achievement. NMPRS applied to 1068 Higher Secondary students in Kerala and the collected data analyzed for evaluation. Results of the study shows that most of the students are not prevalent to nomophobia.

News paper Article

1. Oommen, M. A. (2021, June 14). Higher education in Kerala needs a new chapter. *The Hindu*

The recent election manifesto of the Left Democratic Front (LDF) government of Kerala opens with the assertion, "we are entering a new phase in rebuilding Kerala" and promises to usher in a "sustainable development model". Higher education is undoubtedly the critical dynamic to trigger creative transformation in a society. The Budget speech on January 15, 2021 (the last Budget of the previous government) and the revised Budget speech on June 4, (first Budget of the new government) in the Legislative Assembly reiterate the government's resolve to rapidly transform Kerala into a knowledge economy and society. The new Budget announced that the government will appoint a high power commission "to examine" and "reorganize" the education system of the State. Restructuring higher education is a much-needed step in Kerala's transformation into a knowledge society.



What is new(s) from GIFT

1.GIFT webinar series

Post Budget Discussion on the Kerala Budget 2021-22, 10 June, 2021

This discussion was inaugurated by Shri KN Balagopal, Hon'ble Finance Minister of Kerala and chaired by Prof T M Thomas Isaac, former Finance Minister. There were two sessions in the discussion- (1) The development perspective of Kerala budget 2021-22: The short run and long run and (2) the Sectoral Focus. Shri R. K Singh, Additional Chief Secretary (Finance), Professor M A Oommen, Dr Ravi Raman, Planning Board member, Shri C.. P. John and Shri G. Vijayaraghavan, former members of State Planning Board, Professor Alwin Prakash, Dr. Mary George, Dr B.Ekbal, Prof R Ramkumar, Professor Irudaya rajan, Shri S. Adikesavan, Shri Binu Jacob, Shri E. M Najeeb, Dr. Nirmala Padmanabhan, and Dr. Sonia George were expressed their views and suggestions in the discussion. Professor K.J Joseph, Director, GIFT delivered the welcome address. Senior economists, experts, GIFT faculty and students also participated in the discussion.

Second Lecture in the Public Lecture Series on Kerala Economy in Transition " An Interpretative introduction to Kerala's Development Trajectory " Prof MA Oommen 28 May, 2021, jointly organised by GIFT and KEA

Abstract: This lecture is a quick run through Kerala's developmental narrative during the last six decades and examines afresh its ontology. For analytical purposes the presentation is divided into two phases: the egalitarian phase and the accelerated growth phase. There is no strict borderline and the discussion spills out back and forth. November 1, 1956 that marks Kerala as a socio-political entity is not a discrete moment, but a watershed in a continuum. The Aiyka Kerala demand helped in the progression to a developmental entity and was successfully supported by the avante garde writers and artists, social reform movements, communist party and many other driving forces. The paper was organised under four heads:

(i) Development: Some conceptual clarifications. This is needed not only for conceptual clarity but also for evaluative purposes.

(ii) The first quarter century: An egalitarian phase. Its salience is a politics of knowledge, reason, fight for unfreedoms of all sorts and seeking justice. Critical variables are identified.

(iii) The Accelerated Phase. With several billion dollars flowing into the state economy during the last four decades along with a neoliberal reform initiative (with no policy choices to harness resources more prudent and productively) Kerala became a high

consumption economy which produced several negative consequences. Its economy, society and polity changed. Some of them are documented in the lecture. Much of what follows is derived from this paradigm shift.

(iv) Working Towards a New Architecture. This section briefly outlines the indicative contours of a new Kerala that builds on its strength, but seeks to rectify its weakness and make reforms for working towards a social democratic alternative. The much discussed 'Kerala Model' story is set aside and endorse Amartya Sen's postulate that Kerala never needed a frozen model of conformist approbation.

Prof S R Sheeja, Department of Economics, Kariavattom, University of Kerala moderated the discussion. Dr Hari Kurup K K, Associate Professor, Government College, Kasaragod was the discussant.. Professor K J. Joseph, Director, GIFT, delivered the welcome speech. GIFT Faculty, KEA Executive members and many distinguished academicians and students in Kerala and from outside Kerala participated in the webinar. Prof SR Sheeja proposed the vote of thanks.

Third Lecture in the Public Lecture Series on Kerala Economy in Transition "The Downside of Kerala Model of Development: Some Questions and Reflections" Prof K P Kannan, 11 June, 2021, jointly organised by GIFT and KEA

Abstract: Kerala's development experience attracted a good deal of attention in the world of development scholars and policy makers ever since the publication of the CDS study on Poverty, Unemployment and Development Policy: A Case study with special reference to Kerala in 1975. From a state known for high human development with low economic growth, Kerala has transitioned to one with a high human development and high economic growth. Professor K P Kannan characterized this transition as Kerala entering a phase of

'virtuous cycle of growth' based on a revisit of Kerala's development experience prepared by a CDS Team and published as Kerala Human Development Report 2005.

The Kerala economy continued to grow, in fact at a higher pace, since the turn of the 21st century. The COVID pandemic might put an end to it, if not seriously attended to. However, there are downsides of the KMD that raises serious issues of quality of life and utilization of the capabilities of a significant segment of the population especially the younger generation. One striking manifestation is the problem of educated unemployment. Tackling this challenge calls for a qualitative change in governance. Here we come across a deeper malaise in the form of declining efficiency in public finance management that includes tax collection efficiency and the perpetual net loss of the public sector units. The lecture focused on these striking down sides and offered some tentative explanations.

Dr R Ramya, Head of the Department of Economics, Sri C Achutha Menon Govt College,, Trissur moderated the discussion. Dr. Shaijumon C S, Associate Professor of Economics, Indian Institute of Space Science and Technology, Dept of Space, Govt of India was the discussant.. Professor K J. Joseph, Director, GIFT, delivered the welcome speech. GIFT Faculty, KEA Executive members and many distinguished academicians and students in Kerala and from outside Kerala participated in the webinar. Prof Hari Kumar, Dean CUSAT and Vice President KEA, proposed the vote of thanks.

Fourth Lecture in the Public Lecture Series on Kerala Economy in Transition "Kerala- The Recent Development Trajectory", Prof V K Ramachandran, 25 June, 2021, jointly organised by GIFT and KEA

Abstract: In the last four years, Kerala has seen a relatively better performance in the economic

field, despite major setbacks at the international and national levels. State average 5 from 2016-17 to 2019-20. Achieved 4 percent growth. Average growth over the previous four years 4. It was 8 percent. The achievement was significant even in the face of adverse conditions such as the note ban, the Nippa and the floods for two consecutive years.

The aim is to bring the standard of living in Kerala within the next 25 years on par with the developed countries in the middle income group. At the heart of project management is the fact that not a single person is left behind in the development process. Kerala will move forward in the next phase on the three pillars of agriculture, industry and higher education. The main development strategy will be to maximize employment.

What is special about the Government of Kerala is that it takes the election manifesto very seriously and tries to implement its recommendations. This is a rarity in India. Another feature of this government is that it views planning as a fundamental principle of development. Even at the central level, Kerala is vigorously implementing the Thirteenth Five Year Plan at a time when planning is being alienated. We are currently in the final year of the Thirteenth Plan. As part of this, strong interventions could be made in critical areas. The agricultural sector in Kerala, which has been steadily declining since 2017-18. It was able to achieve a growth of 11 per cent. Production of agricultural crops¹. It rose by 52 per cent. In the last five years, the utilization of funds for the agricultural sector has grown by 221 per cent.

The inflow of milk from outside the state was 9 lakh litres per day. It has been reduced to 2 lakh litres. The manufacturing sector in Kerala has also made a comeback. In the financial year 2019 - 201. 5 per cent growth was achieved in this sector. The state has also made significant

achievements in the areas of health, education, infrastructure development and housing. Through the Life Mission Project². 5 lakh houses have been completed. It was a record achievement in the history of Kerala. The state is moving into the Fourteenth Five Year Plan. This was a continuation of the Thirteenth Plan. Kerala is notable for the state government's adherence to economic planning. Kerala has the distinction of attracting world attention in the field of development. Public participation in development is one of them. The state would enter a new phase of development to ensure continued participation of the people.

Head of the Department of Economics, St. Peter's College, Kolancherry. Dr Gigi Elias moderated the discussion. Dr. C. A. Priyesh, Associate Professor, University College, Thiruvananthapuram was the discussant. Professor K J. Joseph, Director, GIFT and President KEA, welcomed the Programme. GIFT Faculty, KEA Executive members and many distinguished academicians and students in Kerala and from outside Kerala participated in the webinar. Smt Aniha Kumary L, Associate professor GIFT proposed the vote of thanks.

Fifth Lecture in the Public Lecture Series on Kerala Economy in Transition "Reflections on Kerala's Development Strategy" Prof Prabhat Patnaik, 09 July, 2021, jointly organised by GIFT and KEA

Abstract: Kerala's development strategy focussing on a direct improvement in people's welfare, rather than on GDP growth and enticing big capital to invest in the state for increasing this rate of growth, in the hope that its effects will trickle down to the people, has been widely hailed as the "Kerala Model". Gujarat constitutes the diametrical opposite of the "Kerala Model" by following precisely the "enhance-growth-and-its effects-will-trickle-down" strategy, which has left Gujarat's human development indices way behind. What is

interesting however is that even in terms of growth, the rate of increase in per capita GSDP in Kerala over the period 2004-05 to 2011-12 has been almost the same as in Gujarat and higher than the national average. The "Kerala Model" in short delivers both growth and welfare, unlike the alternative that simply emphasizes growth to the exclusion of welfare.

There is a view however that the Kerala Model has not delivered on employment, which raises two questions: in what sense is there an unemployment problem in Kerala, and what should be done about it? While the unemployment estimates for Kerala are high, the state is remarkably free from the destitution one generally associates with unemployment. This is not to say that poverty in the state has disappeared; indeed far from it. As is well-known the official poverty estimates in the country are notoriously flawed, so that no consolation should be derived from the low poverty ratio of Kerala (though this low ratio has been an excuse for denying the state its legitimate share of central resources); but there is no gainsaying that the Kerala does not have the same sort of destitution that one comes across in other states.

This phenomenon requires an explanation. Unemployment and employment must not be seen in starkly contrasting terms. Those who are unemployed also do certain kinds of work, and also enjoy a certain standard of living, which he called as the level of "default income". Unemployment consists in the fact that at a wage-rate higher than equal to the default income, a higher labour demand brings forth a corresponding increase in labour supply. Kerala may have a high rate of unemployment in the sense that this can happen until a fairly high level of labour demand (compared to the prevailing level) is reached. At the same time Kerala's level of default income is high, which explains how unemployment can co-exist with the absence of destitution.

Given Kerala's unique topography, it is both unrealistic and undesirable to entice big ticket investment projects to be located in the state as a means of overcoming unemployment. Emphasis therefore has been placed, rightly, on developing Kerala as a "knowledge economy". But, as many are pointing out now, the scope for expanding employment through knowledge economy activities is limited. We therefore have to think in terms of certain additional activities. Since Kerala's domestic economy's growth has certain limitations arising from the fact that there are constraints upon the growth of agriculture in the state, these activities must be oriented towards "exporting" their products to the rest of the country and the world. Tourism has been much emphasized in this respect, provided it is "responsible tourism". Additionally, however Kerala has the potential to develop as a "care economy", providing "care", especially healthcare, not just to its domestic population but to the rest of the country as well (which is already happening to an extent with Kerala nurses working all over the country). In traditional medical practices Kerala has already made a name for itself, attracting many patients from all over. There is no reason why a similar effort should not be made in modern medicine as well. There is no reason in other words why Kerala should not develop vis-à-vis the rest of the country the way Cuba has developed vis-à-vis the rest of Latin America

Dr Sindhu Krishna, Associate Professor, Department of Economics, The Cochin College moderated the discussion. Dr. A. Asokan, Associate Professor (Rtd), Nehru College, Kangangad was the discussant of the programme. Professor K J. Joseph, Director, GIFT and President KEA, welcomed the Programme. GIFT Faculty, KEA Executive members and many distinguished academicians and students in Kerala and from outside Kerala participated in the webinar. Prof Hari Kumar, Dean CUSAT and Vice President

KEA, proposed the vote of thanks

GIFT organised a Discussion on Direct Selling Rules 2021 on 17th July 2021; Resource Person Dr Thomas Joseph Thoomkuzhy, Associate professor, GIFT

GIFT organised GST consultation for Kerala Feeds Ltd for addressing their specific issues related to GST on 17th July 2021; Resource Person, Dr N Ramalingam, Associate Professor, GIFT

Webinar on Tax Performance of 15 Indian States -1990-91 to 2018-19: What Do the Trends Reveal? , the lecture delivered by Shri R Mohan IRS & Honorary Fellow, 22nd July.

Abstract:When the tax performance of 15 major States in India, proxied by Own Tax Revenue (OTR)- Gross State Domestic Product (GSDP) ratio, is analysed, it is seen that there is convergence of tax effort among the States. Over the period, the OTR-GSDP ratio of high and middle income States has fallen and that of the low income States has risen. The convergence of OTR-GSDP ratio is statistically significant. This needs to be seen in the background of the fact that per capita GSDP has been diverging. It is found that the relationship between tax effort and per capita income has been negative and statistically significant for relatively richer States, while it is positive and statistically significant for relatively lower income States. This is counter intuitive. It is pertinent to note that the three decadal period witnessed substantial changes in the tax structure of the States.

Prof T M Thomas Isaac, former Finance Minister, Government of Kerala was the discussant of the programme. The paper is authored by Shri R Mohan and Dr D Shyjan. Professor K.J. Joseph, Director, GIFT welcomed the gathering.

Sixth Lecture on Public Lecture Series on Kerala Economy in Transition , "Kerala

Alternative and the Shadow of Global Accumulation of Capital", Prof K N Harilal, 23 July, 2021, jointly organised by GIFT and KEA

Abstract:The unique development experience of Kerala has immense value in the context of the attempts to imagine post capitalist societies. A rethink on the lessons of socialist revolutions, old and current ones, would underline the importance of the Kerala alternative. The talk would highlight some leading aspects of the Kerala alternative that prompts us to see it as an emancipatory project. People of Kerala could resist, by virtue of incessant collective action, the hegemony of monopoly capital besides breaking the stranglehold of 'Jathi Janmi Naduvazhytham'. In spite of all odds they ensured that the will of the people hold. The Kerala alternative was built not in isolation but engaging with the rest of the world, neither did it compromise on basic freedoms of the citizens. The resilience of the Kerala alternative is to be seen in the underlying social contract, which is much broad based than generally understood. Its support base cuts across political parties and their fronts as well as social, religious and spiritual alignments.

The post pandemic world is likely to be more hostile to the developing nations/ regions pursuing alternative policies. The nation states, not to speak of subnational arrangements, are likely to be under pressure to surrender more and more spheres of autonomous policy making. The interests of global monopoly capital is likely to get precedence over all other interests and values, such as that of environment, public health, labour, peasants, local capital, socially and economically marginalised groups, women, local cultures, etc.

The challenges, although tough, need not dishearten Keralites, who would want to defend their alternative. It is here the unique features

of the regional alternative come to the fore. For facilitating collective action, and for realizing agency, Kerala people and their collectives have generally been participating in all possible spaces of power and governance. But, they have also been vigilant about incorporation. In fact, the practise of 'participation and struggle' has been an important source of strengths of the Kerala model. The defining feature of the regional alternative is the willingness of the people to come together and work for the common good. It doesn't presuppose complete control of the State apparatus or a benevolent world order, or restrictions on individual initiatives.

The difficult times ahead should prompt Keralites to fall back upon and strengthen the basic virtues of the Kerala alternative, "collective action for common good" as well as "participation and struggle". The lecture would prioritize some important areas of such broad based action that are likely to emerge and strengthen the region's model of development.

Dr Jisha K K, Assistant Professor, Department of Economics, Govt Victoria College, Palghat moderated the discussion. Shri Santhosh T Varghese, Associate Professor, Department of Economics, Maharajas College, Ernakulam was the discussant. Professor K J. Joseph, Director, GIFT and President KEA welcomed the Programme. GIFT Faculty, KEA Executive members and many distinguished academicians and students in Kerala and from outside Kerala participated in the webinar. Prof Sheeja SR, Department of Economics, Kariyavattom Campus, University of Kerala proposed the vote of thanks.

Indialics Public Lecture Series 9:

The Quest for Sustainable Development for All: 21st Century Challenges, Prof Susan Cozzens (Georgia Institute of Technology, USA), 16 June, 2021. Other speakers included Prof Rasigan Maharajh (Stellenbosch

University, South Africa), Prof Dinesh Abrol, TRCSS, Jawaharlal Nehru University) Prof Lakwinder Singh Gill, Punjabi University and K J Joseph, Director GIFT.

2. Teaching and training programmes

a. PGDGST program

Third batch of the Post Graduate Diploma in Goods and Service Tax (PGDGST) examinations were conducted on 06-06-2021, 13-06-2021 and 20-06-2021. Three days examinations were conducted online mode. Admission for the fourth batch of PGDGST is in progress. Orientation Programme- Know your PGD-GST for a Better Career, was organised on 12-06-2021, 17-06-2021, 10-07-2021 and 17-07-2021 by the Course Co ordinators. 398 students were selected for the PGDGST course for the year 2021 as on July 31. The training program comprising 120 hours of teaching started through online mode started in the month of July 2021. Forty-five hours of training classes are scheduled. Training classes was inaugurated by Prof K J Joseph, Director, GIFT on 25 July 2021. Two classes were conducted on 25 and 31 July 2021.

Course Co ordinators: Dr N Ramalingam and Smt. L Anitha Kumary

For more details: <https://www.gift.res.in/index.php/course/detail/14/PGD-GST>

b. PhD programme

1) Core course for PhD programme (2021 Batch) started from June 1, 2021.

The Following courses are running simultaneously with two lectures of 90 Minutes each on every working day.

The Following courses are running simultaneously with two lectures of 90 Minutes each on every working day.

CC101: Foundations of Public Finance
 CC102: Topics in Public Finance
 CC103: A course in Indian economy with Special Reference to Kerala
 CC104: Research Methodology.
 First Batch PhD students are now at Chapter writing Stage

Second Batch PhD students are currently going through the course work and are in the process of preparing their Proposal.

c. RCBP programme

Gulati Institute of Finance and Taxation (GIFT) announced a 100 hours online Research Capacity Building Program (RCBP) for the academic year 2021-22. This one-semester duration program intends to facilitate an interactive learning platform for research capacity building of Research Scholars. The program's curriculum has been designed under two parts: (i) Research Methodology and (ii) Data Analytics using R software. While the former is designed to equip participants with integrated learning of methodological tools that scholars may need during the life cycle of their doctoral research and beyond, the latter is to make the participants proficient in statistical computing methods using R software.

More than 50 applications have been received for the program. The RCBP committee chaired by Dr Renjith P S verified the eligibility criteria of the applicants and 42 candidates were selected for the program. The Director Prof. K J Joseph inaugurated on 15 June, 2021 by welcoming the participants. The course was officially commenced from 17 June, 2021. The main course instructor for PART A is Dr Vijayamohan Pillai, Honorary Fellow GIFT with the active involvement of other faculty of GIFT and external experts like Professor Mala Ramanathan. Seven interactive lectures have been conducted during June 2021 under various themes, which include Historical Perspective

of Research, Research Paradigms and Theory, Theoretical Framework vs. Conceptual Framework, Review of Literature, Qualitative Research vs. Quantitative research, and Sampling Methods. In addition, the RCBP team has created an exclusive zoom link and Google classroom for smooth online communication.

During the month of July, lectures dealt with descriptive statistics, sampling distribution, inferential statistics, hypothesis testing, repeated sample, nonparametric tests, ANOVA, multivariate analysis and academic writing. The practical applications of the concepts were introduced using Gretle software. The participants have carried out statistical and econometric assignments using the software.

3. New Reports and Publications

1. Kerala Tax Reporter (KTR)

April and June issues of KTR published Online and offline.

<https://www.gift.res.in/ktr>

2. Innovation and Development

A Routledge journal from GIFT, Volume 11, No. 1 published, No 2&3 (10th Anniversary Issue) Scheduled for September Editor in Chief, K J Joseph.

For details, please visit <https://www.tandfonline.com/toc/riad20/current>

3. Weekly update on the Indian Economy

This is an attempt by the Young Scholar' Forum in GIFT, led by Smt. Shency Mathew to update on important developments in the national economy. Latest issue: 24-30, July 2021.

For details, please visit https://www.gift.res.in/index.php/publish/publish_list/14/Weekly-Updates-on-Indian-Economy

Soft copy of Kerala Economy is available in GIFT website.
For free download, please visit www.gift.res.in



Gulati Institute of Finance and Taxation (GIFT), Thiruvananthapuram, Kerala, formerly Centre for Taxation Studies, has been conceived as a premier national institute to promote theoretically grounded and empirically based research in finance, taxation and related issues within an interdisciplinary perspective to aid policy making at the national and sub-national level. Affiliated to Cochin University of Science and Technology, GIFT is also mandated to facilitate research leading to PhD and undertake training programs for capacity building of different stakeholders, including government officials. It also offers a Post Graduate Diploma in Goods and Service Tax. Recently, GIFT joined hands with Kerala Financial Corporation (KFC) in training the new entrepreneurs being promoted under the Chief Minister's Entrepreneurship Development Programme (CMEDP).

The governance of the Institute is entrusted with a Governing Body and an Executive Committee, consisting of scholars of eminence and senior administrators representing both the Central and the State Governments. K. N. Balagopal, Minister of Finance, Government of Kerala, is the Chairperson of the Institute.

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