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Reflections on Economic review 2021 and Kerala budget 2022-23

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Introduction to the special issue: A review of economic review 2021 and budget 2022-23

K J Joseph

Very often than not the budgets are the constructs of the context. Hence it is bound to give importance to issues of immediate concern. Yet, the chief architect, the Finance Minister, has to keep the building in mind while placing each brick. Thus viewed the challenge of any finance Minister is to strike the delicate balance between issues in the short run and the long run.

The context of Kerala budget 2022-23, as clearly articulated by the Economic Review 2021 published by the State Planning Board, is evidently unique in many respects. This is the first budget of Kerala's 14th five-year plan while almost all the states in our country have done away with the five-year plans altogether. Further, it is the context wherein we have learned from 25 years decentralised development in the state. The context is also unique in the sense that silver lines are seen in the horizon after the two yearlong once in a century pandemic. The international context of Russia Ukraine war and its impending adverse economic consequences along with the ongoing crisis in the neighbouring country also cannot be ignored. Finally, this budget is presented at a time when we have completed five years of experimentation with GST and stressed fiscal position on account of the economic setback in the aftermath of consecutive floods, once in a century pandemic, among others. From a long term perspective, the state is at the cusp of a great leap forward inter alia by transforming Kerala to a knowledge economy.

Hence the issue of relevance is, to what extent the budget has been successful in addressing the short term problems and long term challenges. Keeping this issue in mind, Gulati Institute of Finance and Taxation, (GIFT) as in the past, organised a workshop on Economic Review 2021 and Kerala Budget 2022-23 jointly with the Department of Economics, University of Kerala, the Centre for Budget studies, Cochin University of Science and Technology (CUSAT) and the Kerala Chapter of Confederation of Indian Industries (CII). While the discussion on the budget was inaugurated by Shri K N Balagopal, honourable Finance Minister of Kerala and the Chairperson of GIFT, Prof V K Ramachandran, Vice Chairperson, Kerala State

Planning Board and Vice Chair GIFT, inaugurated the discussion on the Economic Review . I am very happy that the other speakers of this workshop included highly acclaimed scholars, including Vice Chancellor of MG university, Members of the State Planning Board, both past and present and champions of industry. Perhaps the uniqueness of the workshop was the contribution by young scholars from Department of Economics Kariavattom, Kerala University, Mahatma Gandhi University and Centre for Budget Studies, Cochin University of Science and Technology.

The two companion issues of *Kerala Economy* (Volume 3, No. 2 and No.3) has been brought out based on the presentations made in this workshop on. In what follows, I shall briefly highlight the content of these deliberations. I shall begin with Vol. 3 No. 2 and then proceed with Vol 3 No.3.

While inaugurating the discussion on the Kerala budget 2022-23, Shri, K N Balagopal, Hon'ble Finance Minister of Kerala and the Chairperson GIFT, was at his best in articulating how the budget has provided a long term development perspective while not compromising the immediate concerns. He was unequivocal when he stated, while delving on a long-term development strategy, the Sri Lankan crisis should be a lesson for us. He felt that aging is a challenge as well as an opportunity. Although we need to ensure the support system for the elderly, it is also a new income and employment generation opportunity through the innovative development of the care economy. Waiting for remittance is not the most appropriate way of reaping the demographic dividends although migration must be promoted. Ultimately we should be able to fully utilize our manpower such that they make value here, instead of depending on remittances, which is only a small fraction of the value that they create abroad. Concerned about the present plight of Kerala's agriculture sector, the budget has provided for a three-pronged strategy for its transformation. Funds have been allocated for enhancing productivity, helping value addition and for ensuring a fair price for farmers. Growth in the allocation for higher education sector has been unprecedented with a view to hasten our transformation to a knowledge economy. Further, the approach of the budget is to reap the potential of knowledge-intensive and high value industries instead of sweat shops that compete on low wage advantage. On the whole, the finance minister showcased how the inaugural budget of the 14th five year lays the firm foundation for a great leap forward, without leaving none behind despite the stressed fiscal situation.

Prof V K Ramachandran, Vice Chairperson, Kerala State Planning Board, while inaugurating the discussion on the Economic Review, expounded that despite various constraints, including restrictions on States in raising the taxes, delay GST compensation, reduced devolution due to rise in cess and surcharges by the Centre, Government of Kerala took measures during COVID 19 towards directing resources to the needy and for the most essential purposes which helped in moderating the impact of the crisis. Further, he highlighted the remarkable strides - the lowest Multidimensional Poverty Index (0.71), best performance in Sustainable Development Goals for three consecutive years made possible through a system of planning-led economic change that social and political consensus have established in Kerala. Against this background, Prof Ramachandran felt that the first Budget of the 14th five year plan announced by the Finance Minister takes the first determined steps towards implementing the 14th Plan goal of creating an inclusive, prosperous, and high-growth society.

Having associated with democratic decentralization in many ways, Distinguished Fellow of GIFT, Prof M A Oommen, looked back to the past, reviewed the present and reflected on the prospects for the future of decentralized development in Kerala. To him, neither the institutional architecture created for devolution of function, finance and functionaries nor the attempt made towards achieving 'economic development with social justice have no parallels in our country. The concern, however, is that we have not gone far enough to ensure gender justice. In terms of social equity, despite real progress in regard to SC/ST, infant mortality and poverty among the tribals tell dismal tales. In protecting the environment, especially in handling solid waste, liquid waste or medical waste and controlling quarries much more needs to be done. Complimenting Prof Oommen and focusing on the chapters in Economic Review that dealt exclusively with decentralized planning to mark the silver jubilee of the people's plan movement, Prof Jiju P Alex, member, Kerala State Planning Board highlighted the evolution and the current status of democratic decentralization and how this has transformed Kerala. Against this background, an attempt has been made to highlight the role of local self-governments in addressing the challenge of economic recovery as envisaged in the fourteenth five-year plan.

Reflections on the Economic Review and the budget using gender lens by Prof Mridul Eapen, Honorary Fellow, CDS and Dr Sonia George, General Secretary, SEWA, could not have been more insightful and constructively critical. In a general context where in the socially constructed gender roles leave women with little power economically, Prof Eapen dealt with the Kerala's attempt to integrate gender into planning as reflected in its Plan/Budget and related documents like the Economic Review. Albeit the increasing allocation for women related activities, she raised a number of concerns relating to the absence of required data for exploring many of the gender related issues, like deficit in gender sensitiveness in path breaking programs like transformation to a knowledge economy, to say the least. Complimenting substantially the above views Dr George, within the perspective of gender budgeting, that provides a lens to view the approach of the budgets in its allocation with a gendered frame, Dr George was at her best in showing us the long way that Kerala has traversed and the road ahead. This she has accomplished by a careful analysis of the Gender Budget document

2021-22 in comparison with the main budget document of Kerala. While complimenting the new directions in the budget as commendable Sonia calls for more in-depth discussions with experienced people towards evolving more comprehensive approach with respect to knowledge economy, skilling, care economy, home makers, domestic workers, among others.

Reflecting on the agriculture and allied sectors, that recorded negative growth during last decade that made the farmers much poorer on account of a loss of Rs 8,000-10,000 crore, Prof Ramkumar, Member Kerala State Planning Board, painted in clear terms the structural, technological and socio-economic dimensions of the problem at hand. These issues ultimately manifested in lowest crop productivity in Kerala, massive failure in marketing and the miserable failure in the sphere of value addition. He examined how has the inaugural budget of the 14th five plan addressed these issues. Against the backdrop of changing approach towards development in the country in a context of ever new challenges arising out the global context Mr S S Nagesh, Chief State Planning Board, presented a detailed account of the various initiatives and achievements during the 13th five-year plan. He further dealt with the strategy of the 14th five-year plan to revive the agricultural sector by increasing productivity, intensification and bridging the yield gap through the adoption of modern technologies and other interventions.

A highly informative account of Kerala's agricultural sector with a focus on crop specific performance by Gayatri Prem V and Jettin Susan Thomas, postgraduate Students, department of economics, university of Kerala complemented the contribution by Prof Ramakumar and Mr Nagesh. Highlighting the challenges in the fisheries sector Athul Joseph, postgraduate student, department of economics, university of Kerala, argued that without facilitating their catch up with rest of Kerala society, our achievement of Sustainable Development Goals (SDGs) will remain a distant dream. The discussion on the performance and prospects of the dairy sector by Deeya Deep Anand, post graduate student, department of economics, university of Kerala, made the discussion on primary sector complete and also the Vol. 3 No.2 issue of Kerala Economy.

In Vol 3 no.3 of Kerala Economy, in the opening article Dr A V Jose, former Director, GIFT, reflected on the transformative changes and highlighted some of the takeaways on the employment situation in Kerala. In the context of low labour force participation rates in the state, especially for women, Dr Jose made the case for increasing the work participation rates of men and women. Although the state's approach is to increase the presence of women in the knowledge intensive sectors, a case has also been made for much more attention in raising the participation of women in the middle and lesser skilled categories of work and dealt with necessary interventions on the supply and demand sides of labour markets. Since the mid 1970s, international migration and remittances have had significant bearing on the Kerala economy. Highlighting the various issues confronted by migrants in the wake of COVID 19 pandemic, Prof Irudaya Rajan, Honorary Professor GIFT, highlighted among others, the perils of the current situation wherein reliable data on migrants hardly exists for informed policy making. In this context a case has been made for a permanent arrangement for collecting the information of all emigrants either at least once in five years.

While applauding the Finance Minister for the manner in which the budget has been thought through and the intents in right direction, Shri G Vijayaraghavan, who is an honorary Professor GIFT, raised his apprehensions as well. Based on his experience during the last few decades and by citing concrete cases he stated that implementation is the key, making statements or budget or even allocating money is not enough. By tracing the historical roots of a key issue pertaining to lower tax collection, Prof Mary George Chairperson shows that the higher rate of growth of GSDP during normal years is not accompanied by commensurate growth in revenue realization. Based on a detailed exploration of the factors that contributes towards, the less than potential revenue performance, she highlighted a number of tax and non-tax avenues of revenue that are to be tapped towards evolving a more buoyant and equitable system of revenue mobilization

Prof Jayan Jose Thomas, Professor Indian Institute of Technology, Delhi, observed that the record of Kerala's per capita income, which was only 80% of the national per capita income in 1980s is 160% of the national average at present. To him, this makes Kerala a typical case of Keynesian type 'wage-led' economic development since the wages of casual workers consistently recorded higher growth as compared to rest of India. He highlighted a number of challenges that needs urgent attention which include becoming aged prior to being rich, mismatch between the structure of the labour market and the structure of the economy among others and comes up a number of recommendations. Towards examining the the development implications of the budget, Prof M K Sukumaran Nair, Honorary Director, Centre for Budget Studies, CUSAT, dealt with the manner in which the budget addressed some of the pertinent development issues in the transformation towards a knowledge economy in general and a development alternative in general. He felt that the last couple of budgets, and especially the present one, has a clear road map for the long-term development albeit the details will have to be worked out.

Reflecting on the performance of Kerala's manufacturing Sector Prof K J Joseph and Dr Kiran Kumar Kakarlapudi, Director and Assistant Professor respectively, GIFT, argued that the de-industrialization in Kerala during 1980-2010, viewed in terms of the share and growth of manufacturing sector, has been taking place at a faster pace than the all India average. The share of high-tech industries in total manufacturing value added also declined faster in Kerala as compared to the national average However, a trend reversal in Kerala is visible since 2011 when the manufacturing growth at all India level decelerated. At this juncture the thrust in promoting high tech industries and the recent initiatives like The Chief Minister's one lakh enterprises scheme promotion of startups, among others, are in the right direction.

As already indicated a unique feature of this workshop has been the involvement of young scholars. Dr Blessy Joseph and Silla George Raju, Postdoctoral Researcher and Research Student respectively under the guidance of Prof Sabu Thomas Vice Chancellor MG University reflected on the unprecedented importance that this budget provided for the higher education. To them, against the backdrop of its transformation to knowledge economy its focus of applied research, and other initiatives for promoting industry university interaction, skill upgradation, promotion of start-ups and spinoff companies along with Chief Minister's Nava Kerala Post-Doctoral Fellowships are expected to provide rich dividends The discussion on the services sector by Arshad Mashour V S and Manu D, students of MSc. Econometrics and Financial Technology, Centre for Budget Studies, (CUSAT), with special focus on tourism and public services was highly illuminating. Especially notable is their observation that although a plethora of services are offered by the government departments, in the absence an index to measure the effectiveness of the service, it is difficult to assess the efficacy of the public services and the efficiency of public spending on these services.

Reflecting on the budget from the perspective of scheduled castes and tribes, the outliers of "Kerala model" Dr U P Anil Kumar, Assistant Professor GIFT, although several development programmes have been conceived and implemented for their development, their educational attainment, skill development and employment, they have go long way to catch up rest of the society. As in the earlier issues, you will find the regular columns like GST updates prepared by Dr Relfi Paul, highlights of the new studies on the Kerala prepared regularly by Young Scholars forum wherein Ms Rju Mohan has taken the lead this month and finally the column 'what is new from GIFT' which informs you about what has been going on in Gulati Institute of Finance and Taxation.

Please keep reading, I am sure you will find it useful. Your feedback, our fuel, the more we get the better we are!

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Employment promotion in Kerala: Some lessons for action

A V Jose

I am delighted to be here for an in-person meeting after a long gap of two years during the Covid pandemic. It is heartening to see that the elegant auditorium of GIFT is now being used again for generating meaningful debates on the economy and employment in Kerala and the whole of India. My brief is to go through the Kerala Economic Review of 2022 and highlight some observations concerning employment. To this end, I will make minimal use of some empirical data from the Economic Review and discuss some related sources. Hopefully I can bring to your attention a few takeaways on the employment situation in Kerala.

Here, a brief review of the taxonomy of labour force, which we come across in the literature is in order. First, there are the status groups such as the self-employed and own account workers, and wage employees (comprising of the regularly paid, casual wage workers and those paid in kind). Among the regularly paid workers we draw a distinction between the formally employed with better terms and conditions of employment including assured wages, tenure, and social security benefits and the informally employed often without access to such improved benefits. Thereon the workers are divided into industrial divisions such as: primary sector (comprising of agriculture and fisheries), secondary sector (construction and manufacturing) and tertiary sector of numerous service industries both in the public and private domains. We also take on board an occupation-based classification of workers into numerous skill categories of white- and blue-collar workers. The above threefold divisions of workers are further disaggregated in terms of gender categories and rural urban locations.[1]

Among the regularly paid workers we draw a distinction between the formally employed with better terms and conditions of employment including assured wages, tenure, and social security benefits and the informally employed often without access to such improved benefits.

Economic growth and development involve a structural transformation in the size and composition of the labour force from self-employment to paid employment, and from work mostly in the primary sector to secondary and tertiary sectors consisting of construction, manufacturing, and services industries. Occupation-wise they move from less skilled categories of work towards more skill intensive and productive professions.

The literature on economic growth makes it abundantly clear that growth and development in any country or region involve a structural transformation in the size and composition of the labour force. The most important change is a transition from self-employment in the precincts of the household to paid employment, and from work mostly in the primary sector to secondary and tertiary sectors of industry consisting of construction, manufacturing, and services industries, and occupation wise from lesser skilled categories of different industrial divisions towards more skill intensive and productive professions. In general, such changes are accompanied by a shift of the population from rural to urban areas and a significant increase in the number and relative share of women workers.[2] How are these transformative changes manifested in Kerala? For a comparative assessment of the employment situation, we review some data for Kerala and the whole of India available from the Economic Review of the State Planning Board (SPB 2022).

The Economic Review draws attention to the low labour force participation rates prevalent in the state. Ordinarily we take the averages for every category of the labour force disaggregated by age groups, gender divisions, and rural-urban locations. It is important to note that the National Statistical Organization (NSO) of India measures the participation rates through sample surveys at the household level using two distinct concepts of measurement: the usual status and the weekly status in employment. With the usual status approach, survey authorities ask the households, whether during the past one year any member of the household has taken part in paid or remunerative work, and if so, they are considered as part of the labour force. The NSO also tries to find out if during the greater part of the year, did they work for remuneration in which case, they are listed as the employed and if not, as the unemployed. With the weekly status approach the same procedure is followed: for each person, whether he/she has worked or not during the preceding week is recorded. The weekly status approach is a more practical way of recalling one's employment experience because of the shorter reference period. The NSO derives the quarterly estimates of labour force using the weekly status-based data generated from four sub-rounds of the sample survey every year.

Table 1 which gives the average estimates of labour force participation in Kerala and India by age-groups and gender categories

Work participation rates in urban Kerala are not strikingly different from those in rural areas; but they are lower implying that the very process of urbanization has so far failed to raise the participation rates. Kerala as the rest of India has a problem in raising the work participation rate of women. During the pandemic years there has been a consistent decline in the quarterly estimates of work participation among men.

and rural-urban locations point to the following observations. At an aggregate level for all the age groups put together, the worker participation rates in rural areas are better than urban in areas. The participation of men in remunerative work is nearly twice that of women both rural and urban areas. Indeed, the average work participation of women in India is exceedingly low in comparison to many other countries. Women are not visible in the labour force which we often find it difficult to explain. Many of us are inclined to attribute it to culture, without considering the underlying economic factors. The problem as such calls for a serious reflection by the scholarly community.

When we examine the same data by gender and age groups, the participation rates of men in the group of 15 years and above and those in the prime age group of 15 to 59 years, both rural and urban areas, are on par with what you see in the rest of the world. There is absolutely nothing different about men's participation rates, whereas the rates for women are exceedingly low in comparison to what you see in other countries. Here we are still merrily bonded to explaining every difference in terms of culture. Let me also point out that the urban work participation rates are not strikingly different from those in rural areas; but they are lower. Its implication is that the very process of urbanization materializing right before us, which we all believe can bring about greater employment, has so far failed to raise the

Table 1. Labour force participation rate (LFPR) according to usual status (ps+ss), 2017-18, 2018-19, and 2019-20, in per cent

Sl. No	Age Group	Rural			Urban			Rural			Urban		
		Male	Female	Person	Male	Female	Person	Male	Female	Person	Male	Female	Person
		All India 2019 - 20						Kerala 2019 - 20					
1	15-29 Years	60.8	20.7	41.3	58.3	20.3	40.0	55.6	26.2	40.9	52.9	25.4	38.8
2	15-59 Years	81.5	35.4	58.5	80.6	25.7	53.5	80.6	39.8	58.4	79.1	33.5	54.6
3	15 Years and above	77.9	33.0	55.5	74.6	23.3	49.3	73.6	35.1	52.8	69.8	28.6	47.7
4	All Ages (0+)	56.3	24.7	40.8	57.8	18.5	38.6	57.9	29.4	42.9	54.9	23.2	38.1

SPB(2022) Table 7.1.1

Table 2. Labour force participation rate (LFPR) (in per cent) according to current weekly status for Kerala and India in urban areas 2020-2021

Age group: All	Male					Female				
	Jan-March 2020	Apr-June 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-March 2021	Jan-March 2020	Apr-June 2020	July-Sept 2020	Oct-Dec 2020	Jan-Mar 2021
Kerala	54.80	52.80	53.10	53.00	52.30	21.80	18.20	20.40	20.50	20.50
All India	56.70	55.50	57.10	57.40	57.50	17.30	15.50	16.10	16.40	16.90

Source : Quarterly bulletin, PLFS, January-March20221 quoted in SPB (2022)

work participation rates. That is an important takeaway from the figures we have in Table 1.

A second point is that the averages are likely to mislead and therefore, ideally, we should stick to gender-specific work participation rates as given in Table 1. Here we notice that Kerala as the rest of India, has a problem in raising the work participation rate of women. There is yet another problem we notice from Table 2 that during the pandemic years there has been a consistent decline in the quarterly estimates of work participation of men. These estimates have been derived using the current weekly status approach, but they are not significantly different from the figures based on usual status approach as in Table 1. Therefore, employment recovery ought to become our main concern during the post-pandemic years. To this end we need to focus attention on the ways and means of increasing the work participation rates of men and women.

In the post-pandemic era when we talk about increasing the employment of women, our focus should be on paid employment. An urbanization process is underway in Kerala, but the difference in participation rates between rural and urban areas is not very large in the state. In passing, it may also be noted that Kerala is a rural-urban continuum in which rules of patriarchy and age-old institutions governing women's work are widely prevalent. Whether or not urbanization increases in the state, the focus ought to be on bringing more women into the skill-intensive categories of paid employment. Fortunately, the state is poised to make some strides in this direction. There is a very comprehensive account of the plan being formulated in Kerala to increase the

Employment recovery ought to be our main concern during the post-pandemic years. The focus should be on bringing more women into the skill-intensive categories of paid employment with an emphasis on raising the participation of women in the middle and lesser skilled categories of work.

Table 3. Organized sector employment in Kerala - men and women in public and private sectors

Year	Public Sector			Private Sector			Total: Organised Sector (Public & Private)		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
1	2	3	4	5	6	7	8	9	10
2005	427214	187648	614862	262863	262048	524911	690077	449696	1139773
2010	418229	194884	613113	249491	252911	502402	667720	447795	1115515
2011	421388	191203	612591	245237	253597	498834	666625	444800	1111425
2012	392118	184624	576742	247990	264097	512087	640108	448721	1088829
2013	383436	181892	565328	247796	275038	522834	631232	456930	1088162
2014	385965	193407	579372	265859	284515	550374	651824	477922	1129746
2015	378059	192856	570915	196625	370143	566768	574684	562999	1137683
2016	378065	186865	564930	295033	315044	610077	673098	501909	1175007
2017	370909	189234	560143	293290	320006	613296	664199	509240	1173439
2018	363982	189942	553924	324301	335752	660053	688283	525694	1213977
2019	366812	193807	560619	344004	342877	686881	710816	536684	1247500
2020	361695	193224	554919	331294	368153	699447	692989	561377	1254366

Source : Economic Review, 2020, Vol 2, P 309, State Planning Board, Government of Kerala

presence of women in the knowledge-intensive sectors (SPB 2022, Isaac 2022). My submission in this connection is that the focus should be as much on raising the participation of women in the middle and lesser skilled categories of work. It is a matter of adopting a realistic approach towards employment planning in the state.

What kind of employment do we have in mind? We all have a preferred dreamland where we want to be part of a formally employed workforce with assured tenures, regular incomes, and access to benefits from work in particular, health care for workers and their dependents during and beyond the period of one's active work participation. Currently, the formal sector holds less than ten percent of the total labour force in India, and it is no better in Kerala. More than ninety percent of the workforce remains outside the formal sector. This is exactly the domain which the State Planning Board has categorized as the organized sector of Kerala. For the

A preferred dreamland is where we become part of a formally employed workforce with assured tenures, regular incomes, and access to benefits such as health care for workers and dependents during and beyond the period of active work participation. Currently, the formal sector holds only less than ten percent of the total labour force in India; the situation is no better in Kerala.

There is a perceived tendency for formal employment to diminish over time. Even as more jobs are created in the private sector, public sector remains stagnant in terms of formal employment. There is a disturbing picture of far too many people queuing up for formal employment in the public sector.

time being, let us not worry about the semantics of classifying employment into the formal, informal, organized, and unorganized sectors. Table 3 in the text of this paper, reproduced from the Economic Review shows the numbers in the organized sector who are employed in the public and private sectors of the economy. They are the principal beneficiaries of a much acclaimed "post-war construct" of employment giving improved terms and conditions of work with open-ended contracts. Quite unfortunately this model is increasingly becoming dysfunctional.

This is not the place to go into the diminishing importance of post-war models of employment. Let us face the fact the formal sector (or as we call it in the Economic Review the organized sector) is not showing any visible progress in terms of employment growth. There are as many as 1.25 million workers; but their numbers have not increased over the years. On the other hand, there is a perceived tendency for formal employment to diminish over time. It appears that more jobs are being created in the private sector, while the public sector remains stagnant. The point to note is we are not making much progress with formal employment.

There is another disturbing picture of far too many people queuing up for employment in the formal sector. Table 4 shows that in 2021, men and women who have registered themselves for formal employment as jobseekers in the Employment Exchanges of Kerala came to as many as 3.8 million. From 2013 onwards there has been a pronounced increase in the number of jobseekers with educational qualifications above the secondary level, and notably so among women. Incidentally, all those registered live in the employment exchanges are not necessarily the unemployed labour force of the state. That is a separate topic for discussion.

Now what do we do? Our dream of drawing everyone into the formal sector is not working and we have a problem in even inducting them to the workforce. It is a known fact the labour market conditions in the state are tight that we are not able to create the required number of formal jobs. I wish to point out that employment planning means we can do a lot more than bringing more people into formal job relations. We should aim at extending the benefits and privileges of employment to all workers falling outside the formal sector. This is eminently possible and those of us currently studying the problem should be able to visualize a future that we all want to belong. It needs a collective effort, lot more reflection and careful planning about the shape of things to come. We can arrive at the right set of

Table 4. Distribution of men and women work-seekers in Keraia by educational level (No.of persons)

Year end	Below SSLC		SSLC		Higher Secondary		Degree		Post Graduate		SSLC and Above		Total Work -seekers		
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	(Men + Women)	% of Total Work Seekers	Men	Women	Total
2013	184554	249866	954075	1423557	246596	391841	81215	143262	15314	38629	3294489	88.3	1481773	2247353	3729126
2014	179999	218328	897576	1327795	304661	406212	83398	146647	15939	39931	3222159	89.0	1481593	2139087	3620680
2015	179199	220448	871936	1310509	277949	340741	89421	144347	15606	42761	3093270	88.5	1434319	2059503	3493822
2016	155669	212936	807958	1342402	275220	438767	85669	186529	16002	37055	3189602	89.6	1340704	2218694	3559398
2017	143835	205915	744758	1290111	288890	468306	99282	200063	16695	44119	3152224	90.0	1293699	2209066	3502765
2018	128461	192597	744183	1236770	299645	542628	105462	227443	19567	63540	3239238	91.0	1297512	2263584	3561096
2019	110313	174283	734581	1205397	314190	558675	98275	232066	20882	72391	3236457	91.9	1278483	2243302	3521785
2020	110555	158925	711413	1099340	311065	595492	91646	244194	25433	82222	3160805	92.1	1250388	2180777	3431165
2021*	106959	139971	730646	881461	449632	928167	102816	344751	25433	121392	3584298	93.5	1416133	2416955	3833088

Source : Directorate of employment, Govt.of Kerala, 2021, Quoted in SPB (2022) * Until 31 August 2021

Ideally, we should aim at extending the benefits and privileges of employment to all workers outside the formal sector. To this end, we can arrive at the right set of policy decisions through collective reasoning. First, we need to come to terms with the creative destruction underway in the world of work and accept the imperative of modernization and technological advancement in traditional industries.

policy prescriptions through such collective reasoning.

There are many policy interventions possible in the state towards improving the employment outcomes in the informal sector. First, we need to be more realistic and come to terms with the creative destruction underway in the world of work and accept the imperative of modernization and technological advancement in our traditional industries. Then only can we improvise the strategies for turning all incumbents and new entrants to our labour markets into beneficiaries of a formal employment system. To this end, there are many practical interventions within reach of the state. It requires a concerted effort to mobilize the required resources and deploy them on specific target groups. There are two distinct sets of interventions possible, one on the supply side of the labour markets and another on the demand side. First, on the supply side interventions where the state has so far played a commendable role compared to many Indian states. Let me outline a few such interventions in Kerala.

We are familiar with the story of social spending in the state, geared to improving the health care and education of all people, which in turn has had decisive impact on the demography and skill content of the state.[3] Perhaps the most significant breakthrough came through a reduction of fertility rates, which brought the state closer to deriving more demographic dividends. The demographic dividend is not just an explosion in numbers of the younger age-groups; it denotes an increase of the labour force willing to take up paid employment for assured returns spread through their life spans. The state has done a commendable job in the past making it possible for the youngsters to access more opportunities for skill development in a multiplicity of avenues and thus facilitated their entry into the global value chains. In continuation of this magnificent tradition, the state is currently embarking on new ventures to make the youngsters partners of the emerging knowledge economy, linked to global value chains (Isaac 2022). The focus is on equipping as many people to avail themselves of employment opportunities at the higher end of labour markets. Without detracting from the merit of such ventures, let me add that we ought to give as much attention to training the youngsters in the middle and lower tiers of skills and absorbing them into productive employment.

For enhancing the skill formation of women in the middle categories of jobs, we could identify all the skills suited for women and provide them with the required training for six months to one year, eventually resulting in an official certification which can fetch them the right kind of jobs on global value chains.

The emphasis should shift equally to skill formation of women in the middle categories. That is possible since the state has already established numerous skill development institutions for women in the non-traditional avenues of employment. I mentioned women specifically because they do not come into the visible labour force for a variety of reasons. Even if there are opportunities, women do not avail themselves of them, presumably because the offer price or going wage is different from what they expect. I will come to this question later when we discuss some demand side interventions of the state. With skill development programmes on the supply side, we should also aim at a large-scale skills certification programme together with stipendiary support. In this regard, first identify all the skills suited for women even if they are in the male bastions; then provide them with the required training for six months to one year, eventually resulting in official certificates from appropriate institutions, which in turn can fetch them the right kind of jobs on global value chains.

Right now, we have skill certification programmes, but the numbers absorbed are limited. We can upscale them with a view to absorbing thousands of young workers. Ideally, we should aim at a huge network of training institutions in the state, specializing in a variety of skills, and providing financial support to the trainees. Most young people, especially women, who want to avail themselves of the certification programme do not have the economic wherewithal to endure long duration courses. Therefore, if financial support is built into an ambitious programme for training, apprenticeship, and certification in the middle and lower tiers of skills, it could make a huge difference to skill development in the state. Such an ambitious network of training institutions needs to be planned carefully setting precise targets and specifying the allocation of resources required for operationalizing it.

Thereon let me come to the demand side interventions that are possible in the state. Ordinarily we are inclined to set aside employment creation to the private sector and implicitly argue that the public sector should withdraw from this field in so far as possible. It is not surprising that public sector employment in Kerala has been shrinking during the preceding decades (Table 3). I would like to argue a counterpoint that the trend needs to be reversed and that employment promotion through the public sector should be

The state governments can play a prominent role through facilitating, supervising, and regulating the functioning of labour markets towards ensuring equitable returns for all. At the lower end of markets, more people, in particular women, should avail themselves of the benefits of higher minimum wages. Equally important is to raise the offer price of labour across the board through enhancing the social security component.

reinstated to its rightful place in all Indian states.

The state governments have a prominent role to play through facilitating, supervising, and regulating the functioning of labour markets primarily to ensure equitable returns for all taking part in the creation of income and wealth. The state is mandated to work for an equitable distribution of income by respecting, protecting, and realizing the rights of all people to live their lives with dignity. It can fulfil this mandate through minimizing the disparities in rewards of work received by people. Not that one is making a case for taxing the rich or imposing limits on their income and wealth. But the disparities can be minimized through two clear-cut actions: one, raising the minimum price of labour; and another by facilitating the entry of more people into the paid labour force.

First, the national rural employment guarantee act (NREGA) and its urban counterpart deserve greater attention by the policy makers. Now in Kerala, the rural scheme is run mostly with women workers, because the one hundred days of work which they could obtain along with daily wages close to 300 rupees per day are not attractive enough to men workers in the state. Daily wages in Kerala are more than twice the NREGA rates and there is abundant room for raising the wages with support of the state. [4] At the lower end of the market we should aim at many more people, in particular women, availing themselves of the benefits of higher minimum wages. Secondly, it is important to raise the offer price of labour across the board through enhancing the social security component.[5] It means that every occupation, under every status group of employment in the state should come within the purview of social security regulations. The employees and the self-employed should contribute to building up a social insurance fund, which would entitle them to decent health care facilities and a substantial income after retirement, all linked to the level of income they have been drawing from work.

It is possible to build up such an insurance fund, based on contributions under a state level regulatory authority, for financing all the payments linked to social security of workers. Here we are not arguing for any free social assistance programme, but a fully paid-up insurance scheme, which can bring all individual members of households whether they are domestic workers, regular workers, or causal

Social spending programmes of the state can be turned into ambitious investment ventures for large scale employment generation. One example in this genre is the Life Mission Housing in Kerala, which over time works out to 20,000 crores or 200 billion rupees. It can become an investment venture aimed at producing different standardized modules of houses for assembling at construction sites, thus creating vast employment opportunities for the skilled and semi-skilled workers.

workers under the purview of an ambitious scheme so that they keep on receiving an income sufficient for a dignified living, at least half of their former income prior to retirement. These two aspects, i.e., raising the minimum wages and improving the social security provisions are eminently feasible and doable in the state.

Let me refer to one more area for state intervention on the demand side of labour markets. Many social spending programmes can be turned into ambitious investment ventures for large scale employment generation. Just one example is the well-known Life Mission Programme of the state, meant to provide four lakh rupees each to over five lakh households for building own houses in the coming years. It works out to a huge amount of 20,000 crores or 200 billion rupees. No one is disputing the ability of the state to raise or spend such a huge quantum of resources spread over a longer period. My submission is that when you allocate 200 billion rupees on a social spending programme, just don't turn it into a bureaucratically administered dole dispensing affair. Instead, turn it into a major investment venture aimed at producing different standardized components and modules that can be assembled at the house construction sites. These investment projects can mature into huge employment creation schemes for the skilled and semi-skilled workers. Likewise, there are numerous social spending programmes, if visualized and coordinated for the deployment of resources, can make a huge impact on the employment situation I Kerala.

In sum, what I have argued so far is as follows: there are enormous challenges, insurmountable as they seem, on the employment front of Kerala. They can be tackled with vision and foresight only if the state were to accelerate the pace of its social spending, geared to enhancing the scale and reach of its interventions on the supply and demand sides of labour markets. This note highlights some such interventions which are possible in Kerala. The moral of the story is: Employment promotion in the state is inextricably tied with the growth of social spending.

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End Notes

1 A descriptive account of the labour force classification followed in India is in PLFS (2019-20)

2 Perhaps the finest exposition of this long-term transformation set in the context many developed countries of the world is in Kuznets (1972)

3 For an account of the notable accomplishments of the state through social spending see Isaac (2022) and Jose (2021).

4 An updated discussion of inter-state differentials in agricultural wages and trends in wages is in Jose (2022).

5 This point is elaborated in relation to bringing more women into paid employment in Jose (2020).

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Implementation is the key for economic activity

G Vijayaraghavan

First of all, I would say that you know I like the way the budget 2022-23 was thought about, I applaud the Finance Minister for the intent, that is there, because the thought is in the right direction. Like the Minister said then, I also have apprehensions from what I have been seen in the past or the last couple of decades that I have been following the way things have happened in Kerala.

Implementation is the key, making statements or budget or even allocating money is not enough, it is implementation like, Shri Safarulla mentioned earlier that there are so many projects with administrative sanction, which have not even started.

Let me come to the IT sector and one I would say, look what we need to do, overall, is whatever implementation, whatever policies we are coming up with, we need to make Kerala a great place to live in and work from. If we make Kerala a great place to live in, people will come here, because they wouldn't mind working for you, and that is something which you need in some areas, it will need changes, especially in the mindset that we had. Look at the IT sector, I would say the IT sector is here to stay, it will continue to grow at a very reasonable pace, like it has done in the past several years, however, we must understand that it will not create employment at the same rate, that it has been creating in the past. So, if the industry grows by 20% the additional employment will not even be 10 to 15%, it will be lower than that. In the past, if the industry grew by 20% there are years when the employment has grown by 20 to 25%. So, we need to keep that in mind.

Number two is when the government Dr. Isaac's speech talked about 20 lakh jobs, I would not say its wishful thinking, because you cannot create 20 lakh jobs in

IT sector will continue to grow at a very reasonable pace, like it has done in the past several years, however, we must understand that it will not create employment at the same rate, that it has been creating in the past.

In this country, wherever else you go, 95% or more of the total IT space is actually created by the private sector, less than 5% is created by government. In Kerala more than 90% is created by government. and less than 10% is created by the private sector, which is one of the reasons why we have not grown this sector the pace we have because government does not have the flexibility to actually play with the rentals like a real estate agent would do.

the IT sector, there are only 40 lakh jobs today in the country. So if you're going to say that you're going to create 20 lakh jobs it's not real. Even in five years' time if you're talking about a 50% growth in the jobs and all those coming to Kerala, you may get it. That's not what the fact is, so the thing is that you will never be able to do that. Now the other thing which I am a bit concerned about is, I hope, Professor Saji Gopinath had spoken on the knowledge economy. Somehow themoment we talk of knowledge economy, everyone thinks it is in the IT sector. That knowledge economy is not the IT sector, the IT sector is just a tool within that., so that is something which needs to be very clear. So that is something which we need to look at and we need to be clear that, if there are jobs created in that we need to see how those jobs are going to come up.

There is another one and I'm very happy with the decision to provide more money to the existing parks to build them up the Trivandrum, Cochin and Calicut. I'm also positive about the decision to set up a new park in Kannur. But I have a concern about the announcement of 20 parks on IT corridors. We have done this in the past, we had panchayats and municipalities in the state, where money was spent from the panchayat funds or from the local government funds and parks were set up and all of them failed. And this has been happening every time when you have this coming in and it sounds very nice to say that I will set up a nice park and there were parks setup at Kadakkal and there were couple of big parks setup in Kundara and in Cherthala have not yet given the impact that it is supposed to give. So we should be very careful before we think about 20 more parks, the other one I am very clear can happen in one which is sent away. But one thing which we don't realize and we're not talking about now we should realize that we're in this country, wherever else you go, 95% or more of the total IT space is actually created by the private sector, less than 5% is created by government. In Kerala more than 90% is created by government. and less than 10% is created by the private sector, which is one of the reasons why we have not grown this sector the pace we have because government does not have the flexibility to actually play with the rentals like a real estate agent would do. Like if it is a real estate company running a large park, they want a big group to come in, they will

I am very happy with the decision to provide more money to the existing parks to build them up the Trivandrum, Cochin and Calicut. I'm also positive about the decision to set up a new park in Kannur. But I have a concern about the announcement of 20 parks on IT corridors.

probably tell them first two years I'm not going to charge you a rent. If this poor techno park CEO does it, he would sit there and start answering to audit & accountant general and others irrespective what he gets. So there were some things where government will not be able to do it. Its good because it is necessary and government needs to continue to set up parks. But let the private sector do the marketing and bringing in this is something which is again important. The other one which I want to say here is that, I know it is not part of what I'm supposed to speak, for agriculture, one of the very good decisions I liked in the budget speech was the decision to allow different kinds of crops in the plantation sector, which I think is very positive, the impact, it makes will be huge. The Minister talked about something giving you five lakhs compared to less than 50000, I would say roughly rubber would give you less than a lakh rupees per acre with the employment of less than one per person per acre. Something like 'Rambutan' would give you six lakhs per acre with an employment at about seven or eight people directly. And the indirect employment on something like rambutan or mango is huge and you must remember that for every rupee that a person earns here, that person will spend at least 50 paisa in the state. So, what is going to happen is whether they are from the state or outside when they do it, it is going to help the growth of the economy. So that is something which is very important. Also, the down streaming on that in terms of packaging, transportation would be completely much more, because it is the value added that is happening. The other good decision on the agricultural side which indirectly impacts agriculture is on the decision to look at manufacturing, you know why that I would say, they should go for wine, IMFL in a big way, using products available in Kerala and you can actually make a big difference there.

One of the things which again linking to IT area, one of the biggest challenges that we have this, when we talk about the challenge of 20 lakh people, do we have 20 lakhs employable people today. And the answer is no. Can we skill these 20 lakh

When we talk about the challenge of the employment of 20 lakh people, do we have 20 lakhs employable people today. And the answer is no.

The ASAP program or any of the skill park program that we have should be measured on outcome basis.

people to get a job, the answer is also no. Because your entire higher education system is broken. Let that higher education system is broken, I see a lot of good initiatives here, but you can't really overnight change that. And that can only happen if people working in the higher education system are actually judged on the outcomes and the outcome is not just a job, it can be much more.

Similarly, we have skill parks coming in, I was involved when these skill parks, ASAP was set up. Again, the problem is that these are ways of spending money. The ASAP program or any of the skill park program that we have should be measured on outcome basis. So, what has happened in the past that people will come and conduct training programs. Nobody has measured how many of them have got a job. Many of them come for the program then they go for further studies after that they go for their degree. So you need to actually pay trainers or training institutions based on the number of jobs that are created, the number of people who get jobs from these training centers. So the way we look at the whole thing, the change has to be outcome based and not really on how much money is spent, or how much physical infrastructure, we have to look at what is the outcome, are we creating jobs?, are we saving somewhere?, are we creating economic activity? and that is something which will have a big impact.

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Resource mobilization- Key to sound governance, growth and development

Mary George

At any level of government, revenue mobilization is the sine-quanon of growth and development. In Kerala, even though rate of growth of Gross State Domestic Product is quite high during normal years, it is not accompanied by commensurate growth in revenue realization. Perhaps from the British regime onwards Travancore and Cochin registered poor revenue mobilization compared to other areas of India. Thomas (2021) observed that, "In most states, land revenue is the mainstay of the state fisc and is responsible for about a third of the total revenue (Hyderabad 36%, Baroda 36%, and Indore 49%). The corresponding percentage in British provinces are Madras 30%, Bombay 27%, and Bengal 25%. Land revenue plays a smaller part in the maritime states (Travancore 13.7%, Cochin 12%)". (Thomas E.M, 2021)[1]. From the above observation, we get some glimpses of the Past performance of major part of Kerala with regard to land revenue mobilization. Land scarce Kerala has high land revenue potential. However the lion's share of it has been untapped for more than a century. Chelliah (1996) [2] pointed out that the revenues of Central and State governments have increased over the period, but rate of growth of revenue expenditure is faster due to inefficiency, extravaganza, corruption and many other reasons (p.115). Undemocratic, populist election winning benefit transfers may be added to these "other reasons". Revenue realization is adversely affected in Kerala also due to low tax buoyancy caused by defective tax structure, tax avoidance, evasion, poor compliance, inefficient and corrupt tax administration etc. It is to boost up tax buoyancy that Goods and Services Tax (GST) was introduced in India from July 1st, 2017. However the Tax Expert Scheme (2017) concluded that "India is the first country to implement GST with considerably less clarity regarding the intricacies in its proposed structure, transitional arrangements,

In Kerala, even though rate of growth of Gross State Domestic Product is quite high during normal years, it is not accompanied by commensurate growth in revenue realization.

The present revenue structure of the State places disproportionately high burden on the poor and the marginalized and the proceeds are used irrationally to feed the government, aided sector staff , corrupt power mongers around the politicians etc.

administration and procedures, and framework to contain inflammatory ramifications"(p.168). This observation throws light into the reasons why GST revenue falls short of expectations or potential in the GST era.

Revenue profile of the state

National policies like demonetization (Nov. 2016), introduction of Goods and Services Tax (July 1, 2017), the Ockhi cyclone (2017), devastating flood of 2018, the spread of Nipah Virus, outbreak of Corona virus in 2020 and its drastic spread in 2021, etc. have all adversely affected the normal functioning of the state economy. When revenue requirements increased, revenue receipts declined to levels previously unheard of in the past. The implementation of GST imposed restrictions on states in raising state level taxes. Delay in getting GST compensation, reduction in Central assistance schemes after the 14th Finance Commission Award have added fuel to fire. Let us examine the revenue realization of Kerala during selected years.

When we examine Row-17 of table 1 which tells upon the rate of growth of GSDP, discernible slowdown in growth is visible from 2019-20 onwards on account of reasons stated elsewhere. Row-2, gives account of the rate of growth of revenue receipts. Since the growth figures of GSDP are low and fluctuating, rate of growth of revenue receipts does not give an accurate picture. Sometimes base effect of low and negative GSDP growth gives an exaggerated picture of revenue growth. At the same time State's own tax revenue (row 6) growth rate gives a more or less accurate picture. It showed a decline from 10.15 per cent to 8.80 per cent in 2018-19. This could be due to the impact of demonetization and the hasty implementation of GST. The decline has been much sharp during the year 2019-20 (from 8.80 per cent to -0.063 per cent) and this could be the after effect of devastiating flood. The decline continued in 2020-21 (-5.29 per cent), an impact of the spread of Corona virus. Devolution from the Center unlike what the state claims, is on a higher range from 2020-21, as the table 1 depicts.

When we examine revenue receipts and revenue expenditure as percentage of the GSDP, the basic reason for the endemic

When we examine revenue receipts and revenue expenditure as percentage of the GSDP, the basic reason for the endemic fiscal crisis of the State is well exposed.

Table 1: Revenue indicators and its rate of growth: Kerala (selected years in Rs. Crores)

	Year Item	2011-12	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 BE	2021-22 RE	2022-23 BE
1	Revenue Receipts	380[10]	75612	83020	92854	90224	97616.8	130981	117888	134097.8
2	Revenue Receipts as % of GSDP	10.44	12.27	11.83	11.88	10.56	12.2	14.95	13.7	13.41
3	Rate of Growth of Revenue Receipts	22.65	9.53	9.79	11.85	-2.8	8.19	34.17	9.99	13.75
4	States' Tax Revenue	25719	42176	46459	50644	50323	47660.84	71833.28	58867.89	74097.8
5	STR as % of GSDP	7.06	6.84	6.76	6.4	6.1	5.96	8.19	6.52	7.41
6	STR Growth Rate	18.4	8.16	10.15	8.80	-0.063	-5.29	50.7	-0.18	25.87
7	States' Non-Tax Revenue	2592	9700	11199	11783	12265	7327	14335.79	10038	11769.6
8	STNR as % of GSDP	0.71	1.57	1.63	1.5	1.48	0.92	1.64	1.11	1.17
9	Rate of growth of STNR	34.3	15.13	15.45	5.2	4.09	-40.3	95.65	-29.9	17.25
10	Central Transfers	9700	23735	25360	30427	27636.31	42628.68	44819.99	48982.22	48230.45
11	C.T as %of GSDP	3.37	4.34	3.69	3.89	3.35	5.33	5.11	5.43	4.82
12	Rate of Growth of C.T	46.25	9.82	6.84	19.98	-9.17	54.24	5.14	9.28	-1.53
13	Revenue Expenditure	46045	91096	99948	110316.4	104719.9	123446.3	147891.18	149803.21	157065.89
14	Revenue Expenditure as % of GSDP	14.95	14.8	14.55	14.11	12.7	15.43	16.88	16.6	15.71
15	Revenue Deficit as %of GSDP	-2.61	-2.51	-2.46	-2.21	-1.76	-2.51	-1.93	-2.57	-2.3
16	Gross State Domestic Product	307906	616357	686764	790302	824374	799571	876283	901997	999642
17	Rate of Growth in %	11.1	4.76	11.42	15.1	4.31	-3	9.6	2.93	10.82

Source: Budget in Brief (Various Years)

fiscal crisis of the State is well exposed. The wide gap between revenue receipts and revenue expenditure elucidates the fact that the States' recurring or committed expenditures, instead of pruning, are patronized and are on the rise. This is against the Fiscal Responsibility and Budget Management Act of 2002. FRBM mandates the Centre and the States to annihilate the revenue deficit and to peg fiscal deficit at 3 percent of GSDP. The FRBM Act demands, to maintain revenue surplus, as far as possible, in addition to maintain revenue balance. However as shown in table 1, revenue deficit (Row-15) as percentage of GSDP has always been high. The State has failed to mobilize tax revenue and non- tax revenue according to the potential.

Steps to improve revenue mobilization

Even after the implementation of E-way bill, tax evasion is rampant under GST. In 2021, the Central Finance Ministry identified fake ITC cases amounting to Rs.

58,000 crore. In 2021-22 Central budget it was mandated that Aadhar number should be submitted compulsorily with ITC filings. In the last year of the previous LDF government, the State Finance Ministry was able to detect ITC fraud worth Rs. 35 crore in Kerala (eg: Perumbavoor based fake plastic industry registration). Fake Aadhar numbers were used to commit this ITC fraud. In March 2022, newspapers reported that Fas Tag of trucks are used in cars to make ITC claims. Just from these findings it can be said that GST evasion is rampant and that a great degree of surveillance is needed to achieve the revenue target. One then wonders what the Kerala chapter of National Anti- Profiteering Authority of India is doing.

Shome puts forward a few measures to improve tax collection under GST. They are;

"First, remove uncertainty for tax payers. Ensure there are no retrospective amendments. Second, make tax administration accountable for its actions and decisions and ensure timeliness. Third, accountability must be linked to minimizing infructuous demands and tracking recovery. Fourth, tax evasion should be appropriately identified and followed, rather than basing your premise on tax payers as tax evaders. Fifth, and perhaps the most important, move away from a static revenue target principle of revenue collection and sixth adopt a balanced approach to tax administration. (Parthasarathy Shome, 2017)[3]. Shome also comments that "If Petroleum is out, it is not GST". This comment has various connotations for a Finance Minister. Among the States, Kerala ranks first as a consumer state while it ranks 7th in indirect tax collection (Jose Sebastian). Possibilities are many and varied, if the State government is ready to tap it through efficient revenue administration.

Untapped tax zones

It is high time that Kerala evolves an appropriate instrument for carbon taxation (eg: Petrol and Diesel) and environment taxation (eg: quarries). Tax experts like Raja Chelliah, Amaresh Bagchi, Vijay Kelkar and many others have already pointed out the need for the introduction of environment taxes. Based on their recommendations E. Ahmed and N. Stern have developed a model to implement environmental taxes (See Public Economics: Theory and Policy- Essays in Honor of Amaresh Bagchi; 2011) [4].

According to Ahmed and Stern (2011), designing a carbon taxation model involves designing the appropriate instruments for "carbon taxation" in terms of the carbon content in different goods and activities. It is also possible to evaluate the effects on people in different circumstances, and show possibilities for

Carbon taxation as well as environmental taxation are considered as effective instruments for influencing both the behavior of consumers and producers.

Mobilizing resources through reforms in non-tax sources of revenue of the State can serve the twin purposes of having a rational non-tax revenue structure and generating more resources for faster economic growth and better service delivery.

compensating the "losers". Carbon taxation as well as environmental taxation are considered as effective instruments for influencing both the behavior of consumers and producers. Hence, it means two birds in one shot-revenue and environmental protection. (See Public Economics: Theory and Policy- Essays in Honor of Amaresh Bagchi, 2011).

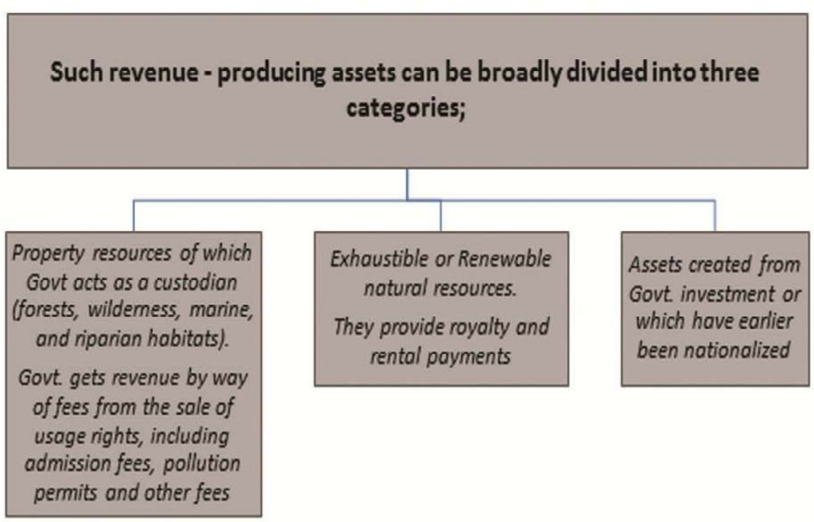
Abhijit Banerjee et al (2019) emphasized the need for sustainable growth and argued for a new and technically beefed up environmental regulator, setting fees based on careful analysis of trade-offs and enforcing them (Abhijit Banerjee &et al, 2019) [5].

Non-tax sources of revenue

Gupta (2011) observes that "non- tax revenue include all receipts other than taxes and seigniorage, and capital receipts from debt issues or asset sales" (M. Govinda Rao and Mihir Rakshit (ed), 2011) [6]. World Bank (2003) reported that roughly 39 percent of revenues of 166 countries covered in its survey were non-tax revenues. (World Bank, 2003) [7].

Jose Sebastian (2020) found that non-tax revenue of Kerala had been 32.09 percent between the years 1957-58 to 1960-67 as percentage of States Own Revenue (SOR). However it has declined to 13.96 percent

Chart 1: Non-tax resources



The Third Public Expenditure Review Committee in its Second Report, attempted a comparative analysis of the Kerala state's own non-tax revenue with that of the Non-Tax revenue of All States of India.

in the period 2007-08 to 2016-17. (Jose Sebastian, 2020)[8]. This finding throws light into the non-tax revenue potential of the State. "Non-Tax revenues are payments made to the government for which there is a quid pro quo. Important Non-tax sources are all voluntary and requited. In these cases, revenue is a by-product of goods, services or resources that the government provides. They include revenue from assets, revenue from the sale of licenses and permits for regulated activities" (Public Expenditure Review Committee,2013)[9]. International Monetary Fund's Government Statistics Manual (2001) includes intergovernmental organizational grants and social contributions from employers or employees in Non-Tax revenue.

There are around 100 items from which the government derive such revenues. These revenue producing assets can be broadly divided into three categories. The following chart will give a bird's eye view of that.

Non-tax revenues are often incidental by-products of government activity. In such cases, their revenue generation is not of primary importance. However, prudent policy making and efficient administration would result in accrual of larger revenue, deficiency of which drags down non-tax revenue at the Central and at the State level in India. Mobilizing resources through reforms in non-tax sources of revenue of the State can serve the twin purposes of having a rational non-tax revenue structure and generating more resources for faster economic growth and better service delivery. There are over 100 departmental sources of non-tax revenue for each state. Nevertheless from a revenue and administrative angle, the most significant of them are put under three heads. That is a). General services, b). Social services, and c). Economic services. In addition to these interest receipts and dividends and profits are also to be included in the list. Therefore the list thus envelops 36 of the most vital items generating non-tax revenue.

The Third Public Expenditure Review Committee in its Second Report,

Kerala has higher non-tax revenue potential due to reasons like; 1). Highly developed health and education services, 2). High remittances and hence extravagant investment in the construction sector, especially housing, 3). Large forest cover and forest resources, 4). Government owned land that are rented out at paltry sums to public sector enterprises need a drastic hike.

Tax buoyancy in Kerala has always been low due to the defective tax structure, tax avoidance, evasion, poor compliance, corrupt tax administration etc.

attempted a comparative analysis of the Kerala state's own non-tax revenue with that of the Non-Tax revenue of All States of India. The study found that between 2007 and 2011-12 all State's average non-tax revenue excluding Kerala was higher (12.61% to 9.41%), than that including Kerala (12.37% to 9.32%). Kerala has higher non-tax revenue potential due to reasons like; 1). Highly developed health and education services, 2). High remittances and hence extravagant investment in the construction sector, especially housing, 3). Large forest cover and forest resources, 4). Government owned land that are rented out at paltry sums to public sector enterprises need a drastic hike. Decades back, several lakhs of hectares of lands were rented out to plantations, at paltry rents. (People like Nivedita Hairharan tried to mend this situation. However the labor militancy thwarted her attempts and she was removed from that power belt). Revision of land rents is an urgent need of the hour. It is opportune time since agricultural income tax is withdrawn in 2022. Governments, from time to time, have neglected timely revision of land rents and arrear collection which have drained the exchequer to a great extent. Similarly about user charges, Chelliah (1996) observed that," the cost of providing many services, provision of higher education, issue of licenses, registration, maintenance of parks etc. have risen, while user charges have remained fairly stagnant. User charges must be raised for most of such services. Attempts should also be made to reduce the cost of performing services through increased efficiency and reduction of surplus staff". (Chelliah, 1996).

In conclusion, it may be stated that a new and efficient revenue mobilization path has to be carved out for Kerala. The present revenue structure of the State places disproportionately high burden on the poor and the marginalized and the proceeds are used irrationally to feed the government, aided sector staff , corrupt power mongers around the politicians etc. Tax buoyancy in Kerala has always been low due to the defective tax structure, tax avoidance, evasion, poor compliance, corrupt tax administration etc. Jose Sebastian (2020) found that among the states of India, Kerala ranks first as a consumer state where as it ranks seventh in indirect tax collection. This shows the magnitude of tax inefficiency. If it is not bridled at the earliest Kerala will soon be pushed into a debt- trap.

■

(Prof Mary George is Former Chairperson, Public Expenditure Review Committee)

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Development implications of the budget 2022-23

M K Sukumaran Nair

I am asked to speak about the development implications of the state budget for the year 2022-23. Our Finance Minister Mr. K.N. Balagopal has already spoken about this in greater detail. He reiterated many fascinating ideas already spelt out in his budget speech. One of those is the creation of a knowledge economy. The last budget of Dr. Thomas Isaac has already provided a comprehensive framework for a knowledge economy as Kerala's future growth locomotive. The creation of a knowledge economy is not merely imparting basic skills, particularly digital skills to people. It is not mere frontloading of large sums of money in universities either. It should be closer to something like Rostow's concept of drive to maturity where the use of technology percolates to every layer of society resulting in a significant rise in the living standards of people across the board (Rostow, 1960). In this context, it may be useful to recall the not-so-pleasant experience of some of the African countries that had frontloaded the universities with massive mineral incomes which did not produce the desired result due to the lack of appropriate institutions and the much-required human capital. In order to absorb the investment to produce results high-quality human capital is required. The creation of a knowledge economy presupposes the creation of research-intensive universities. The universities in Kerala which have been performing, to say the least, the functions of teaching shops, will have to turn themselves into research-intensive institutions working

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Therefore, a total restructuring of the University system is already overdue. Chosen institutions should be provided whatever is rightly required to emerge as academic leaders who keep constantly updating, and learning from the best practices in the world. Otherwise, pumping large amounts of money into the University system will churn out only mediocre students defeating the very purpose.

at the cutting edge state-of-the-art knowledge. Highly motivated students who meet the requirements of quality standards are needed and to work with them a galaxy of well-trained and well-motivated academic staff. Unfortunately, our universities and colleges are not adequately equipped to do the job of training world class researchers. A perusal of the Ph.D. theses that have been produced in our universities bears eloquent testimony to this.

It is not difficult to see that in Kerala most of the teachers have been trained in ordinary colleges and universities, without getting adequate opportunities to get exposed to the best minds in the world and also world class research facilities that can go a long way in producing excellent researchers who can make a difference.

Therefore, a total restructuring of the University system is already overdue. Chosen institutions should be provided whatever is rightly required to emerge as academic leaders who keep constantly updating, and learning from the best practices in the world. Otherwise, pumping large amounts of money into the University system will churn out only mediocre students defeating the very purpose. This is, in fact, the very first step to the transformation to a knowledge economy. Huge investments in academia should be accompanied by hard decisions battling vested interests.

A second point that the Minister rightly emphasized is the agricultural transformation of Kerala. He spoke about a number of schemes that could be implemented. As Prof. Ramakumar who

As farmers, in general, are no longer keen on farming due to many reasons, the government has to do proactive supply-side policy intervention. The Agricultural Department should shake off its bureaucratic attitude and go to the farmers with support in soil testing, provisioning of seeds and fertilizers, supplying laborers and appropriate machinery, and purchasing surplus produce from the farmers. Creation of suitable institutions in the agricultural sector is an important step, though a very difficult one but not insurmountable.

Setting the PSUs right, may not be always politically correct and hence decision making may be very cumbersome. But hard decisions are to be made.

spoke just before me pointed out, in Kerala the size of most farms is very small, often less than 15 cents. Farming is either a hobby or at best a part-time occupation for these farmers. Agriculture is not the main source of income for them and they have only a casual interest in cultivation. But experience elsewhere shows that intensive farming with modern scientific practices can generate substantial income from small farms.

As the data show, the performance of our agricultural sector owing to a number of reasons has been abysmally poor. For the last three decades, agricultural growth has been negative despite massive spending on agriculture by the state. As farmers, in general, are no longer keen on farming due to many reasons, the government has to do proactive supply-side policy intervention. The Agricultural Department should shake off its bureaucratic attitude and go to the farmers with support in soil testing, provisioning of seeds and fertilizers, supplying laborers and appropriate machinery, and purchasing surplus produce from the farmers. Creation of suitable institutions in the agricultural sector is an important step, though a very difficult one but not insurmountable. The creation of institutions is very important, as "institutions matter" (North, 1990; Acemoglu and Robinson, 2012)

The 3rd point which the Minister did not explicitly mention, but implied in his speech, is the development alternative that the government has been trying to build and carry forward. As we had experienced the bitter consequences of the neo-liberal policies put in place in the country in the 90s such as increasing corporatization and a sharp rise in inequality, such a move by the government seems to be quite in order. However, the warp and woof of the alternative are yet to be spelled out in clear terms. This needs a great deal of homework. In any case, building and maintaining a strong public sector in manufacturing and the services sector is an essential ingredient of such a model.

Public ownership is necessary when discussing an alternative system based on public participation. In Kerala, we have a large number of public sector undertakings. Unfortunately, most of

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those are loss making. Out of the 10 industrial groups, 9 are making losses (KER, 2021), and that too almost consistently over the years. The Kerala State Transport Corporation with a large fleet of buses has been incurring such heavy losses that every month, the state has to give loans and subsidies even for salary payments and to meet fuel costs. The Kerala State Electricity Board and the Kerala Water Authority also find it extremely difficult even to pay salaries and pensions to their employees. Unless the state is able to run the public sector undertakings at least on a 'no profit-no loss' basis, the endeavor to build a development alternative will land it on a slippery slope. Setting the PSUs right may not be always politically correct and hence decision making may be very cumbersome. But hard decisions are to be made.

Another issue that needs to be urgently fixed is the mounting public debt that makes the fiscal gliding path bumpy. The situation is that the revenue receipts are not enough to meet even the revenue expenditure. The victim of the situation is capital expenditure which is crucial to step up growth. Of course, KIIFB (Kerala Infrastructural Investment Fund Board) is a convenient platform used by the government for investment. But as some critics point out, such investments may end up inflicting severe strain on the fiscal health of the economy. However, if expenditures are made prudently, the PSUs are made profitable and the whole public sector including the government itself made right sized, economic growth can be amped up. KIIFB has already sanctioned over 900 infrastructural projects for Rs. 64344.64 crores. The actual expenditure incurred till today is only Rs. 13000 crores. KIIFB has already collected Rs. 8848 cores from petroleum CESS and motor vehicle tax towards meeting the above expenditure showing that repayment is not impossible as alleged by some. If prudently managed, the investments channeled through KIIFB can promote growth without causing severe fiscal strain on the economy. The ride, however, is going to be herky-jerky, but if carefully driven the desired goals can be achieved. The previous few budgets have already put forward a significant move in this direction. The present budget can certainly move forward provided adequate safeguards are taken.

The last couple of budgets and especially the present one have provided a clear road map for the long term development of the state economy taking into consideration the characteristic features of the economy such as high population density, availability of educated manpower, constraints on

The last couple of budgets and especially the present one have provided a clear road map for the long term development of the state economy taking into consideration the characteristic features of the economy such as high population density, availability of educated manpower, constraints on manufacturing development, the inflow of remittance incomes, etc.

manufacturing development, the inflow of remittance incomes, etc. However, the details will have to be worked out. Necessary structural change will have to be brought about. Over and above political and economic institutions will have to be created wherever necessary and strengthened wherever they exist. ■

(Prof M K Sukumaran Nair is Honorary Director, Centre for Budget Studies, CUSAT)

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On the future of Kerala's economy

Jayan Jose Thomas

Thank you, my task is to comment on the very good presentations by Professors A V Jose, Prof Mridul Eapen and Prof Rajan. I would like to do this by examining Kerala's long-term achievements and also thinking about what Kerala should do to consolidate these achievements further, in the years to come. To begin with, on the first point, Kerala's achievements so far are also a commentary on the relation between growth of wages, on the one hand, and industrialization or economic growth, on the other. As we all know, from the 1970s onward, Kerala has been considerably ahead of the rest of India in terms of the level of wages of casual workers in rural and urban areas. I remember that when I started doing my research on Kerala's industrial sector almost 20 years back, the comment that I used to hear was: what is there to study about Kerala's industry? That Kerala had only a small industrial sector was considered a paradoxical situation. On the one hand, this is a State that was already well known then for its high human development achievements. But on the other hand, Kerala was lagging behind in terms of economic growth. In fact, during the late 1980s, Kerala's per capita income was approximately 20% less than the per capita income of India, and was at a level similar to the per capita income of Uttar Pradesh. However, there has been an impressive revival of economic growth over the next three decades. As per our Economic Review, Kerala's per capita income today is approximately 1.6 times or 60% higher than the Indian average and almost 3.3 times higher than the per capita income of Uttar Pradesh.

In fact, what Kerala has achieved in terms of economic growth is indeed crucial and worth discussing more. Typically, the

During the late 1980s, Kerala's per capita income was approximately 20% less the per capita income of India, and was at a level similar to the per capita income of Uttar Pradesh. Kerala's per capita in come today is approximately 1.6 times or 60% higher than the Indian average and almost 3.3 times higher than the per capita income of Uttar Pradesh.

Kerala is a good example for a Keynesian model of 'wage-led' economic development. That is, high wages have been the real stimulus to Kerala's economic growth over the last two decades High wages have helped to stimulate consumer expenditure, domestic demand, and thereby overall economic growth.

mainstream economic argument has been that rising wages are a hurdle to economic growth. However, Kerala's experience clearly shows that this is not true. In fact, Kerala is a good example for a Keynesian model of 'wage-led' economic development. That is, high wages have been the real stimulus to Kerala's economic growth over the last two decades. High wages have helped to stimulate consumer expenditure, domestic demand, and thereby overall economic growth. But I think that is not enough for Kerala. We now have to really look forward, and I would like to spend the rest of my talk on what should we do next.

There are at least three or four important challenges. First, I would like to highlight issues related to the demographic structure- Prof Jose mentioned demographic dividend. But I think, increasingly, Kerala is becoming an aging society. The state is facing the danger of growing old before getting rich - this is an issue of much concern for China today, and it will become an issue for India too in the coming years. For Kerala this is not an issue to be dealt with in the future - but a problem that has already become quite serious today. The changing demographic structure implies that Kerala has to shift into a faster economic growth trajectory as quickly as possible. If this does not happen now, it may just be that Kerala may never become a fast growing economy in the future. So that is the first point I want to make.

The second point I want to make build on all the three previous presentations. That is, in Kerala there is a mismatch between the structure of the labour market and the structure of the economy in general. The sectors which provide the largest numbers of employment in Kerala even today are the traditional industries or economic activities which do not require worker skills or education, or industries which gain their competitive advantage from low wages. Consider, for instance, garment industry or the plywood industry in Perumbavoor. These are all relatively low wage industries. These are industries in which Kerala does not have lasting advantages. Not just because wages are relatively high in Kerala. But more importantly, young and educated workers in Kerala do not seek opportunities in these industries. We know that most of these industries now depend almost entirely on migrant workers from other states for their survival in Kerala. It is crucial for Kerala to move out of this industrial structure. Clearly, Kerala has to think of a new economic structure, and that is why this discussion about the knowledge economy in Kerala is very crucial. The discussion is crucial if you also look at some other aspects of Kerala's labour structure, which was highlighted by Prof Rajan.

Consider our higher education institutions. Approximately, 1.7 lakh come out of Kerala's higher education institutions every year, but possibly at least an equal number of young persons from Kerala could be pursuing higher education outside the State. These are all potential workers who could be employed in knowledge-intensive or high-skilled industries in Kerala. Even if we assume that 2 lakh persons with higher education are available in Kerala every year, there will be 10 lakh or one million such persons in five years. This is indeed Kerala's potential. The State has the potential to create 1 million high skilled jobs every five years. But it's also a challenge because we are not able to create those many high-skilled jobs in Kerala. Many of these job aspirants from Kerala will have to look for jobs outside the State. This has been happening even before, but the process is likely to gain speed in the coming years, as highlighted by the previous speaker. So both for higher education and for higher high skilled jobs, the current situation is one in which many Keralites have to go outside the state. But that's clearly not a sustainable option in the long run. Increasingly -- with the outbreak of the COVID epidemic and the war that is happening in Ukraine - we find that there are going to be limitations on the process of globalization, which has been going on over the last two or three decades. Kerala is probably one of those regions, which has benefited from globalization from the 1990s onward. This is because when India opened up its economy by the early 1990s, Kerala was one of the few regions in India that had many of the preconditions for a very fast economic growth, which included a highly educated workforce and good health infrastructure. But that growth based on export of human capital may have limitations in the future. This means that we have to generate high skilled jobs within Kerala, we have to create opportunities for higher education within Kerala, and that is going to be the crucial challenge for the state's policymakers. It also means that we need world-class infrastructure. In the case of knowledge-intensive industries, the level of competition is much greater than for other industries. In fact, when it comes to industrial growth possibilities, Kerala has a disadvantage compared to labor surplus states such as Uttar Pradesh and Telangana. Growth based on labor-

In Kerala there is a mismatch between the structure of the labour market and the structure of the economy in general. Most of these industries now depend almost entirely on migrant workers from other states for their survival in Kerala. It is crucial for Kerala to move out of this industrial structure.

The State has the potential to create 1 million high skilled jobs every five years. We have to generate high skilled jobs within Kerala, we have to create opportunities for higher education within Kerala. The only future growth possibility for Kerala is a growth based on skills or knowledge.

intensive industries is not a possibility for Kerala. The only future growth possibility for Kerala is a growth based on skills or knowledge. So investment in higher education and investment in knowledge industries is a must for the State. Our planners have to think about what all are needed to create an environment conducive to the growth of knowledge industries in Kerala. Clearly we need world-class infrastructure, excellent research and academic institutions, laboratories, and other institutions of higher education and learning.

I want to make a comment on what Prof Jose mentioned about demand-side initiatives. And I really want to build on that, that's a very important point; also Prof Mridul was mentioning about initiatives involving women. The kind of jobs that women and men are seeking in Kerala are high-end jobs/ high-skilled jobs, and not really manual jobs. We need to relook and redesign our public employment programs, including the MGNREGA, in a way that is more suited for these educated and high skilled workers. Can we create productive assets for the knowledge economy through such public employment programmes, with greater public investment? Investments in education, especially creating facilities for higher education, can have impacts at multiple levels. The facilities that are created are very important for the younger generation, to pursue new courses and academic programmes. At the same time, by creating facilities for higher education, we will also be able to generate new jobs for people who are already well-educated. Setting up new institutions for higher education and research can create a lot of new job opportunities in Kerala, not only for the existing job seekers in the State but also generate high growth potential for the State in the future.

It is a fact that, for carrying out all the above-referred initiatives, we do not have enough fiscal resources. Being a state government, the tax-raising powers are very limited for Kerala. So that's a major constraint when it comes to building knowledge industries or competing with the best places in the world. We have to

The kind of jobs that women and men are seeking in Kerala are high-end jobs/ high-skilled jobs, and not really manual jobs. We need to relook and redesign our public employment programs, including the MGNREGA, in a way that is more suited for these educated and high skilled workers.

think of new institutions which can help mobilize financial resources for Kerala. There is a large volume of savings in the state, in fact, most of it is idle savings, and there are many people seeking investment opportunities, seeking better options with the money that they have. There are so many people who want to invest in houses or put their money in gold. But these are all savings that can be channeled to building infrastructure and research and other institutions for the knowledge economy that I mentioned before. But, as of now, we do not have an effective institution that can help channel the savings within the region into productive investments. We have to think of innovative financial institutions that can take the state forward. I would like to end with this remark. Thank you again for giving me this opportunity

■

(Prof Jayan Jose Thomas is Former Member, Kerala State Planning Board, Trivandrum)

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Impact of international migration during COVID-19

S Irudaya Rajan

Introduction

Migration from Kerala has a historical perspective, irrespective of international or internal. However, after the 1970s, international migration has had significant importance in the Kerala economy. The labour characteristics have changed over the years with the influx of remittances to the state. Today, remittances play a unique role in many developments, primarily, philanthropic activities in Kerala. But, there are migrants who need support to attain better opportunities for their lives. In this state of affairs, Kerala should know the realities of the situations of migrants who need a support system along with the big investors and businessmen. But in reality, there is no adequate data on the current situation of the migrants amid COVID-19 pandemic and economic recessions.

Kerala migration surveys

According to the latest Kerala Migration Survey in 2018, there were 2.1 million international migrants from Kerala, of which 90 percent reside in Gulf countries (Rajan and Zachariah, 2020). The survey was the 8th round since its inception in 1998, the largest and longest-running survey of its kind in South Asia. This model of the Kerala Migration Survey was replicated in states such as Goa (2008), Punjab (2011), Gujarat (2012), and Tamil Nadu (2015) (Rajan, Zachariah and Ashwin, 2021) and is now is being considered in Telangana and Jharkhand. The survey will provide reliable estimates of international migrants, out-migrants and remittances by districts with other socio-economic variables.

Need for KMS survey in the current context

The economic review of 2021 is not updated with the current events that occurred among the international migrants in Kerala. The aftermath of two floods in Kerala since KMS 2018 and multiple waves of the COVID-19 pandemic

Before floods and the COVID -19 pandemic, according to KMS (2018), it was reported there were 2.1 million International migrants.

Most of the remittances are directly utilized to pay tuition, meeting daily living expenses, repay of loans, and used as savings.

has affected the migrants and their families. Hence, another round of KMS survey is essential to understand the impact.

Before floods and the COVID -19 pandemic, according to KMS (2018), it was reported there were 2.1 million International migrants. In other words, one migrant supports four people back at home. Through remittances, one-third of the population of Kerala directly benefits from their lives and livelihood, which is close to 10 million. Most of the remittances are directly utilized to pay tuition, meeting daily living expenses, repay of loans, and used as savings. Another one-third of the population of Kerala are indirectly benefitted from the developmental activities in the state using the remittances. For example, a number of airports in Kerala shows the inevitability of the travel benefits not only for the migrants but also for the non-migrants. With a rough estimate based on the previous experience in estimating the remittances using KMS data, about 100000 crores flows to Kerala as remittances. However, more research is needed to understand how these remittances are distributed. We should invest money in understanding migration and the global compact.

A periodic review of the situation of migrants amid the pandemic and economic recession is necessary to undertake appropriate policy changes and to take steps needed for their welfare. The databank of the migrants should alert the government to take any action wherever it is required. For example, before the Russia-Ukraine war, as per the records of the Government of India, only 7000 Indians were in Ukraine. In reality, the Government of India brought 25000 Indians from Ukraine during the war. Also, some of the Indians are still living there, so the migration data is still underestimated. Globally, India still ranks as number one in international migration and remittances. In 2021, 87 billion dollars was remitted to India as remittances, of which one billion dollars can be used to produce reliable quality data.

Return emigrant survey 2021 - A proof of the situation

As per the budget statement by the Finance Minister of Kerala, 14 lakh return emigrants returned through the Vande Bharat mission during the COVID-19 pandemic. As of mid-2022, we still do not have estimates of how many have re-migrated to their current occupation

There is no reliable report on the holistic picture of migration in 2021. However, the study, "Return Emigrant Survey 2021" funded by the Department of NORKA, Government of Kerala, which was conducted from January to May 2021 with a sample of 1985 return emigrants from 1871 households, provide some insights.

A survey by CDS and IIMAD observed and categorized the return emigrants into three namely, Normal Return Emigrants (NREM), Distress Return Immigrants (DREM) and Return to re-migrate Emigrants (REM)

The survey was conducted by the Centre for Development Studies (CDS) and the International Institute of Migration and Development (IIMAD) using Computer Assisted Telephonic Interviewing (CATI) method. The sample was randomly drawn from a partial list of expatriates who returned to Kerala from any international destination during April 2020 to November 2020. The study provides a thought into the future of global labour migration governance.

The survey observed and categorized the return emigrants into three namely, Normal Return Emigrants (NREM), Distress Return Immigrants (DREM) and Return to re-migrate Emigrants (REM) (Table 1). NREM are those who could have returned as pre-planned, whereas, DREM are those who have directly affected the pandemic in various ways and hence forced to back home, and the third, RREM are those who have a plan to re-emigrate to

Table 1: Return emigrants by type and reason for return, 2021

	Number				
Primary reason for return	NREM	DREM	RREM	Others	Total
To Retire	28	0	0	0	28
Missed Family	29	0	0	0	29
Care for Elderly	11	0	0	0	11
Accomplished Goals	13	0	0	0	13
Prefer to Work in Kerala	13	0	0	0	13
Lost Job/Laid Off	0	955	0	0	955
Illness/Accident	0	70	0	0	70
Expiry of Contract	0	89	0	0	89
Scared Due to COVID -19	0	461	0	0	461
Compulsory Expatriation	0	36	0	0	36
Low Wages	0	58	0	0	58
Poor Working Conditions	0	27	0	0	27
Nationalization policy	0	7	0	0	7
Visiting Visa Expired	0	20	0	0	20
Cancellation of Employment Visa	0	28	0	0	28
To re-migrate to another Destination or Same Destination for Different Job	0	0	18	0	18
Others (Specify)	0	0	0	122	122
Total	94	1751	18	122	1,985

Source: S. Irudaya Rajan and Balasubramanyan Pattath 2021.

While considering the country of destination of the REM, the majority returned from Saudi Arabia followed by United Arab Emirates, Bahrain, Kuwait, Oman, and Qatar.

the same country or some other at global. Most of the REM in the sample was DREM, in which, about 50 percent were lost their job during the COVID-19 pandemic, while 25 percent was returned home due to the fear of the virus spreading and adverse health and social protection conditions of migrant workers during the pandemic. 353 respondents refused to give consent to the survey, among these a number of persons had been re-emigrated as there was travel relaxation at the time of the survey.

While considering the country of destination of the REM, the majority returned from Saudi Arabia followed by United Arab Emirates, Bahrain, Kuwait, Oman, and Qatar. On the other hand, the place of origin of most of the REM was in Malappuram and Kozhikode districts and more than half of them were below 39 years of age. When the age group of three categories were considered, NREM was the oldest, DREM was younger and RREM was the youngest. Most of them had valid visas and worked in the private sector. Quite a few of the DREM had an occupation in sectors such as construction, domestic, industrial, and hospitality. More than one-fourth of the REM has spent more than 20 years in their respective destination countries followed by more than one-fifth of the REM who have spent less than 4 years in these destinations. Among the DREM who lost their jobs, more than half falls in 1-4 years duration of stay category.

Expenses during COVID-19

More than half the expenses of quarantine were handled by the REM and almost 38 percent of the expenses for quarantine were provided by the Government of Kerala.

Table 2: Percent of return emigrants with status of fight ticket fare and types, 2021

Flight ticket fare	Vande Bharat Flights	Chartered Flight	Others	Don't Know	Total
<10000	70.8	20.8	4.2	4.2	100.0
10000-20000	74.4	17.4	5.9	2.3	100.0
20000-30000	60.2	35.5	2.7	1.6	100.0
30000-40000	41.5	57.3	1.2	0.0	100.0
40000-50000	19.5	76.8	2.4	1.2	100.0
>50000	46.0	36.7	7.2	10.1	100.0
Total	53.7	36.1	5.0	5.2	100.0

Source: Same as Table 1

In the survey, among 47 percent who lost their jobs, 39 percent have reported non-payment of wages.

This could have partly been due to the preference among some individuals for their own accommodations or the availability of suitable quarantine facilities for the REM. Several efforts were made by the government to provide not just quarantine facilities but also various provisions in terms of food to the REM during their stay (Rajan and Pattath, 2021). More than half the REM utilized the Vande Bharat flights and the cost incurred for the flights was between Rs. 10000-20000.

Wage theft

Wage theft refers to when an employer pays less than that what is legally owed to the employee, and is prevalent in almost every industry in the world. It also includes the payment of salaries below the minimum wage, non-payment of overtime allowances, non-payment of contractually owed benefits, non-negotiated reduction of salaries as well as the retention of dues upon one's contract termination (MFA 2021).

In the survey, among 47 percent who lost their jobs, 39 percent have reported non-payment of wages, reduction, or dues in wages. Among workers who experienced wage theft, 40.9 percent were asked to resign by their employers, 8.8 percent worked without wages and later lost their jobs and 18.2 percent had a reduction in their wages. The duration of stay in the destination countries and the non-payment of wages had a positive relation, as 61.1 percent of workers did not receive their wages and benefits who had more than five years work experience.

Future plans of REM

In the survey, about 59 percent wanted to re-emigrate to either get a new job or to

Table 3: Wage theft in various situations of work during the pandemic, 2021

Common situations of wage theft	Percentage of the victims of wage theft
Asked to resign	40.9
Advised to travel back without salary	10.7
No extension of work visa	10.9
Work without wages	8.8
Salary reduction	18.2
Threatened to terminate	3.1
Others	7.4
Total	100

Source: Same as Table 1

About 44 percent of the DREM wished to work in Kerala or start a new business in Kerala.

the same job as before. About 30 percent have a plan to stay in Kerala by seeking a new job while 13 percent wished to start a business. About 50 percent of the DREM are unsatisfied with their migration experience and eager to re-emigrate for employment. About 44 percent of the DREM wished to work in Kerala or start a new business in Kerala.

Conclusion

Most of the return emigrants are distressed REM (DREM) who returned during the COVID-19 pandemic with concurrent problems in their life and employment. More than half of the REM wished to re-emigrate in search of a job for their betterment of life. Many of them had already migrated during the time of the survey. Only 44 percent of the REM wished to reintegrate into the Kerala society as do a job or start a business in Kerala.

Though a sample of 1985, the survey sheds a little light on the migration experience of the people of Kerala who had returned during the pandemic. It is highly recommended that there should be a permanent method to register the information of all emigrants either using the census method or conduct new migration surveys at least once in five years. Around 2000 Keralites died in the Gulf countries during the pandemic. What compensative measures had been taken for the family members of these deceased persons in Kerala is unknown. Also, it is very much important, how the grievances redressal mechanisms could address their concerns. Around three fourth of the respondents in the survey have not heard about MADAD, the grievance redressal platform by the government of India.

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Kerala's manufacturing sector during COVID-19: Implications for policy

K J Joseph and Kiran Kumar Kakarlapudi

Introduction

In economic theory, industrialisation is considered to be the key engine of economic prosperity. No country in the world's economic history seems to have achieved high economic development without rapid industrialisation. However, Kerala's development paradox with remarkable success in high social development indicators comparable with some of the advanced countries without concomitant performance in the productive sectors especially the manufacturing sector has attracted considerable scholarly attention (Isaac and Tharakan, 1986; Subramanian and Pillai, 1986; Subramanian, 1990; Thomas, 2005). Demystifying the conventional regional specific factors like characteristic of labour, nature of trade-unionism, high wage-cost economy and quality of entrepreneurship, Subramanian and Pillai (1986) and Subramanian (1990) argued that lack of modernisation and industrial diversification contributed to industrial backwardness in the state. The growth of the manufacturing sector in Kerala lagged behind the national level when the economy started accelerating in the 1980s (Subramanian and Azeez, 2000). An analysis of Kerala's economic performance in an open economy perspective by Joseph and Harilal (2003) analyzed the bearing of resource movement effect and spending effect associated with large-scale migration and highlighted their bearing on the deceleration in the performance of Kerala. Their findings highlighted the revival of the economy since the late 1980s and made the case for, along with earlier studies, restructuring with a focus on high-value-added products. They argued that Kerala, being a high-wage economy, cannot survive on low-value-adding traditional industries. Kerala witnessed high levels of economic growth, especially in the last fifteen years before the floods in 2018-19. Against this background, this paper undertakes an analysis of the performance of Kerala's manufacturing sector with a focus on the recent trends as evidenced by

No country in the world's economic history seems to have achieved high economic development without rapid industrialisation.

The growth of the manufacturing sector in Kerala has been lower than all India average during 1980-2010. However, we observe a trend reversal from 2011 onwards when the manufacturing growth at all India level decelerated, Kerala showed an increase in the growth.

the Kerala Economic Review 2021. Such enquiry assumes added importance in the current context wherein the policymakers are in search of reviving the COVID-19-ridden economy.

Two main data sources are used for the analysis. The national accounts data on gross value addition and state domestic product at current and constant prices are used for the aggregate analysis. The monthly Index of Industrial Production (IIP) data is used for analysing the COVID-19 impact on India's manufacturing. The IIP data on Kerala is obtained from the department of economics and statistics (DES), the government of Kerala.

Manufacturing sector in Kerala: A long-term perspective

The growth performance of the manufacturing sector at the national level has been subjected to intense scholarly scrutiny. The discussion was centred around the performance of manufacturing after the economic reforms. More recently the focus has been on invigorating manufacturing-led growth which got manifested in the Make in India program and Aatma Nirbhar Bharat. In Kerala also manufacturing sector has been high on the policy agenda. Hence, Kerala's growth trends vis-à-vis all India appear to be in order. Our approach is to compare the manufacturing growth in Kerala and all India with that of GDP at the national level and GSDP at the state-level. The manufacturing growth trends in Kerala and all India shows different trends. In Kerala, it increased from 4.3 per cent to 6.1 per cent during 1980-90 through 1991-00 while manufacturing growth at all India level has shown a minor decline from 6.23 per cent to 6.1 per cent. In the subsequent decade manufacturing growth at the national level increased to 8 per cent whereas Kerala witnessed a decline (5.19%). The trend reversed again in 2011-19 with manufacturing growing at a higher rate in Kerala than all India (Table 1).

Table 1: Growth of manufacturing in Kerala (%)

	All India		Kerala	
	Manufacturing	GDP	Manufacturing	GSDP
1980-90	6.23	5.40	4.25	3.67
1991-00	6.09	5.73	6.13	5.61
2001-10	8.03	6.72	5.19	7.71
2011-19	5.87	6.24	7.91	5.76

Source: Authors' own calculation based on EPWRF

It is a matter of great concern that the faster deindustrialisation in Kerala could be associated with greater a decline in the share of high-tech manufacturing.

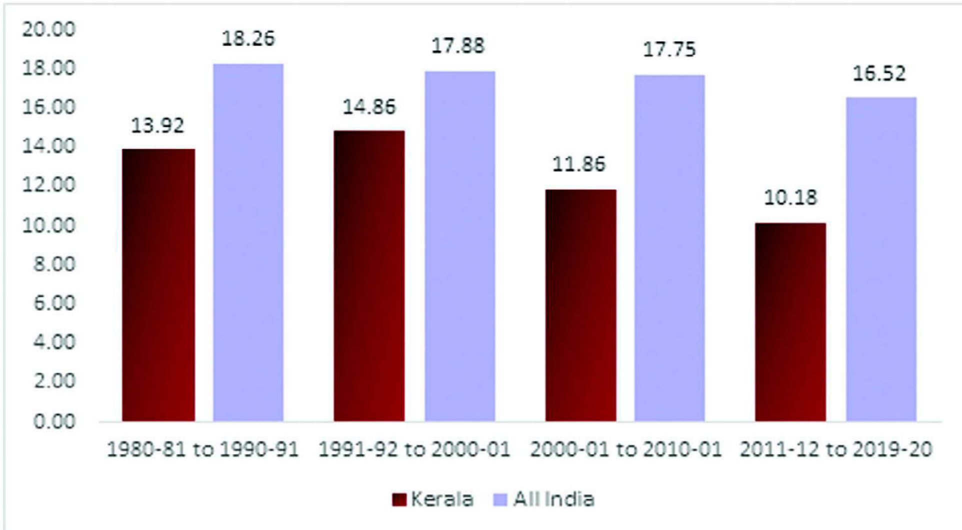
Further, it is evident that the manufacturing sector registered higher growth than total GDP growth in all India for three decades from 1980 to 2010. During 2011-19, the manufacturing growth at the national level has been the lowest in the last four decades. On the contrary, Kerala recorded poor performance from the 1980s through 2010, followed by a turnaround in the growth of manufacturing in the last decade (2011-19). It is interesting to note that Kerala's manufacturing sector performed better while the national trend shows a decline. (Table-1)

There is a growing literature indicating the prevalence of de-industrialisation in many of the developing countries after globalisation. In the literature, de-industrialisation is defined as the process involving a decline in the share of manufacturing output in the GDP or a decrease in the share of manufacturing employment (Tregenna, 2009). In this context, India's performance and that of Kerala with respect to the share of manufacturing total value-added deserve attention.

The share of manufacturing in Kerala's GSDP is compared with the national trend from the 1980s onwards when the growth momentum actually began in India. The data is averaged for ten years for smoothening the fluctuations. The share of manufacturing in total GSDP in Kerala was found to be considerably lower than all India average during the last four decades and the gap is increasing especially since 2000. Manufacturing share at all India level (18.3%) has been 1.3 times higher than Kerala (14%) during the 1980s which marginally declined to 1.2 times during the 1990s and increased thereafter (Figure 1). From, 2011 to 2019, the manufacturing share at all India level is 1.6 times higher than in Kerala. The trend suggests that both in Kerala and all India the share of manufacturing has been showing a declining trend right from the 1980s, albeit with more intensity in Kerala from the 1990s. The decline in the share of manufacturing was 3 per cent during 1990s to 2000-2010 while there was hardly any major decline at the national level. In the next decade (2011 to 2019), the rate of decline is higher for all of India as compared to Kerala. It appears that both Kerala and India are tending towards the deindustrialisation process with Kerala witnessing de-industrialisation at a faster rate. However, as will be evident from the discussion in the forthcoming section, in the recent past, there is some evidence of a marginal increase in the manufacturing share in GSDP in Kerala. (figure-1)

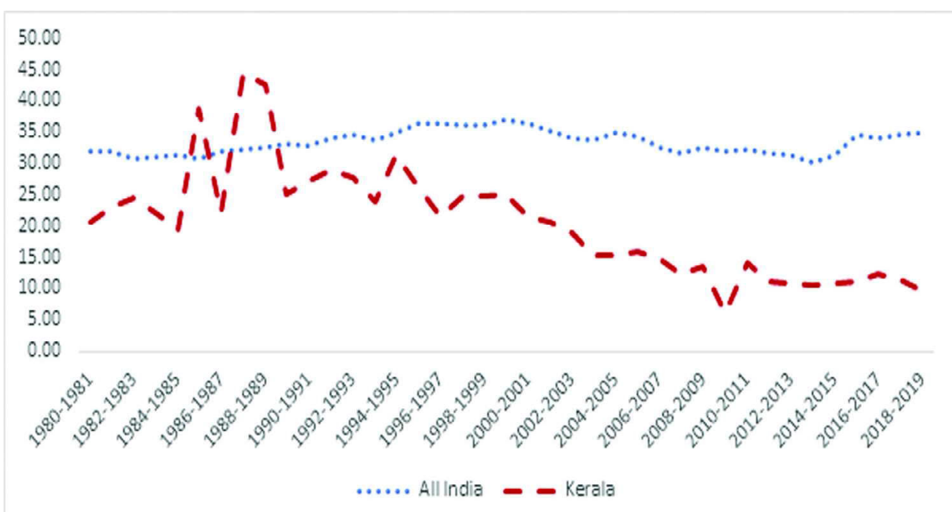
As already indicated, scholars have made the case for industrial restructuring in Kerala with a greater focus on high-value-adding footloose industries. An analysis of the industrial structure focussing on

Figure 1: Share of manufacturing in total GSDP in Kerala (%)



Source: Authors' own calculation based on EPWRF

Figure 2: Share of high-tech in total manufacturing (in %)



Source: Authors' own calculation based on Annual Survey Industries, various years

We observe indications of a turnaround in Kerala's declining share in the manufacturing sector in total value added from 2014 wherein its share increased from 9.8 per cent in 2014-15 to 11.1 per cent in 2019-20.

technological intensity following OECD technology classification has shown that the share of the high-tech industry's output in total manufacturing output shows a continuous decline, especially from 1988 onwards. At the national also, there has been a decline in the share but the rate of decline has been much lower as compared to Kerala. It is a matter of great concern that the faster de-industrialisation in Kerala could be associated with greater a decline in the share of high-tech manufacturing underlying the need for a turnaround which should form the focus of future policy. (figur-2)

Green shoots in Kerala's manufacturing sector

The economic review points to a turnaround in Kerala's manufacturing sector in the last four fiscal years after decades of southward trend in industrialization. It shows an increase in the share of manufacturing value-added from 9.8 per cent in 2014-15 to 11.1 per cent in 2019-20 which resulted in a marginal improvement of Kerala's share in gross value added in India's factory sector. As per PLFS 2017-18, the sector employs 15 lakh workers (which comprised 12.8 per cent of the State's total workforce of 127 lakh) of which 3.1 lakh people are employed in the organized manufacturing sector. The main bottleneck of Kerala's industrialization, as already argued by earlier scholars, is the lack of diversification. The industry is dominated by traditional industries and few resource-based industries. Four industries (food, petroleum, chemical and rubber) account for more than 50 per cent of total manufacturing value-added and a substantial part of the employment. A few resources-based industries accounted for 46.8 per cent or 1.52 lakh workers out of the 3.25 lakh workers in Kerala's factory sector (in 2017-18). However, the Economic Review notes an increase in the role of the modern industrial sector while the share of traditional industries decreases as the workers engaged in the manufacture of medical and dental instruments and supplies increased from 1,023 in 2012-13 to 2,730 in 2017-18. Kerala registered a higher value added growth in manufacturing sector as a whole as well as in number of industries including chemicals, garments, pharmaceuticals, furniture, jewellery and medical compared to the corresponding national averages (Economic Review, 2021) In this context, the economic review presents a comprehensive analysis of industrial performance in Kerala and various policies that have been put in place for enabling the revival of the sector post-pandemic.

Given the crucial role, the public sector played in Kerala's economic development of the state, the post-pandemic revival

Micro, Small and Medium Enterprises (MSMEs) which are the mainstay of Kerala's industrialization process have emerged as the pivotal sector as far as income and employment generation is concerned.

strategy puts heavy emphasis on boosting the performance of PSUs. There are 42 PSUs in the state which reported a loss of Rs.152.98 crores against a turnover of Rs.3,171.77 crores. However, in 2020-21, the loss declined to Rs.137.62 crores against a turnover of Rs.3,321.67 crores. Though the performance of PSUs in Kerala has been dismal in recent times, some PSUs involved in the production of chemicals and electrical machinery showed a turnaround since 2017. These PSUs showed a 5 per cent increase in turnover even during the COVID-19 period. This suggests a growing potential in the growth of pharmaceuticals, biotechnology, life sciences, and medical-equipment manufacturing industries. Similarly, the economic review highlights the potential to build a large electronics hardware manufacturing sector in the state by harnessing the human capital and skills sets of its professionally qualified personnel.

Micro, Small and Medium Enterprises (MSMEs) which are the mainstay of Kerala's industrialization process have emerged as the pivotal sector as far as income and employment generation is concerned. Kerala accounts for 5.62 per cent of MSME enterprises in India. The economic review (2021) shows that in 2020-21, 11,540 new MSME units were started in the State with an investment of Rs.1,221.86 crores and provided employment to 44,975 persons. In 2019-20, 13,695 new MSME units were created with an investment of Rs.1,338.65 crores and provided employment for 46,081 persons. The sector-wise growth of MSME units over the last five years shows that there is a steady increase in the number of new agro and food-based MSME units from 2,395 units in 2016-17 to 3,359 units in 2020-21. The number of new service related MSME units increased from 3,057 in 2016-17 to 4,036 in 2019-20 and decreased to 2,725 in 2020-21. However, various challenges that MSMEs confront have been listed in the document. They include the promotion of formalization and digitalization, infrastructural bottlenecks, access to credit, and market linkage and tie-ups with public procurement platforms.

The third major part of the chapter deals with the performance and policies relating to traditional industries that include handicrafts, textile and garments, spinning mills, handlooms, coir industry, cashew industry etc.

The major highlights of traditional industries in Kerala are listed below.1

- **Kerala industrial infrastructure development corporation (KINFRA)** has been playing a proactive role in the promotion of the food processing industry in the State. In the year 2020-

21, KINFRA Food Processing Park, Kakkancherry, Malappuram, KINFRA Mega Food Park, Palakkad, and KINFRA Food Processing Park, Adoor, Pathanamthitta together attracted Rs 44052 lakh investment and created 2374 jobs.

- **Handicrafts industries in Kerala:** There are about 1.7 lakh handicrafts artisans actively engaged in producing 32 different listed handicrafts in Kerala. In 2020-21, Corporation has targeted a sales turnover of Rs.1,900 lakh but achieved only a total sale of only Rs.285.26 lakh due to the Covid-19 pandemic as the sales of the Corporation are mainly dependent on domestic and foreign tourists and also on fairs and exhibitions.

- **Textile and garment industry in Kerala:** The sector involves units in the public sector (both State and Central), cooperative sector, and private sector with a great potential for employment generation. The Government of Kerala is setting up a Textile Processing Centre at Nadukani. The total State Plan outlay for the textile sector (excluding State PSUs and Khadi) in the Annual Plan 2020-21 was Rs. 5,139 lakh and the amount spent was Rs. 6,000.78 lakh.

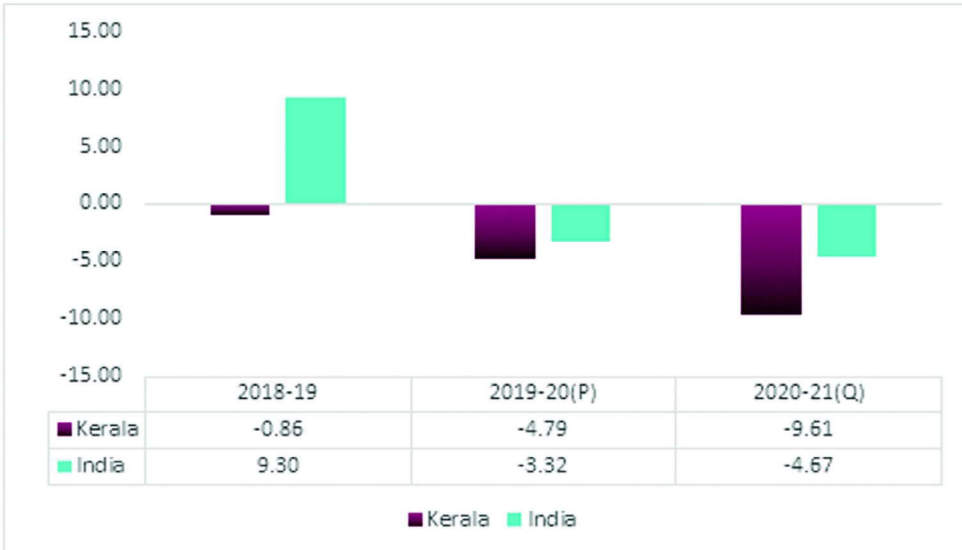
- **Handloom:** The total number of weavers in handloom sector in 2020-21 was 13,656. Compared to 2019-20, the total number of looms, total production, value of production, productivity, total turnover, number of weavers, person-days of work generated, and number of women employed fell drastically in 2020-21. HANTEX achieved a sale of Rs.1,432 lakh in 2020-21 of which, Rs.1303 lakh is showroom sales and Rs.129 lakh is department sales. The agency suffered a loss of sales to the tune of Rs.14.32 crore on account of Covid-19 pandemic-related issues in 2020-21. As a result of the Covid-19 lockdown, Hanveev suffered a production loss of about 2 lakh meters valued at Rs.350 lakh. In 2020-21, Government Share Participation was given to 14 Primary Handloom Weaver Cooperative Societies. 2,119 weavers benefitted from the Production Incentive Scheme.

- **Spinning mills:** The spinning sector includes 26 mills with a total spindle capacity of 7.03 lakh, employing about 7,600 people.

- **Khadi and village industries:** In 2020-21, the khadi sector in Kerala provided employment to 13,190 artisans and could generate 2,834 new employment through the village industries programme in 2020-21. Special Employment Generation Programme: money subsidy to small entrepreneurs

The loss of manufacturing sector output in Kerala due to COVID-19 is almost twice (9.61%) as compared to the national average (4.47%).

Figure 3: Manufacturing growth during the Pandemic



Source: Authors' calculations based on NSO and DES Kerala

Figure 4: Index of Industrial Production: India and Kerala during the pandemic

Source: Authors' calculations based on NSO and DES, Kerala, data

The recent initiatives like The Chief Minister's one lakh enterprises scheme and transforming Kerala into a knowledge economy could be instrumental in reversing the declining share of high-tech industries in Kerala.

and traditional artisans through bank linked projects.

COVID-19 and manufacturing sector in Kerala: Higher loss and delayed recovery?

Kerala's manufacturing showed negative growth even before the pandemic due to massive floods experienced in 2018-19 and 2019-20. The manufacturing sector at the national level registered negative growth rates three quarters before the COVID-19 first wave. The pandemic has pushed down the growth further. The loss of manufacturing output during the pandemic in Kerala is almost double (-9.6%) compared to the national average (-4.6%). This clearly shows the severity of COVID-19 crisis in Kerala as the state witnessed high case load for a sustained period (Figure 3).

The extent of the decline in manufacturing in Kerala is further evident from IIP data. The value of IIP declined by 40 per cent in Kerala and 50 per cent in all India in 2020-21 Q1 broadly represents the national lockdown during the first wave. Though manufacturing output at the national level declined more than Kerala during the lockdown, the recovery in production at the national level is almost 92 per cent compared to 75 per cent in Kerala in 2020-21 Q2. In the subsequent quarter, the manufacturing output recovered to pre-pandemic levels at the national level but Kerala's recovery has been lagging behind at 86 per cent. The second wave (2021-22 Q1) further impacted manufacturing production in Kerala where the IIP declined by 30 per cent whereas the decline at all India level was 15 per cent. In terms of recovery, IIP in Kerala is 35 per cent lower compared to its pre-pandemic level while at all India it is 8 per cent lower. The delayed recovery in Kerala is due to the intense second wave that Kerala experienced and the state's containment measures. (Figure-4)

Towards an industry-driven economic vibrancy in Kerala

While the green shoots in the industrial sector highlighted by the economic review are highly encouraging. We need to travel a long distance in making industrial sector the key engine of economic growth and employment in Kerala. Such a revival in the Kerala economy becomes all the more imperative in the aftermath of COVID-19, wherein, while the state managed to be successful in to saves the lives and the livelihood of the people despite bearing almost 65% COVID-19 case load in the country.

The fight against COVID-19 indeed came at a cost. With a slackening economy and unprecedentedly high public spending in the social sector, Kerala's fiscal position has gone from bad to worse. The situation

There are a number of projects that this budget has envisaged which could be instrumental making changes in the desirable direction. Especially notable, among others, the investment in establishing innovation centre for Graphene, a technology of the future..

got further accentuated when the trajectory of fiscal federal relations in the country turned out to be one wherein the taxing powers and fiscal autonomy of the state got progressively diminished especially with GST. In such a context the survival of the state depends quintessentially on making the economy more vibrant on the one hand and raising the tax effort on the other while sparing no effort in exploring all the possible economic measures. While addressing the issue of making the economy more vibrant, the manufacturing sector holds the key. But going by the available evidence we have been able to make only a very modest beginning in the direction of growth and structural change. What is called for indeed is a big push towards making a structural transformation in Kerala's manufacturing.

It is encouraging to note that all the cornerstones for resorting to such a strategy have already been in place thanks to the earlier initiatives taken by the government in the form of KDISC Loka Kerala Sabha, KIFBI etc. The need of the hour, however, is to build on to these initiatives and articulate an industrial strategy that will make a turnaround in the structure of the manufacturing sector with a focus on the hi-tech industry and a marked revival in GDP growth driven by the industrial sector. In such a transformation, what is not adequately highlighted is the role of academia in general and the research community in particular. Kerala has been known for its high investment in education and health and resultant high HDI. While such a strategy has contributed to our debt burden, the manpower so generated was forced to leave the country. While the globally acclaimed 'competent Malayalees' contributed significantly to the economic growth of the migrating countries, we have been forced to get satisfied with their remittance that accounts only for a very small fraction of what they create in the country concerned. Hence at the core of the strategy shall be to ensure that the high human development index created by public action more specifically the highly educated human capital is instrumental in bringing about the change in structure and growth of Kerala's manufacturing sector.

The Chief Minister's one lakh enterprises scheme is in fact an initiative in the right direction. In addition to this, there are a number of projects that this budget has envisaged which could be instrumental making changes in the desirable direction. Especially notable, among others, the investment in establishing innovation centre for Graphene, a technology of the future. Having said this, we need to travel a long distance. What is important to ensure is that the education institutions

Following the practice of other countries like China, Makers Spaces and Idea Clubs are to be set us in each and every college/university as forums of interaction between students and experts.

particularly the Universities and colleges and the youth in general are to be sensitized to the need for creating new ventures and new employment opportunities. Following the practice of other countries like China, Makers Spaces and Idea Clubs are to be set us in each and every college/university as forums of interaction between students and experts. Kerala is one of the states with high per capita income and substantial remittance income. Hence, there shall be no shortage of capital. Further, the present credit deposit ratio (64%) of commercial banks in the State indicates scope for further credit availability. To this, we may add the potential offered by the vibrant cooperative sector indicating that capital is not the constraint. But what is missing apparently is an appropriate strategy to harness the learning and innovation potential of the young generation through their interaction with all the possible actors within and outside the state by being on the strong institutional edifies already built up.

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Insights into Kerala budget 2022-2023, via educational perspective

Blessy Joseph, Silla George Raju and Sabu Thomas

Introduction

The budget (2022-2023) put forward by the Government of Kerala gives a lot of thrust for higher education. The financial outlay for education is Rs.25046 cores, Rs. 452.67 crores for higher education and Rs. 245.63 crores for technical education. Additionally, Rs.350 crores have been set apart for skill parks in all districts. Students and researchers will be able to interact with the skill parks. Furthermore, 250 international hostel rooms have been proposed and Rs.100 crores for the construction of 1,500 new hostel rooms for campuses of the University of Kerala, Mahatma Gandhi University, Cochin University of Science and Technology, Calicut and Kannur Universities. We should encourage more students to stay in the campus. This is pivotal for improving the quality of faculty student interactions outside the classrooms. We are just recovering from the down-effects of COVID-19 has imposed on the life of students and there has been a question on the mental and emotional well-being of students during COVID-19. Effectively utilizing the campus space for research and cultural development will have positive impact on the well-being of higher education. Moreover, student satisfaction with the facilities available in the campus is vital for the success of an institution. 20 crores of rupees have been marked for starting new short-term courses and PG courses which will definitely help the students to enrich their knowledge. To bridge the gap between research and application, Rs.200 crores has been devoted for translational research centres, start-ups and incubation centres.

Focus of the budget

The budget is more focused on the conversion of basic research to applied research. Thus, industries, universities, research centres and overall, the community can be congregated under a common platform. Therefore, research institutions should commit to uphold the ethics of research and set high standards of progressive research for benefiting the

Effectively utilizing the campus space for research and cultural development will have positive impact on the well-being of higher education.

There should be radical transformation within the higher education centre. Institutions should ensure that the students are equipped to excel with innovative skills that would make their learning qualitative and productive.

society. There should be radical transformation within the higher education centre. Institutions should ensure that the students are equipped to excel with innovative skills that would make their learning qualitative and productive. The quality of Higher Education Sector should be enhanced to be beneficial for practical life rather than confining it to mere academic circle. To be precise, teaching should be updated with the recent trends.

Core projects

For supporting and developing research, Rs. 20 crores will be allotted to each university through KIIFB. Special schemes will be allowed to start new short term courses and post graduate courses in project mode at the university campuses. It is also intended to start modern new courses with the assistance of existing departments and to sanction 3 projects to each university envisaged for 5 years. The Government has also announced the Chief Minister's Nava Kerala Post-Doctoral Fellowships where the scholars will be granted with fellowships ranging from Rs.50,000/- to 1,00000/-per month for a period of two years. Mini Industrial Units with modern technical facilities, and Start-ups will be set up adjacent to Engineering Colleges, Polytechnics, ITIs and Arts and Science Colleges. Educated people including former students may associate with this program. A pilot project is announced to start such centers in all 14 districts for which Rs. 25 crore is announced.

Knowledge economy and skill development

The budget emphasizes the transformation of the society from a knowledge society to knowledge economy. A Kerala Development and Innovation Strategic Council (K-DISC) initiative, the Kerala Knowledge Economy mission (KKEM) has been announced for providing Rs. 20 lakh employment opportunities. District Skill Parks in all districts for young entrepreneurs will be set up. Out of these parks, five each will be under the responsibility of ICT Academy of Kerala, and ASAP company Ltd. and the remaining parks will be under KASE. An area of 10 to 15 acres of land required for each park will be acquired. Subsidies and other facilities will be extended to future entrepreneurs for the first 5 years for establishing the units. An amount of Rs. 350 crore is earmarked for District Skill Parks through KIIFB.

Skill courses in educational institutions

This program is envisaged to encourage the institutions in the state to undertake skill courses with regard to the extension of skill ecosystem in our state. Thus, production centres will be developed along with educational institutions. This will be implemented in all 140

The highlight of this budget is the proposed "India Innovation Centre for Graphene." Graphene is often said as Future's Amazing Substance that finds immense applications in human life owing to its extraordinary physio-thermal properties. Rs.15 crores have been set apart as first instalment for implementing this.

constituencies on one constituency-one institution basis. Assistance for basic infrastructure will be provided to institutions that take over courses in cooperation with K-DISC. Rs. 140 crores will be earmarked from KIIFB for this. Medical technology consortium will be constituted involving the allied institutions related to medical field. Rs.100 crores are given through KIIFB for setting up Medical Technology Innovation Park. Rs.50 crores are earmarked for establishing the first phase of **Kerala Genomics Data Centre.** An amount of Rs. 5 crore is set apart for Centre of Excellence of Microbiomes which is extremely relevant in the back drop of COVID-19 pandemic. Rs. 25 lakh is provided for the preparation of a detailed project report for the development of Centre of Excellence in Nutraceuticals. The highlight of this budget is the proposed "India Innovation Centre for Graphene." Graphene is often said as Future's Amazing Substance that finds immense applications in human life owing to its extraordinary physio-thermal properties. Rs.15 crores have been set apart as first instalment for implementing this.

State of art of research in India

Why is India lagging behind in research when compared to other countries? Why are we unable to find the next Sir C.V Raman from among us? These are the significant questions that need to be addressed by the government in order to meet the future challenges in research. As per latest available figures, India spends less than one per cent of its GDP on research and development activities while countries like the US, China, Israel, and Korea spend 2.5 per cent to 4.5 per cent (Figure-1).

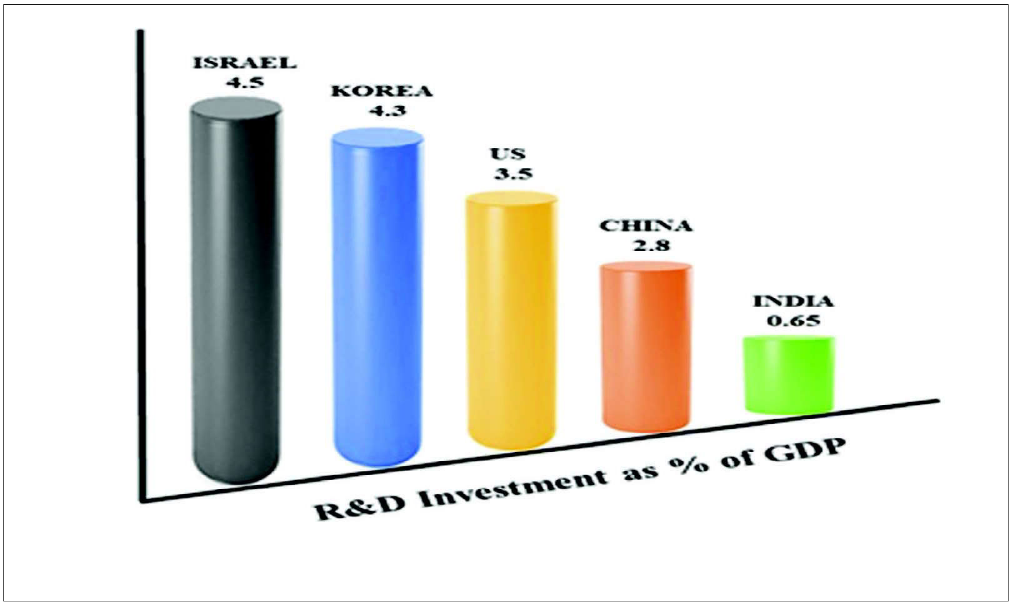
With regard to the publications, India stands third after China and US (Figure-2).

As per WIPO's World Intellectual Property Indicators 2021 report, around 14 lakh patent applications were filed in China in 2020, whereas India had around 56 thousand patent applications filed (Figure-3).

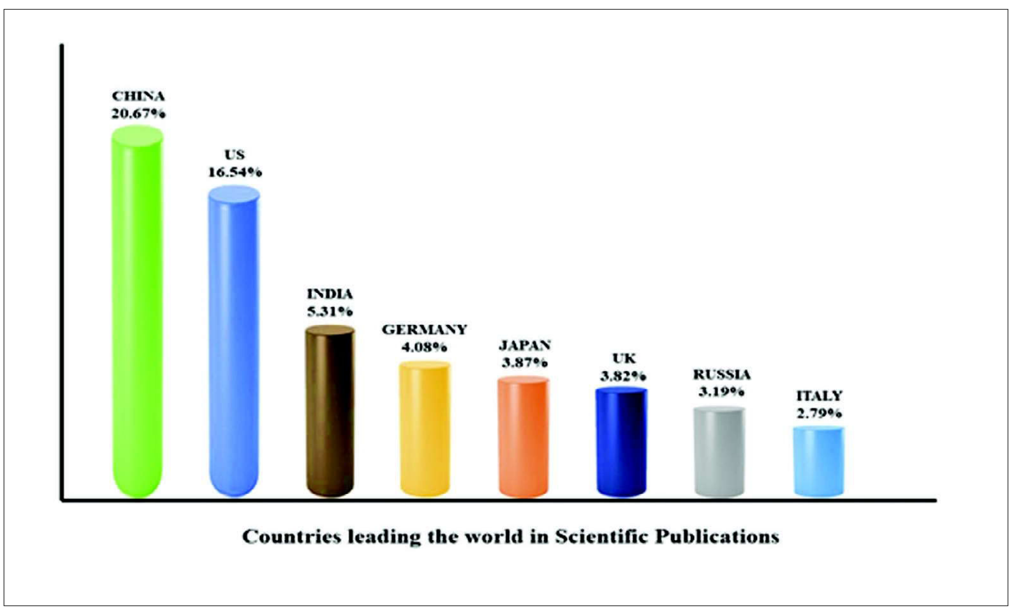
Scientific and technological innovations can sustain only if increased budgetary provision is laid down for R&D.

As per latest available figures, India spends less than one per cent of its GDP on research and development activities while countries like the US, China, Israel, and Korea spend 2.5 per cent to 4.5 per cent

(Figure-1)



(Figure-2)



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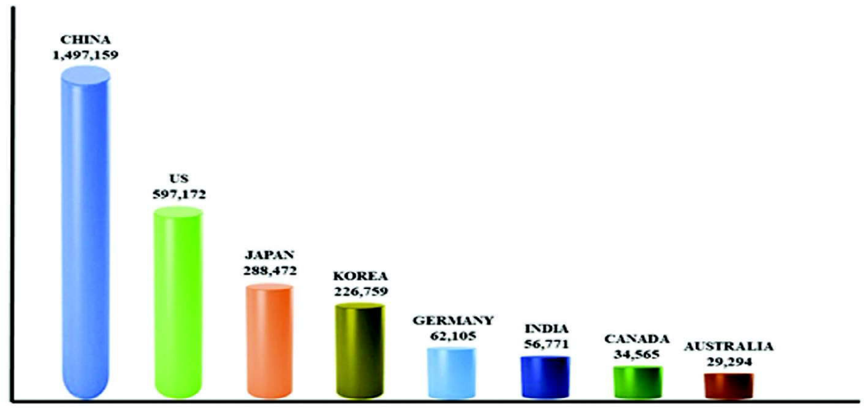

Patent applications filed by different countries

Conclusion

The Kerala budget 2022-2023 is a very focused budget giving much thrust on higher education. It necessitates the importance of highly skilled and trained manpower. It also gives importance to Patents, Incubation, Start-ups and Spin-off Companies. High level of industry/ academic collaborations can be strengthened. The budget is student friendly which promotes more international students in the campus thus making them culturally vibrant. Emphasis has been laid on translational research with special focus on establishing graphene centre. The budget will definitely boost the medical research with a better vision and mission.

■

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The services sector in the Kerala economic review, 2021: Some reflections

Arshad Mashour V S and Manu D

Introduction

Kerala Economic Reviews, in general and the latest one in particular, provide a wealth of information. A perusal of these reviews indeed helps any one to have a clear and informed understanding of the Kerala economy. For researchers and students, it is a goldmine of data and information. In this note, we wish to make a brief review of the chapters on Services.

A shift share analysis of the service sector shows that it has become the predominant sector in Kerala both in terms of value added and employment share. Kerala's economy is primarily dependent on the service sector. The three main service sectors that are covered in the Kerala Economic Review (KER), 2021 are tourism, IT, and public service.

The IT sector is a growing sector in Kerala as in India. The 2022/23 Budget of the State gives a great deal of emphasis on making Kerala a knowledge economy whose underpinning is mainly internet and digital services. Though Kerala is one of the harbingers of IT in India, by the time of implementation, many other states bypassed us. True that many IT giants and start-ups are coming to Kerala employing technically qualified Keralites adding high value to its GSDP. Massive Public and private investment has taken place in the sector which is considered the future of Kerala. A large number of start-ups in the IT sector have been set up in Kerala during the last two decades. Another feature of these IT firms is that many of their clients are foreign companies that account for massive inflow of dollar remittance to the economy. Moreover, the IT sector has significant backward and forward linkages with the rest of the economy. Many famous companies like Wipro and Infosys are offering jobs to the new generation and contributing to a major share of the service sector of Kerala Economy.

The contribution of IT and Tourism t sectors, though substantial, their share in GSDP is not reported separately in Kerala Economic Review.

As no composite indices of the quality and quantity of various services are given, researchers may find it difficult to arrive at a meaningful assessment of the reach of these services.

Though the Kerala Economic Review claims that Kerala is a growing IT destination in India, a closer scrutiny of the data does not enable us to be fully supporting this claim.

Let us first consider the plan outlay and expenditure in the sector. Whether it is Info Park, IT park, Cyber Park, IT Mission or Technopark, it is clear from Table 1 that the expenditure has been far below the outlay . The table shows a widening gap between plan outlay and expenditure. Even during the pre-pandemic 2019/20, the expenditure was not even 50 percent of the plan outlay. However, it is surprising that during the pandemic year of 2020/21, the ratio has increased substantially followed by a sharp dip except for Technopark and Info Park, in the recovery year of 2021-22.

Another puzzling factor is that despite an increase in investment, the number of companies, employment and the turnover did not increase (Table 2). The KER does not give any convincing explanation.

A look at Table 3 which indicates the physical performance of the Info Park also does not give unambiguous information. In this case, despite an increase in turnover and employment, the number of companies has decreased. Is it that the existing companies have become more labour intensive over night coupled with clear increases in productivity?. However, the received theories do not seem to give any insight to this contradiction.

Table 4 which shows the physical performance of Cyberparks, indicates that while exports and total turnover nosedived by 46 percent followed by a fall in Investment by 22%, employment

Table 1: Percentage of plan expenditure to outlay

Name of department	2019-20	2020-21	2021-22
IT Mission	54.8	70.42	20.77
Technopark	39.4	87.5	92.34
Info Park	38.8	81.6	107.08
Cyberpark	2.55	0	0
Start-up mission	48.21	19.0	19.63

Source: KER, 2021.

Table 2: Technopark's contribution to the State Economy

Particulars	2019-20	2020-21
Total turnover (in cr)	15000	15000
Total export (in cr)	7350	#
Total investment (in cr)	4979	5309
Total employment (nos)	62000	63000
No. of companies (nos)	450	460
Total land (acres)	662.54	662.54

Source: KER, 2021

Table 3: Physical performance of info park

Particulars	2019-20	2020-21
Total turnover (in cr)	5200	5700
Total employment (nos)	47000	53000
No of companies (nos)	427	420
Total land (acres)	323	323

Source: KER, 2021

Table 4: Physical performance of cyber park

Particulars	2020-21	2021-22
Total turnover (in cr)	26.16	14.09
Total export (in cr)	26.16	14.09
Total investment (in cr)	2.47	1.93
Total employment (nos)	764	917
No of companies	52	52
Total land (acres)	43	43

Source-KER 2021

Table 5: Outlay and expenditure of agencies under science and technology

Year	Percentage
2019-20	**27.6**
2020-21	**56.37**
2021-22	**18.29**

Source-KER 2021

increased by 20%. Any researcher on the contribution of the IT sector may find these data confusing. Using these data, it is difficult to make any meaningful interpretation and draw inferences. Table 5 also narrates a story of shortfall in expenditure as a proportion of outlay even in the post pandemic year under Science and Technology projects also.

Another concern is that we do not get any indication of the contribution of the IT sector to the GSDP from the KER. Of course, there is a lot of eloquence about the contribution of the sector to employment. Unless we have this crucial information, it is difficult to arrive at a clear assessment of the vitality of the sector.

Government of Kerala has launched a single window service delivery platform, "e-Sevanam" portal and "m-Sevanam" mobile application on October 01, 2021. Aimed at making Kerala a "Digitally Empowered" society, the State Government has now set in motion an ambitious policy initiative that aims to bridge the digital divide by empowering the citizens to access all government services online. While e-sevanam provides the consolidation of more than 500 services of 60 departments in a single platform, m-Sevanam can render more than 450 mobile-friendly services.

Tourism

Tourism is another component of the service sector which claims to contribute significantly to Kerala's economic development. Kerala is an internationally recognised and a sought-after tourist destination in India. Tourism industry in Kerala is known for its world-renowned brand, consistent growth, diverse products and presence of local entrepreneurs. Public spending in Kerala mainly focuses on infrastructure development, marketing, human resource development, and hospitality.

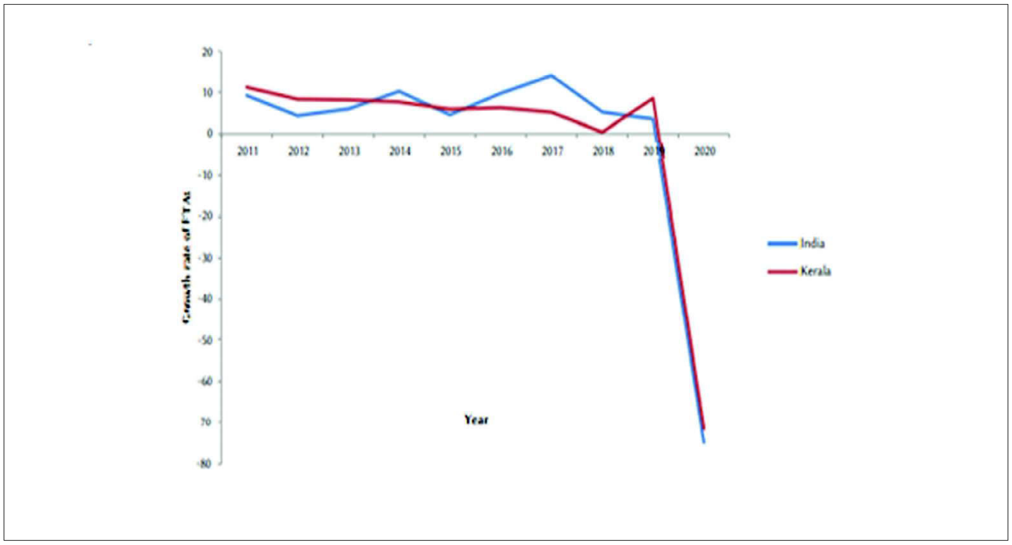
Food, culture, history, and art also play a major role in tourism. The promotion of these not only boosts tourism but also gives employment and business opportunities to the youth in Kerala. Kerala has the potential to grow in medical tourism and needs to explore the opportunities there. Another feature of Kerala is its demography. Kerala is generating a huge number of high skilled labourers every year, which can be used for furthering the prospects of the economy.

Though KER claims that there has been a steady increase of foreign tourist arrival in Kerala, figure 1 shows that since 2011 the trend of tourist arrival is a declining one. The national picture does not

We feel that the value of Kerala Economic Review would have been much more, had it reported the gist of some of the NSS Reports relevant to the service sector. The logic of why some other important services are not discussed is not clear.

More theoretical analysis of the issues discussed in KER would benefit the students and young researchers.

Figure 1: Annual growth rates of foreign tourist arrivals in India and Kerala from 2011 to 2020, in per cent



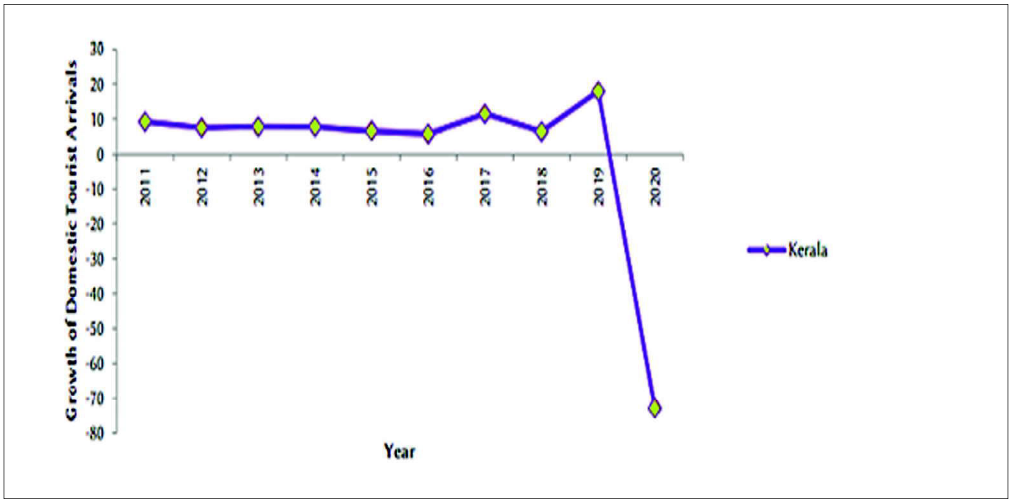
Source: KER, 2021

however, show a declining trend. The domestic tourist arrival data show a marginal increase (Fig 2). The statistics on the distribution of domestic tourist visits in Kerala by State of origin in 2020 reveals that about 73.09 per cent of it originated within the State, 7.61 percent from Tamil Nadu, 6 percent from Karnataka and 2.52 percent from Maharashtra. This shows that most of the domestic tourists are from Kerala only. The incomes received from tourism is a mere transfer from Keralites to Keralites. Very little incomes arrive from the rest of India (Fig. 3).

Fig 4. indicates the earnings from tourism from 2010 to 2020. The linear growth rate of earnings during the period 2010 to 2019 has been 9.93 percent which is less than the nominal GSDP growth rate for the period. The expenditure -outlay gap in the tourism sector has been narrowing down over the years (Table 6). On the whole the performance of the tourism sector, however, does not justify the claim that tourism is a major contributor to the state domestic product.

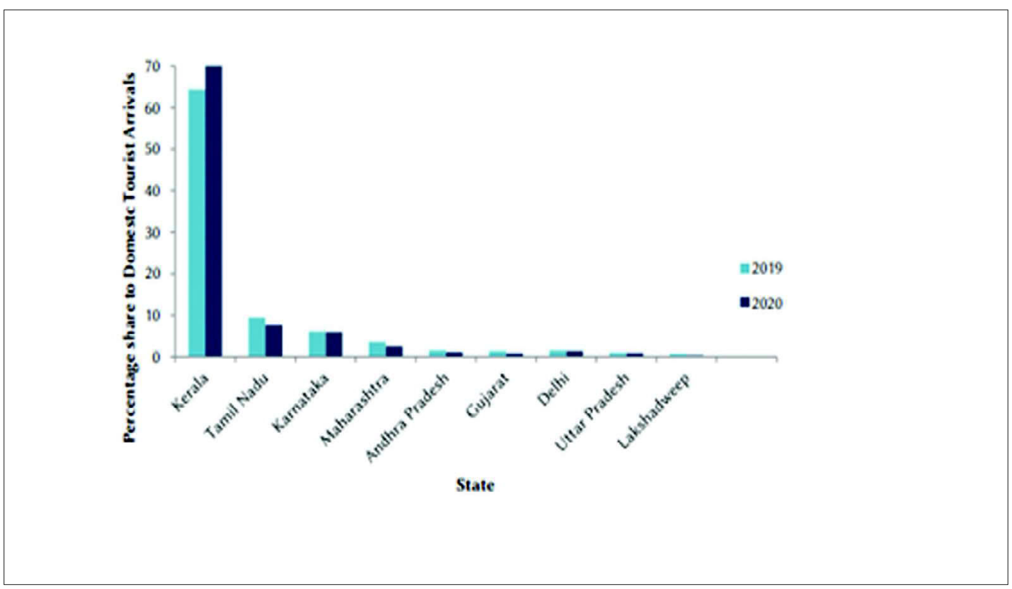
In a bid to revive the State's travel and tourism sector, the State Government has announced the Chief Minister's Tourism Loan Assistance Scheme (CMTLAS), covering Tourism Working Capital Support Scheme, Tourism Employment

Figure 2: Annual growth rates in the arrival of domestic tourists in Kerala from 2011 to 2020, in per cent



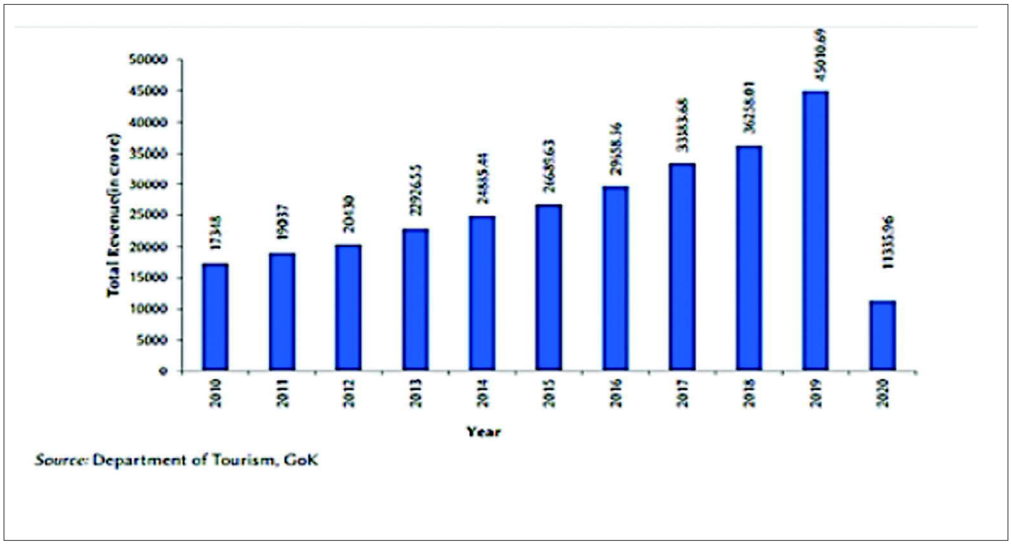
Source: KER, 2021

Figure 3: Share of domestic tourist arrival from top ten States to Kerala during 2019 and 2020, in per cent



Source: KER, 2021

Figure 4: Total earning from tourism during 2010 to 2020, in crore



Source: KER, 2021

Table 6: *State plan outlay and expenditure, 2017-18 to 2021-22, in [1] crore*

Year	Outlay	Expenditure
2017-18	342.73	310.56 (96.6%)
2018-19	379.00	237.54 (62.7%)
2019-20	372.37	1773698 (47.7%)
2020-21	320.14	325.63 (101.7%)
2021-22*	320.14	76.09 (23.8%)

*Note: *Expenditure upto September 2021*

Source: Plan Space Kerala, 2021

Support Scheme, Tourism Houseboat Support Scheme and Tourism Guide Support Scheme for the stakeholders in the tourism industry in the wake of Covid-19.

According to KER 2021, Kerala tourism attempts to deliver world class experiences to visitors by improving tourist destinations, providing better facilities, launching new products and maintaining them perfectly. The Department of Tourism joined hands with the Kerala Tourism Infrastructure Limited (KTIL), Bekal Resorts Development Corporation Ltd. (BRDC) and District Tourism Promotion Councils (DTPCs) to build up quality infrastructure across the State. Here also anecdotal evidence does not paint a rosy picture. Ample evidence may be collated from newspaper reports that indicate how inadequate the infrastructural facilities in the tourism sector are. Similarly, in respect of cleanliness and sanitation facilities, many of the tourist centres in Kerala are not in an enviable position.

Kerala was the pioneer among Indian States to market tourism extensively in domestic and foreign markets. It has consolidated its efforts in marketing in recent years to retain market supremacy and launched innovative marketing campaigns like digital and social media campaigns that resulted in attracting more visitors and succeeded in branding Kerala. The "Human by Nature Campaign" to showcase the culture and daily life of the people of Kerala was acclaimed internationally. Responsible Tourism (RT) was a unique initiative of the Department that has caught the attention of the world. It is a pro-poor tourism approach initiated by the Tourism Department in 2008. Had these efforts been clearly orchestrated by providing sanitation facilities and better infrastructure, the potential of the tourism sector could be tapped more efficiently.

In the case of tourism also, the KER does not provide any estimate of its contribution to GSDP.

Public service

Another component of the service sector is public services. Public services make the state visible to its citizens, often forming the principal tangible link between governments and their people. Public services carry and diffuse the values of the state and citizens. Public services constitute departments like Survey and Land Records, Registration department, Excise department, Police department, and Jails.

Completion of survey process of all land holdings in the state are done by department of survey and land records. Other major works of the department include digitalisation of land survey records, distribution of pattayam (ownership deed of land), forest land survey etc. This department has also the authority on resurvey appeals and land acquisition appeals.

Digitalisation of land records is one of the major works of this department. It digitalises survey records. Existing land records are scanned and kept in digital form.

The Registration department facilitates registration services regarding registration of documents, marriages, firms etc. It has been implementing stage by stage e payment system

The Excise Department is implementing '*Vimukthi*', *inter alia*, to facilitate its transactions and activities. Cases handled by this department include abkari act 1950 (relating to alcohol and beverages) Narcotic Drugs and Psychotropic Substance (NDPS) Act 1958 and Cigarettes and Other Tobacco Products (COTPA) (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act 2003.

Though a plethora of services are offered by the above-mentioned Departments to the citizens, there is no index available to measure the effectiveness of the service delivery. Unless such an index is available, it is difficult to assess the efficacy of the public services and the efficiency of public spending on these services.

The Police Department provides valuable service to the public by maintaining law and order along with crime investigation. Considerable progress has been achieved in e governance in this Department also.

Though a plethora of services are offered by the above-mentioned Departments to the citizens, there is no index available to measure the effectiveness of the service delivery. Unless such an index is available, it is difficult to assess the efficacy of the public services and the efficiency of public spending on these services.

Conclusion

On the whole, the Kerala Economic Review, 2021 as also the previous Reviews, have provided a massive amount of information and analysis useful to young researchers of Kerala economy. It may be pointed out in this context that had other major services such as trade, commerce, real estate, transport and communications and financial services been included in the KER, its value to researchers would have been substantially more. Similarly, there are a number of Surveys by the NSSO on various aspects of services. It would have been helpful, if the KER included a summary of those also. Finally, we wish to point out that like the Indian Economic Survey, Kerala Economic Review, also could include theoretical analysis of the major arguments provided in the document. These observations, however, do not intend to trivialise the substantial benefit it bestows on the research community.

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Performance of education, skilling and employment programmes for SC during 2021-22

U P Anilkumar

The Scheduled Castes (SC) constitutes 9.1 percent of Kerala's population. The Kerala government has been designing and implementing special development projects to empower these people who have been socially marginalised for historical reasons. In comparison to other Indian states, Kerala still follows the five-year planning process and allots the plan fund to the development of Scheduled Castes in proportion to their population as Scheduled Castes Sub Plan.

As a result of the various development processes that occurred in Kerala following independence, it has been possible to make progress in many areas such as education, health, women's empowerment, public distribution, transportation, communication, social security etc and for improving standard of living to the people. Kerala's progress in human resource development has been recognised internationally under the name of the Kerala model of development and Kerala is ranked first in India in the NITI Aayog's 2020-21 Sustainable Development Index (SDI). However, it is a pertinent and self-critical question whether Kerala's SC are progressing at the same rate as Kerala, which has its own social development background that serves as a model for India. The question here is whether a Kerala model development is possible without taking into account the level of development of SC community.

Despite the fact that the central government has abolished the five-year plan system, Kerala continues to follow it. Furthermore, it is the twenty-fifth anniversary of Kerala's successful implementation of decentralised planning since 1997, which serves as a model for the rest of India. As the final year of the Thirteenth Five Year Plan and the twenty-fifth anniversary of the People's Plan, the period 2021-22 merited

It is a pertinent and self-critical question whether Kerala's SC are progressing at the same rate as Kerala, which has its own social development background that serves as a model for India.

The total budget allotted for SC development in 2021–22 was Rs. 2708.54 crore, of which Rs. 1487.39 crore (45%) and Rs. 1221.15 crore (55%) were set aside for programmes carried out through the Scheduled Castes Development Department (SCDD) and local self-governments, respectively.

special attention from the perspective of marginalised groups' development. Furthermore, this is a time when Kerala is introducing a new paradigm called the knowledge economy to the world as the foundation for Kerala's future economic and social growth. In this period, which is rich in experiments and experiences, no one should be left behind in the process of the fulfilment of Kerala's new development concepts. However, it is important to look into the issue of whether Kerala's development achievements have also benefited the SC community independently. In this background, this article analyses SCs' present position in the crucial areas of employment, skilling and education within the framework of the Economic Review Report 2021-22.

Economic Review 2021 discusses the development issues of Scheduled Castes (SC) in Chapter 8-Initiatives for social inclusion. It is divided into three sections: Gender and development, Addressing socio-economic vulnerabilities and Social security measures. The concerns of SC, ST, OBC, Minorities, and Forward communities are covered in the second section. The total budget allotted for SC development in 2021-22 was Rs. 2708.54 crore, of which Rs. 1487.39 crore (45%) and Rs. 1221.15 crore (55%) were set aside for programmes carried out through the Scheduled Castes Development Department (SCDD) and local self-governments, respectively.

Allocation for education, skill and employment

From its total budget, SCDD has set out Rs. 335 crore (22.5%) for the education sector and Rs. 82.50 crore (5.5%) for skill-building and employment-related initiatives. The management of model residential schools received Rs. 15 crore, the educational support programme received Rs. 245 crore, and additional state aid to post-matric students received Rs. 75 crore under the education sector. A total of Rs. 50 crore was allotted for training, employment, and human resource development in the skill and

From its total budget, SCDD has set out Rs. 335 crore (22.5%) for the education sector and Rs. 82.50 crore (5.5%) for skill-building and employment-related initiatives. In the allocation to local self-governments, Rs.242.40 crore has set out to the education sector (16.6 %), and Rs. 8.56 crore to vocational expertisation (0.6 %).

employment sector, and an additional Rs. 32.5 crore was allotted as the state's 40 per cent share of the Deendayal Antodaya Yojana, which is carried out by local self-governments.

Looking at local self-government's allocation, the scheme-wise total allocation to schemes formulated under Special Component Plan (SCP) during 2021-22 comes to Rs.1487.39 crore. Out of this, Rs.242.40 crore was allocated to the education sector (16.6 %), and Rs. 8.56 crore was allocated to vocational expertisation (0.6 %). To employment schemes Rs.31.96 crore was allocated directly for industry, self-employment enterprises, marketing promotion and small businesses (2.2%). However, the

Table 1. Physical targets achieved in education, skill and employment schemes implemented through SCDD during 2021-22

Sl No.	Schemes	No of beneficiaries
1	Lumpsum grant	362936
2	Stipend	12667
3	Education Aid	260471
4	Pre Metric Scholarship 9th & 10th	13462
5	Initial Expenses to those admitted to Engineering /Medical Courses	523
6	Stethoscope	125
7	Laptops	1110
8	Financial Assistance for studying Abroad	117
9	Financial assistance to Musical instruments & costumes	72
10	Education concessions for students studying outside the state	3043
11	Special incentive to students who got higher victory in annual examinations including SSLC to PG and other professional courses	27501
12	Ayyankali scholarship	27501
13	Vision (Medical & Eng. Entrance coaching)	403
14	Book Bank	1640
15	Medical & Engineering Entrance coaching after plus two	271
16	Skill development programme	599
17	Foreign Employment	673
18	Self-employment subsidy	171

Source: Plan space, 2021-22, Physical achievements, SC department

Note: Sl.No 1 to 15 - education, 16 - skill and 17 and 18 - Employment schemes funding allocated to the areas of agriculture, animal husbandry, dairy development, and fisheries, which either directly or indirectly produce jobs, was Rs. 43.54 crore (3 %).

Physical targets achieved by SCDD

Economic Review 2021 only provides information on physical targets up to September 30, 2021, hence Table 1, which shows the physical targets accomplished in the education, skill, and employment sectors throughout 2021-2022, uses data from Plan Space. One of the key areas that SCDD prioritises and where 15 major programmes are in operation is education.

According to the Economic Review data, 362936 students received the lump sum grant in 2021-2022 compared to 544533 students in 2020-2021.

According to the Primary Household Sample Survey 2018, which was carried out by GIFT, 84.1% of SC students have not studied beyond plus two level. Here, an analysis of the physically attained goals more or less supports the aforementioned finding. The comparison of physical targets attained in schemes such as Ayyankali Scholarship (27501), Pre-Matric Scholarship (13462), Laptops (1110), Medical/Engineering Students (523), and Students Studying Abroad (117) demonstrates the gradual fall of SC students in the higher education sector.

The skilling, up-skilling, and reskilling are essential if community members are to get livelihood measures that will assure a decent living. The number of beneficiaries in the skill and employment sectors is only 599 and 844 respectively. The physical targets achieved in these sectors did not meet the needs of the society, given the 49 percent unemployment rate among SC. Out of the allocated sum of Rs. 50 crores in 2020-21, this sector spent Rs. 38 crore (76 %). In 2020-22, the allocation was the same and the expenditure up to September 2021 was Rs.12.60 crore (25.2 %).

Table 2 shows the outlay, expenditure and the number of beneficiaries under self-employment scheme implemented by SCDD during 2021-22.

The district-wise distribution given in Table 2 illustrates two points. The allocation for the self-employment scheme is both inadequate and unevenly distributed. As per the GIFT sample survey 2018, the working age population (15-64) of SC is 73.4 per cent and the deprivation rate is 57.66 per cent (SECC 2011). In this background, the minimal allocation of Rs.36 lakhs as self-employment subsidy cannot make any

The number of beneficiaries in the skill and employment sectors implemented by SCDD is only 599 and 844 respectively. The physical targets achieved in these sectors did not meet the needs of the society, given the 49 percent unemployment rate among SC.

significant impact in reducing unemployment among SC. In addition, two districts each have just one recipient and three districts have no beneficiaries at all.

Overall performance of local self-governments in SC development

Table 3 displays the allocation and expenditure of funding for SC development through various local self-governments in 2020-21. Block panchayats had the highest expenditure rate of all the local bodies at 75.46 percent. The overall expenditure rate of 70 per cent could be improved. In all types of local self-government, the expenditure rates of the schemes for SC were lower than the rate of general sectors. For instance, the general sector expenditure rate in district panchayats is 74 per cent whereas the SC rate was only 63%.

Performance of local self-governments in education, skill and employment for SC

Table 4 lists the allocation and expenditures of the programmes created for SC by local self-governments in the education, skill, and employment sectors. The education sector received the lion's share of the funding among the three

Table 2. Outlay, expenditure and number of persons benefited under self-employment scheme during 2021-22 (Amount in Lakh)

Sl.No.	District	2021-22		
		Outlay	Expenditure (as on 30.09.21)	No. of Persons Benefited
1	Thiruvananthapuram	2.96	2.96	4
2	Kollam	0.00	0.00	0
3	Pathanamthitta	1.87	1.87	3
4	Alappuzha	2.30	2.30	6
5	Kottayam	0.00	0.00	0
6	Idukki	0.66	0.66	0
7	Ernakulam	0.00	0.00	1
8	Thrissur	6.37	6.37	9
9	Palakkad	0.97	0.97	2
10	Malappuram	5.26	5.26	6
11	Kozhikode	2.97	2.97	4
12	Wayanad	1.57	1.57	2
13	Kannur	10.34	10.34	12
14	Kasargod	0.90	0.90	1
	Total	36.16	36.16	50*

Source: SC Development Department, 2021, Appendix 8.2.12, ER 2021

*As per Plan Space data the number of beneficiaries is 171.

Table 3. LSGs - Category wise outlay and expenditure of special component plan for 2020-21 (Rs. in lakhs)

Type of LSGs	Budget Amount	Fund Available	Expenditure	SCP Expenditure %	General Expenditure %
Grama Panchayats	60999.62	81620.11	58981.9	72.26	75.84
Block Panchayats	20333.2	26619.51	20087.8	75.46	78.41
District Panchayats	20333.2	27991.52	17638.14	63.01	73.57
Municipalities	12509.18	17234.6	10906.13	63.28	71.53
Corporation	7939.8	11203.54	7084.2	63.23	66.25
Total	122115	164669.3	114698.2	69.65	73.69

Source: Economic Review 2021, Appendix 12.1.8

Table 4. Allocation and expenditure of education, skill and employment schemes of local self governments during 2021-22 for SC development (in lakhs)

Sl. No	Sector	Allocation	Allocation %	Expenditure	Expenditure %
1	Education	24231.13	74.22	17484.07	72.2
2	Continuing education/literacy	8.93	0.03	5.71	63.9
3	Vocational expertisation	856.36	2.62	290.26	33.9
4	Agriculture	1109.27	3.40	582.19	52.5
5	Animal Husbandry	2792.61	8.55	1817.15	65.1
6	Diary Development	367.3	1.13	280.27	76.3
7	Fisheries	85.69	0.26	17.6	20.5
8	Industry, Self employment entreprises, marketing promotion	2673.68	8.19	820.77	30.7
9	Small businesses	522.85	1.60	92.38	17.7
	Total	32647.82	100.00	21390.4	65.5

Source: Sulekha, Expenditure details 2021-22.
Note: Sl.1-2 Education, 3.Skill and 4 to 9 Employment

Out of the total earmarked amount of Rs.2,708.54 crore in 2020-21, SCDD expended Rs.1,313.37 crore (88.30 %) and Local Governments expended Rs. 1,125.87 crore (92.20 %).

sectors (74.2 %). In the education sector, the expenditure was 72 per cent. Though in continuing education/literacy, the expenditure was 64 per cent, the allocation in this sub-sector was very minimal.

Programs for skill training programmes fall under the category of micro sector vocational expertization, and the expenditure rate was just 34 per cent. The dairy development sector has succeeded well among the employment creation initiatives, with an expenditure rate of 76.3 per cent, followed by animal husbandry (65 %). With alarming expenditure rates of 53 per cent and 21 per cent, respectively, the agriculture and fisheries sectors clearly demonstrate the need for targeted efforts in these sub-sectors for successful implementation. Self-employment and small enterprises, two subsectors that only deal with employment programmes, were carried out in a pitiful way with spending rates of 31per cent and 18 per cent.

Conclusion

Out of the total earmarked amount of Rs.2,708.54 crore in 2020-21, SCDD expended Rs.1,313.37 crore (88.30 %) and Local Governments expended Rs. 1,125.87 crore (92.20 %). The development picture of SC depicted by Economic Review 2021 reveals that though the SCDD and local governments implement several schemes for their educational attainment, skill development and employment, their less representation in the higher education sector and the high unemployment and deprivation rates highlight the need to implement special initiatives to catch up to other forward communities in terms of development.

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(Dr U P Anilkumar is Research Associate,GIFT)

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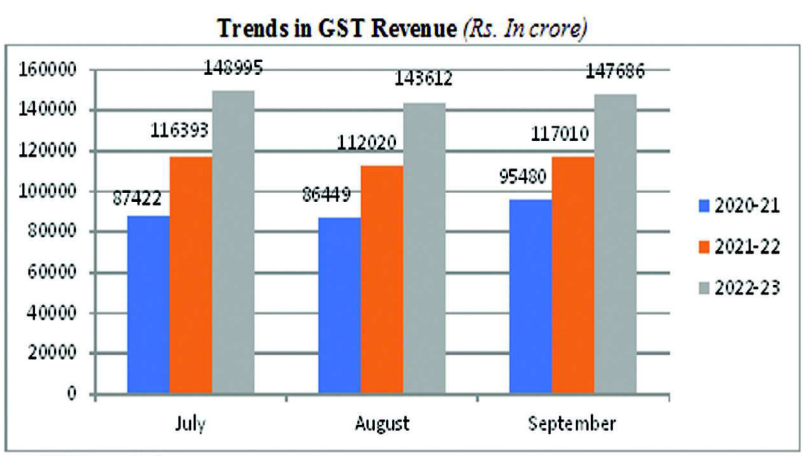
GST updates

Relfi Paul

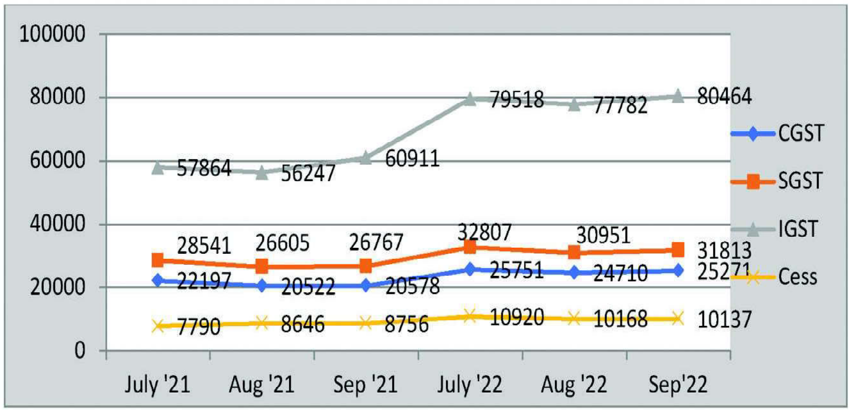
GST Revenue Performance in 2nd Quarter of 2022-23

The gross GST collection for the 2nd quarter of the current fiscal is Rs. 4,40,293 which is Rs. 94,870 crore more compared to the same period of the last year. The monthly gross GST collection was Rs. 1,48,995 in July, Rs.1,43,612 crore in August and Rs. 1,47,686 crore in September, 2022. For seven months in a row, the monthly GST revenues have been more than the Rs. 1.4 lakh crore mark. The growth in GST revenue till September 2022 over the same period last year is 27%, continues to display very high buoyancy. This is a clear impact of various measures taken by the past few GST Council meetings to ensure better compliance. It also shows that the GST portal maintained by GSTN has fully stabilized and is almost glitch free. Also better reporting coupled with economic recovery has been having positive impact on the GST revenues on a consistent basis.



Source: PIB Press Releases

CGST, SGST, IGST & Cess Comparison of 2nd Quarter of FY 2021-22 & 2022-23 *(Rs. In crore)*



Source: Compiled from various PIB Press Releases

When we analyze the CGST, SGST, IGST and Cess collections separately, it shows a significant growth in the 2nd quarter compared to the previous year. Out of the total GST revenue collected in 2nd quarter, ie Rs. 4,40,293 crore of which CGST is Rs.75,732 crore, SGST is Rs.95,571 crore, IGST is Rs. 2,37,764 and Cess is Rs.31,225 crore. In the month of July, the Union Government has settled Rs. 32,365 crore to CGST and Rs. 26,774 crore to SGST from its IGST account. Post this settlement, the total revenue of Centre and the States was Rs. 58,116 crore and Rs. 59,581 crore respectively. It is significant to note that this month, revenues from import of goods has increased to 48% and the revenues from domestic transaction has increased to 22% compared to the same month last year. In August, the Union Government has settled Rs.29,524 crore to CGST and Rs.25,119 crore to SGST. After this regular settlement, the total revenue earned by the Centre and the States was Rs.54,234 crore and Rs.56,070 crore respectively. Similarly in the month of September Union Government has settled Rs. 31,880 crore to CGST and Rs. 27,403 crore to SGST and the Centre received Rs. 57,151 crore and State received Rs. 59,216 crore after settlement.

Trends in SGST collection of major States during 2nd quarter of FY 2021-22 & 2022-23

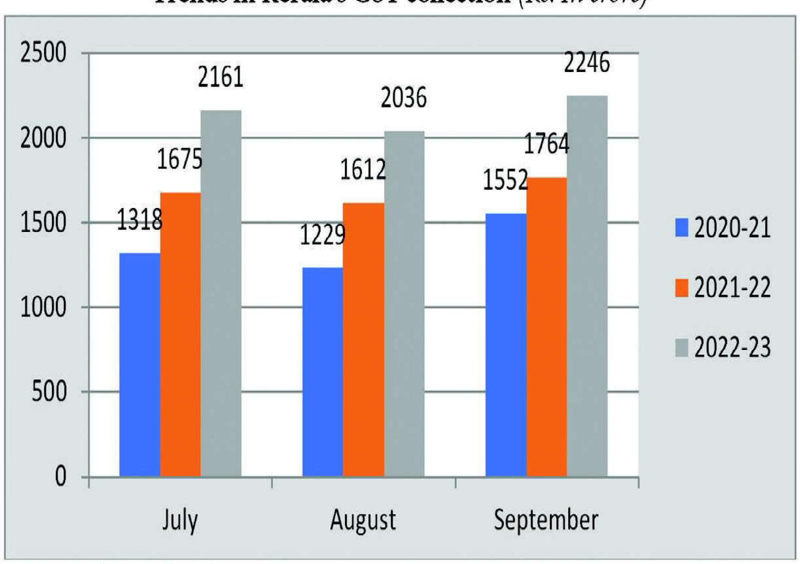
State	2nd Quarter FY 2021-22	2nd Quarter FY 2022-23	Growth Rate (%)
Jammu & Kashmir	1201	1293	7.66
Himachal Pradesh	2051	2167	5.66
Punjab	4,349	5,094	17.13
Uttarakhand	3,326	3,784	13.77
Haryana	16,525	20,966	26.87
Delhi	11,025	13,417	21.70
Rajasthan	9,137	10,319	12.94
Uttar Pradesh	17,649	20,859	18.19
Bihar	3,194	4,001	25.27
Assam	2,809	3,252	15.77
West Bengal	10,919	13,845	26.80
Jharkhand	6,420	7,572	17.94
Odisha	10,258	11,301	10.17
Chattisgarh	7,056	7,406	4.96
Madhya Pradesh	7,424	8,491	14.37
Gujarat	22,965	26,887	17.08
Maharashtra	50,658	62,395	23.17
Karnataka	21,949	29,138	32.72
Goa	907	1,238	36.49
Kerala	5,051	6,443	27.56
Tamil Nadu	21,204	25,472	20.13
Telangana	10,630	12,333	16.02
Andhra Pradesh	7,916	9,714	22.71
Grand Total	259,000	307387	18.68

Source: Compiled from various PIB Press Releases

When we compare the State's performance in the 2nd quarter of this fiscal with the previous financial year, it is clear that all States has indicated significant growth. Goa records the highest growth at 36%, Karnataka and Kerala respectively occupy the second and third positions with 32% and 27% growth rates. States like Haryana, Bihar, West Bengal, Karnataka, Goa, and Kerala have achieved growth above 25% in this 2nd quarter. States like Punjab, Delhi, UP, Assam, Jharkhand, Gujarat, Maharshtra, Tamilnadu, Telangana, Andra Predesh have recorded reasonable growth rate, which is between 15% and 24%. But States like Jammu and Kashmir, Odisha, Chhattisgarh and Himachal Pradesh have seen poor growth. Larger and potential states, such as Rajasthan, Madhya Pradesh, Tamil Nadu, Gujarat and Uttar Pradesh, did not post impressive growth as expected.

Kerala's gross GST collection for 2nd quarter of FY 2022-23 was Rs 6,443 crore which was Rs 1604 crore higher than the same period of previous financial year. According to the available data, the State collected Rs 2,161 crore in July, Rs.2,036 crore in August and Rs.2,246 crore in September 2022. This shows significant growth rate compared to the same period of previous financial year and the third highest in the country after Goa and Karnataka.

Trends in Kerala's GST collection *(Rs. In crore)*



Source: https://keralataxes.gov.in/

Best Practices:
Lucky Bill App to Curb GST Evasion

It is first in India, Kerala has launched an app that aims to curb GST evasion. The app named as 'Lucky Bill App', was launched by Chief Minister on 16th August, 2022. The app asks its users to upload original bills of their purchases to win prizes, including a cash prize of Rs.25 lakh. This intended to curb GST evasion by encouraging the citizen to ask for a bill every-time they make a purchase. To reward them into doing so, the app offers cash prize upto Rs.25 lakh. Apart from cash prizes, the app also offers rewards such as gift packs from Kudumbashree and Vanashree as well as KTDC tour packages. The Chief Minister said in his inaugural address that Rs.5 crore was earmarked in this year's budget for this project. It is significant to note that this move comes at a time when the compensation from the Centre with respect to the GST has ceased with effect from July 1, 2022..

Important Notifications and Circular released in 2nd quarter FY 2022-23

1. Notifications (CT)

Notification 9/2022 dated 05-07-2022: Central Government appoints the 5th July, 2022, as the date on which the provisions of clause (c) of section 110 and section 111of the said Act shall come into force.

Notification 10/2022 dated 05-07-2022: Taxpayers having AATO upto Rs. 2 crores are exempted from furnishing GSTR 9/ 9A for FY 2021-22.

Notification 11/2022 dated 05-07-2022: Due date of CMP 08 for June 2022 quarter is extended from 18th July to 31st July.

Notification 12/2022 dated 05-07-2022: Late fees for delay in filing GSTR-4 for FY 2021-22 shall be waived till 28 July 2022.

Notification 13/2022 dated 05-07-2022: Extension of time limit for issuance of notice w.r.t tax not paid/short paid for FY 2017-18. Exclusion of period of 1st Mar 20 to 28th Feb 22 from timelimit filing of refund application and Order for recovery of erroneous refunds.

Notification 14/2022 dated 05-07-2022: Seeks to make amendments (First Amendment, 2022) CGST rules issued for E-Invoice, Suspension status and more.

Notification 17/2022 - Central Tax, dated 01-08-2022: Notification 17/2022 issued by CBIC which mandates e-invoicing for taxpayers having AATO above Rs. 10 crores in any FY since FY 2017-18 w.e.f 1st Oct, 2022. Earlier the said limit was Rs.20 crores.

Notification 18/2022 - Central Tax, dated 28-09-2022: CBIC has extended the time limit for claiming ITC (including for FY 21-22), issuing CDN, and doing amendments to returns of the previous year till 30th November by notifying clause 100 of the Finance Act 2022 to be effective from 01.10.2022. Prior to this amendment, the last date for availing of ITC of the previous year was the due date for filing GSTR-3B for the month of September which has now been extended to 30th November with effect from 1st October.

Notification 19/2022 - Central Tax, dated 28-09-2022: Seeks to make amendments (Second Amendment, 2022) to the CGST Rules, 2017. Under this, Registration can be suspended by officer, if: a. In case of composition dealer, Return of the financial year not filed beyond 3 months from the due date b. In case of normal tax payer, such period as may be prescribed (earlier continuous period of Six Months)

Notification 20/2022 - Central Tax, dated 28-09-2022: Seeks to rescind Notification No.20/2018 -Ct dated 28th March, 2018

2. Circulars

Circular 170/2022: Mandatory furnishing of correct and proper information of inter-State supplies and ineligible/blocked ITC and reversal thereof in return in GSTR-3B and statement in GSTR-1.

Circular 171/2022: Clarification on issues relating to applicability of demand & penalty in respect of transactions involving fake invoices.

Circular 172/2022: Clarification on various issue pertaining to GST.

Circular 173/2022: Clarification on claiming refund under inverted duty structure where the supplier is supplying goods under the concessional notification.

Circular 174/2022: Circular prescribes the manner of re-credit in electronic credit ledger using PMT-03A.

Circular 175/2022: Circular specifies the manner of filing refund of unutilised ITC on account of export of electricity.

Circular 176/2022: Rule 95A has been omitted, retrospectively w.e.f. 01.07.2019, vide notification No. 14/2022-Central Tax, dated 05.07.2022. Accordingly, the Board hereby withdraws Circular No 106/25/2019-GST dated 29.06.2019

Circular No. 177/2022: CBIC clarifies GST rates & exemptions on 16 services

Circular No. 179/2022: Clarification on GST rates & classification (goods) - 47th GST Council meeting

Circular No. 178/2022: GST on liquidated damages, compensation & penalty out of breach of contract

Circular No. 177/2022: CBIC clarifies GST rates & exemptions on 16 services

Circular No.180/2022: Guidelines for filing/revising TRAN-1/TRAN-2 as per SC order Circular No.180/12/2022-GST 09/09/2022

GULATI INSTITUTE OF FINANCE AND TAXATION

New studies on Kerala

Young Scholars' Forum, GIFT
Led by Ashkar K

Economics

Scopus indexed journals

1. Azad, P., & Sujathan, P. K. (2022). Hazard Analysis of Unemployment Duration of Return Migrants: The Case of Indian State of Kerala. Journal of Quantitative Economics, 1-21. https://doi.org/10.1007/s40953-022-00325-8

Unfavourable conditions in the Middle East countries opened the door for a high influx of Indian migrants to their countries of origin. However, retrofitting them into the domestic economy is a difficult task. Being aware of the duration of unemployment of return migrants and its determinants is crucial for evaluating labour market activities and implementation of policies. This paper fills the gap by examining the factors that determine the duration of unemployment of return migrants in the Indian State of Kerala. By applying Kaplan Meier Survival Function and Cox Proportional hazard regression models, the study finds that of all variables, a strong social network enabled returnees to be reabsorbed into the labour market at home faster. The paper, therefore, makes a strong case for the government for befitting returnees in the labour market.

2. Preethi, V. P., Thorat, V. A., & Dhekale, J. S. (2022). Disparities in Socio-economic Development in Kerala: A Disaggregated Analysis. Economic Affairs, 67(03), 153-159. https://doi.org/10.46852/0424-2513.3.2022.2

The paper examines the level of development of different districts in Kerala with the help of Weighted Mean Development Index (WMDI). It covered all fourteen districts of the state. The level of development was examined separately for population, health, education, transportation and communication, industries, and others including overall socio-economic development using district-level data (2019-20) on forty-five socio-economic indicators including ten major sectors. Findings show that the composite indices of overall socio-economic development ranked Ernakulam first and the least ranked was Pathanamthitta. The level of development in different districts of the state has shown wide disparities. It would be useful to investigate and evaluate the level of development at a lower level, such as Tehsil or block level, to make location-specific recommendations.

3. Anjaly, R. (2022). The Impact of Export Promotion on the Merchandise Export Performance of Small and Medium Enterprises in Kerala. Specialusis Ugdymas, 2(43), 577-585.

Globalization has made it easier for small and medium-sized enterprises (SMEs) to launch worldwide expansion strategies. A growing share of SMEs revenue comes from sales to customers outside of their home country. To expand internationally, it must develop its own set of distinctive, unique, and dynamic competencies in order to acquire competitive strategies that will allow it to compete against other firms, most notably multinational corporations. The global marketplace is becoming increasingly competitive, and consumers throughout the world are demanding higher quality products and services. SMEs often face financial constraints due to a lack of development support and thereby have had less opportunity to learn about and implement cutting-edge ideas and technology. The solution is to become nationally and internationally competitive (Lee et al. 2020).

4. Sathya, P. P., Chalakudy, P. O., & Xavier, S. (2022). Structural Transformation and Food Security in Kerala. NeuroQuantology, 20(6), 7031-7036.

The present article divulges the structural formation and food security in Kerala. Kerala has its own development experience, referred to as Kerala Model of Development,discussing Kerala's stronger social development and the weaker economic development. Kerala is experiencing a slowing rate of growth in income post Covid-19 and has seen structural change in recent years, with the economy shifting from agriculture to the service sector.According to development theories, it is a sign of progress but self-sufficiency in food production is still an unachievable objective in Kerala in spite of the efforts made from policy circles and the farmers. The state of Kerala should awaken to the dawn of self-containment in the production of food which are chemical free and fresh.

0ther journals

1. Kannan, K. P. (2022). Kerala 'Model'of Development Revisited: A Sixty-Year Assessment of Successes and Failures. Centre for Development Studies Working Paper Series 501.

This paper is about revisiting the famed Kerala "Model? of Development.This paper traces the trajectory of high human development that ultimately resulted in high economic growth in terms of two phases of growth, covering a period of six decades from 1960 to 2020. The paper notes the highly skewed nature of the high growth process with a diminishing role for the commodity producing sectors of agriculture and industry. It has adversely affected employment generation to the increasing working age population. This has resulted in the under-utilization of the labour of a significant share of educated women in the working age population. The failure is rooted in the inability of the state to manage public finance as well as public investments.

2. Antony, A. V., Verma, A., Choudhary, U., Sen, B., & Dixit, A. K. (2022). Assessment of clean and safe milk production practices on the profitability of dairy farmers in Kerala.The Pharma Innovation Journal, 11 (10), 811 - 815.

Endogenous switching regression model was used to assess the economic performance of dairy farmers conditional on the adoption status of clean and safe milk production practices from a total sample size of 210 farmers that selected from three districts, Kollam, Thiruvananthapuram and Palakkad of Kerala.Adopter farmers' mean yield raised by 4.72 percent while adopting practices, whereas non-adopter farmers' mean yield raised by 7.34 percent while adopting practices.The study also found that farmers choose dairy cooperatives as a marketing channel under excess in the region.

3. Godly, G. (2022). Gender Digital Divide in Kerala, India - An Exploratory Analysis at Micro - Level. The Online Journal of Distance Education and e-Learning, 10(3), 370 - 375.

The present study examines the existence and extent of the gender digital divide in Kerala, a region in India acclaimed for a unique model of social and economic development. The study found that women who use the internet are more significant than men. Internet penetration among the kudumbasree homemakers is more than the non-kudumbasree homemakers in the panchayat. The micro-level findings that emerged from the study contradict the national and state-level patterns regarding the gender digital divide. The study identified a significant association between socio-demographic variables such as age, gender, education, family size, economic status and internet usage.

4. Jose, L. R. S. S. P., & Manoj, P. K. MSMEs and Sustained National Economic Development: Micro Enterprises for Empowering Tribal Populace in the Knowledge Economy of Kerala, India. Stochastic Modeling & Applications, 20(3), 27-40.

The fast growth in tertiary (services) sector at the cost of fast declining primary (agriculture) sector causes growing imbalance, as the secondary (industry) sector is persistently stagnant - its main constituent being the manufacturing sub-sector. In view of the vital need for scaling up the percentage share of India's industrial sector in the country's GDP, particularly that of the manufacturing sub-sector, small scale enterprises (SSEs) in the country play a key role to bring about balanced and equitable national economic growth. The SSEs are referred to under the broader concept of Micro, Small and Medium Enterprises (MSMEs),after the promulgation of MSME Development Act, 2006 (MSMED 2006). They can create huge equitable employment avenues. Considering the vital role of MSMEs in the industrial revival and equitable economic growth,

Environment

Scopus Indexed Journals

1. Krishnan, G., & Priya, R. S. (2022). Blue Green Infrastructure: A panacea for urban environmental challenges. Case study: Thiruvananthapuram city, Kerala, India. Materials Today: Proceedings. https://doi.org/10.1016/j.matpr.2022.09.562

This paper intends to focus on the management of naturally available resources, specifically water (blue) and vegetation (green) within the region of Thiruvananthapuram, where co-existence, management and economic viability will ensure sustainability of all. Blue-Green Infrastructure (BGI) is an active approach to urban flood resilience that capitalises on the benefits of working with urban green-spaces and naturalised water-flow. The study finds that a new development approach to brown field and green field which offers basic infrastructure, open spaces, sewage and solid waste management is required in emerging cities. BGI at times of disaster acts as a sponge or serves as a spillover space and establishes itself as a point of preservation of locally available flora and fauna.

0ther journals

1. Thekkeyil, A., Joseph, S., Abdurazak, F., Kuriakose, G., Nameer, P. O., & Abhilash, P. C. (2022). Land use change in rapidly developing economies-A case study on land use intensification and land fallowing in Kerala, India. Research Square. https://doi.org/10.21203/rs.3.rs-2164710/v1

The present study addresses how land is being changed along an urbanization gradient in the most agglomerative city in the state, Kochi, during the last one and half decades. The results indicated the presence of two major and divergent trends; the first one is the intensification of land use activities at the rate of 1.37% per annum, primarily driven by urbanization and infrastructure developments, and the second one is the fallowing and abandonment of land (at the rate of 0.21% per annum) driven by the increased cost of cultivation and unexpected changes in meteorological events frequently reported in the recent history of Kerala.

Education

Scopus Indexed Journals

1. Mathew, M. V. (2022). Self-financialisation and the Qualitative Shifts in Engineering Education in Kerala. Economic & Political Weekly, 57(30), 53 - 59.

The self-financed quantitative expansion of engineering education in Kerala since the beginning of the 2000s should not be seen as a logical expansion consistent with demand and supply. Rather it should be primarily seen as qualitative, contributing to a change in the meaning of what engineering education is and has historically been. The qualitative aspect of this expansion is argued from the political economy of engineering education and is deriving from the displacement of functional role attributable to engineering education following the crisis of skills in the new accumulation regime and the new role that engineering education has been playing in the regimentation of the overall field of higher education.

Other journals

1. Anupama, R. (2022). Effect of Hello English Programme of Government of Kerala for Enhancing Communication Skills among Primary School Students. NOLEGEIN-Journal of Advertising and Brand Management, 5(1). Retrieved from https://mbajournals.in/index.php/JoABM/article/view/959

For years, in government and aided schools, the teaching of English has not fully equipped learners to use English accurately in speech and writing. English class at the primary level in Kerala is set to undergo a makeover with Hello English. SSA Kerala (in the academic year 2016-17), in collaboration with SCERT and IT@School, devised a program 'Hello English' to improve the quality of English instruction in the state. As a part of this programme, SSA introduced a teacher training module containing activities under three-chapter heads: (1) Initiating communication, (2) Building teacher talk and (3) Presenting stories interactively. Students in the state's primary schools are the beneficiaries of this program.

Health

Other Journals

1. Dayashankar, M., & Hense, S. (2022). Unintended Effects of Policy Interactions in the Health Sector: A Case of Kerala, India. Indian Journal of Public Administration 0(0), https://doi.org/10.1177/00195561221121035

This study involves a contextual analysis of two health policies with different instrument logics-emergency care and social health insurance programme-for over a decade in Kerala, employing primary and secondary data, government reports, newspaper articles, and published and unpublished literature. The analysis suggests that the competition between policies has led to policies working at crossroads. The findings also highlight that the interaction effects among health policies receive limited attention among researchers and practitioners. These findings are relevant to countries of similar economies undergoing New Public Management reforms leading to the weakening of the public system in dealing with health functions such as emergency care.

2. Thomas, M. B., Gopinathan, S., & Jose, J. (2022). Changes in life expectancy in Sri Lanka and Kerala: An analysis of its patterns and causes. Indian Journal of Gerontology, 36(3), 398-416.

This study investigates the trends in life expectancy by analysing the contributions of age groups and causes of death on changing life expectancies from 1970-to 2019, in Sri Lanka and Kerala. Using the methodology proposed by (Olshansky and Ault, 1986), the Temporary Life Expectancy (TLE) was estimated and decomposition of life expectancy by age and causes of death was carried out. The TLE values show that further potential gain to life expectancy increments in Sri Lanka and Kerala is in the older ages while the decomposition analysis indicates that the contribution of older ages to life expectancy was minimal.

Banking and Finance

Scopus indexed journals

1. Sunil, S., & Durgalashmi, C. V. (2022). A Study on Consumers' Awareness, Perception and Attitude towards Green Banking with Special Reference to Sbi in Southern Kerala. Journal of Pharmaceutical Negative Results, 13(3), 400-407.https://doi.org/10.47750/pnr.2022.13.S03.066

The study is to check the customers' perception towards green banking and to know whether the customers have knowledge about Green banking practices offered and implemented by the bank. The study has analyzed the factors that influenced customers in adopting green banking and their level of satisfaction. Indian banking companies as a developing country with limited social and environmental awareness among the general public, experience a lot of hurdles in becoming green and environmentally friendly. The study therefore offers some recommendations for improving green banking practices by combining findings from many studies and increasing the awareness about green banking among the customers.

Other journals

1. Antony, A. (2022). Investor Biases and Their Discriminating Power Among the Risk Takers - A Case Study From Kerala. Journal of Commerce & Accounting Research, 11(3), 26 - 33.

This study identifies the behavioral biases affecting the investment decision making of an investor. The study was conducted among the salaried group of Kerala who has been invested/ investing in the stock market. The study focused on two dimensions (a) the behavioural characteristics of the investors (b) the discriminatory effect of behavioural biases among the risk tolerance level of the investors. From the analysis, it was found that regret aversion and herd behavior have a high influential effect on investor decision making.

Agriculture

Scopus indexed journals

1. Aswathy, S., & Kumar, S. (2022). Women Farmers in Kerala, India and the Gendered Division of Labour. Intersections: Gender and Sexuality in Asia and the Pacific, 47.

Agriculture is one of the largest employment sectors in India. As per the 2011 census, of the 72.3 per cent of people engaged in agriculture, the total number of female workers is 149.8 million. Of all workers in India, 24.64 per cent are cultivators of which 24.92 per cent are male and 24.01 per cent female. Of all persons, 29.96 per cent are agricultural labourers, of which 18.56 per cent are male and 55.21 per cent are female.[1] Out of a total 149.8 million female workers, 35.9 million women are cultivators and another 61.7 million are agricultural labourers. The gender disparity is quite apparent in this data wherein there are more women working as agricultural labourers than as cultivators. The data leaves out the work that women do as unpaid family work within the agricultural sector

History and Culture

Books

1. Parvathy, V., & Das, P. K. (2022). Preservation of the Cultural Heritage of Kerala Through Digitalisation. In Mishra, D., & R. S, Sasmita (Eds.), Digitalization of Culture Through Technology, 150-153. Routledge

The paper focuses on the lone poet laureate of Malayalam, Vallathol Narayana Menon, and his contribution to the cultural regeneration of Kerala. The poet established "Kerala Kalamandalam", a deemed university, in 1930, dedicated solely for the teaching and development of Kerala's fine arts. Recently, "Kerala Kalamandalam" has felt the need for digitalisation for promoting dance forms through internet and social media. Digitalisation has made both nourishing and marketing of these art forms easier due to a larger number of audience owing to the global outreach. The paper expatiates on the journey of "Kerala Kalamandalam", making a steady and significant impact in the cultural horizon of Kerala and branching out making a place for Kerala's fine arts not just in India but even abroad.

Sociology

Scopus indexed journals

1.Akhila, P. (2022). Voices and Perspectives of Dalit Elected Women Representatives in Local Governance and Politics in Kerala, India. Contemporary Voice of Dalit, https://doi.org/10.1177/2455328X221116025

This article explores how gender socialization as women along with other intersecting identities influence the perspectives of Dalit Elected Women Representatives (EWRs) on power relations in the political space of Kerala. The purpose of the article is to understand the perspectives of Dalit EWRs on power relations in local governance, which reveal the barriers, their interest and aspirations in local governance and politics. The perspectives are elicited through detailed interviews of EWRs for two time periods. The study finds that EWRs participation in local electoral politics and the extent to gain space for decision-making would depend on their ability to overcome barriers to their representation and acceptance in decision-making fora. They also faced caste discrimination and allegations of favouritism in the governance.

Other journals

1. Binoy, A. (2022). Colonial Modernity and Social Reforms: Mobilisation of Lower Caste Communities in Kerala. Journal of Polity and Society, 14(1). Retrieved from https://journalspoliticalscience.com/index.php/i/article/view/15

The caste reform movement in Kerala had implications for Dalit culture and identity. These movements almost tried to Brahmanise the lower caste community to claim status in the highly caste-ridden Kerala society. The reform movements in Kerala tried to achieve upward mobility; vegetarianism and purity were significant articulations among them. People have articulated the reform as a 'renaissance'. Kerala's entire social reform movements mobilised the lower caste into Hinduism that they had never experienced.

Industry

Scopus indexed journals

1. Nair, A. M., Ponnachan, N., & Das, D. (2022). Entrepreneurship Promotion and Progress in Kerala, Through Kerala Start-Up Mission'. Specialusis Ugdymas, 1(43), 6364-6367.

The present study is an attempt to assess the role of start-ups in entrepreneurial development in Kerala State. The Kerala start-up mission (ksum) is an agency of Infosys and Wipro.

Other journals

1. George, R., & Siddique, A. M. A Methodical Study on Rationale to Green Initiatives of IT Companies at Technopark, Kerala.Journal of Critical Reviews, 7(19), 10173 - 10178.

Prakruthi, a green campus club in the Technopark announced that around 30,000 seedlings of vegetables have been distributed to 670 techies. In addition to this, with a first-of-its-kind integrated and decentralised waste treatment facility, Technopark is going green. Technopark companies are perceived as being environmentally conscious and aim to build a vision of treatment. Technopark's businesses have demonstrated that renewable energy sources minimise energy demand and lower electricity bills. The most important rationale for the Green Initiatives of IT companies at Technopark, Kerala is owing to the Competitive Aspects, Profitability Aspects, Client Requirement Aspect, Legal and Regulatory Aspects, CSR Aspects. There is a difference in the Intrinsic and Extrinsic Aspects of Green Initiatives of IT companies at Technopark.

■

What is new(s) from GIFT

A. Webinars

1.Lecture's on Kerala's Development Experience held on July 25, 2022 by Prof T M Thomas Isaac.

On the occasion of Golden Jubilee Celebrations of Sri Achutha Menon Government College Trissur, GIFT jointly organised with Sri Achutha Menon College, Trissur, a lecture programme on Kerala's Development Experience on 25th July , 2022 at Sri Achutha Menon Government College, Trissur. Three lectures (1) Redistributive Development Strategy and Outcomes, (2)The Development Crisis and the New Challenges and (3) Towards a Development Strategy for New Kerala were included in the programme. The lectures were delivered by Prof T M Thomas Isaac, Distinguished fellow, GIFT and former Finance Minister, Government of Kerala for post graduate students in Economics.

The lectures were based on the recent book "Kerala- Another Possible World" by Prof T M Thomas Isaac. Dr Ramya R , Sri Achutha Menon Government College ,Trissur delivered the welcome address. Dr Shyjan D, Associate Professor (on Deputation),Dr John Mathai Centre, University of Calicut, Dr C C Babu , Former Controller of Examinations, University of Calicut and Deputy Director and Dr Chacko Jose P, Principal, St Aloysious College, Trissur chaired the three sessions respectively. Prof K J Joseph, Director , GIFT spoke on the occasion. Dr Renjitha Rajeev, Assistant Professor, Sri C Achutha Menon Government College proposed vote of thanks.

2.Webinar Series -Urban River Restoration and Urban Water Management: Tale of Six cities, August 19, 2022by Prof Srikumar Chattopadhyay, ICSSR National Fellow, GIFT.

Prof KJ Joseph (Director GIFT) welcomed the participants. Prof TM Thomas Isaac, Former Finance Minister of Kerala and Distinguished Fellow, GIFT chaired the session and shared his reflections on the book.Dr Kiran kumar, Assistant Professor, GIFT proposed the vote of thanks.

Abstract: Urban river restoration is an emerging challenge across the world. Rivers which used to be part of the physical and cultural landscape of cities are now ecologically dysfunctional and under severe stress, hydrologically and hydrographically. Fluvial landscape is losing its territory under urban growth. Urban river restoration in 20th century was mostly to manage water quality for disease control and flood protection through appropriate technological interventions. The scope has further expanded in 21st Century to cover river health and other related issues with the thrust to integrate river restoration with urban water

management, involvement of people and use structural and non-structural measures.

In India, urban river restoration is still in the project planning stage barring few examples, although sewage and waste water treatment were part of city water management since 1950s. Central Pollution Control Board has identified 317 river stretches spreading over 659 towns in the country as polluted under various categories of priority. The present study covers six cities in India, namely, Ahmedabad, Alappuzha, Madurai, Nagpur, Pune and Thiruvananthapuram. Only Ahmedabad has executed the river front development project, however it is engineering structure and appropriation of fluvial landscape. In case of Alappuzha, the programme is in the initial stage with thrust on people's participation and decentralisation. There are successful intervention in decentralised waste management, survey of canals and creation of sample wetland as part of river rejuvenation programme. In case of all other cities, restoration programme is in the planning stage.

What emerged from this study is that the river restoration has not drawn the required attention of urban planners and yet to form a part of urban water management. One of the underlying reasons may be dependence of cities on water sources at distant, rural hinterlands, which may result in rural urban water dispute. It is suggested that all urban water management issues-green water, blue water and grey water management should be considered together and an integrated urban water management plan may be evolved.

3.Orientation for the Fourth batch of PhD Programme in Social Science from 22 August 2022 to 28 August 2022.

Admission for the full-time PhD Programme in Social science was completed in July. A total of nine students joined the programme for its fourth batch. The Institute welcomed new PhD Scholars with an Orientation Programme where scholars of eminence from India and abroad interacted with the new scholars, shared their experiences and reflected on the process involved in the making of a scholar.

Shri K N Balagopal, Hon'ble Finance Minister and Chairman, GIFT inaugurated the orientation programme. Shri K M Chandrasekhar, former Cabinet Secretary, Government of India and former Vice Chairman, Kerala State Planning Board was the Chief guest. The book "Kerala: Another possible world" written by Prof Thomas Isaac was released in the function. Prof A V Jose, former Director and Honorary Fellow, GIFT chaired the session. Prof Thomas Isaac addressed the new batch of PhD students and also responded to the audience about the book. The eminent scholars interacted with our new batch of PhD scholars included Prof. Ravi Raman, Member, Kerala State Planning Board; Prof. R Nagaraj, former Prof. Indira Gandhi Institute of Development Research (IGIDR) and Visiting Professor, Centre for Development Studies (CDS), Prof. Pinaki Chakraborty, former Director, NIPFP, Prof. Jeemol Unni, former Director, IRMA and Prof. Ahmedabad University, Prof. Pulin Nayak, former Director, Delhi School of Economics (DSE) and Prof. Thankom Arun, Professor, University of Essex. Prof K J Joseph, Director , GIFT made the welcome address. Dr Parma Chakravartti, Assisant Professor , GIFT proposed vote of thanks.

4. Release of the book "Studies in Indian Public Finance" and honoring the author Prof M Govinda Rao.

The event was chaired by Prof TM Thomas Isaac, Former Finance Minister of Kerala and Distinguished Fellow, GIFT. The panelists included; Prof. D K Srivatsava, Honorary Professor Madras School of Economics, **22 September 2022.** ctor NIPFP, Prof Pinaki Chakraborty, Former Director NIPFP, Prof. D Narayana, Former Director GIFT, Prof. N R Bhanumurthy, Vice-chancellor BASE university, Prof K R Shanmugham, Director MSE and Prof. Lekha Chakraborty NIPFP. Panelists reflected on the book and shared their personal experiences with Prof Rao. Prof Govinda Rao responded to the feedback from the panelists. Prof K J Joseph, Director, GIFT delivered the welcome address. Dr Kiran Kumar , Assistant Professor, GIFT proposed the vote of thanks.

5.Webinar on Institutional and technological pathways for sustainable development held on 22 September 2022. Mr Nikas Scheidt, Chair, Economic Policy Karlruhe Institute of Technology (KIT), Germany delivered the lecture and Prof KJ Joseph (Director GIFT) chaired the event . Dr Kiran Kumar, Assistant Professor made the welcome address. Dr Anoop S Kumar , Assistant Professor, GIFT proposed the vote of thanks.

Abstract: Mitigating growth-induced environmental emissions may be one of the most important challenges for the global community today. Two of the most important forces most in this challenge are institutions that are geared towards environmental goals and the development of green technologies. This seminar addresses the role of both factors, taking a macro-level perspective in assessing their impact on the transformation of countries towards a green economy. The seminar is split into three parts: The first part examines the general relationship between economic growth and environmental emissions, re-assessing one of the most well-known theories on this relationship, the Environmental Kuznets Curve. The second part then discusses the effects of international environmental cooperation and renewable energy technology development in curbing climate change. The third part concludes with a discussion on the measurements of green technology development, focusing on the role and identification of renewable energy trademarks.

B. Teaching and Training programmes

1. Post Graduate Diploma in GST (PGDGST)

60 hours of Training programme for the Fifth batch of PGDGST students were completed till the month of September 2022.Online examination result was published during the month of August 2022 for the fourth batch of students . Soft Copies of Training Certifcates and Marklists were prepared. Dr N Ramalingam, Smt Jenny Thekkara and Smt Anitha Kumary L, Associate Professors, GIFT are handling the sessions..

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

2. PhD programme

Update from the first batch, 2018

Some of the first batch scholars contributed research articles to *Kerala Economy*, which drawing from their ongoing PhD dissertation.

Update from the second batch, 2020

Second batch PhD scholars, in collaboration with GIFT faculty members, contributed research articles to the Kerala Economy, which are culled from their ongoing PhD dissertation.

Update from third batch, 2021

All PhD scholars of the third batch presented their research proposals at the Institute.

Indhu T.R., the second-year PhD. Scholar has presented a paper titled "National Education Policy 2020 - Impact On Higher Education Based On Theoretical Analysis" in an international seminar on "India on the pedestal of 75th year of Liberty: Planning a Better Future - Problems and Prospectus" organized by the Association of Third World Studies-South Asia Chapter(ATWS-SAC) in collaboration with the Department of History, School of Social Sciences & Centre for Gandhian Studies, University of Kerala. Karyavattom, Trivandrum on 23rd July 2022.

Update from fourth batch, 2022

The scholars started their coursework in August 2022. As a part of the coursework, the scholars belong to Commerce and Economics disciplines; they attended the foundation course which is aimed at providing necessary knowledge on mathematical economics and exposure to data and research methods. This will enable them to appreciate better the rigorous core coursework later.

Course Coordinators Dr Parma Chakravortti and Dr Santosh Kumar Dash

3. RCBP programme

After successfully completing the first two batches of Research Capacity Building Program (RCBP), GIFT has announced the third batch of RCBP for the academic year 2022-23. Unlike the previous year, the program is scheduled for 60 hours with hybrid (online and offline) mode of delivery and the program curriculum has been revised to facilitate an effective and integrated interactive learning platform for research capacity building of scholars. A nationwide advertisement for the third iteration of the program was placed in leading newspapers in July with a deadline of September 10. More than 70 applications were received for the program. RCBP committee scrutinized the eligibility criteria of the applicants and admitted 65 candidates to the programme. The committee observed that the batch is very diverse with postgraduates in 11 disciplines from 18 universities. The Director Prof. K.J. Joseph inaugurated the program on September 17, 2022 by welcoming the participants. Prof. Vijayamohanan Pillai, Honorary Fellow GIFT and Principal Course Instructor of the program, started the class on the same day. Five lectures were held in September 2022 under various themes including Historical Perspective of Social Science Research, Scientific Experiments in Social Science Research, Research Pyramid, Research Model and Methodology, Theoretical Framework and Conceptual Framework. Additionally, the RCBP team has created an exclusive Zoom link and Google Classroom platform to coordinate synchronous and asynchronous sessions.

Course Coordinator: Dr P S Renjith

4.Training on GST for the State SGST Officials

GIFT facilitated the GST Training programme for the Officials of State GST Department on 2,3 and 4th of August 2022. Shri K N Balagopal, Hon'ble Finance Minister and Chairman, GIFT inaugurated the programme Shri Abraham Ren , IRS, Special Commissioner, SGST coordinated the programme. Shri Rathan Kelkar, IAS, Commissioner, SGST Department , Additional commissioners were presented in the function. Prof K J Joseph, Director, GIFT addressed the officials . Dr Ramalingam, Smt Anitha Kumary L, GIFT faculty members were also the resource persons. Junior faculty members of GIFT interacted with the officials and shared their research experience on GST.

C.Publications

1. Kerala Tax Reporter (KTR)

June,July and August issues of KTR published Online and offline.

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

2.Innovation and Development

A Routledge journal from GIFT, Volume 12, No. 2 (2022) published, Editor in Chief, K J Joseph.

www.tandfonline.com/toc/riad20/current

List of articles in the current issue.

1. Abdi Yuya Ahmad, Charity Osei-Amponsah & Kassahun Yimer Kebede, Introduction to a special issue on 'Building innovation capabilities for sustainable industrialization in Africa: status and prospects' ((2022), https://doi.org/10.1080/2157930X.2021.1928988

The special issue of Innovation and Development on 'Building innovation capabilities for sustainable industrialization in Africa?…?', presents a series of articles on building local technological capabilities and their implications for formulating and implementing policies in Africa's industrialization agenda. Despite the high potential of Africa in advancing its industrialization mainly in resource-intensive sectors, progress remains low. Empirical evidence on the reasons for this problem is inadequate and patchy. Articles in this special issue address the gaps by delving into empirical issues ranging from sector-specific innovation capabilities to national systems of innovation. Based on first-hand data collected from South Africa, Ethiopia, Ghana, Nigeria, Kenya, and Rwanda, the articles unravelled key structural and systemic problems behind Africa's dismal progress in developing technological and industrial capabilities. Together, these articles advance our understanding of how to improve the effectiveness of innovations, industrial policies, and coordination for inclusive and sustainable industrialization.

2. Thomas Hebo Larsen & Ulrich Elmer Hansen, Sustainable industrialization in Africa: the localization of wind-turbine component production in South Africa, (2022), https://doi.org/10.1080/2157930X.2020.1720937

The increasing investment in renewable energy (RE) in Africa has been accompanied by the establishment of a number of local RE component-manufacturing facilities across various African countries. The local manufacture of RE components presents an interesting opportunity for achieving sustainable industrialization in Africa. However, limited research has been devoted to analysing the factors enabling and impeding the localization of RE component production. In this paper, we analyse the determinant conditions for the localization of wind-turbine component production in South Africa in order to improve the understanding of the opportunities and challenges involved in achieving sustainable industrialization on the continent. Specifically, we explore the role of governance structures in the global value chain (GVC) pertaining to specific components in shaping national policy efforts to encourage the industry's localization. We find that the local production of wind-turbine towers has generally made most progress compared to the localization of blade and nacelle production. Further, we find that the GVC's governance structures may contribute both to impeding and to further accelerating the effect of adopted policies on the industry's localization. The paper concludes by highlighting the significance of the state in promoting local RE manufacturing industries to help achieve sustainable industrialization in Africa.

3. Cecilia Theresa Trischler Gregersen, Local learning and capability building through technology transfer: experiences from the Lake Turkana Wind Power project in Kenya (2022), https://doi.org/10.1080/2157930X.2020.1858612

This paper contributes to the ongoing debate in innovation and development studies on renewable energy projects and their contributions to sustainable industrialization through the accumulation of innovation capabilities. Based on a case study of a large wind power project in Kenya, this research explores technology transfer and interactive learning processes to accumulate local capabilities. The study emphasizes the multiplicity of actors involved in complex infrastructure projects and explores the nature of their relationships and interactions through the research question: What are the opportunities and limitations for local learning and capability building through technology transfer in large renewable energy infrastructure projects? Identifying interactions across multiple phases of the Lake Turkana Wind Power project, the results show that multiple loops of interactions foster better local-learning opportunities. Wider project learning and learning for sustainable industrialization require deliberate investments to build collective capabilities.

4. Maj Munch Andersen, Erick Ogallo & Lourenço Galvão Diniz Faria, Green economic change in Africa - green and circular innovation trends, conditions and dynamics in Kenyan companies, (2022), https://doi.org/10.1080/2157930X.2021.1876586

African countries seek to intensify their industrialization while also increasingly pursuing green growth and, more recently, circular economy strategies. The competitive implications of this are, however, little researched empirically. We seek to investigate how African countries, examplified in this paper by Kenya, are experiencing a green and circular structural change of their economies. On the basis of early findings from a survey among 27 mixed manufacturing companies in Ruaraka industrial area in Nairobi, we highlight green and circular innovation trends, conditions and dynamics for different types of industries and firms (size). We apply a strong business perspective in framing the questions. We conclude that the companies are reaching a moderate stage of greening,although with a high degree of variability. Circular innovations are relatively widespread and ensuring resource supply seems to be a more important incentive than cutting costs. There seems overall to be quite strong business incentives to go circular among Kenyan companies, although these incentives are not necessarily realized by the companies, a factor that could be utilized in policymaking. We suggest a strong business-oriented survey methodology as a way forward to expand insights into the greening of industries in Africa and similar economies.

5. Charity Osei-Amponsah, Innovation capabilities and learning mechanisms: insights from Ghanaian fresh fruit processing enterprises (2022), https://doi.org/10.1080/2157930X.2020.1845481

Strengthening the capabilities of agro-processing enterprises to be innovative and competitive has been a long-term industrial development challenge. This is mainly because, there is limited empirical insight on the ability of the enterprises to assimilate and use knowledge to create innovations. The effectiveness of policy in supporting capability building is also often contested. This paper employs a multi-case qualitative research approach to understand innovation capability building processes. It argues that learning mechanisms required differ with agro-enterprise size. Findings reveal the acquisition of knowledge in the micro- and small enterprises is embedded in learning-by-doing and informal mechanisms that require context-specific development interventions. Therefore, knowledge supply organizations must understand these peculiarities to support these enterprises with 'easy-to-understand-and-use' technologies and practical managerial information. Policy-makers need to formulate and implement strategies that can effectively facilitate partnerships, technology development and transfer within an enabling industrial policy environment, for enhanced capability building and a competitive industrial sector.

6. Abdi Yuya Ahmad, Unlocking the potentials of Micro and Small Enterprises (MSEs) in building local technological capabilities in agro-processing industry, (2022), https://doi.org/10.1080/2157930X.2020.1836460

This research was aimed at feeding into the quest for ways that would help advance Africa's effort to industrialize its economy. Empirical evidence suggests transforming the agro-industry and inserting MSEs into value chains is the most feasible strategy. Inspired by arguments against global value chains (GVCs) orientation of Africa's industrialization strategies, this research investigated the link between local production and technological capability in Africa using indicators from various international databases and cross-country quantitative analyses. The research also undertook an in-depth qualitative investigation on Ethiopia's edible oil industry as an important case capable of shedding some light on problems linked to Africa's agro-processing with a special focus on local production system and technological capability. The finding revealed strong positive linkages between local value chains and technological/innovation capabilities in Africa. Structural constraints, under-developed supply chains, and poor implementation and coordination of policies have limited Africa's capability to harness potentials inherent in the agro-processing sector.

7. Ann N. Kingiri, Exploring innovation capabilities build up in the deployment of crop biotechnology innovation in Kenya, (2022), https://doi.org/10.1080/2157930X.2021.1884934

Agro-biotechnology deployment has been very slow in Africa, yet it has potential for enhancing sustainable development and industrialization. This paper attempts to understand the underlying factors that characterize the new technologies' deployment process. It takes buildup of innovation capabilities as the point of interrogation considering that very few products have received regulatory approval for large-scale commercialization in Africa. It uses Kenya's agro-biotech innovation system as a case study. The study finds that creating and accumulating innovation capabilities is much broader than research and development (R & D) capability and entails institutional capabilities that are needed to enhance biotech innovation that may lead to a sustainable industrialization.

8. Nazeem Mustapha, Il-haam Petersen, Oluseye Jegede, Isabel Bortagaray & Glenda Kruss, Measurement of innovation in the informal sector in Africa: the importance to industrial policy, (2022), https://doi.org/10.1080/2157930X.2021.1887614

Innovation is key to industrialization in Africa and must be aligned with industrial policy. A challenge for African countries is to design and implement innovation and industrial policies that take into account the unique structural nature of African economies, in which the informal sector is prevalent. This paper argues that a measurement programme focused on innovation in the context of local economic development is imperative for setting industrial and innovation policy in Africa. Policies tend to speak and respond to those phenomena that have been subjected to measurement programmes. Is there space for designing new measures of innovation in Africa that include the informal sector? We propose a novel methodology and framework for measuring informal sector innovation, based on a local innovation and production systems approach. We end the paper with a proposal for using the evidence gathered from this methodology and a continental strategy that lends itself to direct policy intervention that has local economic development and upgrading of value chains as a goal.

3. Weekly update on Finance, Taxation and the Indian Economy

This is an attempt by the Young Scholar' Forum in GIFT, led by Smt. Shency Mathew to update on important developments on Finance, Taxation and the Indian economy. Latest issue: 24-30 September 2022.

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

D. Faculty Publications

Media articles

Taking stock of five years of GST, The Hindu, July 7, 2022, (Santhosh Dash and Anoop S Kumar).

The five-day work week might be fading away, The Hindu, July 19, 2022, (Santosh Dash and Sidharth R).

Easing of windfall tax, a breather for oil firms, Hindu BusinessLine, July 29, 2022 (Santosh Dash and Sidharth R).

The consequences of declining fertility are many, The Hindu, September 17, 2022, (Santosh Dash and Sidharth R).

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Gulati Institute of Finance and Taxation (GIFT), formerly Centre for Taxation Studies (CTS), was conceived as a premier national Institute to promote theoretically grounded and empirically based research within an interdisciplinary perspective to aid policy making at the national and sub-national level. Recognized by the Indian Council of Social Science Research (ICSSR) and affiliated to Cochin University of Science and Technology, GIFT offers a Ph D programme in Social Sciences backed by a rigorous coursework focusing on Public Economics. It also conducts two programmes: Post Graduate Diploma in Goods and Service Taxation (PGD-GST) and Research Capacity Building Programme (RCBP). It undertakes training programmes for capacity building of different stakeholders, including Government officials. GIFT has two publications: Kerala Economy (Quarterly) and Kerala Tax Reporter (Monthly).

The Governing Body and Executive Committee of GIFT consist of scholars of eminence and senior administrators representing both the Central and the State Governments. Shri K. N. Balagopal, Minister of Finance, Government of Kerala, is the Chairperson of the Institute.

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