

Patrick Heller

Brown University, Director, Development Research Programme at the Watson Institute of International Studies and Public Affairs

I have been learning from Kerala and, in particular, learning from Professor and now Minister, Thomas Isaac, for almost three decades. So, it's an absolute honour and privilege to be here. I will take the opportunity to comment on the budget and maybe locate it in a larger context.

So, let me begin with a brief comment about the literature on accelerated economic transformation. That literature focused on developmental state. But today we're talking about a very different kind of a developmental state, that is, the 21st century developmental state which is geared not so much to promoting industry, but rather services and a knowledge economy. In thinking about the 21st century developmental state, I think there are four features of success that we have to underscore, all of which are present in the Minister's budget speech.

The first is having and articulating a specific vision and associated projects grounded in local history and politics. The budget does just that by specifically framing the idea of developing a knowledge economy as an extension of Kerala's overarching democratic project. Second is having the actual state capacity to get the job done. By state capacity I don't just mean the conventional focus on bureaucratic and technical capacity, but also the ability to coordinate across governmental agencies and in particular coordinate across levels of government especially local governments. Third is a focus on expanding human capabilities -both for their intrinsic value of sustaining human freedom and their instrumental value for supporting development. Fourthly, we need states that are not just democratic, but that are deeply embedded in civil society. And by civil society, I do not just mean movements and associations, but also autonomous institutions of knowledge production, most importantly

universities. So, let me just make three substantive points along these lines, and then finish with a comment about universities in particular.

In many respects, Kerala is the prototype of the 21st century developmental state. It is building on its extraordinary achievements in welfare and capability enhancement, but also in deepening governance and specifically by deepening democracy and empowering local governments. There is now an abundance of comparative and historical evidence to suggest that the key to promoting more inclusive forms of economic dynamism is local government.

The second point, again, building on the successes of Kerala's long-term investment in welfare and capability-enhancement is precisely finding new ways to leverage those investments. The two fastest growing sectors in the world are education and health. They are labour intensive, especially as the nature of care itself intensifies and education specializes. There are extraordinary opportunities here to build on those welfare state investments. But I think the key here - given the tendencies towards precarity and fragmentation of the labour force and the growth of the gig economy - is ensuring that there is security for workers in these new highly flexible work arrangements.

Let me then quickly turn to higher education, which is of course the new thrust of the Minister's budget speech, and here I just want to make two points. First the budget speech, of course, is about broad-based commitments. Next comes the actual detailed programs and the devil is always in the details. And I think one of the details that really need to be thought through carefully is the question to the autonomy of institutions of higher education and there's reference to this in the budget speech. But for those of us who've experienced working in universities in the United States and Europe, we all know that one of our institutional advantages is the extraordinary autonomy that we have as faculty and as researchers. And I think that's not always been the case in India. Preserving autonomy from market forces, but also from the state itself is essential to attracting the best and creating environments of innovation.

And then let me make my final point that goes to the information economy, but also the particular role that higher education will play in supporting that economy. In an environment of scarce resources, there's a tendency in the debate on the new economy to emphasize technology and innovation and in doing so to prioritize STEM (science, technology, engineering and mathematics) disciplines at the expense of other disciplines. But the knowledge economy is not just about technology and innovation. It's also about creativity and

in particular understanding how the digital interfaces with the social. Creativity today is rooted - more than ever - in culture. And I think it's absolutely essential to invest in cultural capital, to invest in pedagogical models that are interdisciplinary and that ground hard knowledge or technical knowledge in the social and cultural fields.

Let me finish by observing that given Kerala's long-standing history and success as a people-centric model of development, it is uniquely positioned to build a knowledge economy, but not just any knowledge economy, but rather a knowledge economy that would be more cosmopolitan, more pluralistic, more inclusive, and more deeply rooted in a very creative culture. Thank you. And again, it's a true honour and privilege to be part of this conversation.