

## **What is new(s) from GIFT**

### **1. GIFT webinar series**

#### **A. Webinar**

##### **1. Four years of GST: Online Interactive Session with Stakeholders, held on 04.08.2021**

As part for the completion of four years of GST, GIFT has organized an online interactive session with stakeholders on 4th August 2021. Shri K N Balagopal, Hon'ble Finance Minister of Kerala, inaugurated the stake holders meet. The meeting, chaired by Dr Thomas Isaac, Former Finance Minister, had the presence of all the senior officials in the Finance and Taxation Department like Shri R K Singh IAS, Additional Chief Secretary Finance, Dr Sharmila Mary Joseph IAS, Secretary, Taxes, Shri Giridhar G Pai IRS, Commissioner, CGST, Dr Rathan U Kelkar IAS, Commissioner, SGST Department and Dr S Karthikeyan IAS, Special Commissioner, SGST Department. During the day long consultation, the stakeholders representing all sectors of the Kerala economy and tax professionals highlighted varied issues relating to GST that affected producers, traders and service providers. Based on the outcome of the consultation, a detailed report has been prepared and submitted to the State Government. It is our hope that the report will be of use for those who are concerned about resolving the issues.

#### **B. Public Lecture series: Kerala Economy in Transition**

##### **1. Lecture No.7 -(GIFT and KEA) 'Kerala and Democratic Government'**

Prof. Olle Tornquist, Politics and Development, University of Oslo has presented a lecture in the topic of 'Kerala and Democratic Government' on 13th August 2021. He said this is an attempt to contribute a partly perhaps challenging comparative historical perspective on efforts at social democratic development. To that end, he draw on his concluding new book, which is due in October, the title is In Search of New Social Democracy: Insights from the

South - Implications for the North. It focuses on experiences from the second anti-colonial and the third liberal waves of democracy. To be inclusive and not set any efforts aside, he defines Social Democracy broadly in terms of development based on social justice (and now also environmental sustainability) by democratic means. Kerala, like most other regions in the Global South, has of course been up against serious problems of social democratic development - given the limited industrialisation and thus fragmentation of the labouring classes, as well as of the at times supportive middle classes.

His first argument, however, is that Kerala has in spite of this proved the doomsayers wrong. Social Democracy is not impossible in the South. By now, during and after the Corona, Kerala may even stand a unique chance to develop a forceful alternative to the predominant identity- and market driven politics. His second cautioning argument, though, is that the main problem in getting to this alternative is not the much discussed investments and fiscal resources as such, but insufficient democratic governance to facilitate and mobilise and regulate the investments and resources, and thus transform society in a social democratic direction. It is true that the decentralisation and people's planning campaign shock up some of the historical problems by providing arenas for local social growth pacts. But the dynamics of group farming remained dependent on subsidies and were not really part of local and regional planning. The local planning, in turn, was not really comprehensive. Resource mapping and environmental concerns were not prioritised. There was little emphasis on production and there were problems of combining public and private actors, linking local initiatives with the larger markets and considering the interests and potentials of the middle classes. The same applied to many rural poor who neither benefitted from the land reform nor were able to rent land from those who did - but did not invest. This was handled by the kudumbashree labour groups, but only partially. A general impression was that that there was more emphasis on escaping the problems by creating local non-capitalist pockets, which at best might expand, than on generating wider transformative policies. As we know, the new economic dynamics was rather in the context of the neo-liberal developments with increasing inequalities - including the abuse of low paid migrant labourers - and environmental degradation.

Given the historical experiences from the north, moreover, such alliances might be sustained behind follow-up reforms, for example an employment guarantee in the context of a new deal between labour and capital. Hence, it might well be possible to try something similar in

## WHAT IS NEW(S) FROM GIFT

Kerala in terms of renewed emphasis on alternative welfare and knowledge-driven development -- given Kerala's impressive history of unity in favour of civil, political and social rights, active civic groups -- with some capacity to influence the parties -- and decentralised government and high educational standards. The 'only' problem was how to get there - to a reform program, an alliance in favour of it, and a format for participatory governance.

Soon thereafter, Kerala openings gained momentum, firstly, with the series of natural disasters, especially the flooding, and finally, in particular, the Covid-19. Secondly, of course, with the capacity of the LDF government to address the disasters with public action regarding health, rescue and welfare -- plus resource allocations through KIFBI, the state budget and decentralised governments in cooperation with civil society. Moreover, welfare and work was made the main point in the 2020 local elections. And based on the electoral success, the combination in the 2021 state elections of welfare and as well as ideas of how to foster more employment by knowledge based development. In addition, such public welfare and viable development polices need not be paternalistic and populist, as in many other cases, but - given Kerala's history - may be based on active citizens and their rights in participatory democratic governance.

But would and will it be possible to sustain the momentum and develop forceful transformative policies? For example, welfare reforms that are

(i) good also for the middle classes and thus get their support for more extensive programmes financed by higher taxes and their own contributions, thus providing more welfare for the poor too than if they would only share minimum targeted welfare -

and (ii) designed, together with active citizens and progressive investors, to also foster production and more equal education, and therefore also knowledge based development?

In comparative perspective, Kerala might be better equipped to face several of the difficulties involved in this than the progressives in other contexts, who missed out. However, the fact that local participatory budgeting as in Brazil and the Philippines did not enable the people involved to organise and stand up against mismanagement and corruption in the metropolis, must be considered in Kerala too. Similarly, how does one mobilise not just public but also private resources and coordinate with labour? On local and central levels. New Delhi should be criticised for monopolising fiscal and other public resources. But isn't it equally and even

more important, then, to build trustworthy forums for partnership between government, capital and labour to mobilise and coordinate resources? And to decide on what skills and knowledge and welfare that need to be given priority to?

Authoritarian methods are insufficient. The idea of a democratic developmental state may be fine. But the lack of a framework for democratic partnership governance was devastating in all the previous cases, from South Africa to Brazil and Indonesia. Citizens and popular interest organisations were excluded and subject to paternalistic policies. Thus, progressives at the top could not draw on the strength of active citizens and interest organisations. So the leading politicians turned instead to elitist horse-trading and one-sided pro-business deals.

## **2. Lecture No.8 - (GIFT and KEA) -Embedded Democracy: The Kerala Challenge in Comparative Perspective by Prof. Patric Heller on 27th August 2021**

Abstract: Democracies work best when they are embedded in society. Drawing on new theories of the democratic developmental state, Prof Patric Heller argued that Kerala is an embedded democracy and this is its comparative advantage in tackling the challenges of development in the new global economy. What exactly is an embedded democracy and how does this contribute to development? How does Kerala compare to other democracies and what can we learn about democracy and development through comparisons?

## **3. Panel Discussion- 1: 'Perspectives in Kerala's Development Experience' on 10th September 2021**

The GIFT and Kerala Economic Association (KEA) jointly organised a panel discussion on 'Perspectives in Kerala's Development Experience', on 10th September 2021. The panel discussion was organised as part of the public lecture series on 'Kerala Economy in Transition'. Prof. S. Harikumar, vice president, KEA moderated the session. Professor A. Abdul Salim, IUCAE, University of Kerala, Dr. S. Aparna, Sacred Heart College, Thevara, Dr. A.T Abdul Jabbar, Department of Economics, Farook College, Kozhikode, Dr. Rakkee Thomothy, Fellow, CSES, Ernakulam and Dr. K.S Hari, Gokhale Institute of Politics and Economics shared their thoughts on the subject. Prof. K.J. Joseph, Director, GIFT and president, KEA made the welcome address. Smt.L. Anithakumari, Dr. Anoop S. Kumar, Prof. S. Harikumar, Prof. S R Sheeja co-ordinated the programme.

#### **4. Panel Discussion- 2: 'Perspectives in Kerala's Development Experience' on 11th September 2021**

The GIFT and the Kerala Economic Association (KEA) concluded a series of lectures on 'Kerala Economy on the Transitional Path'. As part of this, an online discussion was organized on 'Perspective of Kerala's Development Experiences'. Prof. Manju S Nair, University of Kerala was the moderator. Dr. Emmanuel Thomas, St. Thomas College, Thrissur, Dr. Ronnie Thomas, University College, Thiruvananthapuram, Dr. G Mallika, School of Development Studies, Malayalam University, Dr. R. Nisha, Government College, Thripunithura and Siddiqui Rabiya, Department of Economics, University of Kerala spoke at the discussion. Prof. K. J. Joseph, GIFT Director and KEA President delivered the welcome address. Dr. Thomas Isaac, Prof. M. A. Oommen, Prof. K P Kannan, Prof. V K Ramachandran, Prof. Prabhat Patnaik, Prof. KN Harilal, Prof. Olle Tonquist and Prof. Patrick Heller gave lectures on various topics. Smt. L. Anithakumary, Dr. Anoop S Kumar, Prof. S. Harikumar and Prof. S. R. Sheeja were the coordinators of the lecture series.

#### **5. Special Lecture - 'Challenges of Kerala's Leapfrogging into Knowledge Economy: A Theoretical Discussion' by Prof. Rajan Gurukkal PM, on 24th September 2021**

The lecture seeks to review the challenges of jumpstarting the economy in Kerala, a state internationally famed for a distinct model reaching the developed world's indices except in higher education.

Leapfrogging demands i) a critical mass of digital technology enabled, efficient, and accessible world class tertiary level higher education institutions of global standards augmenting a well educated and highly skilled population; and ii) a globally competitive research and innovation sector focusing high-impact fields and science-tech hybrid areas. Both are very serious challenges for Kerala due to its higher education sector with its insufficient number of colleges, universities and research institutions; and characterised by self-alienating teaching, mechanical learning, and absence of curiosity driven research. In short, Kerala's higher education is long way off from the global benchmarks.

What is this thing called knowledge economy? It was D. Bell, as early as in 1973, who brought to notice the rise of information led, service oriented economy and society. Manuel Castells in 1989 characterised it as an urban economy of information technology confined to a city, 'information city.' He soon recognised it epochal and elaborated its features in three

volumes on Information Age distinct for a new economy, society and culture. M.E. Porter in 1990 discerned the information city developing into a cluster that he called 'innovative cluster.' P. Cooke and K. Morgan in 1994 named it 'intelligent region', and R. Florida identified it 'learning region' in 1995, while J. Simmie in 2002 defined it as 'knowledge-based competitive city.'

D. Bell was the first to say as a venture in social forecasting that the information centric economy signals the coming of Post-industrial society. Ever since writers have been naming the transformed state as knowledge society or information society, more or less interchangeably, notwithstanding the ambivalence between knowledge and information. Andrew Feenberg in 1991 clarified knowledge economy as a new version of capitalism. Nevertheless, P.F. Drucker taking capitalism as the point of reference in 1993 named it Post-capitalist society, in a generic sense. He was the one, who popularised the expression 'knowledge economy.' Many sociologists and economists today contemplate in the onset of knowledge society a gradual dissolution of the industrial economy and capitalism, triggering hopes about the spread of knowledge and technology enabling mitigation of poverty and inequalities, and finally turning the society more democratic and equitable.

Literally, knowledge economy is production, consumption and exchange of knowledge. In the academic sense knowledge is its explicit and implicit forms codified at the expense of the tacit. But knowledge is mere information or data in the working of knowledge-driven economy. It is not producing knowledge but generating, storing, processing, communicating, exchanging and consuming information or data by using digital technologies. What it demands the most is the tacit form of knowledge (skill), essential to operate digital technologies. Arguably, knowledge economy has to be seen as the core of the knowledge-driven economy, the macro field of multiple enterprises of auxiliary nature. Knowledge economy distinguishes knowledge from information. It uses knowledge as patentable intellectual property of enormous exchange value as a commodity by itself. As a potential basis for the production of other commodities it is capital too. Hence knowledge economy is capital and technology-intensive industrial production of marketable knowledge, presupposing precedence of innovation over discovery. It makes industry a knowledge intensive establishment combining scientists, engineers and information workers.

Does knowledge economy represent a new mode of production intelligible in terms of means, relations and forces? In 2009 Luis Suarez-Villa following Andrew Feenberg's

characterisation of knowledge economy as a new version of capitalism, named it Techno-capitalism, heavily dependent on research and intellectual appropriation for capital accumulation. Techno-capitalist corporations have globally built up many giant experimentalist establishments rigorously engaged in science-tech researches by employing thousands of young creative brains for the production of intangible assets like intellectual property and patents. These intellectual assets command huge exchange value, amounting to as much as four-fifths of the value of most products and services in existence today ! Knowledge production being central to their industry and the potential for innovation everlasting, Techno-capitalists are not disturbed by the law of diminishing returns or the Kondratiev wave theory. They do not face the threat of workers' resistance either, because exploitation rapacious though, is well paid, unnoticed and highly sophisticated. Michael Perelman's analysis published in 2003 unravels how Techno-capitalist corporations confiscate creativity of the science-tech youngsters by using a very complex techno-military system of electronic sophistication. Indeed it negatively impacts science, technology, work culture and working-class ethics.

Analysing all this, the lecture would wrap up with a theoretical discussion of the knowledge economy as a capitalist enterprise and its social implications. It would try and sort the real and the rhetoric about the multiple characterisations of knowledge economy and its implications, often rendered obscure under conceptual guises and feigned theorisations. Such a critical scrutiny might help the Kerala Government committed to equity, access, and social justice, take precautions while leapfrogging the state into knowledge economy. Government would require concurrent strategies for building up a prosperous sector of public intellectual property to ensure equitable and sustainable social development.

### **C. Book Release**

A book named 'Geography of Kerala' written by Dr. Srikumar Chattopadhyay, ICSSR National fellow, has been released in a function organised at GIFT on 2nd august 2021. It is argued that Kerala's geography contributed significantly in shaping the state, what it is today. The devastation of geography, particularly the deterioration of environmental and natural resource base can impinge upon the ongoing development process and can even jeopardise the future scope development. This book consisting of 16 chapters including 65 tables and 90

figures deliberates on various issues related to physical and human geography. It provides a detailed analysis of the state's topography, geomorphology, water resources, land resources, land use and land holdings, agriculture and allied sectors, industrial development, transport and tourism, settlements, population and migration, urbanisation, social sector covering Kerala model, education, health, human development, poverty, decentralised planning, natural hazards and disaster management, changing geography, regions, area development, and management. Spatial variability has been highlighted and explained. This book will be a valuable guide to the geography community, and all those interested to learn the geography of Kerala.

Prof. Jyothiranjana S. Ray, Director, National Center for Earth Science Studies, received the first copy of this book from Dr. Thomas Issac. Prof. H.S. Sharma, former head, Department of Geology, University of Rajasthan, Jaipur, Prof. Rajan Gurukkal, vice chairman, Kerala State Higher Education Council, Dr. Srikumar Chattopadhyay spoke on the occasion. Prof. K.J. Joseph, Director, GIFT delivered the welcome speech and Dr. Anoop S. Kumar, Assistant professor, GIFT proposed vote of thanks.

## **D. Teaching and Training programmes**

### **1. Post Graduate Diploma in GST (PGDGST)**

The training program comprising 120 hours of teaching through online mode has started in the month of July 2021. Forty-five hours of training classes are scheduled. Fourteen classes (42 hours) were conducted for weekend and weekday batches each for the months of August and September, 2021. Dr Ramalingam Smt Jenny Thekkekara and Smt Anitha Kumary L , Associate Professors, GIFT handled the classes.

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**

The activities in PhD programme during August and September 2021



## WHAT IS NEW(S) FROM GIFT

1) Core course for PhD programme (2021 or 3rd batch) started from June 1, 2021. The Following courses are running simultaneously with two lectures of 90 minutes each on every working day.

CC101: Foundations of Public Finance

CC102: Topics in Public Finance

CC103: A course in Indian Economy with Special Reference to Kerala

CC104: Research Methodology.

First batch PhD students are now at chapter writing stage. Second batch PhD students are currently going through the course work and are in the process of preparing their Proposal.

Course Coordinator: Dr. Zakaria Siddiqui

### **3. RCBP programme**

RCBP 2021: Part A on Research Methodology, which commenced in June 2021, completed 15 lectures by July 2021. During the month of August, thirteen lectures have been conducted on various topics, including model adequacy tests, functional forms and elasticity, and dummy variables. Dr. Vijayamohan Pillai handled most of the sessions during the month. In addition, three special lectures have been organized. Prof. Narayana took his second session on "On writing a research proposal. Different data sets for research have been introduced in the two of the special lectures where Dr. Santhosh Dash took a session on World bank data, and Dr. Parma discussed the budget data.

During September, the remaining thirty lectures have been conducted. Dr Vijayamohanan Pillai handled three lectures on topics; Factor Analysis, Cluster analysis, Multi-dimensional scale, and Introduction to Time-series. Four lectures were exclusively allocated for research ethics by Prof. Mala Ramanathan. Dr. K J Joseph and Dr. Kiran Kumar Kakarlapudi took two sessions on the industrial sector in India: Issues for Data, Research, and Methods. While Dr. Zakaria Siddiqui took a session on "The effectiveness of NSSO Surveys in Capturing Socioeconomic Diversity," Dr. Renjith took a session on RBI data.

Course Coordinator: Dr. Renjith P S

## **E. Publications**

### **1. Kerala Tax Reporter (KTR)**

August issue of KTR published Online and offline.

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

### **2. Innovation and Development**

A Routledge journal from GIFT, Volume 11, No. 1 published, Editor in Chief, K J Joseph.

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

### **3. Weekly update on the Indian Economy**

This is an attempt by the Young Scholar' Forum in GIFT, led by Smt. Shency Mathew to update on important developments in the national economy. Latest issue: 18-24, September 2021.

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

## **F. Faculty Publications**

1. Dash, S. K. & Mohanty, A. R. (2021). The Impact of Income on Public Health and Education Financing: Evidence from the Indian States, Journal of Public Affairs, Accepted.
2. Sahu, J. P. & Dash, S. K. What Explains FDI Inflows to ASEAN Countries? Evidence from Quantile Regression, Journal of Asian Economic Integration, 3(1), 25-37.