

Implementation is the key for economic activity

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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 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 the moment 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 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 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.

Reference

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