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The importance of Kerala's planning process with special emphasis to primary sector

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Introduction

The last more than two decades have seen certain significant changes in the development planning landscape of India, both institutional and procedural, accompanied by structural changes in economic development. First, with the initiation of the New Economic Policy in 1991, there has been a paradigm shift in the institutional mechanism of Indian planning from the Nehru - Mahalanobis Economic Growth Model pursued since 1950-51. Second, the instrument of Five-Year Plans, which was undoubtedly, the central pillar of economic development and social engineering in the country, has been discontinued since 2015, alongside the dismantling of the institution of Planning Commission of India and its replacement with NITI Aayog. The latter measure has been stated by critics as part of a neo-liberal view aimed at creating a smooth transitional pathway to a market economy. The closure of the Planning Commission of India and the departure of the planning process itself caused apprehensions among many State Governments. This has given rise to fresh fears of further centralisation of decision making, which is antithetical to the idea of federalism on which the Indian Union was founded (Ramachandran, 2018). The major blow was not only confined to the destruction of a performing institution, but to the destruction of a comprehensive approach and its replacement with a very amorphous agenda.

The Five-Year Plans followed a social agenda for promoting equality of opportunities along with development. It has succeeded, to a great extent, in alleviating poverty and hunger in the nation state. The Second Five-Year Plan states, 'These values or basic objectives have recently been summed up in the phrase "Socialist Pattern of Society". Essentially, this means that the basic criterion for determining the lines of advance must not be private profit but social gain, and that the pattern of development and the structure of socio-economic relations should be so planned that they result not only in appreciable increases in national income and employment but also in greater equality in incomes and wealth. Major decisions regarding production, distribution, consumption and investment - and in fact all socio-economic relationships - must be made by agencies informed by social purpose' (Planning Commission, 1956, Chapter 2, Para 3). The social dimension of economic development and the distributional aspects of income and wealth, which are central to overall welfare and development of the nation, are evident and explicit in the above statements.

Need for a cautious approach

The significance of the above statement cannot be over-emphasized in the current context with the Indian society witnessing a re-emergence of burning issues like hunger, inequality, lack of social capital and private profit, particularly after demonetisation and the COVID-19 pandemic. The geopolitical spillovers of the ongoing Russia-Ukraine stand-off have further accentuated the fears of an imminent food crisis, enshrouded amidst the growing concerns of malnutrition, food safety, accessibility and affordability. In a recent conference held in New York, the Secretary - General of the United Nations has already warned of a 'catastrophe' because of the growing shortage of food experienced globally. Russia being the largest exporter of wheat in the world and that country being in a state of war, the apprehensions about the sustenance of long-term food security all over the world are germane. In this context, it is pertinent to mention that the National Food Security Act (NFSA) allocation of wheat under Antyodaya Anna Yojana (AAY) and Priority Household (PHH) category was modified by the Government of India in May 2022 and as a result the Tide Over Category allocation to Kerala and Tamil Nadu has been stopped till March 2023, apparently, in the wake of the unprecedented heat waves in the major wheat growing tracts of India and the consequent expectations of lower output. It should be noted that the earlier allocation for PDS to these two states under this category was 9317.05 MT prior to the above revision (5). There have been episodes of drought, a devastating flood in 2018 which exacerbated the stress in the local economy in the last few years. It is quite possible that our country may also be facing a food shortage due to various factors including climate change, which is also adversely impacting agriculture and global food production systems.

World over, about 150 million lives were added, to the existing number of persons in hunger taking the number to 828 million in the Covid-19 period so far. As rightly stated in the FAO report on the State of Food Security and Nutrition in the World 2022, "The further increase in global hunger in 2021 reflects exacerbated inequalities across and within countries due to an unequal pattern of economic recovery among countries and unrecovered income losses among those most affected by the COVID-19 pandemic, all in a context of diminishing social protection measures that had been implemented in 2020" (7). Added to this, there are serious balance of payments issues in the development world which can affect the welfare measures of the government. The report also says that over 70 per cent of the population as of 2021 was unable to afford a healthy diet, which means 973.3 million people cannot afford a healthy diet in a day (which costs USD 2.97). We are very much part of the liberalised world, nevertheless, we wish we could be an exception to a world situation sooner or later, where hunger, poverty and inequality rule societies around.

If we would like to protect our people from extreme poverty and hunger, especially the marginalised sections, who are already reeling under stress due to the ill effects of demonetisation thrust upon them, and those who lost their livelihood during and after the Covid- 19 pandemic, we need to rebuild the local economies in a resource-efficient manner, which in turn needs systematic and comprehensive planning. The resource situations of some of the states in India, like Kerala are stressful, mainly due to GST compensation issues and paucity of alternate financial resources. The continuous blows of GST related issues, demonetisation, pandemic and adverse climate events have pushed individuals and enterprises to the margin, reversing the welfare gains realised over five decades of economic planning, growth and development. This calls for the establishment of a carefully woven strategy for policy and planning across various sectors, for restoring the living conditions of people and re-instilling confidence in them. Food production in the sub-national and local decentralised units needs to be given emphasis considering the demographic and occupational patterns.

Kerala's journey with a difference

The emphasis on planning for economic growth has been central to Kerala's development story so far. The governments from time to time have consistently and continuously followed the pattern of Five-Year Plan (FYP), during both the pre and post Planning Commission era. The 13th Five Year Plan has been unique in two respects. One, it was formulated by the

Kerala State Planning Board following a bold and historic decision taken by the State Government to continue the planning process. 'Among the early decisions of the newly elected Kerala State Government was that, although the Government of India had abolished the Planning Commission and the five-year plan process, the State Government would continue with five-year and annual plans to guide Kerala's economic development. This was a bold and independent decision; Kerala remains the only state in India to have publicly committed to continuing the planning process. The Thirteenth Five-Year Plan (2017-2018 to 2022-2023) is now in progress' (Ramachandran, 2018). The second and the most important one, is the resilience of the 13th FYP, amply demonstrated by its strong buoyancy and efficacy when the state sailed through a series of adversities, such as the demonetization and resultant chaos, the consecutive floods in 2018 and 2019, and the pandemic. The pragmatic approach of the State Government through the planning process, which helped in an increased investment during the trying times, assumes significance in the present context. During the post-flood scenario, the state government came up with Rebuild Kerala Initiative (which is part of the aggregate plan) and KIIFB (Off-budget) which helped the state invest substantially in key infrastructure in productive sector. In this backdrop, through this paper, let us examine the planned approach of the state in the primary sector alongside a limited view of the secondary sector where agriculture meets the industry for value added output.

The Planned approach in primary sector of Kerala

The 13th and 14th FYP aim to continue the creation of employment opportunities for the people, to enhance the productive forces thereby increasing incomes from production in agriculture, industry and services and to build infrastructure. The present thrust is to create a planned knowledge economy in the state. Two key documents, the Plan Document and the Economic Review, published every year by the Kerala State Planning Board, serve as the basis for planned development process and review of implementation respectively. The FYPs are further split into annual plans, schemes, components and projects of respective departments for effective implementation and monitoring. Apart from serving as policy documents, they are valuable resources for those who track the planned progress of the state as well as for academicians and researchers.

The Kerala State Planning Board has an exclusive division of Agriculture and Allied Activities which coordinates the formulation of the FYPs and Annual Plans pertaining to these sectors and supervises implementation thereof. In the last few years, particularly during the 13th FYP period, the State has gone through unprecedented stress in the primary sector. The government's focus of creating a new Kerala (Navakeralam) warranted a great deal of investment to be done in the primary sector for improving basic infrastructure, increasing profitability of farms without losing the emphasis on welfare of farmers and labourers and sustaining the progress already made in certain key sectors like animal husbandry including dairying, to name a few, while also laying greater emphasis on frontline research in upcoming frontier areas. The thirteenth and fourteenth FYPs have been carefully prepared to achieve these objectives. The investment in key sectors initiated during the post-demonetization and post-flood period continued through the pandemic period too.

Unlike its neighbouring states, Kerala has limitations of land availability, thus making it a scarce resource for productive activities in the primary sector. With a preponderance of small and marginal farms, the average holding size in the State is 0.18 ha or 0.4 acre, as per the Agricultural Census. The small holding is a major constraint to farmers for reaping the benefits of economies of scale, particularly for adopting modern technologies, mechanizing farm operations and aggregating produce for output marketing. These inabilities of small and marginal farmers tend to weaken the bargaining power of farmers in output markets, because of which, the producer's share of the consumer's rupee in Kerala's agricultural value chains is low (Kerala Development Report, GoK, 2021). The only way to increase agricultural productivity and farm incomes is through mechanization, improved seeds, better crop varieties and livestock breeds, with simultaneous and continuous engagement with technology. The emphasis on scientific interventions and mechanization in primary sector during the thirteenth FYP period has resulted in an increase of rice production from 5.49 lakh tonnes in 2015-16 to 5.87 lakh tonnes in 2019-20 as well as in taking the productivity of rice beyond the mark of 3000 kg/hectare. Besides, there has also been significant improvement in vegetable production in the State during the period. It should however be noted that the share of food crops in gross cropped area (GCA) of the state declined from 37.46 per cent in 1980-81 to 11.03 per cent in 2020-21, with a conspicuous shift to major cash crops occupying 62.30 per cent of the GCA in 2020-21. Have we changed the strategy for production, aggregation and distribution in tandem with the shift in cropping pattern? Not yet, fully. Therefore, there is a greater need for enhanced public sector investment from both Central and State Governments for creating appropriate value chains in the primary sector, focusing on the changing needs.

The central government's idea of bringing in 'Atmanirbharta' or self-reliance, announced as part of the fiscal stimulus package as a response to the pandemic, could not create much headway in the development of primary sector in smaller states like Kerala, primarily on account of its overemphasis on bank credit, rather than on higher public investment. The launch of a bank credit-led programme proved rather inappropriate at a time when individuals and businesses were cutting down expenditure on essential commodities on one hand and public investments were declining together along with falling government revenues on the other hand. Instead, a proper strategy backed by adequate components to enhance livelihood opportunities and simultaneously increase the credit absorption capacity of households and businesses would have helped in better implementation of the programme.

Anticipating supply chain disruptions due to lockdowns and the resultant closure of state-borders, Kerala unfurled a unique strategy to tide over the pandemic-induced stress in the food production and distribution sector with the novel initiative viz., "Subhiksha Keralam". The new programme involving a mix of government investment on production and marketing infrastructure and other resources, soon evolved as a futuristic model, with large scale participation of cooperatives, farmers and consumers. Through convergence of sectors, innovations and resources, the State Planning Board driven Subhiksha Keralam demonstrated how a state needs to surge in testing times with appropriate planning of the suitable blend of resources. The initiative, one of its kind, resulted in bringing 19711.89 hectares of fallow land under cultivation within a short period of a few months and setting up 14680 Integrated Farming Units, leading to considerable enhancement in food, nutritional and income security of farmer households. Another achievement was the replanting of coconut gardens with 21.66 lakh seedlings, which is a significant achievement towards enhancing future production and productivity (8). The allocation to agriculture from the plan schemes, including state and central sector schemes, the Rural Infrastructure Development Fund (RIDF) and the Rebuild Kerala Initiative (RKI) as well as under the Kerala Infrastructure Investment Fund Board (KIIFB; outside the plan), rose by 221 per cent between 2011-12 and 2020-21(Kerala Development Report, GoK, 2021). It is certain that in the medium to long term, the above investments would add to the state's resilience to future shocks and expand the resource absorption, productive and income generation capacity of households and businesses.

Yet another strong pillar of Kerala's development strategy has been the successful decentralized planning process rolled out in the State reaching out to the grass root level.

With a vibrant decentralized planning ecosystem created by the twin engines of State Plans and LSG plans, the local bodies have played an unparalleled role in developing the key sectors and the local economy. Finally, at the household level, the globally acclaimed Kudumbashree model created by the State Government has been a significant game-changer in socio-economic empowerment of women through entrepreneurship development.

The fourteenth five-year plan

The Approach paper to the 14th Five Year Plan states that the strategy is to revive the growth rate in agriculture by increasing productivity, intensification and bridging the yield gap adopting most modern technologies. The State Planning Board had set up 28 Working Groups led by domain experts from across the country for finalizing the sub-sectoral plans within the primary sector, focusing on income growth, food security, nutrition security and productivity improvement. The emphasis on production is envisaged through micro-level farm planning through Integrated Farming System Approach for sustainable incomes and risk mitigation through appropriate diversification of farm-based activities. Accordingly, the Farm Plan Based Approach to create several self- sustainable farms has been initiated as part of the first-year's programme. The State's investment of resources through such a plan aims at rebuilding the productive capacity of individual homesteads through a three-pronged strategy of production organization, production and marketing and value addition. The idea is to increase the resource absorption capacity of the farms in future, thereby making them future ready. The plan also lays greater emphasis on technology adoption and building of supply chains. The cooperative sector which has a great potential, will also act as an engine of growth through "technology oriented primary sector projects". The Rs.23 crore programme under this sector has already commenced in 2022-23. The Plan lays greater emphasis on enhancing the income through higher public and private investment in Animal Husbandry and Fisheries sectors. A massive programme of enhancing inland fisheries has been launched in 2022-23 which will unleash a hidden potential of the state which is largely unexplored.

Conclusion

In the fast-changing geopolitical scenario of countries and regions across the globe, there is an imminent need to focus on the production and productivity enhancement of major crops and allied activities of the state in the years to come. It also needs to follow an integrated approach in the primary sector to enhance the household income. The river basin-based planning needs to be integrated into primary sector to enhance productivity levels through better location-specific irrigation strategies. The state can surge ahead only through assistance to the sector based on frontline research outcomes. The research and extension systems need greater allocations during the subsequent plan periods as is evident from the Five-Year Plan documents. Along with the development of the primary sector, linkages with secondary sector for value addition and tertiary sector for seamless integration of information technology as envisaged in the 14th Five Year Plan, can bring about substantial growth. In the coming era of scarce financial resources and unlimited needs of development, meticulous planning at the state and local levels is the only way to move forward and that lends more reason to repose greater faith in Five Year Plan led development.

(Views are personal)

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