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Reflections on Economic review 2021 and Kerala budget 2022-23

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KERALA ECONOMY

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Editorial

A review of Economic Review 2021 and Budget 2022-23

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 startups 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!

K J Joseph

An agenda for the future

K N Balagopal

I am very pleased to be with you for the discussion on Kerala Budget 2022-23 jointly organised by GIFT, Department of Economics, University of Kerala, Centre for Budget Studies, CUSAT and CII Kerala. It is not by accident that the annual budget of the state is presented subsequent to the release of the *Economic Review*, an annual publication of the Kerala State Planning Board. The *Economic Review* is the authentic document on the state of the economy and it provides the setting within which the state budget is presented. With the publication of Economic Review, we are well aware of the economic situation in Kerala. Thanks to our vibrant print and visual media, we are also well informed about state of the national economy and the global economic developments. We are going through very difficult times and we need to move forward very carefully. I firmly believe that concealment of facts is

not conducive to a transparent economic process. I was not at all hesitant in placing the facts before the people. At the same time, when I was speaking in the Assembly, I presented things with higher level confidence saying that the economy of Kerala will move firmly forward.

I am inclined to believe that although we are abreast with development across the world, we do not adequately discuss the relevance of the ongoing situation in Sri Lanka for us. It is rather surprising that the Sri Lankan situation is not receiving even one-tenth of our discussion about the Russia-Ukraine conflict. True, Ukraine - Russia conflict is a very important issue for us as well.

Political crisis usually leads to war. But we are also seeing the catastrophic consequences of an economic crisis. Look at the situation in our neighbouring

With the publication of Economic Review, we are well aware of the economic situation in Kerala. It is rather surprising that the Sri Lankan situation is not receiving even one-tenth of our discussion about the Russia-Ukraine conflict. True, Ukraine - Russia conflict is a very important issue for us as well.

One of the important reason for the crisis in Sri Lanka is that the government is not paying enough attention to the agricultural sector because of the wrong perspective; why should one engage in agriculture when rice and other food items are available from elsewhere at low price.

country- Sri Lanka. Tourism is one of the leading sectors of that economy. By now, the adverse effect of the covid-19 induced lockdown on the tourism sector across the world is well known. Sri Lanka, with its high dependence on tourism has been one country which was hit hard by the pandemic. Those who have been to Sri Lanka know that there is so much in common between us. 'Padippura' and coconut tree are common there. The staple food of Sri Lanka is 'Idiyappam' and coconut chutney (*Thengachammanthi*) which is available everywhere. dried fish and tuna are the most common curry in Sri Lanka. Every house usually has a *Padipura* door. Ponds are common in every house. These are all very much similar to our tradition. As far as Sri Lanka is concerned, fertile land is available in plenty for cultivation. More land area than Kerala in terms of population. Above all, like Kerala, Sri Lanka is also known for their high human development indicators.

Why such a deep economic crisis in a country with high human development and rich resource endowment? One of the

important reasons is that the government is not paying enough attention to the agricultural sector, due to the so-called over-emphasis on organic farming. This is because of the wrong perspective; why should one engage in agriculture when rice and other food items are available from elsewhere at low price. Sri Lanka is a major importer of petroleum, food and industrial products. The crisis indicates that even when an economy depends on remittances from expatriates, there is the need to ensure the domestic production of basic needs through promoting agriculture and industry for example. Development of infrastructure, including health and education, needs to be ensured for inducing others to invest for our future development. This may not be easy to achieve. However, we need to discuss these issues in the changed global context. In fact, while reflecting on a long-term development strategy, the Sri Lankan crisis should be a lesson for us, we have many similarities in population, geography, culture, among others.

While reflecting on a long-term development strategy, the Sri Lankan crisis should be a lesson for us.

Kerala at present is at a particular juncture of development that makes a long-term perspective imperative while being cognisant of the short-term issues.

Need for a long-term perspective

There are reasons to believe that Kerala, at present, is at a particular juncture of development that makes a long-term perspective imperative while being cognisant of the short-term issues. I am not going to elaborate on the context before this erudite audience. From a demographic perspective, for example, the aging population of Kerala is increasing. Our old aged population, at present, is about 17 per cent which is comparable to some of the European countries. Over the next ten or fifteen years, it could be as high as 25 percent of our total population. Already in many parts of Kerala, like Central Travancore, only the elderly people are at home. Aging is indeed a challenge as well as an opportunity. We cannot afford to compromise on the support system to be provided for the elderly. At the same time, aging is an opportunity for creating new income and employment opportunities through the innovative development of the care economy.

The issue of ageing is much more intense in the developed world. In many of these

countries the youth population is on the decline and they need human resources, not only for the highly skilled jobs but also for many other jobs such as home nurse. Many of the students from Kerala who go to foreign countries like Canada, Australia and others for studies are not inclined to return. Around 100 years ago we were the pioneers in immigration. There is an argument that if we train our people and send them abroad, they will bring money back - the so-called remittances. While I always welcome remittances and migration, I don't consider it as the most appropriate way to reap the demographic dividends. Please remember, the remittances are only a very small fraction of the value that they make abroad. We should be able to fully utilize the manpower resources available here such that they make and take value here. We were the first to start a Technopark in the country. When television was not widespread even in South Korea, we manufactured them here. In the 1970 electronics production in India and South Korea was almost comparable; But now South Korea is the

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world leader in such manufacturing and we are nowhere.

Transforming agriculture

I have learned a lot about the state of agriculture through my long active involvement with *Karshasangam*. I'm much concerned, like many others, about the present plight of Kerala's agriculture sector. We are committed to make a major change in agriculture. It is indeed in continuation of the initiatives by the former finance ministers in sync with the discussions took place in the Left Democratic Front (LDF). Based on such discussions, funds have been allocated for everything from the use of technology for agricultural development at the primary production level to help such producers moving up the value chain by enabling them to engage in the production of value-added products and also for ensuring a fair price for their output.

Thus ours is a three pronged strategy: First, increase the productivity of agriculture. Our average yield from pepper, a crop for which Kerala has been historically known for, is only around 250

kg per hectare. But the yield is at least 5-6 times higher in Vietnam. What is more, as of now, Karnataka is the leading producer of pepper, not Kerala. The situation is not different in the case of our other vantage crops like coconut. To this end, there is the need to adopt innovative farming practices that involve increased use of small machines, among others, under the leadership of young people who don't perceive agriculture as inferior. I am happy to note that some youngsters who are working in IT sector told me that they would like to return to farming if the government provides adequate assistance. We are fully committed to offer the needed support.

Provision is made for loan up Rs. 50 lakhs, for small groups including a subsidy of Rs.10 lakh. Emphasis is placed on ultra-density farming and cold storage to ensure that the wastage minimised.

Kudumbasree and co-operative societies are effectively intervening in the sphere of production. But, much more needs to be done to ensure that we are not simply price takers and at the mercy of the

I'm much concerned about the plight of Kerala's agriculture sector at present. We are committed to transforming agricultural sector.

Ours is a three pronged strategy: First, increase the productivity of agriculture. Our second strategy is to ensure that the farmers get their due share from the consumer's rupee and thirdly that the farmers are not held up at the lower end of the value chain.

market. The perils of being a raw material supplier for centuries to the monopolies is more evident in the case of natural rubber than elsewhere. We need to move up the value chain - this is our second strategy. Value addition alone may not solve the issue. Various studies have shown that the markets of farm products are far from efficient. As a result the traders' margin is substantially high in agricultural products and that the share of producers' in the consumers' rupee is only about 20%. Thus, our poor farmers are only makers of value not the takers of value. This has to change and hence our third strategy is to ensure that the farmers get their due share from the consumer's rupee.

We need a company with at least one billion dollars on the CIAL model for marketing. Rs 20 crore has now been set aside for this. It requires the services of people who have worked for multinational companies. Just as there is an exchange program for academics, there are plans for farmers to travel to countries with advanced farming practices, such as Israel and Vietnam, to

learn from their experience with modern farming practices. An amount of Rs 2 crore has been set apart for this.

With the exception of the Gangetic basin, we have the rarest climate in the world, with the best soil, rain and sunshine. We have been cultivating a lot of plantation crops but for the past many centuries and we have been cultivating the same crops, such as rubber, tea, coffee, cardamom, cashew etc. Previously, farmers earned a decent income from rubber cultivation. But now even five acres of rubber will not fetch them an income of a government employee working at the lowest level. However, new crops are not being grown. When a meeting of farmers was called, a farmer said that he was earning Rs 5 lakh from half an acre of dragon fruit cultivation. Even with a profit of Rs 1.5 lakh, it is a huge achievement. We shall promote the changes in cropping pattern to ensure the cultivation of high value crops.

Knowledge economy and higher education

Another area is higher education which

More attention is being paid to the higher education sector and the infrastructure in education has been greatly enhanced.

It is often held that the potential for industrial development, based on large-scale resource-based and polluting industries, is limited in Kerala. Being a high wage economy, our strategy shall also not be to focus on industries competing on wage cost advantage. Hence, the potential of knowledge-intensive and high value industries has to be explored.

is at the core of building a knowledge economy. More attention is being paid to the higher education sector and the infrastructure in education has been greatly enhanced. As part of this, Rs 20 crore each is being provided to ten universities for setting up Translation Research Centers in universities. These centers will be surrounded by incubation centers and start-ups. In addition, a five-year project is initiated for the introduction of new courses in universities. Three short-term courses will be started as part of this project. For this, the services of experts, including those from abroad, can be availed. Steps are being taken to improve the facilities in the hostels of higher education institutions, including universities. Campuses must be functional round the clock not 10:00am to 5:00 pm. A university should have at least five thousand hostel rooms. For this, 1,500 hostel rooms are being constructed for foreign students. In addition, 150 special scholarships are offered. This scholarship scheme will enable students to avail the services of eminent persons working in

different fields in different parts of the world. These are some of the important projects that are going to be implemented within the university system. The strategy is to select an institution in each constituency and set up the infrastructure and production facility at a cost of Rs 1 crore. In some places this is already being implemented. Rs 150 crore is set apart for this as an experimental step.

Although government grants are limited, there are plans to start a few more independent institutions like GIFT. We can bring in some Centers of Excellence that are independent, not just within universities. Institutions such as CDS are among the best in India. Centers of Excellence will be established in this model in many areas.

It is often held that the potential for industrial development, based on large-scale resource-based and polluting industries, is limited in Kerala. Being a high wage economy, our strategy shall also not be to focus on sweat shocks

Our infrastructure, roads, railways, bridges among others, need to be improved.

Although we are known for our social commitment, there are many being left behind.

competing on wage cost advantage. Hence, the potential of knowledge-intensive and high value industries has to be explored. Elon Musk's world attraction is not due to his extensive production, but to different ideas. Baiju's app established by a Keralite has grown and drawn the attention at the global level. This means that there are many new potential industrial/service areas wherein Kerala could excel. As part of the pre-budget discussions, we had discussions with many Malayalee researchers around the world. There are many Malayalee students from humble backgrounds, studied in our universities reached up to Apple's M1 chip unit. If these talented people working abroad could be provided with stimulating opportunity to work here, some of them will be able to come back. Many are now going abroad. But they will come back if there are opportunities here.

Science Park is a continuation of projects like Technopark. Research should be done in the science park, products should be developed and marketed on an industrial scale. Initially, four science parks were intended. It is also a continuation of the research activities intended to be done in the universities.

The Indian Institute of Science was originally intended to be established in Kerala. However, due to various reasons, it was located to Bangalore. All the industrial establishments in Bangalore have sprung up around this institution. IISER was later established here wherein I have also been involved. Science parks can be started by contacting such institutions. Efforts are underway with Tata Steels to set up an institute. Some new ventures are going to be started in the health sector. Steps are being taken to set up a center in the field of neutraceuticals. This will help in value addition in our Jack fruit which is available in plenty. Small and medium enterprises will be encouraged to the maximum. For example, plug-and-play ventures like electronics can be started by providing infrastructure in the vacant space of companies like Kollam Meter Company, which has a long tradition of being in business.

Infrastructure holds the key

Our infrastructure, roads, railways, bridges among others, need to be improved. Anyone working, for example, in Kozhikode should be able to travel to another city of the state in two to three

Our infrastructure, roads, railways, bridges among others, need to be improved. Anyone working, for example, in Kozhikode should be able to travel to another city of the state in two to three hours.

There are fiscal constraints inter alia on account of sluggish growth in own tax revenue, ceasing of revenue deficit grant, declining share of state in the divisible pool, to list a few.

hours. In areas like Wayanad, we are planning Rs 2,500 crore twin city project. Even though our Technopark is the first venture in India, our IT exports are now less than two per cent. There may be shortcomings on our part in these matters. But we must address these shortcomings through discussion and collective action. New projects like K-Rail are being envisaged to provide a great leap forward in infrastructure development. Projects related to National Highway 66 is going to be completed within the next five to six years. Twenty-five per cent of the land acquisition amount under this scheme (Rs 5600 crore) has been provided by the State Government. The cost of developing National Highway 66 alone will be close to Rs 60,000 crore.

None to be left behind

Although we are known for our social commitment, there are many being left behind. Hence, we have made a provision to see that every year the social welfare pension is increased by Rs.100. Even a mere increase of Rs 100 would require Rs 1000 crore. We have the largest Social Welfare Pension Scheme in India with over 60 lakh individuals. We need to take care of our next generations. The most important thing is to be able to set up a system that generates an income of Rs

2000 instead of giving Rs 1000 free. We spend about Rs 600 crore on the State Health Authority. There are forty-five lakh families receiving treatment costing up to Rs 5 lakh per year.

While keeping a long-term perspective, issues of immediate concern cannot be overlooked. It is also important to remember that economy must grow if development problems are to be solved. We are going through a period of great crisis. There are fiscal constraints. Last year on account of COVID and lockdown our tax revenue was only Rs 47,500 crore. This year we were able to collect Rs 58,000 crore. It is not a bad thing that the tax revenue has increased by 20 per cent, an increase of around Rs 11,000 crore. However, we need to beef up the own tax revenue. As is well known the central state financial relations need much improvement in favor of states. For us, our revenue deficit grant will cease within a year. While we received 2.5% of the divisible pool during the period of the 14th Finance Commission, our share came down to 1.95% as per the 15th Finance Commission award. The share of cess and surcharges (which are not shared with the states) in the total revenue of the centre has more than doubled. It is important that GST compensation continues. Many state

These constraints notwithstanding, given the support of the people of Kerala, I am confident that we can firmly move forward.

governments have asked for continuing GST compensation but the outcome remains uncertain. These constraints notwithstanding, given the support of the people of Kerala, I am confident that we can firmly move forward.

GIFT has been undertaking a lot of policy-oriented research in the field of taxation and finance. We have been making use of them and more such studies are the need of the hour to devise strategies to overcome the fiscal constraints and implement varied programs to take the economy to a higher growth trajectory. I

am very happy to note that GIFT is working with other institutions in accomplishing their mandate. Looking forward to the outcome of this deliberation as an input for further policy initiatives, I declare this workshop inaugurated.



(Based on the inaugural address by Shri K N Balagopal, Hon'ble Finance Minister and Chairperson, GIFT)

Budget 2022-23 and the 14th five-year plan

V K Ramachandran

I congratulate colleagues from GIFT, CUSAT, CII and the Economics Department of the University of Kerala for organising this important discussion on the Economic Review 2021 and the Kerala Budget 2022-23.

It is not coincidental that the organisation in Kerala that writes the Plan also writes the Economic Review. The Economic Review is not only an important feature of the budgetary process, one that reflects the economic policy framework, but is also an important input for the Five-Year Plan. As you know, we are the only State that did not abolish planning in 2015. We have Annual Plans and we still retain the process of Five-Year Plans.

I am not going to spend too much time on this year's Economic Review as I don't want to preempt the discussion that is going to take place today. Writing and presenting the Economic Review is what we at the State Planning Board have to do, and it is up to the public at large to

read it and discuss it. But let me just give a few highlights and then go to some aspects of the new Five-Year Plan and the Budget.

As is clear from the first few pages of this Economic Review, our economic growth, as elsewhere, was subdued in 2021 because of the pandemic and the subsequent lockdown. But the measures that the Government of Kerala took in directing resources to the needy and to the most essential purposes helped in moderating the impact of the crisis. I am not talking about the fiscal impact; I am talking about the how we helped people confront the crisis. This include, but not limited to, the distribution of innovatively designed consumption-good "kits" to everybody, schemes like Subhiksha Keralam, which brought together efforts in agriculture, fisheries, animal husbandry, dairying and so on. You could not get away from COVID, but certainly could mitigate its worst effects. The main feature of COVID policy, and this is

Our economic growth, as elsewhere, was subdued in 2021 because of the pandemic and the subsequent lockdown.

The contraction of GSDP would have been more severe if not for the economic stimulus. Rs 20,000 crore announced at the early stages of the pandemic in March 2020.

something we've gone into in detail in the Kerala Development Report, was to ensure that everybody had access to food and basic necessities; everybody had shelter; everybody had access to free medical care; and everybody had access to information during this period. This cost us in terms of resources, but it brought great relief to the people. The contraction of GSDP would have been more severe if not for the economic stimulus. Rs 20,000 crore announced at the early stages of the pandemic in March 2020. In the wake of the second wave, the Government announced a second economic package of Rs 20,000 crore in June 2021 along with a supplementary package of Rs 5,650 crore in July 2021 to aid small industries that were hit by the crisis.

I'm not going to the quick estimates that I'm sure you're going to discuss, and you have somebody to discuss this matter in more detail. In 2020- 21 our long-term gains in terms of per capita consumer expenditure were maintained and the per capita GSDP at constant prices was about 1.5 times the national average in 2020-21. Thus, economic uncertainty notwithstanding, we tried to ensure well-

being despite the demands of fiscal "discipline" and disrupted revenue receipts of the State. The pandemic-induced fiscal measures have also pushed up substantially the expenditure obligations of the government.

There are other economic policies and economic events beyond the control of the State government that have affected fiscal health. The implementation of the GST has brought restrictions and limitations of the intervention of States in raising the taxes. Delay in getting the GST compensation has added pressure in managing State finances. The Central government collects a substantial amount of revenue through cesses and surcharges and revenue from cesses and surcharges is not part of the divisible pool of resources. During the period of the 14th Finance Commission, Kerala received about 2.5 per cent of resources of the divisible pool. After the 15th Finance Commission, it came down to 1.95 per cent. These are some of the issues that we are concerned about and whose effects are reflected in the Economic Review.

I am not going into the details of chapters, but if any of you would like to discuss the

If Kerala is on the map of the world, in economic and policy terms, it is because of our achievements in health, in school education, in different aspects of social justice, social inclusion and so on.

During the period of the 13th Five-Year Plan. Kerala has made enormous progress in infrastructure and housing and also in bringing relief to the people in a way that was not possible in other parts of the country without compromising our emphasis on inclusiveness and actual human development indicators.

details of individual sectors and chapters with us at the State Planning Board, please feel free to do so at any time. We would like to have all the possible inputs from the public opinion on our efforts in the 14th Five-Year Plan.

If Kerala is on the map of the world, in economic and policy terms, it is because of our achievements in health, in school education, in different aspects of social justice, social inclusion and so on. We want to make our historical achievements a springboard for growth in production, services, and heavy infrastructure. Our performance during the 13th Plan period was severely affected by a series of unforeseen crises. We had a drought, followed by a cyclone, followed by two extreme rainfall events with landslides and floods. We had a two-district NIPAH epidemic, we had COVID, we also had the economic shocks of demonetization and stagnation in GST revenue. This affected our resources and our ability to implement the schemes as we would have liked.

Nevertheless, there were very solid achievements during the period of the

13th Five-Year Plan. They were, for example, in the spheres of housing, infrastructure, health, and upgrading school education among others. In fact, Kerala is the only State in India, where there has been a movement from private schools to public schools. More than 10 lakh pupils joined public schools over this period. We have made enormous progress in infrastructure and housing and also in bringing relief to the people in a way that was not possible in other parts of the country.

At the same time we did not compromise on our emphasis on inclusiveness and actual human development indicators. We have the lowest infant mortality rate, and death rates for children below five years of age, Kerala is the only State among the biggest States in India, with a single digit IMR of 6 (that's equivalent to the IMR of OECD countries), while the corresponding figure for India is 36. The life expectancy of birth in Kerala is six years more than the rest of the country. We achieved the sustainable development goal of reducing the Maternal Mortality Rate in 2019 one year ahead of the

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Our objective is now to move from being an economy that is known best for the provision of basic needs and human development to a prosperous and inclusive economy that is based on growth.

schedule. The MMR is the lowest in India. In Kerala it is 30 and that of India is 103. Our hospitals have been declared among the best government hospitals in the country. With regard to Sustainable Development Goals, we have won the National Award for three years consecutively. The NITI Ayog Multidimensional Poverty Index was much less than 1 per cent. So, we have the highest monthly per capita consumption expenditure in urban and rural Kerala. We have the highest average income per person in the State, 1.5 times the national average.

All of these needs to be seen as a consequence of a system of planning-led economic change that social and political consensus have established in Kerala. That is, we have made a commitment to development and growth on the basis of planning, which in Kerala is an exercise in people's participation. The inputs come from the lowest level, then are consolidated through different political and social processes and finally embedded in the Plan.

Our objective is now to move from being an economy that is known best for the

provision of basic needs and human development to a prosperous and inclusive economy that is based on growth. That is the shift in the emphasis. We will continue to build on the strengths of our Kerala in social investment, particularly in health, school education and housing, social welfare and gender justice. We will use our strengths, as I said, as a springboard for the accelerated growth of productive forces in the economy. We will try in the 14th Plan to ensure sustained effort to apply science, technology, cutting edge skills and the skills available to a knowledge economy to enhance growth in agriculture and allied activities, modern industry, infrastructure, and services. The 14th Plan will have schemes designed to modernise and enhance the system of higher education and to provide Kerala's youth with the best forms of skilled employment available in a modern economy.

Our aim is to ensure that over the next 25 years, the standard of living in Kerala will be that of an advanced middle-income country internationally, with the important additional feature that our

The 14th Plan aims to ensure sustained effort to apply science, technology, cutting edge skills and the skills available to a knowledge economy to enhance growth in agriculture and allied activities, modern industry, infrastructure, and services.

There is an unprecedented increase in the Budget allocation for the seven major arts and sciences universities, digital university and KTU.

development process will be inclusive. In the process of the growth that is being emphasised now, we will not leave anybody behind; our prosperity will be shared and our growth will be inclusive.

The coalition that is now in office recorded an unprecedented achievement - no incumbent government has been voted to government for the past 44 years. This is a unique opportunity for the Government of Kerala not only to build on our strengths in social policy and investments, but also to ensure our people a prosperous future. Through the 14th Five-Year Plan and other means, our effort should be to ensure change for the people of Kerala, and to show India and the world a secular, democratic, socially inclusive and high-growth alternative development policy. This is indeed very difficult within the present circumstances, but it is the bold objective we set for ourselves.

Before I end, I am happy to point out that there is an unprecedented increase in the Budget allocation for the seven major arts and sciences universities, digital university and KTU. This is a declaration of our intent. If you're going to have a knowledge society, you can't have it without better universities. We are committed to provide for the best

possible higher education facilities in the State. The Budget has also provided for a big change in preschool child care in the State through enhanced provision for anganwadis, that is, to ensure that the children are served milk and eggs at least two days a week. It is to be noted that about 50 per cent of children of the relevant age group go to anganwadis and that that number is likely to increase.

On the whole the first Budget of this Plan announced by the Finance Minister takes the first determined steps towards implementing our 14th Plan goal of creating an inclusive, prosperous, and high-growth society.

■
(Based on the address by Prof V K Ramachandran Vice Chairperson, Kerala State Planning Board, inaugurating the discussion on Economic Review 2021.)

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Twenty five years of decentralisation in Kerala: Some comments¹

M A Oommen

My task is to comment on the chapter on 25 years of decentralization in Kerala. It is very thoughtful of the State Planning Board to have started the Economic Review (2021) with a chapter on the theme. A quarter century is no small time span. We can look back to the past, review the present and reflect on the prospects for the future. This is precisely what the Board has done in that chapter.

Let me, by way of introduction, draw your attention to the fact that these 25 years I have been associated with the process in many ways. In 1996, immediately after the LDF government came to power, they made two important announcements: (a) resolve to devolve 35 per cent of plan funds to local governments and (b) to appoint a Committee on Decentralisation under Subrata Sen mandated to restructure the Panchayat and Municipality Acts (1994) to usher in a participatory local governance system. I was a member of the

committee which submitted three volumes of reports that certainly laid the foundation of a sound legal and institutional framework for democratic decentralization in Kerala. In 1997, I did a review for the government on restructuring the neighbourhood groups. Later in 2007, I was commissioned to review the Kudumbashree project launched in 1998 as a women oriented poverty alleviation programme. Then came the Committee for Evaluation of Decentralised Planning and Development (2007-2009) which I had the privilege to chair. Two years later the 4th State Finance Commission which I chaired was appointed. I am glad to report to this audience that all these reports have attracted not only scholarly attention, but the careful consideration of the Government of Kerala. I must mention in particular the Sen Committee, a report which was widely welcomed both by the Government as well as the Opposition. The

I should say Kerala's decentralization and planning is eminently great not because I was associated with it in contributing to its theoretical formulations and institution building but because it was sui generis in concept, construction and implementation.

The Sen Committee took up the idea of devolution of the three F's which became very popular in the whole country: function, finance and functionaries.

Sen Committee served as the spring board for launching the People's Plan Campaign.

I am sure all the participants of this webinar know that Kerala's decentralised planning was the result of the 73rd & 74th Constitutional Amendments. For the benefit of the students here as also for the benefit of those who want to know the background of these Amendments, I may spell out some Articles. First is Article 243A which is part of the 73rd amendment. 243A starts with the Gram Sabha which consists of all voters at the village panchayat level. Indeed this signifies direct democracy par excellence. Article 243G is the most important (its corresponding Article is 243W in the 74th amendment). 243G speaks of two major goals of the Amendments: (1) the creation of institutions of self-government and (2) planning for economic development and social justice. These are unique goals unheard of in the fiscal federalism literature till date. 243H is on the power to impose tax, provide grants-in-aid etc. 243I is another important Article that provides for the creation of a State Finance Commission meant to rationalise state sub-state level fiscal relations.

Coming to the 74th amendment you have the 243ZD, which speaks about the whole process of planning which to be sure Kerala has translated into action in her own unique manner. Kerala has made tremendous contribution to decentralised planning. I shall critically review it. I should say Kerala's decentralization and planning is eminently great not because I was associated with it in contributing to its theoretical formulations and institution building but because it was *suigeneris* in concept, construction and implementation.

The first important thing is the approach of the State Planning Board which adopted what has come to be called the big bang approach meaning you start head on into the process of planning without waiting for the institutional framework to come up. The Sen Committee took up the idea of devolution of the three F's which became very popular in the whole country: function, finance and functionaries. The Board planned and argued for a simultaneous devolution of all these three dimensions. The 11th and 12th schedules of the Constitution spell out only subjects

Indeed institutional decentralization was a great effort on the part of Kerala. Kerala tried to implement the concept of 'economic development and social justice'.

All these are made possible thanks to the massive devolution of resources to the local governments. During the first State Finance Commission only 0.8% of the GSDP, was devolved. But in 2013-14, it is 2.4% of the GSDP. Today it has declined.

and not real functions or activities. We argued for functional mapping. For example, 117 functions for the village panchayat, and similarly for blocks, districts and municipalities etc. This was on the basis of a principle, called the principle of subsidiarity. I don't know if many of the students have heard what the principle of subsidiarity is. It is briefly what should be done best at a particular level should be done only at that level and not at a higher level. You cannot have college education under the village, panchayats but nursery schools and primary schools can be with them. The principle of subsidiarity was the idea behind functional mapping, which we have drawn up at the Sen Committee. Then comes finance. The government did a great act as already said. As soon as they came to power in July 1996 the state government announced that 35 to 40% of the plan outlay will be given to local governments. Mind you it is not the budget share. The big bang approach was a great launch into the deep. Another in the same year is that Appendix-IV is added to the Kerala budget document. Appendix IV is a very

important provision in that once the budget of the state government is passed by the legislature automatically the authority to the local governments to spend and that too by each category of local government is sanctioned. That is a big act. Then, we go to institutional decentralization. We created new institutions like IKM. I don't know whether it is functioning as per the objectives originally designed. IKM has created applications like Sulekha, Sevana, and Sankya, all these were parts of the IKM and facilitated project planning, accounting etc. Before anyone conceived of the Ombudsman idea at the local level, Kerala started with seven Ombudsman. Now, I don't know whether there is even one Ombudsman. Nobody hears about Ombudsman these days. Like that so many institutions like the State Development Council (SDC), are also not functioning. I would like to request the esteemed Vice Chairman, Planning Board to initiate steps to call the SDC. In fact, I was instrumental in bringing that institution. It was called only once or twice during the

In regard to gender mainstreaming, we have to go a long way. With respect to the question of social equity, we have made real progress in regard to SC/ST. However, infant mortality and poverty among the tribals tell dismal tales.

In protecting the environment, be that through solid waste, liquid waste or medical waste, we have to go a long way and local governments have not succeeded.

last 25 years. The Chief Minister is the Chairman of that and representatives of the local government and all the ministers comprise this council which could make meaningful reviews of the progress and suggest valid mid-course corrective steps. SDC suffered an atrophy. DPC, once the kingpin of decentralised planning is somewhat dysfunctional.

Indeed institutional decentralization was a great effort on the part of Kerala. Kerala tried to implement the concept of 'economic development and social justice'. The concept of economic development and social justice is unique which demand horizontal equity. I don't know how many other states have acted on that, but Kerala has delivered on many ways. Economic development and social justice can go together if land and water and so many productive resources are aligned together. When food security is ensured, you are taking the state towards economic development and social justice. Like that there are a whole spectrum of activities at the local level which can be tied together to facilitate economic development and social justice and ensure horizontal equity. The pension to agricultural labourers distributed through GPs is a great gesture. In fairness, we must also say that the concept of social capital which today has a dominant place in the development

literature has been mobilized for the benefit of the society. That was demonstrated very well when the Okhi cyclone was there, Nipah was there and then the two floods in 2018-19 and now we have the pandemic COVID 19. It was left to the local governments to rally support of their community to contribute their best in the form of social capital. Kudumbashree is Kerala's best example of social capital in action.

All these are made possible thanks to the massive devolution of resources to the local governments. During the first State Finance Commission only 0.8% of the GSDP, was devolved. But in 2013-14, it is 2.4% of the GSDP. Today it has declined. Look at the sixth report of the State Finance Commission; they have given a big table to show that devolution size has fallen. The contribution of the local government expenditure to GSDP is only less than 2% and probably a little over 1%. So you have to step it up I would say 3% to 4% if it is possible. Of course when we compare with the rest of India we have come up and we have a respectable track record. But these comparisons are not strictly relevant. We have to set 'models'.

Now I would like to share some of the areas that need improvement. Some of my colleagues may not agree. In regard to gender mainstreaming, we have to go a

Local politics should be local politics, it should not be taking orders from above, it should be a real bottom up exercise. So the character and quality of local politics should change.

long way. Atrocities against women are increasing even at the village level. So gender mainstreaming is an important issue. I would characterize it as a social failure. I will not say it is a local government failure, but I am deeply concerned that when you say that 54% of the elected representatives of local governments comprise women, and when you boast of the fact that the Kudumbashree consists of 4.5 million women one may pose the question: are women critical decision-makers in Kerala? Why critical? Are they counted in the political process at all? With 12 out of 140 in the state Assembly, the percentage of women members is 8.5 per cent as against 14.2% in the Lok Sabha. This is a dismal pointer because Kerala is often projected as a case of high gender justice. Then coming to the question of social equity, have we made real progress in regard to SC/ST. Infant mortality and poverty among the tribals tell dismal tales. Take environment, I should say that, in protecting the environment, be that through solid waste, liquid waste or medical waste, we have to go a long way and local governments have not succeeded. Not only that, the growth of quarries is alarming. More than 10,000 illegal quarries are working. This too is a clear failure of the local governments.

Kerala's eco-system is in jeopardy. Food security is always highlighted as the best contribution, yes, but paddy land area and paddy production have considerably declined, Why? It is because you are conniving at the conversion of paddy lands. The local governments are also responsible for converting paddy land into non paddy lands, like houses, commercial sites, roads, or whatever.

In this way I can come up with so many flaws. I am not going to argue further on this, but let me conclude by saying that local democracy has a powerful role to play in the social and economic transformation of the state. But local democracy depends on the strength of the people, the capabilities of the people in decision making. On that score if people are not the real decision makers at the grass-root level, we are not making good progress at all. Local politics should change. Local politics should be local politics, it should not be taking orders from above, it should be a real bottom up exercise. So the character and quality of local politics should change. Nobody is worried about the fact that bottom-up planning has become bureaucratized and routinized. Corruption is well entrenched. Local democracy even if it has failed, it should survive for the benefit of Kerala, for the

benefit of India. Only Kerala can take India to a better and durable path. I could go on. But let me stop.



(Prof M A Oommen is Distinguished Fellow, GIFT)

End Notes

¹Text of the speech made by Professor M A Oommen at 'Seminar on Economic Review 2021 & Kerala Budget 2022-23 on 25th March, 2022, organized by Gulati Institute of Finance and Taxation, Trivandrum.

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Local governments as epicenters of development: New perspectives of decentralized planning in the 14th five year plan

Jiju P Alex

The Economic Review 2022 of Kerala speaks of the need to rebuild the economy of the State in the face of the decline in growth due to Covid-19. It reports that growth in terms of different indicators has been unprecedentedly low in 2020-21. For instance, Gross State Value Added (at constant prices) as per quick estimates dipped to a low of (-) 8.16 per cent in 2020-21 as against 2.19 per cent growth in 2019-20 (GoK, 2022), which has serious long term policy implications. The quick estimate of Gross State Domestic Product (GSDP) at constant prices (2011-12) in 2020-21 as against the provisional estimate in 2019-20, has also shown a negative growth rate of (-)9.20 per cent compared to 2.22 per cent growth in 2019-20. At current prices also, the GSDP in 2020-21 as against the provisional estimate in 2019-20, shows negative growth rate of (-)3.01 per cent.

Though it presents a grim picture of the economy in general and lower growth rate of the secondary and tertiary sectors in particular, which grew at (-)3.71 per cent and (-)3.64 per cent respectively, it shows that the primary sector recorded a growth of 6.28 per cent. However, this positive trend notwithstanding, it is a matter of serious concern that almost all the growth propelling sectors like manufacturing, trade and repair services, hotels and restaurants, construction, road transport, financial services, and public administration were badly affected by the pandemic and consequent lockdowns. Being the authentic account of the development status of the state in the previous fiscal, which is also the last year of the 13th Five Year Plan, the Economic Review has given an incisive account of the gaps in different development sectors

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Economic Review 2021 provides the backdrop for setting the objectives of the long-term plan to rejuvenate Kerala's economy.

during 2021-22 and indicated new pathways of growth in each of them. It has also reviewed institutions and programmes and their outcomes vis - a-vis the state's development priorities. As the State is all set to overcome this crisis and surge forward, the Economic Review 2021 provides the backdrop for setting the objectives of the long-term plan to rejuvenate Kerala's economy.

It is to be noted that the State Budget 2022-23, in cognizance of emerging challenges and priorities has declared diverse and innovative programmes which could be undoubtedly adjudged as growth oriented. As outlined in the budget speech, the budget aspires to tackle inflation and strives not to burden citizens through increased taxation. At the same time, the budget emphasizes infrastructure development to spur economic growth at the macro level. Much emphasis has been given to entrepreneurship development and skilling, and to create congenial start up environment throughout the state. Alongside, it envisages enhancement of production, productivity, value addition and quality improvement to improve income levels of small-scale producers as

well. The budget has also underlined the need to invest substantially in higher education and science and technology institutions in the state. With serious constraints in realizing the estimated receipts from various sources, the budget proposes higher investment in key sectors, with a view to sustain the existing accomplishments and take them further.

An important feature of the Economic Review 2021-22 is an exclusive chapter on decentralized planning to mark the silver jubilee of the people's plan movement. The chapter broadly covers the origin, evolution and the current status of people's plan movement and how this unique experiment had transformed Kerala. The chapter examines various stages of the campaign which was entirely participatory in nature, and subsequent institutionalization of the process of decentralized planning. The review observes that development in all spheres has been taken forward by the State along with the strong involvement of Local Governments. The diversity of development initiatives by local governments and the capability that they

State Budget 2022-23, in cognizance of emerging challenges and priorities has declared diverse and innovative programmes which could be undoubtedly adjudged as growth oriented.

The people's plan campaign has brought about fundamental reorganization of local governments and changed the place and role of local governments in society and people's consciousness. Over a period of twenty-five years, the local governments have acquired the capability to plan and execute local development process imaginatively and skilfully.

had acquired over twenty-five years to execute them have also been explained.

It is in this backdrop this article attempts to discuss the role of local self-governments in taking on the inevitable challenge of economic recovery and the ways by which this is proposed to be addressed by them in the fourteenth five-year plan (14th FYP).

The fourteenth five year plan: Context

As mentioned earlier, the fourteenth five-year plan (14th FYP) of Kerala is initiated on the 25th anniversary of the inauguration of the people's plan movement in Kerala. The people's plan campaign had brought about fundamental reorganization of local governments and changed the place and role of local governments in society and people's consciousness. In fact, it unleashed the creative genius of local communities to resolve real life problems at the grassroots level. This innovative programme was also proved helpful in harnessing different types of resources for local development. Over a period of twenty-five years, the local

governments have acquired the capability to plan and execute local development process imaginatively and skillfully (Issac, 2021; Oommen, 2022).

The current plan is being drawn up in the light of the lessons on dealing with the unique crises the state faced during the thirteenth five- year plan period, which included two devastating floods in a row, the Ockhi cyclone, Nipah and the Covid-19 pandemic and the economic downturn thereof (GoK, 2022), as mentioned earlier. They had, in fact, exposed the vulnerabilities of the state and echoed the need to concentrate on key issues like climate mitigation, resilience, livelihood security, management of natural resource and long-term sustainability of the economy. These experiences also suggested new pathways of development to be adopted by the state in important sectors in view of the new challenges. It is to be noted that Kerala could deftly manage these calamities, by means of diverse post disaster management interventions and a comprehensive package of supports for

Kerala could deftly manage the calamities, by means of diverse post disaster management interventions and a comprehensive package of supports for post Covid-19 economic recovery.

14th FYP intends to address the challenges wholistically by devising multiple interventions in all development fronts with the broad objective of inclusive and sustainable development.

post Covid-19 economic recovery. Several programmes have been designed and implemented by the government to rebuild the lost assets and livelihood opportunities and ameliorate the hardships faced by the poor due to economic disruption forced by the pandemic. However, the uncertainty about how long it would take to achieve full recovery and previous levels of production of goods and services poses serious challenges, which might as well demand formulation of imaginative short term, medium term and long-term initiatives.

The loss incurred due to natural calamities and Covid-19 pandemic is huge, which is further compounded by financial constraints emanating from harmful central policies such as reduction in revenue deficit grant this year, loss due to the stoppage of GST compensation and an arbitrary reduction in borrowing due to prejudiced estimation of off-budget borrowing. The 14th FYP intends to address these challenges wholistically by devising multiple interventions in all development fronts with the broad objective of inclusive and sustainable development. More precisely, this implies higher economic growth which involves

enhancement of production and productivity, creation of employment opportunities, instituting robust social security systems and better stewardship of natural resources. The new plan would continue to build on the strengths of the state in social investment, which would be used as a springboard to further enhance the growth of productive forces. In this process, focus will be on fostering innovation and application of science and technology, to evolve Kerala into a knowledge society (GoK, 2022).

It is increasingly understood that transformation as envisioned in the 14th FYP would require better grassroots level institutions and processes. On that count, Kerala is at an advantage, as it has a unique decentralised governance system, which can take people along and shoulder huge responsibilities. This was all the more evident from the quick responses of local bodies in rendering support to people in the face of exigencies like natural calamities and the pandemic. Even while large scale mitigation programmes were launched to face these crises, micro level mitigation could be possible only through the involvement of local governments.

Transformation as envisioned in the 14th FYP would require better grassroots level institutions and processes.

The objective of accelerating growth in the 14th FYP would require far more effective integration of programmes and resources in different development sectors.

Moreover, the major strides by the state in accomplishing better human development indices and sustainable development goals could also be attributed to the presence of a well evolved decentralized planning system, to a great extent.

The 14th FYP envisages key roles by the local governments in all development sectors. The following is a brief account of the major thrust areas of local governments in the 14th FYP, which would accelerate development at the grassroots level. The recently published guidelines on formulation of annual plans propose wide perspectives and specific action points that could be followed by local governments to address the important concerns.

New approaches for inclusive and sustainable development: Role of local governments

Even though local governments co-ordinate the key development agencies at different tiers, their interventions have not always been integrative and synergistic. At the same time, several excellent models of integrating the efforts of diverse agencies for a common objective have also emerged from time to time, which could be emulated

elsewhere. In fact, the objective of accelerating growth in the 14th FYP would require far more effective integration of programmes and resources in different development sectors.

As production in the primary sector is predominantly by small producers with very low per capita availability of land, strategies for enhancing production needs effective institutional arrangements to aggregate their efforts, inter alia, infusion of modern production technologies and infrastructure support. The 14th FYP will have specific programmes to enhance production and productivity in agriculture, animal husbandry, and fisheries. This involves preparation of local level crop plans based on land suitability and other parameters.

It is in this backdrop the 14th FYP proposes greater participation of local governments in agriculture and allied activities, and enhanced plan expenditure in the sphere of agricultural production (GoK, 2022). This effort led by the Departments of Agriculture, Animal Husbandry and Fisheries will be coordinated at the grassroots level and the other tiers by Local Self Governments. Enhanced thrust on

The 14th FYP proposes greater participation of local governments in agriculture and allied activities, and enhanced plan expenditure in the sphere of agricultural production.

Development agencies will have to figure out the pattern of integration of state sponsored and centrally sponsored schemes with the local body's development projects as well as possibilities of integrating the efforts of local bodies at different tiers.

secondary agriculture might need deeper involvement by co-operatives and industry to facilitate credit support, aggregation, procurement, value addition, branding and marketing. Any effort to improve production and productivity of agriculture and allied sectors in the state cannot ignore cooperatives and other forms of collectives at the ground level. All such institutions need to be strengthened by linking them with more actors. Also, these efforts have to be provided with continuous technology backstopping and advisory support, for which reorientation and modernization of development agencies and R and D institutions are obligatory. In view of this, the 14th plan has given emphasis on devising measures to improve integration of development agencies at the local level. Accordingly, as per the new guidelines, development agencies will have to figure out the pattern of integration of state sponsored and centrally sponsored schemes with the local body's development projects as well as possibilities of integrating the efforts of local bodies at different tiers.

New pathways of local economic development

Strategic planning for local economic development assumes great importance in the aftermath of Covid pandemic, as it is necessary for rekindling distressed communities, both rural and urban (Leigh and Blakely, 2013). As the post pandemic disruption of economic activities have had deleterious impact on rural livelihoods, the state has focused on enhancing livelihood options of people. This would be a comprehensive strategy involving creation of jobs at the grassroots level by yoking local resources, improving employability of local people by skilling them adequately and facilitating entrepreneurship development at the local level. This process is seen as an outcome and offshoot of the initiatives to increase production and productivity, which would serve as the back-end processes for entrepreneurship and employment creation, leading to economic growth.

Local economic development had always been the key objective of decentralized

Several innovative institutional arrangements have been proposed to enable this new drive at the grass roots level.

The 14th FYP envisages key roles by the local governments in all development Sectors and integration of development agencies at the local level.

planning. Ever since the beginning of the people's plan movement and until now, this has been implemented mostly through the Kudumbashree (Issac,2021). Over this period, it has flourished into a ubiquitous entity that could lay hands on diverse sectors of development. It appears that even while Kudumbashree has grown into one of the most illustrative examples of creating social capital to improve livelihood security and socio-economic status of rural women, the potential of local economic development has been tapped only partially. The current requirement stemmed out of the pandemic calls for more expansive attempts to enhance production and economic growth in rural areas. It is in this background local governments have been required to engage more in local economic development.

Several innovative institutional arrangements have been proposed to enable this new drive at the grass roots level. The local governments can now support individuals and collectives to establish local enterprises by providing assistance for power supply, connectivity and water. They can also assist entrepreneurs to procure technologies from research institutions, solicit incubation support, foster innovations, revive defunct units and make investments by means of seed funds. This will be accompanied by an extensive programme

to skill the rural youth to make them more employable by global agencies as well. Local governments will be the primary forum for coordinating entrepreneurship development programmes at the grama panchayat level. As local governments turn to be facilitators, an enabling eco system to foster innovation and entrepreneurship would be created at the grassroots level, further catalyzing the emergence of auxiliary services and institutions.

Eradication of absolute poverty and widening social security

It is widely applauded that Kerala has the lowest head-count ratio of poverty among the states of India. However, there are traces of extreme poverty in many parts of the state. With targeted focus on the extremely poor households to address the causes of their condition one by one, task of eliminating extreme poverty in the State in the next five years is eminently achievable. The local governments have identified 64004 households under this category. Now they would prepare customized micro-plans to ensure that each household identified is provided with the means to come out of extreme poverty. The 14th Five-Year Plan will devise a comprehensive strategy to sustain this achievement and prevent further destitution. It is well known that local

The 14th FYP, with the prime objectives of ensuring welfare of everyone and leaving out no one from the ambit of development, proposes to strengthen various social security measures that have helped reduce marginalization of weaker sections of the society.

governments had played the central role in most social welfare, social justice, and social security programmes. During the floods and the pandemic, the immediate public interface of the government was local governments and showed that they are the repositories of the people's confidence. Over these years, they have also progressed as organizers of vast and unprecedented acts of civic cooperation. Depending on this strength, local governments can bring in more eligible sections of the society under the social security net and provide them with diverse means of livelihood.

The 14th FYP, with the prime objectives of ensuring welfare of everyone and leaving out no one from the ambit of development, proposes to strengthen various social security measures that have helped reduce marginalization of weaker sections of the society. Local governments implement a range of special-sector programmes, which include programmes designed to serve the special needs of women, children, transgenders, persons with disabilities, senior citizens, and persons under palliative care. This plan would not only

widen these activities, but also enhance the quality-of-service delivery. For this, a wide range of important services will be made available at the door steps of the needy. They will draw up projects to address diverse needs of the aged, children, women, transgenders, differently abled and those who require palliative assistance. The plan will continue to support these measures. It will also enhance the efforts of local governments to utilise scheduled caste sub-plan, tribal sub-plan, and local government development funds to enhance welfare, employment, and income generation in this sphere.

Action plan for climate resilience

Increasing concerns on natural disasters and impacts of climate change have found an important place in the development perspective of 14th FYP. Subsequent to the floods in 2018 and 2019, there had been serious attempts to streamline climate change into strategic planning. Though it would take time to evolve effective solutions to tackle climate change, there has to be responsive systems at the local level to address contingent situations,

Though it would take time to evolve effective solutions to tackle climate change, there has to be responsive systems at the local level to address contingent situations, restore livelihoods and build resilience.

A close look at the constituent indicators of the SDG index shows that there are a few areas which can be still improved.

restore livelihoods and build resilience. As demonstrated undoubtedly during the floods, local governments are the most effective actors in shaping up adaptive strategies at the grassroots level. It is proposed that during this plan period, local governments would devise effective systems to monitor climate change, plan local level interventions to manage disasters and organize communities to adopt climate resilient practices and sustainable livelihood options. The action plan for climate change will be an innovative intervention by local governments.

Mainstreaming sustainable development goals in local planning

Kerala has been topping Niti Aayog's Sustainable Development Goal (SDG) index list consistently since 2018. It is well known that significant strides have been made in housing, public education, health, natural resource management, social security etc. during the last five years. However, this accomplishment has to be seen as an outcome of fairly consistent policy interventions that enabled equitable distribution of resources and wealth for human welfare during the past

several decades. It is the system of decentralized planning and development which has made this process easier as governance can now reach out to the common man. A close look at the constituent indicators of the SDG index shows that there are a few areas which can be still improved. There is also the challenge of sustaining the current accomplishments. In view of this, the 14th FYP envisages localization of SDG goals and use of this framework to set targets in key sectors, measure outcomes and monitor progress. The projects formulated by local governments will address various development issues which could be aligned with SDGs. Thus, Local governments would be able to mainstream the concerns of SDGs in local plans, which would eventually lead to still, better performance of the state in achieving SDGs at the national level, albeit the state being at the top at present.

Rapid urbanization and waste management

Kerala's unique rural-urban continuum and the rapid urbanization call for concerted efforts by local governments to

Local governments would be able to mainstream the concerns of SDGs in local plans, which would eventually lead to still better performance of the state in achieving SDGs at the national level, albeit the state being at the top at present.

14th FYP would be critical to the state as it points to possibilities of growth and outlines new pathways for economic recovery and employment generation.

integrate various centrally sponsored programmes and externally aided projects with local-level plans to improve infrastructure, civic amenities and citizen services. Local governments should also have a clear conceptual approach towards tackling problems of urbanization. In the 14th FYP, local governments will focus on employing modern techniques and methods of spatial planning to identify solutions to various issues of urbanization and draft master plans for urban development. Building state of the art urban scapes within the existing limitations will be the major thrust area of local governments.

Unification of flagship missions

Yet another important feature of the 14 FYP is that it has unified the Haritha Keralam (Green Kerala), Livelihood Inclusion Financial Empowerment (LIFE), Aardram (dealing with health), and Pothu Vidyabhyasa Samrakshana Yagnjam (dealing with school education, now renamed Vidya Kiranam) into a single Nava Kerala Karma Paddhathi (New Kerala Action Plan, or NKKP). These four missions have left indelible marks on the development history of the state as there had been great achievements in all the four sectors. In order to take these achievements forward, these missions would be integrated into one single mission, which would comprehensively managed. Local

governments would be playing an important role in implementing this unified mission.

Conclusion

The focus areas of local governments are quite exhaustive as they have to address every issue of local importance. This article attempted to highlight only a few areas of priority, considering their significance in the state's development scenario as of now. Local governments would fix their own priorities based on local relevance, even while aligning themselves with the general goals. However, 14th FYP would be critical to the state as it points to possibilities of growth and outlines new pathways for economic recovery and employment generation. Hence it is important that the priorities of the 14th FYP are not ignored while formulating local level plans. This would be increasingly relevant in coming years as fiscal constraints are likely to become more restrictive, with the GST compensation and Revenue Deficit Grant due to the State would cease midway in the initial years of this plan period. This would be compounded by the decision by the central government to bring back the ceiling of borrowing to 3 per cent of GDP. As the only State to have made a public commitment to continue the planning process, it is important that the goals of the five-year plan are achieved by investing scarce resources of the economy to

productive and socially impactful purposes. Local governments are going to be more instrumental in realizing these goals.

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Gender sensitizing development policy in Kerala: Plan/budget making and the economic review

Mridul Eapen

The backdrop

With the persistent mismatch between government policy and development outcomes for women, feminist scrutiny has increasingly focused on macroeconomic/development policy, and the urgent need to make it gender-sensitive, that is, mainstreaming gender into policies/programmes/schemes for bringing about a transformation of women's position in society. Socially constructed gender roles (men as bread winners and women as home makers) leave women with little power economically, socially, and politically, the flip side of which is men's socio-biological drive for mastery, manifested increasingly as violence against women. In this brief Note we discuss Kerala government's conscious attempt to integrate gender into planning reflected in its Plan/Budget and related documents like the Economic Review.

Gender Mainstreaming was formally established as a major global strategy for the promotion of gender equality at the 4th UN World Conference on Women in Beijing in 1995 cited in the Beijing Platform for Action. Gender Budgeting (GB) has been adopted as a tool for mainstreaming gender perspective at various stages of planning/budgeting/implementation/impact assessment of policy/programme objectives and allocations endorsed by over 100 countries globally.

GB is an entry point into macro economic policy; not a separate Budget for women. It seeks to break down the usual Budget according to its impact on girls/boys, men/women assessed through a number of steps designed for the purpose. This means that gender should be introduced not only into plan/budget of the state but also in the Economic Review (ER) which gives us a detailed overview of the state of

Socially constructed gender roles (men as bread winners and women as home makers) leave women with little power economically, socially, and politically, the flip side of which is men's socio biological drive for mastery, manifested increasingly as violence against women.

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the economy, key activities undertaken in each sector of the economy, major achievements, gaps and problems identified. It is well accepted that Gender cuts across sectors and hence it is essential to move beyond a focus on the Chapter on Women and Child Development to looking at women as growth agents in the state's political economy across all sectors which means engaging with: i. visibilising women in each sector; ii. recognising their contribution as consumer, producer or worker in every sector of the economy; iii. emphasising the need to consider their needs/interests in the overall determination of sectoral and macro development policy and iv. the extent to which budgetary allocations can be shifted towards social and economic investment and provision of public goods, beneficial for women.

We must remember that the Plan/Budget of a year learns a lot from the ER of the year that has gone by: what have been the achievements, the gaps identified, in particular gender gaps, have resources been directed towards these gaps, for which we need to understand how men

and women are positioned in each sector, consciously visibilising women's contribution very often ignored even in sectors like agriculture where women are increasingly playing a critical role globally in ensuring food security (Asadullah and Kambhampati 2021).

Introducing the concept of gender into plan/budget making in Kerala

Kerala has been attempting to 'mainstreaming gender' through Gender Budgeting (GB) or Gender Responsive Budgeting as an integral part of the planning process since the 11th Plan. In fact even earlier, Kerala initiated a very concerted attempt at gender aware planning at the local level in the 9th Plan itself, consciously including gender in each phase of the decentralized planning process and mandating that 10 percent of the devolved funds to local governments should be used for women specific schemes- what came to be known as the women component plan (WCP) while all other schemes should go through a gender lens.

Visibilising women's contribution very often ignored even in sectors like agriculture where women are increasingly playing a critical role globally in ensuring food security.

Introducing gender into development planning highlights the economic significance of women's unpaid work in the household and care economy

Introducing gender into development planning highlights the economic significance of women's unpaid work in the household and care economy which tends to be neglected in macro development policy, the assumption being of the stereotype household model of man the breadwinner and woman the home maker. Also that women's time in household work is infinitely elastic enabling them to balance work and home while adjusting to any adverse impact of changes in macro economic policy to keep the household running. Therefore GB foregrounds the need to consider women's needs/interests in the overall determination of macro development policy and the extent to which public investment can be increased in these activities to enable women to participate equally in the development process. A Gender Budget has been prepared in Kerala since 2017-18 and has become a sustained exercise since then, with flow of resources to women increasing every year; allocations have been made for transgender persons also.

Introducing the concept of gender into the economic review of Kerala

So let me start with what is being discussed,

which is the Economic Review (ER) brought out by the Planning Board (supported by Departmental inputs) prior to the presentation of the following year's Budget, focusing here specifically on the 2021 ER. As stated earlier, we all keep talking about the need to recognize that Gender cuts across sectors and therefore, what one would like to see in an Economic Review is that women are visibilised in each sector, their contribution and needs identified as workers, producers or consumers, when the different chapters are being written up. This has been emphasized very strongly in the 13th Plan through the well established planning process in the state, when the Annual Plan proposals are formulated and discussed by the Departments with the Planning Board. During these discussions, while impressing upon Departments the importance of differential gender needs some of which can be addressed through women specific schemes but more largely through general or composite schemes in most departments which impact both men and women, the need to indicate the share of women or the share expected to flow to women based on gender disaggregated beneficiary data, is also emphasised.

The contribution of women and their needs as workers, producers or consumers have been emphasized very strongly in the 13th Plan

This year one big improvement is in agriculture. Despite these improvements, the chapter still needs to be strengthened given the fact of women becoming farmers and agriculture being feminized.

Departments are encouraged /persuaded to break up total scheme outlays into components, highlighting those directed at girls/women; or have a woman component in terms of a specific percentage; or make available gender disaggregated data on beneficiaries (in some cases perhaps of the previous year) which could then be used to separate out the flow of resources to women from the total outlay. Such information would enable the Plan write ups to be gender sensitive, as also the sectoral Chapters written up in the ER. Most importantly it would make it easier to prepare the Gender Budget, which has now become one of the documents presented with the annual Budget. This helps in creating awareness on the significance of gender across departments, even those which are apparently gender neutral, like the infrastructure sectors.

It makes one happy to see that every year some progress has been made in sensitizing the write-ups which is reflected in substantial changes as seen in this year's ER. This year one big improvement is in Agriculture. One was always anguished to

find that such a significant large sector, where women are there in large numbers as workers and producers, but never seemed to be visible in the long Chapter on Agriculture in the ER. An effort has been made, this time to amend this and that makes one happy. To the extent, for instance, of giving us a gender breakup of the 'manpower' (should be human power), in agro service centers and the Karshaka Karma Sena. This means we have got a gender break up at that level which is very satisfying. Similarly the role of Kudumbashree JLGs in cultivation has been visibilised but their major contribution towards enhancing food security by cultivating fallow land should have been forefronted. Despite these improvements, the Chapter still needs to be strengthened given the fact of women becoming farmers and agriculture being feminized which we're seeing all over, and reading about, but reading the Chapter, one still doesn't get the feeling that there are women farmers. Our image is still of a male farmer.

Another Chapter I pick up is on

Another important aspect which needs emphasis at the local level is the role of local governments in addressing gender-based violence, which is best tackled at the local level.

Female workforce participation from 2017-18 to 2019-20, shows that it has increased from about 16.4 percent to 26.3 percent which could be achieved because there was a very conscious investment in women's employment.

Decentralized Planning, where right from the beginning, gender was being consciously integrated into the decentralized planning process and it has been mentioned in the chapter, but as Prof Oommen says we are far from mainstreaming gender into the local plans; other than the women specific schemes under the Women Component Plan allocations to women in composite schemes are not very evident. Another important aspect which needs emphasis at the local level and is missing in the Chapter is the role of local governments in addressing Gender based violence, which is best tackled at the local level. One was hoping that vulnerability mapping of crime, involving huge participation of women, as was attempted in Mararikulam panchayat which did a lot of good in reducing violence, should have extended its reach. Some other gender gaps noted in the decentralised planning chapter, which can be taken care of next year are absence of a gender break up of things like key resource persons mobilized to give training, etc.

I have not covered all chapters of the ER, but in some other chapters like Manufacturing sector, Tourism and IT sector, where we know women are there in large numbers one is happy to see that in a number of schemes -Entrepreneur support scheme, nano units, Women start ups, Responsible tourism etc- a separate allocation has been mentioned for women in the write-ups. Another welcome improvement is that, under the SC/ST chapter, there was actually a separate table for training of SC, training of ST youth. Training of NORKA people, members of Kudumbashree units, was also available in the relevant Chapters; however disaggregation by gender was missing.

So, given the fact that we need more gender sensitive writeups, it means we need more gender disaggregated data. And if we look at Volume 2 of the ER, we realize that one of its big contributions is actually giving us tables on many things we don't get elsewhere. Such information is sourced from the departments. For instance for the Manufacturing sector, one was fascinated

Another issue that needs to be flagged when we are linking the ER to the budget is how we turn certain announcements into being gender sensitive. For instance the emphasis now on the knowledge economy and Society in Kerala.

We really need to strengthen the departments' technical ability to organize and manage the massive data that exists with them scheme-wise, a gender break up of which could be used for the Economic Review much more than is being used now.

to see data for micro enterprises given in such detail in the ER tables. But what is missing is that a lot of data is still needed by gender which is not available in the published documents. But in the course of doing gender budgeting in the Planning Board, it was realized that actually departments have information on who the beneficiaries are by gender, but it needs to be aggregated and organized and so it becomes difficult to provide the data immediately.

Some lessons learnt

So a strong recommendation in this context which is also possible to do, is that we really need to strengthen the departments' technical ability to organize and manage the massive data that exists with them scheme-wise, a gender break up of which could be used for the Economic Review much more than is being used now.

The second thing is, as emphasized by others too, that the Economic Review should be linked to the budget for the next year, and also, of course, it has long term implications. So we have to make an

analysis of this year's budget for 2022-23, to examine how much it has really captured of what were thrown up as problems and limitations in the ER 2021. For instance the low female work force participation rates in Kerala despite high levels of female literacy, and hence the urgent need to raise WPRs which means investing in women's employment. If one examines the 2022-23 budget and a few prior to it, one is happy to find increases in allocations to promote women's employment which was reflected in changes in female WPRs over the period under study. A look at the data on female workforce participation from 2017-18 to 2019-20, shows that it has increased from about 16.4 percent to 26.3 percent which could be achieved because there was a very conscious investment in women's employment, especially during the floods and the pandemic-- large increases in allocations to Mahatma Gandhi Rural Employment Guarantee Scheme, a larger allocation for the Ayankali Urban Employment Guarantee Scheme, and for

The low female work force participation rates in Kerala despite high levels of female literacy, calls for initiatives to raise WPRs which means investing in women's employment.

There is much more gender sensitization seen in the Economic Review, 2021 which will grow more rapidly if we support the departments in collating and managing scheme wise data disaggregated by gender and we have spelt out the state's gender priorities.

Kudumbhashree. So this strengthens the need to make plan/budget/ER more gender sensitive leading to higher gender allocations bringing about positive gender outcomes.

Another issue that needs to be flagged when we are linking the ER to the Budget is how we turn certain announcements into being gender sensitive. For instance the emphasis now on the Knowledge Economy and Society in Kerala. How much are we going to equip or enable girls and women and transgenders also to access the advantages of the higher education system that we will introduce, because there is absolutely no doubt that the campuses have to be made gender friendly. It is stated that about 20 lakh educated people will get employment through the knowledge economy, and through all the programs which have been mentioned in the budget, like units being set up in industrial parks, mini industrial units with modern technical facilities and startups which can be set up adjacent to engineering colleges, polytechnics, ITI's, arts and science colleges, so that students, along with their studies participate in economic and production process, acquire training and procure employment. However, we must remember that some of the young girls who come to universities will be married women. So there is need to provide a social

infrastructure and basic amenities in university campuses and whatever other physical areas are identified as locations for industrial units, industrial parks etc. We talk about physical infrastructure, on which there is a strong emphasis in the Budget but it must be remembered that this infrastructure should include social infrastructure, if one really wants the advantages of the growing investment in higher education, skilling and employment to be accessible for the educated women who are also equally keen to enter the employment market and not be constrained by their household and care work. So an enabling environment which provides child/elderly care, safe transportation/ accommodation/ basic facilities like toilets /safety and security at workplace and a reasonable wage and working conditions become necessary investments in the Budget for the benefits of the knowledge economy to be gender friendly and accessible.

To conclude, there is also a slow recognition of the need to include transgender persons wherever possible besides the separate allocation made for them in the Gender Budget. That is because a lot of efforts have been made at the local level and by certain departments, like the education, health, and industry

departments to have schemes for the transgenders, besides ofcourse the well known recruitment of transgenders into the Kochi metro. No doubt there is much more gender sensitization seen in the Economic Review, 2021 which will grow more rapidly if we support the Departments in collating and managing scheme wise data disaggregated by gender and we have spelt out the state's gender priorities.



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Gendering of the gender budget: Some concerns on Kerala budget 2022-23

Sonia George

Presenting a separate Gender Budget (GB) along with the main budget has become a practice in Kerala for the last 5 years. In this context understanding and interpreting budget has to be correlated with the Gender Budget. Gender budgeting has put forward a system to analyze the approach of the budgets in its allocation with a gendered frame. It theoretically implies fiscal equality policies and programs in a governance process (Nishita,2020, Chakraborty 2013). The popular interpretation of GB is as a tool towards 'mainstreaming gender' in a specified local, state, national or international budgeting process¹. This approach focuses on restructuring revenues and expenditures to promote gender equality at various levels. But as far the practices that are seen in national and state budgets, a separate gender budget statement which categorizes gender specific allocations get projected as the Gender Budget. Many a time the formulation of policies and allocations

concerning women are based on specifically targeted programs where the strategic² needs of women won't get any prominence. That means welfare activities are mainstreamed in the documents using the available national and state funds. The cross-sectional analysis should enable fiscal allocation which addresses long term structural changes too. This can only address the strategic needs in terms of gendered hierarchies.

Generally, the arduous challenges that comes across the process of gender budgeting are listed as the lack of vision and clarity in innovation which limits the economic agents to clearly visualize the appropriate measures, data paucity and the ineptitude of the new institutional mechanisms to translate it to effective outcomes (Chakraborty,2016). The Kerala Gender Budget document of the previous year (2020-21) had pointed out the limitations on the implementation of

The Kerala Gender Budget document of the previous year (2020-21) had pointed out the limitations on the implementation of the Gender Budget methodology.

The approach in Kerala's GB has been to visibilise women across sectors in plan write-ups and to leverage more funds for women specific sectors/agencies.

the Gender Budget methodology. It mentions about the non-availability of gender disaggregated data and the absence of a wider vision in incorporating women in development planning process. It also highlights the consequential restraints of including gender as an integral part of the planning process where adequate support for social investment and provision of public goods has to be included. The approach in Kerala's GB has been to visibilise women across sectors in plan write-ups and to leverage more funds for women specific sectors/agencies. This has enabled to ensure certain programs that addresses the concerns of gender in the state through specific fiscal provisions.

An attempt is made here to glance at the Gender Budget document 2021-22 in comparison with the main budget document of Kerala. In his budget speech, the finance minister was trying to emphasize on the new ways of looking at the entire Budget. It will be interesting to discuss the methods in which the state has taken special initiative to present its Gender Budget with gender specific allocations for the last few years. Usually,

the gender budget document is divided into Part A, which includes schemes which are 100 per cent allocated for women and Part B where the coverage between 30-99 percent is expected to directly benefit women. But in the Kerala budget, part A covers 90 to 100 per cent women specific schemes and Part B includes all the schemes in which the budgetary allocations are less than 90 percent.

Under the plan schemes, Gender Budget 2022-23 has an overall allocation of 20.90 per cent with a marginal increase of 1.36 per cent compared to 2021-22. The allocation for part A is 7.26 percent and part B is 13.64 per cent. Every year a marginal increase is seen in the allocation. These expenditures are only allocated through plan fund. So, the calculation of 20 per cent has to be understood as only plan fund allocation but not from the total fund (Pulikamath,2022)³. It is important to look at the form of allocations in terms of priorities and gender specific approaches. Many schemes are spread out in the budget document mentioning gender variables

An attempt is made here to glance at the Gender Budget document 2021-22 in comparison with the main budget document of Kerala. Under the plan schemes, Gender Budget 2022-23 has an overall allocation of 20.90 per cent with a marginal increase of 1.36 per cent compared to 2021-22.

The 2021-22 gender budget document was broadly spread around three areas with emphasis to skill development, employment generation, livelihood security, creating an enabling environment for women to work through ensuring basic facilities and the last- prevention of gender-based violence. In 2022-23 these priorities were modified in such a manner that women's safety and gender mainstreaming got prioritized with education, skilling and employment, health and social security, and gender friendly infrastructure followed.

with regard to allocations. As mentioned above, the general budget is not a standalone document, it has to be analyzed along with the Economic Review and the Gender Budget document. The 2021-22 gender budget document was broadly spread around three areas with emphasis to skill development, employment generation, livelihood security, creating an enabling environment for women to work through ensuring basic facilities and the last- prevention of gender-based violence. In 2022-23 these priorities were modified in such a manner that women's safety and gender mainstreaming got prioritized with education, skilling and employment, health and social security, and gender friendly infrastructure followed.

It will be meaningful to compare these two approaches. Employment generation was one of the priorities in the previous year. While quoting data from the Periodic

Labor Force Survey 2019-20, the GB document says that there is a substantial increase in female workforce participation rate in Kerala to 26.3 per cent⁴ which is higher than all India rate of 22.8 per cent. The acclamation for this high rate goes to the increasing participation of the less educated and low paid women workers and also to the higher literacy rate in Kerala. As a state which in many ways hold vertical growth in terms of health, education, literacy etc. of the women, and its continuous focus on gender responsive budget from the 9th plan onwards, reveling the 26 percent female participation is not so an invigorating approach. Existing practices reveals significant gender inequality that exists in the state in terms of wages and remuneration. The Economic review (Chapter,7, 2021) discusses these asymmetries in detail. It states that the gender disparity in wages is evident in

The GB document says that there is a substantial increase in female workforce participation rate in Kerala to 26.3 per cent⁴ which is higher than all India rate of 22.8 per cent. Existing practices reveals significant gender inequality that exists in the state in terms of wages and remuneration.

A state which proudly presents its pro labor stance with the highest minimum wage in the country, the gender discrimination in terms of wages is yet an issue to be tackled.

regular/salaried employment class too, but more crucial in casual labor. Though the wages of women engaged in casual labor in Kerala are higher when comparing to the rest of the states, gender difference in wage gap persists here also. A state which proudly presents its pro labor stance with the highest minimum wage in the country, the gender discrimination in terms of wages is yet an issue to be tackled. The budget allocations are not showcasing any provisions to address this disparity. While the participation of women in the formal sector is diminishing, the jobs that are created in the informal sector are mostly with informal nature. More 'innovative' schemes are on improving the skills of women through different agencies which again are not planned given the specific circumstances of women in Kerala with respect to the cultural and patriarchal clutches. Home based work is increasing on a large scale (pandemic has induced a 'new normal' home-based work for a different class of people which has to be discussed

separately) with more women confining to the spaces of household narrowing the paid/unpaid binary. Many houses have cut short their out-of-pocket expenses of domestic help, childcare and old age care through spacing women in the threshold of the household with a 'super woman' approach. But the rights of these women as workers contributing equally to the family and society is not considered as a revered concept. The wage gap in this labour progressive state is so high that women in the informal sector mostly earn half of the prescribed men's wages. MGNREGA is projected in plan B with majority of the funds that are allocated are spent as wages for the women workers. But the basic wage fixation issues and other entitlements included in a regular job is not discussed in the gender budget methodology. MGNREGA is a national scheme with pre decided norms on the creation of employment which narrows down the possibilities of women limiting to certain activities where skill is not a criterion. But the job assurance it creates prompt women to leave their

MGNREGA is a national scheme with pre decided norms on the creation of employment which narrows down the possibilities of women limiting to certain activities where skill is not a criterion. But the job assurance it creates prompt women to leave their traditional, skilled jobs to join the scheme work. This limitation of MNREGA associated activities is not seriously discussed in the planning or budget.

traditional, skilled jobs to join the scheme work. This limitation of MNREGA associated activities is not seriously discussed in the planning or budget. This crosscuts with the issues of wages also. The same pattern is followed in the Ayyankali Urban Employment Guarantee programme initiated by the state government. In this scheme also majority of job seekers are women and there is no systematic plan to develop a job pattern while considering the issues of gender gaps. An example which divulges this lack of vision is the special scheme under the Life Mission housing programme where in an urban allocation, there is a provision of paying Rs. 25000 as an additional amount to construct the basement. This is showed as job creation under urban employment programme. This is contradicting the process of 'gender mainstreaming' itself in the budget. In the GB document it is mentioned that "women's housing" could be an easy way of expending funds meant exclusively for women.

If an inclusive, equal plan and policy approach comes in, there could be more of such innovative plans in the budget through converging the fiscal allocations for a sustainable livelihood development of the women workers. Last 10 years

Kerala is witnessing a substantive increase in the number of workers coming from other states in search of work and all of them are engaged in some kind of wage labor both in the formal and informal sectors. While women are mostly getting into service sectors like domestic work, hospitality industries, garment industry, food and fish processing industries men are into construction, medium and small industries and other wage labor that are available on a daily basis. This has noticeably reduced the number of working days of male wage labourers of Kerala thereby more women engaging in some kind of paid work with less minimum wages. All these are complex situations for a state like Kerala where efforts for more inclusive fiscal approaches should definitely occupy the planning process.

In 2022, women's safety is the most prioritized area in Gender Budget. Many programs in the name of women's safety turns to be protective measures to support women within the male dominated structures. It reiterates the stereotypic feminine notions through programs like 'pink police'. Last year Kerala witnessed violence against women

The existing studies and analysis of Gender responsive budget clearly shows that the tendency to spent gender related public expenditures will be under protective and welfare services. This again reinforces the patriarchal framework in fiscal allocations too. The studies showed that most of gender related public expenditure falls under protective and welfare services, which reinforces the patriarchal thinking in framing policies for women

in both public and private spaces, especially many dowry related deaths. This has created so much of ruckus about the fabricated private space of Kerala families and has generated strong public opinions against such anti-women practices. While these discussions should get prioritized in fiscal inclusion, the approach in the budget looks contradictory. When we look at the Plan A, SC/ST women development programs, big chunk of the money is being allocated for the marriage support for ST and SC women (around 8 per cent). The existing studies and analysis of Gender responsive budget clearly shows that the tendency to spent gender related public expenditures will be under protective and welfare services. This again reinforces the patriarchal framework in fiscal allocations too. The studies showed that most of gender related public expenditure falls under protective and welfare services, which reinforces the patriarchal thinking in framing policies for women (Chakraborty,2013, Shafeek,2020)⁵. This again contributes to the increasing number of violence both domestic and public, dowry deaths etc. These critical

issues should find prominence in the Gender Budget approach. Here again many times immediate practical needs like short stay homes or one stop centres gets easy accommodation within the budget whereas strategic long-term needs which prevents those kinds of atrocities against women is not getting derived through the approach. There are many programs like Bhoomika, Nirbhaya, Ente Koodu etc. that appears in the budget through Women and Children, Social Justice, and Health departments but how far these programs address these issues in a systematic way to combat violence and harassment are important.

Part II of the main budget document states that the Government has started knowledge economy mission as one of the innovative approaches within the knowledge economy sector to create 20 lakhs employment opportunities in the state within five years. It affirms to build up strong skill infrastructure ecosystems as part of this mission in the state. But no such plans are integrated in the gender budget document with reference to specific areas or sectors which can create

Government has started knowledge economy mission. But no such plans are integrated in the gender budget document with reference to specific areas or sectors which can create more employment opportunities for women. 'Work from home' or 'work near home' are the new concepts that are emerging in these approaches. Budget says that it is aimed at educated 'housewives'. Even though it sounds more appalling to address the unemployment situations of women, setting women within the clutches of 'housewifization' embraces stereotypic roles of women again and it demands more responsibility for the household matters from women being in the vicinity of their houses.

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Skilling has been discussed as another priority area in the budget. When we again look at the second part of the budget, there are so many activities proposed like startup mission, skill building activities, micro enterprises, converting micro enterprises to small or medium enterprises etc. Past few years we have witnessed the mushrooming of so many public and private skill building agencies nationally and also within the state. But how far these skill building agencies are capacitated themselves to develop a sustainable skill ecosystem with reference to the contextual particularities is the question. These concerns in the main budget have no link in the GB document in particular with reference to informal sector. Specific programs that match the sociopolitical and cultural ecosystem of Kerala have to be developed and skilling should enable women to

sustain those activities through state facilitation process. Plan A programs which are otherwise 100 percent gender specific programs according to the central budget, the dilution Kerala has brought has affected its allocations⁷. Majority of the categories coming under plan A is Kudumbasree, NRLM, NULM, ICDS related programs which are the existing flagship programs within the prescribed framework. It is limiting the scope of gender related activities through certain welfare related programs. While the convergence of various departmental programs through consistent planning can make a change in the long-term strategic needs related to gender such an attempt is not having any space in the GB document. It compartmentalizes departments. For example, when it comes to agriculture, there are certain agriculture allied activities that fiscal exertion could support rather than focusing on access to property(land), value addition emerging out of these ownerships which disrupts the gender stereotypes. The same concerns are valid in the areas of science, mathematics, engineering, information technology, arts and culture etc. In a state with high rate of women's education, gender specific actions should enable the skill of the educated women. The percentage of allocations in plan B are very minimal when these broader areas are concerned.

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Care economy was introduced as a potential area of employment in the last budget, but this aspect hasn't got any specific mention this year. While knowledge economy is gaining attention in the planning process, interpreting 'Care' as an important category in the knowledge economy theory seeks attention. In a state like Kerala with maximum number of professional care givers in different forms from professional nurses to ANM, paramedical experts, the potential of developing this sector through novel approaches can boost women employment participation. Kerala is widely understood as an ageing society with old/geriatric care is evolving as a long-term need of upper- and middle-class families. Home management is also a potential demand driven area where the old generation need support. But this again has to be linked with the concerns of skill and socio-cultural ecosystems. The knowledge economy mission talks of creating jobs in and around the household. But linking the concept to more broader spheres of the Kerala society and also with issues of mobility, status, decent work etc. will only generate a sustainable knowledge bridge. It goes beyond the virtual accumulation and

spread out of expertise to more spatial accompaniments.

Another area of concern in the GB document is about the programs and schemes for marginalized sections. The gender budget document has not listed any specific or contextual allocations for the marginalized communities apart from the general schemes that are previously existing. As mentioned above marriage assistance got a high priority. It is well evident from the experiences of the marginalized communities that pandemic has exacerbated the inequalities and the difficulties they combatted to manage new normal situations in terms of basic needs, work, virtual education etc. For example, the demographic issues of tribal communities even differ when compared to the mainstream communities. The patterns of violence that these communities experience differ from the mainstream communities. Many of the women in tribal areas have no access to mobile phones or they are unaware of the existing mechanisms available. Special programs to enable accessibility to basic services and also inclusive approaches are crucial. Along with violence, the issues that women face varies from poverty, lack

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of food, lack of day long childcare facilities for women who work outside, lack of social security measures etc. Agricultural needs of the tribal population have to be linked with forest related matters. So how these concerns could be addressed with priority while developing fiscal allocations for the marginalized communities is extremely complex. There are no income compensation schemes for women who have lost their livelihood or have been alienated from the mainstream society. Only thing that has mentioned, is that some income security money for traditional sector women, but in a state where majority of the women are working in the informal sector, apart from traditional jobs, like domestic work the state's concern for such sectors are not reflected in the GB document. In the last budget, five crores were announced for domestic workers but there is no follow up on such issues or any additional allocations are also not seen. The limitations in terms of data and categorization are mentioned as one of the hurdles towards a comprehensive budget. But the means to tackle these structural disorders are not getting pointed out in the approach. Majority of

the workers in terms of their representation are invisible in the state's policy efforts. Home based workers are one such sector where majority are women workers who are under very poor employment situations in Kerala.

Another major concern is on social security of women. In Plan A and B, there are various schemes that come under the social security and welfare head. If we carefully examine the programs in the social security title, it includes Women Development Corporation, Women's Commission, Gender Park etc. where majority of the fund are disbursed. Other programs listed are gender awareness and other trainings through different institutions. The question here is how do we interpret social security in the context of gender budget? In a state where the status of women in terms of equal treatment has lot of gaps, majority of women engage with informal economy and majority of the care givers in the state are women, the concerns of the state, for these categories of women could be the highlights of fiscal calculations in social security. The LDF manifesto (2021) assured to implement a pension scheme

The LDF manifesto (2021) assured to implement a pension scheme for homemakers ('house wives') in recognition of the importance of domestic chores. Though it is not yet materialized but the idea itself endorses the identity of women as housewives!

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for homemakers ('house wives') in recognition of the importance of domestic chores. Though it is not yet materialized but the idea itself endorses the identity of women as housewives! But when it comes to the care givers of bed ridden patients, the state is able to offer only 600 rupees for women who spend most part of their life with the patients, either elders or children⁸. Most of the women workers who are in the informal economy suffer from wage loss when they are not able to work during illness or unexpected pandemic emergencies like COVID. The state is only able to provide nominal social security measures like pensions. They are not entitled to any other provisions of sickness support or other social and health emergencies. There was a huge COVID recovery package announced in the last budget, but no women were paid any income or social security compensation as part of the hardship they faced during COVID. While in the budget speech, 'long economic covid' was mentioned, there are no such recovery measures included in this year's documents to support women

in the new normal situation. The study conducted by Gulati Institute on the economic and fiscal shock of COVID 19 on Kerala, has found that Kerala has witnessed large scale loss in employment and revenue during this period. The report emphasizes on financial support from the government to sustain the own account enterprises, where it specifies that without such support, many enterprises in the state will go under, leading to severe disruption in the economy (GIFT,2020)⁹. Women have been suffering from domestic violence, economic pressures and other family constraints during COVID times. The household burden of so called 'housewives' had captured much attention during the peak time of COVID. All these are severe concerns of common people in the present times. The outcomes of these analyses are not reflected in the budget.

The attempt here was to reflect the GB document in the broader socio-economic situation of the state and also in the macroeconomic context. This is not a

New directions are always commendable but more in-depth discussions with experienced people in the field and also targeted community should enable more comprehensive approaches. Narratives from the field should be highlighted to strengthen mechanisms for long-term and strategic approaches towards a gender equitable public and private sphere.

comprehensive analysis of the budget but elucidating main areas of concerns with respect to GB and the main budget document. As Chakraborty (2016) points out "unpacking the 'social content' of macroeconomic policies is pertinent for rapid economic growth". The planning experts and policy makers have to adopt innovative tools to perspectivise gender inclusively to strengthen the approach in public spending decisions and in measuring gender differential outcomes of fiscal policy. New directions are always commendable but more in-depth discussions with experienced people in the field and also targeted community should enable more comprehensive approaches. Narratives from the field should be highlighted to strengthen mechanisms for long-term and strategic approaches towards a gender equitable public and private sphere.



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End Notes

1. *Gender Mainstreaming is the common mechanism to address gender biases and include gender issues in the development process. Many countries have adopted this mechanism following the common Platform for Action as part of the Beijing process from 1995 onwards. The process of including gender in states policies widely accept this trend as it is not challenging the structural dominations of patriarchy.*
2. *Caroline Moser (1998) introduced the theory strategic needs and practical needs to address in the gender planning process in development process. While strategic gender need address the long term*
3. *Pulikamath has discussed this aspect in detail in his article on analyzing Gender Budget in Kerala in an article published in Mathrubhoomi on 16th March, 2022. In this article he clearly mentions that while we take plan and non-plan funds together only 2.68 per cent is allocated for Gender Budget.*
<https://www.mathrubhumi.com/in-depth/analysis/kerala-budget-2022-gender-budgeting-analysis-1.7349035>
4. *Periodic Labour Force Survey 2018-19 shows an increase in female workforce participation rate in Kerala to 20.4 percent.*
5. *These have been the experiences in approaches by central and state governments who have adopted Gender Budget policies.*
6. *This housewivization concept is important to discuss. The division of labour debates and the process by which women got confined to domestic responsibilities are old but relevant discussions in feminist theory. This concept discusses how capitalism exploits women using the work and family balance in their capital accumulation strategy (Mies, 1986, Dalla Costa, James, 1972).*
7. *Gender Budget in India funds for women (such as the Mid-Day Meal scheme). Since its initiation, the gender budget has increasingly been dominated by Part B funds for women (such as the Mid-Day Meal scheme). Since its initiation, the gender budget has increasingly been dominated by Part B.*
8. *Aswasakiranam- This program is an assistance to care givers (largely women) for which 4250 crores for women is allocated. Monthly assistance of 600? to the caregivers of bedridden patients at home, including*

physically and intellectually disabled persons and old aged persons (Gender Budget document,2022-23)

9. According to the calculation in the GIFT study it was estimated that a sum of Rs 13,641 Crore will be required to support a significantly large number of own-account enterprises and workers employed in establishments, all engaged in manufacturing, trade and other services. The support for the primary will exceed this amount.

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Budget handholds the agricultural sector of Kerala

R Ramakumar

When we discuss the budget for 2022-23, it must begin from the state of our agricultural sector. For the last decade, the annual growth rate in Kerala's agriculture and allied sectors is -2.2 percent. If only agricultural crops are considered, this growth rate will be -3.6 percent. In other words, in the last 10 years, there has been an absolute loss of about Rs 8,000 crore to Rs 10,000 crore in the agriculture sector of Kerala. This is the picture provided by the Central Statistical Office (CSO). If we look at household surveys conducted by organizations like the National Sample Survey Organization (NSSO), we can see that there has been a decline in the monthly income of an agricultural household during this period.

These figures show that there is a crisis in the agricultural sector. But when we talk about agriculture in the State, we do not consider this crisis. The picture painted is that of a sector which performs satisfactorily. What is this crisis in

agriculture? In my view, there are three dimensions to it.

1. The first is the structural problems. The average area of our farms is small, which prevents farmers from earning the benefits of scale as well as command sufficient bargaining power in the market for outputs and value addition.

2. The second is technological problems. This refers to the failure to experiment with and adopt the latest scientific and technological innovations in agriculture. For example, Kerala is the State that uses the least quantity of chemical fertilizers per hectare in India. Ten years ago, Kerala consumed 106 kg/ha of NPK fertilizers; today we use just about 36 kg/ha.

3. The third is social and economic problems. In our State, there is a big problem of defining who is a farmer. There is no concept of the farmer as a person who depends only or primarily on the agricultural sector and works there for a major part of his/her time. We have

During the last 10 years, there has been an absolute loss of about Rs 8,000 crore to Rs 10,000 crore in the agriculture sector of Kerala.

Kerala's agricultural sector is in a crisis due to various reasons: structural, technological and socio-economic.

more of part-time farmers in Kerala. We have not examined precisely how this feature affects the potential for private investment in Kerala's agriculture.

In short, Kerala's agricultural sector is in a crisis due to various reasons: structural, technical and socio-economic. But what is the manifestation of this crisis?

First, Kerala is the least productive state in India in many crops.

Second, there is a massive failure to organize aggregation and marketing.

Third, we have failed to link agricultural products to value addition.

When we consider the 13th Five Year Plan, we were able to achieve a few things. For the first time in history, we were able to keep the area of land under rice cultivation intact. Vegetable production was almost doubled. More progress was made, but crises like floods and the COVID pandemic reversed many of those achievements during the 13th Five Year Plan period. This has also influenced the negative growth rates that we noted earlier.

The Finance Minister presented the first

budget of the 14th Five Year Plan period. There is no doubt that a new policy approach is needed in the agricultural sector. The inauguration of that new policy approach can be seen in this budget. The biggest challenge facing the agriculture sector in Kerala today is how to increase productivity. We should not be under any delusion that we can increase the farmer's income by 50 percent without decisively increasing the productivity of agricultural crops in Kerala. Second, the most important and primary crisis in the agricultural sector is the aggregation of products at the farm gate. We must aggregate the scattered production in small farms in one place. A third important issue is how to link the products aggregated and procured in this way with industries in processing and value addition.

So, how to increase productivity; how to solve the problem of aggregation; how to link agriculture to value addition. These three issues will find their mention in the budget.

Differences of opinion on these issues are strong. There is a section of

The manifestation of the crisis are; First Kerala is the least productive state in India in many crops, Second, there is a massive failure to organize aggregation and marketing. Third, we have failed to link agricultural products to value addition.

During 13th Five Year Plan, we were able to achieve a few things. For the first time in history, we were able to keep the area of land under rice cultivation intact. Vegetable production was almost doubled.

environmentalists who argue that declining productivity is not a crisis at all. On the other hand, there are consultants from organizations such as the World Bank, who think there is a technocratic solution to all this. What we need is an approach with a sense of reality, moving away from that technocratic thinking and extreme environmentalism. This is the approach taken in this budget. We are also not facing a crisis that can be solved by the agriculture department alone. We will be able to do something in the agriculture sector only through the collective action of the Department of Agriculture, Animal Husbandry, Fisheries, Irrigation, Local Self-Government and Cooperation. We can see the urge to achieve that coordination as an important approach in many parts of this budget.

I shall give examples of the coordination problems. First, about 30 percent of the plan fund of the local self-government bodies should be spent on the production sector. But most panchayats spend less than 10 percent on productive sector. If we consider the figure that about Rs 8000 crore is distributed to the local self-government bodies as plan funds, we can

spend about Rs 1500 crore more in the agricultural sector (as part of the production sector) with the current budget allocations. How do we make that possible? Line departments must work in coordination with the local self-governments.

Secondly, how do we address the problem of aggregation? How can marketing be improved using cooperative societies, farmer producer companies and Kudumbashree groups? It is commendable that this budget has given a significant priority to agriculture marketing, which we have not seen in many budgets so far. A new project called Cooperative Initiative in Technology Driven Agriculture (CITA) is being introduced in the budget, with an expenditure of around Rs 23 crore, utilizing cooperative institutions in Kerala. But the challenge is if the Department of Agriculture, the Department of Cooperation, and the Department of LSGs can forge a synergistic relationship to make this a reality.

These interventions using the cooperatives must ensure the creation of

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an efficient supply chain that benefits the farmer. CITA must become the site to connect the cooperative sector with not just aggregation but also value addition. Here again, the agriculture department, the cooperation department and the local self-governing bodies must all work hand in hand.

Thirdly, how do we address the coordination problem of planning itself? So far, all our schemes have been single-crop projects. But Kerala has a multi-crop farming system. In this budget, for the first time in history, the Finance Minister has presented a plan to formulate and implement projects in the agricultural sector on a farm plan basis, thus accepting multi-crop farming systems as a reality. This farm plan scheme tries to examine how to maximize the income from each unit of land in our garden lands and homesteads.

The budget has also given a major thrust to the vegetable sector. The VFPC is our most important institution in the vegetable sector. This budget has given them the share they have never received till date. Their allocation was increased from Rs 14 crore to Rs 25 crore. If we manage to utilize this money properly,

there is a good hope that we can double our vegetable production in the next 5 years.

Similarly, agricultural interventions related to irrigation has also received a boost in the budget. One of the issues that many people raise in the debate on K-Rail is that once a project is begun in Kerala, it is never completed on time. But let's look at some of the things we have accomplished in the last 5 years.

Four major irrigation projects were under construction for decades: Karapuzha, Banasurasagar, Moovattupuzha and Idamalayar. The Moovattupuzha project was commissioned in 2020-21 through a very detailed planning program that spanned three years. There are three more left. Karapuzha and Banasurasagar irrigation projects could be commissioned by 2024. Then there is only Idamalayar left. There is one more to re-commission: the Pazhassi project in Kannur. There are still some canals in Pazhassi project where not even a drop of water flows. The budget has doubled the allocation for the Pazhassi project from Rs 5 crore to Rs 10 crore. It is hoped that by 2023 or early-2024, water will start

In this budget, for the first time in history, the Finance Minister has presented a plan to formulate and implement projects in the agricultural sector on a farm plan basis, thus accepting multi-crop farming systems as a reality.

We can move forward in the agricultural sector only by adopting a planning scheme that accurately understands the severe crisis that exists today in the sector, its scientific and technical aspects, as well as its social, economic and structural aspects. We see that recognition in this budget.

flowing through Pazhassi's canals. There is a general lack of confidence that big projects cannot be implemented. We must and can fix it.

What is the most important challenge before us in the field of animal husbandry? Kerala is the State with the second highest productivity of milk in India. Average productivity in Punjab is 14 litres/day while in Kerala it is 10.2 litres/day. But how Kerala can reach the productivity of Punjab needs to be studied. It needs to do four important things.

First, we need to explore the various possibilities of hybrid insemination to improve the genetic makeup of our cattle population. Here the Kerala Livestock Development Board (KLDB) has potential for effective intervention, and more money has been allocated to them in the budget. Two, we need a fodder plan. The biggest problem in Kerala today is lack of fodder. The area under fodder cultivation should be increased from the present 2000 hectares to 12000 hectares. More allocation for this purpose has been given to Kerala Feeds Ltd. Three, milk cooperatives procure about 30 percent of the total milk production in Kerala. This must be increased to 50 percent. Only then can farmers get a better price for milk.

Similarly, value-addition potential

should be actively explored, as Kerala may soon achieve self-sufficiency in milk production. For that purpose, the construction of a milk powder factory has been started at Murkkanad in Malappuram. The budget has allocated money for that too. Hopefully it will be completed soon.

In sum, agriculture in Kerala can no longer be approached in a traditional planning style. It will fail. We can move forward in the agricultural sector only by adopting a planning scheme that accurately understands the severe crisis that exists today in the sector, its scientific and technical aspects, as well as its social, economic and structural aspects. We see that recognition in this budget.



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

S S Nagesh

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

The Five-Year Plans followed a social agenda for promoting equality of opportunities along with development.

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.

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.

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.

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

Kerala remains the only state in India to have publicly committed to continuing the planning process.

The 13th Five Year Plan has been unique in two respects.

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

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.

In the last few years, particularly during the 13th FYP period, the State has gone through unprecedented stress in the primary sector.

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

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.

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.

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

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.

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.

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(Views are personal)

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Agriculture sector in Kerala: Will the budget kill the pests found by the review

Gayatri Prem V and Jettin Susan Thomas

Introduction

Agriculture sector plays a pivotal role in the Kerala economy since long back. The share of agriculture and allied sector in total GSVA of Kerala shown a growth of 9.44% in the year 2020-21 than a growth of 8.38% in the previous year.

The great pandemic had disrupted the sector and many farmers were faced with severe distress during the year 2021. Lack of demand for the agricultural products, unavailability of labors in the allied sectors, supply chain disruptions etc. made the conditions worse. The revival of the sector is hopefully expected since the covid cases are declining substantially.

The change in climatic conditions and the increased episodes of natural disasters affected the Kerala agriculture sector in many ways. The structural changes in Kerala economy had disrupted the

performance of agriculture sector. Shift in cropping pattern from food crops to cash crops in Kerala can be seen as a sign of increasing food security challenge. The declining trend in the paddy cultivation and increased production of rubber and cash crops like tea and coffee shows the recent trend of commercial crops production. The non-availability of agricultural labourers and receded profitability from the primary sector can be seen as a major challenge curbing the sector.

Crop wise analysis

Now we are looking at the crop wise analysis and performance of different crops in Kerala:

Rice: The area under rice cultivation in the year 2020-21 was 2.02 lakh ha, that is an increase in the production by 5.7% than the previous year. The productivity

The concept of full-time farming doesn't have much enthusiasm in Kerala. Most of the farmers are either part time farmers or small and marginal farmers. The declining area under the cultivation along with the falling productivity is a prime concern.

Inordinate delay in processing of the claims, delayed fund processing by the Krishi bhavans along with the technical hurdles to submit the claims are creating troubles to the farmers under distress.

and production of rice is observed as 3105 kg/ha and 6.27 lakh tonnes respectively.

The intervention to promote paddy cultivation included assistance to undertake fallow land under cultivation, conversion of single crop to double crop and promotion of specialty rice.

Crop loss due to heavy rainfall and water logging is hitting hard on Kerala farmers, especially the rice cultivators.

A fund to compensate the farmers on an emergency basis shall be regulated for the easy attainment of remuneration.

Vegetables: The state had been doing exceptionally well in vegetable cultivation. As the safe to eat cultivation is getting more prominence, we are promoting the self-sufficiency in vegetable production over the past years. Government policies like rain shelter cultivation, availability of good quality seeds, vegetable clusters, micro irrigation and fertigation enhanced the productivity.

Coconut: Even though coconut is a principal crop in Kerala, its production is not being encouraged fully. The production and productivity have declined by 0.54 and 1.58% respectively. The predominance of senile palms, soil infertility, poor spread of hybrid varieties, shortage of labor etc. are the major

hinderance of crop production in kerala.

Many programmes like keragramam, coconut mission was implemented for enhancing the productivity.

Pepper: Kerala stands second in pepper production. The price of pepper has been decreasing continuously because of the large imports of pepper. Integrated pepper development and pepper rehabilitation programme are being promoted for improving the production.

Cashew: compared to the previous year, an increase in production and productivity of cashew nuts by 7.5% and 13 % respectively is seen in the state

Rubber: Though Kerala remains to be the major producer of rubber in the country, the natural rubber production in kerala is showing a declining trend over the years. Heavy rainfall is the major cause that is disrupting the rubber tapping, along with the labour shortage.

Challenges

The agriculture sector in Kerala is facing a lot of challenges despite the major initiatives and regulations. The agricultural sector seems the most potential target area, but the growth saturation in the agricultural sector is one of the major concerns of the present era. Except the agricultural sector, all the

The campaign "we too into agriculture" can be considered as a good initiative

fields have contributed tremendously to the progress of kerala economy over the time. The progress during phase 3 was comparatively lower than other sectors and other states.

Several hinderance that adversely affecting the agricultural sectors are predominance of small landholders- the area under each cultivator is less and the effective implementation of the modern machineries and scientific technologies will be less viable to the farmers. The concept of full-time farming doesn't have much enthusiasm in Kerala. Most of the farmers are either part time farmers or small and marginal farmers. The declining area under the cultivation along with the falling productivity is a prime concern. Moreover, the area under production can be broadly divided as the area under food crops and non-food crops. The area under non-food crops is very large compared to the area under the food crops production. Other major reason for the low productivity in kerala is the lack of adequate and proper irrigation facilities. Most of the cases, either the fields are underirrigated or overirrigated.

With the decline in the area under agriculture, state focuses more on production, productivity and profitability to attain sustainability in agriculture. The government is looking forward to increase the productivity by

increasing the modernization of the farm sector by enduring more in scientific advancement. The rise in productivity can increase the income level of farmers, thus increasing the profitability. Sustainability in agriculture focuses more on agricultural practices without damaging the environment. Being a very eco sensitive area, sustainability in agricultural practices have to be promoted on a larger basis. The two consecutive floods and the cyclone ockhi had shown the climate change and unpredictable natural disasters can toll the lives and income of many. The disasters had rampantly destroyed the agricultural sector. The upcoming methods and new approaches in agriculture must be made with a focus on the previous year's chaos.

Provisions for agriculture in Kerala budget 2022

The budget presented by Kerala finance minister K N Bal Gopal in the assembly on 11 March 2022 gave a prominent place to agriculture and allied sectors. With a total outlay of Rs 851 crore, the sector received a major support. The budget touched almost all sphere of agriculture sector and gave more importance to the participation of the young section of the society. The campaign "we too into agriculture" can be considered as a good initiative for

Even though the budget is vocal on value addition initiatives in the farm sectors, the debt relief to the bail out farmers faced with recovery measures are not considered fully.

this. Mechanization and introduction of new agricultural practices will be encouraged. The budget also gave prominence to irrigation sector, which includes new schemes to protect the coastal area from soil erosion and climate change, micro irrigation schemes, dam safety and rehabilitation projects etc.

In the Kerala budget 2022, a total amount of 60 crore has been allocated into sustainable paddy development. The minimum support price of paddy is also increased to Rs 28.20.

Government policies like rain shelter cultivation, availability of good quality seeds, vegetable clusters, micro irrigation and fertigation enhanced the productivity. A lion share of the provisions for agriculture sector has been devoted to the improvements in horticulture. The allocation of vegetable and fruit promotion council Kerala is enhanced from Rs 14 crore to Rs 25 crore. Development of single point delivery system by the strengthening and integration of agro service centers, karshika Karma Senas and custom hiring centers is under consideration. The production of more value-added products like ethanol and beverages from cassava is also a new initiative under the current budget.

An amount of Rs 79 crore is earmarked

for coconut development in the current budget.

Measures are being taken to improve the productivity of exotic and indigenous fruits like mangosteen, rambutan, litchi and avocado. Rs 18.92 crore is allocated for the production and marketing of this crops.

An amount of 500 crore is set apart for providing subsidy in the rubber sector by kerala finance minister. Steps are also being formulated to increase price, production and consumption of rubber simultaneously

Conclusion

There is tremendous potential in high value-added crops like fruits, spices and plantation. In order to thoroughly explore this potential, the state must adopt modern farming methods like contract farming, inclusion of artificial intelligence in to the sector, electronic trading etc. regular follow-ups should be made mandatory in order to understand whether effective Implementation of the technologies are made. The concerned departments can formulate new plans and projects to consider the condition of farmers affected by the severe rainfall and water logging in the paddy.

Even though the budget is vocal on value addition initiatives in the farm sectors, the debt relief to the bail out farmers faced

There is also allegation from the farmers that the amount disbursed as compensation to the farmers are not adequate.

with recovery measures are not considered fully. Out of the projects worth Rs 70000 crore by kerala infrastructure investment fund board, only projects worth 21 crore are directly beneficial to farmers. Overall allocation for agriculture is around 900 crore which may not be sufficient unless outside investment is encouraged in plantations and field crops. In the budget, a total outlay of 500 crore is allotted to rubber cultivation, which functions under the administrative control of Ministry of Commerce and Industry. There arises a question that whether the money allocated by the state government for this is justifiable. That amount could have been used for accelerating the food crop production in kerala, which is a need of the hour.

Another one is that most of the schemes are crop centred. The current agricultural strategies heavily depending on the government support and private participation and entrepreneurial activities are limited under the current scenario. There is also allegation from the farmers that the amount disbursed as compensation to the farmers are not adequate. Inordinate delay in processing of the claims, delayed fund processing by the Krishi bhavans along with the technical hurdles to submit the claims are creating troubles to the farmers under distress.

Agricultural related industries including input manufacturing should be encouraged by introducing start up projects in agricultural colleges. Effective distribution of MGNREGA workforce to the agriculture sector can improve the productivity and that can help indirectly to minimize the poverty among the citizen.

Thus, Kerala farm sector can achieve a lot more progress by making a comprehensive agricultural strategy which touches every sphere of the sector.



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Challenges of fisheries sector and the response of budget 2022-23

Athul Joseph

1. Introduction

The fisheries sector occupies a pride of place among various sectors of Kerala economy, in the sense that it provides livelihood to a large mass of underprivileged sections of the Kerala society and at the same time is crucial in achieving the nutrition and food security goals of the state. The sector employs around 10.44 lakh people, with 2.4 lakh of them being inland fish workers. India being one of the largest food producing countries in the world account for about 7.58 per cent of global production. The fisheries sector contributes about 1.24 per cent to GVA and 7.28 per cent of GVA from the agriculture sector (Government of Kerala 2021). In 2019-20 alone the country exported around 12.9 lakh metric tonnes of marine products (Rs. 46,662 crores).

Kerala occupied the fourth position in marine fish landings in India with a production of 4.75 lakh tonnes. The state

is blessed with a large number of fresh water resources including 44 rivers and nine major lakes which have a combined area of 1620 hectares. With a coastline of about 590 Km and an Exclusive Economic Zone (EEZ) of 2.18 lakh sq. Km, the state has huge potential in the fisheries sector. The Kerala Marine Fishing Regulation Act (KMFRA) was amended to strictly regulate the fisheries sector, such as preventing juvenile fishing, and this led to an increase of 26 per cent in marine capture in 2018-19. However, the marine fish production showed a decline in the years 2019-20 and 2020-21, mostly due to the rough weather at sea. In fact, marine fisheries sectors across the globe are going through challenging times due to climate change issues, change in ocean temperature and the current rate of marine biodiversity loss due to exploitative fishing practises.

In this context this paper discusses the major challenges in the expansion and

Due to climate change and anthropogenic activities such as juvenile fishing, overfishing, unscientific fishing, the catch of marine fisheries shows a declining trend in the last decade.

It is estimated that Kerala has already attained an optimum-level of production in marine fish resources. Thus, it is high time that the state tap into its potential in developing the inland fisheries sector.

modernization of the fisheries sector in the state and reflect on some of the governmental efforts to overcome these challenges through various budgetary and off-budgetary schemes. The paper is divided into four sections accordingly.

2. Challenges

Perhaps the single biggest drawback of the fisheries sector in Kerala is that it is not able to capitalize on the huge domestic demand and is heavily import dependent. As in the case of food grains and vegetables, Kerala is deficient in fish production. While the total domestic fish consumption in the State is approximately 9.12 lakh tonnes per annum, or about 2000-2500 tonnes per day, the marine production lags behind at just 4.75 lakh tonnes per annum. Of the annual consumption, about 3 to 4 lakh tonnes (or about 60 per cent) is imported from other States or countries, especially for consumption in urban areas.

A major problem affecting the income of fisherfolk is that the share of high value species in the total catch is very low. Some of the common commercially important fish species found along the Kerala coast are White Prawn, Pink Shrimp, King Prawn, Scampi, Deep Sea Lobster, Mud Crab, Sea Crab, Green Mussel, Clam, Indian Mackerel, Seer Fish, Black King

Fish, Little Tunny, Snapper, Malabar Reef Cod, Croaker, Malabar Trevally, Ribbon Fish, Indian Oil Sardine, Commerson's Anchovy, Barracuda, Pearl Spot etc. and many of these are endemic to the Kerala shores. Low share of high value species is evident from the fact that while Kerala's accounts for 13.3% of the total quantity of fish harvested in India, its contribution to total value is only 12.84% (Government of Kerala 2021).

As per data released by the Department of Animal Husbandry Dairying and Fisheries (2020) and by the Department of fisheries government of Kerala (2021), while a lion's share of fish production in India comes from inland fisheries (74%), we get to see an opposite trend in Kerala where production is dominated by marine fisheries (64%). Fish production in Kerala, in 2018-19, was estimated at 1.92 lakh tonnes from the inland sector and 6.1 lakh tonnes from the marine sector. of this, the inland sector's contribution is barely 20 per cent. However, with a rise of 6.3 per cent, the marine sector showed a moderate growth in its VOO, while at the same time the inland fisheries sector showed a substantial increase in its VOO (growth of 58 per cent). The inland fisheries sector remains underexplored and underutilized (Government of Kerala 2021).

A total of 1.58 lakh fish workers and 21,743 allied fish workers were provided support under the 'Saving cum Relief Scheme'.

Due to climate change and anthropogenic activities such as juvenile fishing, overfishing, unscientific fishing, the catch of marine fisheries shows a declining trend in the last decade. The marine fish production in the State in 2020-21 however shows a decline. This may be because of poor climatic conditions and rough weather at sea. The decline in marine fish catch is due to overfishing, indiscriminate juvenile fishery, and the capture of brood fish. The inland fisheries sector has great scope for further development but as of now remains underexplored and underutilized. The loss of man-days due to Covid-19 pandemic, accelerating rate of coastal erosion and rise in the average sea temperature also aggravated the stressful situation in the sector.

3. Budgetary response to the challenges

In the budget of 2022-23, an amount of Rs. 240.64 crores are earmarked for various schemes in the fisheries sector

(Rs. 37 crores more than the previous year's allocation). The total outlay provided for the sector in the Budget 2022-23 is presented in table 1.

3.1 Inland fish production

The fisheries sector in Kerala is characterized by the predominance of the marine fisheries production over inland production, whereas the opposite is true in the case of the country as a whole. While the total marine capture fish production in 2018-19 was more than 600,000 tonnes, inland aquaculture contributed to just about 25,000 tonnes only. The Central Marine Fisheries Research Institute (CMFRI) in one of its reports raised an alarm that the demand-supply gap for fish is only going to increase in the future. It is estimated that Kerala has already attained an optimum-level of production in marine fish resources. Thus, it is high time that the state tap into its potential in developing the inland fisheries sector.

Table 1. Department/agency wise allocation in budget 2022-23

| Sl. No. | Department/Agency | Amount (Rs Lakhs) |
|---------|--------------------------------|-------------------|
| 1 | Fisheries Department | 13983.00 |
| 2 | Harbour Engineering Department | 3007.00 |
| 3 | KUFOS | 3350.00 |
| | TOTAL | 20340.00 |

Source: Kerala Budget, 2022-23.

Due to climate change and anthropogenic activities such as juvenile fishing, overfishing, unscientific fishing, the catch of marine fisheries shows a declining trend in the last decade.

Table 2. State's contribution to centrally sponsored schemes in marine fisheries for the fiscal 2022-23

| Sl. No. | Scheme | Amount (Rs Lakhs) |
|---------|--|-------------------|
| 1 | Marine ambulance for the security of fisherman | 250.00 |
| 2 | Motorization of Traditional Fishing Crafts | 150.00 |
| 3 | Modernisation of Fish Markets, Value Addition Post-Harvest Activities | 350.00 |
| 4 | Mariculture Activities | 10.00 |
| 5 | Removal of Plastic from water bodies- "Suchitwa Sagaram"(HED) | 50.00 |
| 6 | Pradhan Mantri Matsya Sampada Yojana (PMMSY) - Integrated Development and Management of Fisheries (CSS 60% and SS 40%) | 1400.00 |

Source: Kerala Budget Data, 2022-23.

Kerala, with its vast aquatic resources in brackish water and freshwater, has immense potential for developing inland aquaculture. The state is blessed with 44 rivers with a total length of 3092 km, 5295.93 ha of freshwater ponds and tanks, 65213 ha of brackish water areas and 46128 ha of backwater stretches that are suitable for aquaculture, pen and cage culture. The table 2 shows the major fresh water resources of Kerala.

The outlay earmarked for inland fisheries in the budget of 2022-23 is ₹ 8423.00 lakh which includes 7 main schemes as stated in table 4.

3.2 Aquaculture development

In recent times aquaculture has become a very profitable business, with elaborate cage facilities in inland and brackish waters supported by multi-species seed-production hatcheries. The proposed aquaculture activities include (with an expected outcome of 45000 tonnes of aquaculture production):

- One paddy - one fish/shrimp farming;
- Farming of shrimp, crab and mussel

1619 homeless fisher families received new houses under the LIFE Mission.

Table 3. District wise data on the fresh water resources of Kerala.

| Districts | Panchayath Ponds | Streams and Holy Ponds | Village Ponds | Irrigation Tanks |
|--------------------|------------------|------------------------|---------------|------------------|
| Thiruvananthapuram | 1706 | 67 | | 34 |
| Kollam | 589 | 188 | 16 | 17 |
| Pathanamthitta | 390 | 66 | | 6 |
| Alappuzha | 340 | 303 | | 3 |
| Kottayam | 226 | 207 | 7 | 75 |
| Idukki | 65 | 25 | | 47 |
| Ernakulam | 719 | 201 | 54 | 72 |
| Thrissur | 959 | 305 | 3 | 228 |
| Palakkad | 629 | 334 | 6 | 60 |
| Malappuram | 545 | 275 | 7 | 45 |
| Kozhikode | 96 | 264 | 11 | 24 |
| Wayanad | 28 | 5 | 22 | 61 |
| Kannur | 292 | 312 | 9 | 35 |
| Kasaragod | 264 | 137 | 50 | 145 |
| Total | 6848 | 2689 | 185 | 852 |

Source: Fisheries Handbook (2020).

Table 4. Outlay on inland fisheries, Budget (2022-23)

| Sl. No. | Scheme | Amount (in Lakhs) |
|---------|---|-------------------|
| 1 | Aquaculture Development | 6662.00 |
| 2 | Sea safety and sea rescue operations | 550.00 |
| 3 | Aquatic Animal Health Surveillance and Management | 100.00 |
| 4 | Reservoir Fisheries Development | 200.00 |
| 5 | Cleaning of Vembanad Lake | 100.00 |
| 6 | Aquaculture Extension Services | 711.00 |
| 7 | Operational expenses for KAVIL | 100.00 |

Source: Kerala Budget Data, 2022-23

About 200 fibre-reinforced plastic (FRP) vessels were provided to fishermen as part of the Blue Revolution scheme.

- Farming of carp, Nile tilapia, Pangassius and indigenous fish in the pond
- Intensive fish farming viz. aquaculture in bio floc tank, cage, Pond and Recirculatory Aquaculture System (RAS).

3.3 Reservoir fisheries development

The scheme envisages fish stock enhancement programme for small reservoirs, with it being limited with the seeds of endemic carps, endemic catfishes, Pearl spot and Mahaseer, in the case of reservoirs within wildlife sanctuaries. Also, it discusses the possibility of cage farming of fish in the case of large reservoirs. An amount of ₹ 200.00 lakh is provided for implementation of the scheme.

3.4 Social and financial security of fisherfolk

It is estimated that the population of fish workers in Kerala is around 10.50 lakh, with 2.4 lakh of them being inland fisherfolk. The number of active fish workers, those fish workers who are engaged in fishing for their livelihood, registered with the Kerala Fishermen Welfare Fund Board in the State as of 2020 is 2,40,211. The Government has rolled out several schemes to ensure the social security and livelihood of fish workers. Such schemes are implemented by the

combined efforts of the Fisheries Department, KFWFB and Matsyafed. The schemes include those for housing, insurance and pension apart from the ones which enable fish workers to earn livelihood on a continuous basis.

The Society for Assistance to Fisherwomen (SAF) has put in huge efforts for enhancing the entrepreneurial skills among fisher women by encouraging microenterprises. SAF offered assistance to 398 fisherwomen beneficiaries (138 groups) to start microenterprises. The government showed support to 242 Theeramythri activity groups which have been assisted with interest free working capital in 2020-21.

a) Saving cum relief scheme (2017-18)

This scheme was designed so as to provide the fishermen with lean seasonal relief. The beneficiaries will receive a total amount of ₹1500 each, in six instalments of ₹250 per month. Both the state and the central governments make an equal payment of ₹1500 each.

A total of 1.58 lakh fish workers and 21,743 allied fish workers were provided support under the 'Saving cum Relief Scheme'.

b) Housing scheme from 2016-17

The Department took an initiative to build 5457 safe houses for homeless fisherfolk. The rehabilitation of another

Table 5. District wise list of beneficiaries (marine and inland fisheries) of the saving cum relief scheme.

| Sl. No. | District | Beneficiaries (Marine) | Beneficiaries (Inland) | Amount (in Lakhs) |
|---------|--------------------|---------------------------|---------------------------|----------------------|
| 1 | Thiruvananthapuram | 37139 | 37139 | 1072.57 |
| 2 | Kollam | 28689 | 28689 | 901.52 |
| 3 | Pathanamthitta | 0 | 0 | 2.96 |
| 4 | Alappuzha | 36012 | 36012 | 1277.53 |
| 5 | Kottayam | 0 | 0 | 94.725 |
| 6 | Idukki | 0 | 0 | 2.785 |
| 7 | Ernakulam | 15917 | 15917 | 649.32 |
| 8 | Thrissur | 4964 | 4964 | 159.55 |
| 9 | Palakkad | 0 | 0 | 7.65 |
| 10 | Malappuram | 17282 | 17282 | 498.27 |
| 11 | Kozhikode | 19977 | 19977 | 596.88 |
| 12 | Wayanad | 0 | 0 | 0 |
| 13 | Kannur | 3808 | 3808 | 139.68 |
| 14 | Kasaragod | 8484 | 8484 | 252.60 |
| | TOTAL | 172272 | 24143 | 5656 |

Source: Fisheries Handbook (2020).

4500 fisherfolk is currently in progress. **1619 homeless fisher families received new houses under the LIFE Mission.** The government is also moving forward with the construction of a housing complex with 192 flats to rehabilitate fishermen who lost their land and houses at Muttathara, Thiruvananthapuram. The floor area of each of these flats is 542 sq. feet. Table 6 presents district wise expenditure on various housing schemes

3.5 Vidyatheeram scheme

The Vidyatheeram scheme aims to subsidize and aid the children of fishing families in preparing for various entrance exams as well as job tests. The scheme will help in better representation of children

from fishing communities in educational institutions and in various government jobs. The allocations for the scheme from 2016 to 2020 are given table 7.

3.6. Infrastructure development and R&D

The government spent a total of Rs 403.5 crore under marine infrastructure development schemes. Using this fund eight fishing harbours at Chellanam, Vellayil, Muthalapozi, Chetuva, Tanur, Koyilandy, Thalai, and Manjeswaram were constructed. The Parappanangadi and Chethi harbours were completed at a cost of Rs 209.04 crore using KIIFB funds. The Plan has also supported the

Table 6. District wise expenditure on various housing schemes

| Sl. No. | District | Housing @ 2 lakhs | Housing @ 4 lakhs |
|---------|--------------------|-------------------|-------------------|
| 1 | Thiruvananthapuram | 979 | 211 |
| 2 | Kollam | 490 | 50 |
| 3 | Alappuzha | 569 | 15 |
| 4 | Kottayam | 91 | |
| 5 | Idukki | 5 | |
| 6 | Ernakulam | 170 | 1 |
| 7 | Thrissur | 50 | 6 |
| 8 | Palakkad | 5 | |
| 9 | Malappuram | 423 | 37 |
| 10 | Kozhikode | 250 | 10 |
| 11 | Kannur | 50 | 22 |
| 12 | Kasaragod | 67 | 48 |
| | Total | 3149 | 400 |

Source: Fisheries Handbook (2020).

Table 7. Allocation for various coaching and training programmes under the Vidyatheeram scheme

| Activity | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|------------------|---------|---------|---------|---------|
| Medical Entrance | 33 | 50 | 56 | 84 |
| Civil Service | 2 | 10 | 10 | 12 |
| Bank Test | 17 | 19 | 18 | 20 |
| PSC | 75 | 68 | 55 | 48 |

Source: Fisheries Handbook (2020).

development of Thankassery, Puthiyappa, Bepore and Arthunkal fishing harbours as well as establishment of Harbour Management Societies to manage these harbours. Total earnings from fishing harbours and fish landing centres in 2020-21 was ₹4.36 crore. For the very first time in India, Fisheries Management Councils were formed with the participation of managements,

fisheries representatives, people's representatives, and fisheries experts.

In addition to the construction of fishing harbours, NABARD funds and other funds were utilized for construction of fish landing centres, roads, bridges, locker rooms, artificial reef in the coast of Poovar and Puthyathura fishing villages as well as modernization of existing

A new mobile app called 'Sagara' was developed to record the departure and return of fishing vessels at sea.

fishing harbours. Between 2017 and 2021 around Rs 704.1 crore was spent for the construction of more than 1600 coastal roads. The government spent Rs 193.5 crore to construct more than 65 fish markets. About 200 fibre-reinforced plastic (FRP) vessels were provided to fishermen as part of the Blue Revolution scheme. The fisherfolk also received 10 deep sea fishing boats on a pilot basis. A new mobile app called 'Sagara' was developed to record the departure and return of fishing vessels at sea.

3.7 Technological advancement

The government has taken a very proactive role in infusing the latest of available technology to modernize the fisheries sector and improve the efficiency of fish stock breeding, fish harvesting etc. These include:

- Bio floc Technology (BFT) - is a technique for improving the quality of water in aquaculture by balancing carbon and nitrogen in the livestock system. BFT not only treats waste but also helps nutrition to aquatic animals. Since it is viable technology Government of Kerala is promoting BFT wherever possible.
- Recirculating Aquaculture System (RAS) - In order to maintain water quality, efficient filtration systems need to be installed to ensure the optimum growth of fish. A

Recirculating Aquaculture System ensures that water flows back to the culture system after filtration (mechanical, biological or chemical filtration) so that the water quality is maintained throughout the culture. Although this is an energy intensive and expensive mode of aquaculture, it is used in urban areas where the water area available for aquaculture is limited.

- Aquaponics - is a synergic system between fish and plants in which both grow together in one integrated system. In an aquaponics system, water flows from a fish tank into a biofilter where bacteria break down the fish waste into an organic nutrient solution. The plants then absorb the nutrients from the water before it is re-circulated to the fish tank. This is also a dynamic and energy-intensive system and needs utmost care in implementation

Technology improvement through SAF (2018-19)

The Society for Assistance to Fisherwomen (SAF) was established to promote self-employment opportunities among the highly disempowered fisherwomen of Kerala and aims at creating suitable income generating activities for them, such as through the

Table 8. District wise data on the beneficiaries of SAF schemes.

| District | Fisher Women Benefited | Amount (Lakhs) |
|--------------------|------------------------|----------------|
| Kasaragod | 23 | 1.99 |
| Kannur | 17 | 1.46 |
| Kozhikkode | 59 | 4.27 |
| Malappuram | 3 | 0.21 |
| Thrissur | 98 | 8.4 |
| Ernakulam | 126 | 13.84 |
| Kottayam | 49 | 4.37 |
| Alappuzha | 24 | 2.14 |
| Kollam | 35 | 3.28 |
| Thiruvananthapuram | 68 | 5.2 |
| Total | 502 | 45.16 |
| Kollam | 35 | 3.28 |
| Thiruvananthapuram | 68 | 5.2 |
| Total | 502 | 45.16 |

Source: Fisheries Handbook (2020).

Table 9. Amount spent on procurement of advanced fishing gear.

| Sl. No. | Components | Amount (in Lakhs) |
|---------|--|-------------------|
| A | Procuring large meshed gill net and sophisticated equipment for line fishing | 20.00 |
| B | Procuring new outboard motor of less than 10 hp | 30.00 |
| C | Insulated boxes | 75.00 |
| D | Procuring towing tractor | 25.00 |

'Theeramythri' scheme. District wise data on the beneficiaries of SAF schemes is presented in Table 8.

3.8 Motorization of traditional fishing crafts

Motorization of the traditional fish crafts helps in increasing the efficiency and reducing the operation time in fishing. It also promotes deep sea fishing. Table 9. Presents data on amount spent on

procurement of advanced fishing gear

3.9 Value addition and modernization of post - harvest activities

Because of the perishable nature of the fish caught, it is estimated that every year about 18 per cent of the total fish catch is discarded as spoiled fish. This can be avoided to a great extent by expanding the cold chain networks which includes providing insulated boxes in fishing craft,

2.43 lakh fish workers and 85,543 allied workers benefitted from the Group Accident Insurance Scheme.

reefer chilled storage in harbours, onshore chilled storage facility, modernization of fish landing centre & harbour and wholesale market (for hygienic handling and quality assurance) and insulated vehicle (for better transport), fish collection/procuring centres/base stations and hygienic fish sales outlet at the endpoint.

3.10 Climate resilience, sustainability and disaster relief

The residents along the coasts of Kerala have long been tormented by frequent rages of cyclones causing immense damages to life and property. Many still live in houses damaged by the sea and many are waiting for rehabilitation. The

government has initiated several schemes to ensure the fish workers lead a safe and secure life with no impending threat to their life or property. The activities include repair of damaged houses, rehabilitation efforts, accident insurance scheme, sea safety training, sea rescue operations and a marine ambulance service exclusively for the fisherfolk.

a) Rehabilitation and house repair

The government is committed to ensure safe and habitable living spaces for the fisherfolk, many of whom do not have sturdy houses and still more rendered homeless due to the wrath of the raging sea. The amount allocated under various

Table 10. District wise data on rehabilitation projects undertaken.

| Sl. No. | Districts | Rehabilitation | House Repair | Ockhi House |
|---------|--------------------|----------------|--------------|-------------|
| 1 | Thiruvananthapuram | 723 | 1974 | 26 |
| 2 | Kollam | 217 | 288 | 4 |
| 3 | Alappuzha | 188 | 736 | |
| 4 | Kottayam | 0 | 100 | |
| 5 | Idukki | | | |
| 6 | Ernakulam | 112 | 423 | 9 |
| 7 | Thrissur | 19 | 50 | 26 |
| 8 | Palakkad | | | |
| 9 | Malappuram | 93 | 634 | 5 |
| 10 | Kozhikode | 127 | 57 | |
| 11 | Kannur | 147 | 133 | |
| 12 | Kasaragod | 172 | 105 | 2 |
| | TOTAL | 1798 | 4500 | 72 |

Source: Kerala Marine Fisheries Statistics, 2015.

Table 11. Data on fishermen and allied workers covered by insurance schemes (2015-2020).

| Year | Fishermen (Lakhs) | Allied Workers (Lakhs) |
|---------|-------------------|------------------------|
| 2015-16 | 238.59 | 137.20 |
| 2016-17 | 345.00 | 140.46 |
| 2017-18 | 631.36 | 209.70 |
| 2018-19 | 1126.94 | 333.98 |
| 2019-20 | 1136.16 | 213.77 |

Source: Fisheries Handbook 2020.

rehabilitation and housing schemes is given in table 10.

b) Accident group insurance

2.43 lakh fish workers and 85,543 allied workers benefitted from the Group Accident Insurance Scheme. The fishing fleet of Kerala comprises of 6231 mechanised vessels, 31,664 motorised vessels and 2,806 non-motorised traditional vessels. Around 924 fishing crafts in 2020-21 has been insured. Data on fishermen and allied workers covered by insurance schemes during 2015-2020 is presented in Table 11.

c) Marine ambulance for the security of fishermen. (Outlay: Rs.250.00 lakh)

After the devastating Ockhi disaster, in order to reduce mortality at sea, it was decided to introduce three marine ambulances equipped with all modern gadgets, paramedical staff and provisions for onboard medical care, which will serve as rescue vessels for support under distress situations. The marine ambulances were equipped with all modern facilities required for emergency medical aid for 10 persons at a time. The

Government commissioned marine ambulances for three zones: Vizhinjam in Thiruvananthapuram, Vypin in Ernakulam, and Beypore in Kozhikode. An amount of ? 250.00 lakh is provided for meeting the operational expense which includes fuel cost, cost of medicines, AMC, insurance charges and contractual wages in connection with the maintenance of the three marine ambulances. Further, 19 coastal hospitals were constructed in the health sector.

d) Sea safety and sea rescue operations

The scheme aims to provide 75 per cent grant to the fisherfolk for the purchase of sea safety equipment such as Global Positioning System, Marine communication equipment, Life buoy and life jackets and Automatic Identification System (AIS)/ Satellite-based communication/ vessel tracking devices. In order to develop a comprehensive and quick-action sea rescue operation mechanism, the schemes propose the following:

- to ensure the recording of entry and exit of fishing vessel by establishing

Employment was created for 230 fisherwomen in 9 coastal districts by establishing 46 "Coastal Friendship" (Theeramythri) seafood restaurants.

punching booths/facilities in fishing harbours and weather forecast data dissemination

- to provide training to fishermen as Deckhands/Engine driver/Syrang
- to engage harbour-based team of trained fishermen for sea rescue operations as per need.

e) Removal of plastic from water bodies -"Suchitwa sagaram"(HED)

This is a proposed scheme (Clean Sea), to bring down the accumulation of plastic wastes in the sea and thereby save aquatic fauna from the plastic menace. The scheme proposes to employ fishermen to collect garbage from the sea bed and recycle the same to use in the road surfacing works. Thus, the scheme at the same time resolves to solve the problem of marine pollution, enhance employment opportunities and the additional income of the fisherfolk and use the waste collected for a more environmentally friendly method of road construction. About 38.4 tonnes of discarded nets, plastic ropes, and other plastic items have so far been removed by fish workers from the sea.

An amount of ₹ 50.00 lakh is earmarked as outlay for this project in the budget of 2022-23. Suchitwa Sagaram was implemented in Neendakara in Kollam in

collaboration with the Society for Assistance to Fisherwomen (SAF), Local Self Government Institutions (LSGIs) and the Suchitwa Mission. This project was noted by the United Nations.

f) Cleaning of vembanad lake

The Government of Kerala has launched an initiative to clean up Vembanad and Ashtamudi lakes with a view towards protecting and conserving the natural ecosystem of brackish water lakes of the state. The scheme involves the participation of all the direct and indirect stakeholders and LSGs. An amount of ₹ 100.00 lakh is provided for the scheme in annual budget 2022-23.

3.11 Social mobility

The government established more than 2500 micro-enterprises so as to promote alternative livelihood activities, providing livelihoods for over 7000 fisherwomen. An Apparel Park Consortium was established at Kundara, Kollam, where 12 microenterprise units covering 48 fisherwomen beneficiaries were established. Employment was created for 230 fisherwomen in 9 coastal districts by establishing 46 "Coastal Friendship" (Theeramythri) seafood restaurants. Table 12 presents data on livelihood providing activities financed by the government.

Table 12. Data on livelihood providing activities financed by the government.

| Districts | Interest Free Loan (Lakhs) | Development of MicroEnterprises (Lakhs) | Shift to Appropriate Business (Lakhs) |
|--------------------|----------------------------|---|---------------------------------------|
| Kasaragod | 228.6 | 72.81 | 0 |
| Kannur | 4.7 | 43.51 | 0 |
| Kozhikode | 0 | 70.35 | 1 |
| Malappuram | 0 | 67.89 | 0.5 |
| Thrissur | 33 | 102.75 | 2 |
| Ernakulam | 291.8 | 76.6 | 1 |
| Kottayam | 469.4 | 75.33 | 0.5 |
| Alappuzha | 119.7 | 72.44 | 0 |
| Kollam | 56.6 | 79.45 | 1 |
| Thiruvananthapuram | 1208.5 | 62.14 | 0.49 |
| Total | 2412.3 | 723.27 | 6.49 |

Source: Kerala Marine Fisheries Statistics, 2015.

Table 13. Amount spent on conservation of (both inland and marine) fish resource.

| Sl. No. | Scheme | Amount (in Lakhs) |
|---------|---|-------------------|
| 1 | Conservation and Management of Inland Fish Resource | 500.00 |
| 2 | Conservation and Management of Marine Fish Resource | 900.00 |
| 3 | Surveys, Studies and Investigation for Fisheries Infrastructure | 100.00 |

Source: Fisheries Handbook 2020.

3.12 Conservation of fish species

With the stock of marine fish catch dwindling by the year, it is absolutely essential to protect and preserve the local fish species along our shores (as well as the fresh water species) to ensure sustained livelihood for the fish workers and food security for the state. A total of Rs. 15 Crore. is earmarked for fisheries resource conservation in 2022-23, which

includes 3 major schemes. Amount spent on conservation of (both inland and marine) fish resource is presented in Table 13.

a) Conservation and management of fish resources (inland)

The scheme aims to increase the fish production in the state by protecting the natural fish stock by conducting

The aim should be to make fishing a safe and rewarding profession in the near future and the upliftment of fishing communities who are shown to be the outliers of Kerala model of development.

patrolling to prevent illegal fishing, setting up Fisheries Management Councils (FMCs), by the establishment of a protected area, by enhancing the fish stock through ranching, mangrove afforestation and restoration of damaged aquatic ecosystems. The scheme seeks to make use of remote sensing and geographical information system for fisheries resource mapping, buy-back of licensed stake net, and Chinese net as well as assessment of fish catch.

b) Conservation and management of fish resources (marine)

The state needs to adopt effective management principles and surveillance techniques if we want a sustainable use of marine resources to ensure nutritional food security, economic growth, and protect the sole livelihood of fisherfolk. This will require steps like co-management of marine fishery resources & functioning of Fisheries Management Councils (FMCs), implementation of KMFR Act, fitting of holographic registration plate, camera surveillance in the fishing harbours and fish landing centres, establishment of new fisheries stations, establishment of effective communication network, marine catch data collection, installation of square mesh & Turtle Excluder Device (TED) in trawl nets, certification of species, establishment of artificial reefs/marine

protected areas, model fishing boat and hiring of 20 patrol boats for sea patrolling and employment of fisheries rescue guards on contract basis.

c) Aquatic animal health surveillance and management

This is a very practical scheme with an objective of timely identification of disease in the early stage itself, which may reduce the mortality rate and further spread. It proposed to do so by establishing Mobile Aqua Laboratories to conduct clinical examination of live/dead aquatic animals, sample fixing, water and soil quality analysis. An amount of ₹ 100.00 lakh is provided for the scheme during 2022-23.

3.13 Surveys, studies and investigation for fisheries infrastructure

The scheme proposes to take up surveys, studies and investigation works of infrastructure works pertaining to Fisheries and Coastal Area Development and conducting techno-economic feasibility studies for fisheries infrastructure projects. Fisheries infrastructure includes fish landing centres, fish harbours, bridges, roads, groynes, offshore and detached breakwaters and beach nourishment works. The scheme seeks to establish a comprehensive and permanent data bank of the morphological and environmental

changes in coastal zones which will be beneficial for the future planning and design of various coastal structures like harbours and shore protection works. The technical investigation includes surveys, hydrodynamic data collection and subsoil investigations. The scheme tries to incorporate technical assistance from competent agencies like KUFOS, wherever and whenever it is required.

3.14 Government response during the pandemic

The biggest blow to the fish workers during the pandemic was the breakdown of international markets and global trade which affected the export performance of the fisheries sector and the income of the fisherfolk. The restrictions and the closure of global markets affected in particular fresh fish and shellfish supply chains and the processing sector due to the weak global demand. All fishing harbours and fish landing centres in Kerala were closed down with the imposition of the lockdown. Trolling with the use of mechanised fishing boats was prohibited and fish auctions too were not allowed. Only traditional methods of fishing were allowed, but they too were asked not to auction their products, as social distancing measures were difficult to implement. The government entrusted the Harbour Management Societies to manage the purchase and sale of fish at a

price fixed by the government.

The government introduced a token system in the harbours to implement social distancing rules. Even a mobile application was developed for the online marketing of the catch. All aquaculture activities, hatcheries and fish farms, as well as the movement of seed, feed and other essentials were exempted from the lockdown restrictions by a special order. To financially help the fish workers traumatized by the pandemic, SAF provided financial assistance in the form of long-term loans at reasonable interest rates. During the pandemic period 359 micro enterprises were assisted with term loan of ₹5 crore from Kerala Bank.

4. Conclusion

The fisheries sector makes significant contributions to the economy of Kerala. There is a huge scope for the further development and modernization of the sector, especially the development of inland fisheries sector and aquaculture activities. The state has much more to achieve towards ensuring income stability and social security of the fish workers' community. Problems faced by the fisherfolk such as reduction in catch lately, lack of proper fishing and safety equipment, low levels of higher educational attainments, ease of social mobility, lack of proper housing and

Without facilitating the catch up of the fisherfolk with rest of Kerala society, our achievement of Sustainable Development Goals (SDGs) will remain a distant dream.

coastal infrastructure facilities etc. should be studied in detail and attempts must be made to resolve them. The government must also look into the damages caused by climate change as well as wave after wave of cyclones on the lives of fish worker communities. The aim should be to make fishing a safe and rewarding profession in the near future and the upliftment of fishing communities who are shown to be the outliers of Kerala model of development. Without facilitating their catch up with rest of Kerala society, our achievement of Sustainable Development Goals (SDGs) will remain a distant dream.



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Performance and future prospects of the dairy sector in Kerala

Deeya Deep Anand

Introduction

Being blessed with the necessary endowments, dairy sector is emerging as major source of income and employment in the state. The fact that in 2020, the milk production in Kerala reached a volume of 2.5 billion litres only serves to exemplify this point. Currently representing the twelfth largest dairy market in India, Kerala has the highest number of crossbred cattle (94 %) as a proportion of the total cattle population (Department of Animal Husbandry & Dairying 2013).

Livelihood of the farmers centres around the dairy sector as majority (90%) of them are marginal farmers who own about 87 per cent of the total cattle population. Additionally, the industry is crucial in ensuring the livelihood of rural women. According to the FAO (2018) report, more than 500 million poor people depend on livestock, majority

consisting of small and marginal farmers. The dairy sector plays a key role in securing the Sustainable Development Goals (SDGs), particularly SDG-1, SDG-3, SDG-5, SDG-8, and SDG-10, and as a result, it has a big impact on how common people live their lives. Despite being a highly advanced industry, dairying sector in the state is yet to reap its potential. As a result, the state has to traverse a long distance in achieving self-sufficiency in milk production. Consequently, it depends on the neighbouring states for meeting it already burgeoning demand for milk and milk products; clearly evidenced by the fact that the import of milk into the State is hovering around two lakh litres per day.

The industry at large in Kerala is marred by issues that impinge on the dairy sector of India as well - it is persistently unorganised, dominated by a large number of small as well as marginal dairy

The dairy sector plays a key role in securing the Sustainable Development Goals (SDGs), particularly SDG-1, SDG-3, SDG-5, SDG-8, and SDG-10, and as a result, it has a big impact on how common people live their lives.

The average milk yield per animal in India for exotic/crossbred animals is 7.9 kg and for indigenous/non-descript animals is 3.0 kg per day. The corresponding figures for Kerala are 10.2 kg per day and 3 kg per day respectively

farmers. This paper aims to bring to light these problems, specific initiatives aimed at targeting them and to establish why this sector is brimming with opportunities and could quite possibly pave the way for market expansion in the region.

Features of the dairy sector in Kerala

- First, Kerala's dairy sector may be characterised as a low input-low output system. The overall picture of animal farming in Kerala is dotted with small homesteads integrated with crop cultivation and fisheries. The average herd size in small homesteads does not normally exceed 3, while in medium sized homesteads the herd size goes up to 9. More than 55 per cent of cattle farmers maintain herd sizes of 2 or 3, while 32 per cent maintain single-cow units. The number of commercially operating dairy farms with larger herd sizes are less in Kerala.
- Secondly, Kerala trumps the national average in terms of productivity of cattle despite being weighed down by low herd sizes. The average milk yield per animal in India for exotic/crossbred animals is 7.9 kg and for indigenous/non-descript animals is 3.0 kg per day. The

corresponding figures for Kerala are 10.2 kg per day and 3 kg per day respectively

- Thirdly, the next decade will be witness to a surge in demand for milk and milk products. A study by the NCAER (2014) argued that the total demand for milk was 27.9 lakh tons in 2009-10, which would rise to 32.9 lakh tons in 2020, 34.2 lakh tons in 2025 and 35.2 lakh tons in 2030.
- Fourthly, in its efforts to raise milk production, Kerala would face a key constraint in the form of fodder production. Studies show that the ideal roughage to concentrate ratio for livestock is 60:40. In Kerala, the share of concentrate is currently above 60 per cent. This imbalance in feeding is known to create several stresses to the animals.

Challenges faced by the sector

Vishnu et al (2018) conducted a study in four districts of the State to explore various constraints associated with dairy farming as perceived by the farmers. The results reflect the constraints in addition to those mentioned earlier - increased price of cattle feed, non-remunerative price of milk, high cost of credit, unavailability of required manpower for

cattle health care, unavailability of dry and green fodder etc. were some of the important constraints reported by majority of the respondents. Increasing production cost stemming from the spiralling cattle feed prices, cost of health care of the cattle and associated service charges etc. were leveraging a irrecoverable hit to the income earned from the milk sale. There were also concerns regarding the unavailability of timely veterinary service and the charges incurred in delivery of technical service. This mainly happens because, of the shortage of manpower in the veterinary dispensaries. High cost of credit was another important constraint, according to the respondents. Disbursal of credit from institutional sources was muddled by discrimination between crop and livestock farmers.

Trends in milk production

Out of 25.34 lakh MT of milk produced in the State, major share was produced by cross bred cows (93.54 per cent). Indigenous cows produced only 0.319 lakh MT of milk (1.26 per cent). The production of milk from goat was 1.19 lakh MT (4.71 per cent). The rest was contributed by non-descript cattle, indigenous buffalo and non-descript buffalo.

Over the 12th plan period, there was a

sharp fall in the VOO for milk and milk products. One reason for this fall was the incidence of the foot-and-mouth disease among cattle in Kerala in 2013-14, whose impacts continued through the 12th plan period. Within bovines, more than 33,000 animals were affected and about 2800 animals died.

In the 13th plan period, the decline in milk production was arrested and there was a moderate rise in milk production. The milk production in 2019-20 stood at 25.4 lakh tons, which was slightly higher than the production figure of 25.2 lakh tons for 2015-16. Further, in 2016-17, there was a severe drought that adversely affected the production of milk. The procurement of milk recorded a fall by about 1 lakh tons in 2016-17. In January 2016, MILMA imported about 1.6 lakh tons of milk per day from outside the State. Post-drought, in January 2017, MILMA was importing about 4 lakh tons of milk per day. Clearly, if there no floods in 2018 and 2019, there would have been a visible revival of production.

Data with the Dairy department show that Kerala's dependence on imported milk is declining. In 2016-17, about 9 lakh litres of milk were imported into the State every day. By 2019-20, Kerala was able to reduce the dependence on milk imports to about 3.2 lakh litres per day.

Increasing production cost stemming from the spiralling cattle feed prices, cost of health care of the cattle and associated service charges etc. were leveraging a irrecoverable hit to the income earned from the milk sale.

Table 1: Procurement milk through dairy cooperatives, Kerala, 2007-08 to 2019-20, in lakh MT per annum and lakh litres per day

| YEAR | Procurement of milk through dairy cooperatives | |
|---------|--|------------------------|
| | In lakh MT per annum | In lakh litres per day |
| 2007-08 | 4.1 | 11.2 |
| 2008-09 | 4.0 | 11.1 |
| 2009-10 | 4.3 | 11.7 |
| 2010-11 | 4.1 | 11.2 |
| 2011-12 | 4.5 | 12.4 |
| 2012-13 | 4.9 | 13.4 |
| 2013-14 | 5.3 | 14.4 |
| 2014-15 | 5.6 | 15.3 |
| 2015-16 | 6.0 | 16.4 |
| 2016-17 | 5.9 | 16.3 |
| 2017-18 | 6.6 | 18.1 |
| 2018-19 | 6.8 | 18.6 |
| 2019-20 | 6.8 | 18.6 |

Source: Department of Dairy, Government of Kerala.

The moderate revival of milk production during the 13th plan period was a reflection of improved levels of intervention by the government in milk procurement. In 2016- 17, the procurement of milk through dairy cooperatives was 5.9 lakh tons (see table 2). From 2017-18, this could be raised up to 6.8 lakh tons by 2019-20. On a per day basis, this represented a rise of procurement from 16.3 lakh litres per day to 18.6 lakh litres per day.

Department of dairy development

Kerala has a separate Department of Dairy Development, which functions as the nodal agency for rural dairy extension, fodder resource development and rural milk marketing in the State.

Department is concerned about the socio-economic stability of dairy farmers in the state and envisages and implements various projects and schemes targeting the dairy sector.

A policy level intervention is necessary to converge three factors: high yielding cows, fodder or feed availability and marketing facilities.

The department is also the nodal agency for fodder development activities. The policies and strategies adopted by the department aim at strengthening the dairy cooperative sector as well

The Department supported by State Government and Central Government has implemented various schemes in the State with the objectives of :

- Attaining self-sufficiency in milk production,
- Increasing fodder production
- Strengthening of Dairy Co-operatives etc.

The department has 162 dairy extension service units, 14 quality control units, a state dairy lab for testing milk and milk products and cattle feed, three Regional Dairy Labs, 14 Mobile Quality Control Units, six Dairy Training Centres and a State fodder farm.

The average annual production of state is approximately 25.49 metric tonnes out of which dairy cooperatives procure a considerable quantity. Attaining self-sufficiency in milk production is the primary goal and the state is almost ready to achieve the target very soon. Around 3.78 lakh dairy farmers have been registered in the dairy cooperative societies across the state.

Specific policy targeting areas

- Modernisation of Dairy Farming

Currently, the organizational structure of the dairy cooperative sector is dominated by the classical cooperative model. But many developing countries (even Anand co-operatives) are moving beyond the classical co-operative models to reap the benefits of adopting commercial and competitive elements. India's cooperative sector now faces stiff competition and is starting to lose ground to other competitors who are more professionally managed. The cooperative sector is responding by adapting its business models to the new generation models.

- Promotion of Larger Dairy Farms

Rural entrepreneurship currently presents untapped potential, one that could pave the way for establishment of larger commercially run dairy farms in Kerala. Here, it is necessary that policy helps to converge three factors: high yielding cows, fodder/feed availability and marketing facilities. Necessary steps may be taken to deregulate the sector to encourage commercial dairy farming on a larger scale. More recently, the National Green Tribunal (NGT) has issued a new set of guidelines for dairy farms and

Nutrition efficient feeding practice, mineral mapping of fodder and feed, Government support for mechanization to cut down labour cost and, strengthening of the quality infrastructure facilities are essential for productivity enhancement in the dairy sector.

gaushalas where dairy farms have been moved from red category to orange category. Here, simplifying and unifying rules for dairy farms in Kerala is the panacea. Low cost Effluent Treatment Plants (ETP) have to be encouraged, financially assisted and popularised. The government will also have to explore higher subsidies for feed and electricity as well as offer tax exemptions to new plants.

- Surplus of milk and product diversification

One major lesson learned from the Covid-19 pandemic in the animal husbandry sector in Kerala is the need to attain a greater degree of self-sufficiency in handling animal produce. In the coming years, the State needs to prepare itself for a handling a situation of surplus milk. Thus, Kerala needs a modern milk powder plant as well as an evaporator plant to convert and store surplus milk as milk powder and condensed milk. Feasibility studies are imperative to ascertain the availability of excess milk throughout the year. We also need to aim at developing the production of value-added commodities from milk, such as cheese and yogurt. This implies setting up of advanced product diversification facilities in the existing dairy plants.

Provisions in the state budget 2022-23

This section aims to give a clearer view of the multitude of initiatives aimed at Dairy development in the state.

The outlay provided for the Dairy Development sector for the year 2022-23

is **Rs. 9931.00 lakh**. Dairy co-operatives in the State are provided with an outlay of Rs. 3498.00 lakh to expand their infrastructure base for milk procurement by creating better cold chain.

Rural dairy extension and farm Advisory services (Outlay: Rs. 595.00 lakh)

The objective of the scheme is to ensure effective transfer of technology directly to the farmers through personal contacts and assistance to farmers in case of contingencies and natural calamities. The outlay is for the implementation of rural dairy extension services, for conducting seminars/workshops/exhibitions/training programmes, farmers contact programs, quality awareness programme, state dairy expo, extension activities through print and electronic media, implementation of SREP projects, establishing dairy extension service units at selected potential panchayats, implementation of e-office activity in the department, modernization of infrastructure for imparting training and skill development programmes etc.

Assistance to dairy co-operative societies (Outlay: Rs. 3498.00 lakh)

Dairy Co-operative Societies help the dairy farmers to market their produce and act as village information centres. The objectives of the scheme are to bring more farmers under the dairy

Co-operative sector enable to comply with Food Safety and Standards Act (FSSA) 2006, improve the facilities for testing the chemical and microbial/ quality of milk, strengthening and

Table: 2 Schematic details

| Name of Scheme | Budget Estimate 2022-2023 (Rs. in Thousands) |
|---|---|
| Rural Dairy Extension and Farm Advisory Services | 59500 |
| Assistance to Dairy Co-operatives | 349800 |
| Strengthening of Quality Control Labs | 40000 |
| Commercial Dairy and Milk Shed Development Programme | 330995 |
| Mechanisation and Modernisation of Dairy Farms | 30985 |
| Assistance to Purchase Milking Machines | 12934 |
| Infrastructure Development and Automation of Commercial Dairy Farms | 1328 |
| Assistance to Dairy Development in Wayanad | 2500 |
| KLD Board Investment | 0 |
| Establishing Kerala State Dairy Management Information Centre at Kerala State Fodder Farm Valiyathura, Thiruvananthapuram | 5000 |

Source: Annual Plan 2022-23- Volume 1

modernization of infrastructure of DCSs to improve procurement and marketing etc. The following are the activities proposed under the scheme during 2022-23.

- Cattle feeding subsidy as production incentive to dairy farmers for 100 days
- Assistance to assess & ensure the FSSA 2006 requirements to meet the documentation, registration etc., including setting up of lab facilities
- Operational assistance to newly registered DCSs/assistance for revival of defunct societies
- Need based assistance to DCSs
- Assistance for rainwater harvesting and solar energy conservation
- Assistance to district wise consortium

to monitor and maintain the automation & networking system

- Assistance for transportation of milk to the milk route of MILMA etc.

Strengthening quality control labs (Outlay: Rs. 400.00 lakh)

Ensuring quality of milk and milk products produced and marketed in the State is the objective of the scheme. Major objective of the scheme include is to strengthen facilities in the quality control laboratories in the State, special quality testing drive, setting up of regional labs, quality and hygiene improvement at farm level, milk testing facility at check post etc. An amount of ? 400.00 lakh provided for strengthening of quality control.

Commercial dairy and milk shed development programme (Outlay: Rs. 4028.00 lakh)

The objective of the scheme is to stabilize the dairy sector by way of various herd induction programmes and automation/mechanization programmes. The milk shed development programme is aimed at bringing more farmers/entrepreneurs and self-help groups in to the sector and to maintain the productivity of cross bred cows and to create awareness among farmers in adopting scientific management in cattle farming. A transition from subsistence dairy farming to viable commercial dairy farming with technology support is imperative for enhancing production and productivity. The outlay will be utilized for extending the promotion of commercial dairy units to more selected milk shed and other potential areas, cow and heifer units, purchasing milking machines, assistance for cattle shed, women cattle care programme etc. It is envisaged that 50 per cent of beneficiaries of the project will be women.

Production and conservation of fodder in farmers' fields and dairy co-operatives (Outlay:Rs. 760.00 lakh)

The major limiting factor in the dairy sector is scarcity of fodder and on account of this, cost of production is higher in comparison with the neighbouring States. Suitable fodder production programmes are to be promoted to bring down the cost of production. Cultivate perennial green fodder crops, introduce new scientific low

cost feeding culture among dairy farmers, uplift the sustainability and reliability in dairying by reducing the feeding cost, improve the general health of the milch animals and the quality of milk, ensure availability of green fodder and planting materials throughout the year, generate employment and income to the producers by sale of fodder etc. are the main objectives of the scheme. It is envisaged that 50 per cent of beneficiaries of the project will be women.

Assistance to dairy development in Wayanad (Outlay: Rs. 25.00 lakh)

Assistance will be provided for the construction/renovation of cattle shed, distributing mineral mixture, and construction of biogas plant, awareness cum training programme, documentation and monitoring charges. This scheme will be part of the Wayanad package. An amount of ? 25.00 lakh is provided as special package for dairy development in Wayanad.

Establishing Kerala state dairy management information centre (KSDMIC) at state fodder farm, Valiyathura (Outlay: Rs.50.00 lakh)

Kerala State Dairy Management Information Centre (KSDMIC) intends to integrate the departmental activities pertaining to co-operation, fodder development, nutrition feeds and fodder, utilization of non-conventional feed stuffs for dairy and animal feeding, indigenous dairy products. The Institute carry out data collection and processing activities, engaged in R&D activities

The structure of dairy sector in a large number of developing countries, especially India, suggests that the poor are likely to be the main beneficiaries of this unfolding new food revolution. But, there is also the risk of these opportunities by-passing the poor unless they receive necessary support to enable them meet the challenges of the new and emerging marketplace.

pertaining to the areas viz, suitability of fodder varieties, R&D in indigenous dairy products, adaptability of milch animals to various types of housing systems etc.

Conclusion

It has become evident that dairy sector in Kerala, though growing is crippled with a range of problems. Some of the issues demand immediate interventions in the form of the following:

- A policy level intervention is necessary to converge three factors: high yielding cows, fodder or feed availability and marketing facilities.
- Nutrition efficient feeding practice, mineral mapping of fodder and feed, Government support for mechanization to cut down labour cost and, strengthening of the quality infrastructure facilities are essential for productivity enhancement in the dairy sector.
- Modernization and automation of the dairy sector necessitated the intervention of the youth by extending credit facilities at cheap rates.
- It is necessary to undertake a study of the marketing and supply chains

in the dairy sector of the State, and initiate measures to remove bottlenecks from the producer to the consumer. The use of modern information technology along with developing the marketing network of dairy products in the State should be encouraged.

The structure of dairy sector in a large number of developing countries, especially India, suggests that the poor are likely to be the main beneficiaries of this unfolding new food revolution. But, there is also the risk of these opportunities by-passing the poor unless they receive necessary support to enable them meet the challenges of the new and emerging marketplace.

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GST updates

Relfi Paul

Highlights of the 47th GST council meeting

The 47th GST Council met under the chairmanship of Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman in Chandigarh on 28th and 29th of June, 2022. The meeting was attended by Union Minister of State for Finance, besides Finance Ministers of States & officers of Central, States & UTs. The GST Council has proposed an array of significant reforms and improvements in relation to GST rates on supply of goods and services, as well as GST law and procedure. The recommendations pertaining to GST rate changes shall be made effective from July 18, 2022, while those pertaining to GST law and procedure, shall be implemented from January 01, 2023.

The GST Council has inter-alia made the following recommendations including changes in law and procedure and GST rates:

Important changes in law and procedure

GSTR-3B amendments to be allowed: GST Council allowed amendments in GSTR-3B (monthly return). Further, it permitted auto-population of most details in Form GSTR-3B and annual returns in Form GSTR-9 for better

compliance and ease in compliance. The Council was clear that the new GST return system would be withdrawn as it is no longer relevant. A proposal for comprehensive alterations in GSTR-3B will be placed before the public for seeking input.

GSTR-9 to continue with some relaxations: GSTR-9 and GSTR-9A continue to not be applicable to those with threshold turnover below Rs.2 crore for FY 2021-22. The limitation under Section 73 of the CGST Act for FY 2017-18 for issuance of orders relating to demands linked with the due date of annual return, is extended till 30th September 2023.

Relief to e-commerce suppliers: The Council allowed the e-commerce suppliers to register under the composition scheme for intrastate supplies easing their registration hassles and for reducing tax outgo. It will be implemented on 1st Jan 2023 once the IT system is ready.

Deadline extensions to composition taxpayers: GSTR-4 for FY 2021-22 to get a waiver of late fee for filing up to 28th

July 2022 as against earlier extension of up to 30th June 2022. Also CMP-08 deadline for Apr-Jun 2022 (Q1 of FY 2022-23) to get an extension up to 30th July 2022 from 18th July 2022.

Changes in rates on goods & services

A. Rate rationalization to remove inverted duty structure

| S. No. | Description | From | To |
|--------|---|------|-----|
| GOODS | | | |
| 1. | Printing, writing or drawing ink | 12% | 18% |
| 2. | Knives with cutting blades, Paper knives, Pencil sharpeners and blades therefor, Spoons, forks, Ladles, skimmers, cake-servers etc | 12% | 18% |
| 3. | Power driven pumps primarily designed for handling water such as centrifugal pumps, deep tube-well turbine pumps, submersible pumps; Bicycle pumps | 12% | 18% |
| 4. | Machines for cleaning, sorting or grading, seed, grain pulses; Machinery used in milling industry or for the working of cereals etc; Pawan Chakki that is Air Based Atta Chakki; Wet grinder; | 5% | 18% |
| 5. | Machines for cleaning, sorting or grading eggs, fruit or other agricultural produce and its parts, Milking machines and dairy machinery | 12% | 18% |
| 6. | LED Lamps, lights and fixture, their metal printed circuits board; | 12% | 18% |
| 7. | Drawing and marking out instruments | 12% | 18% |
| 8. | Solar Water Heater and system; | 5% | 12% |
| 9. | Prepared/finished leather/chamois leather / composition leathers; | 5% | 12% |
| 10. | Refund of accumulated ITC not to be allowed on flowing goods: i. Edible oils ii. Coal | | |

| S. No. | Description | From | To |
|----------|---|------|-----|
| Services | | | |
| 11. | Services supplied by foreman to chit fund | 12% | 18% |
| 12. | Job work in relation to processing of hides, skins and leather | 5% | 12% |
| 13. | Job work in relation to manufacture of leather goods and footwear | 5% | 12% |
| 14. | Job work in relation to manufacture of clay bricks | 5% | 12% |
| 15. | Works contract for roads, bridges, railways, metro, effluent treatment plant, crematorium etc. | 12% | 18% |
| 16. | Works contract supplied to central and state governments, local authorities for historical monuments, canals, dams, pipelines, plants for water supply, educational institutions, hospitals etc. & sub-contractor thereof | 12% | 18% |
| 17. | Works contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof | 5% | 12% |

B. Other changes

| S. No. | Description | From | To |
|-----------------|---|-----------------|------------------------------|
| GOODS | | | |
| 1. | Ostomy Appliances | 12% | 5% |
| 2. | Orthopedic appliance- Splints and other fracture appliances; artificial parts of the body; other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability; intraocular lens | 12% | 5% |
| 3. | Tetra Pak (Aseptic Packaging Paper) | 12% | 18% |
| 4. | Tar (whether from coal, coal gasification plants, producer Gas plants and Coke Oven Plants. | 5%/18% | 18% |
| 5. | IGST on import of Diethylcarbamazine (DEC) tablets supplied free of cost for National Filariasis Elimination Programme | 5% | Nil |
| 6. | Cut and Polished diamonds | 0.25% | 1.5% |
| 7. | IGST on specified defence items imported by private entities/vendors, when end-user is the Defence forces. | Applicable rate | Nil |
| Services | | | |
| 1. | Transport of goods and passengers by ropeways. | 18% | 5% (with ITC of services) |
| 2. | Renting of truck/goods carriage where cost of fuel is included | 18% | 12% |

C. Withdrawal of exemptions

1. Hitherto, GST was exempted on specified food items, grains etc when not branded, or right on the brand has been foregone. It has been recommended to

revise the scope of exemption to exclude from it prepackaged and pre-labelled retail pack in terms of Legal Metrology Act, including pre-packed, pre-labelled curd, lassi and butter milk.

2. In case of the following goods, exemption from GST will be withdrawn:

| S. No. | Description of goods | From | To |
|--------|---|------|-----|
| 1. | Cheques, lose or in book form | Nil | 18% |
| 2. | Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed | Nil | 12% |
| 3. | Parts of goods of heading 8801 | Nil | 18% |

3. In case of the following goods, the exemption in form of a concessional rate of GST is being rationalized:

| S. No. | Description of goods | From | To |
|--------|---|------|-----|
| 1. | Printing, writing or drawing ink | 12% | 18% |
| 1. | Cheques, lose or in book form | Nil | 18% |
| 2. | Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed | Nil | 12% |
| 3. | Parts of goods of heading 8801 | Nil | 18% |

New studies on Kerala

Young Scholars' Forum, GIFT
Led by Rju Mohan A

Economics

Scopus indexed journals

1. Sulaiman, K. M., & Bhagat, R. B. (2022). Youth and Migration Aspiration in Kerala. *Migration Letters*, 19(3), 357-365. <https://www.ceeol.com/search/article-detail?id=1036524>

This paper provides insight into the migration aspiration of the youth from Kerala and their awareness of migration. A questionnaire survey was conducted in the second half of 2019 in Calicut, Kerala. The sample consisted of 491 students pursuing the second or last year of graduation. The majority of the youth are aware of Middle East countries, the typical migration destination of Keralites. Most youths are aware of gulf migration through their family, friends and media. In the case of Kerala, in the coming 10 to 20 years, migration will continue as a potential life choice for achieving life goals for youth in Kerala. Policies should promote awareness about migration and facilitate a secure and safe migration for youths.

2. Shobha, K., & Joseph, A. D. (2022). Transmission and Distribution Sector of Kerala: A Comparative Study of Pre and Post Electricity Act Period. *International Journal of Early Childhood Special Education (INT-JECS)*, 14(3), 6366-6372.

<https://www.int-jecse.net/data-cms/articles/20220516110703pm802.pdf>

The Electricity act 2003 has brought many changes in transmission and distribution sectors. A quick analysis of the progress taken place in Kerala State has shown that significant changes have taken place in transmission and distribution sectors during this period. It helped the State to overcome the power crisis by importing more electricity from outside and the State has to further strengthen both its inter-state as well as intra state transmission network.

3. Starly, O. S., & Karuppiah, C. (2022). Role of Kudumbasree in Women Empowerment in Kerala. *Journal of Positive School Psychology*, 6(6), 367-372.

<https://journalppw.com/index.php/jpsp/article/view/6917>

Kudumbasree is a group of women working under the Kerala State Poverty Eradication Mission and under the jurisdiction of local self government institutions. This paper describes how 'Kudumbasree in its nature and scope and its contributions to women's empowerment in general and the attempts of Kudumbasree program in the broader context of measures to empower the women's group, measures of alleviating poverty, improving financial inclusion and mainly how these things empower the women in total. In addition, it explains how Kudumbasree helped the society in total , especially to women, by its actions and activities

done through its organisational setup.

4. Hari, K. S. (2022). Role of Democratic Decentralisation and Empowerment of Local Bodies: A Case of Kerala. *Review of Market Integration*, 14(1), 53-63.

<https://doi.org/10.1177%2F09749292221102220>

The present article is an attempt to understand the contributory factors for success of Kerala's decentralisation experience and the challenges ahead. Direct participation of people in the plan formulation through gram sabha ensured deepening of democracy in the state. This helped improve service delivery at the local level in education and health care sectors and better management of sanitation. Women empowerment through Kudumbashree Mission continues to be a role model for other states to emulate. Failure in the inclusion of outlier classes and castes even after 25 years continues as a black spot on the Kerala experience with democratic decentralisation.

5. Krishnaveni, K. S., & Anilkumar, P. P. (2022). How Smart Growth can Curb Urban Sprawl: A Case Study of a Rapidly Urbanizing City in Kerala, India. *The International Archives of Photogrammetry, Remote Sensing and Spatial Information Sciences*, 43, 1355-1360.

This article discusses the possibilities of smart growth approaches as a tool for reducing undesirable urban sprawl. The study aims to capture the land use land cover (LULC) dynamics of Kozhikode Urban Agglomeration (KUA) from 1991-to 2021 using remote sensing and GIS techniques and also identify potential smart growth locations in KUA using Geographic Information System (GIS)-based modeling methods to mitigate the effects of uncontrolled urban sprawl. Future development activities should focus more on the identified potential hotspots of Smart Growth. The study demonstrated the application of the Smart Growth techniques in a sprawling tier-2 city of Kerala. The city

planning authorities can use this technique for effective sprawl management and sustainable city planning.

Other journals

1. Remya, R. (2022). Interstate Migrant Workers in Kerala: An Assessment of Welfare Measures in the State of Kerala. *Journal of Polity and Society*, 13(2), 161-176.

<https://www.informaticsstudies.org/index.php/jps/article/view/449>

This paper makes an attempt to analyse the effectiveness of welfare measures and problems faced by migrant labourers in general and during the pandemic. In recent years, Kerala has witnessed a large-scale inflow of migrant labourers from different parts of the country due to higher wages for unskilled labour in the state, enormous opportunities for employment, and a shortage of local labour. Kerala state has been a front runner among India's states in initiating social security schemes for different vulnerable sections of society. The contribution of migrant workers to the economy is enormous but remains down in return for their security and well-being. The Kerala government proactively supported the migrant labourers during the Covid-19 pandemic-related lockdown. It provided transport for the migrant workers, gave food through the community kitchen, and provided access to shelter.

2. Thomas, N., & Shyjan, D. (2022). Outsiders of the Labour Force in Kerala: Demystifying Deterrents of Female Work. *The Indian Journal of Labour Economics*, <https://doi.org/10.1007/s41027-022-00372-y>

Kerala labour market witnesses a pattern of increase in the category of 'out-of-labour force' (OLF) among females and the majority report as attending domestic duties. Using the latest two rounds of NSSO employment and unemployment data and two rounds of

Periodic Labour Force Surveys, this paper examines the trend, magnitude and causes of OLF among the young females in Kerala and tries to determine the factors that deter female entry into the labour force. There is a social and economic dimension for the young females falling in the category of OLF in Kerala, but education and marital status remain major factors determining female labour force participation. It is proposed to characterise this phenomenon as 'educated out-of-labour force' among young females in Kerala.

3. Kumar, P. B. (2022). Survival Strategies of Tourism Industry in times of Covid-19 Pandemic: A Study of Selected Tourist Enterprises in Kerala. *Revista de turism-studii si cercetari in turism*, (33). <http://www.revistadeturism.ro/rdt/article/view/559/331>

This paper sheds some light on the novel and innovative survival strategies adopted by selected tourism operators and hotels in certain selected tourist spots in Kerala. The study considers four types of survival strategies for analysis viz. Retrenchment, Persevering, Innovation and Exit. The study has found that the type of strategies adopted by the enterprises varies in accordance with their nature of business and has significant associations with the number of years spent in the field of operation. Most of the enterprises preferred to adopt a persevering survival strategy that is they tended to continue their operations without applying any significant decline in their scale of operation. It has been found that younger enterprises tended to adopt an 'exit' survival strategy while experienced and older enterprises stood for persevering strategy.

Environment

Other journals

1. Chandran, S. C. M., & Sathiyabama, B. (2022).

Consumer Education on Green Banking for Sustainable Environment: A Study on Retail Banking Customers in Kerala. *International Journal of Health Sciences*, (III), 1328-1340. <https://dx.doi.org/10.53730/ijhs.v6nS3.5558>

This paper aims to sort out and study the opportunities in a changing retail banking environment, investigating what green banking products' customers anticipate from their bank and how the introduction of green banking products might affect customer loyalty. The results showed a positive attitude by customers towards green banking products while also not indicating a clear preference or desirability for a specific product. In addition to this, this study found a positive relationship between the introduction of green banking products and increased customer loyalty. The study came to the conclusion that green banking products suggestively have an advantageous position in the evolving financial sector.

2. Narayanan, A., Beye, R., & Thakur, G. M. (2022). Natural Disasters and Economic Dynamics: Evidence from the Kerala floods. (Centre for Development Studies Working Paper Series 508). https://www.nipfp.org.in/media/mediaLibrary/2022/04/WP_383_2022.pdf.

Exceptionally high rainfall in the Indian state of Kerala caused major flooding in 2018. This paper estimates the short-run causal impact of the disaster on the economy, using a difference-in-difference approach. The results suggest that aggregate economic activity declined for three months during the disaster but boomed subsequently while consumer demand declined and credit disbursement increased with households borrowing more for housing and less for consumption. In line with other results, both household income and expenditure declined during the floods. Despite a strong wage recovery after the floods, spending remained lower relative to the unaffected districts.

Agriculture

Scopus indexed journals

1. Asha Vijay, T., & Raju, M. S. (2022). Conceptual Framework to Comprehend the Supply Chain Management of Agriculture Products in Kerala. *Specialis Ugdymas*, 1(43), 1067-1075.

<https://www.sumc.lt/index.php/se/article/view/125/114>

The focus of this paper is to develop a theoretical construct to identify the relationship between the various players in the Supply Chain Management of agricultural products from Kerala. The conceptual framework is made by identifying the dyadic /Buyer-seller relationship between the players. Value chain analysis is used to identify each activity and node in the supply chain. Characteristic factors that contribute to the dyadic linkages are identified. The supply chain management is analyzed by comparing the marketing efficiency of various chains from the producer to the consumer. The study also suggests an electronic platform to provide information sharing and data backup that can be helpful for further improvements in the sector in terms of research and infrastructure.

Education

Other journals

1. Bnicy, J., & Thomas, S. M. Prevalence and Education Status of People with Disabilities in India and Kerala-A Comparative outlook. *American Research Journal of Humanities & Social Science (ARJHSS)*, 5(6), 9-15.

The purpose of this study is to look into the disability concerns associated with low educational status and thus deprivation of these people in developing countries like India, as well as from a regional perspective in Kerala. The study draws on significant data sources such as India's 2001 and 2011 Censuses,

disability data from the two rounds of the National Sample Survey, 2002 and 2018, and Kerala's 2015 Disability Census. In India, the study finds significant educational and economic disparities between men and women, as well as rural and urban disabled populations and proposes optimal strategies for disabled people's empowerment and welfare.

Health

Scopus indexed

1. Chandran, N., Vinuprasad, V. G., Sreedevi, C., Sathiadevan, S., & Deepak, K. S. (2022). COVID-19-related Stigma Among the Affected Individuals: A Cross-Sectional Study From Kerala, India. *Indian Journal of Psychological Medicine*, 44(3), 279-284. <https://doi.org/10.1177%2F02537176221086983>

This study is aimed to assess the anticipatory and experienced stigma associated with COVID-19 in affected individuals. This was a cross-sectional study conducted at Palakkad District in Kerala. Study participants were patients diagnosed with COVID-19. The sampling method was convenience sampling and snowball sampling. COVID-19 Related Stigma Survey Questionnaire was prepared by experts from the field of Psychiatry and Community Medicine. The responses were collected via an online survey and telephonic interview. There is a high level of stigma associated with COVID-19 in society. Definite measures need to be taken to reduce the stigma related to COVID-19 infection.

Other journals

1. Mathews, M., Mohan, H., Kurian, S., Karlath, F. A. P., Divakaran, B., & Valliot, B. (2022). Changing Pattern of Mortality in First and Second COVID-19 Waves: A Comparative Study From Kerala, India. *International Journal*

of Epidemiologic Research, 9(2), 69-74. <https://dx.doi.org/10.34172/ijer.2022.12>

India has seen a two-wave pattern of coronavirus disease 2019 (COVID-19) infections. The comparative characteristics of these two waves remain largely unknown. Changing trends in the demographic and clinical characteristics of the deceased COVID-19 patients in these two waves helped to identify the vulnerable population and guide public health interventions to decrease mortality. The second COVID-19 wave was different from the first wave with more deaths in the young and elderly, a shorter duration from symptom onset to death, and an increase in the proportion of deaths with diabetes, maternal deaths, and deaths in those without any pre-existing comorbidities.

2. Mammen, P. V., & George, L. (2022). Patient Satisfaction in Health Care Management with Special Reference to Missionary Hospitals in Kerala. *International Journal of Healthcare Education & Medical Informatics*, 9(1&2), 9-16. <https://doi.org/10.24321/2455.9199.202202>

The healthcare scenario of Kerala has undergone a drastic change with private health care providing the majority of the health services leading to huge increases in health costs making it unaffordable for most patients, and health expenditure has gone without regulations. An organized movement in the healthcare sector was initiated by the Missionary churches to establish a variety of healthcare formats in the remote areas of Kerala and provide quality services at sustainable cost. The sustenance of such hospitals is difficult in a competitive healthcare market. For this purpose, proper understanding of the factors of patient satisfaction will help the policy makers and top management for effective management and policy decisions.

3. KP, L., Prasanna, P., Chandra, S., G. Krishnan,

A., Babu, A., Babu, B., Moni, M., & Sathyapalan, D. T. (2022). COVID-19-Related Knowledge and Anxiety Among Health-Care Workers in a Tertiary Care Centre in Kerala. *Indian Journal of Clinical Medicine*, <https://doi.org/10.1177/26339447221098464>

An online survey was conducted using a developed questionnaire to evaluate the knowledge and anxiety among 118 health-care workers (HCWs) regarding the COVID-19 pandemic in a tertiary care hospital. A total of 92.47% of participants were strongly aware that the major mechanism in COVID spread is droplet infection. An equal percentage of participants had good knowledge that the infection can always be prevented by maintaining social distance, appropriate hand washing, hand sanitizing, and using a mask. However, around 40.67% of participants avoided large meetings even in hospitals due to fear of the pandemic. There is a need to intensify the awareness program and address the mental health issues of HCWs during this COVID-19 pandemic.

Industry

Scopus indexed journals

1. Alex, M. A. M., Murugesan, S. V., & PM, J. (2022). The Impact of COVID 19 on Kerala's MSME Sector. *Journal of Positive School Psychology*, 6(6), 2323-2330.

Kerala ranks 14th in the MSME Annual Report 2020-21. Of the 23.79 million units, 23.58 million are micro-enterprises employing 44.64 million people. The pandemic hit MSMEs hard, leaving many unable to pay employees, pay debts, or run their businesses. This study focuses on the impact and future of the COVID-19 pandemic on Kerala's MSME sector. The study's main goal is to understand the current MSME sector and India's economic prospects.

Other journals

1.Raghunathan, A., Remesh, K., & Viswanathan, P. K. (2022). Sectoral Impact of COVID-19 on Micro Enterprises with Special Reference to Kerala. *International Journal of Health Sciences*, 6(S3), 4744-4754. <https://doi.org/10.53730/ijhs.v6nS3.6944>

The study deals with the sectoral impact of Covid crisis on micro enterprises. Challenges with respect to production, employment, finance and sales are discussed in the paper. Businesses like Kudumbashrees, handicraft,

handloom and dairy farm, covering the whole Kerala with 14 districts, are considered to be more vulnerable to the negative shocks and are hence taken onto the study to identify the factors that led to the hampering of the business. One of the major objectives of this study is to identify and analyse the challenges faced by the micro enterprises during Covid19. The study also aims to understand the coping mechanisms adopted by these micro-enterprises during the crises. ■

What is new(s) from GIFT

A. Webinar

1. Webinar on case stories on Kerala's industrial development held on April 7th, 2022 by Shri C Balagopal, Chairman, Federal Bank & Former Chairman and CEO, Terumo Penpole Ltd.

Abstract: Capital and governance play crucial role in shaping the model of development in any economy. Kerala model of development was not a planned exercise as in the case of some newly developed economies. The model received global attention as it focused development mainly on social spending. A section of scholars and experts praise the model, but critics are also there in large numbers. This initiates a minute level analysis on Kerala model of development.

External remittances hold a very important role in Kerala's progress. Roughly Rs one lakh crore comes to Kerala on annual basis. Interesting to note that there is not a serious dip in remittances even during the COVID times. The Manufacturing sector is one of the main stays in Kerala economy. During 1990s contribution of this sector to the State's GSDP is 7 per cent and increased to 13 per cent in recent years. At least 50 companies of global repute are working in this sector in Kerala. The examples of Synthite Industries and P K Steels as they are acclaimed internationally in their respective production segments. there should be serious and micro level studies about the manufacturing sector in

Kerala. Constitution of KELTRON during 1980s was significant mile stone in Kerala economy and this helped to create a new ecosystem in industrial sector of the state. Similar initiatives like Technopark helped to attract highly qualified professionals to Kerala.

Prof K J Joseph, Director. GIFT chaired the session and delivered the welcome address. Smt Anitha Kumary L, Associate Professor proposed the vote of thanks. Smt Anitha Kumary L, Associate Professor and Dr Anoop S Kumar, Assistant Professor, GIFT coordinated the programme

2. Webinar on National Sample Surveys (NSS) on Population Health: Data Analytics Over 70 Years: Reflections on Concepts, Definitions, Measurement and Analysis of Data held on April 13th, 2022 by Dr Anil Gumber, Sheffield Hallam University, United Kingdom.

Abstract: National Sample Survey Organisation (Government of India) has made rigorous attempt in developing and measuring morbidity and capturing health seeking behaviour of people since the inception of NSSO in 1950. Since 1980s the NSSO launched the nationwide population health surveys representing every state & union territory to portray the scenario for All-India separately for Rural and Urban areas on morbidity and healthcare utilisation. This paper firstly discusses the concepts and measurement of morbidity and health care utilisation used in the 13 rounds of the survey

done so far since 1950s. Further, it compares the morbidity and healthcare utilisation scenario prevalent in Gujarat and Maharashtra as well as for all-India over the last 40 years by exploring the National Sample Surveys data for 1980-81, 1986-87, 1995-96, 2004, 2014, and 2017-18. The differentials and trends in morbidity rate, health seeking behaviour, use of public and private providers especially for hospitalization and associated cost and burden of treatment are analysed by population groups. Rising cost and burden of treatment on the poor are examined through receipt of free inpatient services as well as the extent of financial protection under the health insurance schemes. Overtime, morbidity rates have gone up, with several folds increase in select states; the reliance on public provision has gone down substantially despite being cheaper than the private sector; and cost of treatment at constant prices grown exponentially even for the poor. Hospitalisation costs were higher for insured than the non-insured households in several states irrespective of whether resident in rural or urban areas (Haryana, Maharashtra, Himachal Pradesh, and Assam have reported that insured households ended up paying almost double the hospitalisation expenses in 2014). Leaving aside Kerala (where insured households have paid just a half of the cost of the non-insured), this clearly reflects the widespread prevalence of moral hazard and insurance collusion in India.

Prof K J Joseph, Director . GIFT delivered the welcome address. Prof D Narayana , Former Director, GIFT chaired the session and proposed vote of thanks. Smt Anitha Kumary L, Associate Professor and Dr Anoop S Kumar, Assistant Professor, GIFT coordinated the programme

3. Webinar on Fiscal Provisions in Indian Constitution in Practice held on April 27th, 2022 by Shri R Mohan (IRS), Former Commissioner, Income Tax and Honorary

Fellow, GIFT.

Abstract:Fiscal provisions in the Indian Constitution have both federal and unitary features and they have to be viewed in the overall political framework. In practise, Finance Commissions, the constitutional body mandated with the duty of recommending fiscal transfers stand with credibility as their major recommendations have been accepted by the President till now. But there are certain measures which have relegated the position of the Finance Commissions in so far as grant disbursement is concerned. In the era of economic reforms, more terms have been added to Finance Commissions on the side of 'sound finance' as per Article 280. How emergency provisions impact Centre-State fiscal relations are also important. The discussion attempts to overview the relevant constitutional provisions and briefly analyse how they have worked in the period since independence.

Prof T M Thomas Isaac , former Finance Minister and Distinguished Professor, GIFT chaired the programme. Prof Pinaki Chakraborty , Former Director, National Institute of Public Finance and Policy was the discussant of the programme. Prof K J Joseph, Director . GIFT chaired the session and delivered the welcome address. Dr Anoop S Kumar , Assistant Professor, GIFT proposed vote of thanks. Smt Anitha Kumary L, Associate Professor and Dr Anoop S Kumar, Assistant Professor, GIFT coordinated the programme

4. Book Release Indigenous Technology: Development, transfer and commercialization by Dr C S B Nair held on 18 May 2022.

The book was released by Prof. Sanjay Behari, Director, Sree Chitra Tirunal Institute for Medical Sciences and Technology (SCTIMST) and shared his experiences. Dr M Radhakrishna Pillai, former Director, Rajiv Gandhi Centre for

Biotechnology (RCBP) honored the author while Prof Sunil Mani, Director Centre for Development studies presented an overview and key contributions of the book. Mr C Balagopal founder Therumo Penpol who had a long association with the author shared his experiences and the lessons he learned while working with Dr Nair.

Prof K J Joseph, Director. GIFT delivered the welcome address. Dr Kiran Kumar Karkalapudi, Assistant Professor, GIFT proposed vote of thanks. Dr Anoop S Kumar and Dr Kiran Kumar Karkalapudi, Assistant Professors, GIFT coordinated the programme

5.The sixth IS Gulati Memorial Lecture was held on 09-06-2022 at Gulati Institute of Finance and Taxation. Prof TM Thomas Isaac,Former Finance Minister of Kerala and Distinguished Fellow, GIFT delivered the Lecture. The topic of the lecture was on 'Liberalisation and Privatisation in the financial sector: Case of Life Insurance Corporation (LIC) of India'.

Abstract: Life Insurance Corporation (LIC) is the best performing financial institution after India's independence. Even now L I C holds roughly 60 per cent of the total insurance business of the country. 95 per cent of the surplus created by the company is given back to the policy holders as bonus and other incentives. Delivering the sixth Gulati memorial lecture, organised by Gulati Institute of Finance and Taxation (GIFT), on 'Liberalisation and Privatisation in the Financial sector : Case of Life Insurance Corporation of India " he said that the company is distributing three times of amount as bonus and incentives than its rival private sector players.

The fundamental loss to the customers of L I C. A private sector corporate is keen on the interest of its shareholders and distributes a major chunk of its profit as dividend. While L I C ploughs back its profit to its policyholders and

for nation building . Hence, when the company is forced to act as a corporate entity the ultimate loser would be its customers and the country.

L I C's contribution towards the country's development is immense especially in sectors like infrastructure development, social security and housing. The company will not be able to continue this type of investment when it becomes private equity holder company. So the ultimate loser in the game will be the people and the nation, he said. But the Union government did not consider the all round contributions of L I C in nation building during last six decades when it gave green signal for the I P O, leading to privatisation of the company.

L I C had very good track record after 1980s as all the parameters of business had registered many fold increase during last three decades. Various committees which studied the finance sector , including Narasimham and Malhotra committees had clearly acknowledged these all round growth. Yet, they almost blindly recommended for privatising the company. Most of the public sector finance companies had performed well during last 70 years. The contributions of these companies in social security sector is immense and L I C is the frontrunner. Yet, the union government had given nod for I P O which will ultimately lead to privatisation of L I C. There are serious lapses in calculating the market valuation of the company as factors like brand value of the company and landholdings were not considered.

Shri K N Balagopal, Hon'ble finance minister inaugurated session. Prof Susheel Khanna, former faculty member of IIM , Kolkata and governing body member of GIFT presided over the function. Shri V. Sreedhar, former associate editor, Frontline and Amanulla Khan, former president, All India Insurance Employees Association also spoke. Prof K J Joseph, Director , GIFT delivered the welcome speech. Prof MA Oommen, Dr Leela Gulati and many other

distinguished scholars, teachers and students were attended the function. Dr Kiran Kumar Karkalapudi, Assistant Professor, GIFT proposed vote of thanks. Dr Anoop S Kumar and Dr Kiran Kumar Karkalapudi, Assistant Professors, GIFT coordinated the programme

B. Teaching and Training programmes

1. Post Graduate Diploma in GST (PGDGST)

Training programme for the Fourth batch of PGDGST students were completed in the month of May 2022. Online examination for the fourth batch of students was started in the month of June 2022. Admission for the fifth batch of PGDGST students were announced. Five online orientation classes were conducted by the coordinators- Dr N Ramalingam and Smt Anitha Kumary L, Associate Professors, GIFT. Total 242 students were joined for the course for the fifth batch till June 30th 2022.

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 April, May and June 2022

Applications for full time PhD Programme in Social science was announced for the admission to the programme for 2022 which is affiliated to Cochin University of Science & Technology (CUSAT), Kochi. This was advertised in the GIFT website, <https://www.gift.res.in/> on 17th May 2022. This was also advertised in Manorama and Hindu Online in June 2022.

Update from first batch, 2018

Lekshmi Prasad, PhD scholar of Gulati Institute of Finance and Taxation, Kerala published an article on 'Widening Data Divide' in The Indian

Express, on 15th April 2022 which is co-authored with Dr Zakaria Siddiqui, Associate Professor, GIFT.

Update from second batch, 2020

The scholars completed their coursework on April 2022 by writing the exam on the courses offered to them along with the successful approval of their research proposal by both doctoral and research committees.

Update from third batch, 2021

PhD scholars of the third batch, scholars Ashkar K, Vipasha Ray Hajong, Divya Kannan K R and Athira Karunakaran attended a 4 day National Workshop on 'NSSO Data Extraction and Analysis using R' organised by Department of Economics in association with IQAC Kannur university held during 2022 May 10-13 at Dr Janaki Ammal Campus, Palyad, Thalassery.

Course Coordinators: Dr. Zakaria Siddiqui and Dr Parma Chakravortti

3. RCBP programme

The second part of the Research Capacity Building Programme (RCBP) 2021-22, Data Analytics in R, concluded in March 2022. The feedback received from the participants was overwhelming. After the assignment-based evaluation, 32 participants were qualified to receive the certificate. Accordingly, the certificates were issued in the months of April and May.

Taking into consideration the feedback and suggestions of the previous batches, the RCBP committee held in June decided to advertise 'RCBP 2022-23' in July.

Course Coordinator: Dr Renjith P S

C. Publications

1. Kerala Tax Reporter (KTR)

March, April and May 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.

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

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 June 2022.

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

D. Faculty Publications

GIFT Discussion papers

Chakravarti, P & Siddique, Z (2022) Burden of Uniform Tax Rate by Household Consumption Expenditure Class: A Study of GST in India, GIFT Discussion Paper No 01/2022.

Dash, S. K & Kakarlapudi, K. K (2022) What explains interstate variation in GST collection. GIFT Discussion Paper No 02/2022.

Joseph, K. J & Anithakumary L (2022) India's GST Paradigm and the Trajectory of Fiscal Federalism: An Analysis with Special Reference to Kerala, GIFT Discussion Paper No 05/2022.

Kumar, A.S & Dash, S. K (2022) Quantifying the Impact of GST on Price Levels: Evidence from Causal Analysis, GIFT Discussion Paper No 03/2022.

Renjith, P.S (2022) GST and Sub-national debt: The Indian experience, GIFT Discussion Paper No 04/2022.

Kakwani Nanak (2021) Pro-poor growth, GIFT Discussion Paper No 01/2021.

R Mohan & D Shyjan (2021) Tax Performance of Indian States since the 1990s Discussion Paper No 02/2022

Pushpangadan K P (2022) Deagriculturisation and technical change:A study of crop husbandry in Kerala, GIFT Discussion Paper No 07/2022

Sen Partha (2022) Macroeconomic policy, growth, equity and structural transformation in the Indian context: Some analytical issues, GIFT Discussion Paper No 06/2022

Joseph, K. J & Pillai Vijayamohanan N (2022) State and the COVID -19 pandemic Kerala in the context of global, national and subnational experiences, GIFT Discussion Paper No 08/2022

Kakarlapudi, K K, (2022) Employment Impact of COVID-19 in Kerala: Is There a V-shaped Recovery? , GIFT Discussion Paper No 09/2022

Kerala Economy articles

Shagishna K., Dash, S. K. (2022). The state of price and inflation in India, Kerala Economy, 3(1), 68-75. (https://www.gift.res.in/ofk_im/journal/pdf/The_state_of_price_and_inflation_in_India.pdf) (https://www.gift.res.in/ofk_im/journal/pdf/The_state_of_price_and_inflation_in_India.pdf)

Aswathy M. A., Dash, S. K. (2022). Union budget 2022 and Indian healthcare sector, Kerala Economy, 3(1), 43-48. (https://www.gift.res.in/ofk_im/journal/pdf/Union_budget_2022_and_Indian_healthcare_sector1.pdf)

Suha A M, Kumary Anitha (2022). Fiscal position of union government under budget 2022-23: An analysis through the lens of economic survey 2021-22, Kerala Economy 3(1), 39-45. (https://www.gift.res.in/ofk_im/journal/pdf)

Antony Steffy (2022). An insight from economic

survey on the state of the economy, Kerala Economy, 3(1),33-38.(https://www.gift.res.in/ofk_im/journal/pdf)

Ramalingam N (2022). Amendments in CGST act 2017 by union finance act 2022, Kerala economy3(1),117-125.(https://www.gift.res.in/ofk_im/journal/pdf)

John K George, Joseph Thmoas (2022).What has been kept for agriculture in union bedget 2022? An Overview, Kerala economy3(1),102-106.(https://www.gift.res.in/ofk_im/journal/pdf)

Aisha Ibrahim Mohammed , P S Renjith (2022). Does the budgetary allocation for CSS meet the development priorities, Kerala economy3(1),94-101 (https://www.gift.res.in/ofk_im/journal/pdf)

Indu T R , Anilkumar U P (2022). The education sector wants a higher allocation of funds and a reduction in taxation , .Kerala economy3(1),107-110(https://www.gift.res.in/ofk_im/journal/pdf)

Prasad Lekshmi, Siddique, Z (2022). Data divide between state and citizen, .Kerala economy3(1),90-93(https://www.gift.res.in/ofk_im/journal/pdf)

Karunakaran Athira, Kakarlapudi, K K, (2022). India's external sector: A strong revival after COVID-19, Kerala economy3(1),73-77 (https://www.gift.res.in/ofk_im/journal/pdf)

Joseph Jerome (2022). Union Budget 2022-23 and digital currency economy, Kerala economy3(1),68-72 (https://www.gift.res.in/ofk_im/journal/pdf)

[ofk_im/journal/pdf](https://www.gift.res.in/ofk_im/journal/pdf))

Mohan Rju,A, Hajong Ray Vipasha (2022). Energy transition and climate action- Budget 2022, Kerala economy3(1),60-67 (https://www.gift.res.in/ofk_im/journal/pdf)

Siddique, Z, Askhar K, Kannan Divya KR (2022). Avatars of capital expenditure in the budget, Kerala economy3(1),56-59 (https://www.gift.res.in/ofk_im/journal/pdf)

Paul Relfi (2022). GST updates, Kerala economy3(1),126-132 (https://www.gift.res.in/ofk_im/journal/pdf)

Media articles

A case for extending GST compensation period, Business Line, June 28, 2022, (Santosh Kumar Dash and Kiran Kumar Kakarlapudi). (<https://www.thehindu-businessline.com/opinion/a-case-for-extending-gst-compensation-period/article65573736.ece>)

Work from home has upsides and downsides, Business Line, June 12, 2022, (Santosh Kumar Dash and Sidharth R).

Fuel tax reduction, a timely move, Business Line, May 26, 2022, (Santosh Kumar Dash and Lakshmi Padmakumari). (<https://www.thehindubusinessline.com/opinion/fuel-tax-reduction-a-timely-move/article65459763.ece>)



Soft copy of Kerala Economy is available in GIFT website.
For free download, please visit www.gift.res.in



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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