



POLICY DOCUMENT
**RESTRUCTURING KERALA ECONOMY:
ALTERNATIVE PERSPECTIVES**



Submitted to the
Government of Kerala

By
Inter University Centre for Alternative Economics
Department of Economics, University of Kerala
(Re-Accredited By NAAC With 'A' Grade)

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PREFACE

Kerala's economy had witnessed structural changes during the period of 1980-81 to 2010-11. Although the sustainability of the trajectory of growth during this period remains debatable. One of the structural changes is the sharp reduction in the share of primary sector in Gross State Domestic Product with the corresponding decline in employment share. The service sector-led growth did not offer employment opportunities that would match its returns. The process of industrialization failed to take off as is evident from the falling share of income from the secondary sector. According to the Kerala State Planning Board reports, growth in the state economy has been declining recently. For instance, the GSDP growth rate that continuously stood above the national average began to show a declining trend from 2012-2013. It further slipped to 8.6 percent in 2015-2016, when the national average stood at 9.9 percent. Another major factor that affected the state was the decreased inflow of foreign remittances. As a result, the activities in the state, particularly in the fields of construction, trade and real estate have weakened. The decline in export demand, combined with national trade policies had resulted in a decrease in the prices of plantation and related products affecting adversely the traditional industries that had been the backbone of the state's economy. In Kerala, many macro-economic problems were exacerbated by the demonetization policy. It negatively affected the purchasing power of the people and the economic activities of agriculture, handloom, coir and other small scale industries in the state.

The State also faces the problems due to an ageing population, rapidly increasing urbanisation and increasing pressures on natural resources. The frequent flash floods, droughts, landslides, salinity intrusion, soil erosion, water logging, silting of reservoirs and pollution are the major consequences of anthropogenic activities, all capable of causing serious ecological and environmental damages. The hydrologic modification of wetlands and over exploitation of groundwater also pose challenges in many parts of the state.

Kerala's development attains the status of an independent model that is often termed as 'the Kerala Model'. The 'Model' which is counted as a potential idealization of a 'sustainable development paradigm' had primarily concentrated on social sector development particularly health and education. For the last several decades, Kerala's achievements in health sector have been a subject of international attention. At the same time, with rapid changes in socio-economic and behavioral patterns, Kerala's health system is also facing several newer challenges. Higher education in Kerala is faced with several problems such as over commercialization of education, eroding standards of teaching and absence of national as well as regional linkage and monitoring mechanisms. Even in the context of a fast growing world economy, the state has been following an outdated model of 'white collar' higher education system. The state needs to promote entrepreneurship, innovation and skill development to accelerate the process of investment and employment generation for encouraging both economic development and environmental sustainability. For sustainable development of the economy, it is necessary to improve the quality of growth in terms of productive capacity, structural transformation and human development.

The disastrous flood of 2018 is estimated to be the most damaging one which has resulted in the huge loss of lives and economic assets in the state. Almost all sectors have been affected, especially agriculture, electricity, roads and public institutions that provide basic services and hence its impact on Kerala society and economy particularly on state finance and productive sectors will be substantially damaging. Already the state is in an unsustainable path of development and the problems emerged out of the recent flood make it more unsustainable. The State is vulnerable in getting more funds from external sources due to the stringent measures of the central government in receiving funds. The state needs to tap its own sources along with whatever funds made available by the Central government and utilize it more effectively. In the context, it is high time the state of Kerala to design and implement measures for the development of sustainable agricultural practices, sustainable high-tech industry, alternative energy sources, waste management system, and a strong ecotourism industry maintained by advanced legislation.

In order to discuss these aspects for Restructuring Kerala Economy, a three day International conference was held during January 2019 by the Inter University Centre for Alternative Economics, University of Kerala. This policy document is the outcome of the presentations made at the conference.

Abdul Salim A
Director IUCAE

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I. Rebuilding Kerala: General Perspective

Disaster Relief

Prabhat Patnaik

- Timely and effective relief from disaster related stress by Central Government is need of the hour. There is the need for a statutory body with transparent criteria and it should allocate more funds towards National Disaster Management Fund. The local bodies should seek public opinion to identify the areas of restructuring.
- Kerala must develop methods for achieving self sufficiency in food production and also adopt procurement of food grains from inside.
- Government should formulate policies for taking over land lying idle under plantations for settling landless and houseless persons and implement these policies.
- Additional employment programmes meant for the disaster relief should be routed MGN-REGS.

On the Threshold of a Grand Opportunity

M.A. Oommen

- The post disaster Needs Assessment (PDNA): A foundational launching pad
- New political idioms to be perfected
- Transparency guarantees an important instrumental freedom for preventing corruption, financial irresponsibility and underhand dealings, disrespect to rule of law, rent seeking culture etc.
- A white paper that will spell out the sources and uses of funds of recovery and rebuilding and others such as KIIFB (Kerala Infrastructure Investment Fund Board) need be transparently explained to win public trust.
- Raising retirement age and suspend the luxury of five yearly pay revisions till Kerala crosses the Rubicon wasteful expenditures to be reduced and productive expenditures stepped up.
- From a honest fiscal management review much reforms can emerge.
- The white paper has to clarify all these because public money must be spent with wisdom, faithfulness and efficiency.
- Integrated water resource management approach around the theme 'room for river' 'making space for water'
- Development must be truly value added. Progressive policies to put an end to social and economic exclusion?
- We need to place a Road Reconstruction Policy that will reduce this everyday killing as part of our rebuilding project
- Make Kerala, a green state : 'A thing of beauty is a joy for ever'
- A dedicated team of chosen ministers and bureaucrats under the chief minister as an integral part of social development council (see Section 55 of Kerala Municipality Act 1994) that makes local governments and Nava Kerala Mission its viable component can deliver the new area.

The Great Kerala Floods 2018 and Behind

K.P Kannan

Give special attention to the following four pillars of sustainable development when Kerala launches the rebuilding programme.

Pillar 1 – Integrated water resource management: Given Kerala’s undulating topography, with the Western Ghats forming a little more than half the geographical area with 44 rivers, backwater systems, canals, etc., Kerala has to internalize the idea of ‘Living with Water’ by allowing ‘room for the rivers’. It calls for cross disciplinary coordination of water, land and related resources. Preparation of basin-wide master plans linking upstream and downstream zones will have to be prioritized. This approach marks a critical departure from the hitherto piecemeal approach based on civil engineering solutions.

Pillar 2 – Eco-sensitive and risk informed approaches to land use and settlements: This calls for a scientific zoning of land with locations earmarked for human settlements in place of the existing haphazard construction of residential buildings all over the place including on slopes and in river banks. It also underlines the need for disaster resilient construction techniques. Adoption of a policy for ‘green buildings’ will make a substantial contribution to making Kerala a green state for which a number of alternative approaches and techniques have been developed and tested in the state over the last four decades. Here one must add that there is a rich legacy of local architecture and building construction (including the construction of earthen dams) that is experiencing systematic erosion. Rejuvenation of such green approaches and technologies will certainly create ‘green jobs’ for which skill up gradation and development programmes should be implemented.

Pillar 3 – Inclusive and people centred approach: Kerala would certainly score high when it comes to social inclusion in a wide range of public services and provisioning. The socially marginalized sections often bear a disproportionate share of environmental disasters as was demonstrated in the Great Kerala Floods of 2018. A comprehensive vulnerability mapping that captures inter-sectoral vulnerabilities has been recommended. The fact that eco-restoration and rejuvenation are intimately linked to livelihood opportunities of the poorer sections have also been brought home by the floods – be it in agriculture, livestock, fishing, and availability of a whole range of bio-raw materials for manufacturing. The recovery and rebuilding process should be able to address this. An example of it could be the linking of the National Employment Guarantee Scheme with eco-restoration in cleaning up agricultural lands, strengthening river embankments with biotic plants, creating and strengthening local level water control systems, de-silting of backwaters, canals and rivers and so on. Such an approach would also provide opportunities for convergence of a number of state and central government schemes with local panchayat level schemes based on land and water management as well as schemes for agriculture and allied activities.

Pillar 4 – Knowledge, innovation and technology: Kerala must realize that knowledge, innovation and technology are vital to address the challenges of sustainable development and climate change that it faces. While there is a certain amount of enthusiasm at the governmental level in welcoming modern technology, the challenge is a willingness to view them through the prism of environmental sustainability and cost effectiveness. Tapping solar energy was a declared policy that has hardly made an imprint in terms of actual adoption. So is the case of adopting green technologies for recovery, recycle and management of wastes. Green technologies for such infrastructure as road construction are yet to make their presence felt. ICTs are currently making a small wave in information gathering, aggregation and matching supply and demand conditions in the realm of environmental sustainability.

Toward a Resilient, Egalitarian and Ethical State?

K. Ravi Raman

- Step up from Kerala Model to **Kerala Diamond Model**
- 3 dimensions: **resilience, egalitarianism and ethicality**
- **Pre-requisites:** Nava Kerala literacy; good governance; democratisation of democracy etc. Constituents: renaissance values, modern science, non-neutrality, collective meaning making; constantly being conscientised from below; infinite reciprocity; regaining the logic of universality.
- Agential coalescence: State-Civil Society Synergy

Financing the Rebuild

R Mohan

The Kerala society displayed unparalleled courage and determination in facing the unprecedented floods of July-August 2018. According to the Post Disaster Needs Assessment (PDNA) by the UNDP, the loss to the Kerala economy is around ₹31,000 crore. This works out to around 4 per cent of the Kerala’s Gross State Domestic Product (GSDP). This would have a substantial adverse impact on the fiscal capacity of the State to mobilise revenues. The State finances are already strained by the effects of demonetisation and ockhi. cyclone. The aftermath of these as the recent floods would be lower revenues and higher expenditure burdens. This is the time to build a New Kerala and fiscal conservatism has to be set aside for the great task of post flood reconstruction. The higher economic growth that would follow would be able to bring back the State to the path of revenue led fiscal consolidation. If the short term or annual deficit targets, are insisted upon the rebuilding exercise would be impeded. This would also make a sustainable medium term fiscal consolidation impossible. This is the time to look beyond the ratios in the short run.

Policy suggestions

1. Government of India should favourably consider relaxing borrowing limit of the State to 4.5 percent of the GSDP for 2018-19. The State should float Flood Relief Bonds and ensure that the amount borrowed is used only for rebuilding Kerala.
2. The State should mobilise own revenue resources as envisaged in the Kerala budget 2018. The aim should be to achieve tax -GSDP ratio of 7.5 per cent, a 0.65 per cent increase from the present tax-GSDP ratio of 6.85 per cent. Our expenditure should be prioritised to find more space for rebuild activities.
3. The rebuild exercise should be planned with involvement of Local Governments and should be environment friendly and resilient to future natural calamities.

Paying the Price for Neglecting the Environment

D Narayana

1. A long run view of the growth of Kerala economy may be taken as marked by two distinct phases. The period till the mid-1980s witnessed low growth of State Domestic Product and the phase since late 1980s to early 2010s by robust growth. The first phase saw agriculture and agro-based manufacturing growing at the rate at which the economy was growing and that was low and subject to wide year to year variation. The second phase was marked by deceleration in agriculture and manufacturing but sharp increase in construction; it could be called a construction-led phase of growth.
2. The first phase saw extension of cultivation into forests and massive migration with the area under forests coming down in ecologically sensitive areas of Idukki and Wayanad. The economy was characterized by low productivity and the contribution of productivity to the growth of the economy was low. For instance, over a hundred year period ending 1975, the area under forests in Idukki came down from 93 per cent of the total area to 52 per cent. There were practically no restrictions on land use and during some periods there was active support by the government for the conversion of forests into cultivated area. The decline in the area under forests and the degradation of forests was massive.
3. The second phase witnessed unsustainable extraction of sand and stone to meet the needs of a construction boom. This boom, accelerated by growth of remittances and tourism, continues to be natural resource intensive. Granite stone and earth was removed from even environmentally fragile areas. Flood plains and river basins were encroached, often blocking natural flow of water. Sand was extracted from the rivers without any restriction. The environmental damage caused by the unregulated use of natural resources has resulted in our inability to face nature’s fury. The result was the massive damage caused in the floods of August 2018.

Policy Suggestions

Kerala needs to learn lessons from this model of unsustainable growth. Agricultural use of land in environmentally sensitive areas may be restricted and those who wish to leave their land in the hills and settle down in the plains should be encouraged to do so. Such land in the hills may be vested with the government and slowly turned into forests. Natural resource intensive construction technology should be actively discouraged using tax and non-tax instruments.

Joint Projects Among the Grama Panchayats *G.Visakh Varma*

As we go through the actual and proposed joint project programmes of various grama panchayats in Pathanamthitta, Kasaragod, Wynad and Thrissur districts and their details, it becomes more and more evident that regional comparative advantages play a very important role in local development. All panchayats don't have all resources to initiate a development action, while some panchayats have strategic comparative advantage in the matter of certain resources or activities. If these panchayats can be developed in to hubs or centres of particular development activities, such an initiative would benefit the entire district or the state. Therefore, it is necessary to build up regional or local hubs by encouraging horizontal integration of grama panchayats, based on regional comparative advantages. This policy combined with mutually inclusive local development pattern would speed up the development process by making a balance between local resource demand and resource supply.

Suggestions

1. Identify panchayats with local comparative advantages in particular lines of activities
2. Develop them in to centres of local growth
3. Encourage joint projects and joint sharing of benefits
4. Remove local structural impediments in the development of joint projects among grama panchayats.

Spatial Planning

V.Nagarajan Naidu

Spatial planning has more relevance today in the context of devastating effects created by flood in the state. There are certain manmade factors which exacerbated the situation. They include unsustainable construction, destruction of natural infrastructure (forest, sand dunes, reef, etc) and unscientific dam management.

The flood had provided certain long term lessons for Kerala, which are linked with spatial dimension. The alternative development strategies include the control of state over the private land ownership; review of existing homestead pattern of development; sustainable extraction of natural resources; zoning regulation of residential areas; construction control for land use zoning, etc.

There must be a spatial development planning at Grama Panchayat level which must be integrated with district and state level spatial plan. The state spatial plan must be an integrated one of district plan and local plan. While preparing spatial planning, the interest of various stake holders including local community must be protected.

II. State Finances and Fiscal Crisis

Public Resource Mobilisation

Jose Sebastian

The following options for Public Resource Mobilisation for Restructuring Kerala Economy considered :

- Thorough restructuring of public finances of the state
- Taking over property tax from local bodies and administering directly
- Targeting subsidies to the deserving
- Increasing the welfare pensions to Rs. 5000
- Ensuring Universal Basic Income(UBI)
- Breaking away with the resource mobilization strategy relying on liquor and lottery
- Leaving purchasing power with the poor and marginalised so as to raise their level of consumption and thereby tax revenue.

Resource Mobilisation in Kerala

C. Saratchand

1. If the Kerala economy is demand constrained then a reduction of government expenditure (in the name of fiscal consolidation) would be irrational. It would be against the socio-political-economic ethos of the state. The government of Kerala must instead augment tax revenue.
2. The system of centre-state relations in the country has resulted in a situation where the central government's expenditure determines its tax revenue while for the state governments their tax revenue is a key determinant of their expenditure.
3. After the Goods and Services Tax (GST), there are few tax rates that can be autonomously set by the government of Kerala. Reliance of taxes on alcohol may not be economically rational if the social costs of tackling alcohol addiction exceed the tax revenue from sale of alcohol.
4. While working within the adverse setup of centre-state relations in India, the government of Kerala could draw on the following sources to augment its tax revenue:
 - Enhancing the tax rates on property, both commercial and residential in a progressive manner.
 - Instituting a tax on the usage of private vehicles for personal use especially cars.
 - Initiation of progressive and telescopic tariffs on electricity and water.
5. A progressive property tax: The state government could draw up guideline values for (residential and commercial) property based on location, access to public infrastructure etc. The rate of property tax could be higher as the guideline value of the property rises. Such a progressive property tax rate will not impact those with low incomes if it impinges only on those properties whose guideline value exceeds a judiciously determined ceiling. Such a progressive property tax cannot be evaded, will not adversely impact the poor, and may reduce speculation in real estate.
6. A tax on usage of private vehicles especially cars for personal use: In the first place such a tax on cars could involve a fixed monthly tax on the employment of all cars for personal use

as a surcharge on renewal of car insurance. There already exists a system that differentiates between commercial cars and cars for personal use. As in the case of a progressive property tax, such a tax will not impinge on the working poor and there will be no issue of information revelation in tax assessment. Evasion of this tax could involve some car owners registering their vehicles as those intended for commercial use but employing them for personal use. However this could be tackled by periodic comparison of the distance traversed by the vehicle in question on the basis of some norms about the minimum or average distance traversed by commercial use cars. Future malfeasance in this regard could be deterred by a penalty of an appropriate magnitude. If as a result of such a tax on cars for personal use, the number of such vehicles reduces then that would result in a positive contribution to better health outcomes (due to lower air pollution), lower use of fossil fuels (which would enhance the ecological sustainability of economic activity in Kerala) and reduced traffic congestion. The government of Kerala should use part of this revenue to expand public transport.

7. Progressive tariff on electricity and water usage. As in the case of the progressive property tax, a floor level of usage may be determined below which the progressive tariff on electricity and water usage is not levied. Above that ceiling the rate of the tariff on electricity and water usage could rise with the extent of electricity and water usage. Evasion of this progressive tariff through the theft of electricity and water may be detected through the fall in the billed usage of electricity and water (as opposed to actual usage). Legal action that is proportionate to the malfeasance could by and large deter such evasion along with political and social mobilisation.
8. Other initiatives that the government of Kerala could undertake to mobilise resources could include:

- Setting up a state government owned bank: Such a bank could set apart a part of its deposits for lending to the state government analogous to the statutory liquid ratio as far as lending to the central government is concerned. However unlike in the case of the central government, such a provision is unlikely to become settled law in the current system of centre-state relations. But a bank owned by the state government is likely to expect a higher rate of return on loans to the state government as opposed to private borrowers as long as the government of Kerala is able to mobilise adequate tax revenue.
- Further such a bank owned by the government of Kerala could become an exclusive point of contact (involving purchase, sale, lending, borrowing etc.) of all entities with the state government including its employees, private firms, peasants etc. For the banking system as a whole, the magnitude of bank loans determines the magnitude of bank deposits. But one factor that would determine the distribution of bank deposits among different banks would be the relative rates on bank deposits. However the choice of location of the bank deposits is also determined by considerations such as convenience in undertaking transactions. The more effective such an effort (by enhancing the ease of undertaking transactions both with the state government and elsewhere) the more likely is that a significant part of expenditure by the government of Kerala would end up creating deposits in the bank owned by the state government.
- Moreover such a bank owned by the state government could also undertake efforts to garner deposits from non-resident Keralites through expansion of its branch network outside the state. Besides it could also offer long term deposit schemes which are analogous to the public provident fund of the central government. However such long term deposit schemes will be viable only if the state government is able to obtain income tax terms on such deposits that are analogous to similar schemes of the central government.
- Expansion of the presence of the public sector in activities such as tourism since the entire surplus garnered by public tourist entities would be available to the state government.

9. Some intervention would also be required to enhance the capacity of the government of Kerala to mobilise resources through changes in the existing system of centre-state relations. Such measures could include demands for:

- A greater share of tax revenue to be devolved from the central government to state governments including Kerala. As mentioned before the institution of the GST system has reduced

the ability of state governments to determine indirect taxes. For instance after the recent floods, the government of Kerala could not use indirect tax changes (without the permission of the GST Council) to mobilise resources. Therefore the government of Kerala should demand a greater share of tax revenue that is obtained by the central government.

- A share of the statutory liquidity ratio loans of the central government to be provided to state governments including Kerala. More generally this proposal amounts to an increase in the ceiling on borrowing of state governments that is 'willy-nilly' backed by the central government.
- Repeal of the legislation on GST and FRBM. These measures have allowed the neoliberal project to become entrenched by restricting the policy making space of state governments among other things. The government of Kerala and members of parliament from Kerala could take up these demands.

Fifth State Finance Commission

B A Prakash

- Most of the devolution recommendations of the Fifth State Finance Commission had been rejected by the government and the funds are given to Local Governments on arbitrary basis.
- The fiscal decentralisation system in Kerala is subverted. There is arbitrary allocation of resources, reversal of fiscal decentralisation and moving towards fiscal centralisation.
- The subversion of the Fifth State Finance Commission's recommendations may be considered as the most serious lapse on the part of State government. Hence corrective measures may be taken to address these issues.

Jerry Alwin

1. The prediction of white paper 2016 that the state is heading towards an acute fiscal crisis has happened.
2. The fiscal strategy of achieving an annual growth rate of tax collection to 20 to 25 percent and expenditure control on non-plan revenue items except salaries, interest and pensions has failed.
3. Kerala's fiscal history during the last three decades shows that the root cause of the periodical fiscal crisis is due to steep increase in the expenditure on salaries and pensions due to its revision once in five years and frequent DA revisions.

III. Agriculture

Impact of Recent Flood on Kerala Agriculture

Mani K P

Quick estimates made by the investigator revealed that both food crops and non food crops are affected by the recent floods. As far as area loss is concerned, the total loss of paddy lands worked out to be 57684 ha spread over Alapuzha, Ernalulam districts. This has directly affected 3.26 lakh farmers and the estimated loss is found to be Rs1400 crore. Another crop affected is tapioca, spread over Idukki and Kottayam districts. Their area loss is estimated to be 264 hacters and the production loss is Rs2.35lakh. The plantation sector is also not free from area loss and crop loss. The farmers in Idukki and Wayanad are affected by vast damage to their crops, both in terms of area and production. In the case of Idukki, cardamom plantations are affected and the area directly affected are 546 ha and the crop loss is about 37 per cent less compared to previous years. In the case of Wayanad district, coffee plantations are affected. In short the cropping pattern and production trends in the state are adversely affected by the recent floods. When we look further, the short run and long run consequences are also important. It is said that the land scape is affected which may further affect the future cropping pattern. In recent days there is a report that the yield of mango has increased multifold in the state and experts feel that it is due to an impact of climatic changes. Impact of flood on allied sectors are also important. The loss of livestock, birds etc are to be taken into account. A quick survey conducted by the department of livestock indicated that there is heavy loss of livestock. This is worst in Chalakudy Angamli belt and also Alapuzha district. The duck hatchery industry of Kuttanad is affected. It is reported that the loss from duck hatchery alone is Rs.216 crore and the chances of survival in the near future is doubtful. As a result of these, nearly 6024 farmers were affected in Alapuzha Changanacherry belt.

Thus it is clear that there are adverse consequences on area under cultivation, production and also on productivity. Similarly the prospects of farmers are also affected mainly through employment loss which will lead them to poverty and debt trap. Further a demand and supply gap will be emerging in the case of food and non food crops. After the floods, the demand and supply gap in food production has gone upto 86 per cent, that is, we are producing only about 14 percent of our food requirement, the rest we import from other states. This shoots up price of rice also. In the case of plantation crops, it is reported that on an average, production has declined by about 24.3 per cent. This will adversely affect our agricultural exports. In short, the recent flood has crippled our agriculture sector which is already struggling with area loss, low production, productivity and low price. Earnest efforts are required to survive from this state of affairs and the following policy interventions are required.

Policy Interventions

1. Prepare short run and long run policies for the survival of agriculture sector. The short run policies should be more local based and the long run policies should be more macro based.
2. Give awareness to the farmers regarding scientific cropping practices. The selection of crop in a locality should be based on agronomic conditions in that area or in a technical way, we should encourage precision farming. Krishibhavan should take initiative for this.
3. It is reported that one of the reasons for the flood was over exploitation of nature. This should be prevented. The government can think of implementing different commission reports which are already available with the government.

4. A large number of farmers are already experiencing poverty due to crop loss and also due to consequences of flood. The government can think of giving more time for the repayment of agricultural loans of deserving farmers. Consultations with State Level Banker's Committee is the option.
5. Strengthening insurance for agriculture and allied activities
6. The quality of soil has affected as a consequence of floods. Hence it is important to go for soil test in flood hit areas and examine how the nutrients of the soil are affected by the flood and take necessary steps. We have soil survey department and soil survey laboratories. They can undertake this task.
7. The agriculture department has already estimated the volume of investment required for reviving agriculture after flood. This exercise is also done by Kerala Agriculture University. What we need immediately, is a very detailed estimate, crop wise, region wise and infrastructure wise. This should be an interdisciplinary exercise also
8. Government can think of a centralized marketing agency for the disposal of agriculture produce just like the case of Vegetable and Fruit Promotion Council Kerala (VFPCCK).
9. In the case of most affected areas, government has to formulate special revival and survival packages
10. Local governance and decentralized planning machinery can be strengthened for improving local and regional agriculture
11. Formulate and improve agro processing and value addition strategies. The future of agriculture lies in agri business ventures
12. Develop, improve and implement post-harvest technologies. One of the lacking components in Kerala agriculture is post-harvest technology practices.
13. Introduce agriculture, allied sectors and environment protection as a part of school curriculum
14. Formulate agriculture policy to overcome the consequences of flood and also to face a future flood, if happens.

Agricultural Development

T J Joseph

- Small size of holdings need not be a barrier to agricultural development since there are well proved models of high agricultural development with small holdings in Japan, China and Vietnam (Kannan, 2011)
- Farmers should be convinced of high returns for which appropriate innovations and latest technologies, tested and proved in other places, should be adopted
- Policies and measures to sensitize the existing organizational and institutional arrangements, which is now hindering such modern technological solutions and innovations
- Proper policy framework and institutional set up to encourage:
 - Joint farming /Group farming: to achieve economies of production (already there in paddy cultivation)
 - Leasing of Cultivable Land: There exists an informal system of leasing, but mostly run into conflicts. There should be a simple formal legal mechanism
 - Self Help Groups /MNRGA Participation for cultivation: by acting as an alternative mechanism for the consolidation of cultivable land holdings.
- Policies can be more suggestive than restrictive to attain welfare gains with minimum welfare loss.

Crop Insurance Scheme

Sunitha Vijayan

The following are the major suggestions with respect to crop insurance scheme:

1. The premium target approach existing at Krishi bhavan level should be completely removed and replaced with 'insurance for all farmers' approach and incentives may be provided to Krishi bhavan with higher enrolment of farmers.
2. The minimum crop criteria for SCIS (State Crop Insurance Scheme) should be fixed separately for urban and rural areas as the concentration of crops is diverse for each.

3. Separate and specific fund should be provided to Krishi bhavan to maintain the cost regarding crop loss assessment of insured area and other related expenses.
4. Extensive awareness classes on crop insurance scheme should be conducted for farmers ensuring whole participation.
5. The risk management measures specified for the crops should be realistic so that the cost involved is minimal and does not suffer the profit.
6. Small and marginal farmers should be provided with special incentives such as reduced premium rates or premium in installments to make the scheme attractive.
7. The time span taken for claim settlement should be reduced in such a way that an insured farmer may get the claim amount before their next cultivating season. Hence measures for quick settlement of claims should be adopted.
8. No claim bonus should be provided to the farmers for claimless periods. (one among the major reasons for farmers to remain uninsured is the concern of premium loss when no crop loss occurs)
9. Online provisions should also be provided for trouble-free enrolment and premium payment of the scheme.
10. Procedures for enrolment and claim settlement should be made simpler for farmers avoiding frequent visits to Krishi bhavan for the same.
11. The 'Karshikavikasana Samithi' constituted at Krishi bhavan level should have authentic farmer representatives selected by the farmers in the area.
12. The meetings of the 'Karshikavikasana Samithi' should be held monthly efficiently with the presence of concerned members and the information discussed in the meetings should reach the farmers in the area effectively.
13. People should be made aware of the importance of 'ward sabhas' and 'grama sabhas' ensuring their participation for the effective implementation of the schemes.

IV. Livelihood, Poverty & Marginality

Development of SC/ST

D. Rajasenan

Problems

- The SCs and STs are deprived of the basic amenities for effective and quality living. SCs are better off than STs in relative poverty indicators. Poverty decomposition points towards community-wise differences within the SC/ST groups with some severe poverty and deprivation.
- Landlessness makes these communities complex to generate a sustainable livelihood over generations. Land alienation of the Scheduled Tribes work in many levels such as non-tribe settlers in the tribal areas, the Forest Conservation Act and development related displacements. Land legislations are ineffective in restoring the land to the landless.

Suggestions

- There is need for special attention while designing plans and programmes targeting the primitive and backward tribes as well as some SC sub groups.
- Bureaucracy-contractor-politician nexus makes the housing scheme worthless in a sustainable dimension.

Tribal Development

Ajitha.R

1. The schemes for STs are taken up in a routine fashion without any serious study on the backwardness of them. This makes the TSP (Tribal Sub Plan) programmes ineffective to address the new issues faced by them.
2. The gap between allocation and expenditure of TSP is varying across years and the utilization of SCA (Special Central Assistance) to TSP is very less in Kerala. There is underutilization of the outlays in major sectors which actually affects the wellbeing of the tribals.

Suggestions

1. There should be a reorientation of the TSP programme. There should be a proper platform for the people to intervene in the governance
2. The state government should take an initiative to bring awareness among the public regarding TSPs.

Livelihood & Development

Anuradha S Pai

1. Strategies for enhancing livelihood and employment should be inclusive and broad based. The Bottoms Up approach should be used for formulation. It is essential so that the aspirations of the people are met. Special care should be taken to ensure that the marginalized sections like STs, SCs and women are rightly included.
2. Green Livelihoods - Natural resource depletion and climate change are two inter-related problems that the world is faced with today. The flood in itself is a climate change phenomenon. This is an adversity turned opportunity for Kerala. Creating alternate livelihoods opportunities in the non-farm sector can ease the pressure on natural resources. And hence we should try to find out new types of employment opportunities for the people which is more eco-friendly.

3. Insurance coverage – Work done by the All India Disaster Mitigation Institute, Gujarat, on disaster micro-insurance in three states (Assam, Odisha and Gujarat) of India indicate that there is demand for insurance cover and it is possible to cover the small and medium enterprises including informal sector workers under tailor-made insurance products. However penetration is low in India, informal sector is not very keen, insurance companies are not interested in high risk areas. Hence government
4. Market linked strategies are effective - Oxfam in Sri Lanka, in the aftermath of tsunami helped women in the coir sector to organise in self-help groups to boost their production and sales. The women doubled or tripled their pre-tsunami incomes. It is good to start with what skills and business people already have, rather than move to alternatives.
5. Women centered activities have been very successful – Activities of SEWA in Gujarat and Uttarakhand, UN Assisted post Tsunami projects in Sri Lanka and Kudumbasree's work in Kerala are examples.
6. Tendency to prioritize reconstruction over livelihood recovery should be curbed.(e.g. 2004 Tsunami, Indonesia). What we need at this point is to build a new and sustainable Kerala which is environment friendly developed and welfare oriented. So mere reconstruction won't be sufficient; ensuring livelihood should be the focus.
7. Activities initiated need continued support to make sure that they succeed in the long run. Ensuring sustainability is essential. One time assistances need not be sufficient in many cases.
8. Training and skill development training which is not in sync with creation of market demand do not generate employment opportunities. So while bridging the skill gap, a background study should be done as to what kind of skill sets are in demand in the market and skilling should be done accordingly. E.g. Mason, Electrician, Stitching, Plumbing, Food making, etc. Social networks also play a crucial role in employment.
9. Past cases show an absence of effective long term monitoring and evaluation mechanism of livelihood recovery strategies and policies. This should be corrected and strict performance based monitoring should be done regularly to achieve targets on time. The strategies also need built- in mechanisms to incorporate change according to changing needs during implementation.
10. Lack of co-ordination between livelihood and other reconstruction works will not provide us the needed results. This can become a major hindrance in the implementation phase and hence a separate unit/committee under the Chief Minister should be constituted to coordinate between the various departments and programmes during the recovery phase.

Social Capital

Anju Susan Thomas

1. The Government can identify the most adversely affected areas and population in the flood havoc and provide livelihood to strengthen the marginalised and the most disadvantaged section of the economy. Let our slogan be prevention, preparedness, repose and recovery.
2. Strengthening the community resources can help rebuild the lives of disaster-stricken families.
3. Religious groups, self-help groups, neighbors, etc. were the first source of help in the event of disaster. Disaster management task force to be deployed at Panchayat and block levels with the support of social groups in the relevant areas.
4. A data set on demographic composition of households should be made available at the Panchayat level. In the event of a catastrophe, the disaster team can easily locate aged, disabled and infant households and extend timely help on a priority basis.

V. Infrastructure & Energy

Green Infrastructure

G. Radhakrishna G Pillai

- Green infrastructure is a catalyst to economic growth. It is usually cheaper than traditional grey infrastructure. It creates sustainable jobs and brings great returns on investments. Hence there is need for investing more in green infrastructure by forming a Natural Capital Fund

Specific Policy Options

- Technology-Push Subsidies : Subsidize R&D in carbon-reducing energy sources and justified by external benefits of such energy sources
- Direct Regulations by government (Tech-Based Standards) : Determine the desired reduction in CO2 emissions (30%, 60%), identify all major sources of CO2 (power plants, heavy industries, autos, etc.) and issue each source a permit for each unit of allowed CO2 emissions.
- Monitor CO2 emissions from each identified source: Generate allowable quantity of CO2, in case of more units permit should be obtained and if less quantity is generated than allowed sell permits.
- Monitoring mechanisms and effective support by the government for social and environmental issues
- Appropriate policies are key factors for adaptation to the impacts of climate change & promotion of sustainable development

Energy (electricity) efficiency

Vijayamohan Pillai N.

- Energy management centre and ANERT have been working overtime to improve the energy (electricity) efficiency in Kerala. However the government should work for more improvement in this area
- Another major problem arises due to high dependency of imports of electricity and transmission loss. Here also the government should work for self sufficiency in generation over a period of time.

Solar Energy

Arun Kumar R, Angelin R Jose & Revathi U

- Households in Thailand are allowed to sell solar power to the government. Likewise if KSEB can entertain purchasing electricity from households on a pre-specified tariff rate, it would rapidly change the way in which solar energy is utilised in the state. If people who consume less than 3.5 units a day can install a system with 5 KW capacity, they would be able to export at least 460 units to the grid. Currently people with lower electricity demand prefer solar panels with least capacity so as to cover mounting installation costs.
- Since solar panels prove to be of great benefit to high energy consumers, it should be installed in places like railways, hospitals, cinema theatres, court complexes, universities, etc.
- Installation of solar panels should be made mandatory for all the houses above 2000sq.ft.
- Installment payment for the solar product should be encouraged because such an initiative can be affordable to the people.
- Above all large-scale awareness programmes should be conducted so that people could know about the policies and the incentives given by the government for the solar installation.

VI. Tourism

Environment-dependent Tourism

Martin Patrick & Levin I V

The Tourism Department has introduced 'responsible tourism' as a right strategy that "creates better places for people to live in, and better places to visit". It is conceived with three kinds of responsibilities which are termed as the "triple bottom-line", they are economic responsibility, social responsibility and environmental responsibility. It promotes a 'Village Life Experience' brand like *Cultural Cochin* which offers tourists the following:

1. 4 Hours journey
2. Walking/hiking/cycling experiences through villages covering small boat ride, toddy tapping, coir making experiences etc,
3. Visit to a village school & interacting with children, family/community function,
4. Backwater experience using small boats,
5. Experiencing temple/church festival in the village,
6. Cooking demonstration experience in the village and
7. Experiencing a folklore theater for the local flavor of dance & culture.

There can be a number of similar experiences that can be included in the village experience program ending with a cooking demonstrating program.

Role of Local Bodies

1. The local government has to identify problem areas and propose solutions in consultation with experts and work as a facilitator/coordinating agency between local community, implementing agency by hosting meetings and workshops in this subject.
2. Main advantages for local government are to gain enormously in terms of taxable and non-taxable revenues without much spending from its budget.

There is a growing significance for environment-friendly tourism initiatives for long-term sustainability and hence the need for promotion of eco-friendly and sustainable tourism which cannot be overlooked. Local government cannot be made to wait till the opportunity comes their way. Its role in implementing projects require the concerned authorities to start one to one interaction with local communities, local institutions and implementing agencies and political parties to optimize the project and complete in a systematic time-bound manner.

Coastal Tourism

Sachin Pavithran.A.P & D.Sarada Devi

1. Create adequate facilities and suitable infrastructure like accommodation, roads, rail facilities, local transport, communication links, etc.
2. The government should promote female participation in tourism by providing loans for starting small shops, canteen etc. in the tourism destination under the control of the tourism promotion authorities or local bodies, This will ensure quality of service to the tourists and helps to create better hospitality environment in the tourism destination.
3. The DTPC (District Tourism Promotion Councils) or the local government should take the responsibility of proper working of tourism information centre in tourism destination.
4. Ensure the participation of local people in tourism activities for the overall development. This is essential for the creation of better and more sustainable tourism environment and the expansion of tourism business.
5. Promote traditional tourism products.

VII. Higher Education In Kerala

Present Challenges

Rajan Varughese

The higher education scenario in the state is impressive in quantitative terms. But there are several issues related to the quality/ equity in higher education in the state. The growth of non philanthropic investment in higher education, emphasis on marketable disciplines, dearth of qualified teachers, influence of central laws and regulation, etc. are some of the major factors in this regard. As a result the state's approach of growth with equity and access, financial support in the higher education sector has been horizontal, with a strong sense of distributive justice. This is incompatible with exclusive approach of competitive selection and vertical privileging at the national level.

1. Need for Strategies of Social Preparation

Kerala has set a model by itself in designing and implementing a variety of schemes of social preparation and academic quality assurance. Higher education initiatives of the state clearly show the conviction that the predicament of poor GER (Gross Enrollment Ratio) and low quality should be addressed with the help of a comprehensive package of social preparation strategies for enhancing the number of eligible youth with potentials to enter institutions of higher education. Instituting different scholarships of merit and means covering the entire duration and realms of higher education in arts, humanities, sciences and technology is an example.

2. Quality Assurance in Higher Education: Need for state specific criteria of Assessment

The quality assessment by NAAC (National Assessment and Accreditation Council) is accomplished through a process of self-study and peer review using well defined criteria. We have to setup public institutions which can enable our higher education institutions to go in for national level accreditation and for accreditation with the state specific criteria of assessment.

3. Higher Education in a Federal System: Need for Consensus

In recent times several legislations pertaining to Higher Education were introduced at the national level. The well settled practice of holding meaningful consultations with the federating units, in matters related to higher education may be followed keeping alive the spirit of cooperative federalism.

4. Strengthening Teacher Training Programme

For improving the quality of teaching, learning and research in higher education institutions, there is need for training of the faculty in different disciplines especially in the formative years of their career. The Faculty Training Centre under the Kerala State Higher Education Council should be strengthened to train at least 1000 teachers annually in our universities/ colleges.

5. Establishment of Interdisciplinary programmes in universities/ colleges.

The quality of research in our universities/ colleges is constrained by several institutional and financial factors. For developing and fostering quality research more interdisciplinary programmes at the university and college level should be started based on the comparative advantage of the existing institutions and opening of new inter-university centres in the state universities.

Restructuring Higher Education in Kerala

Abdul Salim A & Saisree K G

1. A large percent of the students admitted in higher education institutions are not interested/ talented in the curriculum activities. Hence the achievement levels are very low and many are unemployable in the job market. Therefore to identify the talent in students and streamline them in to right courses, the government should initiate additional/short term 'talent courses' after higher secondary education. The Singapore model of 'Ability Driven Education (ADE) – Talent search' is one of the examples.
2. Both public and private higher education institutions should be able to be innovative with their curriculum.
3. The state should have a strong network of colleges, research centres and government institutions with start-ups for nurturing a spirit of innovation and enterprise.
4. Start courses addressing special requirements of Kerala's economic development and create opportunities for employment to the students undergoing them. Also give internship to these students for having some practical sessions in collaboration with industries/institutions. Some of these courses may include data analytics, energy efficiency, food security, organic farming, sustainable agriculture and health care.
5. There should be shift in higher education system from quantitative extension to qualitative consolidation.
6. No more conventional courses in both regular and self-financing institutions. Restructure the existing conventional courses including engineering courses which would meet the requirements of the economy and society.
7. The performance of teachers should be evaluated by the students and promotions/permanency should be based on the evaluation of the last five years.
8. The appointment of faculty members in aided colleges funded by the government should be done through the Public Service Commission. This will address the corruption and capitation fee rampant in these colleges. This is also justified on the fact that most of these colleges were established by using the community and government contribution of land and money in cash and kind.
9. Expanding access to higher education in the peripheral areas and for marginalised sections.
10. Promotions and increments may be given to faculties who create new knowledge and patents.
11. Urgent need for the development of guidelines for increasing the quality of higher education system.

Alternative Funding Options

Sunija Beegam

1. Alternative funding measures can ease the financial burden of institution and student.
2. The strategies for strengthening institutions such as rising fees and other charges, may hinder access to higher education of students of low socio-economic backgrounds. It can be addressed by adequate student support programmes.
3. Progressive Tuition Fee Model: Fee rates in the state universities and colleges should be raised to a reasonable level in order to strengthen the financial base of the government sector. As Punnayya Committee (1992, pp.111) pointed out tuition fees should be related to recurring cost of the institution and employability of the course. The resources generated by the universities should constitute at least 15% of the recurring expenditure at the end of first five years and at least 25% at the end of ten years.
4. A system of subsidisation of higher education for students from lower socio-economic background with fee concession and scholarship is prevalent in the government/aided sector. It also includes subsidised food, travel and accommodation which helps the students to meet their private cost to a great extent. This type of subsidization may be extended for students in the self financing/private sector.

5. Actual recurring expenditure of the universities or colleges which consist of expenditure on salaries of teaching and non-teaching staff, maintenance expenditure of the institution, student scholarships and other subsidies, may be estimated which would help the government for a suitable fee policy.
6. *An Income Contingent Student Loan Scheme:* This is an important alternative to student loans implemented by many countries like Australia, Netherlands, New Zealand, Sweden, United Kingdom, Ethiopia, Hungary, South Africa and South Korea. Under this scheme students pay a varying proportion of the costs of their courses and borrow the tuition fees from the government. The students do not begin to repay the debt till they have graduated and reached a certain income threshold. If loans are not income contingent, many students will face considerable repayment burdens in terms of economic hardship and some will experience difficulty in servicing their loans and may default. Present student loan scheme can be replaced with this scheme. We should fix the threshold limit of income that graduates earn after considering the difference in income threshold limit of graduates of arts and professional courses. Moreover, employability of the courses offered in Kerala are very low in general and professional courses. There should be proper mechanism for analysing discipline wise repayment status of students.
7. *Tertiary Education Levy:* Under this scheme university graduates would have the option to pay a levy based on the course costs and the income that they earn, rather than paying up-front. Students from low socio-economic backgrounds will not incur a debt but rather pay a levy (equivalent to 30% of the cost of the course) over a 25-year period (Stokes. A & Wright. S.J, 2010, pp.23).
8. *Graduate Tax:* It is a method of financing higher education in the United Kingdom and the Republic of Ireland. In 2009, National Union of Students in UK proposed a tax on graduates that would be levied on graduates for 20 years following their graduation, progressively ranging from .3% to 2.5% of their income. It also suggested that there should be no interest charged, instead indexing the amount each year in line with inflation. Graduates should pay the tax after attaining a threshold level of income.
9. *Income from endowment fund, extension activities and alumni:* An endowment represents a compact between a donor and an institution. It links past, current, and future generations. Voluntary donations by private corporate sector is an important feature of advanced countries. Except a few institutions like IITs, IIMs and Central universities, our institutions could not generate any substantial amounts. Income from extension activities such as continuing education courses, online courses starting job oriented courses can be sought. Allowing students work during the period of study is a good way for poor students to afford their education. By continuously engaging with alumni, institution can make use of the skills, experience and economic support from the alumni.
10. Studies should be conducted for estimating recurring and non-recurring costs of universities and colleges as well as private and social rates of return in higher education. A statutory committee for suggesting recommendations on funding higher educational institutions in Kerala is vital in this juncture.

Education-Employment Linkages

Amala Anie John

1. Ensure that the Universities revise and update the syllabi of the courses under various programmes taking into consideration the changes happening in the concerned subjects and in accordance to the industry needs.
2. The implementation of academic audit at the universities will ensure an accountability that the structure of the programmes are restructured departing from its traditional mode to suit the market needs.
3. Proper industry linkages must be built into the restructured programmes by way of industrial projects incorporating the students which will help them in building up the needed skills for employment.
4. Additional Skill Acquisition Programme (ASAP) should integrate industry based relevant

communication skills in English and soft skills so as to enhance the employability of the students. ASAP should also include the hitherto ignored quantitative, research, programming and computational skills which are relevant to the market needs.

- Appointment of good quality permanent teachers through proper channels should be immediately done Also the practice of appointing guest lecturers with industrial experience to fill the gap must be encouraged rather than appointing casual guest lecturers.
- The practice of giving permission to little-known barely-trained educational trusts and organisations to set up colleges (engineering, medical and MBA) needs to be thoroughly revised, monitored and stopped if found unworthy.

Knowledge-based Economy

Christabell P J & Rajeev B

- The universities and research centres must provide adequate orientation to the research scholars for publication of knowledge they created in high quality journals, media and channels. Conducting of academic writing workshops and orientation programmes are the need of the hour.
- The universities must conduct research-oriented workshops, short term courses, add-on courses and bridge courses for the benefits of research scholars so that they may be trained more in their respective research areas in order to enhance their research and analytical skills.
- There must be proper monitoring of the research work done by the doctoral scholars.
- In order to improve the quality of research, introduce more exchange programmes between universities in the same state by conducting joint research projects and using the common facilities available in the respective universities.

On the Unmasking of Urban Poverty Through Education

Reshma Rajeevan

- The prospects of higher education among the slum population are dismal. The number of graduates among slum dwellers is negligible. To address this, Slum Specific Higher Education Promotion Councils consisting of local representatives, academicians etc. can be formulated. An awareness programme can be organised under this on a continuous basis, targeting the student population so as to motivate them to pursue higher learning.
- Career counseling centres can be formulated for fostering competitive skills among student population in slum areas. It should aim at facilitating youngsters from slums to get into competitive exams for government jobs under open competition. Emphasis should also be placed on improving skill generation and vocational education.
- At local level, self-help groups can be formed and training on ornamental making, embroidery, bag making, umbrella making, community kitchens, etc. can be provided. Also after training, raw materials can be made available and finished products can be marketed under a common brand. A dedicated team of government officials, NGOs and activists can be formed which would encourage buying these brands.
- Slum dwellers lack digital literacy and this can further accentuate their extent of social exclusion. Digital literacy programmes should be organised in slums and for this the support of dedicated youth from mainstream population can be made use of.
- There is information asymmetry between slum dwellers and government officials with regard to various beneficiary schemes. This should be bridged and stakeholder participation should be ensured while preparing Detailed Project Reports (DPR).
- Periodic publication of reports on progress of governmental schemes for poverty alleviation can be encouraged. Also make it mandatory to publish self-evaluation report by people's representatives on periodic basis through official websites.

VIII. Health

Kerala Health: Challenges and Opportunities

B. Ekbal

For the last one decade the public health services have improved and the health insurance system and other health welfare measures have benefitted the vulnerable sections of society. But there remains large number of issues to be addressed and to be solved. The opportunities before the state in tackling these problems are enormous that offer optimism. If properly exploited through a People Oriented Health Policy, most of the challenges Kerala health is confronting can be tackled.

Kerala Health Policy 2018 contains the following:

- Prevention, Curative, Rehabilitation and Palliative Care
- Thrust on Primary Health Care
- Development of Secondary Tertiary Centres
- Social control of private sector
- Clinical Establishment Act
- Human Resource Development Planning
- Legislation: Public Health Act

Suggestions

- Increase production of essential drugs through Kerala State Drugs and Pharmaceuticals Limited and establishing a Pharma Park top Rudy ever drugs worth of at least 1000 crores and branded as Kerala Generic.
- Drug research may be promoted making use of our traditional knowledge, Hortus Malabaricus and research centres like Rajeev Gandhi Centre for Biotechnology.

Kerala's Health Care

Godwin SK

Since health care cannot be considered as a commodity, the provision and financing need to be socially controlled. Almost all industrialised countries of the developed world, except the US, have a highly collective health care delivery system. They fear market failure in the health sector and health economics literature suggests the following properties of health and health care:

- It cannot be guaranteed with purchasing power
- Uncertainty in incidence, outcome and costs
- Medical men cannot be business men
- Why medical education cannot be privatized?
- Public good properties predominate
- Why medical education cannot be privatized?
- Deeper information asymmetry
- Merit good considerations are inevitable.

Suggestions

- The State needs to refocus its attention on the non-health system determinants of health which includes healthy environment (pollution free rivers, less plastic usage, decongesting roads by strengthening public transportation etc) which is essential for preventing the re-emerging communicable diseases like leptospirosis, endemic fever etc
- There are very few centres which test the quality of food which needs to be made mandatory in all parts of the State. There should be fool-proof mechanisms in the entry points for testing food items entering the State.
- Health care delivery by the public sector may be extended in terms of geographical coverage, treatment coverage and hospitality.
- There cannot be anymore medical colleges in the State in the private sector as medical education cannot be a commodity due to the abnormal economics of education. The rural education scheme should be mandatory for all medical graduates and if any medical graduate from a government medical college is leaving the country, there should be mechanisms to get back the cost of medical education from them.
- There should not be any user fees in public hospitals and the funds kept in the Hospital Development Committees may be utilised for purchasing essential medicines and equipments.

IX. E-Governance & Development

Governance for Development

C. Krishnan

The ICT led governance can do wonders in the land of Kerala. Considering the high level literacy and functional computer literacy of the people, Kerala can capitalize on it in strengthening e-governance. However, a critical examination of the extent of the use of e-governance initiatives by the people shows discomfoting pictures. For example, e-District, a State MMP of the NeGP is expected to provide 30 core certificates to the people through the Akshaya Common Service Centres. It is supposed that the applicants need not visit the village office for any of the e-District services. But, the reality is that the beneficiary has to visit the Akshaya as well as the Village Office to get things done. This is mainly due to some technical problems like electricity and telephone connectivity. The problem of backend computerization is also there. So, in this background, the study suggests the following to improve e-governance for building a better Kerala.

1. Ensure uninterrupted internet connectivity
2. Ensure uninterrupted electricity/power
3. Make sure that both the front-end and back-end connectivity is available.
4. Capacity building at the grass-root level is very much required.
5. Awareness building is the key to the success of any e-governance programme.
6. Mobile-governance is most suited to our society as mobile phone is universal throughout the state. So, it is better to develop e-governance programmes using mobile phone platform.
7. Panchayat level e-literacy on a higher level can also be planned. The IKM may be entrusted to frame suitable projects for the same.
8. The vision stated in the IT Policy 2017 that establish Kerala a Knowledge Powered Digital Society by 2020 through application of Digital Technologies in areas of Digital Citizenship, Digital Lifestyle and Digital Commerce can be achieved only through conscious intervention of the IT Department and its designated nodal agencies.

X. Migration

Return Emigrants

S. Irudaya Rajan

Why is Emigration Diminishing?

- Population in the migration prone age group is coming down (Supply side)
- Wages in Gulf economy are on a decline (Demand Side)
- Informal sector employment and wage have increased in Kerala
- There is decline in oil prices
- Migratory policies at the destination countries are not conducive for migration.
- Replacement Migration from other states is taking place in Kerala
- City based development and opportunities flourish in Kerala

The results indicate a transition from being employed to self employed. Return emigrants who were privately employed in destination countries are more likely to engage in self employed jobs.

Rehabilitation of Return Migrants

Dinoop. K

Most of the Nitaqat affected people are youths. 70% of them are holding higher secondary education. Professionals like engineers, doctors, etc are not affected by Nitaqat. Others had worked as drivers, salesmen and construction workers before Nitaqat. Monthly income of 87% of Nitaqat affected people is declining. The study could not find any notable change in the consumption pattern of migrant returnees.

- Centre, State and Local government can form agencies and equip them with the capability to offer information, orientation, job matching training and financial assistance for the reintegration of return migrants
- Cooperate among countries to enhance individual return preparedness by providing migrants before return with access to adequate information and training to enhance their reintegration process.
- Issue government bonds with preferences, develop special aid funds for housing schemes and give guarantees to return migrant workers' enterprises.

On IUCAE

Inter University Centre for Alternative Economics (IUCAE), set up in 2015 by Professor Abdul Salim.A of the Department of Economics, University of Kerala, promotes research and studies in alternative economics which would address the problems of the economy and society beyond the neo-classical mainstream ideas. The centre is attached to the Department of Economics, University of Kerala in Karyavattom campus, within 15 kilometers from the city of Thiruvananthapuram.

At present the neo classical economic ideas, which are taught as universally acceptable principles and policies, are prescribed as one size fit for all. This homogenization is derived from the individual rationality and utility maximization principle. AmartyaSen in his essay "Rational Fools" had given a critique to the behavioural foundation of such a single fit of the conceptual and theoretical underpinning of theory and practice. Given the kind of socio economic reality of the present world economy, he kept arguing that the persuasion of standardized norm is not helpful for all, at least to achieve development and its assessment. It invokes us to think alternative trajectories to evaluate and pursue the question of development. At an alternative level, humanism is increasingly foregrounded in resolving present problems and the whole socio economic and even the political framework is incrementally getting revolutionized on the principles of rights rather than individual rationality. Development thus envisages new economic ideas and policy regimes, which need to be studied and evaluated with utmost care and quality. This begs us to have studies beyond the mainstream and dominant views and approaches that are very much embedded in the curriculum, which slowly dismisses the heterodoxy of economic approaches. In this context Inter University Centre for Alternative Economics (IUCAE) is designed and committed to make discussions across the schools and approaches.



The academic activities of IUCAE include:

- Six months associate researcher programme after postgraduation
- One year short term research project
- Three years Ph D programmes

Focus areas:

- Institutional Economics
- Law and Economics
- Economics of Human Capital
- Neuroeconomics
- Economics of alternative Development paradigms
- Ecological/ Green Economics
- Gandhian Economics
- Marxian Economics



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