

# KERALA CALLING

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## KERALA BUDGET 2023-24

# VANITHA RATNA AWARD 2022



Winners of Vanitha Ratna Award 2022 with Chief Minister Pinarayi Vijayan after receiving the awards



Dr. R.S. Sidhu receives Vanitha Ratna Award from the Chief Minister



Nilambur Ayisha receives Vanitha Ratna Award from the Chief Minister



Lekshmi N. Menon receives Vanitha Ratna Award from the Chief Minister



K.C. Lekha receives Vanitha Ratna Award from the Chief Minister

# A NEW TRAJECTORY FOR DEVELOPMENT



**T**he Minister of Finance, K. N. Balagopal, espouses a philosophy that goes beyond numbers, an annual economic agenda which plan to build a stronger and more resilient economy for everyone. To him, the present budget is a visionary document which ensures that government programs are effective, efficient, and focused on results to achieve the renewed vigour of the State.

The state has overcome the greatest challenge on the first-generation problems of health and education through its investment in health care and the dedicated care of the health community. Now, more than ever, it is a point of pride for us and a priority for the Government. The second-generation challenges which demand a fresh approach to tackle the issues include the rise in educated unemployment, the outbreak of new diseases, and the rehabilitation of Non - Resident Keralite returnees, among others.

With vision and fortitude, the Finance Minister aims to steer the state towards the path of development, towards Navakeralam, without compromising its core values and beliefs. The previous budget concentrated on enhancing revenue by linking knowledge with production. The current budget targeted to reorient the Kerala economy aiming towards sustainable growth realigned with current priorities and responsible investments.

The Finance Minister proposes a unique strategy to achieve this objective of the fiscal year, i.e., focuses on mobilising more revenue from all possible sources / resource management system and rationalising expenditure management of Government systems. For Example, the introduction of Social Security Cess on petrol and diesel, fees and taxes on motor vehicles, land registration, liquor, stamp duty, and land taxes, among others, projects to raise Rs. 2955 crores to augment revenue.

As a final note, the Budget 2023-24 serves as remedial action plan to lead the state towards further progress and development with spur to uplift Kerala's infrastructural and support systems, bringing it on par with developed nations

**T.V. Subhash IAS**  
**Editor**



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# PREPARING SEEDBEDS FOR THE BEST BRAINS

**Dr. R. Bindu**  
Minister for Higher Education and Social Justice

**Instead of worrying about 'brain drain', the government is single-mindedly expanding its operations in the higher education sector in order to ensure 'brain gain'.**

**T**remendous efforts are being made to propagate the notion that migration of students to other countries constitutes a huge challenge for the higher education sector in Kerala. The thrust of this article is to expose the baselessness of such an argument.

## Certain Basic Facts

1. Kerala is among the top ten states in India with the highest number of colleges. Our state enjoys a ratio of 50 colleges to one lakh students, while the national average is 31 colleges to one lakh students.
2. Even amid growing propaganda that students from Kerala are going abroad in great numbers, survey



reports tell a different story. According to a survey conducted by the Higher Education Council in 2021, there has been a surge in the number of students enrolling in institutions of higher education in Kerala.

3. As per the 11<sup>th</sup> All India Higher Education Survey released by the Union Ministry of Education, there has been a 10% increase in the Gross Enrolment Ratio (GER) for a period of five years from 2016 in Kerala. It states that an additional 3.3 lakh students entered the field of higher education during this period. Last year, a total of 2,11,945 students completed various courses.
4. Even if we set aside these figures, and instead examine the statistics presented by the institutions covered in the survey, we notice an improvement in the number of students entering the field of higher education. If 6,80,072 students enrolled themselves in 2016, the number increased to 7,68,644 in 2021. (See Table 1)



**Estimated Student Enrolment**

Year	GER
2016-17	1003143
2017-18	1082947
2018-19	1000842
2019-20	1137853
2020-21	1304336

- The latest statistics point to even greater excellence. While the national average of youths entering the field of higher education is 27.3%, the corresponding figure for Kerala is 43.2%. The data concerning the enrolment of students from Scheduled Castes (33.7%) and Scheduled Tribes (29.1%) also project a sanguine picture.
- The number of teachers employed in institutions of higher education too indicates a similar phenomenon of excellence in Kerala. One can see a step-by-step increase from 55,007 teachers in 2016-'17 to 61,080 in 2020-'21. (See Table 2) Another noteworthy point is the teacher-to-student

ratio, which stands at 1:16 in Kerala as against the national average of 1:24. Within a span of five years, 6,073 teachers were freshly appointed.

**Gross Enrolment Ratio (GER)**

Year	GER
2016-17	32.4
2017-18	34
2018-19	34.5
2019-20	35.9
2020-21	43.2

## The World is our Oyster: Migration is a Global Phenomenon

The world is shrinking rapidly and, in these globalized times, the migration of students among developed nations is a global phenomenon. Students from India have always gone abroad either to pursue higher studies or to take up jobs. All the states in our country



Digital University

are a witness to this trend, a fact underscored by several reports. Students mostly go to countries that grant permanent residence and post-graduate work permit. As adequate human resources are unavailable in countries such as Canada and Australia, they have liberalized official procedures connected to immigration.

The unfavourable circumstances prevailing in those lands in terms of weather conditions and geographical peculiarities, and the consequent emigration of their youths to more developed nations are very striking. It can be seen that Indian students are largely filling these spaces there. Equally noticeable is the fact that our students are engaged in extraordinary jobs there. For instance, a good majority of Indian students in Australia work in the field of geriatric care.

## Kerala is not in the forefront in Emigration

According to statistics presented by the Union government in the Parliament, 6,46,206 students from India went to foreign countries in pursuit of higher education last year, until the month of November. A

study conducted by Oxford International indicates that among them, 12% were from Andhra Pradesh, 12% from Punjab, and 11% from Maharashtra. Only 4% of students from Kerala went overseas for higher studies. Another report gives the following data regarding the number of students who migrated from Kerala:

2016 – 18,428  
 2017 – 22,093  
 2018 – 26,456  
 2019 – 30,948  
 2020 – 15,277

Emigration that had waned in the wake of COVID-19 picked up in 2022-'23. But the figures cannot be considered out-of-the-ordinary, considering the huge middle class population Kerala has. This can be attributed to the fact that while earlier, only a few – those who either came from privileged classes or earned scholarships – enjoyed the chances of studying abroad, today more opportunities are available. The other driving forces are attractive options such as accessible permanent residency and post-graduate work permit; the prospect of enjoying a more liberal social environment; the views about the higher standard of life possible in developed countries; the





Migration is a global phenomenon, and surely, Kerala is not in front of emigration

easy availability of educational loans and so on. The question that arises at this juncture is: What factual backing do factors such as 'inefficiency of the universities' or 'absence of new generation courses' have as reasons for provoking students to seek education abroad? It can be seen that 'better quality education' is the last-mentioned yardstick for choosing to go abroad in the name of higher studies.

## The Aim is 'Brain Gain', not 'Brain Drain'

Let's once again clarify the factors that are under the government's consideration. In a nutshell, even as the government gives due seriousness to the fact that 35,000 students have gone abroad for higher studies, its focus is on providing better educational facilities on a par with international standards to the 13,64,536 students who have already enrolled

themselves for higher education in the state.

Towards that end, we have started implementing the recommendations put forward in the reports submitted by three commissions, which had been appointed for suggesting a comprehensive reform of the higher education sector. The activities of this government are oriented towards changing each educational institution

into a hub focusing on knowledge generation, and have within its ambit, translational research laboratories that will convert new knowledge into products that can be used by the society, incubation centres that will transform the ideas into commercially viable entities, and startup centres that will manufacture these products.

This government is committed to providing within the state, all facilities that are generally considered available in foreign universities. Steps have been expedited to make this happen.

**We have started implementing the recommendations put forward in the reports submitted by three commissions that had been appointed for suggesting a comprehensive reform of the higher education sector.**

# ROADMAP FOR A DEVELOPED SOCIETY

**K.N. Balagopal**  
Minister for Finance

**The 2023-24 Kerala budget was presented against the challenging backdrop of the global and national economic situation. The State Budget 2023-24 put forward a three-pronged strategy to sustain the economic and development achievements of the State**

**T**he 2023-2024 Kerala budget was presented against the backdrop of a global economic crisis, worsened by the COVID-19 pandemic, the Russia-Ukraine conflict, and the US-China trade tensions. In addition, rising food prices have added to the predicament, and more than 90 countries are currently trapped in debt. The IMF World Economic Outlook Report predicts a decline in global growth from an estimated 3.4% in 2022 to 2.9% in 2023. The Indian economy has also been severely impacted by the global crisis, with concerns that the recession could negatively affect the country's exports and economic growth.

## Hard Budget constraints

The State is encountering a situation of Hard Budget Constraints. In the current scenario, the State cannot surpass the strict and rigid norms stipulated by the Union Government. The taxation powers of the State are limited. The borrowing powers are also strictly restricted.



During the tenure of the Tenth Finance Commission, the share of Kerala was 3.875% of the divisible pool to be distributed among the states. By the time of the Fifteenth Finance Commission, it came down to 1.925%. Through this, the revenue of Kerala shrank by around tens of thousands of crores.

It is anticipated that the fiscal constraints in 2023-2024 will be more than that of the current year. This is because of the anticipated shortage of 8400 crores in Revenue Deficit Grant compared to 2022-23, the loss of around 5700 crores due to the cessation of GST compensation, the resource loss of around 5000 crores due to the restriction on the borrowing limit as well as the reduction on account of the debt likely to be borne by KIIIFB and the Social Security Pension Company during next year. These fiscal restrictions of the Union Government will adversely affect the growth.

## Three-pronged strategy to face the situation

The State Budget 2023-24 put forward a three-pronged strategy to sustain the economic and development achievements of the state besides countering the restrictive policies of the Central Government.

First is a Joint resistance movement with other like thinking states will be organized to confront the policies that demolish the federal values of the Indian Constitution and reduce the fiscal space of States.



The second is to take steps to augment tax & non-tax revenue to the maximum extent. The third strategy to deal with the hard budget constraint is to ensure the most efficient utilization of resources

## R&D Budget

One of the most desirable ways to overcome resource constraints is to increase efficiency in utilization of the resources. Increasing the knowledge base of economic activities is the solution. Aiming at a 'Knowledge-Based Society, an innovative step is being taken in 2023-24 budget. Along with the current year's budget, an R&D budget also was presented.

## Ageing population

One of the most significant challenges that Kerala society currently facing is the ongoing shift in its population structure. As of 2021, 16.50% of the population is above 60 years of age, and it is projected to exceed 20% by 2031. Demographers predict that the birth rate will decrease to 3.6 lakhs by 2031.

Kerala faces second-generation developmental issues which include this change in demographic structure and rehabilitation of returning NRKs. The public resources of the country are still allocated among the states based on first-generation development indices. Due to this, Kerala is being denied the due share from the divisible pool. There is a widespread trend of youth going abroad for employment and education and settling there. As a result, there is a decrease in the

number of youngsters capable of employment in the State.

## Linking knowledge with production

The previous budget included several projects to link knowledge with production and thereby augment the revenue of the State. We were able to initiate several vital projects incorporating the latest changes in the field of science and technology. The activities of the India Innovation Centre for Graphene set up to conduct research experiments on Graphene are progressing. The centre will become operational by September 2023. It was declared in the previous budget that three Science Parks and one Digital Science Park would be established with an expenditure of 1000 crore. Kerala Digital University was designated as the implementing agency for activities related to this. An announcement was made in the previous budget to set up a Centre of Excellence in the field of nutraceuticals in Kerala. 25 lakhs was provided to prepare the project report for this. The project report is ready. An amount of 5 crores is set apart for the first phase of the project to establish the Core Centre of Excellence and Nutra-Enterprises Division at Bio 360 Life Sciences Park, Thiruvananthapuram with the support and participation of Rajiv Gandhi Centre for Biotechnology. The project report of the Centre of Excellence in Microbiome announced in the previous budget has been completed. The centre will be established at Life Sciences Park, Thonnackal, Thiruvananthapuram.



Vizhinjam International Sea Port

## Make in Kerala

The budget proposal highlights the 'Make in Kerala' project, which aims to increase domestic production and employment opportunities in Kerala. The Centre for Development Studies conducted a study revealing that Kerala's trade deficit is very high, with 92% of products being imported from other states. The project aims to identify products that can be produced locally and will involve participation from entrepreneur groups and science and technology research institutions. Support will be provided to Agritech startups that produce agriculture value-added products, including interest subvention for capital mobilization.

## Mission 1000

'The Year of Entrepreneurship' scheme has been well executed in 2022-23. In the past year, more than one lakh new enterprises have been launched in the State. A scale-up package to achieve a turnover of 1 lakh crore in four years is announced for thousand enterprises selected from the existing enterprises in the State.

## Vizhinjam International Port

The Vizhinjam International Port is the most important chapter in the developmental horizon of Kerala. By utilizing the possibilities of Vizhinjam, the Government

prepares for massive development projects modelled on major international ports. Vizhinjam can become one of the largest transshipment container ports in the world. Vizhinjam is located on a busy sea route where 70% of cargo transportation takes place. Vizhinjam port is the most important gateway for the transshipment of cargo for our country and neighbouring countries. The most important cities and industrial centres in the world have been developed adjacent to such ports. Examples of port cities including Dubai, Singapore and Shanghai are before us. It has been decided to construct a Corridor consisting the 63 km long reach from Vizhinjam to Navayikkulam via Thekkada in NH 66 and 12 km from Thekkada to Mangalapuram, as a part of developing the surrounding areas of Vizhinjam Harbour into an extensive centre of industry & commerce. An amount of 1000 crores has been earmarked through KIFB for the Land acquisition activities of this industrial corridor with an estimate of 5000 crores.

## West Coast Canal

The length of the west coast canal (WCC) which extends from Bekal in the north to Kovalam in the south of the State is 616 km. A project will be formulated aiming to transform the West Coast Canal (WCC) into an economic-trade corridor of Kerala. Through this, development opportunities will be created in the sectors



Green Hydrogen Hub



like industry, renewable energy, transport, tourism, trade and agriculture. Land for various developmental activities along the waterways will be made available to the investors based on State's PPP policy. A total amount of 300 crore has been earmarked for undertaking this project using the pooled fund under KIIFB.

## **New Energy Parks/New Energy Policy**

A new 'Energy Park' will be set up to utilize the possibilities of power generation from renewable sources like sunlight and wind. An amount of 10 crores has been earmarked for an industrial park manufacturing EV batteries and allied equipment.

## **Green Hydrogen Hub**

Kerala aims to become a 100% renewable energy-dependent State by 2040 and a net carbon-neutral State by 2050. The State has a favourable atmosphere for the production of Green Hydrogen which is also called "Clean Energy". Green Hydrogen produced using renewable energy can play an important role in eco-friendly development. Using Hydrogen fuel in long-haul vehicles and ships will reduce carbon emissions to a great extent.

## **Electric Vehicle Consortium (E.V Consortium)**

A consortium including TTPL, VSSC, C-DAC and TrEST has been formed in Kerala for electric vehicle-related activities. The EV drive train testing lab setup under the aegis of TrEST park will be operational by July 2023. An EV industrial park will be developed with the support of KIIFB.

## **International Research Scholarships**

Universities have played an important role in the development of many industrial sectors in the world including Silicon Valley. In this way, the universities in Kerala should have an association with international universities having translational research and industrial linkages. Teacher-student exchange programmes between universities in Kerala and international universities should be encouraged for this. In addition to all these developmental activities in the cutting-edge technology areas and infrastructure, social security measures like social security pension distribution eliminating extreme poverty and supporting all the needy will continue. The approach of Kerala in the budget is to make Kerala a fully developed state in the coming days.

# ASCENDING TO GREATER HEIGHTS

**Adv. P.A. Mohamed Riyas**  
Minister for Tourism and Public Works

**Tourism has been declared a priority sector of the Government in the latest budget, which marks further growth in the sector.**



**T**he budget aims to strengthen the efforts of the Department of Tourism in promoting Kerala as a tourism centre. One of the significant announcements in the budget is the creation of a dedicated tourism corridor, which is part of the plan to develop Kerala into a total tourist destination.

The budget envisions turning destinations such as Kovalam, Alappuzha, Kuttanad, Kumarakam, Kollam, Ashtamudi, Beypur, Bekal and Munnar into world-class tourism hubs. The government aims to transform these tourism centres into centres of experiential tourism. Seven tourism corridors have been identified to boost tourism development. These corridors include the Coastal Network Corridor, Coastal Highway Corridor, Waterway-Canal Corridor, National Highway Corridor, Heli Tourism Corridor, Hill Highway Corridor and Railway Corridor. These corridors provide easy accessibility to explore the entirety of Kerala.

Connectivity plays a vital role in tourism development, and by improving it, we can attract more tourists. The budget envisages no-frills airstrip networks to make commuting between destinations easier. The government has initiated activities for feasibility studies and preparation of DPR in Idukki, Wayanad, and Kasaragod in the first phase of establishing a network of no-frills airstrips.

The government has also implemented new schemes to enable



Kovalam, Thiruvananthapuram



Bekal

travel through Kerala's heritage and culture. Kappad beach, where Vasco da Gama landed in 1498, is one of the most significant areas in Kerala's history. The budget aims to set up a museum reflecting the historical significance of Kappad. Kollam is an ancient trading centre, and the decision to set up a museum explaining the history of trade and commerce, along with an oceanarium, will be a boon for tourism.

The new budget supports activities aimed at the economic growth of Kerala through responsible tourism. The government aims to boost tourism growth in Kerala, including its rural tourism, extensively. The government has a policy of ensuring that the tourism sector plays a vital role in shaping the future of Kerala. The planned activities of the Department of Tourism have helped Kerala tourism make a big comeback after the disastrous COVID-19 pandemic.

The number of domestic tourists has crossed a new record. Projects such as caravan tourism and street tourism started by the government have also won international recognition and promoted the authentic flavour of Kerala. The government aims to speed up this progress and enable comprehensive development in all sectors of Tourism.

# REVENUE MOBILIZATION, WELFARE AND GROWTH



**Prof. V. K. Ramachandran**  
Vice Chairperson, Kerala State Planning Board

**Kerala economy posted a strong recovery in 2022-23 with all major sectors registering growth. The important task is to sustain the post-pandemic growth amidst severe resource constraints.**

**T**he Government of Kerala needs to continue to invest in the productive and social sectors so that Kerala is able to reach the standard of living of advanced middle-income countries envisioned in the Approach paper to 14th Five Year Plan. Keeping in view these priorities of the State and the need to enhance budgetary resources, the budget for 2023-24 aims to achieve fiscal consolidation on one hand and enhance domestic revenue mobilization on the other. The Budget does so through by increasing its own tax and non-tax revenues and by means of the rational utilization of resources.

As stated by the Finance Minister, fiscal consolidation, budget constraints, sustaining resilient growth, and meeting second generation development issues are some of the major challenges faced by the State economy. The Budget has addressed the emerging issues of inflation, climate change, and second-



generation developmental issues such as changes in demographic structure, rehabilitation of returning NRKs, and brain drain. Moreover, the budget will ensure the growth of agriculture, allied activities, modern industry, infrastructure-building, and income bearing services. The budget also emphasised enhancing the employability of young generation through various skill-building programs and promotion of infrastructure facilities in higher education. The Budget aims to meet the commitment of the Government to its people, and carry forward welfare activities by mobilising additional revenue.

## Need for Revenue Mobilisation

In 2018, the Chief Minister of Kerala wrote as follows: The States in India today neither have the resources to fulfill their tasks as laid down in the Constitution, nor do they have the right to raise such resources. The present situation is not because of the action or inaction of the States but is directly the consequence of Central government policy. There is thus a great asymmetry in India's federal system. The Centre's capacity to mobilise resources is far greater than that of the States, but the latter are required to undertake development





KINFRA international apparel park



Social welfare pension

expenditures that far exceed their revenue generating capabilities. Since then, the fiscal position of the State has become even more constrained.

The Budget anticipates more fiscal constraints in 2023-24 than in 2022-23. The anticipated shortfall in total resources available is about Rs 25,000 crores because of the discontinuation of GST compensation, reduction in revenue deficit grant, and restrictions on 'off-budget' borrowings of the States by Centre. The Centre's contribution to expenditures incurred on Centrally Sponsored Schemes (CSS) was reduced from 75 per cent to 60 per cent, which diverted States' own resources away from prioritized programmes. Despite these challenges, the budget 2023-24 lays emphasis on enhancing production, increasing investment in infrastructure, and continues emphasis on social security sectors and maintaining committed expenditure. The Budget proposes for a 'Navakerala' model by transforming Kerala to a knowledge-based economy.

The development needs of the State have changed over the years. The Government needs to consider the second-generation developmental issues such

as changes in ageing population and rehabilitation of returning NRKs. In this context, Kerala faces the challenge of ongoing structural changes in population. National Sample Survey Office's report 'Elderly in India, 2021' placed Kerala at the top with maximum proportion of elderly people in its population. About 16.50 per cent of the population is above 60 years of age, which is, estimated to exceed 20 per cent by 2031. At the same time, the birth rate is declining. The impact on workforce participation will make Kerala the State with the highest dependency-population ratio. In these circumstances, Centre's allocation of public resources among the States on the basis of first-generation development indices will have impact on Kerala's alternative development model. Kerala is being denied in availing the due Central share because of this approach by the Central Government. The State should not be penalized for its development.

Though there has been an increase in production and per capita income in the State, this growth has not reflected in State's revenue because of the limited authority entrusted with the State to collect tax and non-tax revenues. Central transfers constituted about 46 per cent of total revenue in 2020-21, and this is expected to decrease to 36 per cent in 2023-24. These factors



KINFRA Film & Video Park, TVM

have resulted in shortfall in resources available for the Government to meet its development commitments. Revenue mobilization is largely required to bring fiscal discipline in management of State finances, and to finance various development schemes. Since taxation and borrowing power of the State is limited, government has no way other than increasing own taxes, duties, and fees to mobilize additional revenue.

## Revenue mobilization in the Budget

The Budget proposes revenue mobilization through some small increases in taxes, duties, and fees, and through rationalization of expenditure. The measures announced to augment own revenue includes increasing fees and taxes on motor vehicles, land registration, liquor, stamp duty, and land taxes. The additional revenue expected from new announcements is estimated to be Rs 2955 crore.

Budget proposes a hike in fair value of land by 20 per cent to bridge the gap between the market value and the fair value of land, through this expects an increase in stamp duty. Through increasing the rate of Motor Vehicles Tax, the budget expects to mobilize Rs 432 crore additional revenue. Electricity duty is collected and retained by KSEBL. The Budget has proposed to end this practice by October 31, 2023, so that the amount shall be payable to Government account.

This measure is expected to increase the revenue of the Government. Electricity duty applicable for commercial and industrial units shall be increased and levied at the rate of 5 per cent resulting in additional revenue of Rs. 200 Cr to Government.

**The anticipated shortfall in total resources available is about Rs 25,000 crores because of the discontinuation of GST compensation, reduction in revenue deficit grant, and restrictions on 'off-budget' borrowings of the States by Centre.**

Budget has proposed a revision of the annual Basic Land Tax levied on the Patta land based on usage for commercial and industrial occupation. Additional Rs 1,000 crores is expected from the revision of Property Tax, Application fee, Scrutiny fee and Permit fee for the construction of Residential and Non-residential buildings. Kerala Court



Fees and Suit Valuation Act, 1959, will be amended to levy additional one percent court fee to more areas, which expects additional revenue of Rs 50 crores.

A Social Security Cess at the rate of Rs. 20 for each bottle of Indian Made Foreign Liquor (IMFL) having MRP between Rs. 500 to Rs. 999 and at the rate of Rs. 40 per bottle of IMFL having MRP above Rs. 1000 will be levied. This expects additional revenue of Rs. 400 Crores.

The budget has proposed the creation of a Social Security Seed Fund. For generating this fund, a Social Security Cess on sale of Petrol and Diesel at the rate of Rs. 2 per litre will be imposed. This is expected to bring in additional revenue of Rs. 750 crores and will be used for meeting social security payments.

Budget 2023-24 aims to overcome resource constraints through efficient utilization of resources. The emphasis is on outcome-oriented expenditure by ensuring optimum utilization of resources by various departments. To strengthen administrative efficiency, the budget announced to restore the

practices of preparing annual reports of departments by adopting accurate methodology. The proposed 5 per cent increase in total outlay compared to 2022-23 is important as it has manifold impact on different sectors of the economy. The allocation for programmes such as Make in Kerala, Nava Keralam, the Economic Trade Corridor, green hydrogen hubs, energy parks, electric vehicles consortiums, space parks, trade fairs etc., helps to enhance domestic production, employment and investment opportunities in Kerala. The budget has also addressed the issues of elimination of obsolete expenditure and redeployment of posts.

Revenue mobilisation is the need of the hour, Budget 2023-24 aims to augment the State's resources by strengthening existing measures and introducing

new measures, in order that it is able to

fulfills its commitments to the people despite the fiscal constraints that it faces. If the government is under financial constraints, its programs and schemes for the poor will most likely suffer. The Kerala government is taking steps to ensure that financial constraints do not stand in the way of doing their duty to the poor people of Kerala. ●

**The Budget proposes for a 'Navakerala' model by transforming Kerala to a knowledge-based economy.**

# THE MAKE IN KERALA



**Sunil Mani**

Director and Professor RBI Chair, CDS



**M. Parameswaran**

Associate Professor, CDS



**K N Harilal**

Professor, CDS



**K**erala ranks as one of the richest and more developed states in the Indian union. But the level of industrial investments in the state is much lower, especially in comparison with her immediate southern neighbours. Given her high rank in monthly per capita consumption expenditures, the state has been relying on imports of various products, from consumer goods to basic, intermediate and capital goods, from the rest of India and the rest of the world. The state has been experiencing severe unemployment, especially youth unemployment, due to a lack of local ventures where the local population could be employed. As a result, the state has been experiencing large-scale migration of its citizens to other states in India and foreign countries in search of employment. The large migration has led to remittances flowing into the migrant households, which has served primarily to smoothen their consumption. These increased consumption levels have helped create a large market for industrial products in the state.

Since some of these products are not manufactured

locally, the items have been imported from the rest of India or abroad. However, the number of goods imported to and exported from the state to the rest of India and abroad has not been quantified comprehensively. There are some sporadic attempts to estimate Kerala's trade with the rest of India and abroad. A country's Balance of Payments accounts is the primary data source for measuring its economic integration with the rest of the world. It tracks every legal transaction a government engages in, including commodities, services and capital. The BoP accounts are prepared by the country's central bank and are available quarterly. However, federal countries with many sub-national entities, such as states, have an extra challenge. The states are integrated with the rest of the states in the country and worldwide. In the absence of state-level BoP accounts, we are at a loss in accurately estimating the nature and extent of integration of the states with the rest of the country and the rest of the world. In India, with the introduction of the GST in July 2017 and the consequent introduction of E-Way bills, every transaction made by a state with

itself and with the rest of the country and world is tracked by these bills. So systematic compilation of these data in E-Way statements allows measuring in some precise terms the nature and extent of integration of a state.

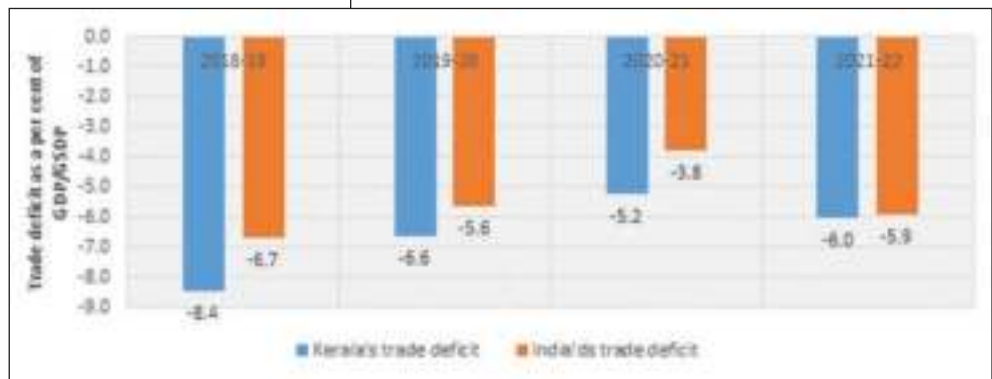
Kerala is now (c2023) one of the wealthiest states in the country as judged by the level of its per capita GSDP. It is also the most developed state regarding various standard human development indicators. The state is thought to be highly integrated with the rest of the country and world through trade in commodities and the movement of natural persons or cross-border migration, as it is commonly referred to. Historically, this might have been a fact as the state produced much of the spices, Natural Rubber, tea, coffee, and marine products and exported these products to other markets in India and abroad. Further, it has been experiencing migration of its citizens primarily to the rest of India, foreign countries, and especially the Middle East. But in the absence of official data on such trade, analysts are at a loss to measure the extent of integration of the state. This is, however, now made possible by the availability of this new database of E-Way Bills and allows us an opportunity to construct Kerala's Balance of Trade. The computation of Kerala's trade with the rest of the country using these GST data shows that Kerala has a huge trade deficit with the rest of India. See Table 1.

**Table 1: Kerala's trade with the Rest of India and the Rest of the World (Rs in Crores)**

	2018-19	2019-20	2020-21	2021-22
Import from the Rest of India	93033.29	85480.06	88629.54	117358.54
Import from Outside India	11539.91	9474.22	10050.74	11528.63
Total Import	104573.2	94954.28	98680.28	128887.17
Export to the Rest of India	30761.36	32098.44	41572.77	51522.44
Export to outside India	7346.81	8828.37	16879.6	22995.5
Total Export	38108.17	40926.81	58452.37	74517.94
TOTAL TRADE	142681.37	135881.09	157132.65	203405.11
Total trade as % of GSDP	18.10	16.71	20.38	22.43

Source: Own compilation from data compiled from GST records by the Data Analytics Unit, SGST, Government of Kerala

**Kerala's trade deficit as a percentage of her GSDP is higher than that of India's trade deficit (Figure 1).**



Source: Own compilation from data compiled from GST records by the Data Analytics Unit, SGST, Government of Kerala

This trade deficit is usually financed by two more items in the current account: computer software exports and remittances to Kerala. Another item that can contribute to the funding of the deficit in external balance is FDI. While the computer software exports from Kerala have been increasing and in 2021-22 reached Rs 17855.70 crores, remittances to Kerala have been falling, especially as a per cent of her GSDP: based on estimates of it by Reserve Bank of India in its 5th Inward Remittances Survey for 2020-21, remittances to Kerala is about Rs 70000 Crores working out to just 8 per cent of her GSDP.

Such a high trade deficit is not very sustainable in the future. It will have to be decreased, and there

are two ways of doing so. The first is to reduce Kerala's dependence on imported products from the rest of India and abroad. The second is to increase remittances to Kerala and export computer software from the state and also receipts from tourism. Of the two, the latter policy is exogenously determined as raising remittances and exports of computer software

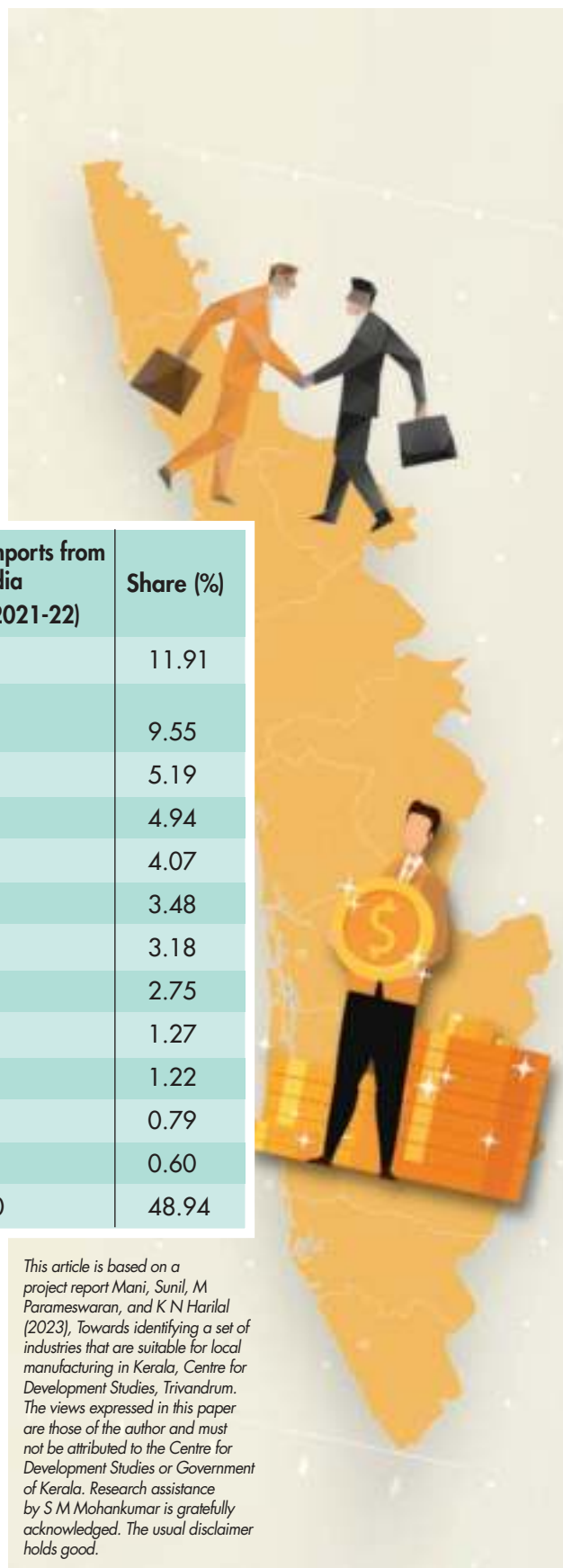
depends on a number of international factors beyond the state's control. Tourism too can get adversely affected due to events such as the pandemic, wars and recessionary conditions which can impede both national and international travel. So the first one of reducing dependence on those products which are imported from rest of India is the most logical and practical policy option. This is precisely what is envisaged in the new policy of 'Make in Kerala' announced in the budget for 2023-24, where a sum of Rs 1000 crores has been allocated. According to this policy, an attempt has been made to understand the products for which Kerala depends on the rest of India. See Table 2.

**Table 2: Major items imported by Kerala from the rest of India (Rs in Crores)**

HSN Code	Top Items	Cumulative Imports from the Rest of India (2018-19 to 2021-22)	Share (%)
8703	Motor Cars	45786.50	11.91
3004 & 3002	Pharmaceutical products	36714.34	9.55
2523	Portland cement	19938.92	5.19
8517	Telephone sets	18988.96	4.94
1006	Rice	15651.78	4.07
8711	Motorcycles	13369.99	3.48
7306	Other tubes, pipes	12226.39	3.18
7214	Other bars and rods of iron	10580.87	2.75
6907	Unglazed ceramic tiles	4877.20	1.27
1701	Sugar	4709.71	1.22
7108	Non-monetary gold	3026.91	0.79
7210	Flat-rolled products of iron	2307.53	0.60
	Total imports from the Rest of India	188179.10	48.94

Source: Own compilation from data compiled from GST records by the Data Analytics Unit, SGST, Government of Kerala

Based on their competitiveness if they were to be manufactured in Kerala and based on the share of imports of these items in domestic consumption, a further list of products is drawn up, which we believe are the products that have a potential for local manufacturing See Table 3.



*This article is based on a project report Mani, Sunil, M Parameswaran, and KN Harilal (2023), Towards identifying a set of industries that are suitable for local manufacturing in Kerala, Centre for Development Studies, Trivandrum. The views expressed in this paper are those of the author and must not be attributed to the Centre for Development Studies or Government of Kerala. Research assistance by S M Mohankumar is gratefully acknowledged. The usual disclaimer holds good.*

**Table 3: Industrial products having a potential for manufacturing in Kerala**

NIC Code	Description	Relative Productivity of Kerala	Share of Imports in Domestic Consumption	Share in Total Imports
2910	Motor vehicles	1.11	100.00	12.31
2100	Pharmaceuticals, medicinal chemicals and botanical products	1.49	64.47	6.39
1312	Weaving Textiles	3.74	91.29	4.97
2410	Basic iron and steel	4.11	29.41	4.80
2392	Clay building materials	1.69	84.92	2.33
2819	Other general-purpose machinery, domestic fans	1.89	95.32	2.20
2731_2732	Fibre optic cables for data transmission/ Electronic and electric wires and cables	1.09	87.45	2.03
1200	Tobacco Products	142.87	63.67	1.78
2620_3250	Computers and peripheral equipment/Medical & dental instruments and suppliers	2.36	98.79	1.62
2920_2930	Coachworks, Trailers and semi-trailers, Auto parts	2.12	93.39	1.56
2220	Plastics products, Luggage, sports equipment	1.76	24.09	1.45
1071	Bakery products	4.38	34.19	1.26
2022	Paints, varnishes and similar coatings, printing ink and mastics	1.22	86.27	1.17
3211	Jewellery and related items	4.20	1.20	1.07
2211	Rubber tyres and tubes; retreading and rebuilding of rubber tyres	1.55	19.00	1.01
2740	Electric lighting equipment	2.07	92.69	0.58
1701	Pulp, paper and paperboard	1.19	40.97	0.46
1709	Other articles on paper and paperboard	1.54	86.89	0.33
2815	Ovens, furnaces and furnace burners	2.69	100.00	0.17
1104	Soft drinks, Mineral waters and Bottled water	1.54	24.09	0.12
2593	Cutlery, hand tools and general hardware	6.47	68.27	0.07
1520	Footwear	1.04	3.94	0.05

Source: Own compilation from data compiled from GST records by the Data Analytics Unit, SGST, Government of Kerala.

While Table 3 provides a list of industries amenable to domestic manufacturing, a further pruning of this list is warranted. First, the products are listed at a high level of aggregation. For instance, further disaggregation of the specific therapeutic drugs, vaccines and medical devices must be done within pharmaceutical products. Second, a detailed discussion with experts is required to narrow down the specific products. Third, it should be those industries/products that do not require much land, and not contribute to environmental pollution and employs more of the skilled human resource that we have in plenty in our state. The Make in Kerala initiative is thus not a rhetoric but an essential and logical step to industrialize a late-industrializing state such as ours. As argued, if taken to its logical conclusion, the project can bring down the state's trade deficit and provide its educated youth with an opportunity to get employed in their own state. This can also reduce to a certain extent the migration of our youth to other states and countries and thereby reduce the sociological and psychological issues that an ageing society like ours is likely to face is facing at the moment.

# HERALDING A NEW PHILOSOPHY TO THE STATE ECONOMY

**State Budget 23-24  
Reorienting the economy for addressing  
second generation reforms.**



## **Dr. Shaijumon C.S.**

Associate Professor of Economics & Head Dept of Humanities Indian Institute of Space science and Technology Dept of Space

**“Kerala has been able to maintain a balance between economic growth and social development, which is a rare feat in today’s world.” Amartya Sen**

Over the years, the Kerala State has achieved rapid progress in health, education, and human development and has remained distinct when compared to other states in the country in terms of various human development indices. The ‘first generation’s’ problems related to health and education have been resolved. The success of this has thrown open new challenges in terms of ‘second generation’ problems like educated unemployment, widespread second-generation diseases, low skill sets in tune with the emerging requirements, changing demographic



structure, rehabilitation of returning NRKs, etc. The key solution for tackling second-generation social and economic problems is only through rapid economic development with inclusive growth. The new philosophy of ‘Navakerala’ (the “New Kerala”), adopted through the 2023–24 state budget by Finance Minister K.N. Balagopal, targets these priorities. The philosophy of the previous budget was to link knowledge with production and thereby augment the revenue of the state. The present budget focuses on a long-term reorientation of the Kerala economy to address the second-generation development problems of the state.

## **Approach to address second generation challenges**

1. **Demographic challenges:** Kerala has one of the oldest populations in India, with an estimated 20% of its population above the age of 60. This poses a challenge for the state’s social welfare policies, healthcare system, and pension schemes. There is also a widespread trend of youth going abroad for employment and education and settling





there. As a result, there is a decrease in the number of youth capable of finding employment in the state. The government also spends a lot of money on each student at the school, college, and university levels. The focus of the budget on massive investments in infrastructure facilities is expected to improve the life standards of the people on the one side and boost private investments and thereby reduce the migration of skilled labour on the other. Special programmes have been announced for people over 60. Academia-industry linkages created through the creation of start-up ecosystems and innovation will lead to the creation of more quality jobs in the state, and thereby it is expected to retain the human resources produced by using the huge government expenditure.

- 2. Announcement of the “Make in Kerala program:** The state’s geographic location, limited land availability, focus on the service sector, and lack of industrialization are some of the reasons why it may be more dependent on other states for certain resources. However, the state has been

making significant progress in manufacturing, tourism, and IT, which have helped to diversify its economy and reduce its dependence on other states. A massive project, ‘Make in Kerala,’ is announced in the budget, with all facilities to increase domestic production, employment, and investment opportunities in Kerala. The project is expected to reduce Kerala’s dependence on other states for its daily needs and generate more domestic employment opportunities. This will create multiplier effects in terms of rapid private investments, manufacturing capability, productivity enhancements, exports, employment generation, an increase in GSDP, etc.

- 3. Rehabilitation of NRKs and decline in remittances:** Kerala has a large number of migrant workers who send remittances back to their families in the state. Remittances are indeed a significant contributor to the economic development of Kerala. However, due to the pandemic and the resulting economic downturn, many of these workers have lost their jobs and are unable to send



money back to Kerala. This two-pronged problem of declining remittances and increasing burden of rehabilitation for NRKs has been addressed in the Budget 2023-24 through increased allocation for the welfare of returned NRKs, concessional and interest-free loans through Pravasi Bhadratha Interest Free Loans (PEARL), Kudumbasree Mission, Pravasi Bhadratha Micro Loans, and up to Rs 2 crore in loans for MSMEs through KSIDC, etc.

4. **Second-generation health challenges:** Kerala is experiencing an epidemiological transition, where there is a shift from infectious diseases to NCDs like diabetes, cardiovascular diseases, and cancer. This shift is due to changes in lifestyle, diet, and aging. According to a study, the prevalence of diabetes in Kerala was 19.4% in 2017. Also, Kerala has a high prevalence of mental health disorders like depression, anxiety, and alcoholism. Through his present budget, Finance Minister K. N. Balagopal has given the highest priority to addressing the second-generational health problems of the state. The budget allocation has increased by Rs 196.5 crore over the previous year. The government's

approach to the health sector has also changed from tackling diseases to promoting the health and wellbeing of its citizens. The emphasis was more on creating critical infrastructure for facing new health challenges. The budget also tries to adopt a multisectoral approach to address environmental pollution and lifestyle factors contributing to NCDs.

**The key solution for tackling second-generation social and economic problems is only through rapid economic development with inclusive growth. The new philosophy of 'Navakerala' (the "New Kerala"), adopted through the 2023-24 state budget by Finance Minister K.N. Balagopal, targets these priorities.**

5. **Creation of facilities for Industry 4.0:** The State Budget 2023-24 aims to fully realize the potential of Industry 4.0 in Kerala by focusing more on developing the necessary infrastructure, such as high-speed internet through K-FON and advanced manufacturing facilities. Additionally, the budget is focused on building the capacity of the workforce and providing training to help them adapt to the new technologies. The government has put forward more policies and regulations that encourage investment and innovation in the manufacturing sector. This is expected to diffuse more new-generation technologies like artificial intelligence, data analytics, the Internet of Things, quantum computing, big data, etc. to the domestic economy and pave the way for augmenting growth and development.



6. **Second-generation challenge of transfer of resources:** The public resources of the country are still allocated among the states on the basis of first-generation development indices. Due to this, Kerala is being denied its due central share. There is a situation in which the human development we have achieved becomes our disqualification. Kerala has demanded the Union Government give consideration to centrally sponsored schemes, realising the unique issues faced by the state. The finance commission and the central government have to change their methodology for sharing resources with states to accommodate the improvements in their development.

7. **Climate Change:** Climate change poses significant risks to Kerala's economy, as the state is highly vulnerable to the impacts of climate change. Climate change is significantly affecting Kerala's agriculture and tourism sectors. It has also led to an increase in vector-borne diseases like dengue and malaria, which affect the health of the population. Climate change is also affecting coastal areas in the form of sea-level rise, coastal erosion, frequent flooding, etc. The State Budget 2023–24 has addressed various aspects of these issues by enhancing allocation, introducing new programmes like

support for farm mechanization, introduction of climate smart agriculture practices, cooperative initiative in technology-driven agriculture, various programmes for coastal protection, improvement in health infrastructure in the backdrop of climate change, etc.

As the Finance Minister stated "the budget is not just figures, but an approach document to lead the state forward with greater vigor." Everyone expects the Budget 2023–24 will become an action plan to lead the state towards further progress and development by addressing the second-generation development challenges in the long run. The government aims to lead Kerala towards infrastructure development and support systems equivalent to those in developed

countries. An environment should be created so that the maximum number of youth, made capable through huge investments by the government, will be retained in our state and employment opportunities generated for them. Besides, those who are engaged in modern jobs can be attracted to the state from outside. Unlike many foreign countries with extreme winters and summers, Kerala has a balanced climate throughout the year. People will prefer to stay in the state if we provide better facilities and capacity support.

**The government aims to lead Kerala towards infrastructure development and support systems equivalent to those in developed countries.**

# STATE MEDIA AWARDS PRESENTED

**C**hief Minister Pinarayi Vijayan presented the coveted Swadeshabhimani Kesari award for 2020 to the veteran journalist and former associate editor of Deshabhimani S.R .Sakthidharan. Swadeshabhimani Kesari award is the highest honour instituted by the state government to journalists for their comprehensive contributions to the media sector. The award comprises a cash prize of one lakh rupees, a citation and a sculpture designed by the renowned sculptor Kanayi Kunhiraman .

The Chief Minister also presented the State media awards for 2020 and 2021 and State photography awards for 2020 in a ceremony held at the University Senate Hall, Thiruvananthapuram. The awards were handed out in several categories such as general reporting, development reporting, news photography, TV news reporting, interviews, news reading, TV news cameraman, and so on.

Minister for General Education and Labour V. Sivankutty released the book titled 'Kaavalal' published by the Department of Information and Public Relations. The book throws light on the information regarding media awards. Minister for Transport, Antony Raju presided over the function. Mayor of Thiruvananthapuram Arya Rajendran, Thiruvananthapuram District Panchayath President D.Suresh Kumar, Kerala Media Academy chairman R.S. Babu, KUWJ General Secretary R. Kiran Babu, I&PRD Additional Chief Secretary Puneeth Kumar IAS, I&PRD Director T.V. Subash IAS were present. The inaugural ceremony was followed by a music performance by the Chumaduthangi band.



Chief Minister Pinarayi Vijayan delivers the inaugural speech



Chief Minister Pinarayi Vijayan presents Swadeshabhimani Kesari award to veteran journalist S.R. Sakhidharan



Release of the book 'Kaavalal' published by I&PRD



Music performance by the Chumaduthangi band.

# EMPOWERING YOUTH THROUGH KNOWLEDGE-ECONOMY



**Dr. P. V. Unnikrishnan**  
Member Secretary, K-DISC



## The Kerala Knowledge Economy Mission launched by the Government of Kerala in May 2021 primarily seeks to address main issues related to the employment scenario of the State

**K**erala's shining legacy of emancipatory politics and its unwavering commitment to equity, distributive justice and renaissance values have helped it evolve into a modern society fortified by strong scientific temper, gender equity, social and economic mobility, resilient decentralised democratic governance framework, profound ecological sensitivity and an unwavering commitment to a democratic way of life.

The Kerala Knowledge Economy Mission launched by the Government of Kerala in May 2021 primarily seeks to address four main issues related to the employment scenario of the State. These are:

- To address unemployment in Kerala. There is the issue of underemployment or people working in jobs that are much below their capabilities as per their educational qualifications.
- Educated women in professional employment are found to take a break, often with marriage or childbirth and not return to their jobs. The issue of bringing back such career-break women to the employment fold is another focus area being addressed.

- Kerala needs to have enough sops to attract all kinds of employers to take an interest in the potential workforce in the State.
- Another issue has got to do with people's general mindset. There is still a huge preference for government jobs even as such jobs are few and far between. Private jobs need to be made more attractive for the educated unemployed to take them up with gusto.

The above four have been perceived as the issues of unemployment pertinent to Kerala. Various solutions have been tried out for solving these. It is important to examine what opportunities have been addressed as a part of this enquiry.

Kerala Knowledge Economy Mission aims to transform the marketplace through innovative, socially-oriented and public-facing participatory initiatives which have a strong societal underpinning to support them and a robust technological scaffolding to hold them up.

Empowering people accordingly is part of the strategy. A huge possibility arising out of the programme is enabling people to be part of global projects even as they continue to stay local. The potential of remote work is much better now than earlier when one had to relocate outside Kerala or India to work in international jobs. It is also a flexible option now.

The option is further empowering in that it helps the employee to work in Kerala, leveraging the unique



## Technopark, Trivandrum

capabilities of the State. At the same time, the employee can get seamless exposure and experience.

Another advantage is having safe and secure options for working since nowadays a safe workplace is becoming a rare commodity internationally. We are witnessing objectionable tendencies raising their heads in certain parts of the world. These have engendered offensives of a scale hitherto unheard of, making overseas working hazardous. This underlines the importance of a safe and secure option for working which the programme strives at.

Kerala has been dubbed a pensioners' paradise in the past. But there is a flip side to it. As part of the change in the demography of Kerala, challenges have cropped up as far as the vulnerability of the ageing population and their care are concerned. This often leads to high mental pressures for people raised in close-knit families who are staying remote. Now we have a mode of doing away with this separation and having them work in a comfortable environment in their hometowns.

The KKEM programme also strives to bring work to a social fabric in which male and female genders function on a level playing field with

equal work opportunities.

Many of the jobs sourced through the programme are a result of looking beyond the narrow agenda of companies making a profit. They are useful in a creative way for enterprises that are set up based on localised needs.

Executing tasks oriented towards that goal is not a short-term process but a more medium-term one. Jobs oriented towards local economic development are evolving from a development perspective. The possibilities of interventions to this effect are elucidated in the book 'Below the Radar: The Untold Story of How Modern Manufacturing Grew by Stealth in Kerala' by C. Balagopal. It is important to go into the creation of collectives and enterprises using that model. The growth in Micro, Small and Medium Enterprises and startups in the high-tech manufacturing sector leveraging the pool of skilled and trainable manpower ready for industrial employment, dispersed urbanisation and an ecosystem conducive to technology enterprise has been created by the science and technology institutional network in Kerala.

**The growth in Micro, Small and Medium Enterprises and startups in the high-tech manufacturing sector leveraging the pool of skilled and trainable manpower ready for industrial employment, dispersed urbanisation and an ecosystem conducive to technology enterprise has been created by the science and technology institutional network in Kerala.**

# EDUCATION & HEALTH EXPENDITURE



**Anitha Kumary L.**  
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Gulati Institute of Finance  
and Taxation



Photo: Sreelas C.P.

**K**erala has been following a unique spending pattern historically in social sectors like education and health. The fruits of these patterns of expenditure have been rewarded us during the once-in-a-century global pandemic, especially from the well-

managed health system with the help of strengthened decentralised governance. This development path focuses on the overall welfare of the people of Kerala. In this article, we look into the initiatives in Kerala budget 2023-24 on education and the health sector.



## Education Sector

Table 1 presents the share and growth of the education sector in Kerala from 2016-17 to 2023-24. More than 15 per cent of revenue expenditure of the state is being allocated to the education sector. During the COVID 19 pandemic, there was a decline in the growth of education expenditure. In budget 2023-24, development expenditure allocated for the education sector including salary of that sector is Rs 23866.24 crore. This includes education expenditure for state plan outlay, for Higher Education and Technical Education, and educational assistance to scheduled caste students.

The budget 2023-24 stated that the Government spends around Rs 50000 per annum for each school student. The expenditure on higher education is multifold in this budget. The government emphasised the need for creating an environment through huge investments so that the maximum number of youths will be retained in our State by providing adequate employment opportunities to them.

It is important to keep in mind that Kerala has adopted a good model of public-private partnership in the education system by starting aided schools and colleges since the 1970s. The Budget for 2023-24 proposed to approve private participation in higher education by attracting foreign universities seems to be a welcome step and it will provide ample opportunities to our educated youth.

A higher share in the allocation in the education sector from revenue expenditure and infrastructure spending through KIIFB enhanced the quality of expenditure in Kerala. High development expenditure on education and health improves the quality of expenditure which is noted by the Reserve Bank of India's recent publication (RBI, 2023).

**Table 1**  
**Share and growth of education and health expenditure in revenue expenditure of Kerala**

Year	Share of Education exp in Revenue Expenditure(%)	Growth of Education Expenditure(%)	Share of Health exp in Revenue Expenditure(%)*	Growth of Health Expenditure(%)*
2016-17	18.73		7.31	
2017-18	18.52	8.52	6.88	3.15
2018-19	17.19	2.45	6.58	5.67
2019-20	17.63	-2.68	7.28	5.06
2020-21	13.35	-10.75	7.2	16.57
2021-22	16.95	50.34	8.22	35.08
2022-23(RE)	14.92	-10.15	6.25	-22.33
2023-24(BE)	14.98	7.24	6.34	8.27
Average	16.53	6.42	7.01	7.35

Source: Author's calculation from Budget in Brief, 2023-24  
\*includes Public Health and family welfare



## Health Sector

Table 1 presents the share and growth of the health sector in Kerala from 2016-17 to 2023-24. It is evident from table 1 that 7 per cent of the revenue expenditure of Kerala is being allocated in the health sector. During 2019-20, the growth of health expenditure was 5.06 per cent. There observed an outstanding growth (16.57 per cent) in health expenditure due to the outbreak of COVID 19 in the year 2020-21 (table 1) . The growth of health expenditure was further increased to 35 per cent during 2021-22 to contain the devastating effects of COVID 19 pandemic.

In budget 2023-24, the total developmental

expenditure on the health sector (including public health and family welfare) including salary expenditure of that sector is Rs 10101.67 crore. The total outlay of 2828.33 crore excluding salary is set apart for the Medical & Public Health Sector in the 2023-24 fiscal. This allocation is 196.50 crore more than that of the year 2022-23. A novel scheme named 'Nerkazhcha' is announced aiming for eye health for all, through which all families of the state will undergo an eye examination.

The government proposed in the budget 2023-24, to transform the state into a health hub by providing better services in areas such as health care and health tourism at a low cost for foreigners. MEDISEP, one of



the innovative health insurance schemes is implemented for about 11 lakh employees and pensioners in the State.

Kerala's higher allocation of social sectors such as education and health is a mark of improvement in the quality of expenditure and which contributed to the general well-being of the citizens of Kerala. It is also important to state that during the COVID 19 period, the major challenge faced by the health sector after the outbreak of COVID 19 was the issues of mental health of COVID affected ones and their relatives. Though the government has taken some steps to address this challenge, still it is a continuing problem. In Budget 2023-24, it is observed that there is no specific

allocation earmarked for the address of mental health issues. Allocation in this direction is indispensable for improving the overall health of the citizens of Kerala. Even though there is higher allocation in the education and health sector, its implementation as announced in the budget would be a key factor.

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# UNION-STATE FISCAL RELATIONS



**R. Mohan**

Former Commissioner of Income Tax



## Apprehensions of the States need to be addressed for the effective functioning of our cooperative federal setup.

Under our constitutional framework, the Union has substantial powers including taking over State administration (Article 356), albeit temporarily, legislating in items of the State List through a resolution passed with a two-thirds majority in the Rajya Sabha (Article 249) and giving directions to State to comply with executive orders of the Union and vesting of residuary powers with the Union.

The vastness of the powers of the Union is reflected in its having all the buoyant sources of tax revenue like personal income tax, corporation tax, customs duty etc. The major revenue sources of the states (till the introduction of Goods and Services Tax) were comparatively inelastic ones like taxation in the trade of commodities. Later, with the introduction of GST, the supply of services also got included in the tax base of the States.

Even while, the tax base of the States is narrow, the States have substantial expenditure obligations, especially in social sectors like education and health. The narrow resource base and higher expenditure obligations result in what is called in public finance literature Vertical Fiscal Imbalances between the Union and the States. This imbalance exists in all federal countries in some form or the other. The reason is that buoyant sources of revenue as mentioned above, remain with the federal government for efficiency reasons, while social sector expenditure obligations fall on the tier of government closer to the beneficiaries, again for efficiency reasons.

It is to ameliorate this Vertical Fiscal Imbalance that our Constitution has provided for the appointment of Finance Commissions every five years (or earlier, if there is a need). Article 280 mandates the appointment of a Finance Commission comprising expert members for recommending the distribution of a prescribed share of taxes collected by the Union to the States and also to suggest a formula for apportioning this prescribed share among the States.



Besides, the Finance Commission also recommends grants under Article 275 to the States in need of assistance. These grants are commonly called revenue deficit grants, as the Finance Commissions assess the post-tax devolution gap between revenue receipts and revenue expenditure of States and recommend grants based on certain normative criteria. Though the Finance Commissions from the Third (except the Ninth) have been limiting themselves to the non-plan revenue gap, the Fourteenth and Fifteenth Finance Commissions have considered the revenue account as a whole. The Planning process is also not in vogue at the national level from 2016-17.

It cannot be disputed that the main recommendations of the Finance Commissions, especially, the ones regarding the distribution of the prescribed share of the taxes collected by the Union to the States and the formula for distributing the prescribed share of the taxes to the States, have been accepted by the President. As President acts in accordance with the aid and advice of the Council of Ministers headed by the Prime Minister, it is the Union Government which has accepted these recommendations of the Finance Commissions.

The requirement for appointment of Finance Commissions is an important federal feature of our Constitution. But States have many grievances concerning the distribution of taxes and grants. Earlier, only personal income tax was mandatorily shareable with the States under Article 270 of the Constitution. Excise duties were shareable through legislation by the Parliament under Article 272 of the Constitution. The States felt that they were being denied a share in the more buoyant taxes like corporation taxes and customs duties. Based on the recommendation of the Tenth Finance Commission, the 80th constitutional amendment was enacted and net proceeds of all taxes collected by the Union became shareable with the States

from 2000 onwards.

Though a long-standing demand of the States was thus met, issues are remaining unaddressed. The main grievance of the States is that the proportion of surcharges and cesses, which are not part of the divisible pool of taxes, is rising. It's around 15 per cent of the Gross Tax Revenue. The Centre argues that this cess is collected for spending in social and infrastructural sectors. But the States argue that it truncates their share in Union taxes and stymies their ability to spend in subjects in the State List.

Another major issue is the large share of discretionary grants in total central disbursed. The share of the Finance Commission grants is only one-fifth of the total central grants. This implies that four-fifths of the central grants are discretionary and based on conditionalities. This contains the freedom of States to utilise central grants by fixing priorities at the State level.

Yet another issue that the States face is the rate apportionment in GST, which is 50:50 between the Union and the States. States which have merged around 44 per cent of their own tax revenue in GST as against 28 per cent by the Union, feel that for a revenue-neutral tax regime, the ratio is to be 60:40 in their favour. After the introduction of the GST regime, the standard rate of tax for most commodities has fallen from 14.5 per cent (peak VAT rate) to 9 per cent (50 per cent of the 18 per cent GST rate). With GST compensation also coming to an end, the fiscal stress of the States is bound to go up.

These apprehensions of the States need to be addressed for the effective functioning of our cooperative federal setup.

# AN EXTRA THRUST ON AGRARIAN SECTOR

AGRARIAN ECONOMY OF KERALA  
AND THE 2023-24 STATE'S BUDGET



**V. Mathew Kurian**

Joint Director, KN Raj School of Economics,  
MG University

**A**griculture is critically important for inclusive growth and sustainable development. The fiscal policy of a country can definitely drive towards the realisation of these goals. The budget of a country and its sub units reflects the nature of this policy. On this score, we find the contrast between Union Budget of 2023-24 and Kerala's Budget for this fiscal year. Let us analyse the agricultural budget of Kerala in the background of the evolution of Kerala's agrarian economy.

## Agrarian Economy of Kerala: An Evolutionary View

Kerala's agrarian economy enjoyed international recognition from time immemorial. All great civilizations had contact with Kerala through our spices, especially pepper. For a very long time, the Arabs were on the Malabar Coast engaging in spices trade. The cotton clothes exported from Calicut port were also very famous. Indeed, the brand name 'caligo' was derived from these exports. The European powers, one after another, came to Kerala to establish



their trading relations especially for spices. The Portuguese and the British also found the agro-climatic conditions of this part of India so suitable to certain exotic crops like cashew nuts, coffee, tea, rubber, and the like. These efforts broadened the cash cropping nature of Kerala's agrarian economy.

In the post-independent period, the foreign trade policy of India was 'export promotion' and 'import substitution'. For both these, Kerala's agriculture was found vital. As already, Kerala engaged an 'internalised market' for spices all over the world, the government of India recognised the export potential of it. In order to facilitate it, the Spices Board was established in Cochin, Kerala. Similarly, crops like rubber, coconut, coffee, cocoa and tea were found import substitutable. So, most of the Commodity Boards were established in Kerala to promote the cultivation and production of these crops.

This is the national and historical context in designing the 'agricultural budget' of the state of Kerala by the Finance Minister. K.N. Balagopal within the fiscal constraints. Kerala's Finance Minister did the maximum



to bring out a farmer- friendly budget. The following analysis is an attempt to reveal it.

## Kerala's Agriculture in the 2023-'24 Budget

In the planned economic framework of Kerala, the Finance Minister K.N. Balagopal, set three main objectives as key drivers in the selection of projects and programmes to be included in the 2023-'24 budget. These three objectives are:

1. To enhance the production and productivity Kerala's agriculture by the extension of science and technology in the farms;
2. To promote stable marketing and fair pricing of crops by linking with cooperative organisations and
3. To facilitate sustainable development of agriculture by linking agriculture with industries through various stages of marketing and processing.

In short, an 'integrated approach' was

pursued in the advancement of Kerala's agriculture in the 2023-'24 budget.

## To Stimulate Agricultural Production

Rice is the staple food of Malayalis. But large tracts of paddy lands are remaining fallow. In order to enhance paddy production, this budget allocated Rs. 95.1 crore. Maintenance of soil fertility is so crucial for enhancing the productivity of all crops. For achieving this objective, a scheme of 'Integrated Nutrition Management' was introduced. High pH is a general soil problem of Kerala. This could be solved only by applying sufficient lime. In order to cater to it, an amount of Rs. 26.6 crore was set apart in the budget. Plant Health Clinics were organised to diffuse agricultural knowledge to farmers. With this objective, Rs. 1 crore were set apart in this budget. The budget also visualises the promotion of 'soil health' by the soil survey department with the active cooperation of local governments. There

**Kerala's Finance Minister did the maximum to bring out a farmer- friendly budget.**



is an extra allocation of Rs. 1 crore for this. For the advancement of 'Watershed Management', an extra amount of Rs. One crore also was set apart in the budget.

Another important need of Kerala is increased production of fruits and vegetables. Food safety of Malayalis also demands it. The Vegetable and Fruit Promotion Council (VFPC) is organised with this intension. An amount of Rs. 30 crore is set apart in the promotion activities of the Council.

High quality hybrid seeds are essential to increase the productivity of all crops. For the distribution of kits containing high quality seeds, an additional Rs. 5 crore are provided in the budget.

UNO has declared 2023 as the International Year of Millets. This proposal was first brought in UN by India. In the promotion of millet cultivation, the budget has a provision of Rs. 3 crore.

Kerala is renowned for our coconut

cultivation. The budget has facilitated a hike in coconut price from Rs. 32 to Rs. 34 per nut.

Irrigation is an important infrastructural factor enhancing agricultural productivity. The new Kerala budget has given sufficient importance in its expansion. For example, the allocation for Karappuzha project has elevated from Rs. 12 crore to Rs. 20 crore and Banasura Sagar project from Rs. 12 crore to Rs. 18 crore. An amount of Rs. 10 crore is allocated for yet to be commissioned Pazhassi Project. Idamalayur Project also would get Rs. 10 crore. Rs. 14 crore are allocated for Idukki's Pattisseri Dam. Meenachil project of Kottayam would be benefited by Rs. 3 crore. Rs. 12 crore are allocated for the promotion of 'Community Micro Irrigation'. For the promotion of Open Field Precision Farming, an amount of Rs. 8.61 is being set apart in the budget.

**The most significant aspect of the budget is that it was drawn with a 'vision' for 'sustainable development'.**

## Promotion of Agricultural Marketing

For the promotion of agricultural





marketing, the strategy of the Government is to integrate cooperative functioning with agricultural procurement and marketing. To cater to it, in last year's budget a new project, Cooperative Intervention in Technology Driven Agriculture (CITA) was initiated and an amount of Rs. 23 crore was allocated for it. This budget enhanced the allocation for it to Rs. 35 crore.

For the advancement of Agricultural Production and Marketing by cooperative societies, this budget has set apart Rs. 7.5 crore. For strengthening the cooperative sector, 'the Kerala Cooperative Protection Fund', would be established in 2023-'24 and for it an amount of Rs. 7.5 crore is being allocated in the budget. In order to bring all primary agricultural cooperative societies under one software, Rs. 4 crore are set apart for it.

## **Sustainable Development of Agriculture**

Now most of agricultural crops in Kerala are being sold out as mere raw materials to industries. So, the farmers have no 'marketing power'. They are also being exposed to rampant exploitation. This can be

averted only by linking production with processing and marketing. The benefits of this 'value addition' would then go to the farmers. Several innovation steps are taken towards it in the present budget. The very focus of the budget, 'Make in Kerala' helps it.

Some steps taken in this direction are spices park under KINFRA in Thodupuzha, Integrated Rice Technology Parks in Palghat, Trichur and Alleppey, Coconut Industrial Park at Kuttyadi in Kozhikode and under KINFRA, 'Integrated Coffee and Agri Produce Park in Wayanad. The proposed Sial Model Rubber Company, under the initiative of government, would be a booster to the crisis ridden rubber economy of Kerala today. All these efforts need to be sustained in the coming years also.

It is well evident that 2022-'23 Kerala budget was prepared in an environment of serious financial stress. Despite these constraints, agriculture was given due importance in the budget. The most significant aspect of the budget is that it was drawn with a 'vision' for 'sustainable development'. If we could execute it, then Kerala's agriculture would be having a bright future.

# A BUDGET FOR THE YOUTH



**M. Muhammed Haris**  
Economic Expert

The youth is the powerhouse of human society and its enrichment and enhancement leads to excellence and emancipation of mankind. Almost all the programmes announced by the government is aimed at better living of the youth. In Kerala Budget 2023-24 the Finance minister K.N. Balagopal announced a number of schemes for the youth for their better living and up skilling to ensure happy and prosperous life. It is true that the development of human society needs both mental and physical calibre of youth in tune with scientific temper. The education and health sectors in which Kerala spends more than other states to cater the needs of youth people. Kerala Government earmarked 1,773 crore for the education aimed to bring out better citizens. It is true that both Kerala government and Union government give more stress to capital expenditure (capex) which will benefit the young people and the society at large.

The expenditure in welfare scheme contributes only same effect but the capital expenditure contributes sustainable triple effect in GDP. Apart from all schemes which will benefit youth, the outlay provided for the sector "sports and youth affairs" in the budget 2023-24 is Rs.135.75 crore. Department wise outlay provided during 2023-24 is given in the following table.

Sl.No.	Name of Scheme	Amount (in lakh)
1.	Annuity Scheme on 35th National Games	1.00
2.	Directorate of Sports and Youth Affairs	7270.00
3.	Kerala State Sports Council	3590.00
4.	Kerala State Youth Welfare Board	1895.00
5.	Physical Education College	110.00
6.	Assistance to Directorate of General Education	455.00
7.	Assistance to Directorate of Collegiate Education	154.00
8.	Kerala State Youth Commission	100.00
	<b>Total</b>	<b>13575.00</b>

Now only one percentage of GSDP is derived from sports sector and the Government is planning to enhance it to 3-4 percentages as there are lakhs of people indulging in sports and sports lovers, the government will take measures to strengthen the production of sports equipment with the participation of private sector with the help of new entrepreneurs. It is also announced in the budget considering the current popularity of e-sports, training centres will be established through Sports Kerala Foundation to equip youths to pursue e-sports. In addition Rs.6.5 crore is earmarked for implementing various schemes such as "Healthy kids" grass root training programmes for football, Basket Ball, Athletics and for implementing New sports policy.

A project will be implemented to achieve the target of having 'one Sport Facility/ Play ground in every panchayath' with Sports Kerala Foundation being the implementing agency. Half of the expenditure of the scheme will be met from MLA SDF/ through LSGI and PPP. School play grounds will also be included in purview of this scheme. An amount of 4 crore is earmarked for the initial activities of the project.

A study by the ministry of statistics and programme implementations states that elderly population in Kerala is higher compared to other states and will surge in coming years. It is true that life expectancy in both Kerala and India is increasing and Kerala is at peak. In order to ensure quality of





life of the people, the Government of Kerala ensures quality of education especially in higher education sector by investing more funds.

The allocation in education, sports and youth affairs is increasing year by year shows the commitments of the Government to ensure the holistic development of life of the youth. Sports activities promote physical, mental and emotional growth and lead to healthy lifestyle and inculcate the spirit of competitiveness, team spirit for holistic development.

The principle of 'sports for all and "health for all" as enshrined in the Kerala Sports Act 2000, it will be the endeavour of the Government to utilise sports as a vehicle to promote healthy living among all section of people of the State.

Kerala is number one in the field of education and its youth are highly skilled and professionally qualified, employed in IT and industrial sectors all over the world. Among the Indian states, Kerala tops in foreign remittance to the tune of Rs. 1.5 trillion a year. The expenditure of Kerala in health and education ranks first and public spending on education is an important determinant of the reach and quality of education. This includes direct expenditure on educational institutions as well as educational-related public subsidies given to households and

**The allocation in education, sports and youth affairs is increasing year by year shows the commitments of the Government to ensure the holistic development of life of the youth.**

administered by educational institutions. Achieving and sustaining adequate levels of quality to capture the social returns of spending in higher education requires minimal stability in public financing, with robust programmes to tap financial resources from various sources. But in most developing countries public spending mainly constitutes only the Government spending since the other sources are very minimal. Government of Kerala, since the formation of the State, has made huge investment in education sector even during times of revenue crisis. So our investment in education could be considered as capital expenditure as our youth remits foreign exchange in our banks by employing in the foreign countries. Kerala population is around 3.5 crore, about 40 lakh people are working as trans nationals. The high aspirations for better living, keralalite youth who are well educated seeks employment in IT and allied sectors in developed countries, gives boost to our economy. The decision of the Government not to rise retirement age of Government employees is welcomed by the youth who seeks public employment. Around 5.1 lakh persons are employed in government and public sector in the state of Kerala. The Government also fill the vacancies of PSC members and sufficient funds is allotted to the KPSC, shows its commitment to youth. So it is the budget for the youth, projects inclusive and holistic development of the society. ●

# FOCUSSING ON URBAN AND RURAL DEVELOPMENT



**Bimal Shivaji**  
Senior Journalist

**Rural and urban development have been given much emphasis in the budget.**

**M**ahatma Gandhi believed in a self-sufficient village economy. He was convinced that if villages perish, India will perish too. He insisted on village industries, primary education through handicrafts, eradication of untouchability and communal harmony.

The 'Make in Kerala' policy proposed by Finance Minister K.N. Balagopal is an important step in boosting both the rural and urban economies. The 'Make in Kerala' project is envisaged to increase domestic production, and employment/entrepreneur/investment opportunities in the state. The Industries Department and other departments will formulate an



Bypass, Kollam

extensive practical project and support will be provided through 'Make in Kerala' to Agritech startups in Kerala which produce agriculture value-added products. The Government was encouraged to take up such a massive initiative from the enthusiastic response of the young-entrepreneur community towards the activities of the Startup Mission and 'Year of Entrepreneurship' scheme undertaken by the Department of Industries. The Minister allocated Rs.1000 crore for 'Make in Kerala' during the plan period

## Urban Development

The Government of Kerala is planning to formulate a comprehensive urban policy based on the latest studies in urbanisation. For this purpose, a commission will be constituted including international experts and



institutions.

In his Speech, the Finance Minister said that the direction of urbanisation needed to be determined considering the unique socio-economic conditions of Kerala. According to Census 2011, the urban population was 48.50 per cent and is projected to grow to 70 per cent by 2021.

Kerala's urban population increased to 47.72 per cent, according to the 2011 Census, from 25.96 per cent in 2001 with a decadal growth rate of 82.23 per cent. The Nation Commission on Population has estimated that Kerala's urban population will touch 96 per cent in 2036.

The state government enacted the Kerala Town and Country Planning Act, 2016, to tackle the challenges of

urbanisation but its pace demands more scientific and urgent intervention.

The Minister also said an international consultant would be selected to assist in the preparation of master plans for Thiruvananthapuram, Kochi, and Kozhikode. Conservation of heritage areas and surroundings, improvement of pedestrian infrastructure, equipping public places and recreational areas, and improvement of hygiene are the components of the project.

The estimated primary cost for urban development related 'Urban Rejuvenation and Beautification Scheme' is Rs.300 crore. Therefore, the Budget allocated Rs.100 crore for the initial work and earmarked Rs.1,055 crore for urban development programmes.

Unprecedented floods in the last few years have



Idukki Medical College



Haritha Karma Sena



Bypass, Alappuzha



caused massive loss of infrastructure, including roads and bridges, and damaged the agricultural sector. Several cities, including Kochi, are prone to inundation. Considering the recent problems, the Budget announced master plans for Thiruvananthapuram, Kochi and Kozhikode.

An amount of Rs.22 crore was provided for Suchithwa Keralam Scheme which aims at implementing Solid Waste Management projects in urban local governments. The project comes under 'Haritha Keralam Mission'.

The Minister allocated Rs.131.88 crore for components such as Institutional Development, Capacity Building, Project Management and establishing regional solid waste management facilities as part of the externally aided 'Kerala Solid Waste Management Project' being implemented in the urban sector.

## Rural Development

In his Budget Speech, the minister made a massive allocation of

6,294.30 crore including the expected Central assistance of 4,515.29 crore for rural development initiatives to ensure a sustainable livelihood for people at the grassroots level

The proposal for distribution of 3,110 crores as wages by creating 10 crore labour days through the Mahatma Gandhi National Rural Employment Guarantee Scheme comes as the biggest help for the lower income group in rural areas. The State's share will be 230.10 crores with an expected allocation of 4,066.69 crores from the Centre.

In the Budget an amount of 111.86 crore was earmarked as the State share of Deen Dayal Antyodaya Yojana - National Rural Livelihoods Mission (General) and Pradhan Mantri Awaas Yojana-Gramin (General) implemented through Local Governments.

The Minister proposed that 65 lakh labour days will be created under Ayyankali Employment Guarantee Scheme and an amount of Rs.150 crore was set apart for this.

**In his speech, the Finance Minister said that the direction of urbanisation needed to be determined considering the unique socio-economic conditions of Kerala.**

# RESPONSIBLE TOURISM AT THE TOP OF THE WORLD



**Joby Baby**  
Freelance writer



Kumarakom, Kottayam

**Reputed agencies ranging from UNESCO to National Geographic magazine have identified the State's tourism potential. Now one more global honour has come its way. Kerala is also on the list of 52 must-see tourism destinations in the world published by the New York Times.**

**K**erala, with its natural charm, diverse geography, and rich tradition, has always been a place of fascination for outsiders, especially for those in the west. With the right mix of village experience, spirituality and a strong base of Ayurveda, the southernmost state of India never had trouble attracting visitors. Kumarakom, Maravanthuruthu and Vaikom, where extensive activities are being carried out under the responsible tourism project of the Kottayam district, led to that achievement. The New York Times

report specifically mentions the names of these three regions and the responsible tourism mission in Kerala. According to the report, Kerala has a tourism policy that includes local residents and generates income for them. With the COVID-19 pandemic taking a backseat, the leisure and tourism industry in the state is on a path to recovery. The year 2023 is expected to see a surge in travel-hungry visitors.

## **Kumarakom: the backwater beauty**

Kumarakom is famous for its water travel and birding to enjoy the beauty of the bay. Along with this, the Responsible Tourism Mission project is also being implemented with facilities to experience rural life and culture. The taste of local food is different. Houseboats are the main attraction of Kumarakom. There are 130 houseboats in total. The trip to enjoy the country's artistic performances will be a new experience for the tourists.





Maravanthuruthu, Kottayam

## Saga of Maravanthuruthu

The people who arrive at Maravanthuruthu are greeted by historical stories. Storytellers, who have been trained as part of the responsible tourism mission, welcome the tourists by telling stories. Maravanthuruthu is a tourism center that has gained global attention through the Water street project. This is a project to reclaim and protect water bodies and use them for tourism. A journey to see lakes, rivers and 18 canals. Canal kayaking is the main attraction. Tourists can go to the houses and can buy local products. Recently, the tourism department has sanctioned Rs.1 crore for the development works including the floating boat jetty at Attuelakadav and Thuruttumma suspension bridge which are part of the street project.

## Pepper tourism is up in Vaikom

Vaikam "Pepper Tourism" as a partnership tourism project was wholly formed in 2020. Vaikom was announced as an international tourism destination in November 2020. Vaikathashtami was also mentioned in the New York Times report.

## The world says Kerala must be seen

- The Mission World Travel Market Global Award and other international awards for Responsible Tourism.
- India Today Award for Kerala Tourism.

Best wedding destination is chosen by Travel Plus Leisure readers.

- Time magazine has named Kerala as one of the 50 must-see tourist destinations in the world.

In a pioneering initiative to take tourism deep into the state's interiors and rural hinterland, the Kerala Tourism department recently launched a project named 'STREET' in select spots, to help visitors experience the diversity of offerings in these locales. The project, conceived by the Responsible Tourism Mission, is inspired by the 'Tourism for Inclusive Growth' slogan of The United Nations World Tourism Organization (UNWTO). The STREET is an acronym

**In a pioneering initiative to take tourism deep into the state's interiors and rural hinterland, the Kerala Tourism department recently launched a project named 'STREET' in select spots, to help visitors experience the diversity of offerings in these locales**

for Sustainable, Tangible, Responsible, Experiential, Ethnic, and Tourism hubs. Green street, cultural street, village life experience street, experiential tourism street, agri-tourism street, water street and art street are the themes that have been planned as part of the project.

"Our perspective on tourism is that the state should offer a novel and refreshing experience to visitors. It should also bring benefits to the local communities without upsetting their day-to-day life. This is why the government is giving high priority to the projects of the Responsible Tourism Mission. The RT model of tourism is now being extended to the entire state," says Kerala Tourism Minister P. A. Mohamed Riyas at an event held a few months ago.

# THE LAST REFUGE OF THE PET LOVERS



**Fouziya Musthafa**  
Asst. Editor, Animal  
Husbandry Department



**Kudappanakunn Multi-Specialty Veterinary Hospital, which can be described as the “Medical College” of the State Animal Husbandry Department’s chain of hospitals, is today, the last refuge of all those who love animals more than themselves or consider them as children, family members.**

**W**hen Debra Eureka, an US citizen, and an animal lover right from her childhood, came to Varkala, Kerala, and started a homestay, had taken her two pets with her. It was then that during the Corona period, her beloved dogs Edward and Sheba were taken to the Multi-Specialty Veterinary Hospital in Kudappanakunnu, Thiruvananthapuram in December 2020, after realizing that there was something wrong with them that was somewhat untreatable. It was Dr. Rajeev, who diagnosed Debra’s dogs with diseases related to valves and the uterus. Debra fondly remembers that Edward, the Labrador had both his valves damaged, and the duration of his lifetime was extended by one and a half years, solely because of the medicines prescribed by Dr. Rajiv. Sheba, a native breed, was cured

by surgery to remove the pus from her uterus. In this way, many animal lovers from our own land and abroad sit beside their beloved pets and gratefully remember the Multi-Specialty Veterinary Hospital at Kudappanakunnu, Thiruvananthapuram.

A proud pillar of the State Animal Husbandry Department, this institution is the only referral hospital in the chain of veterinary hospitals in Kerala with state-of-the-art diagnostic systems. It is the referral hospital that comes to rescue when illness cannot be diagnosed with limited facilities in local hospitals or emergency surgery is required for critical ailments. The hospital operates 24 hours a day under the guidance of specialist doctors in the fields of medicine, surgery, and gynecology. But often, beyond the “referral hospital” reservation, animals arriving in three different situations are also treated here. Immediate treatment is provided to those who fall under severe birth-related conditions, snake bites, and accidents. Although it is a referral hospital, treatment is provided here without the recommendation of a veterinary doctor, except for emergencies such as accidents, serious pregnancy/delivery-related conditions, and poisoning. It is also a hospital where those responsible for treatment are awake 24 hours a day.



“From the first time I went to the multi speciality hospital and met Dr. Rajeev I knew I was in the absolute right place for treatment of my beloved dogs, Edward and Sheba. The full attention they received with kindness, compassion and professionalism was beyond anything I’ve experienced and I’ve lived in 4 countries and more than 10 cities. Eddie needed a scan and nothing was rushed, time was taken to be sure of the correct diagnosis. It turned out he had a major heart problem but with the wonderful care and proper treatment plan he lived on in relative comfort for one and a half years. Sheba also developed problems from an infected uterus that hadn’t been removed properly and required surgery to having parvo and most recently a kidney disorder. Each time we made a visit to the hospital I felt Dr. Rajeev and his team truly gave their all to heal my family members. I am forever grateful”.

Debra Eureka

Around 500-600 animals are treated at this super specialty hospital in a month. During the outbreak of coronavirus, when human lives were confined within four walls, many people found comfort and relaxation in their pets. The number of animals treated at that time was between 60 and 70 per day, recalls Dr. Anoop Rajamani, a veterinary surgeon. Animals are brought here not only from Kerala but also from neighboring places like Kanyakumari and Nagercoil in the state of Tamil Nadu.

### UNTREATED AILMENTS

Since it is a multi-Specialty veterinary hospital, not only the health but the lifespan of the animals should also be given utmost importance. Because many animals, as mentioned earlier, are not only pets for many but also the most important aspect of their life. Due to their health and safety concerns, the hospital does not allow access to animals suffering from other infectious diseases, as it is a place where complex surgeries take place and animals with serious illnesses are treated. Treatment is continued only if the animals are tested for skin diseases and virus sensitivities, and the results are negative. And if they arrive already carrying any such diseases, they will be immediately discharged and the hospital will be sanitized.

### SYSTEMS & SERVICES

The peculiarity of this Multi-Specialty Veterinary Hospital is ultra-modern veterinary diagnostic systems that rival foreign countries. Separate operation theaters for large and small animals, gas anesthesia workstation with incubator and ventilator, centralized medical gas line system, ultrasound scanning endoscopy, pharmacy, ambulance service, sterilization surgery facilities, scanning, X-ray, ECG, ECO, endoscopy, laboratory, pharmacy, etc. are the main treatment services available. This is a place where advanced systems are available to diagnose and treat any animal with any serious illness. There is no registration fee for farm animals like cows, goats, etc. Diagnostic and treatment services apply only a fee

fixed by the government.

### DIALYSIS UNIT

The dialysis unit is started with the aim of providing equal consideration and treatment to animals like that to human life. The most important aspect of this hospital has always been the doctors and staff who are willing to revive beloved animals from a premature demise.

The interaction between the animals and their owners itself is a joyful moment to watch. Each animal might be taken there in very painful conditions. During that time, the doctors will start the examination only after caressing the animals first. They are those who say silently, “Calm down, we are here for you”. After those magical touches, no matter how painful it is, some of the pets can be seen acquiring calmness. Hospital staff often witness many emotional moments. The doctors here do not hesitate to treat animals brought by animal lovers or animal welfare organizations in critical condition from the street without any fee.

### DEMISES

The demise of pets is painful just like that of humans. Those who step out of the hospital, unable to bear the inevitable parting of those pets who have reached the peak of the disease, will remain a sad sight. At the same time, the doctors here say that the number of people who come to the hospital with a living being in critical condition is more than those who arrive without knowing that it is a referral hospital. The animals who are incapable of even eating, are denied to access even the local veterinary centers and have been taking local treatment methods and medicines for weeks are brought here only when it is confirmed that the disease has worsened. And those people who blame doctors for the mistakes they made knowingly or unknowingly. It is there that the energy showered by people like Debra Eureka becomes the fuel to keep them going forward.

To revel in the innocence of forest  
and the wisdom of ancient ways  
to find answers in the  
mystery of mountains and  
strength in free, soaring lives.

# HUMAN *by* NATURE



  
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