



Confederation of Indian Industry
Since 1895

COMMON MINIMUM ECONOMIC AGENDA
FOR KERALA

SUSTAINABLE INCLUSIVE GROWTH WITH EMPLOYMENT

GENERATION IN KERALA

1. CREATE A CONDUCTIVE ENVIRONMENT FOR INDUSTRIAL GROWTH & EMPLOYMENT GENERATION

Among the South Indian states, Kerala's current contribution to India's GDP is only 4%. Government of Kerala should aim to reach 6% in the next five year span. The following recommendation can be considered to make this improvement

Suggestions:

- Have an effective law & order and transparency in Governance
- Genuine Single window clearance for all applications / permits, licences / Approvals etc.
- Create land bank for industrial use – permit vertical industrial estate & Industrial Corridors like Kochi – Coimbatore Corridor
- Enact and act to legitimise an FSI of 3.4 - 4 for vertical Industrial estates

2. AGRICULTURE

The land used for non agriculture purposes has been consistently increasing to reach 10% of total land available. The share of marginal shareholding is over 90%, which has contributed to lower productivity. The unremunerative nature of agriculture has resulted in gradual migration of agricultural workforce to other occupation, mainly jobs in urban areas. The following recommendation can be considered to make an improvement in the agricultural sector

Suggestions:

- 10 % usage of existing plantation land for cash crops. This can create employment and wealth generation.
- 5% of the total land to be permitted to be used for eco-tourism
- Increase productivity levels – Kerala should target to be among the top 3 Indian states on productivity for key crops, Organic farming and modern techniques in farming to be promoted to increase productivity
- Promote collective farming practices that pool a number of marginal holdings into a single large holding. Introduce modern farming practices and increase efficiency and productivity

3. EDUCATION

With only close to 3000 medical seats & 14000 Engineering seats available combining both available in private & Government college in Kerala which when compared to the National figures only accounts to an average of 8%; Kerala needs to really look at contributing to 15% of professionals nationally; which will in turn increase the employability factor also.

Suggestions:

- Kerala to be developed & branded as an “Educational hub for India”
- Promote a healthy mix of public and private schools and colleges and tertiary institutions

- Attract world class universities to offer specialized courses and programs through tie-ups with local institutions. Focus on high end studies and R & D.
- Develop a policy for rapidly permitting many curriculum's in Kerala schools not just SSLC or CBSC
- Policy to promote 'Education for All', there by benefiting people who come under the economically weaker section.

4. SKILL DEVELOPMENT

The total increase in the labour force in Kerala is presently estimated at about 12 million by 2020. Accounting for the exit and inter-pool movement of resources from the workforce, an estimated 20 million people will need to be trained by 2020 in Kerala. Looking at the Global Scenario, where there is a global skilled manpower shortage, Kerala should take advantage of this situation to make Kerala the Skilled Manpower Capital of India

Suggestions:

- To create a focussed Skill Development Mission with the active participation of Government of Kerala, Industries & Academia who can work together in forming a Skill Academy of Kerala which can train unskilled manpower based on the requirements who can also get jobs globally & across India.

5. INFRASTRUCTURE

Special attention to be given to the development of Urban infrastructure & also on the effective ways of mobility for the people in Kerala. With Rs 4800 crores spent on Infrastructure in the last few years, there is a need to create a special package of Rs 6000 Crores which can be focused on improvement of Roads, Inland Waterways for effective mobility and also on developing industrial infrastructure of Kerala.

With only 2600 MW of power available through all sources in Kerala, Government should also consider promoting more Hydro power projects should be promoted specially in North Kerala and try to install another 4000 MW of power in the next 5 years. Government should also provide cheap & uninterrupted power supply to all the industries which can be an added advantage for the potential investors to look at Kerala as their destination.

Urban Infrastructure

- Formulate relevant long term development plans for all urban centres.
- Provide better transportation and other civic amenities – with rapidly increasing urbanisation, plans must be to provide for housing for all, open recreational spaces, services areas.
- Multi Nodal Transportation – Air, Water, Road & Rail should be Implemented.
- Propagate Affordable housing; Identify large parcels of government waste land for the project and develop under PPP.

- In order to decentralise growth and to create local employment and also to decongest the urban centres, Government to identify and provide more focus on the Tier II & Tier III cities.

Power

- More Small Hydro Power projects
- Quality and Uninterrupted power supply
- Power pilferage should be tackled effectively

Gas

- Government to promote Industries on Gas based Infrastructure
- To declare Kochi – Coimbatore as “Industrial Investment Corridor” and Promote Large & MSMEs industries to set up industries in that corridor. To have industry friendly infrastructure in that region

Inland Transport, Roads, Railways & Bridges

- Effective usage of Inland water ways for both passenger & cargo movement within cities in Kerala
- No develop a North South Corridor for a speedy cargo & passenger movement & also a High speed Rail corridor between Thiruvananthapuram – Kasargod

6. LOCAL SELF GOVERNMENT

The Per Capita Income of Kerala is 25657 and is ranked at first in South India. To develop the standard of living & also considering the health related issues, following suggestions can be taken into consideration:

Suggestions:

- Sewage systems to be improved in all the corporation, municipalities and panchayats which will result in improved health status
- To implement E-Governance in all the make all the Corporations, Municipalities & Panchayats in Kerala as e - districts by connecting by computerising all the work which can also help in an effective & transparent Governance
- People from the economically backward class can be insured by the Government of Kerala; where in they can also access private Multi Speciality Hospitals anywhere in Kerala
- To improve the quality of Primary Health Centres, by adopting a PPP model where in Private hospitals can adopt PHC's and help in the upgradation & maintenance process

7. MANUFACTURING

Kerala which had 25% of its GSDP from Manufacturing in 1980's has reduced to 22% in the year 2007. State ranks at the bottom in terms of the FDI inflows and this need to be changed

Suggestions:

- Manufacturing can be stealth weapon of Kerala
- Environment friendly manufacturing industries should be promoted

8. SPECIAL ECONOMIC ZONES

- Kerala should adopt a uniform SEZ policy similar to other states. This will help in overall development of private sector Special Economic Zone which will internally generate wealth & employment for the graduates. Local VAT, WCT should also be exempt from any entity operating in SEZ.

9. ENCOURAGE AGRARIAN BASED INDUSTRIES

- Utilize comparative advantage of the local produce. This will encourage higher returns to the farmers, local value addition and create local employment. For this Government needs to modify its policies and better infrastructure and appropriate labour policy suitable for seasonal operations

10. GROWTH OF SMALL SCALE INDUSTRIES

- Government has to encourage development of small scale industries in a big way as they generate huge employment. Create proper Infrastructure and establish new small scale industrial estates. SME competence has to be increased through technological up-gradation and market linkages. Government to take active role in facilitating these services
- Simplfy labor laws so that employment generation is given adequate importance.
