
The Vikasarth Conversations 2022

'THIRTY YEARS OF INDIAN ECONOMIC REFORMS: ASSESSING THE GROWTH AND DEVELOPMENT OF KERALA'

Session 3 Event Report

Industrialisation and the Case of Educated Unemployed

17 November 2022

- **About the Event:** The Centre for Public Policy Research (CPPR) in collaboration with the Institute for New Economic Thinking (INET), New York held Session 3 of Vikasarth Conversations 2022 virtually on 17th November 2022 at 6:00 PM IST.
- **Key Speakers:** The distinguished speakers of Session 3 of the Vikasarth Conversations 2022 were Mr. Jose Dominic, Dr. Saji Gopinath and Mr. T. K. Jose.

Mr. Jose Dominic is a legendary figure in the Indian travel sector and a highly respected pioneer of sustainable and responsible tourism. He is the co-founder and former CEO of CGH Earth, one of India's most unique collections of hotels.

Dr. Saji Gopinath, is the first Vice Chancellor of the newly formed Kerala University of Digital Sciences, Innovation and Technology. He also served as Chief Executive Officer of Kerala Startup Mission for three years and also worked as Director of Indian Institute of Information Technology and Management, Kerala. Dr. Gopinath was associated with the Indian Institute of Management for over 17 years as its Dean. He was also the Director of TAPMI Manipal and the founding Dean of Bennett University set up by Times of India. He also serves as visiting faculty to a few universities in Europe and Australasia.

Mr. T.K. Jose is a 1988 batch IAS officer of the Kerala Cadre. He was the former Additional Chief Secretary in LSGD, PWD, Water Resources and Home department. He worked as secretary in LSGD, Agriculture, Higher Education and PWD. He also held additional charge as Vice Chancellor of CUSAT. He was the Chairman of Coconut Development Board, Govt. of India and initiated the concept of farmer producer companies in the coconut sector which led to 69 farmer producer companies across the states of Kerala, TN, Karnataka and AP. He also served as the District Collector of Malappuram and Idukki and Managing Director of Matsyafed, RBDCK and KBPS.

The moderator for the event was **Sudha Nambudiri**. She is a journalist with Times of India.

SUMMARY OF DISCUSSIONS

The Shift in attitude towards Tourism sector in Kerala

1. Mr. Jose Dominic began by explaining the societal expectations and stigma that existed during the early days of the 1970s. He explained that **tourism used to be an unknown term**, and there has been a huge transition since that time. Kerala in the 70s till the early 90s, would lay the red carpet for foreign investors to enter. Small entrepreneurs in Kerala did what they could, created unique models and products, which to their credit, created the Kerala model within the tourism sector.
2. He observed that the left government in Kerala considered tourism as **luxury and capitalistic**. Later on in time, there was a shift in attitude towards tourism and Kerala realised the probable potential in tourism.
3. The model of responsible tourism now heralds Kerala not only as a national leader, but on global scales as well. The sector now employs around **15 lakh people** and contributes 11-12% towards the GDP of the State. Tourism has grown to be Kerala's most engaging sector, serving as **an engine of development**.
4. Tourism sector showed historical numbers during the pre-Covid times, the pandemic has drastically slowed down the growth in the sector. Pandemic highlighted the vulnerability of tourism to catastrophe and the need to build resilience in the sector. The sector is showing some glimmers of growth post the pandemic period.

5. Kerala is one of the first states to brand tourism with the tagline 'God's Own Country' and being a front performer in the supply and demand side. **God's own Country Version 2.0** should be the next agenda for Kerala. This is a task for industries and the government, where Kerala has an opportunity to take advantage of the situation.
6. It is high time for Kerala to harness its potential in tourism, to harness its natural and cultural assets. Here, nature is preserved and human development is Kerala's biggest development.
7. Militancy of labour and corruption are threats to business in Kerala. Kerala speaks of safety and has barely scratched the surface of its potential. The post pandemic age can look to harness our immense potential, address challenges to growth. Kerala has to promote a greener, cleaner and healthier model. There needs to be a higher priority to attention and investment.
8. He then addressed the importance of co-existence of tourism and manufacturing by comparing with the Switzerland model. He is of the opinion that post Covid, we need to welcome the new normal and the opportunity to harness Kerala's immense potential within the tourism industry.

Kerala's Job Market and Educated Unemployment

9. Mr. T. K. Jose took the discussion forward by stating that India as a whole has a standpoint and is not affected by global disturbances greatly, but **Kerala is immediately affected by any global disturbances**. He used the example of mass layoffs from Meta and Twitter where a lot of Keralites lost their jobs.
10. Mr. Jose concentrated more on the Educational, Entrepreneurial and Ecological scenarios of Kerala. He explained that entrepreneurship used to be unheard of in Kerala during his young ages. Through conversations with over 100 universities from Science, Engineering and more, he was motivated to start an entrepreneurship club in 1996. Entrepreneurship is now widely promoted throughout the state.
11. GDP contribution from entrepreneurship is much higher than a salaried job, yet no major educational institutions invite entrepreneurs to honour them or recognize them, Entrepreneurs are not considered achievers in Kerala's academic setup.
12. Mr. Jose shared his experience of initiating Kudumbasree and the way it was considered impossible during the planning stages. Success of Kudumbasree can be attributed to the need to **create value and self-sufficiency**. Micro enterprises were a new medium, defined separately from large scale industries. 1.42 lakh people thus became involved within entrepreneurship due to the efforts of fostering self reliance alongside Kudumbasree.
13. Even people who could not complete high school could utilise the Kudumbasree platform to create unique enterprises, Mr. Jose highlighted the potential scope for entrepreneurship lying idle in Kerala's educational institutions.
14. Mr. Jose suggested a model where 100 educational institutions can be encouraged to generate entrepreneurs as many colleges have huge lands where industrial parks can be created. These colleges can be incentivised to develop these parks. The funding for such parks can be through alumni or the GDP addition these parks can make to the state.
15. He also suggested a **mentoring program or business coaches** that can be created to help create new entrepreneurs and the need to initiate a positive behavioural change towards entrepreneurship from campuses itself.

Kerala's Entrepreneurship Culture

16. Dr. Saji Gopinath reiterated the entrepreneurship culture in Kerala stating the huge potential it holds. He began with the paradoxes that are associated with Kerala.

17. One of these paradoxes, according to him, is the high amount of literacy with women, but lack of involvement in production activities by women. We solved the paradox, where in 1992 Kerala was lagging behind in development and per capita average, but now Kerala leads in human development indices and has a better per capita income. There was a structural change in Kerala from agriculture to services.
18. There is **jobless growth**, because many people have moved out of agriculture but don't find jobs even when they are educated. He explained the educated unemployment scenario in Kerala by comparing the number of people looking for jobs in 1992 and 2022. He highlighted that the numbers are surprisingly similar. The difference was that during 1992 the people looking for jobs were uneducated. This means there is an increase in educated unemployment in Kerala
19. He further explains that Kerala always looks towards **decentralised models** of growth and that Kerala need high end or high tech industries, as these fit Kerala's social environment better because Kerala's workforce is more educated and not ready to work at lower wages, so one cannot compare Kerala to the models of Tamil Nadu or Telangana where huge manufacturing units are set up.
20. Dr. Saji was of the opinion that a decentralised ownership model, comprising **small industries with high value** will be successful in Kerala and that large packs of land is not needed to create a billion dollar company.
21. He highlighted that Kerala may be investor unfriendly, but **not employee unfriendly** and can export work, instead of exporting workforce.
22. He suggested a model for a **creator economy** where jobs can be directly given, with effective training and providing employees with a support system; where there is a safety net for gig workers even if there is temporary work loss. The model helps the state to provide a safety net where platforms are created for new forms of employment.
23. A new model of industrialisation that is of high value, where jobs are outsourced can be the way forward for the next decade. He also opined that colleges in Kerala need to scale up to promote entrepreneurship.
24. While replying to a question on tourism sectors concerns, Mr. Jose Dominic said that there is great strength within the human development index that makes the state uniquely positioned in the tourism sector alongside the knowledge economy.
25. Mr. T K Jose while commenting on the role of PSUs, said that no nation has ever reached a developed stage strictly because of a salaried workforce. Innovations, marketing and exports are the most essential aspects to growth. Kerala should look to convert more people into entrepreneurs and emphasised on the need for safety in the campus and industrial parks. Job, wealth creation, GDP increase would cause a tectonic shift within the nation's economy according to him.
26. Mr. Saji Gopinath while addressing Kerala's job market said that there is a lack of skill promoting infrastructure and there is a need to understand what is happening in the industry. He further said that Kerala's educational system does not prepare the students to be work ready from day one and there is a gap between skill and education.
27. Mr. T K Jose while talking about entrepreneurship in agritech and clean energy startups said that the school system needs to look into vocational streams where students need to be made suitable for industries. Educated women should be trained with tech and there should be a multi departmental teaching conducted in every course. The products and services that are needed in the states need to be surveyed, with universities introducing regional centres of research, workshops or other skill generating enterprises.
28. He also said that Clean energy startup, new and emerging technologies can begin a new future of non polluting industries. We need more opportunities within automotive engineering with students having sufficient workshops in colleges where they can avail hands-on experiences. There is a

changed culture of motivating entrepreneurship at school, college and even at home. Government institutions need to work with students to not only interlink education and vocational experience, but make it a necessary venture in schools and colleges across Kerala.

Concluding Remarks

1. There is a need to initiate a positive behavioural change towards entrepreneurship in educational institutions through vocational training. Academic institutions play a pivotal role in integrating skill and knowledge.
2. Kerala failed to create an industry ecosystem where small industries can breed on bigger ones. Kerala needs to focus on outsourcing elements of production that are not viable to be undertaken in Kerala's landscape, there are state economies who have excelled at specific fields and a competition with them is not feasible.

Key Takeaways

1. The topic for Session 3 of the Vikasarth conversations was '**Industrialisation and the Case of Educated Unemployment.**' The webinar sought to provide an overview of trends, patterns and reasons for the educated unemployment scenario that Kerala faces.
2. Kerala needs to focus on creating an industry ecosystem by promoting entrepreneurship from the grass root level.
3. There needs to be a shift in attitude towards entrepreneurship in the community where more entrepreneurs are encouraged, to achieve this the educational institutions need to equip themselves with industry ready faculty.

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