Kerala needs new growth policies

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Chief Minister Oommen Chandy during Vision 2030 draft discussion — DC

**Thiruvananthapuram:** The draft Kerala Perspective Plan 2030 says the state's current rate of high economic growth, in the range of about 10 percent, cannot be sustained if it continues to depend solely on remittances from abroad and tourism.
The Perspective Plan, which seeks to transform Kerala into a high income state by 2030, wants the state to opt for a course correction and adopt health and education as the new engines of growth. The draft said that the state had crossed the threshold of a lower middle-class income economy. So, “the livelihood approach should (now) be replaced by an entrepreneurial approach.”

Prepared by the New Delhi-based think tank National Council of Applied Economic Research, the plan was presented to MLAs at the Old Assembly hall here on Wednesday.

It says the main forces of consumption-driven Kerala’s growth are: remittances, tourism and construction activities which are highly vulnerable to internal and external factors.

If these growth drivers slow down, the state’s economic growth could slow down to below 4 percent in the next 10 years. The social gains achieved by the state in the health and education sectors, it noted, have not translated into an economic growth for the state.

In this context, the plan calls for transformation of the social sectors into productive sectors. For this, the state should do global marketing of its social gains, and create education and health hubs in each district.

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