

Dynamic, knowledge-driven economy mooted for State

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THIRUVANANTHAPURAM: A prosperous, dynamic, knowledge-driven, competitive, and eco-efficient economy in the distinguished league of the world's advanced economies with spirit of entrepreneurship, innovation, tolerance, and diversity has been envisaged for the State in the Kerala Perspective Plan 2030.

The New Delhi-based National Council of Applied Economic Research (NCAER) that has prepared the report for the State Planning Board has also envisaged that the State will become a knowledge hub. It will have a distinctive expertise in education, healthcare, biotechnology, information and communications technology, biodiversity, and environment-related areas.

The mission of the growth plan being worked out by the NCAER is to achieve sustainable economic prosperity and the statement is 'quantity is not enough-quality matters.'

On the growth challenges, it has said that the growth has not been accompanied by structural transformations either in terms of Gross State Domestic Product or employment. The economy seems to be trapped in low productivity circles. The paradox of economic stagnation with human development has given way to another paradox of high economic growth with low productivity and high employment.

Over 77 per cent of the growth comes from construction, trade, transport, communication, trade, hotel and restaurant, real estate ownership, and other services. Growth in these sectors is consumption-led, which in turn is driven by remittances, tourism income, and government expenditure.

On the economic goals, the report says the aim is to achieve annual per capita income of US \$36,000 by 2040 and a compound rate of 7.5 per cent during the next 20 years to reach a level of \$19,000 equivalent to a middle high income country by 2030. A central plank of sustainable prosperity will be the development of a knowledge economy. Sustainable development and knowledge economy have been mooted as the principles of this strategy