Kerala development model is sustainable: Experts

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Kochi: Panelists at the Emerging Kerala 2012 Global Connect conference here Wednesday agreed that investment by the state in delivering healthcare and education to achieve higher human development index is sustainable to achieve faster growth with slight modifications.

The investment module is commonly known as the Kerala model of development.

T.K.A. Nair, advisor to the prime minister and chairman, Kerala State Industrial Development Corporation, said: "The investment made by the state in health and education has contributed immensely. During the last few years Kerala, the economic development in Kerala increased per capita income."

He said the two major resources of Kerala are human and ecology, and they have to be charged for its development.

Without mincing any words, Sam Pitroda, chairman, National Innovation Council said that western models are not desirable, scalable and affordable and not relevant for India.

"The key is to think new ways of doing things in India and breaking existing barriers with focus on affordability and scalability. We need to go back to our old systems to find a solution," Pitroda said.

He said for Kerala the focus could be on projects like waterways, knowledge city, ports, ayurveda, waste management, e-governance, health and modernisation of traditional industries.

Referring to Planning Commission's target of connecting 250,000 panchayats in the country, Pitroda said the point is how this connectivity will be used.

Harvard University Professor Gita Gopinath, citing the Scandinavian countries, said a state can be a welfare state and also be business friendly. She said new enterprises should be given incentives as they create jobs whereas older companies including small, medium sized enterprises do not create new jobs.

Deputy chairman of the Planning Commission Montek Singh Ahluwalia said much of the spending by the Nordic countries are on social security, whereas India is not a socialist country.

He said there is a need to see whether the money spent actually reaches the beneficiary and added that the central government should design its projects that gives flexibility to the states.

"In the 12th Five Year Plan (2012-2017) draft document we have suggested such a flexibility," he added.

According to him, the 12th Plan document with the theme 'Faster, More Inclusive Sustainable Growth' draft plan will be
submitted to the government Saturday.

He said the country has to achieve a fiscal balance to attract foreign investment and the Planning Commission's objective is to create investment climate to realise the domestic investment animal and also allow foreign investors.