

# Perspectives of Future Economic Development of Kerala

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**Kerala Economic Conference 2025**

**Kerala Economic Association (KEA)**

February 16, 2025

# Issues Discussed

- I. Development strategy and economic policies
- II. Kerala's persistent, acute and unprecedented fiscal crisis
- III. Migration of Keralites to the Gulf countries
- IV. COVID-19 pandemic and future outbreak of pandemics

# I. Development strategy and economic policies

- The development strategy of Kerala from 1956 to 1991 was state sponsored and state funded development through planning and public expenditure.
- The policies are basically inward looking, market controlled, static policies giving more emphasis for equity and social welfare than investment, production, productivity, employment generation and technological change.
- Expansion of bureaucracy and starting more state institutions, public sector undertakings etc were considered as development.

- Introduction of new technology was considered anti-labour as it affect the employment opportunities of workers. It prevented modernization and technological change in almost all sectors.
- Ruthless state intervention in market was followed. Quantity type instruments such as controls, regulations and restrictions that normally distort the functioning of the market mechanism were implemented.
- Infrastructure items like power, water supply, irrigation, and roads were under state control and no private investor was allowed to invest in these items

- Private investment and production in non-agricultural sectors was considered as socially undesirable thing.
- The policies followed for industrial development included starting public sector units and industrial cooperatives, reviving sick units through cooperatives, industrial licensing, giving subsidies, introducing controls and providing institutional finance.
- In this gloomy situation poor people looked on to the government for help and assistance for almost all matters relating to their survival. The political parties began to say that it is the duty of the government to solve all economic problems of people especially the poor.

- Though government of India implemented Structural Adjustment Reforms since 1991, the state has not implemented the reforms.
- Major political parties in Kerala wanted pre-1991 policies to be continued and conducted persistent agitations for the purpose.
- The transformation from pre-1991 economic policies to new liberalization type of policies has been very slow
- Take an example: Today we are talking about introduction of private universities in higher education sector in Kerala.
- Most other states implemented this policy two decades ago

# Policies suggested

- Follow policies to promote private investment in all sectors where there is scope for private investment. For infrastructural development, public private participation model can be followed.
- Follow a policy of minimum government and maximum governance as in the case of Union Government of India
- Restructure public sector undertakings, semi government organisations, autonomous bodies and other public organisations. (1) Measures to be taken to wind up public sector undertakings (other than public utilities) which incur losses continuously. (2) Retain public sector, which can improve its performance and earn profits.

- Restructure the government departments. (1) Combine small departments doing related activities to one department. (2) Reduce the staff strength through administrative reforms and digitalization measures
- Implement administrative measures reducing the share of government staff expenditure on salaries and pensions.
- Improve the fiscal situation in such a way that the entire borrowing taken a year should be used for capital or plan expenditure.



## II. Kerala's persistent, acute and unprecedented fiscal crisis

- Kerala has been experiencing a persistent, acute fiscal crisis and is in a debt trap.
- The latest fiscal data suggest that the Kerala state has borrowed an amount of Rs 1,04,355 crore during the financial year 2023-24.
- Of this, about 97 percent is spent on debt repayments, and interest payments in the fiscal year.
- The net amount available for use of the state was only Rs 2,883 crore.
- This indicates that the state fiscal situation is moving towards a fiscal collapse.

# **Kerala's persistent fiscal crisis and fiscal collapse**

- i. Kerala's Fiscal Crisis of 2016 and Prediction of Fiscal Collapse
- ii. Kerala's unprecedented fiscal crisis declaration, 2022
- iii. Kerala's fiscal collapse in 2023-24

# **i) Kerala's Fiscal Crisis of 2016 and Prediction of Fiscal Collapse**

## **Kerala's Fiscal crisis in 2016 (White Paper, June 2016)**

- The State is facing an acute fiscal crisis
- Entire borrowing permitted by central government is just sufficient to meet the day to day expenditure
- No funds left for capital expenditure
- State budgets presented are highly inflated with regard to resource mobilisation and expenditure for 3 years (2013-16)

- Additional resource mobilisation measures have not been implemented
- Inflated annual plans- not based on resources availability
- Fall in plan expenditure (actual plan expenditure 60-70%)
- For 3 years, the implementation of annual plans have virtually stagnated
- Schemes in the budget had no resources to finance them
- The state has been living on a financial lie.

## **Two reasons for the crisis :**

- 1) Failure on expenditure control and
- 2) Poor resource mobilisation

## **Causes attributed to the crisis :**

- 1) Unsound fiscal policy
- 2) Poor fiscal management
- 3) Inefficiency in tax administration and
- 4) Corruption (of the UDF government for 3 years, 2013-16)

# Prediction of White Paper 2016

- If the same fiscal situation continues, state would be in a fiscal anarchy in 2017-18.
- Development and growth of the state would come to a halt
- By 2021, the revenue deficit would exceed 3.25% of GSDP and gross fiscal deficit 6.25% of GSDP
- Will Result in default of payments on salaries, pensions and loan repayment obligations by 2021

- The state will move to fiscal collapse by 2021
- The state government has not taken any steps to address this situation.
- Instead of increasing resource mobilisation and cutting revenue expenditure, it resorted to excessive borrowing, out of budget borrowing

## **ii) Kerala's unprecedented fiscal crisis declaration, 2022**

- Available evidences suggest that the fiscal situation worsened since the publication of white paper 2016 due to in action of the LDF government to address the issues raised in the white paper
- The white paper 2016 predicted that the fiscal collapse will happen in 2021, if the issues raised are not addressed
- This prediction has come true.
- Kerala Finance Minister K. N. Balagopal has declared in Kerala Legislative Assembly that the state is facing an unprecedented fiscal crisis.
- In the year 2023-24, the government anticipated a more severe fiscal crisis compared to previous year.



# Fiscal indicators

- Revenue deficit/surplus is the difference between revenue receipts and revenue expenditure. The RD as a ratio of GSDP is used as an indicator.
- Gross Fiscal Deficit (GFD) is the gap between total receipts (excluding borrowing) and total expenditure. The GFD as a ratio of GSDP is an indicator.
- Debt GSDP ratio is a ratio of total debt to GSDP of the state.

## Revenue deficit (RD) (Tables 1 and 2)

- Though RD target set by Kerala Fiscal Responsibility Act (KFRA) was zero, Kerala was not able to achieve the target in earlier years.
- In 2022-23, revenue target was 0.80 percent revenue surplus
- Persistent deficit of RD is a feature of Kerala's state finances.
- During the post COVID recession years there has been an increase in tax revenue and grants in and from union government.
- In spite of this, Kerala was not able to achieve the RD targets or improve the fiscal situation.
- There has been a cut in revenue expenditure in 2022-23 due to CAGs remarks on off budget borrowing and the reduction in the permissible borrowing limit.

# Table 1

## Revenue deficit in Kerala (Rs Crore)

No	Items	2019-20	2020-21	2021-22	2022-23
1	Revenue expenditure	1,04,719.92	1,23,446.33	1,46,179.51	1,41,950.93
2	Revenue receipts	90,224.67	97,616.83	1,16,640.24	1,32,724.65
3	Revenue deficit (1+2)	-14,495.25	-25,829.50	-29,539.27	-9,226.28
4	Revenue deficit as percent of GSDP	-1.78	-3.35	-3.16	-0.88

Source: CAG (2024). State Finances Audit Report of the Comptroller and Auditor General of India (CAG) for the year ended 31 March 2023. Report No.5 of the year 2024

**Table 2**  
**Revenue receipts in Kerala (Rs Crore)**

<b>No</b>	<b>Items</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
1	Tax revenue	50,323.14	47,660.84 (-5.3)	58,340.52 (22.4)	71,968.16 (23.4)
2	Non tax revenue	12,265.22	7,327.31 (-40.3)	10,462.51 (42.8)	15,117.95 (44.5)
3	State share in union taxes and duties	16,401.05	11,560.40 (-29.5)	17,820.09 (54.1)	18,260.68 (2.5)
4	Grants in aid from government of India	11,235.26	31,068.28 (176.5)	30,017.12 (-3.4)	27,377.86 (-8.8)
5	Total revenue receipts	90,224.67	97,616.83 (8.2)	1,16,640.24 (19.5)	1,32,724.65 (13.8)

Notes: Growth rates (%) are given in brackets

Source: CAG (2024). State Finances Audit Report of the CAG for the year ended 31 March 2023. Report No.5 of the year 2024

# **Fiscal deficit (FD) (Tables 3 and 4)**

- Kerala was not able to achieve the FD targets set by the FRBM Act in 2020-21 and 2021-22.
- However due to cut in total expenditure due to issues of off budget borrowing the state is able to achieve the target in 2022-23.
- The target was 4 percent but the FD was (-) 2.44 percent.
- An unhealthy trend is the major share of borrowing funds (FD) is spent for meeting revenue expenditure.
- The idea of borrowing is to mobilise funds for capital expenditure and development.
- But in Kerala it is spent for routine revenue expenditure.
- Of the total expenditure, the share spent for capital expenditure range between 7 and 9 percent

**Table 3**  
**Fiscal deficit in Kerala (Rs Crore)**

<b>No</b>	<b>Items</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
1	Total expenditure	1,14,384.94	1,38,884.49	1,63,225.53	1,58,738.42
2	Total revenue and non-debt capital receipts	90,547.47	97,914.80	1,17,179.75	1,33,183.88
3	Fiscal deficit	-23,837.47	-40,969.69	-46,045.78	-25,554.54
4	Fiscal deficit as percent of GSDP	-2.93	-5.31	-4.93	-2.44

Source: CAG (2024). State Finances Audit Report of the CAG for the year ended 31 March 2023. Report No.5 of the year 2024

## Table 4

### Total expenditure

No	Indicators	2019-20	2020-21	2021-22	2022-23
		Rs in Crore			
1	Revenue expenditure	1,04,719.92 (91.6)	1,23,446.33 (88.9)	1,46,179.51 (89.6)	1,41,950.93 (89.4)
2	Capital expenditure	8,454.80 (7.4)	12,889.65 (9.3)	14,191.73 (8.7)	13,996.56 (8.8)
3	Disbursement of loans and advances	1,210.22 (1.0)	2,548.51 (1.8)	2,854.29 (1.7)	2,790.93 (1.8)
4	Total expenditure	1,14,384.94 (100.0)	1,38,884.49 (100.0)	1,63,225.53 (100.0)	1,58,738.42 (100.0)

Notes: Share (%) are given in brackets

Source: CAG (2024). State Finances Audit Report of the CAG for the year ended 31 March 2023. Report No.5 of the year 2024

# **Four items of spending account for 81 percent: Salary, pensions, debt repayments and interest (Table 5)**

- Of the total spending 23 percent salaries and wages
- Another 22 percent for pensions.
- Debt repayment and interest payments 36 percent
- Thus 81 percent is spent on salary, pension, debt repayment and interest
- The root causes of the persistent fiscal crisis are excessive spending on salary, pensions, debt repayments and interest.



## Table 5

### Application of resources in 2022-23 (Where the rupee goes to)

No	Items	Share (%)
1	Salaries and wages	23.34
2	Pensions including welfare pension	22.10
3	Debt payment and interest	36.25
4	Capital expenditure	8.30
5	Loans and advances	1.65
6	Others	8.36
	Total	100.00

Source: CAG (2024). State Finances Audit Report of the CAG for the year ended 31 March 2023. Report No.5 of the year 2024

# **Alarming growth in public debt and other liabilities (Table 6)**

- The total outstanding liabilities increased from Rs 2.79 lakh crore in 2019-20 to Rs 4 lakh crore in 2022-23.
- Public debt increased from 1.74 lakh crore to 2.38 lakh crore during the above period.
- Public account liabilities from Rs 90,722 crore to Rs 1.32 lakh crore
- Off budget borrowing also increased
- By any norms, the stock of public debt and other liabilities are very high in Kerala.

## Table 6

### Total outstanding liabilities of Kerala (Rs Crore)

No	Items	2019-20	2020-21	2021-22	2022-23
1	Outstanding total liabilities	2,65,362.36	3,02,620.01	3,42,887.45	3,70,525.07
2	Public debt	1,74,640.22	1,99,681.73	2,19,974.55	2,38,000.97
3	Public account liabilities (Small savings, PF etc)	90,722.14	1,02,938.28	1,22,912.90	1,32,524.10
4	Off Budget Borrowing (OBB)	14,142.20	16,469.05	24,272.67	29,475.97
5	Outstanding liabilities including OBB	2,79,504.56	3,19,089.06	3,67,160.12	4,00,001.04
6	Liabilities including OBB/GSDP	34.38	41.35	39.29	38.23

Source: CAG (2024). State Finances Audit Report of the CAG for the year ended 31 March 2023. Report No.5 of the year 2024

# Expenditure on salaries and pensions (Table 7)

- An important cause for the persistent fiscal crisis is the salary and pension revision once in five years.
- Following a salary revision, the salaries increased from Rs 28,767 crore in 2020-21 to Rs 45,780 crore in 2021-22 (Increase of 59.1%).
- Pension increased from Rs 18,942 crore in 2020-21 to Rs 26,898 crore in 2021-22 (Increase of 42.0%).
- An examination of the past fiscal crises in Kerala indicate that the major cause for it is related to salary and pension revisions once in five years and the additional financial burden created due to it.

# Table 7

## Expenditure on salaries, pensions and interest (Rs crore)

No	Items	2019-20	2020-21	2021-22	2022-23
1	Salaries and wages	32,942.28	28,767.46 (-12.7)	45,780.08 (59.1)	39,389.65 (-14.0)
2	Pensions	19,064.29	18,942.85 (-0.6)	26,898.69 (42.0)	26,090.04 (-3.0)
3	Interest payments	19,214.70	20,975.36 (9.2)	23,302.82 (11.1)	25,176.36 (8.0)
4	Total	71,221.27	68,685.67 (-3.6)	95,981.59 (39.7)	90,656.05 (-5.5%)
5	Total as percentage of revenue expenditure (%)	68.0	55.6	65.7	63.9

Notes: Growth rate (%) are given in brackets

Source: CAG (2024). State Finances Audit Report of the CAG for the year ended 31 March 2023. Report No.5 of the year 2024

# Expenditure on inflexible items (Table 8)

- Due to shortage of funds the state is not able to provide adequate funds to local bodies (three tier panchayats, municipalities and municipal corporations).
- This adversely affected the activities of local bodies and their mandatory and development functions.
- The amount as share of centrally sponsored schemes (CSS) is declining. It means that Kerala does not have funds for full implementation of CSS.
- KIIFB, an out of budget scheme, is consuming a good part of tax revenue of the state.

## Table 8

### Expenditure of items of inflexible expenditure (Rs crore)

No	Items	2019-20	2020-21	2021-22	2022-23
1	Devolution to local bodies	8,007.35	12,345.16	10,186.09	12,375.71
2	Reserve funds	225.00	419.00	335.20	352.00
3	Share of Centrally Sponsored Schemes	2,091.50	4,959.78	3,859.50	2,739.00
4	Transfer of Motor Vehicle tax to KIIFB	2,200.00	2,172.86	2,068.08	2,469.69
5	Payment of interest on interest bearing funds	24.27	171.85	101.09	38.94
6	Total	12,548.12	20,068.65	16,549.96	17,975.34
7	Total as percentage of revenue expenditure (%)	12.0	16.3	11.3	12.7

Source: CAG (2024). State Finances Audit Report of the CAG for the year ended 31 March 2023. Report No.5 of the year 2024

## **Excessive borrowing pushed Kerala to a debt trap (Table 9)**

- Kerala has an annual borrowing ranging between Rs 69,735 crore to Rs 54,000 during a period of four years (2019-20 to 2022-23).
- Due to continuous borrowing, the amount of annual debt repayments are huge.
- A large amount has been paid as interest for the public debt.
- A disturbing aspect is that the net public debt available for the use of state is very small.



- In 2022-23 of the total debt receipts, 98 percent was paid as debt repayments.
- The balance amount available was only Rs 1144 crore in 2022-23
- This shows that the persistent excessive borrowing has pushed state in a debt trap.

## Table 9

### Outstanding public debt, annual public debt receipts and net debt available (Rs crore)

No	Particulars	2019-20	2020-21	2021-22	2022-23
1	Outstanding Public Debt	1,74,640.22	2,05,447.73	2,34,479.86	2,52,506.28
2	Rate of growth of outstanding debt (per cent)	-	17.64	14.13	7.69
3	Annual Public Debt Receipts	60,407.05	69,735.36	64,932.13	54,007.17
4	Annual Public Debt Repayments	44,001.28	38,927.85	35,900.00	35,980.75
5	Interest on Public Debt	13,273.79	14,409.57	15,774.79	16,882.59
6	Net Public Debt Available	3,131.98	16,397.94	13,257.34	1,143.83
7	Debt Repayments (including interest) /Debt Receipts (percent)	94.82	76.49	79.58	97.88

Source: CAG (2024). State Finances Audit Report of the CAG for the year ended 31 March 2023. Report No.5 of the year 2024

### **iii. Kerala's fiscal collapse in 2023-24**

- According to the Accountant General (A&E) data on annual accounts of government of Kerala, the finances of the state collapsed during 2023-24.
- During the financial year the state has availed public debt receipts worth Rs 1,03,453.94 crore from various sources.
- Of this, the debt repayments and interest on public debt was 1,00,539.31 crore
- The net public debt available for the use of government was Rs 2914.63 crore.

- In Kerala's history this is the largest amount of loan taken by government of Kerala in a year.
- Though the state has availed loan for more than one lakh crore a year, the net debt available for use was only 2.82 percent.
- It is a shocking situation where a state having a total expenditure of Rs 1.59 lakh crore a year, availed a loan of 1.03 lakh crore, a year.

# Trend in net public debt available

- According to CAG, the total annual public debt receipts of government of Kerala ranged between 69,735 crore in 2020-21 to 1,04,355 crore in 2023-24 (Table 10).
- However, after debt repayments and payment of interest the net public debt available was 76 percent in 2020-21.
- But the situation changed in 2022-23 with the net availability reasessed to 97.88 percent.
- This indicates a deteriorating situation with regard to availability of net debt for use of the government.

# Table 10

## Debt receipts, debt repayments and net debt available (*₹ in crore*)

No	Particulars	2020-21	2021-22	2022-23	2023-24
1	Total Public Debt Receipts	69,735.36	64,932.13	54,007.17	1,04,354.86
2	Total Public Debt Repayments	38,927.85	35,900.00	35,980.75	74,365.84
3	Interest on Public Debt	14,409.57	15,774.79	16,882.59	27,106.22
4	Net Public Debt Available	16,397.94	13,257.34	1,143.83	2882.80
5	Debt Repayments (including interest) /Debt Receipts (percent)	76.49	79.58	97.88	97.24

Source: CAG (2024). State Finances Audit Report of the CAG for the year ended 31 March 2023. Report No.5 of the year 2024

Accountant General (A&E) Kerala. (2024). Finance Accounts 2023-24, Volume I.

# Huge increase in ways and means advances (WMA)

- WMA are temporary advances given by Reserve Bank of India (RBI) to centre and state governments to tide over any mismatch in receipts and payments
- The government can avail of immediate cash from the RBI. But it has to return the amount within 90 days.
- Interest is charged at the existing repo rate (6.5%)
- If the WMA exceeds 90 days, it would be treated as overdraft
- The interest rate of overdraft is repo rate plus 2% (6.5% + 2%) i.e., 8.5%

- During the fiscal year 2023-24 the total amount of WMA taken was Rs. 53,306.52 crore. The increase is 238.6 percent (Table 11)
- The number of times WMA loan in 2023-24 was 225 times (Table 12)
- The number of times overdraft taken was 67 times (Table 12)
- This indicate the precarious fiscal situation of the state in 2023-24
- This means that state government resorted to continuous borrowing throughout the year to effect small amount of revenue payments.



## Table 11

### Internal debt (Rs Crore)

Items	2022-23	2023-24	Growth rate (%)
Market loans	30,839.00	42,438.00	37.6
Ways and Means Advances from RBI	15,745.01	53,306.52	238.6
Bonds			
Loans from Financial Institutions	790.19	611.07	-22.7
Special securities issued to National small savings	4,108.54	7,069.73	72.1
Other loans	-	28.62	-
Loans for state plan scheme (Central government)	2,524.43	900.92	-64.3
<b>Total</b>	<b>54,007.17</b>	<b>1,04,354.86</b>	<b>93.2</b>

Source: Accountant General (A&E) Kerala. (2024). Finance Accounts 2023-24, Volume I.

## **Table 12**

### **Ways and Means Advances in 2023-24**

Amount of ways and means advance availed	Rs 53306.52 crore
Number of times ways and means advance availed (ordinary and special drawing facility)	225 times
Number of times overdraft	67 times

Source: Accountant General (A&E) Kerala. (2024). Account at a glance for the year 2023-24

# Conclusion

- Politics of fiscal extravagance has been the political ideology of the recent state governments in Kerala in all aspects of administration and finances.
- The governments in power pursued reckless fiscal extravagance policies to give undue benefits to all categories of vested interest groups, trade unions of government staff and teachers, private aided educational institutions, public sector undertakings, autonomous bodies, semi government organisations, co-operative organisations etc.
- This has resulted in shift from prudent fiscal management to reckless fiscal management leading to a situation of persistent fiscal crisis, debt trap and fiscal collapse.

- The fiscal data of state government, suggest that the finances of the state collapsed during 2023-24.
- In spite of the huge borrowings, the state is not able to meet the routine revenue expenditure in the budget
- The factors contributed to this situation are unsound fiscal policies, poor fiscal management, excess increase in government departments and staff, revision of salaries and pension once in five years, diverting major share of annual borrowing for routine revenue expenditure, failure to achieve fiscal targets as per Kerala Fiscal Responsibility Act, diversion of funds to give assistance to loss making public enterprises, off budget borrowings etc.

- The factors that contributed to poor resource mobilisation are failure to effect periodical revision of taxes and non-tax items, failure to effect timely collection, laxity in collection of tax arrears, laxity in collection of tax and non-tax dues from government departments and local bodies, inaction in vacating stays issued by judicial authorities on arrear collection, corruption in tax administration etc.

## Reference

**B A Prakash (2023). Kerala's Unprecedented Fiscal Crisis and the State Budget of 2023-24. *Economic & Political Weekly*, Vol. 58, No. 48, Pp 27-29.**

# III. Migration of Keralites to the Gulf countries

- Kerala witnessed large scale migration of Keralites to the Gulf countries since the mid 1970's
- During the decades 1970's and 1980's, it was widely believed that the demand for foreign labour in Gulf countries was a temporary phenomenon.
- However, the history of Indian migration to the Gulf shows that there has been a continuous increase in the total stock of Indian emigrants in GCC countries between 1990 and 2020

- Studies arrived at the following conclusions on the economic impact of Gulf migration on Kerala's economy. The large-scale migration and flows of remittances have resulted in unprecedented socio-economic changes in Kerala.
- As the volume of remittances, received in Kerala was very large, the impact of it on the regional economy was very great. Thus the remittances had given the biggest push to the state's economy since the mid 1970s.
- Though the COVID-19 pandemic has resulted in an exodus of Kerala emigrants from the Gulf and a fall in remittances, the situation revived to pre-pandemic level in 2023.

- Some scholars are of the view that there is a possibility for more return of Keralite emigrants in near future.
- But UN migration data show steady growth in Indian emigrants in GCC countries between 1990 and 2020.
- Based on this, I predict that migration to Gulf and flow of remittances will remain stable in the near future.
- I think the Gulf migration will continue to remain as one the pillars in Kerala's economy.
- **For trends in Indian migration to GCC countries see tables 13 to 20**



# Promote all categories of international migration from Kerala

- Migration is a difficult process. It is a painful experience. It involves lot of sacrifices, high uncertainties and risk.
- Only those who wish to take the risks, uncertainties, painful experience and adjust to the new surroundings in the foreign countries succeed.
- A sizeable number fail in migration and face huge sufferings, health problems and monetary losses.

- **Labour migration to the Gulf countries:** It is a contract category of migration. It is a temporary labour migration. The main motive is to earn foreign money and sent it back to home country.
- **Migration to Europe, UK and other developed countries:** The objective is to settle in the foreign countries. This is not a desirable category of migration from the point of view of migration origin country. It is viewed as brain drain.
- **Student migration to developing countries:** Many students migrate to developing countries for studies and future settlement.
- It is suggested to promote all categories of international migration from Kerala.

## References

**B.A. Prakash, (2022). COVID-19 pandemic and Exodus of Keralite Emigrant Workers from GCC countries: Causes of Return, Activity Status of Returnees and Economic Impact, Working Paper No 507, Centre for Development Studies, Thiruvananthapuram.**

For 50 years of Kerala's migration to the Gulf see the book

**B. A. Prakash, (2024), Five Decades of Kerala's Migration to the Gulf Countries 1979-2024, Modern Book Centre, Thiruvananthapuram.**

**Table 13: Indian Emigrant Stock in GCC and other major countries (Mid-Year 2020)**

No	Country and Region	Number	Percentage
<b>I</b>	GCC Countries		
<b>1</b>	United Arab Emirates	34,71,300	19.4
<b>2</b>	Saudi Arabia	25,02,337	14.0
<b>3</b>	Oman	13,75,667	7.7
<b>4</b>	Kuwait	11,52,175	6.4
<b>5</b>	Qatar	7,02,013	3.9
<b>6</b>	Bahrain	3,65,098	2.0
	Total	95,68,590	53.5
<b>II</b>	Major Countries		
<b>1</b>	USA	27,23,764	15.2
<b>2</b>	Canada	7,20,083	4.0
<b>3</b>	United Kingdom	8,35,359	4.7
<b>4</b>	Australia	5,79,264	3.2
<b>5</b>	Nepal	4,26,941	2.4
<b>6</b>	Pakistan	15,97,134	8.9
	Total	68,82,545	38.5
<b>III</b>	Other Countries	14,18,357	7.9
	<b>Total</b>	<b>1,78,69,492</b>	<b>100.0</b>

Source: United Nations, Population Division

<https://www.un.org/development/desa/pd/content/international-migrant-stock>

**Table 14: Stock of Indian Emigrants in GCC Countries  
(1990-2020)**

Year	Number		
	Total	Male	Female
<b>1990</b>	19,55,742	14,02,456	5,53,286
<b>1995</b>	22,90,500	16,54,966	6,35,534
<b>2000</b>	27,39,088	19,87,886	7,51,202
<b>2005</b>	37,13,359	27,66,243	9,47,116
<b>2010</b>	64,42,475	49,47,084	14,95,391
<b>2015</b>	82,52,572	63,15,670	19,36,902
<b>2020</b>	95,68,590	73,11,033	22,57,557
	Growth Rate (%)		
<b>1990</b>	-	-	-
<b>1995</b>	17.1	18.0	14.9
<b>2000</b>	19.6	20.1	18.2
<b>2005</b>	35.6	39.2	26.1
<b>2010</b>	73.5	78.8	57.9
<b>2015</b>	28.1	27.7	29.5
<b>2020</b>	15.9	15.8	16.6

Source: United Nations, Population Division

<https://www.un.org/development/desa/pd/content/international-migrant-stock>

**Table 15: Stock of Indian Emigrants in United Arab Emirates (1990-2020)**

Year	Number		
	Total	Male	Female
<b>1990</b>	4,58,294	3,53,599	1,04,695
<b>1995</b>	6,67,853	5,06,060	1,61,793
<b>2000</b>	9,15,878	6,85,691	2,30,187
<b>2005</b>	12,86,993	9,78,024	3,08,969
<b>2010</b>	29,13,858	22,64,033	6,49,825
<b>2015</b>	31,84,043	24,45,963	7,38,080
<b>2020</b>	34,71,300	26,66,029	8,05,271
	Growth Rate (%)		
<b>1990</b>	-	-	-
<b>1995</b>	45.7	43.1	54.5
<b>2000</b>	37.1	35.5	42.3
<b>2005</b>	40.5	42.6	34.2
<b>2010</b>	126.4	131.5	110.3
<b>2015</b>	9.3	8.0	13.6
<b>2020</b>	9.0	9.0	9.1

Source: United Nations, Population Division

<https://www.un.org/development/desa/pd/content/international-migrant-stock>

**Table 16: Stock of Indian Emigrants in Saudi Arabia  
(1990-2020)**

Year	Number		
	Total	Male	Female
<b>1990</b>	9,06,468	6,12,071	2,94,397
<b>1995</b>	9,29,709	6,27,174	3,02,535
<b>2000</b>	9,78,992	6,64,047	3,14,945
<b>2005</b>	12,16,549	8,46,607	3,69,942
<b>2010</b>	15,79,235	11,20,873	4,58,362
<b>2015</b>	20,03,256	14,06,156	5,97,100
<b>2020</b>	25,02,337	17,41,093	7,61,244
	Growth Rate (%)		
<b>1990</b>	-	-	-
<b>1995</b>	2.6	2.5	2.8
<b>2000</b>	5.3	5.9	4.1
<b>2005</b>	24.3	27.5	17.5
<b>2010</b>	29.8	32.4	23.9
<b>2015</b>	26.8	25.5	30.3
<b>2020</b>	24.9	23.8	27.5

Source: United Nations, Population Division

<https://www.un.org/development/desa/pd/content/international-migrant-stock>

## Table 17: Stock of Indian Emigrants in Oman (1990-2020)

Year	Number		
	Total	Male	Female
<b>1990</b>	1,52,554	1,30,597	21,957
<b>1995</b>	2,82,987	2,31,637	51,350
<b>2000</b>	3,33,881	2,73,163	60,718
<b>2005</b>	3,73,411	3,11,991	61,420
<b>2010</b>	4,73,206	4,03,953	69,253
<b>2015</b>	10,76,151	9,42,362	1,33,789
<b>2020</b>	13,75,667	12,04,672	1,70,995
	Growth Rate (%)		
<b>1990</b>	-	-	-
<b>1995</b>	85.5	77.4	133.9
<b>2000</b>	18.0	17.9	18.2
<b>2005</b>	11.8	14.2	1.2
<b>2010</b>	26.7	29.5	12.8
<b>2015</b>	127.4	133.3	93.2
<b>2020</b>	27.8	27.8	27.8

Source: United Nations, Population Division

<https://www.un.org/development/desa/pd/content/international-migrant-stock>



## Table 18: Stock of Indian Emigrants in Kuwait (1990-2020)

Year	Number		
	Total	Male	Female
1990	3,75,183	2,57,851	1,17,332
1995	3,32,377	2,32,387	99,990
2000	4,18,664	2,98,321	1,20,343
2005	4,85,921	3,53,967	1,31,954
2010	6,75,347	5,00,247	1,75,100
2015	10,61,758	7,48,549	3,13,209
2020	11,52,175	8,12,171	3,40,004
	Growth Rate (%)		
1990	-	-	-
1995	-11.4	-9.9	-14.8
2000	26.0	28.4	20.4
2005	16.1	18.7	9.6
2010	39.0	41.3	32.7
2015	57.2	49.6	78.9
2020	8.5	8.5	8.6

Source: United Nations, Population Division

<https://www.un.org/development/desa/pd/content/international-migrant-stock>

**Table 19: Stock of Indian Emigrants in Qatar (1990-2020)**

Year	Number		
	Total	Male	Female
<b>1990</b>	2738	1998	740
<b>1995</b>	2975	2218	757
<b>2000</b>	2769	2111	658
<b>2005</b>	1,93,404	15,7924	35,480
<b>2010</b>	5,40,914	46,0980	79,934
<b>2015</b>	6,45,577	55,6448	89,129
<b>2020</b>	7,02,013	60,4194	97,819
	Growth Rate (%)		
<b>1990</b>	-	-	-
<b>1995</b>	8.7	11.0	2.3
<b>2000</b>	-6.9	-4.8	-13.1
<b>2005</b>	6884.6	7381.0	5292.1
<b>2010</b>	179.7	191.9	125.3
<b>2015</b>	19.3	20.7	11.5
<b>2020</b>	8.7	8.6	9.7

Source: United Nations, Population Division

<https://www.un.org/development/desa/pd/content/international-migrant-stock>

**Table 20: Stock of Indian Emigrants in Bahrain (1990-2020)**

Year	Number		
	Total	Male	Female
<b>1990</b>	60,505	46,340	14,165
<b>1995</b>	74,599	55,490	19,109
<b>2000</b>	88,904	64,553	24,351
<b>2005</b>	1,57,081	1,17,730	39,351
<b>2010</b>	2,59,915	1,96,998	62,917
<b>2015</b>	2,81,787	2,16,192	65,595
<b>2020</b>	3,65,098	2,82,874	82,224
	Growth Rate (%)		
<b>1990</b>	-	-	-
<b>1995</b>	23.3	19.7	34.9
<b>2000</b>	19.2	16.3	27.4
<b>2005</b>	76.7	82.4	61.6
<b>2010</b>	65.5	67.3	59.9
<b>2015</b>	8.4	9.7	4.3
<b>2020</b>	29.6	30.8	25.4

Source: United Nations, Population Division

<https://www.un.org/development/desa/pd/content/international-migrant-stock>

# IV. COVID-19 pandemic and future outbreak of pandemics

- The COVID-19 pandemic which originated in China, spread at an unprecedented speed across all regions and countries in the world within the first three months of the year 2020.
- Scientists say that COVID-19 is expected in circulation for the long term, and further mutations of the virus remain a key risk of the world.
- We are living in a chaotic world where we can expect natural or manmade pandemics at anytime and anywhere
- So the first and foremost objective of Kerala should be to strengthen the public and private health system to face this challenge.

- Strengthen the public hospitals and other medical institutions through provisions of better facilities and equipment, adequate staff both medical and non-medical, adequate supply of medicines and other requirements on top priority.
- Urgent steps for preventing the spread of diseases through effective mosquito eradication schemes, collection of solid waste and its disposal, better disposal of liquid waste and waste water, improving the system of sewerage, starting public toilets in public places and ensuring better cleaning of markets and other public places.
- Conduct medical research and strengthen the medical research institutions in the state to face the sudden challenge created due to spread of a new epidemics.

# **COVID-19 pandemic and economic impacts**

- Due to the pandemic induced economic crisis, the global economy experienced the deepest recession since 1945-46.
- The Indian economy and the regional economy of Kerala experienced the worst recession since 1951-52.
- To check the spread of the virus, the Government of India implemented unprecedented restrictions such as lockdowns, travel restrictions, closure of schools and educational institutions, closure of commercial and production units, imposition of restrictions on international air travel etc.

- The pandemic has effected rapid structural changes such as vanishing a number of traditional activities, generation of new activities resulted in the use of new practices and spread of digitalisation.
- COVID-19 has shifted a good part of the tourists from foreign to domestic in Kerala.
- Kerala also experienced an unprecedented fall in foreign tourists in 2020 and 2021.
- Coaching centres became irrelevant due to online learning.
- The publishing industry witnessed a shift from book publishing to e-books, e-journals and other digital platforms.

- A large number of investors invested in tourist buses, tempo travellers, buses forced to stop their operations.
- A substantial share of sales of consumer products, grocery, food items etc are shifted to e-commerce mode.
- A substantial share of office work and IT work were shifted from work places to home.
- On the whole COVID-19 has effected a basic structural shift in economic activities and employment from the pre COVID-19 system to a new system.
- The state has to formulate necessary regulatory measures for the smooth transition to the new practices.



# **Develop infrastructure for promotion of digital economy**

- Following the spread of COVID-19, there has been a sudden change in digitalisation.
- The banking and payments have experienced a large shift to digitalization.
- Remote working arrangements, shift of office work to home using internet and computers, online learning of students and growth in digital platforms.
- The adoption of digital technologies have been twice as much in sectors like healthcare and pharmacies, professional and financial services.

- E-learning, e-healthcare services, e-business, e-marketing, e-commerce, e-banking etc were some of the most in-demand digital technologies which registered a spurt in its growth.
- This shift to digitalization will adversely affect sections like old people who cannot able to adopt new technology, poor people who cannot afford the equipment such as smart phones which result in a digital divide
- This shift to digital economy needs expanding electricity supply and internet connectivity to interior rural areas, inaccessible places and forest areas in the state.

# Reference

B. A. Prakash and Jerry Alwin (2023). Kerala's Economic Development: COVID-19 pandemic, economic crisis and public policy. Pearson

**THANK YOU**