



**ADDRESS**  
**TO**  
**THE LEGISLATIVE ASSEMBLY**  
**KERALA**

**24<sup>TH</sup> JANUARY, 2003**

**BY**

**SHRI SIKANDER BAKHT**  
*GOVERNOR OF KERALA*

*Hon'ble Speaker, Hon'ble Members,*

I am happy to be here today with you in this august assembly. This is the first time that I am addressing you after assuming office as Governor in this beautiful State.

2. The Government is in its second year now. I do not have to remind you, at length, of the very difficult circumstances in which my Government assumed office. A State on the verge of financial bankruptcy; an administration that was perilously close to total paralysis – on the one side; and the people of Kerala waiting eagerly for breaking the many chains that had weighed down their energies and their vigour and enthusiasm for social and economic progress – on the other. Therefore, the primary task of my Government, over the past twenty months, has been all about reconstruction, rebuilding and reforms. The wasted sinews of our public systems, under threat of total breakdown, had to be systematically restored to new vigour and life. Indeed, not an easy task, by any stretch of imagination.

3. Last year, my Government had, in this very house, charted out an agenda for progressive reforms. Determined efforts are needed to carry out our policies in the various sectors—all of them centred on modernisation and development with a human face. The process of restoration and rebuilding is far from complete. There is no room for complacency or for resting on our laurels. But, we have crossed the hump. Kerala is clearly seeing signs of a recovery that augurs well for the future.

4. We are, as a State, more than at any time in the recent years, poised well for realising the grand vision that we have drawn up for ourselves. Last year my Government had promised this House that the first priority of the new Government would be to put back the financial management of the State on rails and restore the sanctity of the budget. I am happy to inform you that the financial year ending March 2002 saw the best ever achievement in bringing down fiscal and revenue deficits and moving towards fiscal normalcy. Fiscal deficit came down by nearly 16% in a single year. The irregular practice of booking fictitious expenditure by transfer to the Treasury Public Accounts of Government Departments has been stopped completely. New systems for ensuring better fund flows to departments and government institutions are in place. My Government is in the process of repaying liabilities accumulated in the past and mercilessly passed on to it in May 2001. Revenue buoyancy has been significantly up this year, and has recorded appreciable gains, particularly in the last several months. What is also considerably reassuring is that the credibility of the State among financial institutions has perceptibly improved over this period, as is evident from the response to bonds floated by Government and its agencies in the market.

5. My Government realises that the crisis in the plantation sector calls for sustaining our proactive interventions there. Notwithstanding that, optimistic indications, from the agricultural sector except for crops like tea, coffee and arecanut, are that the worst is over. Agricultural prices, at least in a few significant commodities, have shown very healthy trends. Clearly this will, in turn, help the economy of Kerala and enable my Government to stage the recovery so vital to growth and prosperity.

6. My Government has been able to unleash the energies in the educational sector. This year alone, there has been an impressive capital investment of over Rs.1000 crores directly due to this, not to speak of the massive spin-off benefits expected in the State's economy. Kerala is now poised for a quantum leap in the field of higher and professional education. Our strategic move will restore to Kerala, its prime position in the ability to supply human resources of very high order. This naturally will have its very positive impact in increasing the pace of investments within the State and will go a long way in generating more employment opportunities.

7. The Global Investors Meet (GIM) received an overwhelming response. This clearly reaffirms the validity of the policies of my Government to make Kerala the preferred investment destination in the country and attract funds for investment in the State through the private and public sectors. Industrial and infrastructure expansion are the keys to increasing quality employment and income opportunities for the labour force in Kerala and improving the development prospects for our urban and rural areas. Undoubtedly, in these times, when adequate surpluses are simply unavailable from the public sector for such investment, resources harnessed through the private sector and other funding agencies assume critical importance. My Government has initiated comprehensive reforms of laws and intends to repeal obsolete laws and simplify rules and procedures that stymie the State's development. As part of the measures to improve investor confidence in the State, my Government has removed a few restrictive labour practices in loading and unloading. Most labour unions too have progressively come

to realise that these changes will significantly increase job opportunities. A political consensus has to emerge around issues like frequent hartals, disruptive bandhs and strikes. Many a time they mar the investment face of Kerala and run counter to policy initiatives for attracting investment to our State.

8. More and more investors, now, have begun to seriously reckon Kerala as a bright, prospective destination for IT investments—yet another testimony to my Government's initiatives in this sector. The tourism sector in the State is building impressively on the accolades that it has earned in the past. Kerala remains in the forefront, among the best tourism locations in the world. Clearly, the dream of a vibrant Kerala is unfolding before us.

9. My Government has certainly had to tighten its belt to live through the crisis. The people of Kerala have also cooperated, fully understanding what an uphill task it would be for Government to nurse back the State to health. My Government appreciates the efforts of its employees who are helping us wholeheartedly in this process of restoration and reform. This year, the stress shall be on building a modern and fully trained work force provided with the right environment to work in. My Government hopes to take up the task of modernising and restructuring the Secretariat first, followed by offices at the State and District levels.

10. At this juncture, I do intend to raise a few questions for us to collectively introspect about. Can't we, as a State, set aside all our differences and be one when it comes to issues of development? During the Ninth Five Year Plan (1997:-2002), out of a total of Rs.36,159 crores, which was

disbursed by Government of India under external aid, Kerala received an amount of Rs. 295 crores only,—merely 0.8% of the total external fund flows into the country. On a per capita basis, Kerala received an amount of Rs.18.55 only, as against a national average of Rs.70.42. Is it not time that we sink our differences, and unite in getting for the State, all the resources that we can legitimately seek—whether it be from the Government of India or any other source?

11. This Government had held several rounds of deliberations and discussions with the Asian Development Bank (ADB) on the application for loan that had been submitted to ADB in 1998. We have successfully signed the agreements for the Kerala Modernising Government Programme and Fiscal Reforms Loan from ADB, with the participation of the Government of Netherlands. Many times over, my Government had given assurances and reassurances that on no account will we agree to anything, which compromises the State's sovereignty. Now, as you read the agreements with ADB that my Government is releasing in this Assembly, you would realise that it is yet another feather in the cap of this Government that we have been able to negotiate for ourselves sizable funds for development without compromising an inch, on issues of public interest. In retrospect, would we not feel now that all those hours of unceasing tirade were but a colossal misdirection of human energy?

12. 'ADB' or for that matter, any issue of development of our State should not be made a narrow polemical debate for political advantage. The State's interest is bigger than each one of us, or the organisations that we represent, or the ideologies and beliefs that we hold. Development should not become embroiled in controversies among ourselves, with public interest getting jeopardised in the process.

13. I am happy to inform this august House, that my Government's emphasis on working constructively with the Government of India in the interests of our State has yielded rich dividends. My Government has made concerted efforts in successfully following up projects with the Government of India. The International Container Terminal at Vallarpadam, the additional international flights from our airports, the Coastguard Station sanctioned at Vizhinjam, the positive responses received from Government of India on the extension of National Waterway III and the doubling of the Ernakulam-Kayamkulam railway lines (via Alappuzha and Kottayam) are a few of the fruits of such efforts. My Government would like to gratefully acknowledge the help received from our Hon'ble Members of Parliament in taking up several projects with the Government of India.

14. As part of the package funded by ADB and the Government of Netherlands, my Government has designed a canopy of programmes of far reaching significance for the common man, particularly the poor. My Government has received Rs. 601.30 crores from the Government of India, as the first tranche of this loan. While part of the funds under this loan will go towards providing some immediate fiscal relief to the exchequer, my Government proposes to use the lion's share for a well-designed package of schemes that reflect many critical priorities of the State. These schemes reflect the development goals that we have set for ourselves in our Tenth Five Year Plan and the recently announced Kerala Development Plan for local bodies. This package includes schemes like the asset renewal of hospitals and schools, improving health care delivery, rehabilitation of water supply schemes in Panchayats, social service scheme for the

destitute, rehabilitation of labour, implementing a Local Self Government Action Plan, improvement of public delivery systems and upgradation of the government machinery itself. Under the programme, the State Government will assist Local Self Governments in drawing up separate plans for women, children, the aged, the destitute and the physically and mentally challenged. These specific initiatives will help Kerala reaffirm its abiding commitment to protect the social indicators that it has achieved in the past.

15. My Government has been able to clearly define a grand vision for the development of the State in its Tenth Five Year Plan. The various steps that the Government has taken during the last twenty months have indeed helped in sharpening the focus on issues and bring out the real development imperatives in the State. The package we have designed under the Kerala Modernising Government Programme (MGP) and Fiscal Reform Loan is an attempt to bring together these initiatives in a common framework for better coordination and monitoring. MGP conceptualises a development approach for Kerala around five important pillars, viz., to ensure an assured level of basic public services to the poor and the marginalized, to build an enabling environment for growth, to make the State and local governments fiscally sustainable, to enhance effectiveness and efficiency of core government functions and lastly, to build on our decentralisation to create more efficient, effective and accessible local self Governments. It is my Government's intention to make extensive consultations with all stakeholders, in the months to come, the hallmark and defining characteristic of MGP.

16. Translating the vision for our State into reality needs enhanced quality of planning. What Government needs is to establish an organic link between policy, programmes and



budget, focusing on clearly verifiable outcomes of the planning process. Next year, selected departments will initiate a process of preparing their annual budget on the concept of the 'resource envelope' that would take into account an optimal mix of staff costs, operation and maintenance expenses and new investments in schemes. My Government has already announced a policy on asset management, which covers assets created particularly for the benefit of the poor. There are a large number of infrastructure projects, which are facing time and cost overruns, leading to ineffectual investments and wastage. A policy for such long pending infrastructure projects has been formulated.

17. The Tenth Plan for the State focuses on poverty reduction through employment generation. Poverty is a multi-dimensional phenomenon. It needs a multi-pronged approach to break the ratchet effect of its debilitating manifestations. I am happy to announce that we have been the first State to conceive of and draw up an Anti Poverty Sub Plan, which will also dovetail LSG plans into the State Plan programmes. My Government intends to make the survey for identifying BPL families comprehensive enough to bring out all the salient features of poverty in Kerala—a step that will make planning for poverty alleviation more effective and meaningful. I should specially mention here that this year, my Government intends to prepare a Human Development Report and a State Development Report for the State in partnership with the Planning Commission.

18. My Government is deeply committed to the process of decentralisation that is enshrined in our Constitution. The Kerala Development Plan that we have announced is a systematic attempt to further strengthen the process of decentralisation in our State. The recently concluded campaign that launched the programme is an unequivocal proclamation of the Government's firm resolve to strengthen decentralisation.

19. Kudumbashree, the State Poverty Eradication Mission, marching ahead with the avowed objective of eradicating absolute poverty in Kerala through local participation, has now been able to establish itself in all the local bodies in the State. The achievements are indeed phenomenal both in numbers and quality of coverage of micro-enterprises and scale of resource mobilisation. Kudumbashree's activities also include in its ambit, very many socially relevant initiatives like Balasabhas. It has also taken up the IT @ school programme in 107 schools, centrally sponsored urban poverty alleviation schemes like SJSRY, NSDP and VAMBAY scheme for 43 municipalities. In 2003-04, the activities of Kudumbashree will be stepped up in scale, with thrift collection targeted to reach Rs. 250 crores, balasabhas to be formed in all the wards, lease land farming taken up over 5000 hectares and destitute rehabilitation programme implemented in 100 more Panchayats.

20. My Government is launching a "Clean Kerala Initiative" with the primary objective of ensuring solid waste management and cleanliness throughout the State. In the first phase, this campaign will be undertaken in 5 Corporations and 26 Municipalities and thereafter extended to all local bodies.

21. My Government accords the greatest importance for developing the Capital Region of Thiruvananthapuram and is preparing a vision document towards this. It is proposed to set up a Habitat Centre of international standards at Thiruvananthapuram with assistance of HUDCO and Government of India. There is also a proposal to set up a HUDCO Haat in Kozhikode. My Government intends to complete the works of Goshree Project in Kochi during the coming year. In 2003-04, Information Kerala Mission (IKM) will complete the computerisation of Local Self Governments.

22. To mark the Community Development Golden Jubilee Year Celebrations, Government had drawn up several programmes with the active participation of local self governments directed towards consolidating the gains of the various poverty alleviation programmes. The thrust during the Jubilee year has been on the modernisation of the Rural Development Department including computerisation and special training for the staff. My Government proposes to focus systematically on the challenges faced by the beneficiaries of poverty alleviation programmes in marketing rural products. The Government has taken a policy decision to use natural rubber for village roads and other major roads constructed under Pradhan Mantri Gramin Sadak Yojana (PMGSY) for achieving durability as well as for promoting the demand for natural rubber—a vital element in the recovery of the agrarian economy of the State. My Government has accelerated the pace of implementing the Japanese assisted Attapady Wasteland Comprehensive Environmental Conservation Project with a total outlay of Rs. 220 crores.

23. I am happy to note that my Government, through concerted efforts, has been able to bring in all-round development in the IT Sector. Two very vital IT projects, viz. the high tech park at Kochi and the State wide educational grid are to be commissioned very shortly. A very unique mass based IT literacy programme 'Akshaya', the most ambitious IT dissemination effort launched so far, was inaugurated and is making excellent progress. Recognising the fact that IT Enabled Services represent the fastest growing IT segment, my Government hopes to launch a major training programme for graduates and educated unemployed. Several key initiatives for IT induction in the Secretariat and major departments will be completed during the coming year. Kochi has been rated as the second most attractive location for IT Enabled Services in the country.

There are clearly encouraging signs of increased investor confidence in the State. We are very optimistic that some of the major IT companies will shortly start operations here. In short, Kerala is now on the threshold of an IT revolution.

24. Tourism sector in Kerala is widely acknowledged to be one of the promising routes to economic progress of the State. This importance largely stems out of its potential for generating income and employment. My Government's efforts in tourism, therefore, are designed to fully reflect the strategic importance of this sector. Rightly so, the highly positive endorsement of Kerala as a preferred strategic destination now finds place in many well known travel and tourist guides and internationally renowned magazines. The tourism sector did Kerala proud by winning several international and national awards this year. The Tourism Vision 2025 document prepared by Government clearly sets out the grand strategy for the development of eco-sensitive and sustainable tourism in the State.

25. My Government expects the coming year too, to be one that is very eventful for this sector. The Dream City project at Kozhikode, the International Standard Golf Course in Vallarpadam, Kochi, and a Comprehensive Master Plan preparation for Thrissur, Wayanad, Alappuzha, Ponmudi and the backwaters are some of the major projects scheduled for the coming year. All this will help realise the phenomenal growth predicted by the World Travel and Tourism Council (WTTC) and Oxford Economic Forecasting (OEF) for the tourism economy and employment in the coming decade.

26. I am happy to state that my Government has been able to make significant strides in improving the industrial and investment climate in the State. The successful conduct of the Global Investors Meet (GIM) in Kochi last week has put

Kerala prominently in the national investment map. GIM shows the commitment of my Government to address the issue of unemployment through greater investment. The interest kindled by GIM and the change in investment climate is expected to trigger off an investment boom in the State.

**27.** As part of the initiatives to create an enabling environment for industry, under the Industrial Policy 2001, my Government will be announcing a self-certification scheme for the benefit of prospective entrepreneurs and allow full and free 'captive power production' for all industries in the State. The Government intends to initiate activities for establishing two new parks in addition to the two under construction. The long awaited Vallarpadam International Container Terminal is going to be a reality shortly. Kochi Industrial Zone, with its geo-strategic advantage will soon emerge as the port-cum-commercial hub for the entire South Asian Region. Government intends to set up a Food Processing Mission and formulate a Food Processing Policy to strengthen its position in the sector. It is also proposed to develop a Herbal Park in Wayanad.

**28.** My Government will shortly declare its Special Economic Zones Policy for attracting more investments into infrastructure creation. I am also happy to announce that Government of India has given in principle approval for additional infrastructure facilities of approximately Rs.17 crores for the Apparel Park at Thiruvananthapuram. The 40 crores Textile Centre under the Infrastructure Development Scheme is a notable achievement of my Government. The Government intends to restructure and revamp ailing Public Sector Units in a phased manner.

**29.** Small Scale Industry is the backbone of the industrial structure of Kerala. Government intends to restructure the Directorate of Industries and Commerce, to strategically position it as an effective catalyst for rapid industrial growth.

30. My Government realises that efforts to encourage industrial growth and investment in Kerala will be lopsided and inequitable, if the traditional sector is not also revitalized and made sustainable. A comprehensive revitalization plan for the traditional industries will be drawn up as part of the initiatives for Local Economic Development under MGP. The plan will encompass sectors like coir, handloom, cashew, fisheries, handicrafts and khadi and village industries. It will contain well-designed support mechanisms for workers in this sector, integrated with schemes for the upgradation and infusion of technology, adoption of cost reduction techniques, and promotional activities. Government intends to raise resources both from national and external agencies, for the implementation of this plan.

31. My Government accords high priority to the development of the coir sector considering the large number of coir workers involved in this traditional industry and also its export potential. In this year, the quantity of exports has gone up and labour prospects in this sector have also commensurately increased. The withdrawal of the Purchase Price Enforcement (PPE) scheme has led to unrest in the coir sector. Government earnestly desires an early and amicable resolution to the unrest in the sector. A special scheme, in addition to the co-operative schemes, for women coir workers through self-help groups will be implemented with the assistance of the Coir Board. Government realises that the coir industry needs strong R&D efforts and proposes to set up a Research Institute in the State for coir. The actual functioning of co-operative societies will be strengthened to help them contribute better to the interests of the workers in this sector.

**32.** Kerala's agriculture has been braving a severe crisis. I am happy to note that, of late, prices of major agricultural commodities have shown signs of a recovery. The Special Package of my Government has helped this recovery. Our Government has asked the support of the Government of India for a market intervention scheme. The new initiatives of my Government are focused on sustainable agricultural development and revamping the existing infrastructure in the agriculture department. Our approach in the agricultural sector will be to ensure that the adverse impact of the WTO regime is mitigated, while using the opportunities offered by the new regime to our best advantage.

**33.** My Government is implementing the Macro management scheme of Government of India. Thrust areas include group farming initiatives for rice cultivation and rejuvenation and removal of old diseased coconut palms. Major schemes that need particular mention include infrastructure development in Thuravur, Palakkad and Vaikom areas to benefit 10,000 hectares, NABARD assisted schemes for three districts and Onattukara region to benefit 80,000 hectares, the second phase programme for Onattukara region and the highland floods flow canal scheme for the kole lands of Thrissur. The successful model used under the Kerala Horticulture Development Programme will be extended to other districts, while work in Kollam and Alappuzha is in progress. As part of the thrust given to women oriented programmes, an ambitious floriculture programme is underway in Palakkad and Alappuzha Districts. To sustain and re-establish Alappuzha's position in agriculture, my Government shall take up a special scheme for women in agriculture and a programme for youth, focused on utilizing fallow land in the District.

34. The reports from the Dr. M. S. Swaminathan Committee on WTO issues in Agriculture and the Dr. V. L. Chopra Committee on Information Technology and Biotechnology will help plan our strategic efforts in this sector. My Government proposes to establish a Virtual University for Agriculture Trade to help better information access aimed at meeting the new challenges in Agriculture in the changed WTO based regime. The six wholesale markets assisted under EEC will be operationalised. My Government proposes to take up large-scale interventions in the Biotechnology Sector. The Government's proposal to create an Agri-Export Zone for fruits and vegetables is under the active consideration of Government of India. It is intended to present two more similar proposals for spices and flowers.

35. The Animal Husbandry Department under the Government is providing the lead role in the State in veterinary health care, disease prevention and control and extension services. The 'cup of milk and a handshake' is one among many of the popular schemes under implementation with the partnership of the Kerala Co-operative Milk Marketing Federation. The Department of Dairy Development with support of KLDB has taken up cultivation of perennial fodder in 1500 hectares and seasonal fodder in 1000 hectares in the State. My Government has an ambitious plan for converting all ICDP sub centres to livestock production and service centres for promoting greater participation in livestock economy and for generating additional employment and income.

36. My Government proposes to bring out a comprehensive Fisheries Development and Resource Conservation Policy on the future directions in the fisheries sector. A time bound project 'Matsya Vyooham' will be implemented for formulating, co-ordinating and sustaining development initiatives in the



fisheries sector using funds from Government of India, besides NABARD, NCDC and HUDCO. MATSYAFED will increase its focus of activities at the primary society/village level. Government has submitted a Rs.503 crore—Social Infrastructure Project to Government of India and Planning Commission for providing basic amenities and integrated infrastructure facilities for fishermen. FIRMA, the State Fisheries Resource Management Society will take up the promotion of Ornamental Fisheries on an extensive scale. Government proposes to set up an Aqua Park in Kochi for promoting entrepreneurs in aquaculture. FIRMA has submitted proposals to Government of India for entering into technical tie-ups with National and International Agencies in the areas of Cold Water Fisheries, Mangrove forestation and ornamental fisheries.

37. My Government also proposes to upgrade and modernise all fishing harbours and fish landing centres to meet international standards. The ongoing pilot project 'Oru Nellum Oru Meenum' in the Kuttanad Paddy Lands will be extended to the whole of Kuttanad and Thrissur Kole Lands. Government intends to form two Authorities viz. the Munambam Fisheries Harbour Authority and the Ashtamudi Lake Authority in the next year. Government is expecting early clearance from Government of India for three new fisheries harbour projects at Thottapally, Koyilandi and Thalai. A new hatchery will be set up at Odayam in Varkala. Despite financial constraints, Government has been able to distribute sizable share of funds as pensions and other welfare assistance to the fishermen in Kerala.

38. My Government will focus on shaping an efficient and effective co-operative sector in tune with the requirements of the times. The interest rate on agricultural loans has been reduced by three per cent since this Government came to

power. The 'One Time Settlement Scheme' has brought direct and immediate relief to 1.7 lakh members of societies in the co-operative sector. Government proposes to widen the ambit of the co-operative sector through legislative measures, within the present system, facilitating greater scope for self-financing institutions.

39. An Apex Federation of women co-operatives has been registered. The Government intends to constitute the first Arbitration Court in Thiruvananthapuram to resolve non-monetary disputes under the co-operative sector. I am especially pleased to announce that the Government, through constant efforts, has been able to obtain permanent recognition of the Pariyaram Medical College. We are now in the process of starting a dental college, nursing college, nursing school, pharmacy training and paramedical courses in the Pariyaram Medical College. My Government is resolved to remedy the infrastructure deficiencies in the Kochi Medical College, using funds mobilised through a co-operative consortium and is confident of obtaining the recognition from the Medical Council of India. It is particularly noteworthy that, at a time when the agricultural sector is struggling to emerge out of its crisis, the Agricultural Debt Relief Scheme has benefited nearly 3.6 lakh members in our co-operative societies.

40. Following the suspension of NABARD assistance to co-operative banks, as a result of non-payment of the colossal amounts borrowed by the previous Government from co-operatives, the sector has gone through a period of considerable financial distress in the past few years. I am happy to announce that Government has been able to arrive at a schedule of repayments to the co-operative banks, following which NABARD has agreed to resume financing to the co-operative sector.

**41.** The rich bio-diversity of forests of Kerala and the part that forests play in the ecological balance as well as the economic life of the State needs no emphasis. My Government's approach to forestry and wild life management stems from this recognition. This year is notable for several landmark achievements, particularly the planting of 15 lakh seedlings under the '*Haritholsavam*', '*Vrichikam Onninu Vriksham Onnu*' Programmes, the constitution of the Forest Intelligence Cell at Thiruvananthapuram, setting up two Rapid Action Forces at Konni and Nilambur, establishing central nurseries at five locations with the required infrastructure, to name a few.

**42.** Special thrust will be given for eco-tourism activities with local participation, in areas where there is high influx of tourists. Conservation efforts for wildlife outside the protected areas also will be strengthened. Better boundary demarcation for preventing encroachments and rigorous conduct of raids to prevent ganja cultivation are part of the plans of the Forest Department for the coming year.

**43.** My Government recognises that power supply is the engine that drives the wheels of economic progress in any State. Our State had experienced an acute shortage of water in the reservoirs on account of the vagaries of the monsoon. Therefore, despite tariff increases the financial position of KSEB could not improve significantly. But, that shall not weaken Government's resolve to face the challenge of supplying electricity to all sections of society at a reasonable rate.

**44.** The construction of the second 400 KV substation in Thiruvananthapuram will be completed and the third 400 KV substation will be taken up next year in Northern Kerala. My Government proposes to fully utilise the Accelerated Power Development and Reforms Programme of the Government of

India (APDRP). Pathanamthitta, Manjeri and Kasargode circles and seven towns have already been included in this scheme. Government has set up the State Electricity Regulatory Commission to protect the interests of both consumers and the Electricity Board.

45. The focus of my Government will be to harness the bountiful hydel resources, which the State has been blessed with. Government proposes to develop 62 small hydro-projects with a capacity of 162 MW through private entrepreneurs. During 2003-04, Government hopes to commission the projects Urumi 1 & 2, Chembukadavu 1 & 2, Malankara and Vadakkapuzha Diversion totalling 23.15 MW. The Kuttiyadi Additional Extension, Neriya Mangalam Extension, Pallivasal Extension and Lower Meenumkutty projects will also be taken up. The Government has been able to make commendable improvements in the functioning of the Board through efficiency gains and austerity measures. The Board's revenue deficit was brought down by Rs.500 crores. About 6 lakh new electric connections were given and 5 lakh faulty meters replaced during the last 20 months. Government is committed to strengthening the role of Panchayat Raj institutions in the sector, and to this end, Advisory Committees have been constituted in Grama Panchayats to monitor electricity problems at the grassroots level.

46. The availability of good infrastructure in the State is a prerequisite for economic progress. The Public Works Department plays a key role in this. Among the prominent projects under implementation is the Kerala State Transport Project with World Bank assistance. My Government intends to step up the scale of funds availed from NABARD for road and bridge construction. Improving the existing road network leading to Sabarimala has been accorded top priority. The Kerala Road Fund Board has also selected several vital roads for improvements.

**47.** A comprehensive plan to strengthen National Highways using bituminous macadam and asphaltic concrete is also under way and several major works have already been completed. The major works intended to be taken up next year include the Kozhikode, Alappuzha and Kollam bypasses, the Thalassery Mahe bypass and the Railway Over Bridges at Padanakkad and Pallikara. While 23 major works have already been completed by PWD this year, 10 more are to be completed before the end of the year. Many project reports on a number of major road links have been prepared to attract private investment on BOT or annuity basis. The construction of 38 Railway Over Bridges by the Roads and Bridges Development Corporation is making good progress. My Government intends to build the North South High Speed Access Controlled Motorway with private participation. The Thiruvananthapuram Neyyatinkara Combined Bypass—a project of vital importance to our capital city—will be completed in May 2003.

**48.** As part of infrastructure development through private participation, six PWD Rest Houses are being developed on ROMT basis. In the next year, Government intends to complete construction works of major buildings like the High Court Complex, Superspeciality Block of Medical College, Kozhikode, and the Model Residential School at Chalakudy.

**49.** The stress in the area of Irrigation will be on revamping and maintaining the existing canal systems of the first generation major irrigation projects. Government hopes to complete a selected number of major irrigation projects and wind up other older projects at convenient stages. The first phase of the National Hydrology Project has been completed. Government proposes to take up the second phase of the Project this year. Government also intends to propose Vembanad Lake and the Sasthamkotta Lake for consideration

under the National Lake Conservation Plan of the Ministry of Environment and Forests. Work on the development of 3 canals viz. Alappuzha-Kottayam, Kottayam-Vaikom and Alappuzha-Changanacherry canals under the World Bank Assisted Project is to start in April 2003. Government is very keenly pursuing the extension of National Waterway III towards Kovalam and Vizhinjam in the South and Kasargode in the North with Government of India and hopes to get early sanction for it. Government has also taken up the Pamba Action Plan— a Rs. 319 crores project for the eco-restoration of the Pamba River and its basin, with the Government of India.

50. The Water Policy in the State will be re-examined in the light of the National Water Policy 2002. It is proposed to introduce a Unified Irrigation Bill. This Bill will consolidate and amend the laws relating to Irrigation Works as well as related safety issues and provide for the creation of a Dam Safety Authority. My Government has decided to take up the drinking water supply project availing Japanese (JBIC) assistance for Rs.1787 crores. The Kerala Water Authority will complete the ongoing 224 schemes at a total outlay of Rs. 2000 crores before 2005-06. Government also intends to avail of assistance from LIC, NABARD and use funds under the ARP for new projects for a total outlay of Rs.1235 crores.

51. In the years to come, the development of Kochi into a major metropolis as the central hub for commerce and trade in the region depends on how effectively the transport problems in the city are tackled. The Sky Bus Metro System proposed by the Konkan Railway Corporation Ltd. looks a promising solution to Kochi's transportation needs. Government intends to support the implementation of the project. As part of my Government's plan to fully utilise the vacant lands available with KSRTC, it is proposed to

construct a state-of-the-art bus station at Thampanoor, complete with bus bays, flyovers, car parking, marketing complex, and interconnected access to the Railway Station, on BOT basis. Efforts are being made to improve the functioning of KSRTC and make it a 'no cash loss' organisation. Government intends to undertake a phased modernisation of bus stations on BOT or sponsorship basis. Government also intends to undertake a phased replacement of boats in the Water Transport Department as a key step to enhance the safety and security of passengers.

**52.** The computerisation of the Motor Vehicles Department, aimed at making the department citizen-friendly, is now in full swing. The technical support for the project is through the National Informatics Centre. The services will be extended throughout the State. My Government also intends to introduce a bill in the Assembly for establishing a Road Safety Authority and creating a Road Safety Fund.

**53.** Government shall take steps to hasten the development of the Thiruvananthapuram International Airport and expedite the construction of a new terminal for the airport. I am happy to note that my Government's initiatives for the financial restructuring of the Kochi International Airport have helped it turn the corner and that it has even made an operating surplus, this year.

**54.** My Government has taken on the challenging task of channelling sizable investments for the development of minor and intermediate ports. Due to the paucity of funds for investment with Government, the thrust shall be in developing these ports on BOT basis. The various projects contemplated are an International Container Transshipment Terminal at Vizhinjam, a general cargo port at Azhikkal in Kannur, Beypore Port at Kozhikode, Thangaserry, Munambam and Ponnani Ports and a recreational harbour for exploiting the rich tourism potential at Alappuzha.

**55.** My Government will formulate a Port Policy this year. As an initiative for promoting employment in Indian and foreign sea faring vessels, Government is planning to set up a Maritime Institute at Valiathura in Thiruvananthapuram district.

**56.** My Government shall endeavour to the best of its ability to work for the welfare of scheduled castes and scheduled tribes in our State. Clearly, this objective can be achieved only if Government takes a proactive role in building institutions for them. In 2003-04, it is proposed to develop a complex for various developmental activities of Scheduled Castes and Scheduled Tribes at Mannanthala in Thiruvananthapuram District. This complex - which will be named "Dr. Ambedkar Bhavanam" will comprise an auditorium, learning centres, a Dalith Museum, an Art Gallery and will also house the Civil Service Coaching Centre. Unlike other communities in the State, Scheduled Castes and Scheduled Tribes do not have their own educational or related establishments. A society will be formed shortly for raising funds and managing a network of institutions that will be set up under it. Government proposes to start at least one English Medium Residential Public School in the pattern of Public, Sainik and Navodaya schools this year.

**57.** My Government shall accord top priority for poverty reduction through employment schemes for the scheduled tribes. The Tribal Resettlement and Development Mission has been able to distribute 1740 acres of land to 810 families in different districts. The Tribal sub plan of the Government for 2003-04 would focus on completion of pre-matric hostels and improving their infrastructure facilities, Health Insurance Scheme for the tribal poor, better enforcement of legal provisions to prevent atrocities on tribals, starting new Industrial Training Centres on NCVT pattern, introduction of



CBSE education in Model Residential Schools, Comprehensive Drinking Water Supply Scheme in Wayanad District and improvement of health care facilities for the tribal population, among others.

58. My Government intends to convert ICDS projects into Community Resource Centres to bring about convergence of the services of various Departments and agencies. Three rehabilitation centres for mentally retarded women will be set up for their protection, care and rehabilitation. The National Institute of Speech and Hearing will set up their Regional Centre at Kochi this year. The Kerala State Social Welfare Advisory Board will set up a 24-hour help line for girls in distress and moral danger. The Kerala State Handicapped Persons' Welfare Corporation will start a rehabilitation centre-cum-special school for mentally retarded and physically handicapped children in the plantation areas of Kasargod District.

59. The changed policy of encouraging self-financing professional colleges has ushered in a new era in medical education. This very significant and revolutionary step has opened up avenues for higher education to vast sections of our student population. Indeed, such a policy has also led to a massive investment of nearly Rs.300 crores in the health sector alone. This has prevented capital flight from the State to the tune of over Rs.100 crores. This lead, given by Government, has resulted in four self financing medical colleges, two dental colleges, sixteen nursing colleges, twentythree nursing schools, five Ayurveda colleges and one college of Siddha, being set up – a truly amazing leap in medical education in the State. A dental college in the Government sector has been opened in Kottayam.

**60.** The Electronic Medical Library in Medical College at Thiruvananthapuram will link district hospitals in Kollam, Pathanamthitta, Taluk Hospitals at Adoor and Neyattinkara—ushering in tele-consultation in the State. A project proposal for strengthening Government Medical Colleges at an outlay of Rs.127 crores and another project proposal for Rs. 814 crores for strengthening Secondary Level Hospitals have been submitted to the World Bank.

**61.** My Government intends to establish an Ayurveda Park in the Malabar region. Proposals have been submitted to Government of India, to make the Government Ayurveda and Homoeo Colleges at Thiruvananthapuram into centres of excellence at an outlay of Rs.14 crores. Government proposes to ensure availability of quality medicinal plants and will extend financial and technical assistance for this and has constituted a Medicinal Plants Board, towards this end.

**62.** My Government have appointed an Expert Committee to study and frame a New Education Policy for wider discussions. The IT@School project under the Director of Public Instruction introduced IT as a curricular subject in Standard VIII in this academic year. 100 schools will be brought under the 'SMART' schools initiative, where comprehensive computer based education can be provided for the children.

**63.** As part of my Government's resolve to increase educational opportunities to all children, the number of Higher Secondary Courses has been increased by 20% and 322 unaided Higher Secondary Schools have been started with one batch of sixty students each. I am happy to announce that the appointments of 5000 Higher Secondary School Teachers from 1999-2000 have been approved, thereby finding a solution to the vexed problem of their having to

work without any salary for the last three years. Government has also sanctioned an increase of ten per cent in the number of seats for Vocational Higher Secondary Courses also.

**64.** My Government recognises that the quality of Higher Education in the State is an important factor which decides its leadership in development and defines the quality of its contribution in the nation building process. Government intends to set up a "State Educational Grid" as a platform for delivering quality higher education in the State, encompassing 60 Colleges. A 'Unified Universities Bill' that will be introduced to strengthen educational administration in the State will pave the way for the academic development of the State. Government proposes to set up a Council for Higher Education, which will act as a coordinator and guide for Universities and other institutions of higher learning.

**65.** To keep pace with the growing demand for new educational opportunities, Government has accorded sanction for 29 private self-financing engineering colleges, 11 MCA colleges and 5 MBA colleges in the State. 34 self-financing Arts and Science colleges offering courses in the new and emerging areas of higher education have also been sanctioned. Government also proposes to set up an Open University in the State. These decisions are clearly path breaking in the annals of the history of higher education in the State. In view of the increase in the number of engineering colleges in the State, Government is assessing the need for a Technical University in the State. Government intends to give autonomous status to a few institutions selected specifically on the basis of expert suggestions. Government has plans for upgrading identified institutions to 'centres of excellence', and obtain accreditation from NAAC.

**66.** The public distribution system (PDS) is in imminent danger of being rendered ineffective. We hope Government of India rectifies its basic approach and policies in this area and efforts made to improve the quality of food grains supplied. My Government intends to build on the strong role of PDS in Kerala and considers that PDS alone can ensure food security for our people, particularly the poor in the State. Government intends to complete the total computerisation of the Civil Supplies Department this year. Government shall complete the construction of the buildings of the State Consumers Redressal Forum and also take up the construction of buildings for three district forums.

**67.** My Government had declared a progressive and forward looking Labour Policy to reconcile the twin objectives of ensuring job creation through increased public and private investment and ensuring income security for the State's workforce. The Labour Department is giving shape to a 'presumptive compliance regime' where establishments can opt for 'self-certification' declaring compliance with labour laws.

**68.** My Government has undertaken a series of measures to provide relief to the plantation workers and their families. Free food grains, food for work programmes, health interventions through medical camps are some of the steps through which Government has been able to intervene and provide timely succour for the families of plantation workers in distress. A Plantation Standing Committee has been set up to oversee such efforts, including the revival of the plantation sector.

**69.** In the context of the need to enhance investments in the State, Government intends to build an investment friendly labour environment without compromising the legitimate rights

and freedom of workers. To this end, my Government intends to make the conciliation system more effective, by assigning existing establishments and new ventures to selected labour officers who would proactively ensure peaceful labour relations.

**70.** My Government has framed the Science and Technology Policy 2002 to align the initiatives in science and technology, with the development priorities of the State and enhance the quality of life and environment in the State. For ensuring greater freedom and higher efficiency, an autonomous body—the Kerala State Council for Science, Technology and Environment has been formed. Existing scientific institutions under the Science and Technology Department would become part of this Council.

**71.** A scheme called SASTRHA POSHINI—a new scheme to boost science education in schools—will be launched as a pilot project in the high schools in 36 educational districts. My Government intends to formulate a Biotechnology policy to ensure that Kerala makes the best use of its potential in this sector—widely recognised to be among the leading emerging knowledge based industries of the millennium. A Grassroots Innovation Augmentation Network (GAIN) under the National Innovation Foundation will be set up in the State to encourage grass roots innovation.

**72.** HUDCO had suspended loans to Government consequent to default of repayment by the previous Government. It is a notable achievement that my Government has been able to negotiate an MoU for restoring HUDCO assistance. The Housing Board will raise money from the open market for giving long pending instalments to over 40,000 beneficiaries under various housing schemes. My Government intends to enact a new rent control

legislation that protects both landlords and tenants and allows speedy resolution of disputes. This will provide a major boost for the house construction industry in the State with significant gains in employment creation. Government also intends to introduce 'Gahan law' to simplify procedure for availing loans from the Housing Board. The Housing Board will give loans to 21,400 beneficiaries for over Rs. 75 crores under the Bhoo-Maithri Housing Scheme. Under the township development scheme, satellite townships in Aakkulam in Thiruvananthapuram and near to the Marine Drive in Kochi will be taken up.

73. My Government proposes to issue Kisan Pass Books to all farmers, which will help them avail credit facilities without having to mortgage their holdings. This will be particularly useful to scheduled tribes and *Malayora Karshakars*. Government intends to expedite the issue of pattayams in all bonafide cases to benefit all sections of society including fishermen. Government also proposes to amend the Kerala Land Reforms Act to regularise bonafide purchases of lands, which had been surrendered to Government as excess lands. A bill to exempt cashew and vanilla plantations from the provisions of the KLR Act will be introduced in this session of the Assembly.

74. My Government intends to rationalise the structure of lease rents due from various sections of society—individuals and institutions—and formulate a onetime settlement scheme for their prompt collection. Government hopes to complete the computerisation of the Collectorates and Taluk Offices this year and the Land Records Offices the next year. Under the Survey and Land Records Department, the focus of action will be on completing the re-survey using sophisticated equipment like Total Stations.

75. My Government recognises the singular service rendered by Keralites working outside the State and appreciates the fact that their contribution is invaluable to the economy of the State. A new company "ROOTS-NRK Development Initiative" has been incorporated as a Section 25 Company to coordinate and implement welfare measures for Non Resident Keralites more effectively.

76. The Global NRK Meet-SAMAVAYAM 2002 held in Germany in August 2002 has made several vital recommendations on the basis of which Government is formulating selected programmes reflecting the priorities suggested in this meet. My Government proposes to take up several initiatives in 2003-04 which include Pravasi Swasraya—a social security scheme, Welfare Fund for NRKs, Micro enterprise programme for NRK rehabilitation, Project Preparation Facility for NRKs, setting up a Growth/Mutual fund and creating a data bank for NRKs and NRK organisations.

77. My Government is implementing the modernisation of museums and zoos with the financial and technical assistance of Central Zoos Authority. Government intends to construct a new building for the Sree Chitra Art Gallery. Government has taken a policy decision to separate Museums from Zoos and merge it with the Archaeology Department. The efforts of the Department of Archaeology has led to the approval of a Maritime Heritage Unit under the State Institute of Archaeology, Art History, Conservation and Museology. Government proposes to set up an Archaeological Museum and an Archives Museum in Thiruvananthapuram.

**78.** Our State has a network of cultural institutions set up by Government for the promotion of language, literature, fine arts, dances, folklore, and handicrafts. They are rendering invaluable support in nurturing our own cultural values and preserving the history and traditions of our land. My Government intends to expand the activities of the Kerala Kalamandalam in Thrissur, the Vyalopilly Samskarika Bhavanam in Thiruvananthapuram and the Vasthu Vidhya Gurukulam in Aranmula.

**79.** The Department of Parliamentary Affairs formed to coordinate government business in the legislature of the State is playing an increasingly effective role. My Government proposes to create an innovative initiative 'The Parliamentary Gateway' which would include an Institute of Parliamentary Studies—a hall of fame for perpetuating the memory of eminent parliamentarians, an effective network of legislatures of other States and countries, forum for studies, discussions, debates and a Youth Parliament for children.

**80.** In order to facilitate the empowerment of youth and increase employment opportunities, my Government is preparing an action plan - "The New Deal" - for the youth. A major initiative in the plan is the development of a Manpower Development Mission. Another initiative would be to institute Best Practice Awards in five different categories to recognise individuals and institutions for their pursuit of excellence.

**81.** My Government proposes to amend the Kerala Sports Act 2001, incorporating the recommendations of the Expert Committee constituted by Government. The proposed changes in Act envisages bringing all activities for the promotion of sports and games under one organisation and will help achieve the goal of taking sports to the grassroots level.



**82.** My Government intends to start a State Level Sports Complex at Kannur, availing assistance from Government of India. A scheme is being chalked out for establishing sports infrastructure in each constituency utilising State and Central Funds along with funds from MP and MLA Local Area Development Schemes. Government also intends to establish a National Sports Academy in the State with assistance from Government of India.

**83.** The Law Reforms Committee was constituted by Government to bring the legal framework administered by Government in line with emerging administrative and development needs of the State. The Committee has published its first report, wherein, it has suggested repeal of archaic and outdated laws, amendment in several other laws and the drawing up of new laws in different fields. My Government intends to proceed systematically on the implementation of these reforms.

**84.** My Government will continue to implement reform measures for improving the performance and accountability of public service. Government is considering the Kerala Administrative Reforms Committee's recommendations for early implementation. Surplus posts in various departments have been identified, and steps are on, to redeploy them so that administrative expenditure is kept in check without sacrificing efficiency. This year, Government will accord top priority for training of government employees to equip them to serve the people of Kerala better in these modern times. Institute of Management in Government (IMG) has already launched a programme for this.

**85.** My Government shall ensure that all necessary assistance is extended to the activities of the Kerala State Ex-Servicemen Development and Rehabilitation Corporation set up for the welfare of the brave defence personnel who had served our country.

**86.** Efforts are on in full swing to complete the switch over to Malayalam as official language within the next four years. The activities for this, include initiatives like extension of training programmes of IMG for Government employees, holding public campaigns, setting up awards for best performance among Government departments, unification of printing standards and necessary technology upgradation, to name a few.

**87.** The Commercial Taxes Department as the major revenue-earning department for Government has had to shoulder the brunt of the efforts in the road to fiscal recovery. I am happy to note that the Department has geared up well for meeting the challenge and revenue collection has shown a very significant improvement. This year will usher in a new era of tax administration through the introduction of the VAT system. Kerala, along with other States, is preparing to make the switch to the new system from the beginning of the next year. Like other States, Kerala is also concerned about how the new system is exactly going to impact the State's total revenues, particularly in the early years. However, what is considerably reassuring to my Government is the Union Government's assurance to compensate States for any likely revenue losses.

**88.** Lotteries in Kerala provide employment, both direct and indirect, to over 2.5 lakh people, most of them from disadvantaged sections of society. This year, my Government intends to introduce the Online Lottery System, which will significantly increase Non Tax Revenues in the State.

**89.** The process of fixing the fair value of lands in the State is being completed and the fair values will be published shortly. This major step will go a long way in eliminating

under valuation and mitigating inconvenience to the public. The work of computerising another 60 sub registrar offices will be completed shortly in addition to the 54 offices that have already been computerised.

**90.** My Government had in the Abkari Policy introduced certain key changes such as introduction of individual licensing system for toddy shops and reduction of number of toddy shops, with a view to implement total prohibition in phases. This year, the focus in the Department has been on improved enforcement. The number of raids conducted, cases detected and illicit liquor destroyed would clearly underscore the emphasis that Government is giving to effective enforcement.

**91.** My Government is firmly committed to its primary duty of providing adequate security to the lives and property of the people of the State. It is only if we ensure that our people can lead lives in peace and communal harmony can we build an environment that is conducive for social progress and economic prosperity. To this end, a disciplined, efficient and motivated police force is a pre-requisite. Government will ensure that the police force is fully receptive and responsive to the needs of the citizen and the community, and at the same time, is able to function without extraneous interference that could in any way impede the impartiality and neutrality of the law and order machinery. I am very happy to inform this august House that the law and order situation in the State has improved considerably. There have been no major communal clashes in any part of the State. Political clashes have also shown a significant downward trend. All this should certainly not lull us into a sense of complacency or make us lower our vigil.

**92.** My Government has been able to significantly increase the outlay on modernisation of the police force from Rs. 20 crores in 2001-02 to Rs. 80 crores in 2002-03. The Police Department will be completely computerised by the end of the next year. Installation of wide area network covering all police stations is in progress.

**93.** Needless to say, it is the duty of Government to provide better facilities for the police force, in keeping with the high standards of service expected of them. My Government will complete the construction of 33 new Police Station buildings, 1104 quarters for constables and 272 quarters for subordinate officers; the construction of another 37 police stations in the coming year and shall fully implement the steps taken to improve the living conditions of policemen in the Armed Reserve and Battalion Camps.

**94.** Two new wings viz. the specially equipped highway police vehicle unit for the National Highways and the Tourism police for various tourism destinations have been formed. A proposal for establishing a Kerala Marine Police is under consideration. My Government is also committed to increase the representation of women in the State police force to ten per cent.

**95.** My Government assumed power in 2001, on the avowed promise of providing a clean administration. The series of raids conducted by the Vigilance department and efforts to bring the guilty to book have sent out a very powerful message that Government accords utmost priority to rooting out corruption. But, while doing so, Government is firmly committed to create a work environment where any honest and committed public servant can discharge his or her duties freely, without fear of any vindictiveness or harassment. Government intends to further strengthen the Vigilance Department and equip it better to take up its challenging responsibilities.

96. The Kerala Fire Force unfortunately, has been neglected during the last decade, often forgetting the services of the brave personnel of the department in times of emergencies and natural calamities. My Government shall implement a three-year action plan for improving the department. Significant additional allocations will be made in the budget for this purpose.

97. My Government proposes to take full advantage of the new 50% central sector scheme for modernisation of prisons for improving the condition of prisons in the State.

98. Good public relation lies in communicating Government programmes to the people of the State in an effective and timely manner. Government believes in the vital importance of making information and services transparent and accessible to the people in any democratic set up. My Government is in the process of giving final touches to Right to Information Bill that will give legislative form and substance to the right of the people to information. For ensuring more timely and comprehensive delivery of information, an Inter Departmental Publicity Coordination Committee is to be constituted shortly.

99. Pandit Jawaharlal Nehru in one of his Independence Day addresses eloquently said:

***"The ambition of the greatest men of our generation has been to wipe every tear from every eye. That may be beyond us, but so long as there are tears and suffering, so long our work will not be over."***

That message of Panditji, continues to inspire us even today. My Government unequivocally affirms that at the heart of all our policy initiatives is the desire to reach out to the poor and the oppressed and draw each one of them into the monumental task of our State's development.

100. Once again, I take this opportunity to call on the people of the State to break down the narrow divisive walls—be it political, communal, or economic—that separate people of this unique and richly blessed State—when it comes to the pursuit of our development goals. A Kerala—where both the public and the private sectors of the economy orchestrate their efforts and prepare the ground for an unprecedented scale of investment that will make it the best investment destination in the country, opening up vast employment opportunities for its people. A Kerala - which consolidates and builds further on the enviable social gains of the past and marches forward. Let us unite together, in the now and here, sharing this common vision of the greater good of the people of Kerala. Let the song for such a unity resonate in our hearts. Let us allow this commitment and dedication to guide our path to development, however arduous the journey ahead is.

**JAI HIND**