

# Role of Information Technology in the Economic Development of Kerala

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## ABSTRACT

Information technology is one of the most promising sunrise industries in Kerala. It provides ample opportunities for employment creation and export generation through IT parks. E-literacy enables us to conduct efficient and cost saving e-transactions for which e-governance is important

## 1. Introduction

Information technology (IT) is the application of computers to store, study, retrieve, transmit, and manipulate data, or information often in the context of a business or other enterprise.

The IT industry has been found to be ideal for Kerala in terms of its potential to generate opportunities and employment with little pressure on land, environment and other resources. The number of jobs created due to IT in the last decade is around 2.5 lakhs. This would be higher than any other sector in the state. For Kerala, IT is not only as a tool for improving governance and creating more jobs, but more significantly, as a means to greatly enhance the standard of living of the people. Use of IT in enhancing the delivery of Government services leads to a very responsive and transparent administration facilitating the empowerment of the people and satisfying their right of information. The IT turnover of Kerala touched \$1 billion in 2013-14 and export is projected to increase by 50% and its position is 8<sup>th</sup> in the export map of India

An area where buildings and facilities are designed for housing information science and technology related firms, and which provides an infrastructure for very high speed telecommunications are called IT parks. Aims and objectives of IT parks are 1) Helps in technological advancement 2) Hub for foreign investments and infrastructure build ups creating job opportunities for domestic people. Major IT Parks of Kerala are 1) Technopark in Thiruvananthapuram, 2) Infopark in Kochi, 3) Cyber park in Kozhikode Technopark was setup under the auspicious of Government of Kerala as an autonomous body to create global standard infrastructure and to provide total support required for development of high technology industries It was formally dedicated to the nation on 18th November 1995. Annual production from the Campus ₹12000 Cr. Annual export from the Campus ₹5000 Cr. 20% growth expected every year. The largest employment base campus in Kerala. It stimulates growth of secondary services like retail, hospitality, transportation and financial services in the city and suburbs. With the launch of Technocity projects in 424 acres of land, Kazhakkuttam – Kovalam (NH66) will become the first IT

corridor in Kerala. Will become one of the largest IT Parks in India. Total turnover is ₹ 5000 crore, investment- ₹4900 crore.

E-Governance is an important tool for good governance by achieving transparency, reliability, and accountability in rendering services. Kerala has been a frontrunner in e-governance and mobile governance by promoting and developing core infrastructure and e-literacy programmes E-Governance initiatives in Kerala are- FRIENDS, Akshaya, SEMT, Citizen Call Centre, SPARK, e-procurement etc. Akshaya was launched on 18th November 2002 to bridge the digital divide and promotes e-literacy. As per the survey records of Department of Electronics and Information Technology, Kerala is ranked 3rd in Governmental e-transactions with 40 crore transactions and contribution of Akshaya to reach this magical number is credit worthy. There are 2418 Akshaya centres. Each Akshaya entrepreneur is now able to employ a minimum of 3 to 4 staff members in their centre. It played a very significant role in Digital India project, started around 917 number of banking kiosk and provide add-on services like payment of telephone bills, e-filing, railway ticketing

### 1.1 Significance of the Study

Kerala with its highly skilled and educated manpower has ample opportunities for developing a good IT industrial base with increased employment opportunities, competitive exportable IT services and effective e-governance. India's economy is at present striving towards a cashless economy. E-literacy is a prerequisite for achieving this. In this context, it becomes necessary to analyse whether the modern IT industry of Kerala is very well utilising these potentialities and improve its rank in the export map of India.

### 1.2 Objectives

1. To analyse the role of IT parks in Kerala's export and employment with special reference to Technopark.
2. To analyse the role of e-Governance in the economic development of Kerala with special reference to Akshaya
3. An analysis on e-literacy through Akshaya in Kerala.

### 1.3 Methodology

Secondary data from online journals and websites were used. Study year is 2016-17. Data was analysed with the help of graphs, tables and statistical tools like r and R square

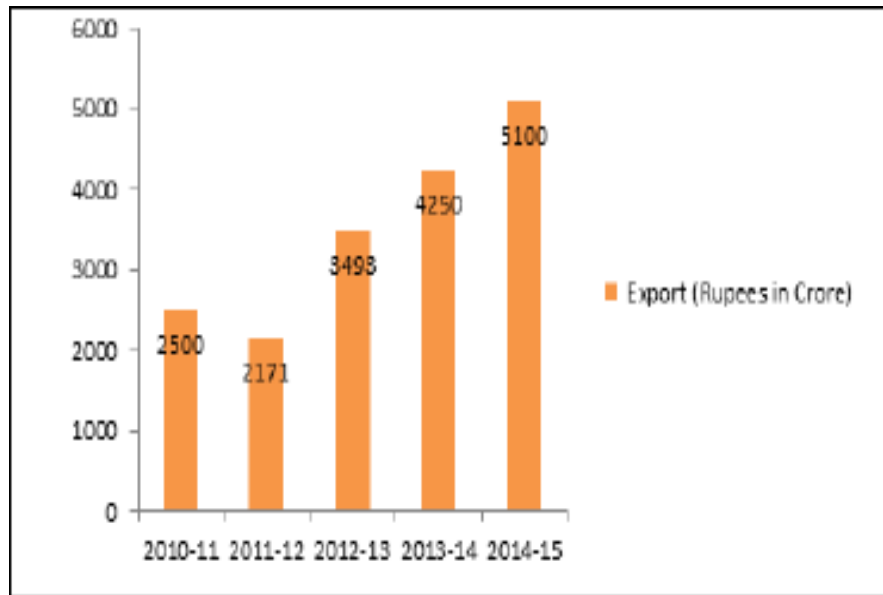
### 1.4 Limitations of the Study

1. Time constraints
2. Limited availability of data

## 2. Data Analysis

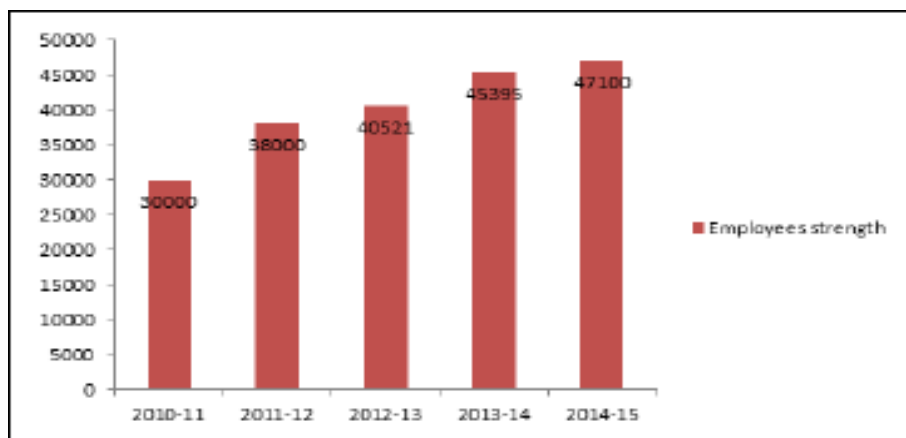
The first objective is analysed with the help of two graphs showing exports and employment in Technopark.

Graph 1-Exports from Technopark



It is clear from the graph that exports has increased from 2500 rupees crore to 5100 rupees crore.

Graph 2-Employment in Technopark



It is clear from the graph that the employment in Technopark has increased from 30,000 in 2010-11 to 47100 in 2014-15

Table 1- Relationship between Export and Unemployment in Technopark

Year	Export(In Rupees Crore)	Employment
2010-11	2500	30000
2011-12	2171	38000
2012-13	3498	40521
2013-14	4250	45395
2014-15	5100	47100

r=0.941

R square=0.78

So it is clear that there is positive relationship between export and employment in technopark indicated by  $r=0.941$  and as  $R\text{ square}=0.7282$ , only 72.82% of the variation in employment is explained by export value variation.

The second objective is analysed with the help of a table on turnover from Akshaya.

**Table -2 Turnover of Akshaya**

Year	Turnover(in rupees crore)
2012-13	32.43
2013-14	34.31
2014-15	38.57
2015-16	39.1

It is clear from the table that the turnover of AKSHAYA has increased from 32.43 crore rupees to 39.1 crore rupee Third objective can be analysed with the help of following table.

**Table 3-E-Literacy**

District	E-Literates Through Akshaya	E-Literates Through Other Sources
KOLLAM	317684	210066
ERNAKULAM	343753	168517
THRISSUR	298739	140393
MALAPPURAM	597598	63055
KOZHIKODE	412417	153878
KANNUR	330384	85616
KASARGODE	162555	35661

It is clear from the table that every district in Kerala has highest number of literates trained from Akshaya than other sources and **Malappuram** has the highest number of people trained through Akshaya Project with a total of **6.61 lakh e-literates (6, 60,653)**, of which 5.98 lakh people (5,97,598) were trained through Akshaya centres and 63,055 people were trained through other sources

3. Akshaya has also contributed significantly to e-literacy in most districts

#### 4. Suggestions

Even though there is growth in employment and export from IT parks, Kerala has to utilise exports in an efficient way for creating employment generation.

#### 5. Conclusion

Kerala with highly skilled and educated manpower has the potential for creating a more developed and more revenue generating IT industrial base. The e-governance need to be strengthened and improve e –literacy to effectively digitalise Kerala.

#### 3. Findings

1. There has been significant increase in the exports and employment shown by doubling trend of both from Technopark but there is no significant contribution from export to employment
2. Akshaya is contributing significantly to economic development of Kerala shown by its increasing trend of turnover

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