

## **Editorial**

### **Research on GST by GIFT faculty**

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As you may recall, the original mandate of Kerala Economy has been to keep you updated on changes in the key parameters of the Kerala's economy, like prices, employment, tax collection and production, among others, without making you wait for the annual publication of Economic Review by the Kerala State Planning Board. We have been trying our level best to honor this mandate as much as possible, although we have made deviations, at times, by publishing certain special issues on the topics of current relevance.

As the readers of Kerala Economy, you would appreciate that, any publication, as it goes along, has to transform itself. In this regard, Kerala Economy cannot be an exception. Accordingly, we are now firmly and definitely on a trajectory towards transforming Kerala Economy to a refereed professional journal. First of all, the frequency of the journal has to be reduced. Our current plan is to make Kerala Economy a quarterly publication. I must emphasize that while doing so, we will not compromise on our basic mandate that you have appreciated and we always consider important.

As an in-house journal of Gulati Institute of Finance and Taxation (GIFT), most of the publications in Kerala Economy have been at the instance of the faculty of GIFT. We are happy to inform you that we are slowly moving, as part of the process of our transformation, towards a journal that publishes the contributions of external scholars after a peer review. In this issue you will find two articles authored by external scholars - K V Joseph and ACK Nambiar.

The core content of the current issue is the major findings of the research by the GIFT faculty on GST related issues. It is a matter of pride to report that the focus of research of all the faculty members of the GIFT during the last year has been on issues pertaining to GST under the overall guidance of our honorary faculty especially, Prof T M Thomas Isaac,

Distinguished Honorary Fellow, GIFT and the former Finance Minister and Prof M Govinda Rao, Former Director, NIPFP. This is in addition to a number of studies already submitted to the Government of Kerala on issues related to the state of state finances and the recent major study on socio-economic impact of COVID 19 pandemic on Kerala in a comparative perspective with other Indian states and the global experience at large.

Research on GST by the faculty at GIFT has resulted in a number of research papers, which are being brought out as discussion papers of GIFT and also as a special issue of a professional journal. It must be noted that we had already communicated the preliminary findings of our research in an international seminar on 'India's experience with Goods and Services Tax', organized by GIFT during 12-13 November 2021. The seminar inaugurated by our Hon'ble Finance Minister Shri K N Balagopal had the participation of scholars of eminence from India and experts from Australia, New Zealand, Malaysia, South Africa, Brazil, Mexico, Canada and European Commission.

As you are aware, it was with great expectations that a consumer state like Kerala embraced GST - a destination-based tax - even though it involved substantial surrender of our taxing power. It was expected that the one nation-one tax envisaged under the GST would lead to increased tax revenue, reduced prices, increased international competitiveness and a host of other benefits especially for a state like Kerala. Our actual experience has, however, belied our expectations. The research by GIFT faculty has been mainly oriented towards understanding the factors underlying the observed slip between the cup and the lip, while, at the same time, exploring the implications of the new tax regime on equity, price and other issues of concern for us.

We felt the imperative of sharing the findings of our research first to our esteemed readers of Kerala Economy. Hence, you will find an opening special section, which contains seven articles relating to GST. We have tried our level best to make the articles as easily readable and accessible as possible to the public at large by way of excluding from the presentation all the theoretical discussion and econometric modelling, undertaken in the studies. Those who are interested to learn more are encouraged to refer to our discussion papers being finalized. You will also find in this issue of the journal an added item - the GST update, which I hope will be found useful by all our readers. The section on general articles has five items, all of them dealing with issues of much current relevance. The young scholars' forum at GIFT, as

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earlier, has updated you on new studies on Kerala. Finally we communicate to you, what is new(s) at GIFT.

It is my hope that you will find the contents of this issue useful and I count on your continuing support.