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It is no surprise that recent budget by Dr. Isaac has placed the creation of a knowledge economy as its centrepiece. I'm very glad to see a focus on higher education, that is foundational to a competitive knowledge economy. The proposed creation of a knowledge economy fund, ensuring ubiquitous access to the internet and advancing the use of AI and Internet of Things are all transformational initiatives that you have laid out. Many talks today reflected the fact that the quality of thinking and innovation in Kerala is already many steps ahead of other parts of the country and in fact many parts of the world. My remarks will be highlighting a few thoughts on Kerala's efforts to establish and to successfully execute its ambition to be a knowledge economy.

First, I want to highlight the importance of and applaud the state's efforts to promote an ecosystem that fosters the digital industry. The ecosystem should help the state ride the wave of the fourth industrial revolution that is well upon us. The ubiquitous availability of connectivity is leading to democratization of technology; Dr. Isaac asserted his commitment that there shall be no digital divide in Kerala. The state, with its high human development indicators, is uniquely poised to take advantage of the paradigm shift of the fourth industrial revolution.

The state is a pioneer in terms of creating a proactive policy environment, being the first in the country to formulate a policy for the development of technological startups and incubation centres. It is important to continue to evolve this enabling ecosystem.

Many successful Kerala entrepreneurs, who have made their mark globally, nationally, and regionally, can help lead this endeavour. Mention was made today of the important need for mentors. Successful entrepreneurs and experienced industry executives should be tapped in this regard, possibly with incentives for their participation.

My second point has to do with data. Along with ubiquitous connectivity we are amid the Big Data revolution. The ability that we now possess to collect, curate, and utilize what has been called a tsunami of data. To unleash the power that this presents, Kerala could consider embracing open data concepts which would allow citizens to review, compare, visualize, and analyse government data online and share their findings in real time. In my tenure in the US government, I saw how President Obama's policies for open data led to a host of new businesses that grew up to use such data.

Let me now come to revamping of the skilling ecosystem to take advantage of the disruptions brought about by technology and by Big Data. Talent is becoming increasingly critical in proportion to capital as a factor of production, while robotics and AI are displacing human endeavour and repetitive work across sectors. Studies have predicted that up to 50% of the current tasks and skills would be replaced by AI. In this regard, it is important to understand the near-term and long-term changes that are likely to happen and shape the skilling ecosystem accordingly.

A critical requirement today is to collapse the barriers between the specialized skilling institutions like the ITIs, and universities and industry. The legacy paradigm is that of training institutions that deliver programs anticipating the needs of industry and then supplying graduates annually. But in this new era, skilling can no longer be the episodic or modular and we must embrace a new paradigm of flexible, customized, and contextual lifelong learning. This means all the actors, skilling institutions, communities, and firms must work together as a coalition. And skilling delivery models can be asset-light, transmitting learning and skills even remotely, through media like the mobile phone.

The COVID-19 crisis has exposed two other disruptive trends that we need to be prepared for. Increasing talent and price arbitrage arising from the ease with which skills and work can be delivered remotely to clients worldwide, and rising popularity of what is called gig working - where services are increasingly being delivered to firms exogenously, and not by staff on the payroll. Kerala should tap into these opportunities and serve global clients working from Kerala, at a scale that surpasses what is already happening.

And last but not least, leveraging the educated women population of Kerala. Kerala has a significant number of qualified women. Dr Isaac mentioned the number as 5 million, who are not in formal jobs. In the wake of COVID-19, a number of remote execution jobs, from data

analytics and predictive modelling, to design services for various industries that are suitable for women, are emerging. A focused attempt to make such opportunities available, along with a well-targeted upskilling initiative, can potentially double the formal working population of women in Kerala.

So, I will conclude with my belief that a new moment for Kerala is well within sight and the state can build on its favourable socio-economic base to transform itself into a knowledge economy based on soft skills, technology, and innovation - and commitment to inclusivity.