

Information Technology Policy

Towards an inclusive knowledge society

2007



Department of Information Technology
Government of Kerala

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1. Preamble

1.1 Developments in Information and Communication Technologies (ICT) are transforming the society in dramatic ways. These developments are creating hitherto unimaginable opportunities and possibilities, even as they pose new challenges for a society like ours

1.2 In the production processes of today's world, information and knowledge mean a great deal more than material resources and physical inputs.

1.3 ICT has opened up the possibility of radically different information exchange patterns by facilitating faster and more efficient dissemination of information. It can play a vital role in sustaining the democratic ethos of the Indian society and ensuring a high level of transparency and accountability in governance

1.4 Having achieved high physical quality of life index and social infrastructure development, Kerala is ideally positioned to use ICT as a catalyst for the all-round economic prosperity and social uplift of its people

1.5 ICT and Information Technology Enabled Services (ITES) have by now turned into major sectors of economic activity in the country. Over the past one-and-a-half decades, these sectors have shown remarkable growth in the country, both in terms of export revenue and employment generation

1.6 In almost every sector of socio-economic activity ranging from industrial production to education and public healthcare, ICT now plays an important role in optimizing the processes, thereby improving the quality and efficiency of human endeavors

1.7 Growing importance of ICT in the present-day world leads to the emergence of a divide, which can be called the "digital-divide," between those who have access to sophisticated ICT infrastructure and those who do not. This is a matter of concern to civil society at large; and a challenge that has to be overcome through conscious intervention, both from the Government and the sections on the privileged side of the "digital divide".

1.8 The Government has a comprehensive view of ICT as a vehicle for transforming Kerala into a knowledge-based, economically vibrant, democratic and inclusive society. By the term "inclusive," the Government means that the benefits of the socio-economic transformation possible through ICT should reach every single citizen of the State. This policy document defines the Government's vision, mission and strategy for achieving the same.

2. Vision and Mission

2.1 The Government's vision is to turn Kerala into a knowledge society with sustainable economic growth, social harmony and high quality of life for all.

2.2 The Government considers it its mission to achieve this vision through proactive measures meant to accelerate the process of transforming the State into a knowledge society.

2.3 In keeping with the democratic traditions of the country, the Government will ensure that all sections of the society are included in this process of transformation and will adopt conscious, positive steps to confirm the inclusion of the disadvantaged sections of society in the transformation process. The Government will also adopt such measures as are necessary to encourage the willful participation of the digitally privileged sections in the efforts to prevent the less privileged sections from getting marginalized in the transformation process.

2.4 The Government will make use of ICT to ensure transparency, efficiency and quality of services to the citizens of the State.

2.5 The Government shall promote appropriate applications of ICT to rejuvenate and strengthen the primary, secondary and tertiary sectors of the State's economy.

2.6 The Government will strive to improve the standard of living of the people through the use of ICT in all sectors, enhance productivity and efficiency, optimize utilization of resources and increase the employment potential of the ICT sector.

2.7 The Government shall make all efforts to provide the infrastructure for the rapid growth and adoption of ICT in the state, including, but not limited to access to ICT for all sections of the population, development of high speed communication facilities, infrastructure for the IT industry and development of human resources.

2.8 The Government shall endeavor to create a favorable climate in the State for increased economic activity and investments in the ICT, ITES and knowledge-based industry sectors. In doing so, the State expects to exploit to the fullest extent, the potential of these new sectors to generate stable employment, earn foreign exchange and promote long term investments.

2.9 The Government recognizes that Kerala's highly skilled and well educated workforce is a strategic differentiator as an investment destination. It shall continue to invest substantially in programs and initiatives to sustain this advantage. Government will make Kerala the cradle of highly skilled manpower for the knowledge-based industry.

2.10 The Government realizes that Free Software presents a unique opportunity in building a truly egalitarian knowledge society. The Government will take all efforts to develop Free Software and Free Knowledge and shall encourage and mandate the appropriate use of Free Software in all ICT initiatives.

3. Strengths

3.1 In Human Development Index, Kerala heads the States in India and its achievements are comparable to those of the developed nations. Kerala has also achieved universal literacy.

3.2 The State has world-class physical infrastructure in terms of transportation, public utilities and high-speed communication facilities.

3.3 Kerala is one of the most vibrant and globalized societies in India, with a strong and mature service sector and one of the highest consumer spending profiles in the country.

3.4 The State is a world-class tourist destination that has won many international awards for its tourism attractions. It has a cosmopolitan, yet value-based society of rich cultural heritage. The society has a deep-rooted aspiration for knowledge.

3.5 The people of the State hold democratic traditions close to their hearts and they value and nurture decentralized and transparent governance models.

4. IT growth drivers

4.1 Kerala's distinctive edge in ICT lies in the quality and adaptability of its human resources base. The high quality of manpower available can be leveraged not only for attracting IT investments into the major IT hubs of the State, but also to small towns spanning the entire length and breadth of the State. Kerala has the highest density of science and technology personnel in the country, with its engineering colleges producing more than 23,000 qualified engineers each year.

4.2 Kerala is one of the best-networked States in the country in terms of telecom and datacom. The state's tele-density is double the national average and all the telephone exchanges are digital. VSNL's International Communication Gateway, with 2 high speed submarine cable landings (SEA-ME-WE-3 and SAFE) offering 15 Gbps bandwidth, is in Kochi. This gateway currently handles more than two thirds of the country's data traffic. Optical Fibre connectivity up to the grass-root level makes high quality, reliable bandwidth available in any part of the State.

4.3 The world class IT infrastructure facilities at Technopark in Thiruvananthapuram and Infopark in Kochi make these two IT hubs much sought after destinations within the State.

4.4 Probably the biggest advantage that Kerala enjoys is the cost factor. The start-up and operational costs are less than 50 per cent and the rentals/real estate costs less than 60 per cent of those in other major IT parks in the country. The power and water tariff are one of the lowest in the country. A low cost of living means, lower cost to company per employee.

5. ICT in Society

5.1 Information transfer and communication were integral part of human existence right from the dawn of civilization. Recent developments in Information and Communication technologies have increased the speed and reach of communication. The volume and diversity of information being processed have multiplied by leaps and bounds in the recent decades. ICT has virtually come to rule almost all activities of the modern society.

5.2 Keeping in view the pivotal role of ICT in the functioning of the modern society, the Government will strive to promote the use of ICT in the society and make it accessible to all its citizen.

5.3 Digital Divide: The Government has already taken up initiatives to make ICT accessible to all citizens, thereby addressing the issue of digital divide in a holistic manner. Projects such as Akshaya, IT@School, FRIENDS and Citizen Call Center will be strengthened.

5.4 The Government will undertake programs specifically aimed at promoting effective use of ICT among the workers, women and youth.

5.5 Government is sensitive to the needs of physically, mentally and socially disadvantaged sections of the society, including SC & ST community. Special programs will be devised to utilize the possibilities of ICT to address their special needs.

5.6 The Government feels that the ability to use ICT is just the basic requirement and not the fully sufficient condition to empower the society through ICT. The Government envisages making each citizen a creative participant and contributor of the Knowledge Society through the use of ICT.

5.7 Since the spread of ICT has happened at a rapid pace, Government will initiate regular programs to help people cope with the changes at their workplace and in public life due to its introduction and ever increasing deployment.

5.8 ICT can be of value only when locally relevant content is made available in local language. This will be given high priority by the Government. Development of technologies for Malayalam computing and its promotion will be given importance

5.9 Libraries in the State will be equipped to make use of ICT and they will be transformed into Knowledge Centres.

5.10 Government will utilize appropriate resources including Edusat network for the dissemination of knowledge and information for all sections of society

5.11 Every village in Kerala will have presence in the Internet by 2010. This will contribute towards creation of local content and in the evolution of Kerala as a Knowledge Society

5.12 Collaborative knowledge development initiatives will be promoted. Digitisation of available free and traditional knowledge resources will be given high priority.

5.13 Social innovation and appropriate technology: The Government will take proactive steps to promote social innovations in ICT to support the agriculture and traditional industry. Appropriate technologies will be developed to address local needs.

5.14 The Government will develop the new media as an economic opportunity as well as a means of strengthening the civil society. New media will be used to give voice to the concerns of the marginalized sections of the society.

6. IT in Government

6.1 ICT can improve efficiency and transparency in the working of the Government, including local self government. The State will try to make maximum use of ICT in governance, to provide the best possible services to the citizen

6.2 The State will structure its e-governance projects based on the National e-Governance Plan and suggestions given by the National Knowledge Commission, in addition to locally relevant factors.

6.3 Information service: Taking the Right to Information Act in its true spirit, the Government will take up ICT enabled programmes for efficient flow of information between citizen and the Government.

6.4 The Government will make use of all the media tools and emerging technologies to ensure proper communication between the Government and citizen.

6.5 The Government will promote the use of websites, emails and other new communication facilities in various Government and semi Government organisations. The Government will make sure that its websites are actively maintained and kept updated. Websites will be made available in Malayalam also. All Government Orders and Gazette notifications will be made available through websites, as and when they are issued.

6.6 Technology: Standards are very important in the integration of e-governance services of various Government organisations. Open standards like Unicode and Open Document Format and Open Architectures will be followed in e-governance projects to avoid total dependence on select vendors.

6.7 Free and Open Source Software will be used in all government funded ICT e-Governance projects to the maximum extent possible. Preferential treatment will be given to FOSS as it enables the knowledge to be used democratically, makes software accessible to every one and is economical.

6.8 E-Governance Inventory: The Government will set up a knowledge management facility that will maintain an inventory of all e governance projects in the State and document experiences and best practices from different projects. This facility will provide the intellectual and academic leadership required for e-governance. A

hardware and software inventory of all departments shall be maintained. Possibility of sharing the expensive hardware and software among the departments will be explored

6.9 A data inventory also will be setup for sharing of data between Government agencies and to avoid duplication of work. Data standards including data structures would be adopted / created to ensure interoperability. Creation of standardized spatial data set will be a priority area.

6.10 Government shall ensure security and privacy of citizen data, while compiling citizen database

6.11 E-governance implementation: The Government will ensure that all e-governance projects are accompanied by plans for re-engineering business processes and change management systems associated with them, as and when required.

6.12 E-procurement: The Government will adopt e-procurement and e-disposal to bring in efficiency and transparency in Government and public sector purchases and sales.

6.13 E-Governance review: All e-governance projects enlisted in the inventory shall be reviewed periodically to ensure that they meet the policy, standardization and legal guidelines.

6.14 Security and quality audit: Security and quality audit shall be made mandatory in all major e-governance projects.

6.15 Digital signature will be introduced in all departmental computerization processes, so as to ensure authenticity and integrity of electronic data interchange.

7. Industry

7.1 ICT offers exciting possibilities for radically changing the economic landscape of Kerala. The domain competencies of the State, combined with the infrastructure saturation and burgeoning costs at the major IT cities in the other States, today offers a never before opportunity for Kerala.

7.2 The Government aims to make Kerala the destination for knowledge intensive and high value ICT services. Special incentives will be given to companies having proven competencies and reputation in these areas, which want to set up their operations in the State.

7.3 Given Kerala's unique demographic spread, a hub and spoke model of ICT development will be the aim of the Government, with the two large IT parks at Thiruvananthapuram (Technopark) and Kochi (Infopark) functioning as the hub for smaller IT parks in other parts of the State. By having IT parks in smaller cities, regional disparities can be minimized, employee attrition and cost of operation lowered, and local talent nurtured. The Government will identify suitable land across the state for this purpose. Special incentives will be given to companies commencing operations outside main IT hubs of Thiruvananthapuram and Kochi.

7.4 One of the long-standing demands of the IT fraternity in the state is for better air connectivity, both in the domestic and the international sector. The Government would take pro-active steps to ensure daily morning and evening flights in and out of the State to the Indian metros, as well as flights to major European and American destinations.

7.5 Units in the SME sector and startups would be given special incentives like incubation facility, access to venture capital and legal support (Copyrights, Patents and Trademarks). Small and Medium Industries will be encouraged to take up value added services.

7.6 Considering the growing economic opportunities happening around FOSS, the Government intends to develop the State as the FOSS destination in the country. In order to achieve this, the Government will provide special incentives to companies developing Free and Open Source Software.

7.7 Content industry is developing very fast around the globe. Animation, Educational informatics etc. are some of the fast developing content-based industries. A rich culture and high level of literacy give the State an edge in this sector. Promotion of this sector will be given special focus.

7.8 Industry Promotion Cell: Industry Promotion Cell will be established to provide all the necessary information to prospective investors and to assist them in the process of setting up IT industry in the State. The cell will provide information on setting up IT units, VC support, legal issues, HR outsourcing etc.

7.9 State IT parks are viewed as incubation facilities and the Government will encourage successful IT firms of these parks to set up their own campus in the State.

7.10 Considering the growing demand from IT industry for starting operations from the State, the Government will support private initiatives to set up IT parks. Private IT parks that meet a minimum set of standards shall be promoted by the Government as an integral part of the State's IT infrastructure, provided the parks so desire.

7.11 Government recognizes that the very nature of ICT industry requires flexible working conditions and amendments to the existing laws will be made, if required.

7.12 While the Government's effort is to address the special needs of ICT industry in terms of flexible labour conditions, it is also important that the interest of the workers are not sacrificed. A better balancing of work and life has to be ensured. The state will make all efforts to ensure that the employee's are provided with a safe working environment and privacy. Employees should have the freedom to organise themselves lawfully.

7.13 Student Entrepreneurship: The Government is aware of the need to nurture student entrepreneurship and will extend all possible help to support such companies especially in its early stages of operation.

8. Knowledge Creation

8.1 Innovation and Knowledge building system: In the emerging knowledge economy, the success of the State depends on its knowledge level. Consequently, research, development and a creative environment become vital for the development of the State.

8.2 The Government will promote R&D in ICT. As outlined in this policy, the focus areas will be e-Governance, free software and development of appropriate technologies. The State will network with national & international organizations and industry for knowledge sharing and collaboration in the above field. Collaboration with other developing countries will be given priority.

8.3 The Government will actively promote interdisciplinary dialogue and collaboration among various academic institutions within the state and outside.

8.4 The Government is of the view that knowledge generated through public funding should be freely available to the public. Facilities will be developed to ensure the same.

8.5 International Center for Free Software and Computing for Development: The Government intends to build an International Research and Development Center for Free Software and Free Knowledge, in collaboration with other countries. The Center will focus on developing technologies relevant for the social and economic advancement in developing countries. The Center will provide technological and managerial support to ICT projects in Kerala.

8.6 Local Knowledge: Government considers that the protection of traditional knowledge is a priority area. With the help of ICT, local knowledge (culture, history, traditional medicine and all other forms of knowledge) will be recorded for the benefit of the citizenry.

9. Human Resource Development

9.1 The broad objectives of the HR policy would be to:

- a. Make Kerala a cradle of knowledge workers.
- b. Upgrade the productivity, skill and knowledge levels of the citizen.

9.2 Considering the need for cross-disciplinary education and lifelong learning, the Government will promote online education (formal and informal). Knowledge must be within the reach of anyone interested in acquiring it.

9.3 All educational institutions will be networked and connected to the Internet by 2010.

9.4 Finishing schools will be established with industry participation

9.5 Programmes will be created to impart ICT skills among all students and teachers of both schools and colleges. The Government will give top priority to the task of

imparting to students 21st century skills such as communication, media and information literacy, in addition to leadership skills and problem-solving abilities.

9.6 Quality improvement programs will be conducted for staff in educational institutions with the cooperation and involvement of professional organizations. Two or three nodal centers will be developed in the State for this purpose.

9.7 Collaborative initiatives will be undertaken with national and international agencies for Human Resource Development.

10. Law and ICT

10.1 Government would play a key role in dealing with new challenges that arise from the development and increased use of ICT. Misuse of ICT with malicious intent is becoming more common. The IT department will initiate programs to garner public opinion against this menace. Besides, law enforcement mechanisms to detect and prevent cyber crimes will be developed. A separate Cell will be formed in the Kerala State IT Mission to develop training and orientation programmes to familiarize the stakeholders with the IT Act by giving specific emphasis to the implementation of digital records, digital signatures and data protection mechanisms in Government.

10.2 It is also important for the Government to strike a balance between the interest of copyright owners and society. There are several new international initiatives that are working on innovative legal frame works for sharing knowledge resources on less restrictive conditions. Considering the social value of freely available knowledge resources, the Government will support efforts to build free knowledge. Knowledge generated through State funding shall be made available through a suitable non-restrictive license.

10.3 The Government sees itself as a model upholder of the rights of Intellectual Property owners as envisioned under the laws of the land. The Government shall provide orientation programmes to its law enforcement agencies to understand the intricacies of the laws under the relevant Intellectual Property laws and the Information Technology Act of the Government of India to curb violations of the rights of Intellectual Property owners, cyber crimes and data theft. Government understands the need for creating awareness on copyright, patents and trademarks, which play an important role in today's economy. Awareness programs will be developed for general public.

11. ICT Infrastructure

11.1 Government IT Parks: Technopark in Thiruvananthapuram and Infopark in Kochi are the two IT parks promoted by the Government of Kerala. Both the parks have world-class facilities and excellent growth prospects. Taking into consideration the increasing demand of IT companies to start operations from these parks, the Government shall expand Technopark and Infopark even further on its own accord and also in partnership with private infrastructure providers. The parks shall further enhance the facilities they offer for recreation, welfare, healthcare and non-professional needs of those working there. The Government shall also use its good offices to ensure that offices of the Customs and STPI are located within the parks.

11.2 Kerala State Wide Area Network: In order to give a fillip to the E-Governance programmes, Government of Kerala has set up an E-Governance Data Centre at Thiruvananthapuram. All Government departments and agencies shall make use of the services from the Data Centre for purposes such as co-location of the servers, website hosting, mail service, automated backup facility, SAN-based mass storage, remote management, monitoring etc. Government is also setting up a State Wide Area Network (KSWAN), linking all the districts, blocks and panchayats to the E-Governance Data Center, at high bandwidth.

11.3 ITES Habitat: To augment the potential of Kerala as an emerging destination for the ITES industry, the Government has set up an exclusive ITES training center in Kochi. The objective of the center is to train the youth, thereby producing top quality workforce needed by ITES businesses. ITES Habitat will closely liaise with the local educational institutions and provide training in English language, computer and personality development, including communication to the students. Incubation facilities for startup ICT companies shall also be provided at the Habitat.

11.4 Kerala State IT Mission: A team of professionals from the industry & the Government, it is the nodal IT implementation agency for Department of Information Technology. It's primary responsibilities include enhancing the IT industry base, ICT dissemination, implementing e- governance initiatives, developing human resources etc

11.5 Indian Institute of Information Technology and Management, Kerala: The Government has set up the IIITM-K in Technopark, as an institute of excellence in education, research, development and training in basic and applied Information Technology and Management. The institute helps the region's development, not only by producing trained professionals to serve the ICT industry, but also by making its expertise and services available to companies that require such help.

11.6 Centre for Development of Imaging Technology (C-DIT): A leading R&D institution in the State, C-DIT is actively involved in science and technology, development communication and the application of IT in de-centralized planning. C-DIT has the capability and expertise to emerge as a resource centre for the dissemination of information technology in the state.

11.7 Kerala State Electronics Development Corporation (Keltron): The first State Electronics Development Corporation in India, Keltron is actively involved in manufacturing and marketing of a wide spectrum of electronic products. Keltron is a leader in communication products and has the proven capability in partnering the State in the programmes to popularise the use of ICT in Government and also in the creation of the State Information Infrastructure.

11.8 GoI Agencies. (a) The Centre for Development of Advanced Computing (C-DAC), is primarily an R & D institution involved in the design, development and deployment of advanced Information Technology (IT) based solutions. C-DAC has undertaken and executed a number of projects for the state. (b) National Informatics Centre (NIC) Kerala State Centre, one of the total solution providers of Government of Kerala, is actively involved in most of the IT enabled applications and has changed

the mindset of the working community in the Government to make use of the latest state of the art technology in their day to day activities to provide better services to the citizens of Kerala. (c) The Software Technology Park of India (STPI) manages infrastructure resources, provides 'single window' statutory services and trains professionals in the field of software technology and software engineering. (d) Dedicated to the furtherance of competent research and development in the firmament of Electronic Materials, the Centre for Materials for Electronics Technology (C-MET) envisions attainment of self-sufficiency in the sphere of Electronic materials, components and devices to cater to India's strategic- and industrial- applications, exploiting indigenous resources of raw materials. C-MET, Thrissur is working on preparation of fine powders of electronic ceramics like titanates, Zirconates, Alumina and Ferits and their processing to make substrates, MLC's, chip inductors etc. using high tech ceramic processing. (e) Electronics Regional Test Laboratory (ERTL), is one of the laboratories of STQC Directorate engaged primarily in providing Accredited Calibration and Testing facilities. The unit in Thiruvananthapuram has been set up to serve the electronic industries in the SME'S to upgrade the overall quality of electronics products manufactured in India.

11.9 OFC connection across the state. Kerala Government has received data links for its exclusive use from major Internet Service Providers like VSNL Reliance, Asianet, Bharti, etc., against the "Rights of way" granted for laying OF across the State. Industry shall benefit from direct OF connectivity into the Kochi communication gateway from most towns within the state at a significant cost advantage. This would favour IT enabled services that are bandwidth intensive and which require reliable, failsafe connectivity.

12. Akshaya Project

12.1 To ensure that the benefits of ICT services reach the common man, Government of Kerala will set up around 3000 broadband-enabled information hubs called Akshaya e-Centres throughout the state. The Project provides functional computer literacy training to at least one person from each of 64 lakhs families in the State. Working on a PPP mode, the focus of Akshaya will be for 'making technology and e-government services accessible to common man'.

12.2 ICT enabled Services: The Akshaya e-centres also intend to deliver several value added services to the people. E-payment, e-learning, e-business etc are the priority objectives of the Akshaya e-centres. The Akshaya will tailor its services on locally relevant themes and in Malayalam language, so that it will be directly relevant to the ordinary people.

12.3 Career and Skill development of Rural People: Akshaya e-Centres will have their presence throughout the State. In association with local bodies, the Government will use these e-Centres for internet based training, education, skill development etc., especially in rural areas of the State.

13. Incentives

13.1 Fiscal Incentives.

13.1.1 Fiscal incentives are applicable to all eligible companies operating in Kerala other than those located within an SEZ

13.1.2 Fiscal incentives shall remain in force for a period of 5 years w.e.f 01-12-2005

13.1.3 Fiscal incentives for eligible companies will be as follows

- a. Standard Investment Subsidy - 30% of Fixed Capital Investment subject to a limit of Rs. 15 lakhs for companies located in Thiruvananthapuram and Ernakulam districts. For companies located outside the districts of Thiruvananthapuram and Ernakulam the applicable SIS will be 40% of Fixed Capital Investment subject to a limit of Rs. 25 lakhs.
- b. Government will constitute a Technology Development Fund for the ICT industry in Kerala. Grant will be made available for R&D projects from this Fund, subject to the approval of the project by a committee constituted for the purpose. Such projects shall be made available to the public in suitable Free Software License.

13.2 Other Incentives

13.2.1. IT industry units, Government IT parks, certified IT parks and Akshaya e-centres are entitled to power tariff under HD1 industry and LT 1V industry depending on the supply of and connected load to the IT industry.

13.2.2 FAR in the Government and certified IT parks shall be maintained at the level of five.

13.2.3 IT units in Government IT Parks:

- a. Exemption from stamp duty and registration fees upon executing lease / sale agreement with the park for lease / sale of land and built up space.
- b. Exemption from entry tax for goods like machine equipments, capital goods and construction materials procured for implementation of infrastructure projects

13.2.4 IT infrastructure developers in Government IT Parks:

- a. Exemption from stamp duty and registration fee and transfer duty of land.
- b. Concessions offered to Government parks will be made available
- c. Power tariff under HD1 industry and LT 1V industry depending on the supply of and connected load

13.2.5 Private IT Parks that meet a minimum set of standards shall be governed by the same set of industry enabling regulations that are applicable to Government IT Parks unless other wise specified by the Government. The Government will constitute a committee to decide on the minimum set of standards required by the private IT Parks to qualify for certification

13.2.6 An IT software unit that has its registered office in Kerala and employs a minimum of 30% of its workforce in its Kerala operations, and otherwise compliant with the tender requirements, shall be entitled to 7.5% price preference on IT software solutions required by Kerala Government / PSU's / Government Bodies. Other conditions remaining the same, they shall be given higher preference.

13.2.7 An IT hardware unit that has its registered office in Kerala and employs a minimum of 30% of its workforce in its Kerala operations, that is either excise paying or ISO certified, and otherwise compliant with the tender requirements, shall be entitled to 10% price preference on IT hardware required by Kerala Government / PSU's / Government Bodies. Other conditions remaining the same, they shall be given higher preference.