

Union Budget: Addressing Diverse Aspirations

The welfare centric Union Budget of Modi Government for 2018-19 has attempted to address diverse aspirations of a wide cross section of society. It is a historic pro-poor budget. A higher outlay on infrastructure would also help the country in achieving higher economic growth as well. It would also bolster all-round development, including in agriculture, employment generation, women's welfare, with special emphasis over quality education for wider masses, better healthcare for the vulnerable sections, and housing for all and improve overall human development.

Farmers, Poor, and Common Masses in Focus

Farmers, rural masses, poor people, women and SC-ST are well in focus in the budget. The budget has reasserted the government's resolve to double farmers' income. In a major boost to farmers, the minimum support price (MSP) for all upcoming Kharif crops has been assured at 1.5 times the cost of production. In case the market prices are lower than MSP, government would procure the produce or ensure farmers get right prices.

Agricultural market and infra fund with a corpus of Rs 2,000 crore will be created for 22,000 rural agricultural markets and 585 APMCs. Cluster development model of agricultural commodities and emphasis to encourage organic farming are welcome. Allocation for Food Processing has been doubled. Operation Green will encourage farmer producer organisation, logistics, warehousing etc with an allocation of Rs 500 crore. Export of agri-commodities has been liberalised to tap India's agricultural exports potential of \$100 billion. Agricultural Credit limit has been raised to Rs 11 lakh crore. To boost the bamboo sector and animal husbandry, kisan credit cards will now be extended to fisheries and animal husbandry farmers. A restructured national bamboo mission with a corpus of Rs 1,290 crore would be set up. Rs 10,000 crore are allocated to set up two funds to promote fisheries and animal husbandry.

Quality Health-Care for all

The poorest of the poor will be covered by universal healthcare to the tune of Rs 5 lakh per year. This health insurance scheme proposes to cover 500 million beneficiaries of 100 million families. The Government has targeted health as well as pollution, which is causing health problems, by providing 500,000 rupees per family annually for medical reimbursement under National Health Protection Scheme. The Finance minister targets to protect 50 crore poor people by this scheme- the world's largest health protection scheme. Removal of crop residue would be subsidized to tackle the problem of pollution from burning of crop residue.

Ease of Life for Poor and Disadvantaged Masses

In terms of social welfare and ease of life, gas connections will now be provided to 8 crore poor women under the Ujjwala Yojana. In pursuit of ease of life with respect to the energy coverage push, Rs 16,000 crore for Pradhan Mantri Saubhagya Yojana is allocated for connecting 4 crore households with free electricity. It would illuminate 4 crore households and help achieve social and economic empowerment. There is a target to construct at least 2 crore toilets under Swachh Bharat Mission. Also, under Housing for All by 2022 and Pradhan Mantri Awas Yojana (rural), 51 lakh affordable housing units would be constructed in rural and 50 lakh in urban areas.

For boosting economic empowerment, enhance livelihood opportunities and private enterprise, target for loans to self help groups for women has been increased to Rs 75,000 crore. Allocation to National Livelihood Mission is set at Rs 5,750 crore. A total allocation of Rs 14.34 lakh crore from extra and non-budgetary resources has been estimated for housing, infrastructure and livelihood in rural areas. With an aim to bring 60 crore bank accounts under Jan Dhan Yojana, allocation of Rs 52,719 crore for social inclusion of scheduled castes is proposed in the budget. Besides, the Pradhan Mantri Jivan Bima Yojana would give benefits to 5.22 crore families. Under Jan Dhan Yojana, the entire lot of 16 crore accounts will be brought under micro insurance and pension plans.

Boost to Education and Social Protection

For comprehensive social welfare, under the National social assistance program, over Rs 9,000 crore have been allocated. Education in the country would now be treated without segmentation from KG till class 12 with an aim to move from black board to digital board with a push for digital technology and e-education. The FM has announced that by 2022, every block with over 20,000 tribals and over 50 per cent STs will have a special Eklavya school.

The Government proposes establishment of 24 medical colleges and two new Schools of Planning and Infrastructure. In a major boost to healthcare and medical education, the FM has pledged to set up at least one medical college for every three parliamentary constituencies. Allocation of Rs 1 lakh crore has been proposed for revitalising and upgrading the education sector. Government proposes to set up 1.5 lakh centres under Aayushman Bharat programme to provide health facilities with an allocation of Rs 1,200 crore.

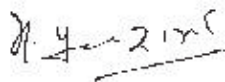
Domestic Manufacturing & Employment Generation

Domestic manufacturing and MSMEs are the key to employment generation. For special support to the MSME sector, the FM has allocated Rs 3,794 crore capital support and industry subsidy by 2022. Under the Mudra Yojana, FM Jaitley has set a target of Rs 3 lakh crore. The finance minister said that Rs 4.6 lakh crore were sanctioned under the Mudra Yojana last year. To give a boost to 'Made by India' through domestic manufacturing, customs duty on mobile phones and TVs has been hiked for providing fillip to domestic value addition in India. To discourage imports, government also proposes a 10 per cent social welfare surcharge on imports.

Infrastructure & Tourism

Mr Jaitley has rightly highlighted the need of Rs 50 lakh crore for the infrastructure sector. He said that construction of a new tunnel at Sera Pass will also work in promoting tourism. A total 10 prominent tourist sites will be upgraded as iconic tourist destinations. The flagship Bharatmala project aims to connect India's eastern and western ends with a 35,000 km highway and roads network, an outlay was announced to the tune of Rs 5.35 lakh crore under phase 1. For toll payments on highways, Jaitley said that the government will introduce a new system called "pay as you use". Total capital expenditure for Indian Railways is also set at Rs 1,48,528 crore. A special railway university will also be set up in Vadodara, Gujarat.

On the whole, the Budget for 2018-19 reflects the Government's firm commitment to boost investments in Agriculture, Social Sector, Digital Payments, Infrastructure and Employment Generation on the one hand and simultaneously stick to the path of fiscal rectitude by aiming for a reduction of Fiscal Deficit by 0.2% of GDP over RE 2017-18. This is substantiated by increase in expenditure of Rs. 2,24,463 crores over RE (2017-18) while simultaneously keeping the fiscal deficit at 3.3% of GDP, which is commendable in term of fiscal discipline in RE 2017-18, the total expenditure has been kept at Rs. 22,17,750 crore and is more than BE 2017-18 by Rs. 71,015 crore. The increase in total expenditure is mainly due to the outgo on account of GST Compensation to States, increased outlays on some important schemes and also to meet the recommendation of the 7th CPC with respect to allowances and pensions. As a consolation for personal income tax the middle class has got Rs 40,000 standard deduction against travel and medical expenses. The budget would again place the country as the fastest growing economy with inclusive growth and optimum fiscal discipline.



(Prof. Bhagwati Prakash Sharma)

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