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A FINE BALANCING ACT BY THE FM

BUDGET MAKING is always a tight rope act, but when a Finance Minister has to prepare it towards the end of a term, the balancing act becomes that much more challenging. The pulls and pressure to keep everyone happy, from the middle class to the farmers, from the rating agency to exporters and from the investor to the tax man, is no mean task. Clearly all cannot be pleased! The Budget in recent years has also become a platform to spell out the government's thinking and priorities on various sectors for the medium to long term. This means that pronouncements are often not reflected in allocations made in the short-term. The Budget



therefore, needs to be looked at in this context. The FM has certainly taken a long-term view by focusing on agriculture, healthcare, education and infrastructure. Let's first look at how specific pain points of the farmers have been addressed.

- By assuring revenue of 1.5 times the cost incurred, it has safeguarded the farmer's income. A clarification by NITI Ayog Vice Chairman, Rajiv Kumar that all costs will be considered is welcome; we have to wait and see the operational roll out.
- By funding agricultural market development and increasing the reach of e-NAM, farmers' access to the market has been strengthened. The proposal to develop 22,000

sub-sector is the single largest component and contributes almost 30 per cent to the GDP from agriculture.

- The effort to recognise lessee cultivators as farmers and provide them with benefits of government schemes is commendable. This will help raise production, utilise fallow land and importantly, provide relief to the most vulnerable section of the farming community.

The announcement of the National Health Protection Scheme is ground breaking. While large segments of our population have moved above the poverty line in the last 25 years, it is also well documented that some slip back into poverty because of health expenses. This will provide a much-needed relief for the under-privileged.

The education sector has seen two major innovations. The launch of RISE (Revitalising Infrastructure and Systems in Education) reflects a deep commitment to higher education. The intention to partly finance higher education institutions through a special purpose vehicle will bring more accountability and responsibility. Only grants can sometime bring complacency, especially since the money doled out by the Central government is huge. Of course, it needs to be ensured that the new IIMs, AIIMS etc., get adequate grants to get them off the ground. There is finally recognition that poor quality school education has had a debilitating impact on the younger generation. As employers, we have seen that a school pass-out is no guarantee for a minimum standard of education. Therefore, the plan to conduct a survey of more than 20 lakh children

to assess the status on the ground, will squarely address the problem where it lies.

The proof of the pudding, though, is in the eating. Implementation challenges remain and need structural changes in government functioning. Overall, compliments to the FM for performing the proverbial "Indian rope trick". **BW**

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