

Howling at the Wind

It was business as usual. And it was not that tough for Pranab Mukherjee to present the union budget 2009-10. Quite expectedly different stakeholders reacted to the budget in their own way as they did in the yester years. All the corporate stars were aligned to see the greatest era of liberalisation and reforms but in the end they looked somewhat disappointed with Mr Mukherjee's slow-motion exercise. Interestingly both left and right were on the same wave length in criticising the budget, ostensibly to address their respective constituencies. While the Bharatiya Janata Party described it as a timid budget because there were not 'bold' measures, rather aggressive postures, in initiating further reforms and stock market resoundingly rejected it, the left, the communist left to be precise, dubbed it grossly inadequate in meeting the challenges of economic recession, growing job losses and declining purchasing power of the masses. Pranab Mukherjee's promise to create 12 million jobs is simply unrealistic. The ground reality doesn't support it. Optimism is good but taking GDP to 9 percent seems impractical and talking eloquently about 4 percent growth in agriculture is without foundation. As most budget experts and captains of the industry were busy to duel over fiscal deficit, abolition of fringe benefit tax, quantum of stimulus package,ensex and all that, no explanation was offered for the unprecedented price rise of essential commodities amidst the cheers about zero or even negative inflation rate—a queer phenomenon.

Budget was a big event, no doubt, but nothing was said about the near drought situation in most parts of the country and way out to cope with it. Though the budget emphasises on honouring the Congress Party's election manifesto assurance of 25 kg of rice or wheat per month at Rs 3 a kg, no allocation has been made to foot the bill. The so-called Food Security Act without provision sounds funny.

But political parties, both left and right alike may rejoice over the fact that the budget has proposal to provide 100 percent tax exemption to electoral trusts. Making donation to political parties tax free is being seen as a sign of official acceptance of corporate and non-corporate funding of elections. Whether it can break the unholy nexus of politicians and business tycoons is another matter, albeit illegal donations to political parties world over have been considered a major cause of corruption in public life. Maybe, it is a bold step after the enactment of Right to Information Act. Maybe not. But in real life it matters little to the commoners. Then they are not the immediate headache for budget makers. To them what matters is how to camouflage tax relief to the rich. And noble laureate Joseph Stighitz was not unrealistic to tell the truth about Congress-led UPA government's budget that tax cuts, particularly poorly designed tax cuts were really just a gift to well-off firms.

The effort to hide one untruth leads to multiple untruths and the union finance minister was in the midst of that game just as other finance ministers did in the past. In the last 62 years all the finance ministers had swamped the concerned people, the so-called educated people into a huge heap of untruths and all "sincere" efforts to find the salvation route had failed.

Meanwhile, a group of nameless and faceless people living in obscure tribal hamlets of Lalgarh in West Medinipur of West Bengal refused to be fooled all the time and they showed courage in the face of massive repression, to unmask untruths and lies generally associated with every budget.

The government tries to reach out to the neglected people so far in deep slumber before it is too late since otherwise many Lalgarhs will appear across the length and breadth of India. The government tries to assuage the wounded feelings of the neglected people by doling out employment guarantees piecemeal and such other developmental projects that will be extended to such areas of neglect. In an economy whose base was built solidly by the sweat and blood of workers and peasants through decades of planned effort and whose fruits were abdicated to privateers and upstarts under the cover of MNCs, and flooding the economy with currency without corresponding reserve in order to ease the functioning of these private players, the inflated value of the GDP is shown as well over Rupees 35 lakh crore. The government seeks to raise Rs 6,41,079 (Rupees six lakh forty-one thousand seventy nine) crore from Gross Tax Receipts and Rs 1,40,279 (Rupees one lakh forty thousand two hundred seventy nine) crore from Non Tax Revenue totalling Rs 7,81,358 (Rupees seven lakh eighty one thousand three hundred fifty eight) crore. The government proposes to spend Rs 10,20,838 (Rupees ten lakh twenty thousand eight hundred thirty eight) crore leaving a revenue deficit of Rs 2,39,480 (Rs two lakh thirty nine thousand four hundred eighty) crore which is 6.8 percent of GDP. Out of the total expenditure of ten lakh plus crore, Interest Payment (Rs 2,25,511 crore) and Defence Expenditure (Rs 1,41,703 crore) will take away Rs 3,67,214 (Rupees three lakh sixty seven thousand two hundred fourteen) crore leaving only Rs 6,53,624 (Rs six lakh fifty thousand six hundred twenty four) crore for other plan and non-plan expenditures. And the government has earmarked Rs 6,95,689 (Rupees six lakh ninety five thousand six hundred eighty nine) crore as plan expenditure and the remainder of Rs 3,25,149 (Rupees three lakh twenty five thousand one hundred forty nine) crore as non-plan expenditure. So within the space of Rs 6,53,624 (six lakh fifty three thousand six hundred twenty four) crore, all expenditures, plan and non-plan, will be filled in. But that is difficult. Either the government will have to increase the deficit to a still higher level to carry on the expenditure to the budgeted figure or some parts of interest payment and defence expenditure will have to be shown under plan and non-plan category or some other mix of falsity.

Common man will not benefit. For the government, defence means defence against people's wrath and the consequent people's efforts to show cold shoulder to SEZ (Slave Economic Zone) creation by MNCs, naked or camouflaged and development means creation of proper infrastructure at public cost for SEZ. This budget sets these goals somewhat slowly but steadily. □□□