

Counting Days and Heads

Crisis managers are worried. That's the message the fading Congress-led United Progressive Alliance (UPA) Government is sending to ordinary people—*aam admi*. Budget-making seems to be the worst job in the world. And it's more so with interim budget. Quite expectedly acting finance minister Pranab Mukherjee got flak for his interim budget for 2009-10 from almost all opposition parties as they would like to describe it as an exercise in escapism with the sole objective of gaining mileage in electoral battle. In plain language Mr Mukherjee presented a balancesheet, rather a fact-sheet highlighting UPA Government's achievements during the last five years. But the ground reality is horrifying, it is cancerous eating people's lives.

That the UPA Government is living in denial is a fact of life. Global economic downturn may cost India 10 million jobs. They simply downplay the issue and the interim budget says nothing about how to create jobs elsewhere. The much publicised focus on social sector seems too clever by half as the gravity of the problem associated with global depression gets a slip.

As vote matters and the vote on account is aimed at wooing the rural constituency by announcing a number of poverty-alleviation schemes. But these schemes are more about propaganda as the real world of social and economic inequity is something else. If past experience is any guide what is projected on paper does hardly get materialised on time, inducing a cascading effect and reducing the target as well. Last year the UPA Government promised to spend 6 percent of GDP on education and 3 percent on health with a lot of publicity blitz but finally failed to reach near the level. Sops in the form of reduction in excise duties and service tax will have little impact on the overall situation.

What is being ignored even by the left critics of interim budget, not to speak of the right because Congress and Bharatiya Janata Party are in the same boat when it is the question of championing neo-liberal economic policies, is that the government is all set to seek additional \$3 billion loan from the World Bank to infuse blood into public sector banks. In other words restructuring of India's public sector banks looks more than imminent though the left has been agitating for quite some time against the early possibility of privatisation of nationalised banks. It is a matter of time that foreign stakeholders will dominate Indian domestic banking business, crippling the job potential further.

Interim Budget lacks direction in the sense that the Mukherjees and Singhs have no plan to enhance domestic consumption market and purchasing power of ordinary people without which recessionary scenario will worsen further. The government is not really keen to enlarge domestic demand as claimed by the persons in authority in contrary. In effect rural employment sees a reduction of Rs 6,650 crore, rural development Rs 5176.59 crore, urban development Rs 1734.95 crore. But they are doing everything possible to meet private sector investment demand and its appetite for funds. Despite mounting corporate frauds, what all they can think of is how to make the bail-out attractive to investors.

Meanwhile farmers' suicides continue and unemployment situation defies description. As export-led industry and trade faces bankruptcy after bankruptcy, despair and uncertainty seems to have gripped the entire working community. Farmers apart, unemployed workers too are committing suicide as 71 diamond polishers have already committed suicide in Gujarat, the state which is otherwise among the front-runners in industrial investment.

After a short period of revenue surpluses this year has seen a shortfall of an alarming 60,000 crore tax revenue. And now a 2 percent cut in excise duty and service tax will

lead to revenue loss to the tune of 29,000 crore. The more than four-fold increase in revenue deficit, up from 1 percent in budget estimates to 4.4 percent in the revised estimates, is likely to detonate a chain reaction because the next government, irrespective of its colour and flag, after the constitution of the 15th parliament will impose heavy tax on ordinary people—wage-earners, self-employed—and print money creating inflationary pressure, to tide over the crisis. The Congress-led UPA rule started with 8.5 percent growth and will leave at 6 percent or even lower as the budget estimates suggest. But these figures are for fun to the common man. Prices are soaring and soaring but they don't say a word or two about how to address the problem of ever rising prices of essential commodities.

Without massive investment through public sector, coupled with employment generation in the core sector, the adverse impact of global recession on Indian economy cannot be reversed. But the persons in power and the persons in opposition are unlikely to break with the status quo for a radical shift, no matter whether more toilers commit suicide in the coming days. □□□