

A good job

There is much to applaud in the last full Budget presented by Prime Minister Narendra Modi's government, especially because it is in tune with the several structural changes made in the past three years. Possibly the most significant steps taken are the plan to have 150,000 health centres at an investment of Rs 1,200 crore and the provision of an annual health insurance cover of Rs 5 lakh per family to 100 million of India's poorest and most vulnerable families. These are significant initiatives, and the government has reason to pat itself on the back for the transformation it is seeking to attempt in healthcare. The guarantee of a Minimum Support Price that is at least 1.5 times the cost of agricultural input, coupled with the ambitious plan to augment storage and processing of agricultural production, are targeted at reducing agricultural distress. These steps are being projected as pre-election sops by some. But if we keep the politics of the budget aside and focus on the positives, they are welcome steps just as the stress on providing a better deal to senior citizens is an initiative that deserves praise. Similarly, the thrust on regional air connectivity, the decision to renew 36,000 km of rail track and the push to the infrastructure sector are welcome. There are disappointments for some sectors, both in what has been done and what has not. Investors are disappointed by the re-introduction of long-term capital gains on sale of equity. Corporates hoping for a cut in corporate tax rates on the back of global trends have reason to feel chagrined. The salaried class will be put out by the fact that there isn't more in the way of tax breaks ~ as it is this class feels it gets the worst of both worlds ~ and a standard deduction of Rs 40,000 may not mollify India's most active tax-payers.

The devil though will be in the details, and questions raised by various experts on possible roadblocks in implementation are valid because with both healthcare and agricultural sector initiatives, the role of state governments will be crucial. Thus, if Mr Arun Jaitley's foray is to be termed a pre-election budget, it must not be forgotten that there will equally be an array of political forces seeking to derail these grand plans to show up this government and reap electoral dividend. There would therefore be some merit in the argument that the best aspects of the Budget aren't as much aimed at the hustings as they are at a transformation. A year and/or some months down the line, when the next General election is held, the Ayushman Bharat healthcare initiative will be in the process of implementation, indeed threading its way through the labyrinth of governmental processes. There is nothing in our track record as a nation to suggest there won't be glitches and if there are, they will be toted up as minus marks for the government. Comment on what Mr Jaitley has done for the defence sector will have to await a reading of the fine print, but overall it must be said he has done a good job.