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Budget 2004 Is Betrayal of Mandate 2004:

*Raw Deal for Rural India, Backward Regions, the Working Class and the Unemployed;
Bonanza for Foreign Investors, Big Corporates and Affluent Consumers*

The UPA Government's first budget is a boon for foreign investors, the corporate sector and affluent consumers. As for the poor, unemployed and toiling Indians, the countryside and backward regions, the present budget can only be described as a betrayal of the spirit of the mandate of the 2004 elections couched in deceptive declarations and shallow symbolism.

The budget just does not address two of the most crucial concerns expressed in the Economic Survey released only yesterday, namely, low tax-GDP ratio and growing unemployment burden. Contrary to the promise of a massive food-for-work programme pending enactment of the National Employment Guarantee Act, the budget has limited itself to a food-for-work scheme for only 150 districts. Instead of expanding and universalising the public distribution system, the budget restricts itself to token tinkering like selective introduction of food stamps for the hungry. Similarly, the grand promise of restoration of all water bodies in five years begins with a pilot project covering only five districts in the entire country.

The rejection of popular trade union demands for raising the Provident Fund interest rate and amending the anti-employee CPF scheme for central government employees exposes the hypocrisy of the government's pro-worker claims. While the proposed investment commission is evidently aimed at making India more attractive to foreign investors with ceilings for foreign investment being raised considerably in crucial sectors like telecommunication and insurance, the task of continuing the disinvestment campaign has merely been transferred to the proposed Public Sector Enterprises Restructuring Board.

Backward regions including Bihar have been sanctioned only a pittance. The crucial question of flood control has attracted a meagre allocation of only Rs. 30 crore. All backward states of the country are now left to compete for funds from the proposed Backward States Development Fund with a corpus of only Rs. 25,000 crore for the next five years. By contrast, the defence budget for the country has been hiked to a whopping Rs. 77,000 crore. In the context of India's improving relations with neighbours like China and Pakistan, such a massive allocation in the name of the country's defence is totally retrograde and unwarranted.

In short, in the name of handing out a new deal for rural India and giving a human face to the economic reforms, the budget has once again given a raw deal to the starving poor and the farmers in distress while the much hyped 'human face' is fast turning out to be no more than a hypocritical facade.

Sd./
Dipankar Bhattacharya

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