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EXPERT
VIEW

KIRAN MAZUMDAR-SHAW

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SOCIO-ECONOMIC ISSUES FOCUS AREA OF BUDGET 2019

Budget 2019 is clearly a budget for the masses as the government has announced several relief measures for farmers, informal workers and other marginalized communities.

Farmers' and informal workers' benefit programmes
To relieve farmer distress the budget unveiled the Pradhan Mantri Kisan Samman Nidhi, an assured income support programme, for 120 million small and marginalized farmers with an outlay of ₹75,000 crore per year. This is a good move, however, with an annual relief of only ₹6,000 per year, it may not make any meaningful impact.

The extension of 2% interest subvention to animal husbandry and fisheries farmers, using Kisan Credit Card for loan, will be beneficial. Similarly, the extension of 2% interest subvention for the full loan term to farmers seeking loan rescheduling on account of natural calamities, will ease pressure faced by them. In case of timely repayment, they will get an additional 3% incentive for the entire period of rescheduling of loans.

The Pradhan Mantri Shram Yogi Maandhan pension scheme for unorganized sector workers with an income of up to ₹15,000 is a welcome move, as it will offer them a monthly pension of ₹3,000 with a nominal per month payout. This is a good initiative, as it will bring 100 million such workers and labourers under a social security net, and will also be the first step towards generating formal data on the kind of jobs being created in this sector.

Social schemes

The allocation for the welfare of Scheduled Castes and Scheduled Tribes has been substantially increased, which will help in improving the condition of these marginalized communities.

The absence of any incentive for healthcare sector has been a major disappointment

The allocation of ₹60,000 crore for Mahatma Gandhi National Rural Employment Guarantee Act for the economically weaker sections of society will also bring some relief.

In the area of education, the budget allocation for the National Education Mission has gone up. The government has announced approximately 200,000 extra seats in educational institutions to ensure availability for various reserved classes. This should help in creating equitable educational opportunities.

Similarly, the additional allocation for the Integrated Child Development Scheme will provide better preschool education and primary healthcare, as well as improve nutrition in young children and their mothers.

Focus on women

The allocation of ₹1,330 crore for the Mission for Protection and Empowerment for Women is timely and will help in creating a safe and secure environment for women. It is encouraging to note that over 70% of the beneficiaries of the Pradhan Mantri Mudra Yojana are women, who are engaged in creating their own businesses. Under the Pradhan Mantri Ujjwala Yojana, 60 million liquefied petroleum gas connections have been provided to rural women, thus improving their quality of life.

Infrastructure

The allocation of ₹19,000 crore for the Pradhan Mantri Gram Sadak Yojana will improve rural connectivity.

While the government claims that India is the fastest highway developer in the world with 27km of highways built each day, road infrastructure in urban cities needs immediate attention.

The use of inland waterways for freight movement is a good beginning and, with adequate allocation, it could provide an effective alternative to the surface transport system in the country.

Digital India push

We have certainly seen some progress in this area. The government's plans to create 100,000 digital villages over the next five years will give impetus to the Digital India programme.

The announcement of a national programme on artificial intelligence, which is based on NITI Aayog's research work over the past one year, is a welcome move. Such an initiative will go a long way in addressing the skills gap in this area.

Healthcare

However, the biggest disappointment has been the absence of any meaningful incentive given to the healthcare sector to enable the government's agenda of making healthcare affordable and accessible. The government should have looked at goods and services tax exemption on cancer and diabetes drugs, which would have benefited millions of patients.

Kiran Mazumdar-Shaw is chairperson and managing director of Biocon Ltd.