

A 360° Budget with Focus on Job Creation

Budget comes with outcome-based review of schemes & exercises undertaken by NITI Aayog

BY INVITE



AMITABH KANT

CEO, NITI AAYOG

When the FM stood up to present the Budget, he had the unenviable task of presenting a budget that reflected the government's intent of promoting growth with job creation, without undermining tenets of fiscal consolidation. An increasingly unfavourable global scenario made his task difficult. He also had to avoid the lure of populist measures given the forthcoming state elections.

The FM needs to be complimented for announcing a slew of cross-sectoral measures which would promote overall growth, generate employment while bringing about greater transparency, good governance and remaining within the confines of fiscal consolidation.

A 25% increase in public expenditure demonstrates the thrust to use this tool to capital formation, job creation, low inflation and increase in demand that would in

turn spur sustainable growth.

For the rural economy, the most important announcement in my view is the decision to integrate PACS (primary agriculture credit societies) and district central cooperative banks on the core banking system, which will enable inclusion of a large section of the rural population within the seamless rural credit ecosystem.

By announcing comprehensive labour market reforms, the minister has given the biggest indication of the government's intent to improve ease of doing business, thus promoting the manufacturing sector. Abolition of FIPB is a bold measure that will cut down red tape. Reduction of corporate tax rates from 30% to 25% for companies with less than ₹50 crore turnover would prove to be the added benefit. With "Infrastructure" status being bestowed upon affordable housing, private investment in infrastructure will certainly see a boost.

The Budget comes with the outcome-based review of government schemes and exercise being undertaken by NITI Aayog.

The unprecedented initiative of electoral bonds, reduction of cash donation and ban on cash transactions above ₹3 lakh will increase transparency in political funding and promote transparency in financial transactions.

The Budget has successfully laid down the blueprint for creating an enabling framework that would promote growth with a focus on job creation.