

SPEECH BY SHRI RAJEEV CHANDRASEKHAR, MP DURING THE DISCUSSION ON THE BUDGET
2018-19

Sir thank you for letting me speak on Budget 2018-19. It marks the 11th time I rise to speak on a budget, and as is the norm or as is not unusual when a term is coming to an end, one tends to flip through all your earlier speeches and words in Parliament about the Budget and I did the same and it turns out from the first time I spoke in Parliament in 2008-2009 budget I have consistently argued in all my speeches for the need of cleaning up governance and creating opportunities for all in our country. Sir, let me just quote 2 quotes from my 2008-2009 speech, I said then "I support a strategy to use growth as the primary way to ensure that the pressing problems of poverty and despair are addressed and eradicated in the shortest possible time. I support the model of entrepreneurial led growth and efficiency in our economy."

Another quote in that speech sir and I just want to bring to your attention, I was a new MP, I was very brand new to politics and I said then "As we all agree the poor and the impoverished don't remain poor and impoverished through generations because they want to or that they don't try hard enough to break out of their vicious cycle of despair and hopelessness. It's just that they don't have the institutional support that gives them a fair chance to use their skills, hard work and intelligence to change their lives. I believe that our approach to this inclusive growth objective should be one of providing these millions of Indians a brand new fully integrated Infrastructure of Opportunity. I call it Infrastructure of Opportunity (IOO). This framework and infrastructure must be integrated and must contain health, education, skill development, credit and finance and security."

Sir, this is what I said as a brand-new MP in 2008-2009, completely new to Politics. If an MP like me could say it after one year in Politics, can you imagine sir that how any right-thinking citizen in this country would forgive those who have been in Government for over 6 decades for allowing these problems to continue. It is clear that people wanted a break from these 6 decades of status quo approach. It is this change that Prime Minister Narendra Modi's government represents – no small effort because of the entrenched vested interests that have huge stakes in the status quo - explaining also why as an Independent MP I chose to support and endorse Prime Minister Narendra Modi in 2013.

I heard my senior Colleague P Chidambaram who was at the steering wheel of the spectacular implosion of the Indian Economy in the second term of the UPA. There is a saying by a famous leader in

the Congress that emerged during the Coal scam. He said public memory is short, it's a famous/infamous quote. I can assure Mr. Chidambaram, he's not here in the house but through, Mr. Jairam (Ramesh), maybe I can pass that message that the public memory is not short and for those who have forgotten, there are many including me who will ensure that they are reminded.

Let us look back at the real picture in May 2014 – The Narendra Modi government took office on the back of an Economy that was inarguably left in tatters – there was a broken Banking system due to NPAs, there was shattered Investor confidence due to corruption and scams, years of profligate spending that had created a fiscal crisis, symptoms were visible sir - 12 quarters of successive GDP decline, 24 quarters of rising inflation; record current account deficit, fiscal profligacy, Gross Capital formation falling below 30% etc. The inflation legacy of the UPA was particularly cruel to the poor. To use a quote that I used of RBI Governor YV Reddy in 2008-2009 and I quote "Fighting inflation was a bigger priority than growth because spiralling prices hammered the poor immediately whilst the benefits of economic expansion took time to trickle down to the poor". This was the time when 11 corporate groups accounted for more than 90% the banking systems net worth in borrowings – unprecedented concentration of risk in the financial system. I was the first one to point this out in Parliament in 2011.

Now let's come back to where we are today. Over the last four years, GDP has grown, per capita income has increased, FDI flows over the last three years have steadily increased, with 2016-17 recording \$60.08 billion, foreign exchange reserves have crossed \$410 billion, inflation has moderated and government finances are following a roadmap of fiscal discipline after years of reckless profligacy. Decades of crony capitalism and piggy-banking on public sector banks have come to an end, a battle against corruption is underway, ease of making investments and doing business has increased and medium-to long-term investor confidence is at a high. The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent. The curse of bad debts, the brazen culture of unaccountable corporate borrowers has been given a burial with the new Insolvency and Bankruptcy law. The Days of borrowers enjoying while companies imploded and employees went unpaid are a thing of the past.

In the 2008-2009 budget speech of mine, I said "True inclusive growth is essential for us to bring out of misery and despair the millions of Indians who are seeing this economic miracle and growth story of India pass them by" – With over 30 crore JDY accounts and the subsidy and benefit transfer system slowly and surely gaining ground – This dream of mine in 2008 and 2009 is being fulfilled by the Narendra Modi Government in 2018-2019.

For my colleagues for example in the left who keep talking about allocations, I wish to point out that inclusive growth is not just about profligate spending it is also about an architecture that ensures non-leaky spending and that is what this government is doing with JDY and directed benefit transfer.

I will just quickly touch on these two reforms of GST and Demonetisation. I think we can expect that some political parties have a problem with demonetisation for reasons that they are heavily invested in the overall cash economy and overall dependence on cash for their politics. But on GST, I find the criticism of GST by my colleagues in the Congress, the height of political hypocrisy to put it mildly. To refer to GST as the 'Gabbar Singh Tax', I think is politics at play of the worst kind.

Mr. Chidambaram has repeated this multiple times in Parliament that he believes indirect taxes are regressive and he has said this even when he was the Finance Minister. But he did very little about fixing this asymmetry and he knows very well so does anybody who has understood GST, that GST expands the compliance and the indirect taxpays and is the gateway to finally expanding the direct taxpays. GST is a good tax, it is a good tax because it makes small businesses much more competitive. It improves the cost of compliance for small businesses and so therefore today for GST to be characterised as a villain is really about putting politics before smart economics and so I would request the Congress and my colleagues who criticise GST to not let the political cycle disrupt the economic cycle.

Let me end by making two requests to the Finance Minister, one is sir on behalf of the veterans and people in the Armed Forces. The One Rank One Pension has been to a large extent implemented by this government after 42 years neglect of the successive governments. There are a set of issues that are pending with the One Man Committee. I would urge the Finance Minister to accelerate and expediate the findings of the One Man Committee so also the 7th Pay Commission Anomalies Committee.

Let me touch upon before ending something about Digital India.

It is 25 years ago that I was amongst the first Entrepreneurs to sign the first Private Sector Telecom license of this country. A whole Industry has emerged in those 25 years. I was honoured to be a prime mover in this important difficult building years of building out the Telecom Sector. The sector has created jobs, multi-billion dollars of FDI, and creates revenues of thousands of crores to the Government. It is a vibrant example of success of private infrastructure and investment. But the last real comprehensive Telecom policy was in 1999 under Atalji's govt. Today the Internet and Technology are fast changing the landscape of our lives, economy and businesses. The ICT sector represents great opportunity for our nation to emerge as a Global Innovation superpower and unleash the next wave of investments and

jobs. I would urge the Government to create a new National Telecom and Technology Policy to mark this the 25th year of opening of the Telecom sector. A good policy would really boost the economy even further.

Let me end by saying this. The path that the Narendra Modi government has set the country's economy on is a good solid path. It is slowly and surely transforming decades of legacy vested interests. It is bringing in faith and confidence in the Government back amongst those who had long been forgotten by in Government. It is truly giving a voice and power to those who have been shut out from government for decades. Dr. Manmohan Singh government's presidential address in 2009 said "The dreary sand of dead habit must be left behind" and the people of India listened and voted Narendra Modi to govern to affect precisely this.

Since Mr. Chidamabaram referred to the current CEA (Chief Economic Advisor) and Economic Survey many times in his speech – Let me refer back him to what his CEA said in 2011 and I quoted in that year's budget speech – "For India to develop faster and do better as an Economy, it is important to foster a culture of honesty and trustworthiness. To cut down on corruption, we have to design policies in such a way that there is no incentive for enforcers of law to cheat"

I wish sir, his government had heeded that advise because this Government certainly does.

Thank you

Jai Hind