

Budget 2021: *Rajeev Chandrasekhar*

Thank you, Mr. Deputy Chairman, I rise on behalf of my party to speak in support of this landmark budget 2021.

I spoke in this house a year ago, unaware as most of country was – of the huge once in a lifetime china exported calamity first that was to befall us, followed by their border aggression. I also spoke in September when the house met and discussed the Covid Pandemic. So firstly sir on behalf of every Indian, this house and every karyakarta of my Party - I want to thank the PM, his government, Covid Warriors and Security forces for their tremendous service, untiring work in the last 12 months.

Every Indian should be filled with pride and confidence at the way India navigated all these challenges, remained united and resilient, worked tirelessly to protect every Indian and is poised to become the fastest growing Economy in the world. We are fortunate that we had this Government at this time of unprecedented threats to our nation from virus and at our borders. I shudder to think what a govt of the type that country suffered from 2004 to 2014 would have done given country's experiences with 2008 financial crisis, 2008 Mumbai Terror Attack or indeed the surrender to China in 1962.

India's response during this Pandemic has surprised and impressed the world. Many doomsday prophets said we would be overwhelmed by the Pandemic. But we surmounted all this - saved lives and soft-landed the Economy, enacted much structural reforms, Rebooted the Economy in a sharp V curve AND sent a firm message to Chinese communist aggression. Our party and govt were ensuring every one vulnerable was being reached and supported – while some opposition leaders were vacationing with occassional disruptive tweets/statements as their contribution at this time of national crisis.

{Through you Sir, I want share this with the house and people of India – Every policy action of Narendra Modi government in its first term helped Indias resilience and fight against Covid . Direct Benefit Transfer, Fiscal consolidation, Ujwala Gas cyclinder scheme, Swachh Bharat, Electricity to every home, Digital India, Rural Economy strengthening, Farmers enabling through PM Fasal Bima Yojana, PM Kisan etc, Recapitalization of Banks and cleaning up of our Financial sector, culture of Maximum Governance of hardwork and ideology of Sabka Saath, Sabka Vikas, Sabka Vishwas – all contributed to India prevailing during the pandemic and thriving post Covid.

It establishes to people of India, the benefits of having a Leadership and Government that thinks always in the medium and long term interests of people and country }

So, Sir, budget 2021 is a landmark budget – no other word describes it.

This budget represents a major inflexion point in India's journey of growth and prosperity for all.

Sir, I would like to go back Budget 2020-21. Some gyaanis in this house criticized the budget as not doing enough. Last 12 months have justified the prudence and dry powder strategy of the Govt in last budget given the headwinds and risks visible to all but not to the worthies in our opposition. Perhaps they wanted the country go down the same slippery slope that they sent it in 2008. So sir, Gyaanis must think about their record before they dish out Gyaan that create more pain and no gain.

Budget 2021-22 signals that the worst Economic storm that India has faced for centuries, is finally over. In September when the house discussed Covid and the opposition was highlighting the -23.9% economic contraction of the first quarter and opposition worthies were crying doomsday, our expectation was that with PM Narendra Modi's calibrated Economic responses, we would recover strongly and that economic contraction would be limited to -10%. But the resilience and recovery of our Economy has been better than that – it is projected to be only -7.7%

Sir, I would like the house and country through you to understand this. This -7.7% loss in output is about 18Lac crores approximately. It is like a natural calamity. When natural disasters hit a state or region in our country, there is economic and livelihood loss associated with that. In normal times, that loss is borne by the Central govt. But in the case of Pandemic, this 18 lac crores is a national loss – It is India's loss. This loss is directly attributable to the virus that came from China. This is not the fault of any Indian or any state or Center. There is no one to compensate us – and so we have to find the resources and create additional output and GDP to bridge this loss. So this once in a lifetime crisis offers us a once in a lifetime opportunity to grow and rebuild the losses. Every country around the world is having to deal with Covid-linked Economic losses except off course China.

So this budget is about that future and a future of growth and jobs.

This budget is built on the momentum of a very strongly recovering economy post the lockdown. Govt receipts are showing strong growth (Both direct and indirect taxes) indicating that there is minimum scarring in the real economy. India has received highest FDI flows in the world in this period. For the first time since Atalji governments a Current Account surplus – with the result that expected contraction would surprise on the upside vis a vis projections from Sept last year – leading to a IMF projected growths of 11-11.5% for coming financial year – as the fastest growing Economy in the world. Now for some in the opposition, this may not be good news and may indeed encourage them to think of another Andolan to distract from this news – but to most Indians this is very good news

What makes this budget landmark ? Because it has been designed growth and jobs. A few aspects of that

- a. Govt spending to lead Growth and job creation (fiscal and financial sector strength)

At times of natural calamities and crisis like this, PM Narendra Modis govt has taken it upon itself to be the prime mover of continuing the recovery and the expansion without imposing any taxes on people. Government is the most credible entity to drive Economic growth and our Government has stepped up to this expectation

How is it possible ? The policy of Fiscal prudence and consolidation of last 5 years, cleaning up Financial sector and liquidity is today helping the country in its effort to fight Covid and finance the investments required to grow and create jobs. Its capital expenditure budgets has increased 30% to 5.5 lac crores – which will have in turn multiplier effects – Contrast this with the last 3 years of Cong in 2012 to 2014. Where they had run out fiscal headroom and ended up allowing the Economy to crater and millions of jobs and livelihoods to be destroyed.

- b. Boosted infrastructure investments – In addition to direct Government spending, the budget conceives a design to encourage significant investments into the 1 Trillion (100 Lac Crore) National Infrastructure Pipeline. Spending on Infrastructure projects creates world class infra, make our economy and nation competitive as part of our AtmaNirbharBharat mission and ALSO creates jobs and Economic Activities in the short term. My senior colleague Sushil Modi ji mentioned

the new financing capacities that are being built in the financial sector for this with new DFIs and deepened Bond markets, Unlocking public Assets and recycling at State and Central government level.

- c. Increased Govt Execution capacity - Govts have lacked credibility to execute and complete projects. A Cong leader was telling the house how all these promises In budget will never happen because of delays etc etc. But execution capacity that has been built up in Government is a huge REAL achievement for Government. Driven by PM using Pragati to do regular, district wise monitoring of nationwide spending and implementation of Government programs – our Govt most amazingly financed and completed 217 projects from the National Infrastructure pipeline ,that were kicked off only in 2019 at - a cost of 1.20 lac crores.

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- d. Manufacturing – The Govt has moved fast to pursue the opportunities arising out of Global supply chain diversification post Covid. PLI scheme is a big gamechanger to boost AtmaNirbharta and to make India a trusted force in the new postCovid Global manufacturing supply chain. Recent successes in Mobilephone manufacturing including Apple and Samsung are being extended to other sectors like Pharma, Automotive, Medical, etc. From 2022 onwards, projects will start going online and their impact on Economy and job creations will be significant. This budget focusses on further expanding Manufacturing with Mega Textile export parks. This budget is then first big step to realizing PM vision of AtmaNirbharBharat adding additional one trillion dollars of manufacturing GDP in coming years and our goal, to replace Chinese jobs with Indian jobs as we set about the next 4 to 5 years to the goal of a 5 trillion-dollar economy.
- e. Focus on Wellness as a guarantor to sustained Economic growth - The budget firstly addresses present and future wellness and health of Indians and India.. The pandemic revealed the inexorable links between lives, livelihoods and Economy and tough choices of placing lives above livelihoods. The resulting costs have been significant.

An unprecedented focus on wellness for the Nation - so that our country and citizens and Indian economy will never ever be this vulnerable to either deliberate or accidental pandemics of the kind that originated in China . By approaching wellness to be a sum of Health Infra, Nutrition, Cleanliness, Water and sharply increasing Allocation of over 2.45 Lac crores from the earlier 95,000 Crore There was some usual bickering of the numbers by opposition – Sir to put in perspective 2014 UPA govt health care budget abt 27,000 Crores. This year for wellness (Health + Swachta + Water) we are spending 2.35 lac crores. In health alone it is over 1.2 lac crores. Of this admittedly 35,000 Crores is for vaccination – because that is a healthcare requirement last time I checked sir.

This significant expansion of Healthcare capacity of NIVs in each region, Critical care Units in 602 blocks, Testing labs in each state will also create a tripling of jobs in the Healthcare sector for Doctors, Nurses, ParaMedics and Admin staff.

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Financial sector in India is the fuel for growth. The Financial sector must grow and diversify its intermediaries. Over 70% of total original credit is from Public sector entities and for a modern economy this needs to be diversified and Budget addresses this.

Someone in opposition made the claim that budget is juggled data. This budget raises the bar on transparency. Where is each rupee comes from, where it goes is all clear. Crowdsourcing Budget inputs and BudgetApp takes the Narendra Modi govts mission of Citizens involvement in Budget to even further. With greatest respect sir, Jugglery of data stopped after 2014 – no more zero loss fakery or hiding Govt borrowing in OMCs as was the practise during UPAs as two Congress speakers on the budget will no doubt agree.

Disinvestment

Government is also expanding its resource bases and going beyond Tax revenues by expanding resources to encouraging state governments to recycle assets, Sale of non-strategic investments and assets like land. Much has been said about disinvestment and I want to respond to this

Sir, firstly this loss to our Economy was not our fault. The loss is real. Unless Cong through its MOU with Chinese Communist Party or my Left friends through their other close contacts can persuade the source of this virus to compensate India for this loss – full or part, Unless we can do that – we have to find resources to grow and make this loss ourselves. So I welcome my friends in Cong and CPM to reach out to China and ask to compensate India before you oppose Govts efforts to use Public assets to help our people.

Sir, hypocrisy is now a staple of opposition politics – mixed with healthy doses of untruths and fearmongering. Private Sector is an important stakeholder and contributor to our vision of growth and jobs, The parties whose leaders who oppose private sector expansion in our Economy are the ones who have a long history of handing out public assets to Cronies for decades – most recently spectrum, coal blocks and land to family favourites – taking contracts away from Indian PSUs and awarding contracts of VIP helicopters and Trainer aircraft to Private Italian and Swiss companies, Allowing 9 groups to corner 97% of Banking systems network in 2010-2012 , Private sector smuggling Gold through CMs office – the list of this fake socialism is endless.

Our govts disinvestment approach has never put the workers or Employees interests at risk. Every job has been protected and will always be protected. Disinvestment creates a stronger future for PSEs and ensures that resources raised are used to invest in peoples needs of Health, Education and Jobs instead of raising Taxes or GST. The Budget reaffirms the principle that public assets must be put to use for good of the public – the poor and needy and taxpayer. I am quite sure that there will andolanjeevis trying to mislead people about Governments plan. The country must know these is that the leaders of these Andolanjeevis presided over the biggest gifting of public assets to cronies.

Fiscal deficit

There is some concern about Fiscal deficit. Almost all governments around the world are running high fiscal deficits as a consequence of the increased spending pressures during and post Covid. The FM has outlined a medium term fiscal consolidation on the back of expanded resource mobilization and without slowing down spending - current 9.8% of GDP to 4.5% in the next 4-5 years. I am confident India will surprise on the upside even here.

Demand side Economics and Direct Transfers

For several months now, there has been talk of Textbook theories of Demand side Economics. Firstly I want to remind the country of the Congress disastrous record of this type of textbook Economics in 2008, the costs of which the country and taxpayer is still paying. Second a common sense response to this textbook economics – Demand is linked to Consumer Confidence. Consumer Confidence is in turn linked to the fading of the Pandemic risk – which is linked to vaccination. Demand will pick up as people get vaccinated and feel that the Healthcare risks have diminished. Why am I confident ? Simply look at the double digit growth of Bank deposits have grown in rural and urban areas in double digit. People are saving and this savings will come back as consumption as confidence improves. That is called prudent Economics – not the 2008 type headline flash that ended up costing the nation lacs of crores of money and suffering for many.

New Confidence and Economic thinking

Sir, I have studied every Economic crisis that the world has seen from the early 1900s. After every crisis new Economic thinking emerged as the conventional Economic theories were proved ineffective by that crisis. I wish to point this out to the former Finance minister who spends significant time attempting to teach textbook theories of demand side economics.

To my friends in opposition who blindly follow some Western Economist or Karl Marx – I wish to say that AtmaNirbharBharat signals a new Economic thinking for India – evolving a new model that is aligned to Indias unique diversity and spread of economic activities – that isnt necessarily taught in Harvard or Stanford - from our diversity of occupations, traditional livelihoods from villages to modern towns. AtmaNirbharBharat vision of the PM is one where India is a globally competitive provider of products and services to the world. This vision is not autarky or protectionist as some try and mischaracterize. My colleague

Dharmendra Pradhan explained it very well in this house a few days ago during reply to Presidents address.

The Budget 2021-22 – a budget for AtmaNirbharBharat represents a gateway to this post-Covid world.

I think Cong and their Left friends do a great service to the nation by their tweets and their debates in Parliament in September and Now. It helps people understand the benefits and value of the People first Governance and Economic policies of PM Modi vs Cong economics and Governance.

One other question I am asked often nowadays is why are all these Andolanjeevis not celebrating Indias achievements of the last 12 months and promise of 11% growth?

There is a reason andolanjeevis are invested in this politics of lies, hypocrisy and andolanjeevis - I leave this thought with you – Political Instability and/or Dynasty driven crony Governance has slowed and impacted Indians Economic rise vis a vis its peers. Empirical data for over 25 years shows that there is direct correlation between political stability and Economics – political instability means weaker Economy. That explains the repeated attempts of Andolanjeevis to destabilize India

But people of India will not be distracted, because the last 10 months have demonstrated this country's and its leaderships true strengths and capabilities to both those within and outside.

A chaiwallah who Indians have made PM, has shown us that we can aspire to be a true trusted Global nation befitting our civilizational history. While the Milan pedigrees, Harvard degrees, Cambridge Tennis courts, Terrorists, Separatists, Gretas and assorted Andolanjeevis, may keep trying slow down Indias rise, let there be no doubt that Indians rejected Politics and Economics of Cronyism, Dynasties, , Fake Socialism, Votebanks once in for all in 2014 and will never return to that again.

India is moving from policies that arrested us to the past TO policies and thinking that open up opportunities for the future. AtmaNirbharBharat of a 130Crore Indians can aspire to grow and expand and play a bigger role in the changing world order. we will together under the leadership of PM Narendra Modi continue our progress to a New India, an AtmaNirbharIndia – where mantra will always be Sabka Saath, Sabka Vikas, Sabka Vishwas

Last September I ended my intervention thus which I will repeat today.

Regardless of this deep shock in our lives and livelihoods, we must keep the faith. We must be united, we must be confident that we would prevail, grow and thrive. I end the speech, Sir, with my salute to the men and women who helped o keep us safe during this Pandemic. I also salute the brave men and women of our Armed Forces and Para-military Forces at the LAC, protecting our national integrity and sovereignty from all those that seek to violate it.

Thank you, Sir. Jai Hind.

