

TN Budget Expectations: Goals and the journey to achieve them



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Way back in 2012, the then Chief Minister Jayalalithaa released the Vision-2023 document which aimed at achieving Rs.15 lakh crore investment in infrastructure by 2023. Goals were set then to enhance individual income and generate jobs for two crore people.

We have since travelled a long way, witnessing developments, setbacks and changes of guard at the helm and finally reached 2023.

Now that the DMK government is presenting its third budget in consultations with renowned economists such as Raghuram Rajan, former RBI Governor, it is important to discuss the state's development and the schemes to be implemented.

Tax revenue

Chief Minister M. K. Stalin has criticized the budget presented by the Union Government on Feb. 1, 2023, saying that it was highly disappointing. He charged that though the budget had announced new schemes, funds had not been released.

According to an RBI report, Tamil Nadu is one of the five states which have got hefty GST compensation. The report says that the GST compensation disbursed to TN works out to Rs.40,000 crore. However, TN's argument is that the amount is just less than 10 per cent of tax revenue.

In the last budget, the state government's revenue deficit was expected to slide from 4.69 per cent to 3.80 per cent.

Analyzing all these factors, expectations are afloat now that the present budget will announce schemes to augment tax revenue.

Industry's expectations

Tamil Nadu is unique in that it is the state in the country, which boasts not just the highest number of factories but the highest number of workers as well. So, important announcements are expected over industrial development.

Now that Electricity Minister Senthil Balaji has said that power consumption has touched a new high in the state thanks to an uninterrupted power supply, the budget is expected to shed light on the good impact of this power consumption trend on manufacturing, agriculture and service sectors.

The MSMEs are critical of what they call lack of drive on the part of the government to bail out the ailing entrepreneurs. There are several companies yet to fully re-bounce from the corona effects and setbacks and looking forward to the government help.

In the last budget, a policy on start-ups was initiated. How it has progressed and what future plans the government has regarding

start-ups must be made clear in the budget. The schemes giving loans at lower interest rates must be increased.

I-T sector

It should be recalled that it was the M. Karunanidhi-led DMK government which set a model to the country in drawing up the information technology policy.

The present DMK government led by Stalin seems to be keen on developing the I-T sector amid lots of challenges it's facing. The Umagine Chennai 2023 set to be held from March 23 to 25 speaks volumes about the government's sincerity and keenness of interest in this regard.

Announcements are expected in the budget on education and I-T as both are highly interconnected. Besides, announcements may come regarding digitization of agriculture and health sectors.

Health and education

It is expected that priority will be given to upgrading of infrastructure in the hospitals and filling of vacancies rather than starting new medical college hospitals.

In the education sector, the government's schemes such as 'Illam Thedi Kalvi' and free breakfast have already been well received.

At the same time, there is a criticism from the teachers that only new schemes gain importance rather than the issues of toning up infrastructure including buildings and toilets in schools. Besides, demands to regularize the services of part-time teachers and restore the old pension scheme are also being pressed.

The budget to be presented by the Aam Aadmi government in Delhi is expected to give importance to schemes for improving infrastructure and beautification of the Capital.

Similarly, TN Capital Chennai's worse condition is quite obvious. Owing to a haphazard urban growth, the city is grappling with civic issues such as inundated roads in times of natural disasters and during monsoon rains.

As announced in the last budget, a special fund scheme has been put in place to tackle the issue of climate change. The scheme aims to mobilize Rs.1,000 crore. The progress of the scheme, a model for the country, must be elaborated now.

General expectations

Schemes must be drawn up for creating urban and part-time job opportunities. Likewise, the government must come up with projects that can solve the problem of mineral wealth yielding less revenue to the government and much more income to the private hands.

An announcement is set to come through about monthly aid of Rs.1,000 for women as promised in the DMK's 2021 election manifesto. At a time when the discourse is apace over the question if freebies are mounting burden on the government, a proper explanation about the pro-women welfare move must be given.

It is laudable that an exclusive budget for agriculture is presented for the third consecutive year. However, the misery of farm products including paddy going waste after getting drenched in the rainwater still continues unabated. The works of increasing procurement centers and expanding them are of paramount importance. Schemes must be in place to augment water resources, launch cargo and passenger services along waterways and also upgrade and maintain state highway roads.

It is the government's moral responsibility to earmark funds for subsidies and monetary assistance schemes. There must be robust projects by the government to identify and augment new revenue sources and reduce expenditure.

The budget must not be merely an annual formal exercise. It should be an initiative to draw up long-term schemes with vision and mission.

It was the late Chief Minister and DMK patriarch Karunanidhi's style to divide the revenue and spend it for industrialization and social welfare schemes equally, thereby ensuring that the state's economy was not affected. It is on this count that he is still remembered and appreciated.

Let us see what schemes and initiatives in this budget are going to be announced by the government helmed by Stalin, who never misses an opportunity to recall his father's achievements with a sense of pride.

Translated by V. Mariappan