

# Central Budget 2022-23 Negates the Lives of Oppressed and Strengthens Corporate Forces

The Central Budget 2022-23

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worth Rs 39.45 lakh crore is formulated with the strong intention of negating the lives of oppressed and strengthening the domination of imperialist exploitative forces. The covid-19 pandemic has aggravated and exposed the intensification of all kinds of crisis as well as discrimination and associated cruelty. This has clearly proved that the domination of market forces escalate all the problems created by capitalist system. The 'World Inequality Report, 2022' and 'Inequality Kills, 2021' of Oxfam states that the present destruction is the consequence of the implementation of Neo-Liberal policies for the last three decades. The IMF and World Bank are accountable for this devastation as they are behind the strong spread of these policies. Therefore, they are forced to pretend as if they are accepting their terrible mistake and loudly suggesting the abolition of these policies.

It is wonder to notice that our comprador bourgeoisie rulers who functions in the direction of these organisations contrastingly formulated present Central Budget in the policy framework that is supposed to be terminated. In fact, 'Atma Nirbhar Bharat Abhiyan' provides a strong basis for these policies. Therefore, it warrants a serious discussion on Central Budget.

## **Preparation of Economic Survey 2021 from the Perspective of Imperialist Exploitative Forces**

The destruction of lives of majority visible for everyone and reported in various national and international reports and studies are out of sight for the Economic Survey is a cruel tragedy.

The Survey failed to see that additionally 35-65 percent of people fell into poverty, the employment of 400 million people who work in unorganised sector was in danger, loss of employment of 189 million people who are working as temporary/ casual labour, closure of MSME units, intensified domestic work burden as well as violence on women, deprivation of education and denial of health care to many. Therefore, it could not recognise the struggles and movements of farmers, unemployed and women.

The report could see only the rise in the wealth of top 10 percent. It felt happy for this and appreciates the government for its 'Agile Approach' in terms of aggressive

implementation of privatisation, globalisation and liberalisation to strengthen powerful corporate forces on the name of supply- chain incentivisation. The survey failed to listen the screams of pain of oppressed in terms of 67 percent rise in GST collections rather it appears to survey as 'speedy economic recovery'. Further, the survey admires the present tax policy as it gives enough 'Fiscal Space' to the government. The survey totally failed to realise that it is a K shape recovery.

### **Tax Policy in Central Budget 2022-23**

The regressive tax policy which severely disturbs the lives of oppressed stated by Finance Minister as strong growth with "Subka Prayas". The negation of lives of majority is calmly and quietly viewed by the government is a cruel reality. Further, the government strongly stating that it will follow same brutal tax policy in the next 25 year period of 'Amrit Kaal' to reach @100. In the present year, 'subka prayas' results in the reduction of budget deficit to 6.4 percent to GDP.

Moreover, the income tax slabs remain status quo as it is mainly paid by employees, pensioners and professionals. Thus, the tax burden on poor and middle class will remain constant. Their victimisation is a necessary condition to increase the wealth of billionaires. Therefore, the government will search for various ways and means to raise taxes on poor and middle classes. In the process, it could find inequality in the employee's contribution to National Pension Scheme between State and Central employees. Now the State employees should contribute 14 percent instead of 10 percent on par with Central government employees.

Despite the strong suggestions made by IMF and World Bank as revealed by two Inequality Reports that the progressive taxes should be imposed on rich/ Corporate forces and collected revenue should be spent to provide education and health care for all. These temporary relief measures also viewed by our rulers as obstacles to raise the wealth of corporate forces. Therefore, the present budget has continued all the concessions and incentives provided to corporate forces. It is really a humiliation to oppressed as the Finance Minister states that "the king should govern the State in line with Dharma, along with collecting taxes which are in consonance with the Dharma" as said in Mahabharat.

### **Tax Concessions and other Incentives to Corporate Forces**

The government always asserts that it would take measures to strengthen supply chain but denies to accept that unorganised sector as well as MSME which provide livelihood to majority are part and parcel of the supply chain. Since the announcement of Atma Nirbhar Bharat Abhiyan, no any proposal can be seen to revive and promote these sectors. The MSME units severely affected by demonetisation and became sick with the effects of covid-19 pandemic. Instead of proposing measures to revive them

the government has given a new definition with which a unit which have Rs. 50 crore investment and Rs 250 crore annual turnover will come under this category. Thus, any additional credit facility available to MSME have been appropriated by these top units.

Only top industrial units and powerful corporate forces are considered by our government as the supply chain and therefore, deserves various concessions and incentives. The industries that can avail the benefit of a tax incentive for three consecutive years are to be established prior to March 31, 2022 and it has been extended to March 31, 2023. Further, the entities that are eligible to claim global minimum corporate tax of 15 percent should commence production prior to March 31, 2023 and now it has been extended to March 31, 2024.

Among corporate giants, the entities which earn more profits are given more concessions and less tax rate. The data related to Financial Year 2020 shows that the 433 companies whose annual profits exceeded Rs 500 crs are imposed relatively less tax rate. Similarly, the companies which earn less than Rs 10 crore profits per annum are imposed relatively higher tax rate when compared to companies which earn more than Rs 100 crore per annum.

In the process of searching the ways to benefit corporate giants, it could identify, that the members of Association of Persons (AOP) in a consortium now should pay 15 percent surcharge only on their income instead of 37 percent. Further, the tax rate on their long run other gains is also reduced from 37 percent to 15 percent. All the tax concessions announced in Atma Nirbhar Bharat Abhiyan will be continued.

The amount spent on agents in the form of incentives for business expansion will be exempted from tax because it is considered by the government as cost to the company.

The royalty and interest earned from ship lease in International Financial Service Centre (IFSC) is exempted from income tax. Similarly, the income earned in IFSC from portfolio managerial services also exempted to attract the confidence of Foreign Investment.

National boundaries will not be a barrier for the movement of Multi-National Corporations. To ease it further, the regulations are modernised to enable fast exit of the company in less than 6 months. Further, the law related to Bankruptcy and Insolvency is also liberalised further. On the name of 'Ease of Doing Business', as many as 25,000 regulations are repealed and 1486 Central Laws are abolished. The acts related to environmental protection either liberalised or abolished.

Import duty concessions removed to encourage private industrial sector and 350 exemption entries are removed.

### **Gujarat International Finance Tech City (GIFT)**

This is a world class smart city under construction and the government aims to transform it as a Global Financial Hub with the help of IFSC. It is proposed to invite World Class Universities to start courses related to Financial Management, Fin-Tech, Science, Technology, Engineering and Mathematics this year. No domestic rules and regulations are applicable to them. Thus, our education as 'VishwaGuru' will be in the grip of monopoly capital. They prepare high-end human resources for powerful corporate forces. The Budget promised to establish International Arbitration Centre to solve disputes easily and quickly. The government would like to strengthen IFSC with green bonds and crypto-currency. All these measures are inevitable to strengthen monopoly capital.

Our government cannot ban cryptocurrency though it is fake and closely related to gambling but has been strengthening in the direction and control of powerful corporate forces. Therefore, the budget proposes to impose 30 percent tax on crypto gains which indirectly legalise fake currency.

To equalise cooperative society with companies, the tax rate on their annual income reduced to 15 percent from 18.5 percent and surcharge from 12 percent to 7 percent.

The private telecom sector will be encouraged with 5G spectrum auction while BSNL till now not permitted for 4G. As the private sector is strengthened in defence sector, the budget allocation for purchases increased from 58 percent to 68 percent. Moreover, the DRDO should extend its support for the development of Monopoly Capital in defence sector.

### **Privatisation of Public Sector Undertakings**

This is popularised as a great achievement. The budget proudly announces, that the government could transfer ownership of Air India successfully with its New Public Sector Enterprise Policies. It could select strategic partner for Neelachal Ispat Nigam Limited. The budget promised to announce public issue of Life Insurance Corporation to sell 10 percent of its share. The LIC consists of 36 lakh crore rupees worth assets, 40 crore policy holders and paid dividend to the government as high as Rs. 28,695 crore. It always comes to rescue the government financially. Since long time, monopoly capital is trying to take over it. Now, the government is ready to fulfill the desire of monopoly capital. It will identify some more PSUs in 2022- 23 to privatise them. Transferring national wealth to monopoly capital is popularised as a symbol of national development is really a brutal fact.

The Production Linked Incentive Scheme will continue in 14 sectors as announced in ANBA. It is estimated that over a period of 5 years, 60 lakhs jobs will be generated with Rs 30 lakh crores of investment i.e. high capital intensity which our country cannot bear. Again we sell our Nation's wealth.

The budget states that urban population will be 50 percent in @100. It requires clean and sustained transportation. Therefore, the government will appoint a committee in this regard. The budget proposed to encourage the owners of electric vehicles by encouraging private sectors to introduce swapping centres.

All the land records will be maintained through IT to ensure 'One Nation-One Registration. This is again for the benefit of monopoly capital to acquire land anywhere and to register it anywhere in the country.

### **Pradhan Mantri Gati Shakti**

It is a PM Gati Shakti National Master Plan for economic transformation driven by 7 engines of roads, railways, airports, ports, mass transport, waterways and logistics infrastructure. It is mainly world-class modernisation of all modes of transportation. The budget proposes the expansion of National Highways network by 25,000 KM in 2022-23 with the mobilisation of Rs 20,000 crore through innovative methods i.e. through asset monetisation.

The budget also proposes 'One station - one product' for the benefit of supply chain. Further, 2000 KM of Railway network will be covered with 'Kavach' to provide safety with world-class technology. Another proposal is to develop and manufacture 400 new generation Vande Bharat Trains during the next 3 years. Similarly, 100 PM Gati Shakti Cargo Terminals for multimodal logistics facilities during next 3 years.

For the purpose of development of tourism, it is proposed to construct 60 KM long 8 ropeways under Public- Private Partnership. Thus, our entire infrastructure related to transportation will be in the clutches of powerful monopoly capital. Moreover, all the world class modern roads, railway stations and trains are for the luxurious consumption of wealthy. No way, it is beneficial to the deprived class who are living in miserable conditions.

For this, capex allocations increased by 35.4 percent and it is to the tune of Rs 7.50 trillion in 2022- 23. The main purpose of public investment is to crowd- in private investment.

Proudly announced Ken-Betwa Link project which is illegal as it violates all the rules related to wildlife protection and displaces the livelihood of many. Moreover, it is costly. The government denied many low cost, environment-friendly options.

### **Budget Proposals for Oppressed People**

Though budget states that its focus is also on inclusive development, no single proposal can be seen in this regard. The goal necessarily require the creation of decent employment to eradicate poverty, curative measures for agrarian crisis to improve rural lives, to achieve progress in human development by providing education and healthcare services to all. All these aspects are completely missed in the budget.

Both inequality reports states that IMF and World Bank strongly suggests that all the national governments should take measures to bring back the socio- economic environment prevailing during 1950-1980 by restoring labour rights and welfare, by ensuring social protection, by providing decent livelihoods and by reducing gender inequalities. It is necessary to examine the budget proposals related to these aspects.

The minimum wage is increased from Rs 176 to Rs 178. This precarious wage fixation is claimed as gender equality measure because at this wage, gender- based wage differentials are impossible.

The prevailing crisis along with Covid-19 pandemic destroyed educational opportunities for girls which resulted in the rise of child marriages. The progress achieved so far in regard to women's empowerment totally nullified and their position deteriorated to 135 years back. The budget consists of only one proposal to upgrade 2 lakh Anganwadis for Nari Shakti. Really, it is an aberration.

The cultivable land alone is not corporatised so far in the agricultural sector. With the black farm laws, government desired to double the farm income, not farmer's income by 2025 through the transfer of land to corporates. The government was forced to repeal the black laws due to the strong farmers movement, the goal of 'doubling farm income' finds no place in the Budget. The Samyukta Kisan Morcha states that the prejudice of government towards agricultural sector resulted in the reduction of budget allocations from 4.3 percent to 3.8 percent; the farmers benefited from procurement declined by 17 percent, the procurement itself decreased by 7 percent. Further, 27 percent decline can be noticed in the fertilizer, food and petroleum subsidies. The allocations for PM- AASHA announced in 2018 to ensure minimum guarantee price for agricultural produce declined from Rs 400 crores to just Rs 1 crore. As it is International year of Millets, the government proposed to encourage millet sales through branding for the benefit of corporate forces in food processing industry.

The farmer's main demand is fair sale opportunities and minimum price for their produce. Contrastingly, the budget proposes to encourage Kisan drones for crop assessment. The proposals also there to provide digital and hi-tech services to farmers and encourage startup Industries to provide machinery to farmers on rental basis. All the budget proposals for agriculture sector not at all aimed to solve the basic issues of farmers.

### **Education and Health**

Though these two are basic human rights the privatisation entered and strengthened in these two sectors for the last three decades. As a result their public good status ended. The aggressive implementation of neo-liberal

policies for the past eight years, strengthened corporatisation in education and health sectors. The New National Education Policy and New National Health Policy are

formulated accordingly to deny education and healthcare services to majority. Despite the serious issues of lives and livelihoods, the budget consists no single proposal to strengthen Public Education System as well as Public Health System. Everybody knows that Public School possess neither teachers nor black-boards but the Budget announces One TV channel for one class and 200 TV channels for class 1 to 12, 750 virtual labs will be established in 2022-23 for science and mathematics; 75 skilling e-labs and world-class digital university. All these proposals will deny education to oppressed.

Similarly, Ayushman Bharat Digital Mission, National Tele Mental Health Scheme provides healthcare services through computers. The entire programme of digitalisation is for the absolute benefit of monopoly capital. Thus, the budget negates the lives of majority and simultaneously strengthens the domination of powerful corporate forces.

The consolidation of oppressed people, progressive and revolutionary forces is warranted to build powerful movements to establish the society which ensures decent lives to all.