

The Directional Roadmap!

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As we enter the last quarter of the financial year- winter mornings get abuzz with speculations on budget proposals. Corporate leaders and advisors get busy with discussions and representations on what the industry expects from the finance minister.

However, in the dynamic world - reforms need to be a continuous process and calibrated regularly rather than grand annual event. Budget day is an opportunity to lay down the direction which would propel India into an economic superpower. However, expecting a genie out from the finance minister's briefcase (now the red bhai khata) would be naive. As long as the directional aspects are addressed, India as a nation would move closer to its destined glory. The following directional aspects would be important for our India's economic journey -

1. FOCUS ON IMPLEMENTATION:

Over the last 75 years, large number of schemes and plans have been formulated to address the fundamental issues of our country. However, the ground level implementation of majority of schemes have been a challenge and some of the initiatives have remained on paper only. If we were to focus on the implementation of existing schemes, we should be able to achieve more rather than curating new schemes and programme. Hence, the finance minister should focus on implementing the schemes already in progress with modifications, if needed.

2. IMPETUS TO MANUFACTURING

Due to a young population and sharp brains, Indian economy moved from agrarian economy to service economy without following the natural path of manufacturing economy in between. Domestic manufacturing could change the way the world perceives India an investment decision. With the eroding confidence on Chinese manufacturers, India has great opportunity to fill in the void. However, in order to offer the world an alternative manufacturing destination, the finance minister would need to focus on an enabling ecosystem for manufacturing sector along with associated supply chain infrastructure.

3. BRINGING MARKET CLOSER TO PRODUCERS

Availability of ready market for output/produce is an important element for upliftment of the lowest strata of any society. Traditionally, producers are required to reach the market which poses a huge challenge keeping in view the expanse and topography of our country. Bringing the market closer to the producers would not only ensure proper value for the produce but would play an important role in supporting the fringe layer. Hence, the finance minister needs to look at technological interventions for bringing the market closer to the producer. This initiative can revolutionize the social fabric of our country.

4. TAX ON INDIVIDUAL INCOME

Taxing individuals not only help revenue mop up but also inculcates a sense of belongingness amongst citizens. Admittedly, low income individuals should be out of the tax net - but income beyond a particular

threshold needs to be brought to tax, irrespective of the nature of income. Traditionally, a large majority of Indian population has depended on agricultural income - which has been kept outside the tax net primarily to safeguard the interest of poor farmers. As we move to the needle of economic dominance, even people with agricultural income beyond a particular threshold (say 25 lacs or 50 lacs per annum) needs to contribute and participate in nation building.

5. FOCUS ON SOFT INFRASTRUCTURE

While we continue to work on ambitious infrastructure projects, it is important that we refocus on softer infrastructure like education on healthcare. As the most populous nation in the world, we need to ensure that our work forces are healthy and employable. Skill gaps not only slows down the economic advancement but also creates a resentment in general population.

If the finance minister were to integrate the above factors in the directional roadmap, budget expectations of the entire nation is likely to be fulfilled.