

Budget 2018 may not be populist, indicates PM Modi

Prime Minister Narendra Modi today indicated that the upcoming Budget will not be a populist one and it's a myth that the common man expects "freebies and sops" from the government.

In an interview with Times Now television broadcast tonight, he also pledged that his government will stay on the course of the reforms agenda that has pulled out India from being among the 'fragile five' economies of the world to being a 'bright spot'.

Modi stoutly defended his economic policies, saying demonetisation was "a very big success story" and that he was open to changes in the new Goods and Services Tax (GST) to plug loopholes and make it a more efficient 'one-nation-one- tax' system.

He rejected criticism of providing a jobless growth, saying "lies" were being spread about employment generation and his government's policies were oriented towards creating jobs.

Acknowledging farm distress, he said it was the responsibility of the Centre and the state governments to identify and address farmers' issues.

Times Now provided a transcript of the interview ahead of its broadcast today.

Asked if his government will turn populist in its last full-year Budget before the general elections in 2019, Modi said the issue falls under the ambit of the finance minister and he does not want to interfere in it.

"But those who have seen me as the chief minister (of Gujarat) and also as the prime minister (would know) common man does not want all these things. It is a myth," he said, according to the transcript.

The common man, he said, expects honest governance. "He doesn't demand sops and freebies. It is our myth."

Modi said his government was taking decisions to fulfill the needs and aspirations of the common man.

Asked specifically if he will resist populism in the Budget to be presented on February 1, he said it needs to be decided if the country needs to grow and become strong, should "this political culture, the Congress culture, be followed".

On job-less growth, the prime minister said, "Lies are being spread about employment generation."

Explaining in detail, he said the formal sector accounts for 10 per cent of the employment and the remaining 90 per cent jobs are in the informal sector.

In last one year, 70 lakh new retirement fund or EPF accounts have been opened for the youth between 18 and 25 years of age, he said. "Doesn't this show new employment," he asked.

Stating that there is no statistics for people working the informal sector, he said there are new chartered accountants, lawyers, doctors and consultants who have joined the vocation since 2014.

Doubling of road construction in last three years could not have happened without employing people and so was doubling rate of rail track laying, he said. Also, programmes like electrification and work on ports gathering pace could not have happened without generating employment, he said.

The prime minister said his government's policies promote employment particularly in sectors like textile and leather.

Also, providing loans to 10 crore non-corporates and small businesses under the Pradhan Mantri Mudra Yojana (PMMY) has created entrepreneurs and jobs, he said.

On farm distress, Modi said the "criticism is justified" and "we can't deny this".

It is the responsibility of the central and state governments that problems faced by farmers are understood and resolved, he said.

Schemes like crop insurance, irrigation projects, soil health cards, increasing urea availability and stopping diversion of subsidised crop nutrient are all aimed at addressing farm distress, he said and added that making available solar pumps, increasing agro-product processing and focus on rural and agro-based industries were high on his mind.

On the task before him in the last one-and-half years of his government, Modi said providing electricity to four crore families who still do not have power and completing the programmes and schemes started for the benefit of the common man would be the priority.

Referring to economic achievements, he said in 2013-14, just before the BJP government came to power, India was considered "among the fragile five economies" in the world.

"Within three years, India has come not just come out of being among fragile file but also its economy is seen as a shining star with optimism and expectation," the prime minister said.

India has on all economic parameters done well -- inflation or the rate of price rise, has averaged 3 per cent in last three years as against 10 per cent previously, FDI inflows have more than doubled to USD 62 billion from USD 30 billion; fiscal deficit has been brought down to 3.5 per cent of GDP from over 4.5 per cent, current account deficit has come down to 1-2 per cent from 4 per cent, he said.

"The world looks at these parameters and says India is a bright spot," he said. "We believe that India's growth rate will rise in the coming days."

About being the first prime minister to be addressing plenary at the World Economic Forum in Davos this week, he said this has been made possible because India has progressed. "India has shown its economic strength to the world and so it is but obvious that the world wants to know India, it wants to know India directly (from the top leader) (and) understand it," Modi said.

"India has become a land of great opportunity now," he said. "India has become an attractive investment destination."

The prime minister said institutions like the IMF and World Bank and rating agencies like Moody's are all complimenting steps taken by India.

Attacking critics of demonetisation, Modi said people attempted to "ignite a fire, incite riots and knocked at doors of the Supreme Court. They tried everything possible just to save those who were hoarding black money, to save the corrupt, to save the dishonest." The overnight decision to ban 86 per cent of the currency in circulation was "a very big success story", he said.

It wasn't about just one currency note going and another coming, but the move brought worldwide respect for India and its governance and to the central bank, RBI, he said.

Modi said India has jumped 42 places on ease of doing business ranking since the NDA came to power. "This in itself is a big achievement," he said.

"The world is astonished that India has ended over 1,400 obsolete laws have been scrapped in last three years. Freeing a person from the clutches of these laws is a bigger achievement than making a new law," he said.

The system, he said, should be proactive towards the needs of the common man.

He went on to cite giving free cooking gas connection to 3.3 crore poor women to save them from domestic pollution and providing electricity connection to four crore households that still do not have power as examples of his efforts for 'ease of living' for common Indians.

The prime minister said people will realise the good work of his government only when they compare it the previous 10- year rule of the Congress-led UPA.

(Economic Times)