

## Sansad TV Perspective: Budget 2022-23: Push for New India

In the series Sansad TV Perspective, we bring you an analysis of the discussion featured on the insightful programme 'Perspective' on Sansad TV, on various important topics affecting India and also the world. This analysis will help you immensely for the [IAS exam](#), especially the mains exam, where a well-rounded understanding of topics is a prerequisite for writing answers that fetch good marks.

In this article, we feature the discussion on the topic: Budget 2022-23: Push for New India.

Video Link: <https://youtu.be/inzOO-BTCZY>

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### Participants:

1. Deepshikha Sikarwar, Sr. Editor, The Economic Times
2. Monika Halan, Author and Adjunct Professor NISM
3. Subhomoy Bhattacharjee, Consulting Editor, The Business Standard

### Context

As the Union budget 2022-23 will be presented in a few days, there are a lot of expectations from different sectors as the economy is still recovering from the pandemic shock.

### Details

- The upcoming budget is said to be an important one considering the ongoing third wave of the pandemic, which has not been as severe as the previous ones but yet has caused a severe dent in the economic recovery.
- There is also a need to boost consumption amidst all-time high [inflation](#).

### Key Priorities in Budget 2022-23

- To support economic growth
- To boost the consumption
- To balance Inflation
- To bridge the gap in the [fiscal deficit](#)

### Key sectors in focus

#### Infrastructure

- Infrastructure is an important sector for the overall development of the country.
- In India, it is considered the backbone of the country's economy.
- According to the estimates – India will require Rs 50 trillion in infrastructure by 2022 for sustainable development in the country.
- And considering the projects like the [National Infrastructure Pipeline](#) and National Monetization Pipeline, the Indian government plans to spend \$1.4 trillion during 2019 – 2023 on infrastructure.
- Investment in infrastructure is expected to bring a positive ripple effect in creating construction jobs.

## Green Energy

- The government feels that green energy is a crucial sector that requires adequate backing in the present context.
- India is also boosting its green energy production through wind, solar and hydro projects, in addition to reducing its dependence on fossil fuels.
- The government has already set a goal to achieve **500 gigawatts (GW)** and **50%** non-fossil fuel energy share by 2030.
- The government is taking steps towards improving climate-appropriate behaviour, which has good employment potential.

Read about [measures in Green Energy](#).

## Health

- The experts feel that the government which placed health as the first of six pillars in the Budget 2021-22, will continue to hold it in focus in 2022-23 as well.
- The investment would mainly focus on expanding medical infrastructure, hospital beds, pharmaceutical industry, and expansion of vaccination.
- The projects like [National Health Mission](#) and building national health stats through National Digital Mission will also receive allocations.

## Education

- The sector that has been heavily impacted by the pandemic is also expected to be in the focus.
- The sector also plays a significant role in achieving the objectives of New India and in reaping the benefits of [demographic dividend](#).
- The Finance Minister is expected to come out with policy measures and interventions to ensure the quality of education.
- It is expected that the allocation to Education will be increased to about 8% of GDP.

## Research and Development

- India spends about 0.06% of GDP as compared to other developing countries that spend about 2-3% of their GDP on R&D.
- Considering the state of the economy that has been affected by the pandemic, other projects that are aimed at protecting the vulnerable sectors will be given higher priority compared to the R&D sector.
- In this regard, there is a need to increase allocation to the R&D sector to realize the goals of [Atmanirbhar Bharat](#).

## The significance of transparency in Budget 2022-23

- The budget from the government in the past few years has been very transparent in terms of appraisal of accounts.
- Though the transparency in real expenditure might not excite the market players, it is very crucial for assessing the health of the economy.

- The current budget is also expected to be on similar lines that would play a significant role in taking decisions on the policies based on facts.
- The transparency in expenditure will also help in formulating plans for tackling future waves of the pandemic, if any.

### Way forward

- **Measures to boost consumption** – The pandemic has made a big dent to the savings of middle-class sections.
  - There is a need to increase the tax slab and raise the 80C deductions.
  - Exemption of mandatory contributions of employees in the EPF for a couple of years.
- **Extend focus to other sectors** – There is a need to extend the focus to other sectors like agriculture, manufacturing, and financial services that are essential to sustain the economic recovery and growth.
- **Role of States** – There is a need for States to align themselves with the union budget and take up measures in sectors like Health and Education.
- **MSME sector** – Further, there is a need to reduce interest rates on the credit facilities to MSMEs that require capital for their recovery.
- **Protect vulnerable sections** – It is also important to protect the Economically Weaker Section (EWS), Light Income Group (LIG) and the Medium Income Group (MIG) who have been severely impacted due to the pandemic.
  - There is a need to introduce a Credit Linked Subsidy Scheme for EWS/LIG/MIG.
- **Banking** – The banking sector also needs measures and reforms to clean up NPAs.
- **Raising funds** – The asset monetization and privatization projects should get thrust from the budget to raise funds without actually increasing the deficit and inflation.

Read more summaries of [Perspective in the link](#).