



# POPULAR, NOT POPULIST

Finance minister Arun Jaitley's Budget 2018 might not check all the boxes, but it is a step in the right direction, says Mumbai Mirror's panel of experts

**ROOPAM ASTHANA**  
CEO & Wholtime Director, Liberty  
Videocon General Insurance

**SHILPA JOSHI**  
42, Home-maker

**SHUCHI GAUTAM**  
Associate Professor, Thakur Institute  
of Management Studies and Research

**ROHIT PODDAR**  
Managing Director,  
Poddar Developers



**PURSHOTTAM AGWAN**  
Vice-President, Chamber of Small  
Industry Associations

**DR. TARANG  
GIANCHANDANI**  
CEO, Jaslok Hospital

**PROF CHANDRAHAS DESHPANDE**  
Welingkar Institute of Management  
Development & Research

**Team Mumbai Mirror**  
mirrorfeedback@timesgroup.com  
TWEETS @MumbaiMirror

Finance Minister Arun Jaitley hit the country with a no-fireworks show on Thursday: no dramatic reforms, no bombastic promises. As the panel of experts put together by *Mumbai Mirror* agreed, Budget 2018 is popular rather than populist; tries to strengthen and consolidate, rather than be disruptive.

The panelists agreed, rather unsurprisingly, that the farm sector received the lion's share of sops, but promises regarding job creation and a fillip for manufacturing and services rang rather hollow, with no clear plans outlined for either. Also, the government has clearly learned from its previous overestimations: the projected growth rate of eight per cent, panelists said, was conservative. The budget was also clearly skewed towards specific beneficiaries: farmers, the poor and women — clearly in line with the Prime Minister Narendra Modi's targeted

vote bank. Conversely, the salaried middle class and big business have little to cheer about.

The panel included experts from across categories to study the Budget with a 360-degree perspective. "The Budget was along expected lines," says Dr Chandrahas Deshpande, professor of Economics at Welingkar Education. "It was slow rather than expeditious when it came to suggesting reform, although the rural thrust is a holistic one." Added Dr Suchi Gautam, senior professor at TIMSR: "The budget stresses macro-stability rather than growth." The announcement of a merger of three Insurance PSUs (National Insurance, United India Assurance and Oriental India) was seen as a "bold step" that will create a better, more competitive entity. Dr Tarang Gianchandani, Director of Jaslok Hospital and Research Centre, lauded the healthcare initiatives as reasonably strategic. "Spends on hospitals and healthcare is never enough, but at least this budget is on the right track," she said. And, according to homemaker

Shilpa Joshi, while the salaried class had hoped for more concessions, "the lack of tax breaks will affect both household budget as well as the savings of every middle class family". Still, she says, this is not a bad budget for the aam admi.

The lack of a blueprint regarding job creation caused some concern. "The Budget does not address the multi-level lacunae that impede employment generation," said Purushottam Agwan of the Thane Small Scale Industries Association. And while the Centre talks about preparing for jobs in the age of AI, robotics and future-tech, it has still not addressed the needs of the existing job market, the panel felt.

Also, some of the rural reforms may, in the long term, prove to be inflationary. "The MSPs will have an effect on food prices," said Asthana.

Other disappointments include the less-than-desired speed of fiscal consolidation. The government has only slightly enhanced its fiscal deficit to 3.3 per cent of the GDP from its earlier 3.2 per cent; it made no major announcements for exports and opted for a conservative rather than aggressive divestment target — especially since Jaitley emphasised that the government had met its divestment targets from last year. The idea of affordable housing for all is also fraught with problems, said Rohit Poddar, Managing Director, Poddar Developers. Unless you improve ancillaries like better urban transport and better rates for home loans, this will just be a pipe dream.

**7.0 RATING**

\*\*\*\*\*  
**Roopam Asthana,**  
CEO & Wholtime Director, Liberty  
Videocon General Insurance

## Insurance PSUs merger bold move

The high point is the National Health Protection Scheme for the poor that will provide Rs 5 lakh health coverage per family. It could well be a government-insurance industry joint initiative, and it will drastically reduce rural distress arising out of illnesses and hospitalisation. Another move is to look for opportunities to offer additional services such as micro insurance and pension to 60 crore basic accounts under the Jan Dhan Yojana. What unfortunately has not got addressed is the middle income segment. Penetration of health insurance in this sector, especially in the lower middle class, self-employed and professional segment, is low. One would have probably expected an increase in Section 80C or a separate sub-limit for health insurance. The merger of three PSUs — National Insurance, United India Assurance and Oriental India Insurance — is a bold step. Divestment of this merged entity will certainly fetch the government better value.

