

Budget 2025: A customary exercise of bundled deceptions camouflaged by demagogic oration

The government's policy is frozen in a mould that is just not delivering the needed changes for the people—and every year more of the same is peddled in different forms. Could one find any pronouncement of effectively controlling skyrocketing price line by dismantling the criminal nexus operative in price manipulation? Has there been any concrete step to contain mounting unemployment? Does the budget have any proposal to ensure proper healthcare and education at either nil or affordable cost? Is there any declaration of Minimum Support Price (MSP) for procuring crops from the peasants at the C2+50% level as recommended by the MS Swaminathan Commission back in 2006 and as promised by the ruling BJP in the run-up to 2014 General Election and as demanded by the peasants during one year long historic peasant movement of Delhi? No, not at all. Even the usual clap-trap over robust GDP growth was absent. Then what was presented in the name of budget that was repeatedly greeted by the members of the ruling dispensation including PM Modi by relentlessly thumping the bench? Oh! A unique menu of *Viksit Bharat* (Developed India) from the stable of the government:

- a) Zero-poverty
- b) Hundred per cent good quality school education
- c) Access to high-quality, affordable, and comprehensive healthcare
- d) Hundred per cent skilled labour with meaningful employment
- e) Seventy per cent women in economic activities; and
- f) Farmers making our country the 'food basket of the world'

Outwardly, it sounds so mellifluous and enticing. But alas! That is just the variegated cover of the book. When you flip over the pages, the content turns out to be so treacherous. Just have a glance at the bare facts.

Lowered government spending, rising government debt, surging corporate profit and mounting inflation

A new technique has been invented by the BJP government—not to give any details of the numbers in the budget speech. All are given in the annexures which are not available to the common countrymen. The fudged data, the calculation tricks, the camouflaged reality are all contained in the annexures. Fair enough! Let us proceed towards broad number crunching. Is there any increase in total expenditure? No. Total expenditure had been cut by Rs 1,04,025 crore, with capital expenditure seeing a reduction of Rs 92,682 crore. Allocation towards infrastructural development has been Rs 11.21 lakh crore. But the FM herself admitted that the figure might not be reached and could remain at Rs 10.18 lakh crore. Every year, government borrows huge amount to deficit finance (another way of financing deficit is by printing of new currency note—but that figure is kept secret). This time, as the Finance Minister (FM) stated in her speech, the gross market borrowings are estimated at Rs 14.82 lakh crore. In fact, during the last 10 years of the BJP rule, India has borrowed Rs 4 lakhs every second. As of September 2024, India's national debt was \$2,144.6 billion (Rs 1,86,58,020 crores), which has been an all-time high. Because of such huge debt, interest payments accounted for 25% of the total expenditure, and nearly 40% of revenue receipts.

Then, what about reining inflation? No, government is not bothered about that because that is left in the hands of esoteric monetary policy mandarins who have working overtime to ascertain upto what decimal point retail price index is slated to fall so that interest rates could be brought down and the large corporates who have made it a habit to default bank loan (Indian banks have reportedly written off a total of Rs 14.56 lakh crore in Non-Performing Assets or defaulted loans mostly by corporate giants over the past nine financial years, starting from 2014-15) can avail of fresh loan at lower interest, not for productive investment but to park funds in speculative stock market, arms manufacturing and taking over government infrastructure like roads, bridges and mines, now euphemized as asset monetization.

Economic Survey 2025 placed a day ahead of Budget presentation mentions that wages lagged even as "profits surged", with corporate profitability soaring to a 15-year peak in 2023-24 on the back of robust growth in financials, energy, and automobiles. Among the salaried, real average monthly wage for male workers in

2023-24 was Rs 11,858, down by 6.4 per cent from Rs 12,665 in 2017-18. For female workers, real wages fell more sharply by 12.5 per cent to Rs 8,855 from Rs 10,116 in 2017-18, the Survey added. (Real wage is calculated by dividing nominal wages by retail inflation.) But, despite such an exorbitant profit rise, corporate tax contribution to the tax kitty of government has shrunk to just 17% in the Budget presented today, compared with personal income tax contribution of 22%. What does it mean? It means the corporate world is maximizing profit riding on squeezing blood of the workers and the huge benefits, waivers and concessions offered by the government.

To control inflation, not only does production of essential food items need to be raised but its trade and distribution needs to be controlled. The expansion of a robust public distribution system could have been a step to ensure that foodgrain, cooking oil, fuels, clothing, stationary, etc., reach the countrymen at affordable prices. This would have lower the surging open market rates to some extent. Exortionate taxes and cess on petrol-diesel despite considerable dip of crude oil price in the international market have been pushing prices up because increased transportation cost is loaded on the end price. A due reduction of those exorbitant taxes and cess which are inflating the government kitty could have given some relief to the people by way of reduction of indirect tax burden on them.

Unemployment

Unemployment is soaring. It is 44.49 in one age group (20-24). On the other hand, it stood at 14.33% for the age group of 25-29. 32.06 crore people have no job. 31 lakh people officially have lost jobs in last three years. As per the ILO-Institute for Human Development (IHD) joint study, the share of educated youngsters among the unemployed, rose from 54% in 2000 to 66% in 2022.

But, there is no concrete proposal other than some customary pious wishes of job creation. As of March 2023, over 9.7 lakh posts in the central government of India were vacant, which is around 24% of the total sanctioned posts. Over 3.5 lakh vacancies are lying in the Railways. But the FM is silent over that as she is tight-lipped about regular government jobs being outsourced or performed by contractual workers at paltry wage. These contractual jobs are no employment but underemployment or pseudo-employment. There is the usual hullabaloo over 'skilling' people so that jobs will become available or giving small loans (like for home stay managers) to supposedly boost jobs. But how would this skilling be done? What is the roadmap? Can skill upliftment be of any use if job opportunities go on shrinking? Perhaps the FM thinks that such 'trivial' questions ought not to feature in such an 'august' document like Union Budget document.

Last year, the FM announced a new "Prime Minister's Internship Scheme" aimed *"at providing internship opportunities to youth in top 500 companies of India. The programme was stated to be offering youth exposure to real-life business environments across sectors, helping them gain valuable skills and work experience"*. This scheme was to target one crore internships to youth over five years. But in this budget, there is no mention of that, let alone reporting the progress in this regard. In fact, it is now left to the corporate houses to provide jobs. And as government data reveals, in the April-June quarter of this 2023-24 fiscal year, fresh investments announced by corporates was just Rs 44,000 crore—a 20 year low. Private investment fell 15.3% in 2023-24, in last year. According to recent economic reports, it was expected to dip further the 2024-25 fiscal year, with a slower growth rate compared to previous years, primarily due to factors like weak manufacturing, slower corporate investments, and concerns over rising input costs and domestic demand slowdown. Over 2.5 crore small and medium industries have closed down in last 10 years throwing 12 crore people out of work, reported government agencies. So, generation of jobs by private sector in large number is a fiasco.

When job is sought in government sector having very little avenue, they receive bullets and batons. Just a couple of months back, Patna Police lathi charged hundreds of aspiring Bihar Public Service Commission (BPSC) candidates protesting outside the commission's office against reports of potential normalization in the 70th Combined Preliminary Examination scheduled in Bihar on 14 December 2024. Again, the Bihar state police resorted to baton charge of job aspirants alleging leak of a question paper of combined preliminary exam conducted by Bihar PSC. The day PM Modi was closeted with select economists for pre-budget discussion, 1800 candidates for just 10 posts thronged at a private engineering college in Bharuch, Gujarat, which resulted in collapse of a railing causing injuries to six. And who does not know that engineers, post-graduates and doctorates are scrambling for a job of class IV staff, sweeper and even mortuary assistants? If the government call these highly educated youths 'unskilled', then who are, according to it, skilled? So, the prattle over 'skilling

programmes' compatible with industry need is a bunkum. In fact, the industrial houses stricken with acute market crisis endemic of capitalist system are now on a path of drastically reducing manpower and opting for sophisticated technology to keep production cost down. And that feature is neatly camouflaged by over-emphasis on skill development and occasional citing of rising enrolment in PF account.

Agriculture

Government talks of farmers making India food basket of the world. What a consonant rhythmic language to suppress government's apathy towards improving the condition of the wretched peasant community! As per the revised budget estimate 2024-25, the expenditure made in the Agriculture and allied sector had been Rs. 3,76,720.41 crore and in the 2025-26 Budget, the estimated amount is Rs. 3,71,687.35 crore, that is less by Rs. 5042.06 crore. The allocation to the Department of Agriculture and Farmers Welfare has come down by Rs 3,905.05 crore when compared to the revised estimate of 2024-25. Considering the inflation also this is a drastic cut in allocation for the farming sector that is the 'first engine of the economy' in the words of the Finance Minister. The 'Flagship Programme of Pradhan Mantri Fasal Bima Yojana' for crop insurance has a drastic budgetary cut is from Rs.16,864.00 crore in 2024-25 to Rs. 12,242.27 crore in 2025-26 i.e. Rs. 4612.73 crore. Allocation for crop insurance scheme is down by Rs 3,621.73 crore. Allocation for fertilizer subsidy is Rs 1.67 lakh crore for 2025-26, lower than the revised estimate of Rs 1.71 lakh crore for 2024-25. The government had earmarked Rs 1.88 lakh crore towards fertilizer subsidy in the previous year. Cut in funds for fertilizers is destined to being down subsidy level making input costs yet more dearer for the poor peasants. So, the efforts are on to fully privatize agriculture by completing the course of handing over both input sector (seeds, fertilizers, pesticides) and procurement system to the agr-giants and multi-nationals.

Education

Budget allocation to educational sector, now in doldrums with increasing privatization, closing down of government schools in large numbers, lack of minimal infrastructure and number of teachers in the government schools, downgraded standard of curricula, grotesque semester and choice-based credit system, hefty fee structure, lack of academic autonomy and so forth, is Rs 1,28,650.05 crore which is just 2.54 % of the total budget. Budgets allocated to UGC and All India council for Technical Education have been reduced by 47% and 50% respectively. Kendriya Vidyalaya Sangathan (a few number of schools meant for children of Indian Defence Services personnel) has been allocated Rs 9,503 crore, an increase of Rs 776 crore as compared to the revised estimates of 2024-25. The Centre's cumulative support for all its secondary schools in India is less than half the funding for the central schools such as *Kendriya Vidyalayas* (Rs 9,504 crore) and *Navodaya Vidyalas* (Rs 5,305 crore).

While the FM in her speech said that for the Union government, "*Viksit Bharat encompasses 100% good quality school education,*" the increase in budgetary allocation has been minimal. In absolute terms, the allocation to the education sector was about 0.37% of India's gross domestic product (GDP) last year. This year, it is about 0.36%. Public spending on education (by both state and Centre) has been stagnant at 4.2%-4.6% of the gross domestic product (GDP) since 2019. Even the National Education Policy (NEP 2020) has recommended that at least 6% of total budget. Very interestingly, when government schools have no funds to buy chalks, dusters and blackboards or making toilets or repair the dilapidated buildings, the FM takes pride in announcing 'Broadband connectivity' to all government secondary schools and expanding the capacity of highly expensive Indian Institutes of Technology (IITs). According to the Unified District Information System for Education dashboard, the overall dropout rate at the secondary school-level is 10.9%. But budget has not addressed this concern. Given that India has 445 state universities and approximately 9,200 state government colleges, this level of support is inadequate and widens the resource disparity between central and state institutions. On the other hand, impetus is given to the private operators to make decisive entry into the academic arena to mint enormous profit by selling education as a commodity. Also notable is the fact that allocation of Rs 20,000 crore to the Department of Science and Technology (DST) is only to initiate a private sector-driven research and development (R&D) fund.

Child Nutrition

As per the October 2024 data of 'Poshan Tracker', out of 8.82 crore children (0-6 years), 37% of these children) have been found to be stunted and 17% children (0-6 years) have been found to be underweight. Nearly 8.8 lakh under-five children die every year. In 2021, 24 lakh children died of malnutrition.

But PM-POSHAN, as the 'National Mid-Day Meal Programme' is now called, was allocated Rs 12,500 crore, a 0.26% increase from Rs 12,467 crore for 2024. Adjusting for inflation, this is a reduction from last year. The Revised Estimate (RE) 2024-25 for Saksham Anganwadi and POSHAN 2.0 scheme stands at 20,070.90 crore, while the Budget 2024-25 allocation was Rs 21,200 crore. The Budget 2025-26 estimate is Rs 21,960 crore. So, there is a 2.7% decline under this programme over the last year's Budget allocation in real terms, that is, accounting for inflation. For the Ministry of Women and Child Development, there is a decline of about 3% in real terms over the last year's Budget allocation.

According to the 2024 Child Nutrition Report, India has the second highest rate of severe child food poverty (CFP) in South Asia. The report also highlights that unhealthy foods are becoming more common in children's diets. Right now, allocations under midday meal are Rs 6.19 for primary school students and Rs 9.29 for upper primary students. Can this budget provide food to the fill, let alone nutritional food?

Yet, the BJP government did not show any obligation to free crores of children from appalling hunger and malnutrition. But the defence budget has been further increased to as high as Rs 4.91 lakh crore for FY2025-26.

Healthcare

The Union government's health expenditure as a proportion of the total income of the country (or GDP) continues to remain a meagre 0.29%. The priority to health in the total Budget continues to remain low at about 2%.

Last year, the estimated health budget was Rs 90,958.63 crore, while the revised budget was Rs 80,517.62 crore, marking an 11% reduction. This year, allocation is Rs 99,856.56 crore. If we assume a similar 11% reduction this year, the revised budget would be Rs 88,873.62 crore, which is 2.29% less than last year's allocation.

Prices of 800 essential drugs were increased from April 2024. The prices of 11 formulations of 8 drugs were increased by 50% in October 2024. In 2018, India's private hospitals jacked up prices of drugs and consumables up to 18 times, according to a study by the National Pharmaceutical Pricing Authority. Over the years, the GST on medicines has been raised to 12%. This huge burden is borne by the common people. So, as a palliative, the FM boastfully announced exemption of some drugs from basic customs duty (BCD) to "provide relief to patients" suffering from cancer, rare diseases and other severe chronic diseases. But this is nothing but a drop in the ocean of high costs of medicines. Even after this much touted drop, cancer drugs for a full course treatment would continue to be around Rs 27 to 61 lakhs. How far are these medicines affordable by common people of a country where over 60% people survive on paltry free ration? The BJP government always speaks of insurance coverage to the cost of medical treatment. But the evidence already suggests that schemes such as Pradhan Mantri Jan Arogya Yojana (PMJAY) with over emphasis on tertiary care and in-patient care, are not appropriate or capable to cater to the health needs of the poor and marginalized.

One more stunt is about opening of day-care clinics for cancer patients, a proposition announced several times earlier but not implemented. Now, it is aimed to have 6 such beds in each district hospital which works out to be 4554 beds in three years. But do we have enough trained oncologists and medical practitioners to man these number of cancer beds? What will be the outcome of the budget proposal then? Management will be through Public-Private Partnership (PPP)— a model of facilitating backdoor entry of private houses-and hub-and-spoke delivery model.

Budget speech talks of adding 10,000 additional seats in medical colleges and hospitals. But who does not know that with passage of time, the standard of government hospitals is on a steady decline because of paucity of beds, non-availability of qualified doctors and nursing staff, absence of medical equipment and diagnostic facilities and above all, rampant corruption? And, the government is paving the path of making healthcare service an exclusive preserve of highly expensive private hospitals.

Gimmick of lowering Personal Income Tax

Now we come to the gimmick of lowering personal income tax which the FM shrewdly announced at the end of her budget speech like a tasty dessert at the end of a frugal dinner. She knew that once the lollypop of no tax on an annual income upto Rs 12 of an individual and reduced tax rates on slab basis on subsequent higher range of incomes, there would be euphoric reactions from talk show experts, industrialists, pro-government economists and the 'godi media' on the announcement of a cut in income tax. Many would be celebrating this as evidence that the BJP government has done this to 'pump prime' or 'kick-start' the flagging Indian economy.

Is this sufficient to kick-start the economy by pump-priming demand? Answer is a big No. Just two days before the Budget, another arm of the government released the full report of the Household Consumer Expenditure Survey (HCES) 2023-24. It revealed that at constant prices, the average monthly spending of a four-member family is Rs.8,316 in rural areas and Rs.14,528 in urban areas. That means average annual income is just Rs. 99,792 and Rs. 1,74,336, respectively, in rural and urban areas. Moreover, in rural India, the household monthly per capita expenditure is Rs 4,122, which is roughly Rs 140 a day. In urban India, it is Rs 230 a day, or Rs 7,000 per month. This is the reality for most people. These people do not fall in the category of tax payers. In fact, 3.2 crore people meaning around 2.5% of the 144 crore odd Indians pay individual income tax. Then, what, relief is offered to the remaining 141 crore people?

What could boost demand in the market?

In order to increase the purchasing power of the countrymen, what was needed was more money in the hands of people in the form of increasing wages of agricultural and non-farm workers, industrial workers and employees, increasing the earnings of the peasants by legalizing Minimum Support Prices at C2+50% formula coupled with more government expenditure to create proper remunerative permanent employment. Years of ignoring this path and sticking to the globalization formula of cutting or restricting government expenditure, including for welfare schemes, has steadily worsened the situation.

Array of waffle and hoax

So, it is clear that except some lingual gymnastics to shield the truth, there is no change in the content of this budget when compared with the previous ones-brazenly anti-people, nakedly pro-capitalist. Obviously the industrial houses, corporate barons and their lackeys are effusive in praise for the budget which has given them more than what they expected to fleece people more fiercely.

The suffering millions must realize that no political party subservient to the class interest of ruling capitalists can offer any relief to them in the budget which is nothing but a blueprint of escalated squeezing of the poor and increased bonanza for the ruling capitalist class. So, there will be pretended empathy for the poor, tall talks of inclusive growth and hollow promises of bumper opportunities but at the end all would end in a fiasco for common people. People need, therefore to rise in protest and develop united organized movement and wrest some of their pressing legitimate demands under pressure of movement.

There is no other way they can dissuade the bourgeois government from annually repeating such deceptive budgetary exercise to pauperize them on a higher scale.