

Some crucial questions to be answered

C P John

Former Member, Kerala State Planning Board

I have gone through the budget presented by Dr. Thomas Isaac thoroughly. He says that K-Disc is the new 'Avathar' of KIIFB. I am not in an opinion that his ideas would not be fruitful. A section of people contradict the idea of knowledge economy, even though it is labour intensive, but unproductive. I do not agree with the term, knowledge economy. I prefer this can be termed as knowledge based economy.

The United Democratic Front [UDF] is not against KIIFB. But we oppose availing loans with high interest rates in the pretext of infrastructure development. We need investment which is capital intensive. Unfortunately, KIIFB does not have a proper view point regarding capital intensive investments. This is a serious point to be discussed.

Dr. Thomas Isaac clearly opined that there is no way that fiscal deficit to touch 4.25 per cent from 2.45 per cent. He also says that revenue deficit will be to the tune of 2.94 per cent. Fiscal deficit of central government had increased to 9.25 per cent. This means that Fiscal Responsibility and Budget Management [FRBM] Act is no more.

We must examine the serious fall in the revenue of our state and the increasing trend in revenue expenditure seriously. As per the revised estimates of 2018 -19 budget, total revenue receipts is Rs 160,000 crore. This had dropped to Rs 99,042 crore in next year. We can assume that the abnormal rainfall and the flood in 2018 caused this. But when it comes to the 2020-21 budget total revenue estimated is Rs 93,115 crore. State's public debt (net) has increased to Rs 24,419.91 in this year. Still we have a revenue shortfall of Rs 16,910.12 crore. How it happens? This is the crucial question raised by the opposition parties.

In his budget presented on 15th January, 2021 Isaac says that the state would have a total revenue of Rs 128,375 crore. But this is not correct. The issue is that both finance ministers, Dr.Isaac and Mr. Balagopal gave the same figure as revenue deficit. There is no logic in this

R.K.SINGH

because as per the latest budget revenue expenditure increases. So how can the two budgets envisage the same revenue deficit. This is the crucial question to be answered.