

Press Statement

The following joint statement is issued to the press by the Platform of Central Trade Unions on 31st July 2024

CTUs oppose Union Budget 2024-25 - exercise of betrayal yet again Pressing economic issues side stepped – Corporates catered Clarion Call for Nationwide protests on 9th August 2024

Union Budget 2024-25 of the NDA coalition government has come out as another colossal betrayal on the people. BJP has failed to learn lesson from its drubbing in the elections. It is political and economic crime that the most crucial issues of unemployment, rural distress, inflation, food inflation are ignored. Corporate sector stands to gain. Political allies are placated with people's money. Budget has failed to put money where the mouth is.

Big business is benefitted

The Economic Survey 2023-24 made clear that the industrialists in India and the business elite were "swimming in excess profits". The priority of the government, in this background should be to tax the corporate more in order to increase revenue for developmental purposes. But the budget does the opposite to reduce the foreign corporate tax from the existing 40% to 35%.

Social spending reduced

While the document registers increase in revenue generation to around 15%, expenditure outlay in total has increased by a mere 5.9% which is actually a decline of 1.8% of GDP than last year. Reduced social spending in the grim situation of the alarming levels of impoverishment, unemployment and under employment and the obscene levels of inequality ever widening makes the budget a wicked blow on the people. Allocation for education and health suffers a fall relative to GDP.

Paradox of interest juxtaposed between corporate and the people is so revealing in the budget. Total expenditure for the National Social Assistance Programme covering pensions and disability benefits, which stood at ₹9,652 crore in 2023-24 as per the revised estimates, has been allocated exactly the same amount in the Budget for 2024-25. Despite the extension of the free foodgrain allocation under the National Food Security Act, the food subsidy is budgeted to fall from Rs 2,12,332 crore in 23-24 to Rs2,05,250 crore in 24-25

The financial survey had highlighted the existing food inflation to be 9.4%. But the budget announced a cut in food subsidy to 3.33%. Fertiliser subsidy is reduced to 13.18% and that on LPG to 2.57%. Labour Welfare Fund has suffered reduction of Rs 1200 crore along with a decrease in labour budget by Rs3000 crores. Rural development fund is slashed to 20% Crop insurance scheme is faced with reduction of allocation of Rs1500 crore, Clean water programme faces a reduction of Rs1500crore and the National Urban Livelihood Mission reduced by 43%.

Employment generation – too little too notional

BJP has been ignoring to address the most crucial issue of unemployment since one decade. Employment is the key to sustainable growth and long term consumption. The budget comes out with three schemes in the name of employment generation. The schemes are confined to the educated unemployed in the formal sector. An outlay of

Rs2 trillion over a period of five years to generate 5 crore jobs is too little, too notional. All the three schemes incentivise the private sector for job generation urging them to act with “enlightened self-interest”. The employment subsidy of Rs15000/ in three instalments to all new employees would only influence the compensation package offered by companies to internalise that subsidy. The other subsidy such as the ₹3,000 a month contribution for two years to be made by the government against provident fund subscriptions, accrues directly to employers. Through direct tax concessions to foreign firms and indirect subsidies to domestic manufacturing companies, the government has exonerated itself from the commitment of employment generation while shifting it to the private sector. The budget exhorts the companies to use their CSR for skilling and training. Employability linked to skilling and training is the dangerous discourse of the government that is emphasised over the decade.

“Solution” for New Pension Scheme not in the interest of employees

Maintaining the mulish stance, the finance minister only announced “solution” to New Pension scheme obstinately ignoring the consistent demands of the Trade Unions to restore the DA linked Old Pension scheme.

Farmers are neglected.

Farmers are neglected. Legal commitment to MSP as prescribed by M S Swaminathan Committee is what has been the long-standing demand. Budget is silent on this. The amount of the overall budget allocated to the agricultural sector was a mere 3.36% in 2022–2023, which dropped to 2.82% in 2023–2024 and further declined to 2.75% in the 2024–2025 budget. There are no production driven schemes.

Budget draws a blank on workers of unorganised sector

Budget draws a blank on the Unorganised sector workers who constitute 96% of the total workforce contributing over 50% to the GDP. Ensuring guaranteed minimum wages, social security, etc., seems to lay beyond the agenda of BJP. The social security promised in the interim budget 2024 presented on the eve of the then ensuing elections has not seen the light of the day.

There has been no mention of enhanced and guaranteed minimum wage, social security, maternity benefit, EPFO inclusion, extension of ESI etc., which have been the demands of the CTUs over a decade. Misplaced priorities reflect in planned creation of food city hubs while the millions of gig workers in food industry and elsewhere and the millions of hawkers and vendors suffer illegal discrimination. Home based workers, domestic workers, construction workers, beedi workers none feature in the budget.

Women ignored

Budget has provided a marginal increase of 2.5% for Women and Child Development which in real terms is less considering the inflation. Women Workforce Participation rate in India is declining. Gender wage gap in India is the widest in the world. The budget comes out with nothing tangible to ensure uplift of women workers. Increasing working women hostels and creches is trifling the dimension of the issue.

MGNREGA continues to be neglected

MGNREGA continues to be neglected. The allocation of Rs 19,297 Crores is lower than the expenditure incurred last financial year. Unpaid wages are accumulated in many states. Funding for social audit of the scheme is awaited. All these are ignored.

Forced digitisation in MGNREGA in the name of transparency while discouraging demand from those who deserve it will on the other hand push for the entry of corporate into the sector.

Farewell to Federalism

Cooperative Federalism, that has been strained under BJP rule since the last decade is again given a go by. The grants of the Finance Commission, apart from the tax devolution, to states has been consistently reduced from Rs172760 crores in 2022-23 to Rs140429 crores in 23-24 to Rs 132378 crores in 24-25. This is a blatant blow to the very essence of federalism and state autonomy enshrined in the constitution.

Source of funds secretive and imprudent

The budget is obsessed with fiscal consolidation with the fiscal deficit expected to come down from 4.9% of GDP in 2023-24 to 4.5% in 24-25. Capital expenditure on infrastructure is claimed to increase year by year to Rs11,11,111crores in 2024-25. With tax revenues not increasing, what is the source of funds to achieve this target? It is the dividends and surpluses from the Reserve Bank of India that have risen from ₹39,961 crore in 2022-23 to a huge ₹1,04,407 crore in 2023-24 and are budgeted to spike again to ₹2,32,874 crore in 2024-25. These are from the contingency risk buffer of RBI which is meant for unforeseen contingencies. But the central government has been using this imprudently and secretively.

With a sense of deep caution and concern, the Central Trade Unions see that BJP has not learnt a lesson and is unlikely to change its pro corporate policies. We, in one voice denounce the budget as having the least concern for the people. It is anti-people, anti-farmer, anti-workers, anti-women, anti-youth and anti-students, all at the cost of being emphatically pro rich and pro corporate. We reject this budget and with all indignation oppose this. Trade unions reiterate our pledge to oppose BJP tooth and nail.

Clarion Call for Nation wide protests on 9th August 2024

9th August 1942, "Quit India Movement", had ignited a defiant spirit that lit the last spark for freedom from British imperialism. It is aptly significant that on this day we give out our rallying cry of resistance against the repressive NDA government and its regressive anti-national Union budget. 9th August is the launch of series of our protest campaigns drawn till 14th August. Central Trade Unions exhort their members to make the programme a stupendous success.

The Platform of Central Trade Unions and independent sectoral Federations/Associations



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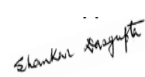
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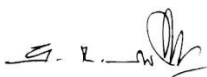
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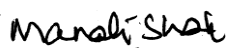
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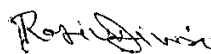
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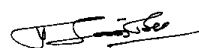
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