

# O HERALDO

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## A Budget for the Middle Class or a Band-Aid for the Economy?

The annual Union Budget has sparked intense debate about its long-term impact on the Indian economy.

One of the most significant announcements in the Budget has been the overhaul of the income tax structure, which has provided a major boost to the salaried middle class. The most notable feature is the introduction of a zero-income tax for individuals earning up to Rs 12 lakh annually. This move is designed to offer relief to the middle class, a demographic that has been bearing the brunt of inflation and rising living costs for years.

On the surface, this reform is a direct hit for the middle class, easing their financial strain. However, a closer look reveals that while tax relief is given, it comes with some caveats. The rebate applies only to the new tax regime, meaning individuals who prefer to continue claiming exemptions under the old regime may not benefit from this reduction. Furthermore, the government's decision to increase the standard deduction to Rs 75,000 is likely to make the system simpler for some, but it doesn't address the structural inefficiencies and complexities that many individuals still face.

Moreover, the broader question remains, can tax relief alone rejuvenate an economy struggling with weak industrial growth and declining real wages? While individuals may benefit from short-term tax cuts, they need more sustainable measures for long-term financial health. For example, the ongoing stagnation in salaries, which are reportedly at the levels of 2017-18, paints a bleak picture of the economy's failure to generate substantial wage growth, even as corporate profits soar.

The Budget has been described by some as a "Band-Aid" solution, with much of its content tailored to appease specific constituencies ahead of state elections. One glaring example of this is the considerable focus on Bihar, with multiple announcements made specifically for the state, including the creation of a Makhana Board, expansion of Patna airport, and increased infrastructure spending. While such initiatives will undoubtedly benefit Bihar, they also raise questions about the political motivations behind these provisions, especially given that Bihar will be holding elections soon. Some critics have even gone so far as to dub the Budget "B for Bihar," insinuating that it was more about securing votes than addressing the national economic crisis.

The budget also attempts to foster growth in the business sector. The government has raised the loan limits for MSMEs to Rs 10 crore, while startups can access funding up to Rs 20 crore. Additionally, a Rs 10,000 crore deep-tech fund will be created to encourage investment in next-generation technologies, which will be crucial in India's race to become a global leader in innovation. These measures aim to stimulate entrepreneurship, which is critical for job creation and driving the economy forward. The government's focus on expanding the manufacturing sector and simplifying regulatory processes will also encourage businesses to expand.

But this is where the long-term vision appears to be lacking. The Budget's emphasis on sectors like toy manufacturing, while positive for certain regions, highlights the government's limited focus on more strategic, high-growth sectors like artificial intelligence, defence, and renewable energy. As the world's economic landscape shifts towards cutting-edge technology, India must not become complacent in its efforts to drive innovation across all industries.

One of the biggest concerns is the government's projected GDP growth rate for 2024-25, which is expected to fall to 6.4%, the lowest in four years. This decline reflects the poor performance of the industrial sector, which has been struggling with low productivity and insufficient investment. Real wages, as noted earlier, have stagnated, leaving the majority of the workforce with little purchasing power to fuel economic growth.

Additionally, the Sensex, which has shown significant gains in the days leading up to the Budget, ended up with a flat performance on Budget Day, reflecting investor uncertainty. Even as the government has tried to balance the fiscal deficit by cutting expenditures in some areas, critics argue that these cuts could hurt long-term growth, especially in rural areas and key sectors such as agriculture, health, and education.

The government's decision to increase foreign direct investment (FDI) in the insurance sector to 100% is a positive move to attract international capital, but it remains to be seen whether such measures will be enough to offset the broader economic stagnation. After all, foreign capital alone cannot revive an economy suffering from weak domestic demand and high income inequality.

The 2025 Budget is undoubtedly a mixed bag. While it offers substantial relief to the middle class through income tax cuts and rebate systems, it fails to address the root causes of India's economic malaise, such as stagnating wages, declining industrial output, and growing inequality. The focus on political appeasement, especially in Bihar, has detracted from the need for a more comprehensive, long-term economic strategy.

The government has delivered a Budget that might soothe some immediate concerns, but it has not laid out a vision that will pull the Indian economy out of its current stagnation.

### comment



EUGENIO VIASSA MONTEIRO

Great philanthropists and charity ideas and deeds have appeared throughout all the centuries we have lived. And continue surging worldwide when there is sensitivity to identify necessary solutions



the faint understanding that he would not be able to bring any of his fortune with him to the next world.

The man who could dominate the commercial world suddenly realized he had no control over his personal life. He informed his solicitors, accountants, and management that he intended to devote his assets to hospitals, research, and charity work. John D. Rockefeller started his foundation.

The Rockefeller Foundation financed Howard Florey and his colleague Norman Heatley's penicillin research in 1941. But arguably, the most astounding aspect of Rockefeller's narrative is that when he began to give back a fraction of all he had gained, his body's chemistry changed dramatically, and he recovered.

He was expected to die at the age of 53, but he survived to

reach 98 years old. Rockefeller learnt gratitude and returned the bulk of his money, making him whole. It's one thing to be healed. It is another to become fit. He was a devout Baptist who attended the Euclid Avenue Baptist Church in Cleveland, Ohio.

Before he died, he wrote in his diary: "God taught me that everything belongs to Him, and I am merely a conduit to carry out His will. My life has been one long, happy holiday since then, full of work and play. I let go of my worries along the road, and God was wonderful to me every day". (Ijeoma Ikechukwu gives this short biography of J. D. Rockefeller. Source: Internet)

At first reading, there can be doubt if it is all a colossal exaggeration. Whatever the case, that personality existed; he was the wealthiest man and died very late at 98. History tells us that he launched a foundation which lasted for a long while, dedicating all his money to philanthropic objectives to benefit humanity and relieve its pains.

The example of a person only focused on amassing more and more underwent, we do not know how, a complete transformation when, in the middle of his physical decrepitude, he realized better the value of what he had gathered, equivalent to more than \$340 bn in current value, and valuing nothing for his needs.

He adds more: when beginning to give back a fraction of all he had gained, his body's chemistry changed dramatically, and he recovered. "My life has been one long, happy holiday since then, full of work and play. I let go of my worries along the road, and God was wonderful to me every day."

With the independence of the money value, all of us, rich and less wealthy, must have asked ourselves: all the resources I have gathered, can I take them to the next world? Or that is to keep all here?

The whole world, India included, had seen battalions of wealthy entrepreneurs people who worked hard very intelligently, created millions of jobs for people to sustain themselves and their families, gave them instruction and healthcare, and created more wealth for the Society with the products they made and sold to people who found it helpful.

It seems that the great majority of those wealthy and entrepreneurial people very soon understood that wealth by itself was nonsense and that the wealth accumulated, may it be food and

temporary shutdown of a multi-product pipeline in the port town of Vasco following a fire outbreak. Eight persons were injured and several houses were gutted in the blaze after the Naphtha leaked from the pipeline. In June 2022 after damaging underground power lines leading to a 22-hour power outage in parts of Vasco contractors working on a pipeline damaged water pipelines in the port town leading to water supply issues.

In November 2023, a major gas leakage was reported near MES College at Zuarinagar after a fiber gas pipeline was damaged by a contractor while digging a trench for a power cable. It must be said that the city of Vasco is literally sitting on a time bomb. It is learnt that the incident that occurred on Friday was anticipated by the Oil Company and tight security was maintained. A police complaint was lodged and the digging work was halted. However the contractor resumed operations despite warnings. The contractor needs to be taken to task as negligence on his part could have led to a major fire incident. It would be prudent for the contractor engaged in the digging to obtain a plan of the outlay of the various pipelines including gas, water and power cables passing underground so that damage can be avoided while carrying out digging activities.

Adelmo Fernandes, Vasco

### CCP should follow PMC's footsteps

It has been reported that after the Ponda Municipal Council sealed the shops in the municipal market for failure to pay up the dues, and the council recovered Rs 1.2 crore, and some postdated cheques from the shopkeepers.

The more than 1000 allegedly illegal occupants of the CCP corporation market have not paid any of their dues, either rental electricity or water charges, for decades, and the dues are probably amounting to more than 20 crores. As a result the corporation is frequently in the red, and perhaps attempt bridging the deficit by increasing the house tax charges of the innocent helpless house owners. The question that begs to be asked is why the CCP cannot adopt the same method adopted by PMC, in order to recover the dues from the allegedly illegal occupants of the CCP municipal market?

Rosario Menezes, Vasco

### Port town squatting on a time bomb

Panic gripped Dabolim on Friday afternoon after a petroleum pipeline was reportedly damaged during the flyover construction by a contractor of the National Authority of India (NHA). It is learnt that heavy machinery accidentally punctured the pipeline. It was by providence that the pipeline was not carrying petroleum at the time.

It may be recalled that in August 2011 the Disaster Management Authority (DMA) had ordered the

# What sense does it make amassing wealth?

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It seems that the great majority of those wealthy and entrepreneurial people very soon understood that wealth by itself was nonsense and that the wealth accumulated, may it be food and

vegetables, fruits, or manufactured products for health, the only sense of theirs was to do good to all others in need.

And it is much better to distribute during life -giving a helping hand to needy people than doing it through the will after death, being helpful to the neighbours and those with skills and intellectual preparation to discover new Pharma products to make life more enjoyable and happy for all.

Great philanthropists and charity ideas and deeds have appeared throughout all the centuries we have lived. And continue surging worldwide when there is sensitivity to identify necessary solutions. Millions have dedicated their lives to helping others with vulnerabilities to make their life more humane.

According to Henley & Partners, India has 326,400 millionaires, 1,044 centi-millionaires, and 120 billionaires. India is expected to see a 110% increase in wealth per capita by 2033.

I want to leave an idea for all those 326,400 millionaires and all others. Each of the millionaires has a place of birth, a village where he grew up and socialized with many children his age, where he went to school and learned a lot with his companions.

I suggest that each millionaire adopt their village or district of origin to do something meaningful for the older and youngsters. For example, installing a good health centre with the principal diagnosis equipment; instigate the creation of schools needed in that area, more or less specialized, to teach the old and new ones the arts of doing fabrics, paintings, batiques, etc.

And put Centres of Culture where people can read newspapers and books, listen to music, make groups of Chorus, etc. Older people like to paint but need an introduction and materials to produce works of art.

And foster the creation of a gymnasium and multi-sports fields for the young people to practice there. And other improvements typical of the place, like gardens, respond to its needs. Indeed, all you do will continue from the part of others who identified with your concerns about creating resources at your place of origin serving Society. Starting with little, when you see the impact of what you did on the village populations, you'll feel the need to do, to give more.

(The Author is Professor at AESE-Business School (Lisbon), at I.I.M. Rohtak (India), author of The Rise of India)

Godwin Pereira, Chinchinim

### letterstotheeditor

For letters to the editor contact us at editor@herald-goa.com.

All letters must contain correct postal address and telephone number. Letters are liable to be edited for brevity.

### Touts must be put in place at Calangute

The Calangute Police have reportedly booked 30 cases during a special drive against illegal hawkers, public drinking and touting along Calangute-Baga coast on Thursday for causing nuisance to tourists and the public.

Simply taking a few touts and hawkers into custody after conducting special drives and imposing petty fines on them won't solve the problem of Calangute-Baga coast as these same people will somehow make a comeback in a day or two and continue carrying on with the same old illegal business with the tacit blessings of their political godfathers.

The Calangute Police should identify and impose hefty fines against all those who are found illegally running dance bars, supplying drugs and sex worker to tourists.

Shack operators playing loud music throughout the night and disturbing the neighbourhood and whole-sale liquor outlets operating beyond the time limit should not be spared either.

Jerry Fernandes, Saligao

### One language, one script failed

The policy of the Sahitya Akademi and Goa Government which has chosen Devanagari as sole official script for Konkani

has been a complete failure. By giving importance to one script over the other has led to inequality. Roman Script is marginalised while more focus is given to Devanagari. The Goa government is spending crores of rupees to promote Devanagari.

Devanagari and Roman Script must be treated equally.

Godwin Pereira, Chinchinim

### A wake-up call for aviation sector

The tragic mid-air collision over Washington, DC, involving an American Airlines regional jet and a US Army Black Hawk helicopter, is a stark reminder of the vulnerabilities in aviation safety. While the official investigation is ongoing, preliminary reports suggest miscommunication, potential pilot error, or technical failures as contributing factors. This disaster, which claimed multiple lives, underscores the urgent need for the airline industry to reassess its safety protocols. Aviation authorities must enforce stricter coordination between civil and military air traffic, ensuring clear communication and adherence to designated flight corridors.

Airlines and regulatory bodies cannot afford complacency—lives depend on proactive safety measures, not reactive investigations. The future of air travel must be built on a foundation of

people'sedit

## THE INNER PATH TO LASTING HAPPINESS

JOSEPH LEWIS D' SILVA

Everyone desires happiness as a way to avoid sufferings. But the understanding that happiness is produced within and not originated from external matters is not taught in schools and colleges.

The following quote, often attributed to Sadguru Thyagaraja is: "You may have a good family life with wife and children. You may have wealth, power and prestige. You may be scrupulously carrying out all the religious rites and rituals. You may not be lacking in any worldly want. You may be adept in all the scriptures and texts. With all your knowledge, you may possess the ability to read people's minds and gauge them. You may be respected in society for your knowledge and learning, you may have even developed the power to control your senses --- but, without the inner peace happiness eludes you."

Yes, happiness which is derived only from external objects of gratification such as power, wealth, fame, appearance, money, relationships, status or travel --- can provide a few days of happiness. It is short-lived.

True happiness lies within a person. It doesn't come from acquiring everything one desires. It comes from inward realization, that happiness is a mindset; --- a mental attitude to enjoy with inner calmness with what one has in the present; and in understanding this fact about happiness; that internal happiness is lasting.

Two negative forces that torment the minds of human beings and bring about their downfall are desire and anger. As a result of which calmness and self-control is disturbed. Therefore, some precautions are to be taken, so that one's true happiness are not polluted. First of all, when the mind gets agitated if one is unable to achieve one's desirable things, another one raises its head; and the cruel cycle goes on and on; in such cases, the person should cultivate inner wisdom of peace with discipline of mind and body. Peace comes to a person by controlling one's mood and emotions. But the one who has no control over his senses, he does not have mental purity. Without mental purity, man cannot attempt to look inward and thus he gets no inner peace; and without inner peace, real happiness does not last for long; because happiness is an internal phenomenon and not an external achievement.

Secondly, one should make friends with people who bring joy, and avoid those persons who mock or belittle you.

Thirdly, avoid low self-esteem and inferiority complex. Be kind to self during difficult moments without indulging in self criticizing; because the way you picture yourself in your mind can affect your happiness. Fourthly, habits prevents us from changing the happiness on external objects. Here the precaution to be taken is to change one's erroneous thoughts --- the likes and dislikes that reside in one's heart area.

Just as our body requires physical exercise to keep it healthy, so also, the mind requires internal exercise.

One should forget grudges or negative feelings towards others to reduce stress.

These internal precautions creates a long lasting happiness. Lastly, the simple and direct method to overcome unhappiness is to appeal to the indwelling divine, through prayers. The everlasting happiness can be experienced with God.

In conclusion, true happiness is lasting, firm on inner state of peace and satisfaction. It is not a fleeting moment which is tied to external achievement or possessions.

One should live like the lotus --- unaffected by the muddy surroundings in which it grows; and behave like the lotus leaf which is un-wetted by the drop of water on it.

zero tolerance for preventable disasters.

Gopalaswamy J, Chennai

### Flying high through UDAN

About a decade and a half ago, airport connectivity was unsatisfactory to say the least, and Tier-2 and Tier-3 cities' people felt they were left in the lurch by the authorities. But domestic airliners, mainly private players with high ambitions, changed all that by doling out tickets at throwaway prices.

Though many cities were connected by the private domestic airliners, tier-3 cities still had a long way to go. The "Economic Survey 2024-25" tabled in parliament has said that 619 new air routes and 88 additional airports were connected through the Centre's "Ude Desh Ka Aam Naagrik (UDAN) scheme, also called the Regional Connectivity Scheme (RCS), that saw the light of day in 2016 with a whopping 45,000 million budgetary provision for a period of 10 years.

Aimed at providing fillip to 425 unserved and underserved airports by targeting 1000 routes, it was broadly formulated with a 80:20 ratio of Centre: State funding, to ensure a 90:10 share of Centre: NE States/ Union territories.

The VGF essentially plans to make the routes financially viable by lowering the cost of flight operations so that the regional airports need not burn a hole in their pockets. The project is bound to arm smaller cities with the vital element of 'inclusiveness'.

Ganapathi Bhat, Akola