Q11

One of the intended objectives of Union Budget 2017-18 is to 'transform, energize and clean India'. Analyse the measures proposed in the Budget 2017-18 to achieve the objective.

UPSC Civil Services Mains 2017 · GS III · 15 marks · Government Budgeting

Government Budgeting.

Core demand of the question

- State the Union Budget 2017-18 agenda Transform, Energise and Clean India
- Analyse the main tax, spend, and governance measures under each limb
- Comment on how far they could meet the stated objective

Revision summary

Union Budget 2017-18 branded itself Transform, Energise and Clean India after demonetisation and before GST.

Transform used a merged railway budget, housing as infrastructure, MGNREGA, rural roads, irrigation, and digital payments.

Energise used farm credit and insurance, e-NAM, dairy funds, MSME tax cuts, skills, and transport capital.

Clean used cash-transaction limits, tighter party donations, electoral bonds, Swachh Bharat, and a coal cess.

The slogan matches the list of schemes; results still hang on GST, banks, States, and whether clean politics and clean air actually follow.

Introduction

The Union Budget 2017-18, presented after **demonetisation** and just before the **Goods and Services Tax**, set its story as **Transform, Energise and Clean India (TEC India)**. Transform meant better public goods and a less cash, more digital State. Energise meant farms, firms, youth, and infrastructure. Clean meant less black money, cleaner politics, and a cleaner environment. The question asks whether the **measures**, not the slogan, could do that work.

Body

Transform: quality of life and of government

- The **Railway Budget was merged** with the Union Budget and the **Plan / non-Plan** split was dropped, so capital for rail, roads, and housing could be read as one investment story.
- **Affordable housing** was given **infrastructure status**, which cheapens long credit for **Pradhan Mantri Awas Yojana** and private builders of small units.

- Rural transformation tools were a record **Mahatma Gandhi National Rural Employment Guarantee Act** outlay, **Pradhan Mantri Gram Sadak Yojana**, and irrigation under **Pradhan Mantri Krishi Sinchayee Yojana** - jobs, roads, and water as the basic three.
- Digital rails - **Bharat Interface for Money (BHIM)**, Aadhaar-enabled payments, and incentives for less-cash retail - tried to lock in the post-note-ban shift so leakages fall and **Direct Benefit Transfer** can travel.
- **Human capital:** more medical seats and colleges attached to district hospitals, and an innovation fund in secondary education, aimed at services quality, not only brick outlay.

Energise: farms, industry, youth, energy

- Farm credit was scaled up; **Pradhan Mantri Fasal Bima Yojana**, **electronic National Agriculture Market**, soil health, and a **Dairy Processing and Infrastructure Development Fund** tried to raise income, not only grain tons.
- For firms, a **25 per cent corporate tax** for companies below a turnover threshold, and easier **Micro, Small and Medium Enterprise** credit, were meant to pull units into the tax net before GST.
- **Youth:** **Skill India**, **Start-up India**, and stand-up credit were the employment limb of "energise".
- **Energy:** rural household electrification, **solar parks**, and efficient lighting (**UJALA**) linked growth to power that is more available and somewhat cleaner.
- Transport capital - dedicated freight, highways, metro, and airports - was the classic multiplier the Budget used to claim jobs.

Clean: money, politics, and the environment

- A **Rs 3 lakh** ceiling on cash transactions, tighter political **cash donations (Rs 2,000)**, and the announcement of **electoral bonds** were the black-money and political-funding package.
- **Swachh Bharat** toilets and open-defecation-free claims were the sanitation limb of "clean".
- Clean energy cess on coal, electric-vehicle support, and city pollution talk sat beside growth in thermal capacity - a real tension.
- Aadhaar-PAN linking and more digital trails were meant to make evasion costlier after demonetisation.

How far the objective is met

- **The Budget** aligned instruments **with the three words:** housing and rural works for transform; credit, skills, and infra for energise; cash limits and Swachh for clean.
- Delivery still depended on States, GST transition, bank health after note-ban, and whether electoral bonds would **hide** donors rather than clean politics.
- **Cleaning the air and the fisc together is harder than a cess:** farm power and coal still sit in other ministries' facts.

Flow diagram

TEC India Budget 2017-18 India Budget 2017-18 -> Transform housing rural digital
TEC India Budget 2017-18 -> Energise farm MSME skills power
TEC India Budget 2017-18 -> Clean cash politics Swachh
Transform housing rural digital -> Better public goods
Energise farm MSME skills power -> Better public goods
Clean cash politics Swachh -> Bonds opacity coal tension

Conclusion

Budget 2017-18 put TEC India into housing-as-infra, a merged rail budget, rural jobs and water, farm insurance and e-NAM, MSME tax relief, BHIM, cash-transaction limits, electoral-bond language, and Swachh Bharat. Those measures can transform and energise if GST, banks, and States deliver. Clean India stays incomplete if political funding is opaque and coal-and-subsidy practice contradicts the cess.

Facts & figures

TEC India
Finance Minister's 2017-18 Budget framing: Transform, Energise and Clean India.

Housing as infrastructure
Affordable housing got infrastructure status in this Budget so projects could access cheaper long-term credit.

Rail Budget merger
2017-18 was the first Union Budget after the Railway Budget was merged and the Plan/non-Plan distinction was dropped.

Electoral bonds
Announced in Budget 2017-18 as a route for political donations, alongside a Rs 2,000 cash-donation cap for parties.

Cash transaction cap
Budget proposed that cash transactions above Rs 3 lakh would not be allowed, to cut black-money use.