

## Big sops in poll year can land Tamil Nadu in bigger soup



CHENNAI: When deputy chief minister and finance minister O Panneerselvam lists out sops as he presents the TN budget on Friday, nagging him would be the state's increasing debt burden. Indications are that the ensuing general elections — and the bypolls to 20 vacant Assembly seats — will force the government to open the doles bag, pushing the general economy into further distress.

“The increasing revenue deficit (more than ₹21,000 crore) could be a worry,” said an official, “but what else can you expect in an election year?” For the AIADMK, the byelections are in a way more important as their outcome could determine the survival of the government.

The state government's recent Pongal offer of ₹1,000 to every PDS card-holding family could well be a prelude to more, say sources. Chief minister Edappadi K Palaniswami had wholeheartedly welcomed the Centre's offer of ₹6,000 per annum to every farmer. OPS could take out a leaf of that book, especially since the state had a poor north east monsoon.

The state's finances are in a precarious state, as admitted by the government while appealing the striking employees and teachers to get back to work. DMK legislator P T R Palanivel Thiagarajan says there has been a difference between the revised budget on revenue deficit and the actual revenue deficit in the past few years. For example, the revenue deficit mentioned in the revised 2017-18 budget was ₹18,370 crore, but as per the actual accounts it increased to ₹21,594 crore. The study shows that the state's expenditure on interest payments is increasing each year and has touched 21.08% of the GSDP.

“Rapid debt accumulation has been thrust on the people of Tamil Nadu, while capital investments on infrastructure and public services such as health and potable water are plummeting. A large share of the revenues is used to pay interest,” Thiagarajan said.

“It is tough to balance the accounts, but there is no way to escape from announcing more sops as some promises from the AIADMK manifesto of 2016 are yet to be kept,” said an economist and a former adviser to the government.