

1) Will the Government's Asset monetisation plan of surplus land lead to economic development of country? Critically Analyse.

Asset monetisation helps government to create new sources of revenue by unlocking the value of unutilised and underutilised public assets.

DIPAM under Ministry of Finance is the nodal agency for Asset monetisation plan of surplus land.

2) Significance :-

- The plan helps the government to achieve its disinvestment target of Rs 2.10 lakh crores for the current fiscal

- The new resources will go to the PSU and not to the government.

It will help to increase the valuation of PSU & make it more attractive for disinvestment. Eg:- Indian Railway has 48,000 hectares of surplus land.

- The receipts to Government from land will help it to meet the fiscal deficit target of 6.8% in 2021-22 & 4.5% by 2025-26.

- It will help Government to meet the Health expenditure which was increased by 137% in Budget 2021.

- ~~The~~ proceeds can be reinvested in new infrastructure projects which requires \$26 trillion investment between 2021-30.

2) Challenges:-

- No clarity on where the funds will go.

- Government has not announced any protocol or procedure for handling of the funds raised.

- State Government must be given autonomy to decide monetisation of State PSU. It will improve their fiscal position & reduce dependence on GST revenue.

Despite certain challenges, the monetisation plan will help in the economic development of the country.