

Analysing The Evolution Of Union Budget

Introduction to the Union Budget

The Union Budget is a comprehensive financial statement presented annually by the Government of India.

It outlines the government's revenue and expenditure estimates for the upcoming financial year.

Analyzing its evolution helps understand economic priorities and fiscal policies over time.



Historical Context of the Union Budget

The first Union Budget was presented in 1860 1860 by James Wilson, the then Finance Member of the Viceroy's Executive Council. Council.

Over the decades, the budget has evolved from simple revenue estimates to a complex economic document.

Key historical events, such as independence and economic reforms, have significantly shaped its development.



Major Phases in Budget Evolution

The pre-liberalization era (1947–1991) focused on planned development and social welfare.

Post-1991 economic reforms marked a shift towards liberalization, privatization, and globalization.

The 21st century has seen an emphasis on technology, infrastructure, and sustainable growth.

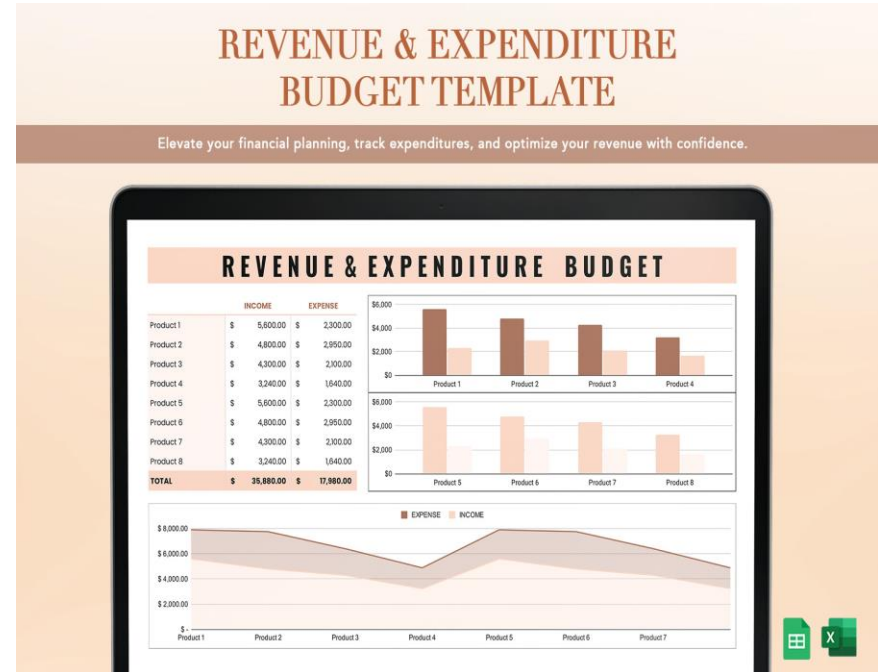


Trends in Revenue and Expenditure

Revenue has grown steadily, driven by increased tax collection and non-tax sources.

Expenditure patterns have shifted from primarily social sectors to infrastructure and defense.

The fiscal deficit has been a critical indicator, reflecting the balance between revenue and expenditure.



Key Revenue Sources Over Time

Tax revenue, including income tax, corporate tax, and indirect taxes, remains the primary source.

Non-tax revenue, such as dividends, fees, and royalties, has gained importance.

The introduction of GST in 2017 significantly expanded the tax base and revenue.

Non Tax Revenue Sources

- 1) Fees
- 2) Prices of public goods and services
- 3) Special Assessment
- 4) Fines and Penalties
- 5) Gifts, Grants, and Donations
- 6) Special levies
- 7) Borrowings

Major Expenditure Priorities

Social sector spending includes health, education, and social safety nets.

Infrastructure development focuses on roads, railways, and urban development.

Defence and security expenditures have increased to address geopolitical challenges.

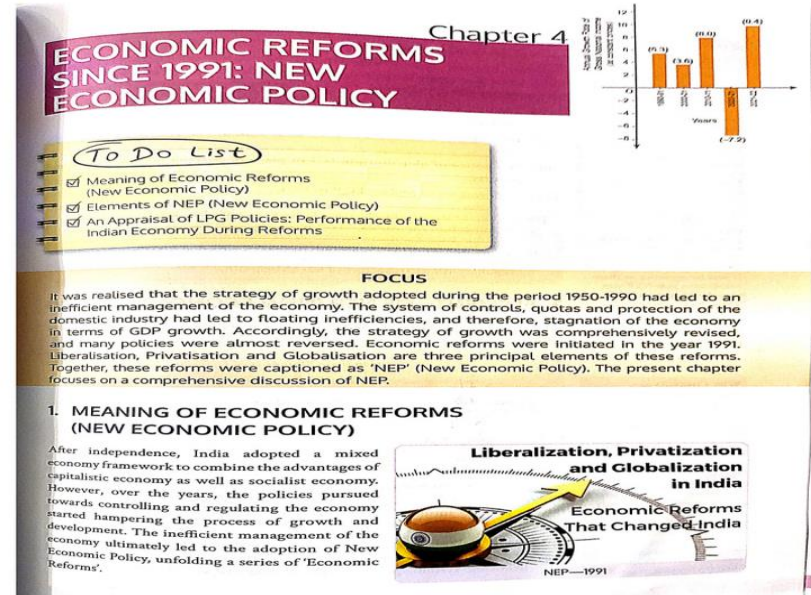


Impact of Economic Reforms on the Budget

Liberalization in 1991 led to increased foreign investment and revenue growth.

Structural reforms have improved fiscal discipline and transparency.

The adoption of digital technology has enhanced budget planning and monitoring processes.



Challenges in Budget Analysis

Managing fiscal deficit while promoting growth remains a key challenge.

Balancing social welfare with infrastructure investment requires strategic allocation.

External factors like global economic fluctuations influence revenue and expenditure decisions.



Recent Trends and Future Outlook

The focus on sustainable development and climate change has influenced budget allocations.

Digital transformation and innovation are prioritized for economic resilience.

Future budgets are expected to emphasize fiscal consolidation and inclusive growth.



MINISTRY OF SUSTAINABLE DEVELOPMENT
AND CLIMATE CHANGE

Conclusion and Key Takeaways

The evolution of the Union Budget reflects India's economic growth and policy shifts.

Analyzing historical trends helps in forecasting future fiscal strategies.

Continued reforms and adaptive planning are essential for sustainable economic development.

