

# **Problem–Solution Analysis Empowering India: Evolution of Union Budget Allocations for Sustainable Growth**

## **1. Imbalance Between Revenue and Capital Expenditure**

Problem: A large share of the budget goes to revenue expenditure, limiting long-term asset creation.

Solution: Increase capital expenditure on infrastructure, manufacturing, and renewable energy. Promote public-private partnerships and productive investments.

## **2. Rising Fiscal Deficit**

Problem: High fiscal deficits may cause inflation and economic instability.

Solution: Improve tax compliance, broaden the tax base, rationalize subsidies, and strengthen fiscal responsibility frameworks.

## **3. Income Inequality and Regional Disparities**

Problem: Growth benefits are unevenly distributed.

Solution: Increase allocations for rural development, strengthen Direct Benefit Transfer systems, and invest in skill development and employment programs.

## **4. Environmental Degradation**

Problem: Industrialization and urbanization increase pollution and climate risks.

Solution: Allocate more funds to renewable energy, adopt green budgeting, and incentivize sustainable industries and electric vehicles.

## **5. Implementation Gaps**

Problem: Delays and inefficiencies reduce policy impact.

Solution: Use digital governance tools, conduct audits, and improve transparency through public dashboards.

## 6. Limited Outcome-Based Evaluation

Problem: Spending is measured more than outcomes.

Solution: Adopt outcome-based budgeting, link funding to performance indicators, and integrate sustainability metrics.

Conclusion:

Strategic reforms, fiscal discipline, social inclusion, environmental responsibility, and transparent implementation are essential to empower India toward sustainable and inclusive growth.