

The Union Budget 2026-27 drives India's "Empowering India" initiative by prioritizing high capital expenditure for infrastructure, rural development, and manufacturing to foster inclusive, sustainable growth. Key focus areas include a 211% increase in rural allocations, significant PMAY-G housing expansion, and R&D incentives to bolster global competitiveness, aiming for a 10.1% nominal GDP growth and a 4.4% fiscal deficit.

Key Project Development Phases & Evaluation (2025-2027)

Infrastructure & Capital Expenditure: The budget focuses on long-term productivity through high investment in roads, railways, and urban development.

Rural Transformation: Rural development budget allocations increased by over 211% from ₹87,765 crore (2016-17) to ₹2.73 lakh crore (2026-27), with PMAY-G (rural housing) allocation increasing by 266.1%.

Manufacturing & MSMEs: The budget reinforces "Make in India" with tailored incentives for electronics, semiconductors, and critical minerals. MSME investment limits were enhanced, with a 5-year plan to increase credit availability.

Social & Economic Empowerment: Targeted initiatives aim for 10.05 crore women in Self-Help Groups (SHGs) and enhanced skill development to support labor-intensive sectors.

Sustainability & Fiscal Prudence: The 2026-27 budget maintains a 4.4% fiscal deficit of GDP to ensure macroeconomic stability.

Evaluation of Outcomes

Poverty Reduction: The initiatives have contributed to reducing multidimensional poverty to 11.28% and extreme poverty to 5.3% (2022-23).

Financial Inclusion: Increased disposable income via tax reforms and expanded rural credit.

Challenges: The need remains to manage fiscal imbalances while sustaining high growth in a volatile global environment.

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The "Viksit Bharat" (Developed India) 2047 vision guides these developments, focusing on manufacturing, technology, and digitalization to foster a resilient, self-reliant economy.