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Application and Impact of Canons of Public Expenditure in India: An Analysis of Budget 2023-2024

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ABSTRACT

The fundamentals that maximise the growth opportunities, advocate and aggravate profits while incurring expenditures made by the government fulfilling overall needs and demands of the country are called canons . Canon of Elasticity, Canon of Economy, Canon of Sanction, Canon of Equitable distribution, Canon of Benefit, Canon of Productivity, Canon of Surplus, Canon of Certainty, Canon of Coordination, Canon of Neutrality are namely some of the various canons of public expenditure which we would we discussing in our research paper which provide for the welfare of the country. These principles escalate the economic growth of a country and promotes job opportunities. It plays a vital role in poverty eradication and equal distribution of income among citizens of India . The Objective of this article is to emphasise on how these canons for public expenditure are applied and what assertive and adverse effects it has on the economical viewpoint of India. The article also analyses the financial budget of India for the year 2023-2024 in detail. The paper deals with the application and impact of use of canons of public expenditure in the budget 2023-24 and in what way it is benefitting the people of India.

Keywords: Welfare, Indian economy, Canons of public expenditure, Economic growth.

I. INTRODUCTION

The Canons of public expenditure basically explains the principles regulating the spending of public fund by the government and how it is utilised in a proper way to derive maximum benefit and gain out of it in a fruitful way without wasting even an ounce of it.

In a literature conferring to economy, the expression of 'canons of public expenditure' is solely applied for the purpose of explaining the basic principles governing the expenditure policy of the government.

The public expenditure must conform to certain canons which are briefly stated as follows-

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1. Canon of Benefit: This canon regarding public expenditure implies that all the governmental expense should finally be put to the best use possible for the general welfare of the populace. It should ensure that the populace is protected against both domestic uprising and foreign assault. Government spending should be planned in a way that increases national income, and its fiscal policy should be set up in such a way that ensures a fair distribution of wealth and income all across the country.

2. Canon of Economy: This canon of public expenditure implies that there should be no waste or excess in public spending. Economics does not imply stinginess or naivety. That simply implies that public spending must be effective and fruitful to the fullest for a brighter economy.

3. Canon of Sanction: All the matters relating to Public Expenditures must be approved by the appropriate authorities, and funds required for one purpose cannot be used for another. There is a strong possibility that public funds will be misused and misappropriated in the event of a proper sentence. This states that proper procedures are to be followed and the avoidance of the influence of vested interests and uncertainty in matters concerned with the public expenditure of a country.

4. Canon of Surplus: This canon of public expenditure implies that deficits in budget should be avoided and government should show surplus in its income to maintain transparency.

5. Canon of Elasticity: The ability to modify expenditures in response to changes in tax income is a requirement. Public spending should be increased or decreased gradually. The economic equilibrium might be thrown off by a sudden increase or decrease in spending. It implies the expenditure policy to be flexible and buoys the economic structure to be adaptable to changes.

6. Canon of Productivity: This canon of public expenditure encourages to have an increment in their production level by boosting up their production capacities so as to drive the economy towards employment and on the road to a stable growth rate for a prosperous country. It wants the major part of the country's to be meant for production and development purpose.

7. Canon of Equitable Distribution: This canon implies that whatever maybe the structure of the public expenditure, but it must be ensured that it should be incurred in equally for all the citizens of the country when it comes to matter of wealth and insurance.

8. Canon of Certainty: This canon ensures proper budgeting and planning of the spendings to

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be made and their area of implications along with the time period in due advance.

9. Canon of Coordination: This canon proposes for a close coordination of the pre-prepared budgets of all the governments (central, state, district, local panchayats) to avoid duplication.

10. Canon of Neutrality: This canon signifies that the public expenditure should not detoriate the distribution of production, relationship of exchange instead of improving it.

II. CONCEPT

Across the globe, there has been constant growth in public expenditure. The variety of tasks dealt by the governments in span areas like internal security, national defence, policies regarding the development of health and education sectors, strategies to combat against poverty, etc. Few other explanations have tried to find out the reasons behind the increase growth in public expenditure.

The supply of public goods by the government and the use of public funds have frequently come under discussion in scholarly and political disputes. The availability of public goods reflects both the overall level of demand as well as the scope of governmental involvement in the economy. The size of government operations and the relationship between the fiscal deficit and economic growth are two topics that are regularly discussed in the academics. The possibilities between fiscal stimulus and fiscal consolidation are frequently addressed in the current discussion of state's policy - subsidising goods and services as a stimulus for restoration of pandemic shock-driven economy, consequently burdening government exchequer.

Meaning:

Public expenditure refers to spendings made by the government. i.e., government expenses made for public welfare. It is incurred by Central, State and Local governments of a country. Public expenditure can be defined as, “The expenditure incurred by various public authorities all over India holding some authority at their various respective levels like in central level, state level and in local governments to satisfy the collective social wants of people.”

Public expenditure is an important segment of public finance. It is not nearly a financial mechanism. Classical economists believed that “that government is the best which governs the least”. It means the role of government in the economy should be minimum. The classical economist were followers of laissez faire policy. Modern economists believe that public

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expenditure has a positive role to play & achieve definite ends. Its aim is to promote maximum social welfare.

Functions:

1. To make provision of social wants in order to maximize social and economic welfare.

2. To make provision of optimum level of investment to maintain employment and growth.

3. To make provision of infrastructure by improving capital formation.

4. To provide equal distribution of income and wealth.

5. To maintain national security.

6. Maintenance of law and order and internal security.

III. Causes for the increase in Public Expenditure

The astounding increase in public spending is one of the most significant characteristics of the current century. The following are some significant causes for the increase in governmental spending:

1) *Welfare state*- States nowadays are not police states anymore. They must consider the general welfare of the populace, for which the state must fulfil a variety of duties. They need to develop and carry out social security programmes, job possibilities, and other welfare initiatives. All of these involve significant expense.

2) *Defence expenditure*- Due to its enormous expenditures, modern warfare is highly expensive for any nation to sustain. Wars and the potential for conflict have made it necessary for the country to constantly be armed in order to defend itself against any kind of foreign assault. Large amounts of public money are spent as a result. The safety of everyone is the main goal here.

3) *Growth of democracy*- The democratic system of government is quite costly. Elections are held, democratic institutions like legislatures are maintained, and other activities cost a lot of money, but they eventually advance the nation.

4) *Growth of population*- The significant population expansion forces contemporary governments to spend a lot of money. Every individual residing in the nation must have access to additional educational facilities, food, hospitals, roads, and other necessities of life in order to fulfil the demands of the expanding population.

5) *Rise in price level*- Recent price increases have significantly increased governmental spending. Higher prices result in increased government spending on things like salary payments, the procurement of products and services, and other things.

6) *Expansion public sector*- Counties striving towards a socialistic social structure must place more emphasis on the public sector. Following development increases public spending.

7) *Development expenditure*- Modern governments are spending a lot of money on developing programmes like five-year plans.

8) *Public debt*- Problems like interest payments and principal repayment increase along with debt. As a result, government spending goes up.

9) *Grants and loans to state governments and UTs*- It is a significant aspect of federal government of India's public spending. The federal government offers grants-in-aid and loans to the states and UTs as types of support.

10) *Poverty alleviation programs*- Due to the high poverty rate, a significant amount of money is needed to execute projects to reduce it.

Importance:

1. It builds economic overheads.

2. It balances regional development.

3. It augments the improvement of industry and agriculture.

4. It exploits as well as develops mineral oil, coal and mineral resources.

5. It electrifies under-developed programmes which brings up rural development.

IV. CLASSIFICATION

The systematic grouping of various government spending items according to some sort of scientific or economic theory allows us to discern between the nature and outcomes of various types of public spending. Classification of Public Expenditure by various economists-

Adam Smith's Classification-

Adam Smith is credited with making the first attempt to categorise public spending according to the many responsibilities of the state. This categorization was endorsed by Charles F. Bastabi as well. The following categories apply to public spending on a functional basis: -

- *Protective* functions- Expenditure on Defence, Police, Courts.
- *Commercial* functions- Expenditures on Bounties, Industrial Exhibitions.
- *Development* functions- Expenditures on Roads, Education, Railways, Public creation.

The advantage of categorising public spending according to function is that you can compare one category of spending to another based on how it affects the general welfare of the populace. It is flawed, though, since it is impossible to distinguish between an expenditure that is commercial but not developmental and one that is protective but not developmental.

Pigou's Classification

Pigou classified public expenditure into transferrable and non-transferrable expenditures.

- The *transferable* expenditure is that the cost of purchasing the existing national resource service. Transferable governmental expenditures include the cost of paying interest on government debt, pensions, sickness benefits, and other expenses."
- The *non-transferable* expenditure is that spending that involves giving individuals money in exchange for services or for the acquisition of their existing property rights. The cost of maintaining and constructing a nation's army, navy, and air force, as well as its civil services, judiciary, post office, and other governmental institutions, is included in the non-transferrable public expenditure. It is included in transferrable public spending, according to Pigou, who also referred to it as "exhaustive expenditure" or "real expenditure benefit."'[3].

Pigou's classification is logically sound conceptually correct, however there isn't a clear-cut proper way to distinguish between the transferable and non-transferable expenses.

Shirras Classification

Findlay Shirras classified public expenditure on the basis of primary and secondary functions of the state. To him, ideal classification of public expenditure is to divide into two main classes-

- The first one being the *primary expenditure* of the government which embraces the defence, law and order, civil administration and debt services.

[3] University of Kerela, Indian Economy Policy I (EC 213)

- The *secondary expenditure* includes social sector expenditures such as education, health, sanitation, unemployment, insurance and related social services.

The Shirras classification has been criticised and disregarded as of it not being scientific.

Dalton's Classification

Dalton classified public expenditure into two categories, namely grants and purchase price.

- *Purchase power* is when the state incurs any expenditure and gets something in return like any type of service or commodity, that type of expenditure comes under this.
- *Grant* is when the government of a country spends some amount of money on anything and does not get any commodity or service in return. Ex- Providing relief to poor.

The distinction is clear between these two terms but it is still difficult to precisely determine them and find out what amount of expenditure is grant and how much is purchasing price.

Nicholson's Classification

F.S. Nicholson distinguished public expenditure on basis of the amount of revenue obtained by the state in return of the services which is rendered to the public. It basically means that a particular return from a public expenditure can either be direct of indirect in nature.

- Expenditure with direct return.
- Expenditure with indirect return.
- Expenditure producing partial return.
- Expenditure producing full return.

This classification of public expenditure has the great advantage of revealing the capacity of the state to incur at any of the particular public related expenditure. It to distinguish the main difference in the various classes of public expenditure.

J.K. Mehta's Classification

He classified public expenditure into 2 broad groups of Constant and Variable expenditure.

- *Constant expenditure* is the amount of spending which is independent of the services it finances. Example- National defence.

- *Variable expenditure* is that cost which rises when the population for whose benefit it is spent utilises public services more frequently.

J.K. Mehta himself recognised that every item of expenditure cannot be placed wholly under one or other class, and hence, remarked that "such clear-cut distinction cannot be found.

Various economists have various classifications of Public Expenditure. Each one has got a different viewpoint also consisting of a defect in it. However, their efforts are praiseworthy.

Types of Public Expenditure:

1. *Development Expenditure-*

It is the section of expenditures allotted for the activities which are related to works made on socio-economic development of the nation. Ex-Agricultural infrastructure and industry.

2. *Non-development Expenditure-*

It is that section of expenditure which are not directly related with the works made for the socio-economic progress of the nation. Ex- Expenditures made on Flood relief.

3. *Plan Expenditure-*

It is the expenditure being incurred during the year in accordance with current plan of year.

4. *Non-Plan Expenditure-*

It is the expenditures that are made other than the current expenditure plans of the year.

5. *Capital Expenditure-*

It is an expenditure that leads to increase in assets and decrease in liabilities for government of a state. Ex- Expenditures incurred while purchasing land, loans granted to state govt.

Economic Effects of Public Expenditure:

- Public spending is advantageous because it has a wide range of economic effects.
- Public spending always has favourable benefits.
- It boosts people's ability to generate output effectively.
- It has an indirect as well as a direct impact on production.
- The productive capacity of the community is increased.

- As a result, income, employment, and welfare are all increased while promoting social and economic equality.

Now, let us discuss the three effects in detail

1. Effect on Production

Defence spending turns into a constructive and protective expenditure. Good Infrastructure development makes it easier to produce goods, which increases national revenue and, in turn, per capita income. Spending on social services like free health care, education, and medical assistance boosts people's ability to labour and save and increases their ability to produce[4].

2. Effects on distribution

Public spending is the best method for eradicating economic inequality in society. Government should impose more taxes on the wealthy. The money raised should go towards things like free healthcare, low-cost food, subsidised housing, old-age pensions, and free education. Public spending will lead to a redistribution of the nation's revenue in favour of the poor.

3. Effects on income and employment

By eliminating the pervasive unemployment, public spending influences the country's revenue and employment levels. A multiplier impact on the economy and consequent rise in income and employment will result from increased investment in public works such as highways, hydroelectric generating projects, etc. Increased consumption as a result leads to the growth of both the capital goods and consumption goods industries.

Adverse effects of Public Expenditure:

1. Unnecessary Assistance to Industries and Business without any motive.

2. Excessive Defence spendings.

3. The propensity to influence politics.

4. Benefit to a specific Community.

5. A sharp rise in Taxes.

6. Government spending is wasteful of limited and scarce resources and is also ineffective.

[4] Chapter 5: Fiscal Policy; Economics-Paper-IV-Public-Finance-English-Version

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7. Anxiety over Political minorities.

8.Public sector dominance weakened private sector power.

Year	***Revenue Expenditure***	***Capital Expenditure (INR. in crore)***
2010-2011	932297	226433
2011-2012	1074571	277041
2012-2013	1231702	302553
2013-2014	1379750	326394
2014-2015	1637288	388495
2015-2016	1838267	521962
2016-2017	2086892	621323
2017-2018	2300520	576381
2018-2019	2828243	800233
2019-2020	3093898	842371
CAGR	12.74%	14.04%

Table showing the Growth pattern if Revenue and State Expenditure of State Govt. of India

Source: Budget Documents of State Government

Table showing Growth pattern of Developmental and Non-developmental Expenditures[5]

Year	Developmental Expenditure	Non-Developmental Expenditure (INR. in crore)
2010-2011	720355	357287
2011-2012	852406	401059
2012-2013	972256	446879
2013-2014	1076452	504548
2014-2015	1325989	566467
2015-2016	1584006	629349
2016-2017	1830064	710365
2017-2018	1842791	816028
2018-2019	2363379	972700
2019-2020	2525765	1086665
CAGR	13.36%	11.76%

Trends of Public Expenditure in India:

India has a quasi-federal system with 29 States and 7 Union Territories that outlines three features for various levels of government-

(i) The distribution of functional roles.

(ii) The assignment of independent revenue sources.

(iii) A framework for budgetary transfers between governments.

All of these roles play a crucial role in ensuring a stable fiscal climate, not just at the central level but also at lesser levels. These three traits link various levels of India's governance system.

[5] 2021 IJCRT | Volume 9, Issue 10 October 2021 | ISSN: 2320-2882

V. IMPLEMENTATION OF CANONS OF PUBLIC EXPENDITURE IN INDIA:

The first canon of public expenditure is the *canon of economy*. This principle requires that public funds be used in the most efficient and economical way possible. In India, this has been implemented through various measures, including the adoption of electronic procurement systems, the use of technology to monitor and control spending, and the consolidation of government departments and agencies to reduce duplication of services.

The second canon of public expenditure is the *canon of efficiency*. This principle requires that public funds be used to achieve the maximum possible benefit for society. In India, this has been implemented through various programs and initiatives, such as the Pradhan Mantri Awasa Yojana, which aims to provide affordable housing to low-income families and provides aid for their upliftment in the society, and the National Rural Employment Guarantee Act, which provides employment opportunities to rural households.

The third canon of public expenditure is the *canon of equity*. This principle requires that public funds be allocated in a way that benefits all members of society, particularly the most vulnerable and disadvantaged. In India, this has been implemented through various social welfare programs, such as the National Health Mission, which provides healthcare services to rural and underprivileged communities, and the Mid-Day Meal Scheme, which provides free meals to schoolchildren from disadvantaged backgrounds to give them equal opportunities.

The fourth canon of public expenditure is the *canon of flexibility*. This principle requires that public funds be allocated in a way that allows for changes in circumstances and priorities. In India, this has been implemented through various measures, including the use of contingency funds to address unforeseen events and the introduction of mid-year reviews to adjust spending priorities based on changing circumstances in these day-to-day new hurdles.

Overall, India has made significant efforts to implement the canons of public expenditure in its spending decisions. However, there is still room for improvement, particularly in terms of improving transparency and accountability in the use of public funds.

Division of Expenditure between Centre and States- The Union list and State list, respectively, outline the areas of expenditure for the federal and state governments. The central government is given responsibility for matters in the Union list such as money and banking, defence, macroeconomic stability and foreign commerce. The macroeconomic stabilisation function concentrates on using fiscal policy to achieve "high employment, price stability, and an adequate rate of economic growth." Since they have the potential to be beneficial to several states, issues like railroads, defence, national highways, atomic energy, space, shipping, and inland waterways are given to the central government.

The functions entrusted in *State Government* include-

(i) Maintenance of public stability.

(ii) Agriculture sector.

(iii) Public sanitation and public health.

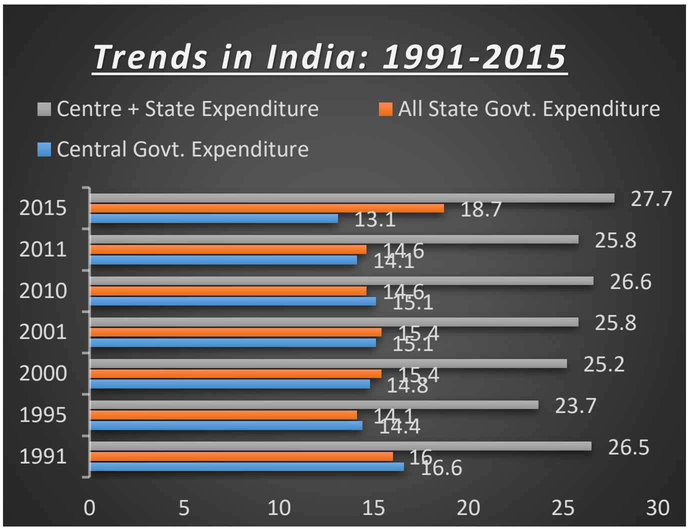
(iv)Irrigation, water supply in canals, etc.

Education, transportation, and social insurance are just a few of the areas of government that come under common law. So, as India is a quasi-federal system, the central government has the lion's share of the authority, which was bolstered by the idea of central planning. Nonetheless, a sizable share of total economic spending is made at the sub-national level because of the decentralised structure of the Indian economy.

The government's primary responsibility is to produce and distribute commodities and services. Public spending has as its goal the creation of public goods, whose demand may vary depending on factors such as location, politics, demography, occupational structure, socioeconomic preferences, etc. Being closer to the local populace, local officials might assess the demand for local public goods more effectively. Therefore, it is believed that the decentralised provision of public goods is the greatest alternative since it can recognise and meet the geographically diverse requests for public goods, resulting in maximum social welfare as opposed to the centralised provision of a homogeneous public good.

Pattern of Public Expenditure in India:

In order to support economic progress, the government took on the major role of creating the necessary infrastructure and capital. According to India's public spending data, the federal government's share of the country's GDP has decreased from 17 percent in 1991 to 13 percent in 2015. Likewise, it fell for state governments from 16 percent in 1991 to 15 percent in 2011, but rose to 19 percent in 2015.



Source: RBI and EPW Foundation

The decline in the share of central expenditure between 2011 and 2015 and the corresponding increase in state expenditures are largely attributable to increased financial devolution to states from the proceeds of the centres [granted by the 14th Finance Commission (it was increased from 32 to 42 percent)]. The ratio of total spending (federal + state) to GDP was essentially steady from 1991 to 2011 (26%) then increased slightly to 28% in 2015.

When it comes to accomplishing the Millennium Development Goals, the areas of education and health spending are of great importance. Agriculture and transportation are two more crucial areas for increased public spending. communication, too. The increasing debt load over time has been one of the key worries. due to the fact that a sizable portion of overall government spending is allocated to "interest payments". As far as we take the basic public finance principles into consideration, it is always acknowledged that a heavy debt load would reduce the amount of money available for investment in development. Because of this, it's crucial (for all levels of government) to keeping the debt load in check.

VI. Conclusion

In conclusion, the Canons of Public Expenditure in India are a set of principles that guide the government's expenditure decisions. These canons have evolved over time and are based on the principles of economy, efficiency, and equity.

The first canon, namely the Canon of Benefit, highlights that public expenditure should aim to benefit the citizens of the country. The second canon, the Canon of Economy, emphasizes about

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how public expenditure should be used in the most economical manner possible. The third canon, the Canon of Efficiency, states that public expenditure should be used effectively to achieve the desired outcomes. The fourth canon, the Canon of Elasticity, highlights that public expenditure should be flexible and responsive to changes in the economic and social environment. The fifth canon, the Canon of Progressiveness, emphasizes that public expenditure should be used to promote equity and reduce income inequalities.

The Canons of Public Expenditure in India serve as a framework for ensuring that government expenditure is carried out in a responsible and efficient manner. Adhering to these canons helps to ensure that the government's expenditure decisions are aligned with the objectives of promoting economic growth, enhancing social welfare, and promoting equity in the country. By following these principles, the government can ensure that public resources are utilized effectively, and the benefits of public expenditure reach the citizens in a fair and equitable manner.

VII. Budget analysis of India: 2023-2024

Introduction: The Union Budget, which is presented by the Union Finance Minister every February, is India's complete budget. Article 112 of the Indian Constitution indicates that it is a declaration of the expected Government spending and receipts for a given financial year. The Annual Financial Statement is yet another name for it which means the same.

The central government's finances are tracked in the budget for the fiscal year, which runs from April 1 to March 31. It is presented on February 01 every year in the Lok Sabha to realise the budget before the starting of the new financial year, which starts on April 01.

The Budget goals for Financial Year 2023-2024 aims to increase India's aspirations in Amrit Kaal, as it moves further towards its 100th year post independence.

- Citizenship opportunities with an emphasis on youth.
- Development & job creation.
- The macroeconomic environment is strong and stable.

The Union Budget for FY 2023-24 this year aims to strengthen the infrastructure with its focus

- PM Gati Shakti.
- Inclusive Development.
- Productivity Enhancement & Investment, Sunrise opportunities, Energy Transition.
- Climate Action.
- Financing of investments.

This year's Union Budget seeks to improve India's economic standing even more. With its economic growth projected at 7%, which is the greatest among all major economies, India's economy has been hailed as a **"Bright Star"** by the international community in this 75th year of its independence. The Union Budget for this year articulates the goals of "Amrit Kaal.".

The seven priorities, termed **Saptarishi**, adopted in the Union Budget for FY 2023-24 to guide the country towards '**Amrit Kaal**', providing a blueprint for an empowered, inclusive economy-

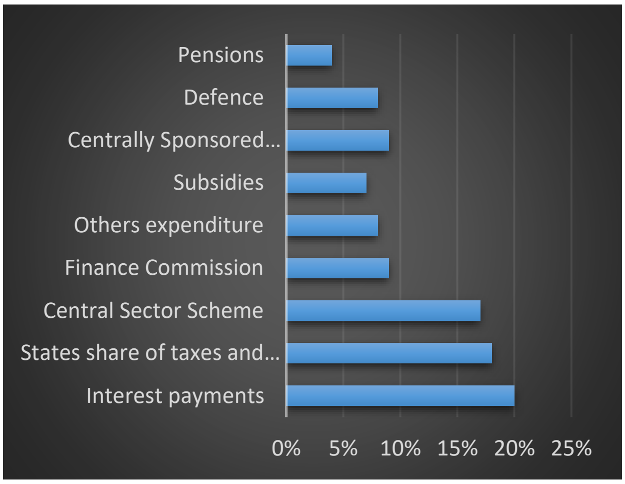
- Inclusive Development.
- Reaching the last mile.
- Infrastructure & Investment.
- Unleashing the potential.
- Green Growth.
- Youth Power.
- Financial Sector.

The anticipated total business expenditure for 2023–2024 is '45,03,097 crore (45.03 lakh crore), of which '10,00,961 crore (10 lakh crore) would be spent on capital expenditures. In the Union Budget 2023, capital spending grew by 37.4% over revenue spending for 2022–2023; this rise reflects the Union Government's ongoing commitment to boosting economic growth through infrastructure development. Effective Capital Expenditure, which was 13,70,949 Crore (13.71 Lakh Crore) from RE 2022–23 to BE 2023–24, grew by 30.1%.

The 2023 Federal Budget A total of '17,97,537 crore (17.98 lakh crore) would be distributed to the States in BE 2023–24, an increase of '1,43,056 crore above Actuals of Financial Year 2021–2022. These resources consist of the State's share devolution, Grants/Loans, and releases through Centrally Sponsored Programmes, among others.

Nirmala Sitharaman, the finance minister, predicted that the fiscal deficit for 2023–2024 would be 5.9% of GDP, significantly lower than the 6.4% planned for 2022–2023. Less than the 6.9% forecast in the modified budget, the fiscal deficit for 2021–22 was 6.7%. aiming to cut its budget deficit to less than 6% of GDP for the first time since the fiscal year ended in March 2020 and boost capital expenditure to spur growth. 3.5% of the GSDP is allotted for fiscal deficits, of which 0.5% is related to Indian power sector reforms.

Union Budget 2023-24: Proposed Expenditure



Union Budget 2023-2024: Capital Expenditure

In 2023–2024, the central government would invest 10 trillion rupees (Rs. 10 lakh crore) on longer-term capital projects, continuing a policy undertaken to resurrect growth following the Covid crisis. The amount allotted is more than the planned amount of 7.5 trillion (7.5 lakh crore) rupees from the previous year and the largest ever. The 33% year-over-year growth is just less than the 35% increase from the previous year. A 50-year loan with no interest is extended to state governments for one more year in order to encourage them to invest in infrastructure and implement complementing policies. Governments and towns are urged to implement urban planning changes and initiatives in order to turn their cities into "sustainable cities of tomorrow." Transition from manhole to machine-hole mode by enabling all cities and towns to undertake 100% mechanical desludging of septic tanks.

Union Budget 2023-2024: Agriculture Sector

Making India a global hub for "Shree Anna" would involve promoting the Indian Institute of Millet Research in Hyderabad as the Centre of Excellence for Sharing Best Practises, Research, and

Technologies at the International Level. Dairy, fishing, and animal husbandry would each receive 20 lac crore in agricultural financing. With a planned investment of 6,000 crore, a new sub-scheme of the PM Matsya Sampada Yojana will be launched in order to expand the market, improve the efficiency of the value chain, and support the operations of fish merchants, fishermen, and MSME enterprises.

Union Budget 2023-2024: Education

For the next fiscal year, the Ministry of Education will receive a total of 1,12,898.97 crore from Centre. Incidentally, this is the largest budgetary amount ever given to the ministry. The expenditure for the Department of School Education is 68,804,85 Crore, while the expenditure for the Department of Higher Education is 44,094.62 Crore.

Union Budget 2023-2024: Health Sector

The astonishing amount of Rs 88,956 crore, an increase of Rs 2,350 crore or 2.71 percent over Rs 86,606 crore in FY23, has been allocated for health expenses in the Union Budget 2023. From the total ministry budget, Rs 86,175 crore will go to the Department of Health and Family Welfare, while Rs 2,980 crore will go to the Department of Health Research.

Union Budget 2023-2024: Defence Sector

Year	**Allocation**
FY 2024	Rs. 89,155 Cr.
FY 2023	Rs. 86,200 Cr.
FY 2022	Rs. 73,931 Cr.
FY 2021	Rs. 67,111 Cr.

With an increase in the defence budget from 5.25 lakh crore to 5.94 lakh crore for 2023–2024, 1.62 lakh crore has been set aside for capital expenditures, which includes buying new weapons, planes, warships, and other military gear. The 2023–24 budget papers state that 2,70,120 crores have been set up for revenue expenditures, which include costs for paying workers and maintaining various types of facilities in the sector.

Budget Highlights:

Expenditure- The government has increased its projected spending for 2023–24 by 7.5% to Rs. 45,03,097 crores, from the previously revised projection for 2022–23. It is estimated that overall spending would be 6.1% more in 2022–23 than what was budgeted.

Receipts- Revenues (other than borrowings) are projected to reach Rs 27,16,281 crore in 2023–24, an increase of 11.7% from the updated forecast for 2022–23. In 2022–2023, total revenues are expected to be 6.5% higher than budgeted levels (excluding borrowings).

GDP- In 2023–2024, the government forecasts a nominal GDP growth rate of 10.5%.

Deficits- In 2023–24, the revenue shortfall is predicted to be 2.9% of GDP, which is lower than the previously predicted 4.1% in 2022–20. As opposed to the 6.4% budget deficit for 2022–2023, the target fiscal deficit for 2023–2024 is 5.9% of GDP. The fiscal deficit for 2022–23 was larger in nominal terms by Rs 94,123 crore (an increase of 5.7%), even though the revised estimate's GDP prediction was the same as the budget projection. The Indian government expects to pay interest to the general public this year in the amount of 41% of income, or Rs 10,79,971 crore.

Ministry Allocations- The Ministry of Railways (49%), the Ministry of Jal Shakti (31%), and the Ministry of Road Transport and Highways (25%), out of the top 13 ministries with the highest allocations, will have the most percentage increase in allocation in 2023–2024.

Empowerment and Welfare of Women: Included in the budget is the Mahila Samman Bachat Patra, a new modest savings programme for women with a set interest rate of 7.5% for a two-year term ending in March 2025. By creating 81 lakh Self Help Groups (SHGs), which will generate enormous producer companies, the Deendayal Antyodaya Yojna-National Rural Livelihoods Mission (DAY-NRLM) has organised rural women into the next stage of economic emancipation.

Spending on Women and Children: The diff. in spending on women and children as a percentage of GDP, where costs for women are growing while those for children are falling, presents significant financial concerns. This is mostly due to a decline in overall spending as a proportion of GDP.

Food Security and Nutrition: The government will start implementing the Muft Khadyanna Yojana scheme on January 1, 2023, to provide free food grains to all Antyodaya Anna Yojana (AAY) and priority households for the following year as part of the Pradhan Mantri Garib Kalyan

Anna Yojana (PM-GKAY) programme, which provides free food grains to migrants and the poor.

Conclusion:

Overall, the objective of inclusive growth, macroeconomic stability, and sustainable growth outlined by the finance minister Nirmala Sitharaman in 2019 is the foundation of the Union Budget 2023–24. One of the seven focuses in this budget is financial services. This year, guaranteeing broad financial inclusion, accessibility, better and quicker service delivery, as well as increased involvement in financial markets, are the main concerns.

Based on the budget analysis of India for the fiscal year 2023-24, it can be concluded that the government is focused on achieving a balanced approach to economic growth while maintaining fiscal prudence. The budget has a strong emphasis on capital expenditure and infrastructure development, which will help in boosting economic growth in the long run.

One of the significant highlights of the Indian budget of the year 2023-2024 is the increase in spending on health and education sectors, which will ameliorate the living standards of the citizens and contribute to the country's human capital and overall development.

The budget also aims to enhance the ease of doing business in the country and promote entrepreneurship, with initiatives like the establishment of a single-window clearance system and the creation of a dedicated fintech hub. This is expected to create more job opportunities and drive economic growth in the country. Overall, the budget analysis suggests that the government's efforts are aligned with the country's long-term economic growth objectives, and the measures proposed in the budget are expected to boost economic growth, create employment opportunities, and enhance the overall standard of living of the citizens.

In conclusion, the Indian Budget Analysis 2023-24 presents a mixed bag of measures, focusing on boosting economic growth and providing relief to certain sectors while also attempting to tackle the fiscal deficit. The government's decision to increase spending on infrastructure, healthcare and education is commendable, but the lack of any major reforms or measures to address the issues of unemployment and inflation is disappointing. The proposal to increase taxes on the rich and foreign companies is a step towards achieving greater equity, but it remains to be seen whether these measures will be implemented effectively. Overall, the budget seems to strike a balance between short-term relief and long-term growth, but its success will depend on effective implementation and monitoring. However, the budget has also been criticized for not addressing the issue of inflation adequately and not providing enough relief to the middle-class taxpayers. The government's decision to maintain the corporate tax rate at 25% has also been questioned.

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