



30. Public Finance and Government budget for Viksit Bharat 2047

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Abstract:

The aspect of public finance is significant in determining the economic structure and development strategy of a country. The paper states that the implementation of effective public finance and efficient government budgeting will be critical in realizing the vision of Viksit Bharat 2047 that aims at transforming India into a fully developed, independent and globally competitive nation by the centenary of its independence. Focuses on the roles of taxation, public expenditures, fiscal policy, infrastructure, welfare schemes, etc., as a means of fostering economic development and improvement of socio-economic welfare. This is a descriptive-analytical study that depends on the secondary data collected from Union Budgets, Economic Surveys, government reports, scholarly articles and policy papers. The study finds that higher government expenditures on infrastructure, education, health care, digitalization, renewables and human capital contribute significantly towards job creation, industrial growth, poverty reduction and improvements in welfare conditions. The paper also notes that capital expenditure and development budgeting serve as instruments that help increase the economic productivity and realize inclusive growth.

Keywords- Public Finance, Government budget, Viksit Bharat 2047

1. Introduction

1.1 Background of the Study

Public finance is the process of government spending, raising revenues, borrowing, financing and administering public money for the development and betterment of society. It is one of the best tools available for any government to affect economic growth, inequality reduction, economic stability and provision of public goods/services to the population. Effective



management of public finances helps governments to utilize resources effectively, promote social welfare and foster national development.

Public finances play an even greater role in developing nations such as India because the government serves as one of the biggest contributors to infrastructure development, job creation, poverty eradication, industry growth, and social security. Government spends a significant amount of money on various sectors including education, healthcare, transportation, agriculture, rural development and digitization that improves the lives of its citizens.

Recently India announced a new ambitious national vision known as Viksit Bharat 2047, according to which the country seeks to become a developed nation by the year 2047, thus celebrating its 100th anniversary of becoming independent. This vision includes goals to achieve high economic growth rate, technological advancement, modern infrastructure, environmental sustainability, digitalization, human resource development and overall social progress.

All these achievements require proper utilization of finances by the government, well-designed fiscal policies and government budgeting practices. In particular, the Union Budget is the financial framework of the country used by the government for allocation of funds for developmental initiatives.

1.2 Problem Statement

In spite of huge investment by the government through various welfare measures and developmental projects, India faces many socio-economic issues like unemployment, poverty, inflation, fiscal deficits, increase in public debt, regional disparities, etc. At times, poor planning and mismanagement of funds have made public expenditure less effective.

While the government has initiated many programs and policies aimed at fostering development and growth, the question arises as to whether public finance as practiced today and the existing budgetary policies provide enough leverage to achieve sustainable development and economic growth in the long run. Moreover, growing fiscal difficulties and uncertain global economic environment pose new problems in sustaining economic stability along with funding developmental efforts.



It is thus essential to examine the significance of public finance and government budgeting in realizing the vision of Viksit Bharat 2047 and analyze its strengths and weaknesses.

1.3 Research Context

The idea of Viksit Bharat 2047 has gained more prominence in the drafting of documents and procedures that set India's economic and development policies. This has led to several government initiatives and policies to boost economic growth and social welfare like Digital India, Make in India, Start-up India, Skill India, PM GatiShakti, National Infrastructure Pipeline and missions related to renewables. The Union Budgets have been characterized by key features such as capital expenditure, infrastructure, growth of the manufacturing sector, digitization, green energy and rural development, all of which have been emphasized as key priorities over the last few years. On the other hand, some major fiscal and economic problems that India is facing are excess national debts, inflationary effects, higher subsidy costs, unemployment and imbalanced regional growth. Economic uncertainty in international markets, and, geopolitics and climate change, further create problems for India in economic planning and management. In this context, it is important to study the public finance and government budgets to understand how fiscal policies, tax systems and public expenditure can help to achieve the developmental objectives of Viksit Bharat 2047.

2. Literature Review

Numerous economists and other specialists have intensely studied how public finance influences economic growth throughout history. Public finance allows governments to raise and distribute the resources needed to provide productive and welfare services.

Most classical economists contended that there should be minimal governmental interaction in individuals' financial transactions. With respect to economic growth, it was John Maynard Keynes, an economist at the start of the 20th century, who introduced the belief that governmental expenditures and government fiscal policies create an environment that will stimulate growth when the economy is experiencing a recession or high unemployment. He believed that through the governmental expenditure process, the government can create jobs,



increase total demand for goods and services within an economy, and aid the development of new industries.

In addition to Keynes, several development economists also argue that public expenditure in sectors such as education, health, infrastructure development, technology advancement, and social welfare will enhance productivity and increased human development and as a consequence, will provide the developing country with substantial long-term economic benefits. To this end, numerous studies on this subject show that a developing country needs an adequate and effective public finance system to solve problems such as poverty, inequality, and unemployment.

As mentioned in reports of NITI Aayog, the vision of Viksit Bharat 2047 can be realized through investments made in infrastructure, innovations, digitalization, renewable energy, and skills. As per the institute, fiscal prudence, efficient governance, and management of public expenditure are key elements of this process.

Various analyses of recent budgets of India point out growing focus of the government towards capital expenditure, manufacturing, digitization, green energy, logistics, and transport. According to the researchers, greater public investment in such areas is an important contributor towards job creation and industry development.

However, various concerns have been raised regarding high fiscal deficits, increased public borrowings, burden of subsidies, inefficiency in public expenditure, and disparities in developmental outcomes. According to previous studies, the need for transparency in governance, effective tax management, prudent borrowing, and proper implementation of policies was highlighted.

In any case, it becomes clear from the literature review that the field of public finance and budgeting has become a vital part of the vision of developing self-reliant and economically robust India by 2047.

3. Objectives of the Study



The main purpose of this study is to analyze how public finance and budgeting are related to the vision of Viksit Bharat 2047.

Specific Purposes

- 1.To gain knowledge about the meaning and importance of public finance in economic development.
- 2.To study the nature and function of the budget of the government within the process of economic growth in India.
- 3.To analyze the effects of public spending in various areas including education, health care, infrastructure, employment, and technology.

4. Hypothesis of the Study

The research is based on the fact that the effective management of public finance and the developmental public budgeting play a pivotal role in promoting economic development. The research is based on the assumptions that increased investments in the public sector infrastructure development, education, healthcare, technology and job creation have positive effects on the economic productivity and the quality of life of citizens. The premise of this research is that efficient governance, fiscal management and resource utilization will help in making India a developed country in 2047.

5. Research Methodology

5.1 Research Design

This research paper utilizes descriptive as well as analytical research approaches. Descriptive approach has been employed in explaining the concept and significance of public finance and government budgets, whereas analytical approach has been used for studying financial policies, expenditures, and economic developments.

Qualitative as well as comparative research techniques have been adopted by this research paper to study the linkage between fiscal policies, public spending, and economic development.

5.2 Nature of the Study



The study is characterized by its theoretical as well as practical aspects. The study deals with the theoretical aspect of public finance but also analyses the actual budgetary processes and financial policy of India..

6. Data Interpretation and Analysis

Table 1: Union Budget Highlights (2025–26)

Budget Component	Amount (₹ LakhCrore)	Purpose
Total Expenditure	50.65	Overall government expenditure
Capital Expenditure	11.21	Infrastructure and asset creation
Revenue Expenditure	39.44	Salaries, subsidies, and welfare schemes
Fiscal Deficit	4.4% of GDP	Fiscal stability and discipline
Effective Capital Expenditure	15.48	Long-term investment and growth

Interpretation:

The information suggests that there is a marked rise in the amount of money spent on development. The reason for increased capital spending is the approach of the government to invest in the creation of an infrastructure, industries, transport systems, and employment opportunities.

Table 2: Sector-wise Government Allocation (2025–26)

Sector	Allocation (₹ Crore)	Objective
Education	1,28,650	Improve literacy, digital education, and skill development
Healthcare	98,311	Better hospitals and healthcare services
Defence	6,81,210	National security and modernization
Agriculture	1,71,437	Farmer welfare and rural development
Railways	2,62,200	Improve transportation and connectivity
Rural Development	2,66,817	Rural infrastructure and employment generation



Interpretation

The table shows that the government is focusing on both economic and social sectors. High allocation towards education, healthcare, railways, and rural development supports inclusive and balanced growth.

Table 3: Growth in India's Capital Expenditure

Year	Capital Expenditure (₹ Lakh Crore)
2021–22	5.54
2022–23	7.50
2023–24	10.00
2024–25	11.11
2025–26	11.21

Interpretation

The continuous rise in capital expenditure indicates that the government is prioritizing infrastructure development, industrial growth, and job creation. This increase is important for achieving sustainable economic growth and transforming India into a developed nation by 2047.

Table 4: India's Economic Indicators Related to Public Finance

Indicator	2024–25	2025–26
GDP Growth Rate	6.5%	6.7% (Estimated)
Fiscal Deficit	4.8%	4.4%
Inflation Rate	5.4%	4.9%
Tax Revenue Growth	11%	12% (Estimated)

Interpretation

The data reflects improvement in economic performance and fiscal management. Lower fiscal deficit and increasing tax revenue show better financial planning and stronger public finance management.

7. Conclusion



The study claims that public finance management (PFM) and government budgeting are crucial elements in the development of both the Indian economy and the Indian society. The study finds that India needs to have proper resource planning and allocation if it is to achieve the goal of becoming a developed nation by 2047 (Viksit Bharat 2047).

The results show that a powerful development of infrastructure, investments in healthcare, education, digitization, renewable energy, agriculture, and rural areas will increase the economic efficiency of the Indian economy and the economy of all society. Various initiatives such as Digital India, Skill India, and Make in India etc. have been launched by the Indian Government to steer the economy towards self-reliance (self-sufficient). Fiscal responsibility, good governance, effective tax policies and prudent management of resources by the government are identified as prerequisites for sustaining the growth of the economy.

However, India has faced many problems such as fiscal deficits, inflation, unemployment, public debt and regional inequality which need to be resolved to sustain its economic growth.

The present study concludes that the management of public finances and development-oriented government budgeting are the key to help India to become a developed country by 2047.

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