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Budget 2024-25: Vision of a developed India by 2047 with rapid, inclusive and sustainable economic development

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Abstract

In the first general budget presented by Modi Government 3.0, emphasis has been laid on the roadmap to make India developed by 2047, keeping in mind the goal of employment generation along with capacity building in the economy. On one hand, a provision of Rs 11.11 lakh crore has been made for the infrastructure sector to strengthen the supply side of the economy, while on the other hand, many provisions have been made to encourage the demand side, such as income tax relief and increasing expenditure on socio-economic schemes. Keeping in mind the goal of adequate employment generation along with economic development, a provision of Rs 1.48 lakh crore has been made for education, employment and skill development. Keeping in mind the future needs in the agriculture sector, a provision has been made to achieve self-sufficiency in oilseed production and to connect one crore farmers with natural farming. Taking steps towards social justice and inclusive development, a provision of Rs 3 lakh crore has been made for the development of women and emphasis has been laid on the development of eastern states under the 'Purvodaya scheme' for the development of backward areas. Efforts like 'PM Surya Ghar Yojana' and 'Bharat Small Modular Reactors' are commendable for making economic development environment friendly and sustainable. In short, Budget: 2024-25 is an important step taken towards rapid, inclusive and sustainable economic development of India.

Keywords: Sustainable economic development, developed India by 2047, budget 2024-25: vision

Introduction

On 23 July 2024, Union Finance Minister Nirmala Sitharaman presented her seventh budget and the first budget of the third term of the Modi government. This budget clearly reflects the economic policies of the previous Modi government. Earlier, an attempt has been made to take forward the economic issues discussed in the interim budget presented on 20 February 2024 in the Budget 2024-25. Keeping in mind the youth, middle class, women and farmers, nine priorities have been announced by the central government. In the budget, along with giving relief in income tax, many strategies and schemes have been presented by the government for the development of agriculture, industry, MSME sector. The main goal of the budget is to realize the dream of a poverty and unemployment free developed India by 2047 by developing infrastructure in the economy and making the youth skilled. Many provisions have also been made in the budget for social justice and balanced regional development as well as environmentally friendly economic development. More or less, the budget has touched every sector of the economy so that a positive environment can be created for economic development.

Modernization of Agriculture Sector

Even though the share of agriculture sector in national income has decreased to 15-16% due to the increasing share of service and industry sector with economic development in India, even today agriculture is the basis of livelihood for a large number of people in India. Currently, about two-thirds of India's population depends on agriculture for their livelihood. To achieve the goal of developed India by 2047, it is necessary that future needs in the agricultural sector be kept in mind and emphasis should be laid on increasing the income of farmers.

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Agriculture sector has also been included in the nine priority sectors announced in the Union Budget. In the budget, 'Annadaata (farmer)' has been described as one of the 4 major castes and it has been stated that special attention needs to be given to them. A provision of Rs 1.52 lakh crore has been made for agriculture and related sectors in the Union Budget 2024-25. Currently, the biggest problem facing Indian agriculture is the large-scale import of oilseeds and pulses. Despite being an agricultural country, India has to import oilseeds and pulses on a large scale. India imports about 56% of its total annual edible oil consumption (about 24 to 25 metric tons). The share of palm oil in imports is 60%, soybean oil 22% and sunflower 17%. Similarly, India imports about 15% of its pulses consumption. According to a research paper titled "Demand and Supply Prospects of Agricultural Commodities in India till 2030" by NABARD and ICRIER, India will continue to import a large quantity of pulses and oilseeds till 2030-31 as there is a huge gap between the demand and supply of these commodities. The Union Budget 2024-25 outlines a strategy to achieve self-sufficiency in oilseeds such as mustard, groundnut, sesame, soybean and sunflower by strengthening the production, storage and marketing mechanism of these crops. Under the National Edible Oil Mission-Oil Palm, the government aims to promote oil palm cultivation and increase production to 2.8 MT per annum by 2029-30, thereby reducing dependence on edible oil imports. The budget recommends investments in infrastructure, processing and storage facilities such as warehouses, cold storage, cold chain etc. to create an efficient and reliable value chain by efficiently linking the farm to the market. The Green Revolution made India self-sufficient in the field of food grains, but in the field of oilseeds and pulses, India is still dependent on imports to meet its domestic needs. This is the reason why today there is talk of a second Green Revolution which will focus mainly on the production of oilseeds and pulses.

At present, the challenge before Indian agriculture is not only to increase productivity but also to reduce the use of toxic chemicals and pesticides in agricultural production work so that environmentally friendly sustainable economic development can be possible. For this, the government is continuously encouraging organic farming. In the budget 2024-25, the government plans to connect one crore farmers with organic farming. It is noteworthy that organic farming is an agricultural process in which organic manure and animal-plant residues are used as fertilizers and pesticides. Modernizing Indian agriculture and moving towards its digitalization, a digital crop survey of Kharif crops will be conducted in 400 districts using Digital Public Infrastructure (DPI), under which details of 6 crore farmers and their land will be recorded in the land registry. In the budget, Jan Samarth based Kisan Credit Card will be issued in five states under agricultural finance. Jan Samarth Portal is the first online platform of its kind to connect loan seeking farmers with banks or financial institutions. With the help of this portal, farmers can take agricultural loan sitting at home. Earlier, farmers had to go to the bank to take loan under the Kisan Credit Card Scheme.

To increase the income of farmers in India and to protect consumers from excessive increase in the price of agricultural commodities, it is necessary that there should not be excessive fluctuation in the price of agricultural commodities. According to Budget 2024-25, vegetable

production centers will be established near consumer centers to control vegetable prices. Along with this, farmer-producer organizations, cooperatives and start-ups will be promoted for collection, storage and marketing of produce to strengthen the supply chain of agricultural commodities. Under the Agricultural Price Policy, the government will announce higher minimum support prices for all major crops one month in advance, which will be in line with the promise of at least 50 percent margin on cost. Pradhan Mantri Garib Kalyan Anna Yojana has been extended for the next five years. More than 80 crore people are getting benefits from this.

To increase the income of farmers it is necessary that agriculture should not be limited to only food grain production but rather agriculture should be diversified into animal husbandry, fisheries, poultry farming, horticulture etc. Under the agricultural diversification programme, special emphasis has been laid on production and export of shrimp for increasing the income of farmers. Financial assistance will be provided for setting up a network of shrimp brood-stocks and nucleus breeding centres. According to the budget, financing facility will be provided through NABARD for shrimp farming, their processing and export.

Industrial Development and MSME Sector

After the economic reforms, India has developed as a hub of the service sector across the world. But to realize the dream of a developed India by 2047, it is necessary to focus on the industrial sector, especially the manufacturing sector. According to the Union Budget 2024-25, twelve industrial parks will be approved under the National Industrial Corridor Development Program. The government will help develop investment-ready "plug and play" industrial parks with complete infrastructure in or around 100 cities with the help of states and the private sector. The budget proposes to set up a Critical Mineral Mission to promote domestic production of minerals, recycling and acquisition of critical mineral assets from abroad. This will include technology development, skilled workforce, extended producer responsibility framework, and appropriate financial mechanisms. Under labor reforms, the Union Budget 2024-25 has made provision for several services related to employment and skill training of workers. The Finance Minister proposed that the comprehensive integration of the e-Shram portal with other portals will facilitate one-stop solutions. Focusing on next generation reforms, the Union Budget 2024-25 proposes to revamp the Shram Suvidha and Samadhan portal to enhance the ease of compliance for industry and trade. The idea behind this is to empower them and enable them to carry out their activities to accelerate the pace of our journey towards the goal of developed India. A plan has been made in the budget to provide rental housing on PPP model for industrial workers.

Under the industrial sector, the government is giving maximum emphasis on the development of MSME sector. It is noteworthy that the MSME sector provides employment to maximum number of people with less capital. After the Covid-19 tragedy, many schemes have been started by the government under the Atmanirbhar Bharat Yojana keeping in mind the development of the MSME sector. At present, the MSME sector is among the top priorities of the government under industrial development, as the MSME sector is helpful in achieving

the objective of economic development along with employment generation. Many important announcements have been made in Budget 2024-25 to provide support to the MSME sector. The most important of these announcements is to increase the Mudra loan limit. The government has also proposed in the budget to increase the limit of Mudra loan under the 'Tarun' category from ₹ 10 lakh to ₹ 20 lakh. This increase has been made keeping in mind those entrepreneurs who have successfully repaid the previous loans, so that they can get more funds for business expansion. Along with this, a new credit guarantee scheme has been introduced for MSMEs in the manufacturing sector which will facilitate term loans for the purchase of machinery and equipment, eliminating the need for collateral or third-party guarantees. Most micro and small industries in India lack a formal accounting system. To address this problem, Budget 2024-25 has envisaged a new model for assessing the creditworthiness of the MSME sector by public sector banks, which represents a significant advancement over the traditional asset or turnover-based assessment. The budget has also announced a mechanism to support MSMEs going through a period of financial stress. As per the Finance Minister, this initiative ensures continued access to bank credit for MSMEs in the 'special mention account' (SMA) stage, helping them avoid slipping into non-performing asset (NPA) status. The credit will be backed by a guarantee from a government-promoted fund, providing much-needed support to sustain their operations. In the budget, SIDBI branches have been expanded to provide maximum loans to the MSME sector at easy rates. According to the budget, SIDBI will open 24 new branches in MSME clusters so that the MSME sector can get direct loans. The budget also includes financial support for establishing 50 multi-product food irradiation units and 100 food quality and safety testing labs with NABL accreditation in the MSME sector. These initiatives aim to enhance food safety and quality, providing a boost to MSME units involved in food processing. According to the budget, there will be an audit in 60 clusters to bring traditional micro and small industries under clean energy.

Infrastructure / Energy / Innovation, Research and Development

The most important component of Budget 2024-25 is infrastructure development. As part of the strategy to make India developed by 2047, development of infrastructure in the economy is of utmost importance. Development of infrastructure will not only encourage private investment but will also attract more and more foreign investment. Infrastructure is the most important element for the integrated development of agriculture, industry and service sector in the economy. Infrastructure refers to roads, railways, ports, airports, communication, energy, digital infrastructure, banking etc. A provision of Rs 11.11 lakh crore has been made for infrastructure in Budget 2024-25, which is 3.4% of GDP and which is 11% more than last year. An announcement has also been made in the budget to provide interest-free loan of Rs 1.5 lakh crore to provide assistance to the states in terms of infrastructure. In the Budget 2024-25, for the construction of infrastructure in rural areas, emphasis has been laid on the construction of strong all-weather roads in 25 thousand villages under the Pradhan Mantri Gram Sadak Yojana scheme, so that Rural-Urban Connectivity can be promoted.

The budgetary provision made for infrastructure in the budget will create demand in all sectors from cement to steel, which will bring national income and employment growth in the economy through the multiplier effect.

Energy is the most essential element of economic development. India is mainly dependent on traditional and fossil fuels for energy. India meets 77 percent of its total energy needs from fossil and traditional energy sources, while the contribution of renewable energy sources is only 23 percent. Fossil fuels are available in limited quantities in India. This is the reason why India has to resort to large-scale imports to meet its energy needs, especially crude oil. India's net energy import dependence was 40.9% in the year 2021-22, India's energy import dependence will remain at this level even till the year 2040. Therefore, on the one hand, India is dependent on imports in the context of traditional and fossil fuels, while on the other hand, their use leads to large-scale emission of toxic chemicals like carbon dioxide in the atmosphere, which are not considered environmentally appropriate. Therefore, it is clear that under the strategy to make India developed by 2047, emphasis will have to be laid on clean and renewable energy sources. Many important steps have been taken in the direction of Clean and Green Energy Mission in Budget 2024-25. Rs 191 billion has been allocated for the Ministry of New and Renewable Energy in the budget. It is noteworthy that India is committed to generate 500 gigawatt (GW) of renewable energy by 2030. To promote solar energy, 'PM Surya Ghar Yojana' will be implemented, under which solar panels will be installed on the roofs, so that one crore families can get 300 units of electricity free in a month. The total budget allocation for the Ministry of New and Renewable Energy (MNRE) to enhance the solar energy grid has increased from ₹ 4,970 crore in FY 2023-24 to ₹ 8,500 crore in FY 2024-25, which will ensure a strong framework for the adoption of solar energy across the country. According to the budget, an 800 MW commercial thermal plant will be developed with the help of advanced ultra super critical technology in collaboration with NTPC and BHEL. The budget emphasizes the contribution of nuclear energy to energy generation. Small nuclear reactors will be established in India with the cooperation of the private sector. It has been named 'Bharat Small Modular Reactors'. SMRs are small versions of nuclear reactors that can be mass-produced in factories. With a power capacity of up to 300 megawatts (MW) per unit, they can produce about one-third of the electricity generated by conventional nuclear reactors. Globally, Russia has developed the first commercial SMR which has been running since May 2020 and is producing energy from two plants of 35 MW. Apart from this, according to the International Atomic Energy Agency (IAEA), Argentina, Canada, China, Russia, South Korea and the United States are either building them or are in the process of licensing them.

Innovation, research and development play an important role in the economic development of any country. Currently, India's Gross Expenditure on R&D (GERD) is around 0.66%. Whereas it is 3.5% in the US, 3.1% in Germany, 4.8% in South Korea and 2.4% in China. In Budget 2024-25, a provision has been made to establish a National Research Fund to promote innovation, research and development. A provision of Rs 1,000 crore has been made for research in the space sector. A provision of Rs 1 lakh crore has been made for the private sector to promote

innovation, research and development.

Education, Employment and Skill Development

The economic growth rate in India has increased in the past years, but it has not been inclusive enough. The most important reason for this is the weak employment aspect of economic development. This is the reason why India's economic development has been termed as jobless economic development. One of the main reasons for the lack of increase in employment with economic growth is that the labour force in India is not skilled and trained as per the demand of the modern industry. According to UNDP HDR 2020, only 1 out of 5 people in India's labour force is skilled. With a figure of 21.2%, India ranks 129th out of 162 in terms of skilled labour. Whereas it is 28% in India's neighbouring countries Pakistan, 26% in Bangladesh, 28% in Myanmar, 39% in Sri Lanka and 42% in Nepal. The report defines skilled labour as people who are 15 years or older and have "intermediate" or "advanced" level of education as classified by the UNESCO. According to the India Skills Report, 65 per cent of India's rapidly growing population is under the age of 35 and many lack the skills needed for a modern economy. According to estimates, only about 51.25 percent of youth are considered employable. However, it is worth noting that this percentage has increased from about 34 percent to 51.3 percent over the last decade. Budget 2024-25 has made a provision of Rs 1.48 lakh crore for education, employment and skill development. An important feature of the Union Budget 2024-25 is the announcement of a new centrally sponsored scheme under the Prime Minister's Package in collaboration with state governments and industries. The scheme aims to enhance the skills of twenty lakh youth in five years. Additionally, the Model Skill Loan Scheme will be revised to provide students with a loan facility of up to ₹ 7.5 lakh with government guarantee. This will benefit 25,000 students annually. According to the Union Budget 2024-25, more than 1.42 crore people have been successfully trained under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) since 2015 and more than 1,000 educational institutions have been linked as Skill India Centers. For long term vocational training, 14,955 it is operational under the 'Children Training Scheme (CTS)', which has seen a significant increase in women participation. For vocational training of illiterate, neo-literate and school dropouts in rural areas, Jan Shikshan Sansthan has trained 26.36 lakh persons from FY19 to FY24, of which 82 per cent beneficiaries are women. The National Apprenticeship Promotion Scheme (NAPS) has covered 32.38 lakh trainees and has increased industry participation. Entrepreneurship training is being promoted by institutions such as National Institute for Entrepreneurship and Small Business Development (NIEBUD) and Indian Institute of Entrepreneurship (IIE). These institutions have collectively trained 4.64 lakh persons from FY19 to FY24. The Skill India Digital Hub launched in August 2023 provides a digital ecosystem for skill development and coordinates government initiatives in the context of skill development, education and employment. At present, more than 60 lakh learners are connected to it. The efforts made by the government towards skill development extend too many emerging areas like Green Hydrogen and PM Vishwakarma Initiative. International cooperation is also being taken by the government in the direction of skill development so that

youth can be trained as per global standards. Efforts like Skill India International Center and international partnership with countries like Australia, Germany etc. are important in this direction. Employment generation in various sectors of the economy along with skill development is among the top priorities of the government. A provision of Rs 2 lakh crore has been made in the Union Budget 2024-25 for employment generation in five years. With the cooperation of the industry, the government plans to provide internship to one crore youth in the top 500 companies in 5 years. The most attractive announcement of Budget 2024-25 is related to the first salary given by the government to the youth who get a job for the first time in their life. According to the budget, financial assistance of up to Rs 15 thousand will be provided by the Employees Provident Fund to those who get a job for the first time.

With the goal of a developed India by 2047, the government will have to spread basic facilities like education and health. At present, the expenditure on education is 3% of GDP, which has been increased to 6% in the National Education Policy. In Budget 2024-25, the government has taken several steps to ensure quality education according to the demand of the economy. According to the Union Budget 2024-25, 20 lakh youth will be made skilled in various fields. Students will be given Rs 10 lakh as loan to study in educational institutions. Along with this, one thousand ITI will be upgraded.

Social Justice and Inter-Regional Development

Budget 2024-25 has prominently emphasized the role of women in economic development. According to Budget 2024-25, Rs 3 lakh crore will be spent on women's development. The government is also taking important steps to facilitate greater participation of women in the workforce. This includes setting up hostels and creches for working women in collaboration with the industries, organizing special skill programs for women to increase their employability and promoting market access for women-led self-help group (SHG) enterprises, empowering women economically and socially. Keeping in mind women's rights in property, a provision has been made to provide exemption in state stamp duty on women purchasing property. Under the concept of social justice, the Prime Minister has discussed four major castes which include poor, women, youth and farmers. 'Purvodaya Yojana' has been talked about in the Union Budget 2024-25 to remove inter-regional inequality and ensure balanced development. The scheme focuses on the all-round development of the eastern region, with a focus on infrastructure, economy and cultural heritage. The scheme covers Bihar, Jharkhand, West Bengal, Odisha and Andhra Pradesh along with other eastern states.

Rural-Urban Development

In the budget 2024-25, a provision of Rs 2.66 lakh crore has been made for the all-round development of the villages of the country. Three crore houses will be built in rural and urban areas under the P.A. Awas Yojana. Under urban development, emphasis has been laid on water supply, sewage, treatment plant and waste management in 100 big cities. Under the PM Awas Yojana Urban 2.0, houses will be constructed for 1 crore urban poor and middle class families.

Income Tax Relief

Due to the good health of the economy and the full government treasury, relief in income tax was expected. According to this expectation, the standard deduction in the new tax system has been increased from 50 thousand to 75 thousand. By changing the tax slab, income up to Rs 3 lakh has been exempted from tax. According to the new tax slab, 5% tax has been fixed on income from 3 to 7 lakh rupees, 10% on income from 7 to 10 lakh rupees, 15% on income from 10 to 12 lakh rupees, 20% on income from 12 to 15 lakh rupees and 30% on income more than 15 lakh rupees. Due to the change in the structure of the new tax system, salaried employees will get a maximum benefit of Rs 17,500.

Conclusion

In conclusion, Budget 2024-2025 presents a road map to make India a developed nation by 2047, keeping in mind the goal of employment generation along with capacity building in the economy. The budget not only provides for huge expenditure on infrastructure, but also presents the concept of developed India by achieving the goal of employment generation along with social justice and balanced development. The most important thing about the budget is the promotion of skill development for both employment generation and economic development. The budget has acknowledged the importance of micro and small industries in the socio-economic development of the country and has provided them many types of facilities. Efforts like 'PM Surya Ghar Yojana' to promote clean energy technology to ensure environment-friendly economic development in future are commendable. A coordinated approach has been adopted in the budget for poverty and unemployment alleviation, which aims to ensure the participation of the common man in economic development. Many schemes related to public welfare have been announced in the budget and the 'Pradhan Mantri Garib Kalyan Anna Yojana' has been extended for the next five years. In short, in view of the long-term socio-economic development of India, the Budget is an important step towards rapid, inclusive and sustainable economic development of India.

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