



Union Budget – 2020-21

Description

Theme:-

- On 1st February 2020, Nirmala Sitharaman, the Finance Minister presented the union budget 2020.
- This budget focused on three themes – Aspirational India, Economic Development for all & Building a caring society.

Analysis:-

- **Economic slowdown:-**
 - This budget did not even mention the major problem India is facing right now, which is the economic slowdown. Without acknowledging the problem, it is very difficult to solve it.
 - Banks have the capability to uplift the economy if they are properly supported by the government. But this budget has done nothing to help banks in reviving the economy.
 - Welfare schemes such as PMKISAN got less money than the previous budget. And MGNREGA got only a marginal increase in the budget allocation. Thereby people will not have much disposable money to spend. And hence it can worsen the economy.
- **Employment opportunities:-**
 - This budget reiterated the focus on infrastructure projects. This has the potential to create a significant number of jobs.
 - A new program was announced, which enabled urban local bodies to provide internships to engineers for one year. This is a very good move. It helps engineering graduates to gain skills and practical knowledge.
 - It is very important to mention the problems to set the direction to the budget. But the issue of unemployment was not at all mentioned in this budget.
- **Agriculture:-**
 - 16 action points – making farming competitive, integrating agriculture with technology,

a scheme to set up solar power generation capabilities in barren lands etc. were announced to improve agriculture sector, which is very good to uplift the agricultural economy.

- If these steps are implemented effectively, agricultural productivity can be improved and also farmers' incomes. But there is a need to increase investment in agriculture research to bring innovative science-backed methods in agricultural practices.

- **Education:-**

- A degree level full-fledged online education programme will be offered by institutions that are ranked in the top 100. This is a great move. It can increase the number of graduates in India.
- To improve the quality of education, more investment will be brought through FDI to attract talented teachers, innovative & better labs. It's a good step because there is a need to improve the quality of education in India.

- **Other important points:-**

- New tax Regime was announced, which reduced tax rates for certain tax slabs. But if taxpayers choose these new tax rates, they cannot claim tax exemptions. So, this is not beneficial for many.
- Customs duty was raised for some of the imports to restrict the import of goods that are a threat to domestic industries. This step protects and encourages domestic industries.

Conclusion:-

Budget 2020 did not bring any effective steps to tackle economic slowdown and unemployment. There is a need to increase consumption & investment to revive growth. But there are no effective steps towards this in the budget 2020. However, focus on infrastructure & the transformation of rural India and agriculture sector is laudable.

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Your Turn...

What's your take on Union budget 2020? Do you think it can uplift the economy? Let us know your thoughts through the comment section below. And subscribe to our blog to read answers to the trending GD topics.

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