

FROM SUBSISTENCE TO SOVEREIGNTY: THE EVOLUTION OF THE INDIAN UNION BUDGET AND STUDENT AWARENESS ABOUT THE BUDGET

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ABSTRACT

Since Independence the Indian Union Budget has evolved from 1950-51 to 2025-26, showing the country's change in economic priorities and development goals. In the past years, the budget focused on agriculture, public welfare and the nation building. But after some years, it becomes an important policy tool to promote economic reforms, infrastructure development, digital transformation and sustainable growth. So, the study examines the evolution of the budget from independents by identifying the major fiscal reforms introduced during different decades. And assesses the level of budget awareness among the students in budgetary concepts and concept policy changes. A descriptive research design was done by using both primary and secondary data. Primary data was collected from student using structured questionnaire, while the secondary information was gathered from the Union Budget, Economic Survey, government reports and other relevant academic literature. The finding show that most students are familiar with basic budget related concepts. The study concludes that improving fiscal education can help students develop a better understanding of the Union Budget and its relevance to everyday economic life.

KEYWORDS

Union Budget, GST, Economic Reforms, Budget Awareness & Fiscal Policy

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INTRODUCTION

Now the Union Budget of India is a strategic weapon for social development & economic sovereignty not just a basic financial statement for survival. Initially the focus was on subsistence like food security, by the time it evolved in parallel with economic liberalization & advance technological for becoming an indispensable instrument for policy influence over taxes, infrastructure, Welfare, education, employment and structural reforms. The Viksit Bharat vision for 2047. Its objectives have undergone major changes every 10 years from 1950s to current focus on pandemic recovery and digital economy 2021 to 2024. The Union Budget as been studied for historical evolution and students fiscal literacy because of there less awareness of budgetary reforms despite its importance

REVIEW OF LITERATURE

The reviewed literature highlights the importance of fiscal reforms, budget transparency, & public expenditure in India’s economic development. **Paolo de Renzio & Joachim Wehner (2015)** reported that the fiscal openness & transparent budget improve public participation and fiscal awareness. **Pattnaik & Verma (2015)** explain the role of fiscal discipline through the Fiscal Responsibility & Budget Management framework in ensuring sustainable budget management **Karamjeet Kaur (2017)** observed that quality of government spending on education, health & infrastructure is more important than fiscal deficit targets. **Pinaki Chakraborty (2017)** highlight that the need to balance fiscal discipline along public investment, while **Rao & Singh (2018)** says the significance of fiscal federal in support economic development. **Dev & Singh (2019)** notice the government spends on welfare, education & employment programs contribute to growth & poverty reduction. **Singh & Pandey (2019)** observed GST plays a major role in fiscal reform that simplified taxation & compliance. **Bhanumurthy & Das (2021)** says the increase in public expense & infrastructure investment plays a role to economic recovery after the covid19. Overall, the study say that the fiscal reforms, transparent budget & effective public spending are important to economic growth and development, and highlighted the need to improve public awareness regarding the budget policies.

RESEARCH GAP

The previous research from 2015 to 2025 thoroughly examines the Indian Union Budget from a macroeconomic perspective, emphasizing fiscal restraint, GST, and digital governance, it places a strong emphasis on institutional data over public comprehension. there is still a large disparity in students' knowledge of structural, decade budget shifts and their level of fiscal literacy. Earlier research has examined isolated annual budget outcomes rather than how media exposure or educational backgrounds affect students' understanding of significant economic changes like liberalization or post-pandemic reforms. The study stuff gap by tracking the Union Budget's development from subsistence-oriented planning to economic sovereignty using a decade analytical framework, all the while directly evaluating students' historical budget awareness and fiscal literacy.

PROBLEM STATEMENT

The Indian Union Budget plays a vital part in shaping economic development & public policy, most student are limited knowledge for historical evolution & fiscal reforms. Students commonly focus on annual budget announcements rather than understanding long term transformations. Thus there is pressing requirement to asses the fiscal literacy & budget awareness among students while examining their knowledge about major reforms which have shaped India

NEED FOR THE STUDY

The Indian union budget modifies various facts of economic & social development, make fiscal literacy an important skill for students. Though students are familiar to budget announcements, but their insight on broader fiscal concepts & historical reforms may differ. The study helps evaluate there knowledge on budget & examines whether academic background effect the awareness on budget evaluation over decade

RESEARCH OBJECTIVE

To trace the evolution of the Union Budget of India from independence (1950–51) to the present decade (2020s).

To measure the level of fiscal literacy and budget awareness among students regarding the Indian union budget and related economic concepts.

HYPOTHESIS:

H₀ = “There is no-significant relationship between students educational background and their level of budget awareness regarding the Indian Union Budget.”

H₁ = “There is significant relationship between students educational background and their level of budget awareness regarding the Indian Union Budget”

RESEARCH METHODOLOGY

The study adopts a descriptive research design and is based on both primary and secondary data. A structured questionnaire was used and distribute it to the sample respondents.

RESEARCH DESIGN

A standardized questionnaire was used in the study to assess students' fiscal literacy and knowledge of budgeting concerns.

A 130 questionnaires were sent in aim to achieve the target sample size of 100 responses. Following screening, 30 questionnaires were found to be either incomplete or inappropriate for processing, leaving a final sample of 100 valid replies.

Students from commerce and management schools, including BBA, B.Com, MBA, and M.Com and others, were included in the group because of their academic backgrounds in fiscal and economic subjects.

STUDY’S SCOPE

Present study was performed to evaluate the evolution of the Indian Union Budget from 1950–51 to 2025–26 and to measure fiscal literacy and budget awareness among students

Since the research seeks to understand both the historical development of budgetary policies and the awareness levels of students regarding these developments, a combination of secondary and primary data sources was considered appropriate.

SOURCES OF DATA

PRIMARY DATA

It was gathered by structured questionnaire administered to students.

SECOUNDRY DATA

They were obtained from various documentary sources available in the government website.

STUDY'S LIMITATIONS

1. The research conducted using a sample of 100 students, which limits the scope of the findings can be generalized for student population.
2. Most respondents belonged to commerce and management disciplines. As a result, the findings may not reflect the fiscal literacy levels of students from science, engineering, arts, or other academic backgrounds.
3. The analysis of budget evolution focused on major decade reforms and structural changes rather than examining every annual budget announcement in detail.

DATA ANALYSIS AND INTERPRETATION

Table showing demographic profile

Demographic Variable	Category	Percentage (%)
Gender	Female	52
	Male	48
Age	18–20 years	11
	21–23 years	67
	24 years and above	22
Academic	MBA	71
	B.Com	13
	Others	8
	BBA	5
	M.Com	3
Year of Study	Second Year	41

	Postgraduate/Final Year & Others	31
	First Year	20
	Third Year	8

Interpretation:

The demographic profile indicates a balanced composition of gender, where female respondents holding a slight majority at 52.0% and male respondents matching at 48.0%. Age distribution trends tightly around the 21–23 window (67.0%), a baseline characteristic representing students currently moving into advanced technical or professional business curricula.

This matches the heavy representation of management candidates within the academic discipline category, where 71.0% of the sample are actively pursuing MBA tracks. Additionally, with 41.0% of respondents working through their second year and another 31.0% situated at a postgraduate or final-year benchmark, the sample represents a cohort that has completed the core accounting, macroeconomic, or business coursework necessary to accurately evaluate broader national economic changes

OBJECTIVE ANALYSIS

1: To trace the evolution of the Union Budget of India from independence (1950–51) to the present decade (2020s).

Evolution of the Indian union budget

Decade	Main Focus of the Budget	Landmark Budget	Why It Was Important
1950-1959	Public sector and nation-building	1951–52 Budget	Supported the First Five-Year Plan and focused on building dams, railways, steel plants, and public sector industries. It established India's state-led development model.
1960-1969	Food security and defences	1966–67 Budget	Increased spending on agriculture, irrigation, fertilizers, and rural development to support

			the Green Revolution while also strengthening defences after the wars of 1962 and 1965.
1970-1979	Socialist expansion	1973–74 Budget	Reflected increased government ownership in sectors such as banking and insurance during a period of inflation and economic crisis. It represented the peak of India's socialist economic model.
1980-1989	Initial tax reforms	1986–87 Budget	Introduced MODVAT in 1986 and simplified parts of the tax system. These reforms laid the foundation for future tax modernization and economic reforms.
1990-1999	Liberalization	1991–92 Budget	Reduced government controls, encouraged foreign investment, lowered import duties, and opened the Indian economy to global markets. Its most significant economic reform budget in independent India.
2000-2009	Fiscal discipline and IT growth	2003–04 Budget	Supported the growth of the IT and telecom sectors and introduced the FRBM Act (2003) to improve fiscal discipline and reduce budget deficits.
2010-2019	GST and formalization	2017–18 Budget	Introduced GST, merged the Railway Budget with the Union Budget, and modernized budget administration, creating a more unified taxation system.
2020-2026	Infrastructure and tax restructure	2020–21 Budget	Introduced the New Tax Regime (2020) and significantly increased investment in roads, railways, logistics, manufacturing, and digital infrastructure to support long-term economic growth.

2: To measure the level of fiscal literacy and budget awareness among students regarding the Indian union budget and related economic concepts.

Evaluated Knowledge Indicator	Positive Response Rate (%)	Conceptual Comprehension
Universal Budget Awareness	96	Highly Proficient
Gross Domestic Product (GDP) Mechanics	88	Robust Familiarity
Strategic Purposes of Government Taxation	76	Satisfactory Literacy
Understanding of Budget Deficit and Surplus	73	Capable to understand
Policy Impact on Personal Households & Students	66	Moderate Literacy

Interpretation:

The observed data demonstrates a classic challenge widely discussed in financial literacy studies, such as Lusardi and Mitchell (2014): the distinct gap between understanding academic formulas and grasping their real-world impact. General awareness of budget is strong at 96.0%, and a solid 88.0% of specimen understand the core definitions of Gross Domestic Product (GDP).

However, this conceptual certainty drops to 66.0% when students try to connect these macro policy decisions to their direct household budgets or personal educational costs. This Show students are generally comfortable with theoretical economic concepts, but may find it more challenging to apply these concepts to practical financial situations

HYPOTHESIS TESTING

H₀ = “There is no-significant relationship between students educational background and their level of budget awareness regarding the Indian Union Budget.”

H₁= “There is significant relationship between students educational background and their level of budget awareness regarding the Indian Union Budget”

Analysis: - To examine whether educational background influences students' budget awareness, a “Chi-Square Test of Independence” was applied.

Variables	Chi-Square Value (χ^2)	Degrees of Freedom (df)	p-value	Decision
Educational Background and Budget Awareness	9.498	5	0.091	Reject H ₀

Interpretation:

A “Independence Chi-Square Test” was conducted to examine whether students' academic background was related with their level of budget awareness regarding the Indian Union Budget. The test yielded a Chi-Square value of 9.498 with 5 degrees of freedom, and the corresponding p-value was 0.091.

Since the p-value is greater than the 0.05 level of significance, the null hypothesis (H_0) is not rejected. This indicates that no statistically significant bond was found among students' educational background and their level of budget awareness.

Although some variation in awareness was observed across different academic disciplines. This suggests that students' awareness of the Indian Union Budget is relatively consistent across the educational backgrounds represented in the study. Other factors, such as personal interest, exposure to current affairs, or access to financial information, may have a greater influence on budget awareness than academic discipline alone.

FINDINGS

1. The Indian Union Budget has evolved from focusing mainly on agriculture and public sector development to giving greater importance to economic reforms, infrastructure, and digital growth.
2. Most students were aware of the Indian Union Budget and showed a good understanding of basic economic concepts such as GDP, taxation, budget deficit, and budget surplus.
3. Students were better acquainted with major budget reforms than with the practical impact of budget policies on everyday life.
4. The Chi-Square test showed that there is no significant relationship between student educational background and their level of budget awareness.
5. Since the p-value (0.091) was greater than the significance level (0.05), the null hypothesis was not rejected.

6. Overall, the reached showed that students have a satisfactory level of budget awareness, but there is scope to improve practical fiscal literacy and understanding of budget-related issues.

CONCLUSION

The journey of the Indian Union Budget reflects the broader story of India's economic development. What began as a tool for addressing post-independence challenges such as food security, industrialization, and nation-building has gradually evolved into an instrument for promoting growth, infrastructure development, digital transformation, and economic self-reliance. The study shows that major budgetary shifts have generally occurred through long-term reforms rather than through individual annual announcements, highlighting the value of a decadal approach to understanding fiscal policy.

The result indicate that students possess a reasonable level of awareness about the Union Budget and basic fiscal concepts. Yet, awareness alone doesn't forever translate into practical understanding. Many students are able to identify economic terms and major reforms but find it more difficult to connect these developments to everyday financial decisions and broader economic outcomes.

An important insight says that students value context and historical understanding. Rather than focusing solely on yearly budget highlights, respondents expressed greater interest in learning how major reforms have shaped India's economic path over time. This suggests that fiscal literacy initiatives should move beyond definitions and statistics and place greater emphasis on historical developments, real-life applications, and policy relevance.

Strengthening fiscal literacy among students can help create a more informed and economically aware generation. By integrating budget history, public finance, and practical financial education into academic programs, educational institutions can play an crucial role in improving students' understanding of the economic decisions that influence both national development and everyday life.

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