

Original Article

# Union Budget 2026-27: An Analysis of Public Perception

<sup>1</sup>Ms. Ekta Masih, <sup>2</sup>Dr. D.K. Nema

<sup>1</sup>Research Scholar, Department of Commerce, Dr. Harisingh Gour Vishwavidyalaya, (A central university), Sagar (M.P.) India.

<sup>2</sup>Professor and Head, Department of Commerce, Dr. Harisingh Gour Vishwavidyalaya, (A central university), Sagar (M.P.) India.

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**Abstract:** In India, the first day of February is famous as a day when the finance minister presents the annual budget of the government for its approval by the parliament. In India, Article 112 of the Constitution requires the central government to prepare an “Annual financial statement” for the country as a whole. This is called the Budget of the central government. This paper aims to study the concept and objectives of the budget of the Government and to analyze the public perception of the recent Union Budget 2026-27 using primary data collected from 205 respondents using a survey method. Recommendations include key areas on which the government should focus more include quality education, which will lead to employment, quality health services, simplification of the taxation system, and necessary steps to reduce inflation. All such measures will help in transforming India into a developed economy and prosperous society by 2047.

**Keywords:** Budget, Union Budget 2026-27, Public perception, Government of India.

## I. INTRODUCTION

On 1<sup>st</sup> February, politicians, policymakers, and students of economics and commerce are glued to the T.V. to know the financial performance of the government over the past year and to know the financial programs and policies of the government for the next year. The government is required to present this budget every year. The budget serves as a tool for fiscal policy. “Government budget is a statement of the estimates of the government receipts and government expenditure during the period of the financial year.” (Jain & Ohri, 2009) . The Indian budget is always a deficit budget. A deficit budget is one in which the government's revenues are less than its outlays. In times of economic depression, it is advised. (Lokesh, 2022). But for more than 30 years, the budget has been in deficit. And now that everyone is talking about Viksit Bharat 2047, it is time to ensure overall fiscal discipline in the economy and correct the situation. An ideal balance between revenues and expenditures of the government is required to make the Indian economy a developed economy. Major objectives of any government budget are to attain economic stability and to ensure equal distribution of income and wealth.

Union Budget 2026-27, presented by Honorable Finance Minister Smt. Nirmala Sitharaman for the ninth time and first time on Sunday, emphasis on three Kartavya: first, Kartavya Accelerate and sustain economic growth, second fulfil aspirations of our people, third, vision of Sabka Sath, Sabka Vikas. The main aim of this year’s union budget is to transform aspiration into achievement and potential into performance. Six pillars of growth and development are sustaining economic growth, strengthening the foundations of growth, people- centric development, trust – based governance, ease of doing business, and ease of living. Fiscal matters were emphasized by the government. This research paper is an attempt to analyze public perception of the recent Union Budget 2026-27 and to provide some recommendations based on those responses.

## II. LITERATURE REVIEW

- 1. (Union Budget, 2026)** - Key features of Budget 2026-27 were reviewed, in which priorities of the government in expenditure and estimated revenues were described. This budget emphasis on India semiconductor mission 2.0, Biopharma Shakti, and three dedicated chemical parks, enhancing domestic production. The government dedicated a ₹10000 crore SME growth fund, Provision for developing a variety of NSQF- aligned programs to train 1.5 lakh multiskilled caregivers, the establishment of three new All India Institutes of Ayurveda, setting up AVCG Content creator labs in 15000 secondary schools and 500 colleges, and a girl’s hostel in Higher education STEM institutions in every district was also emphasized. Setting up the National Institute of Hospitality as a bridge between academia, industry, and the government. Pilot scheme for upskilling 10000 guides in 20 iconic tourist sites. Seven high-speed rail corridors between cities for an environmentally sustainable passenger system. Two schemes for divyangjan, the establishment of Emergency and Trauma care centers in district hospitals, are also proposed. On the revenue side, the government raised the STT (Security Transaction Tax) on futures from 0.02% to 0.05%. STT on options premium and exercise of options to be raised to 0.15% from of 0.1% and 0.125%, respectively. There are no changes in income tax rates; the slab of 2025-26 will be continued. However, the date to file a revised return has been extended from 31<sup>st</sup> December to 31<sup>st</sup> March. On the deficit part, the Central Government will target reaching a debt-to-GDP ratio of 50±1 percent by 2030. The debt-to-GDP ratio is estimated to be 55.6 percent of GDP in BE 2026-27, compared to 56.1 percent of GDP in RE 2025-26. In RE



2025-26, the fiscal deficit has been estimated at par with the BE of 2025-26 at 4.4 percent of GDP. In line with the new fiscal prudence path of debt consolidation, the fiscal deficit in BE 2026-27 is estimated to be 4.3 percent of GDP.

2. **(Mahalaxmi & T, 2025)** - The authors focused on the analysis of public opinion on the central budget 2025-26, to examine the alignment between government priorities and public expectations, and identify challenges and areas of concern in public perception. Primary data was collected from public sources, and secondary data was collected from budget documents, economic surveys, etc. Main findings were that there was mixed public opinion, and the success of the budget depends not only on policy implementation but also on how well it aligns with public aspirations. Recommendations included simplifying and communicating budgetary provisions effectively through digital platforms, regional languages, and interactive discussions; allocating more funds to healthcare, education, and poverty alleviation programs for inclusive development; and focusing on job creation, ensuring the timely and efficient execution of announced policies to maximize their impact.
3. **(Rai, Ganguly, Vishnoi, & Narang, 2024)** - The authors analyzed sectoral allocation of budget across different sectors from 2009 to 2024 to gain insight into government priorities, resource allocation, and their socio-economic implications. Analysis revealed a shift in priorities over the years. In the early years (2009-2013), the focus was on social sectors like health, education, and rural development, along with infrastructure growth. Defense expenditure remained moderate. During the mid- years (2013-18), the social sector spending dipped slightly, while infrastructure allocation rose. Defense spending also began to increase. The most recent years (2018-24) have seen a significant rise in infrastructure spending. Authors found that social sector shares of the budget have declined, and defense spending has continued its upward trend. The authors concluded that greater transparency and accountability in infrastructure spending are essential to ensure efficient resource utilization and timely project completion.
4. **(Lokesh, 2022)** The author focused on an overview of the government budget, meaning, and components. The detailed explanation of the two sections of the budget that are presented is the revenue and capital budget. According to the author, the budget provides strategies for managing and controlling the deficit through changes to revenues, cuts to spending, or a combination of both. The author also explained about primary deficit, fiscal deficit, revenue deficit, and Tax deficit.

### III. OBJECTIVES OF THE STUDY

The following are the objectives of this research study-

- 1) To study the concept and objectives of the Government Budget in India.
- 2) To analyze the public perception of the recent Union Budget 2026-27.
- 3) To provide some recommendations for better policy-making.

### IV. RESEARCH METHODOLOGY

This research study is analytical in nature as it analyses the public perception and satisfaction with the recent Union Budget 2026-2027. For this purpose, primary data were collected through a questionnaire on Google Forms from different demographic groups, including salaried employees, business owners, students, and rural communities, to evaluate their responses to the budget. Secondary data was collected from the budget document of the Government of India and a published research paper. The collected data was further analyzed using bar diagrams and percentage analysis.

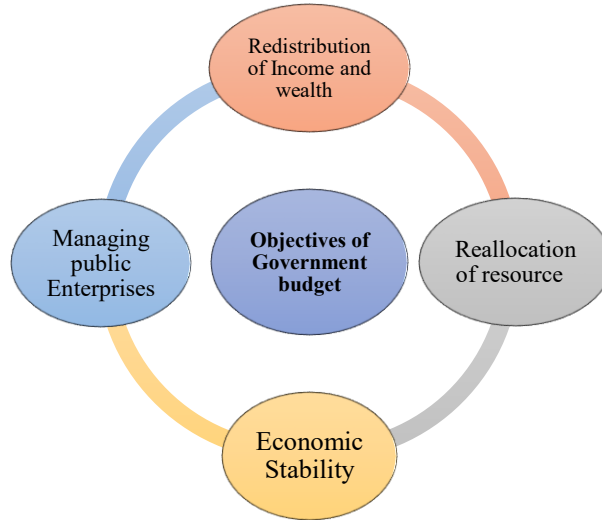
### V. LIMITATIONS OF THE STUDY

The following are the limitations of this study:

- Public perception is subjective and may be influenced by personal, political, global economic conditions, and economic biases.
- The study is based on available media reports, experts' opinions, and survey data of 205 respondents, which may not fully represent all viewpoints.
- The study is an immediate analysis of short-term reactions that may change in the long term.

#### A) Objectives Of The Government Budget

Budget is not only a statistical showing of expected receipts and expenditures of the government. It is a reflection of government policies and a set of objectives that the government seeks to fulfil through the budget. The following are some of the main objectives that the government pursues through its budget.



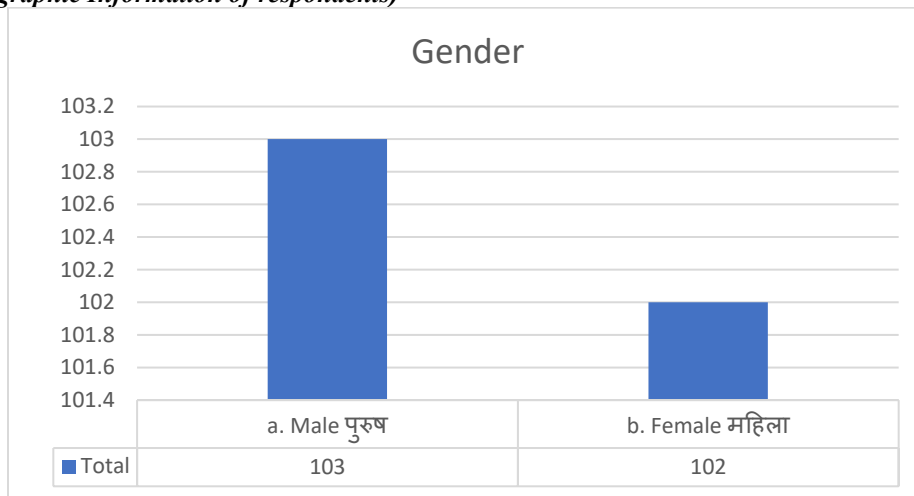
**Figure 1. Key Objectives of Government Budget and Their Interrelationships**

*Source: Prepared by the author gathered literature from (Jain & Ohri, 2009)*

- Redistribution of Income and wealth - Equitable distribution of income and wealth is a sign of social justice, which is the principal objective of any welfare state, as in India.
- Reallocation of Resources -Through the budget, the government of a country directs the allocation of resources in a manner such that there is a balance between the goals of profit maximization and social welfare.
- Economic Stability- Another objective of the government budget is to save the economy from business cycles (recession, depression, recovery, and boom). By doing it, the government tries to achieve the state of economic stability.
- Managing public Enterprises - Through the budget, public sector enterprises are encouraged in areas of natural monopolies (Railways in India).

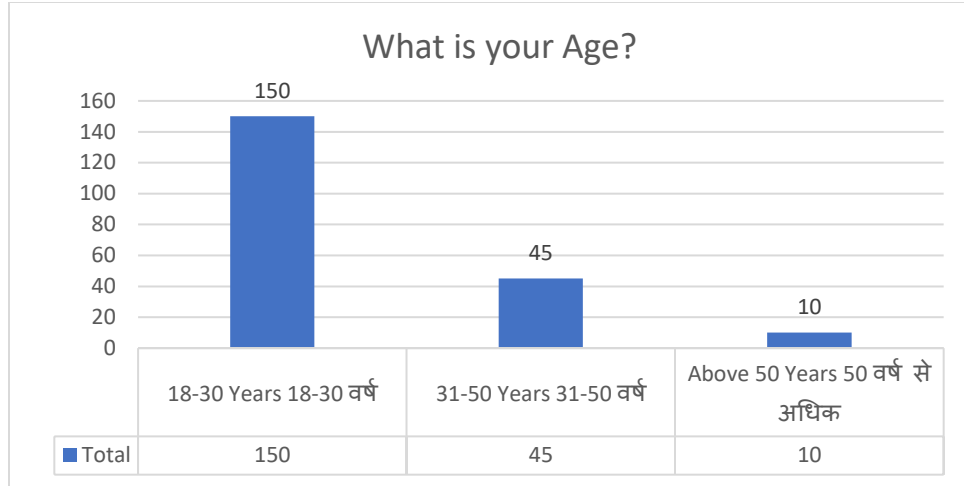
## VI. STATISTICS

### A) (Part-A) (Demographic Information of respondents)



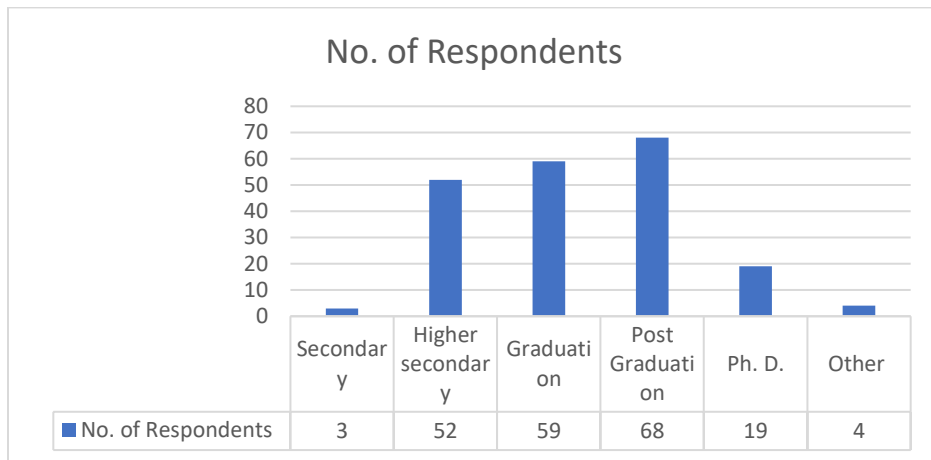
**Figure 2. Gender Distribution of Respondents**

**Interpretation** - In graph no. 1, it was found that out of 205 respondents, 50.2 % were male and 49.8% were female respondents.



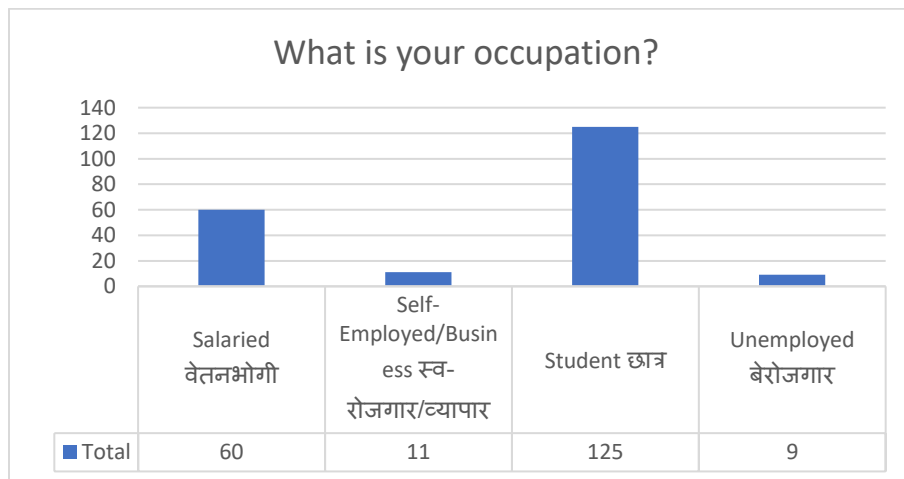
**Figure 3. Age Distribution of Respondents**

**Interpretation** - From graph no. 2, it was found that out of 205 respondents, 73.2% respondents belong to the age group of 18-30 years, 22% belong to the 31-50 years age group, and the rest are above 50 years.



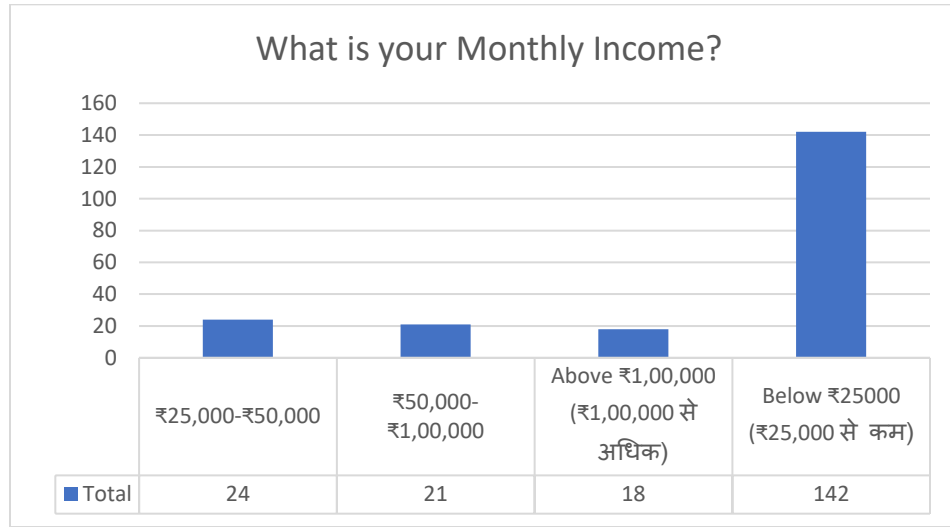
**Figure 4. Educational Qualification Distribution of Respondents**

**Interpretation** - From graph no. 3 found that out of 205 respondents, 32.7% belongs to post graduation, 29.3% belongs to graduation, 25.4% belongs to higher secondary, 1.5% belongs to secondary, and the rest were holding a diploma.



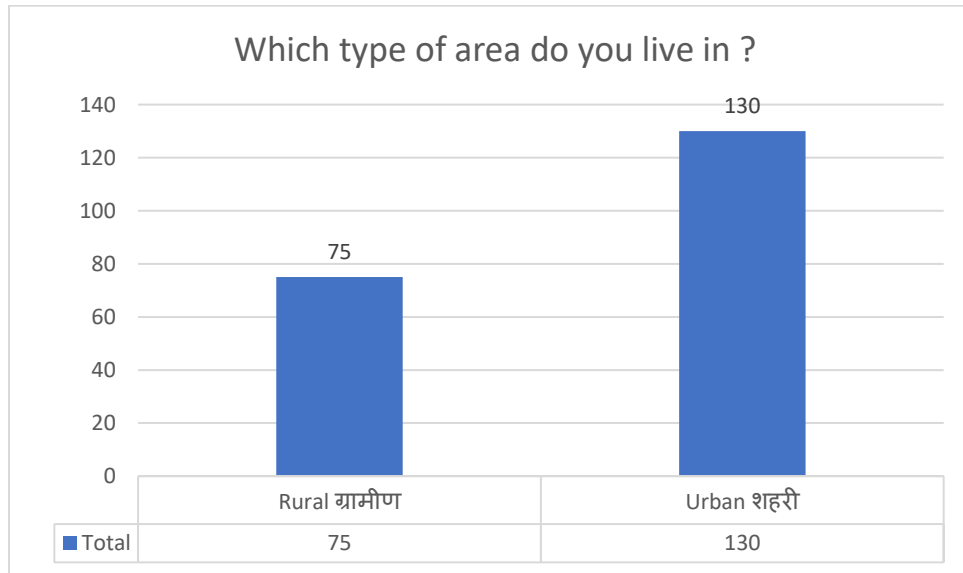
**Figure 5. Occupational Distribution of Respondents: A Comparative Analysis**

**Interpretation** - From graph no. 4, it was found that out of 205 respondents, 61% of respondents were salaried and 29.3% of respondents were students, and the others were unemployed and self-employed.



**Figure 6. Income Demographics: Classification of Respondents by Monthly Earnings**

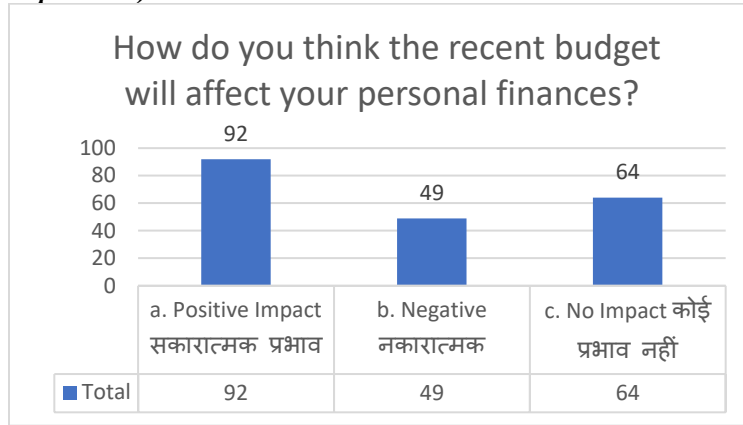
**Interpretation** - From graph no. 5 it was found that out of 205 respondents 69% of respondents' monthly income was below ₹25000, 11.7% of belongs to ₹25000-₹50000, 8.8% respondents belong to above ₹100000 and rest between ₹50000-₹100000.



**Figure 7. Geographical Distribution: Residential Classification of Respondents**

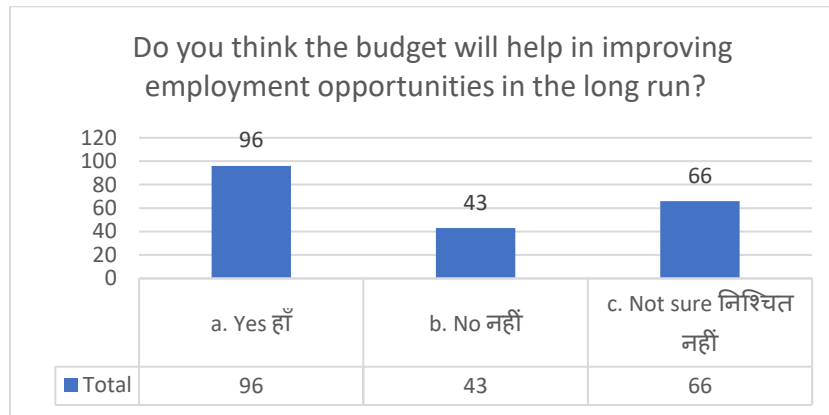
**Interpretation**- From graph no. 6 it was found that out of 205 respondents, 63.4% of respondents live in an urban area and 36.6% of respondents live in a rural area.

**B) (Part-B) (Perception of Respondents)**



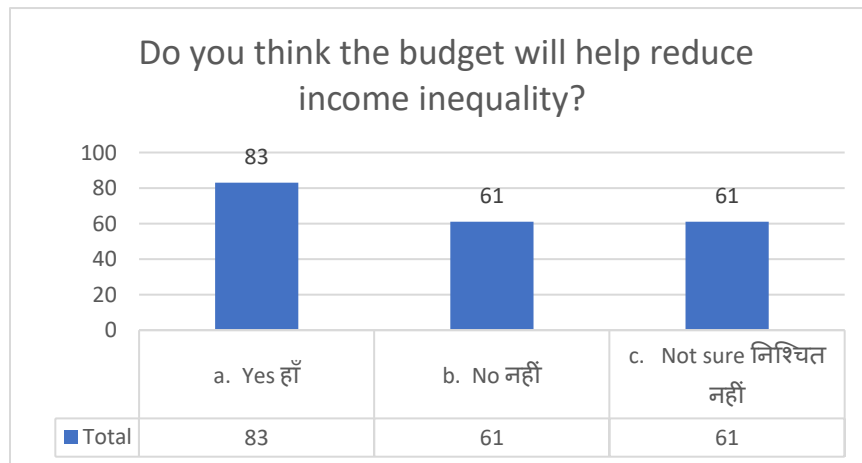
**Figure 8. Impact Assessment: Perceived Effects of the Recent Budget on Personal Finances**

**Interpretation-** From graph no. 7 found that out of 205 respondents, 44.9% (which is the major portion) of respondents think that the budget will positively affect their personal finances. 31.2 % of respondents think that there will be no impact on the budget, and 23.9% of respondents think that the budget will negatively affect their personal finances.



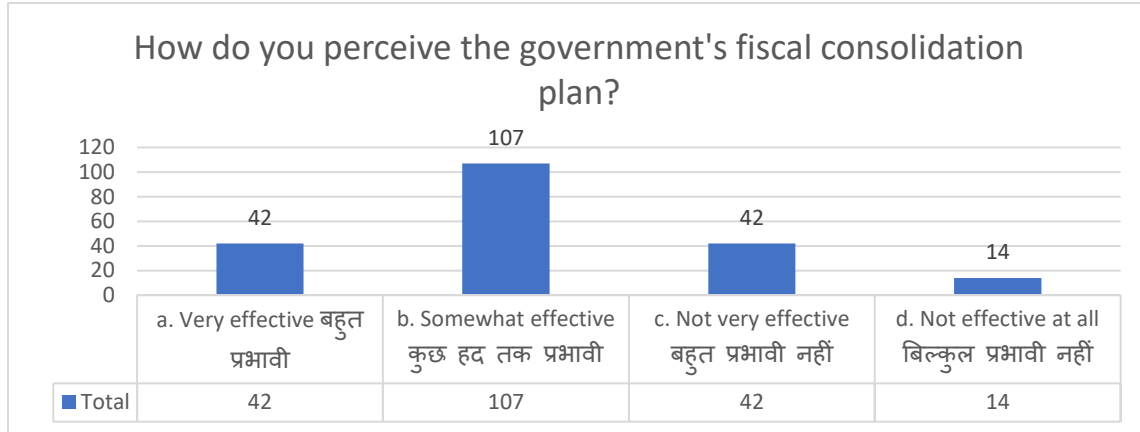
**Figure 9. Long-Term Employment Outlook: Public Perception of Budgetary Impact on Job Creation**

**Interpretation-** From graph no. 8 it was found that out of 205 respondents 46.8% of respondents think that budget will help in improving employment opportunities in the long run. 32.2% of respondents were not sure regarding it and 21% of respondents think that budget will not improve employment opportunities indicating that educated youth are in search of employment, although government has allocated ₹10,000 crore for MSMEs which may create employment opportunities for youth.



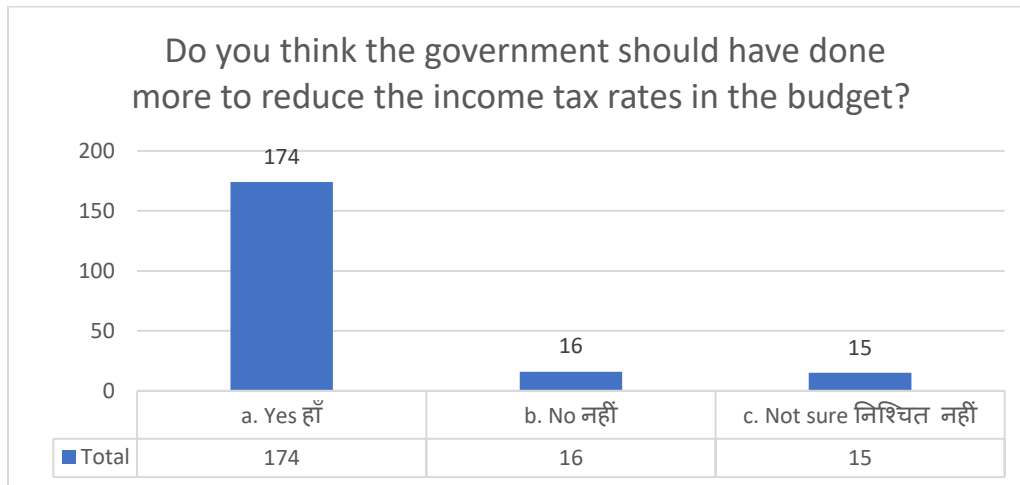
**Figure 10. Socio-Economic Sentiment: Perceived Effectiveness of the Budget in Reducing Income Inequality**

**Interpretation** - From graph no. 9 it was found that out of 205 respondents, 40.5% of respondents think that the budget will help to reduce income inequality, indicating the major portion thinks that allocation for social welfare schemes will help to reduce income inequality, and the ratio for not sure and no effect was the same, i.e. 29.8% indicating more possibilities for betterment.



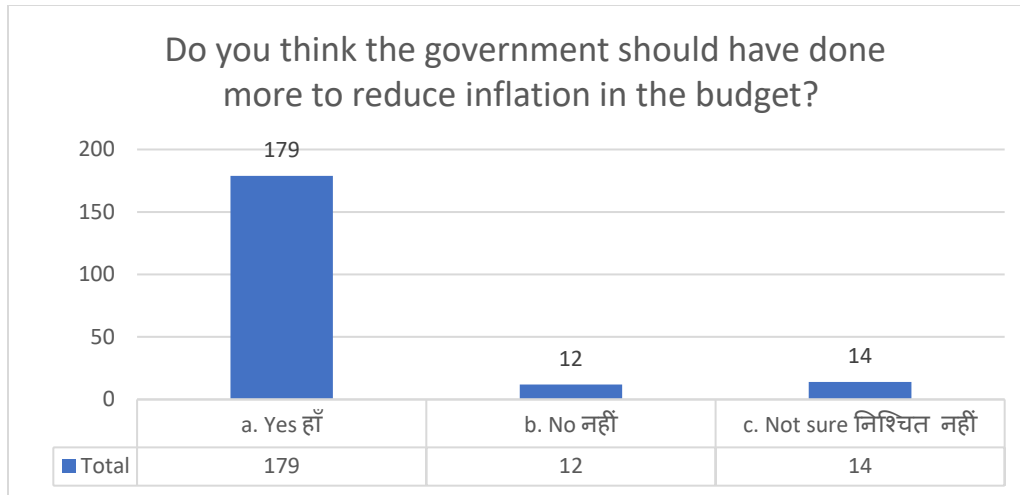
**Figure 11. Socio-Economic Sentiment: Perceived Effectiveness of the Budget in Reducing Income Inequality**

**Interpretation-** From graph no. 10, it was found that out of 205 respondents, 52.2% perceive that efforts of the government to reduce fiscal deficit and maintain fiscal discipline are somewhat effective, indicating that a major portion of respondents think that there is more scope for maintaining fiscal discipline. Because if fiscal discipline is not maintained, the economy is driven into a situation where government expenditure exceeds government revenue. In a state of helplessness, the government often resorts to borrowing from the RBI. It causes deficit financing - printing of more notes. An increase in the supply of money causes inflation.



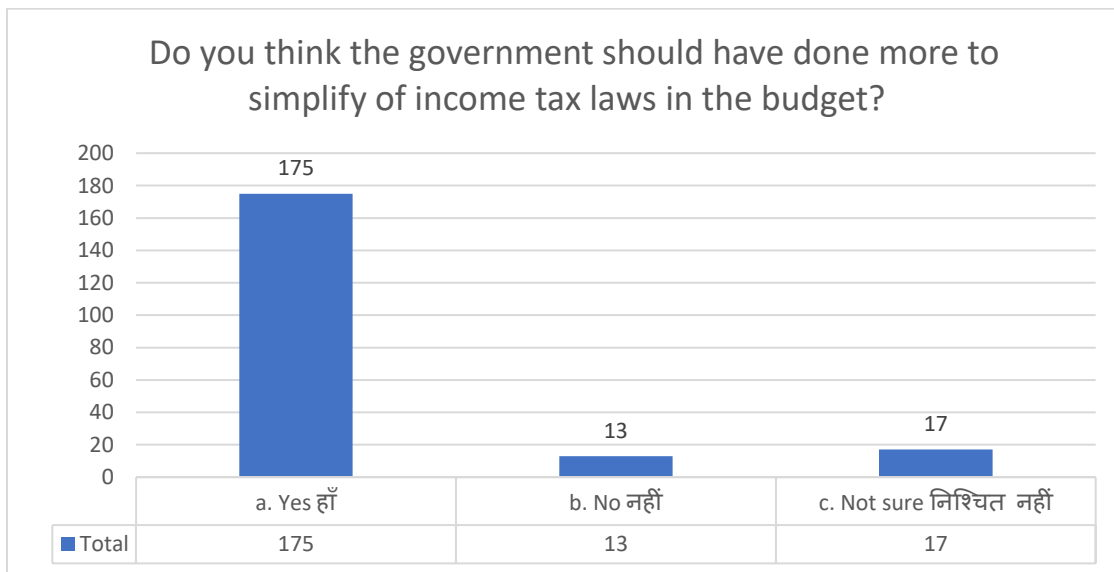
**Figure 12. Taxation Expectations: Public Sentiment on Income Tax Rate Reductions in the Budget**

**Interpretation-** From graph no. 11, it was found that out of 205 respondents, 84.9% of respondents think that the government should have done more to reduce the income tax rates in the budget. As in this budget, there is no change in income tax rates. According to supply-side economist Arthur Laffer, tax revenue does not always increase whenever the tax rate increases. (Hayes, 2025) In India, income tax rates are gradually decreasing, which is a step in the right direction.



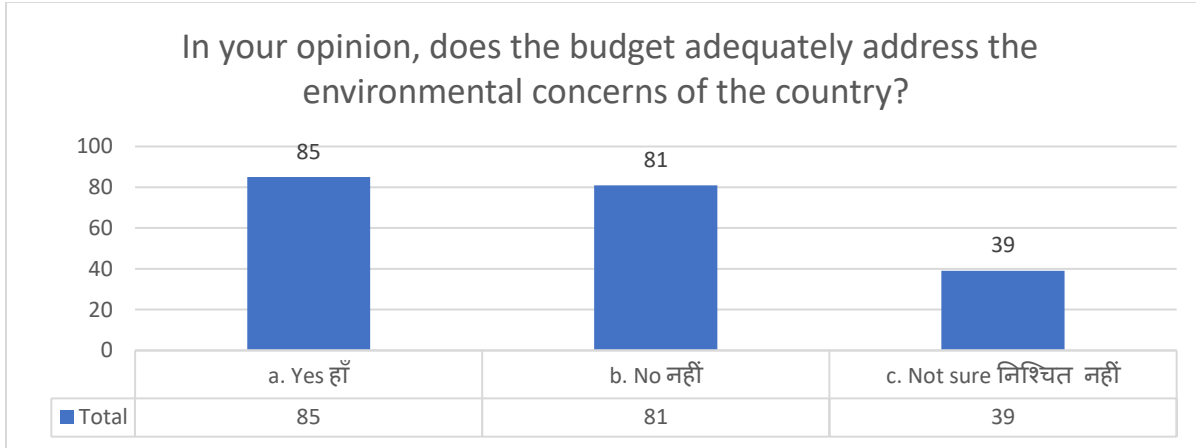
**Figure 13. Economic Concerns: Public Sentiment on Government Measures to Control Inflation**

**Interpretation-** From graph no. 12 it was found that out of 205 respondents, 87.3% of respondents think that the government should have done more to reduce inflation in this budget. Indicating that the government should take more efforts to reduce inflation in the economy. Although prices of diabetes and cancer medicines have been reduced, such action should be taken for other necessary goods and services as well.



**Figure 14. Tax Reform Analysis: Public Sentiment on the Simplification of Income Tax Laws**

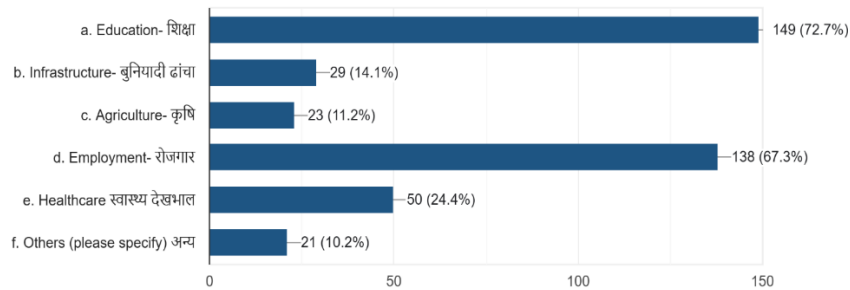
**Interpretation-** From graph no. 13 it was found that out of 205 respondents 85.4% i.e., the majority of respondents, think that the government should have done more to simplify income tax laws in the budget. The Income Tax Act 2025 will come into effect from 1<sup>st</sup> April 2026, and the finance minister has proposed a slew of direct tax reforms to simplify the tax regime and ensure better compliance by citizens. (Press Information Bureau, 2026). This will help in making income tax laws simpler.



**Figure 15. Sustainability Assessment: Public Perception of the Budget's Response to Environmental Concerns**

**Interpretation-** From graph no. 14, it was found that out of 205 respondents, 41.5% of respondents think that the budget has adequately addressed the environmental concerns of the country. Although the government has allocated funds for energy, there is still scope for allocation for climate adaptation.

11. Which area do you think needs more focus in the budget?(Select any 2) आपके अनुसार बजट में किस क्षेत्र पर अधिक ध्यान देने की आवश्यकता है? (कोई दो चुनें)  
205 responses



**Figure 16. Budgetary Priorities: Public Opinion on Key Sectors Requiring Increased Focus**

**Interpretation-** From graph no. 15, it was found that out of 205 respondents' majority of respondents think that the government should focus more on education and employment generation. Both are linked to each other, as no doubt, youth are educated and possess graduation and post-graduation degrees, but still, they suffer from getting employment, as there is a lacuna in skill development and training for youth. This gap between education and employment level will be filled by skill development and training programs for youth, on which the government needs to work upon.

## VII. RECOMMENDATIONS CONCLUSION

From the study, it can be concluded that there is still much scope for better budget preparation. The following are some key recommendations on the basis of responses:

- 85.4% of respondents think that the government should have done more to simplify the income tax laws, so necessary steps in this direction are required from the government.
- 84.9% of respondents think that the government should have done more to reduce the income tax rates, so necessary steps for reducing income tax rates are required.
- 87.3 % of respondents think that the government should have done more to reduce inflation, so necessary steps for reducing inflation are required.
- The government should focus more on quality education, employment, and health, as the majority of respondents are in favour of this.
- In order to increase employment, linkage between industry, academia, and government is a need of the hour so that students may get real-world exposure and develop their skills.
- The government should ensure the sustainability of public finances through prudent and transparent fiscal consolidation.

- The government should also take necessary corrective measures to control the fiscal deficit in view of the limited revenues of the government.

All such measures will help in transforming India into a developed economy and prosperous society by 2047.

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