



Advancing *Viksit Bharat* through Four Pillars

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Today, India stands tall on the global stage. We are one of the world's fastest-growing major economies. Infrastructure is expanding at a remarkable pace. A new generation of entrepreneurs is reshaping industries. Digital public systems are changing the way services reach people.

Yet the challenges before the nation are equally formidable. Every year, millions of young people enter the labour market with high aspirations. Women's participation in the economy needs to rise further. Massive effort is required to skill our people. The country must build greater resilience against the growing threat of climate change.

On 1 February 2026, Finance Minister Nirmala Sitharaman presented the Union Budget for the fiscal year 2026-27. As her ninth consecutive budget, it marked a historic milestone in India's economic policymaking. The Budget candidly recognised both the country's unique strengths and its most pressing challenges, and set out a clear and coherent strategy to address them.

The Four Strong Pillars of *Viksit Bharat*

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Let us now look closely at each of these pillars and understand how the Budget supports them.

The Youth

India remains a demographic outlier in an increasingly aging world. The country's vast youth population is its most potent economic lever. To harness this advantage, the demographic dividend needs to be translated into a productive workforce and the entrepreneurial spirit must be encouraged.

To support this, the 2026-27 fiscal roadmap gives special attention to skilling, employability, credit accessibility, and entrepreneurship. Here is how the Finance Minister plans to build the connective tissue between potential and prosperity.

- **New University Townships**

The Budget proposes the creation of five new university townships situated near major industrial corridors. These institutions will offer world-class

*The author is the Additional Secretary of the Department of Expenditure, Ministry of Finance, Government of India.
Email: authorsajjan@gmail.com*

education and also bridge the long-standing gap between academia and industry. By placing students in the physical heart of industry, the government aims to align academic curricula with market needs, fostering a culture of lab-to-land innovation.

- **Promotion of MSMEs**

Micro, Small and Medium Enterprises (MSMEs) are the backbone of India's economy. If nurtured well, startups and MSMEs can become the next engines of India's economic growth. They employ millions of young people. However, many MSMEs struggle to grow due to limited access to finance, technology, and markets.

To catalyse this sector, the Finance Minister announced a new MSME Growth Fund with an allocation of Rs 10,000 crore. The objective is to identify scalable units and nurture them into Champion MSMEs, companies with the size and sophistication to compete globally.

- **More Risk Capital for Micro Enterprises**

For micro-enterprises, the struggle is often about survival in the early stages. The Budget bolsters the grassroots entrepreneurship by infusing an additional Rs 2,000 crore into the Self-Reliant India Fund. Moreover, the government has moved to abolish the Angel Tax, removing a major regulatory friction point. The twin measures will create a more welcoming environment for domestic investment and grassroots innovation.

Creating Champion SMEs and Supporting Micro Enterprises

Equity Support

- › Dedicated ₹10,000 crore **SME Growth Fund** to be introduced
- › **Self-Reliant India Fund** to be top up with ₹2,000 crore

Liquidity Support

- › More than ₹7 lakh crore made available to MSMEs with TReDS

Professional Support

- › Develop cadre of 'Corporate Mitras' in Tier-II & Tier-III towns, to help MSMEs meet compliance requirements at affordable costs

- **Corporate Mitras**

One of the most innovative proposals in this Budget is the Corporate *Mitra* initiative. The government will partner with professional bodies such as the Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI), and Institute of Cost and Management Accountants of India (ICMAI) to train youth as Corporate *Mitras*.

These *Mitras* will provide affordable advisory support to MSMEs on GST, compliance, bookkeeping, and basic filings, especially in Tier-II and Tier-III towns. This will serve a dual purpose: create high-quality jobs for young professionals and improve ease of doing business for small enterprises.

- **Orange Economy: Cultivating the Content Creators**

Recognising that the careers of the future are increasingly digital and creative, the Budget makes a significant bet on the Orange Economy. The Finance Minister has announced the setting up of Animation, Visual Effects, Gaming, and Comics (AVGC) labs in 15,000 secondary schools and 500 colleges. They will groom a workforce ready to lead in the global content creation and digital media markets.

- **Tourism & Hospitality Employment**

Tourism has immense potential to generate employment, especially for the youth and local communities. The Ministry of Tourism will train and upskill 10,000 tourist guides. A National Institute of Hospitality will also be established to strengthen professional training in this sector.

In a bid to promote niche and sustainable tourism, the Budget proposes the development of mountain trails, turtle trails, and bird-watching trails. Moreover, 15 archaeological sites will be transformed into experiential cultural destinations. This will stimulate local economies without the environmental toll of mass tourism.

The Finance Minister has also announced the setting up of dedicated Medical Value Tourism Hubs. These aim to capture a larger share of the global healthcare market while also providing high-skilled employment opportunities for the youth in the wellness and medical sectors.

- **New-Age Tech Skills**

The jobs of tomorrow will require very different skills. Recognising this reality, the Budget places strong

Investment in EDUCATION

- › **National Institute of Design** to be established to boost design education and development in the eastern region of India
- › **5 University Townships** to be created in vicinity of major industrial and logistic corridors
- › **1 girls' hostel** to be established in every district in Higher Education STEM institutions
- › **4 Telescope Infrastructure facilities** to be set up or upgraded to promote Astrophysics and Astronomy

emphasis on training in Artificial Intelligence (AI), cloud computing, digital services, and other emerging technologies. This will help young people prepare for careers in these fast-growing fields. The approach aligns with India's broader transition toward advanced manufacturing, digital services, creative economy, and AI-driven innovation.

• **Building a Bridge Between Education and Employment**

The Budget advances a model in which higher education is expected not only to enrol students but also to produce employable graduates, strengthen applied research, and build innovation capacity. To further this objective, a high-powered committee will be set up to recommend reforms that bridge the gap between learning and work, particularly in services, technology, and sectors where global demand for skilled talent continues to rise.

Women

The Finance Minister Nirmala Sitharaman has spearheaded the concept of women-led development. The idea has migrated from the margins of social policy to the very centre of India's economic strategy. The Budget 2026-27 carries this vision forward by supporting women's education, entrepreneurship, labour force participation, and economic leadership. For this, several important initiatives have been announced in the Budget.

• **SHE Marts:**

Women-led Self-Help Groups (SHGs) have emerged as some of the most effective grassroots economic institutions in India. Initiatives such as the *Lakhpati Didi* have already helped many rural women become financially independent and socially empowered.

Building on this success, the Finance Minister has announced the launch of Self-Help Entrepreneur (SHE) Marts across the country. Envisioned as community-owned retail hubs in every district, these outlets will improve market access to products of SHGs and rural women entrepreneurs.

• **Creating an Army of Caregivers**

The Budget also recognises the growing demand for trained caregivers in areas such as elderly care, childcare, and allied health services. 1.5 lakh multi-skilled caregivers will be trained, creating large-scale employment opportunities, particularly for women. These caregivers will also help in providing high-quality services to aging populations in India and abroad.

• **Girls' Hostels in Every District**

Access to safe accommodation remains a major barrier for many young women who wish to pursue higher education, especially in science, technology, engineering, and mathematics (STEM) fields. To address this challenge, the Budget proposes the establishment of dedicated girls' hostels in every district, specifically within higher education STEM institutions. These safe and accessible residential facilities will help improve female enrolment and retention, enabling more young women to pursue advanced education and professional careers.

• **Integrating Women-led Groups into the Fisheries and Coastal Livelihoods**

The Budget recognises the important role of women in the fisheries and coastal economy. Several measures have been announced to strengthen market linkages and value chains, involving start-ups, women-led groups, and Fish Farmers Producer Organisations.

• **Focused Support to Women-intensive Traditional Sectors**

The Budget also addresses India's cultural capital—the handloom and handicraft sectors—which remain heavily female-intensive. To strengthen these sectors, the Budget proposes focused support through a National Handloom and Handicraft Programme.

Complementing this is the Mahatma Gandhi *Gram Swaraj* initiative, which seeks to rebrand Khadi and traditional crafts for a global audience. This will be supported through better training, skill development, quality improvement, branding, and access to global markets.

Farmers

Despite India's rapid industrialisation and the rise of its services sector, agriculture remains the backbone of the country's economy. It provides livelihood to millions of Indians and supports a large share of the population, directly or indirectly.

However, the sector is currently navigating the challenges of climate volatility, shifting consumer preferences, and disruptive technology. Moreover, nearly 86 per cent of farmers operate on small, marginal landholdings.

Moreover, the traditional model of volume-based, staple-heavy farming has reached its limits. The sector requires a shift toward high-value, diversified, and technology-enabled agriculture.

The Budget focuses on improving productivity, encouraging diversification, and strengthening value chains. For this, the Finance Minister has proposed a series of targeted interventions designed to modernise the agrarian landscape.

- **Bharat-VISTAAR AI Tool for Farmers**

One of the most forward-looking initiatives is *Bharat VISTAAR* (Virtually Integrated System to Access Agricultural Resources), a multilingual, AI-driven agricultural platform. By synthesising massive data sets from Agri Stack and the Indian Council of Agricultural

Research (ICAR) advisory systems, the platform offers farmers a digital consultant in their pocket.

Through real-time and multilingual guidance, farmers will be able to choose suitable crops, manage pests more effectively, improve yields, and connect their produce to markets. Thus, it will turn information into a primary agricultural input, as essential as water or fertilizer.

- **Support for High-Value & Diversified Agriculture**

India's over-reliance on staples like rice and wheat has often led to market gluts and ecological strain. The Budget addresses this by incentivising high-value and diversified agriculture. Priority has been given to crops such as coconut, cocoa, cashew, sandalwood, and nut crops in hilly regions and tree crops in the North-East.

This strategy is twofold. First, these crops offer significantly higher returns per acre than traditional cereals. Second, they serve as the raw material for global processing and export markets.

- **Livestock, Dairy, Poultry & Allied Sector Boost**

In an era of climate uncertainty, a robust dairy and poultry sector provides the stable, daily cash flow that seasonal crop farming often lacks. The Budget bolsters this allied sector through credit-linked subsidies for animal husbandry, modernisation of dairy and poultry units, improved veterinary services, and the development of integrated value chains. These steps will help increase productivity, reduce losses, and ensure better returns for farmers.

- **Fisheries & Rural Employment**

The 2026-27 Budget places a significant bet on the Blue Economy to diversify rural incomes. A primary intervention is the integrated development of 500 reservoirs and *Amrit Sarovars*, transforming these water bodies into hubs for aquaculture value chains. By integrating startups and Fish Farmers Producer Organisations (FFPOs), the government aims to bridge the gap between rural catch and urban consumption.

Another critical policy lever introduced is the duty-free status for fish harvested by Indian-flagged vessels in the Exclusive Economic Zone (EEZ). This move will enhance the competitiveness of Indian seafood in the global market and incentivise domestic processing.

- **Investments in Storage and Value Chains**

One of the biggest challenges in agriculture has been post-harvest losses and weak market linkages. The Budget addresses this issue by focusing on storage, processing, and value chain development.

INCREASING FARMER'S INCOME

UNION BUDGET 2026-27

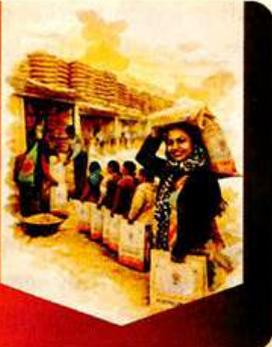
- **Bharat-VISTAAR** (Virtually Integrated System To Access Agricultural Resources): **multilingual AI tool** to enhance farm productivity, enable better decisions for farmers and reduce risk by providing customised advisory support
- **Self-Help Entrepreneur (SHE) Marts for Rural Women-led Enterprises:** Building on the success of the Lakhpati Didi Programme, SHE-Marts to be set up to help women take the next step from credit-led livelihoods to being owner of enterprises

Government of India
Department of Public and Public Distribution
Ministry of Consumer Affairs, Food and Public Distribution

PRADHAN MANTRI GARIB KALYAN ANNA YOJANA

DID YOU KNOW?

Under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), India distributes over 4 lakh metric tons of food grains every month to approximately 80 crore eligible citizens through the Public Distribution System.



Support has also been announced for the rejuvenation of coconut plantations and the establishment of new orchards. Old and unproductive coconut trees will be replaced with improved varieties to increase productivity.

Similarly, programmes have been introduced to make India self-reliant in raw cashew and cocoa production by 2030. The goal is to transform Indian Cashew and Indian Cocoa into premium global brands through enhanced processing and export linkages.

The Poor

Economic growth, however formidable, loses its lustre if its dividends fail to reach the margins of society. Over the past decade, India has made significant progress in reducing multidimensional poverty and improving living conditions.

Inclusive growth remains a central theme of the Union Budget 2026–27. The strategy for this fourth pillar is twofold: strengthen the traditional social safety net while simultaneously building ramps to the formal economy.

While rural housing, nutrition programmes, and social protection remain the bedrock of this effort, they are now coupled with interventions in skill training and micro-enterprise development. Important initiatives in this direction are as follows:

- **VB-G RAM G: Strengthening Rural Livelihoods**

One of the most important announcements under this pillar is the *Viksit Bharat* Guarantee for *Rozgar*

and *Ajeevika* Mission (*Gramin*) (VB-G RAM G). This programme builds upon and expands the earlier rural employment framework, to improve income security and create more livelihood opportunities in villages.

The scheme promises up to 125 days of guaranteed rural employment, unemployment support, along with support for projects linked to rural infrastructure, water conservation, and livelihood activities.

- **Food Security for the Poor**

Ensuring that no family goes hungry remains a core priority. The Budget strengthens food security through continued support for the *Pradhan Mantri Garib Kalyan Anna Yojana* (PMGKAY). This scheme continues to serve as a critical shield against inflation and nutritional insecurity by providing 5 kg of free foodgrains per person per month to eligible beneficiaries.

- **Nutrition Schemes**

The Budget has further strengthened nutrition and child development programmes, particularly through *Anganwadi* services and childcare initiatives. These programmes play a crucial role in improving maternal and child health, early learning, and nutrition outcomes.

- **Housing for the Poor**

Access to safe and secure housing is another important step in improving the quality of life of low-income families. It also enhances health and sanitation, and provides a sense of dignity and security. The Budget provides significant funding for affordable housing in both rural and urban areas. Allocation for rural housing has been enhanced by 69 per cent, while the urban housing has seen a staggering jump of 179 per cent.

A nation's progress is shaped not only by the pace of its growth, but by the direction in which that growth moves. The Union Budget 2026–27 seeks to provide that direction by placing youth, women, farmers, and the poor at the centre of its vision. In doing so, it recognises that development must be broad-based and participatory, reaching every section of society.

Through investments in human capability, rural transformation, social protection and enterprise, the Union Budget 2026–27 lays a clear roadmap for a *Viksit Bharat*. It also truly embodies *Sabka Saath, Sabka Vikas, Sabka Vishwas, aur Sabka Prayas*, the mantra given by Prime Minister Narendra Modi. □

(The co-author, Isha Khosla is the Director of the Department of Expenditure, Ministry of Finance, Government of India. Email: isha.khosla@nic.in)