

## Changes in the size of Gujarat state budget (with reference to last 10 years)

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### ABSTRACT

Since the establishment of the State of Gujarat, the size of the state budget has increased. The size of the first budget was only Rs 115 crore in 1960. While the size of the budget for the year 2020-2021 is Rs 214738.47 crore (increased from 115 crore to 214738.47). Along with the development of the state of Gujarat, the size of the state budget has also increased. If we talk about the year 2020-2021 as compared to the year 2011-2012, in this 10-year period, the state budget has seen an increase of Rs. 133458.49 crore and 164.20%.

**Keywords:** Budget, Gujarat budget, change in budget size

**O**n May 1, 1960, two states, Maharashtra and Gujarat, came into existence. After the formation of Gujarat, steps were taken by the government for the economic development of Gujarat. In the early days, the size of the government budget was small but as the functions of the state government increased, so did the size of the state budget. At present, the size of the state budget has exceeded Rs 2 lakh crore. It is not unreasonable to say that the size of the state budget will increase further in the future.

### Objectives

1. To check the changes in the size of Gujarat's budget in the last 10 years.
2. To check the changes made in the state budget on an annual basis.

### History of budget

**Definition** - An account of expenditure and revenue estimates to be presented by the government for the coming financial year is called a budget.

The word 'budget' is derived from the French word 'budget'. The word budget means a leather bag. The term budget is not used in the Constitution of India but Article 112 of the Constitution of India provides for an annual financial statement. The government at that level has to get the approval of the Lok Sabha, the Legislative Assembly or the local assembly before implementing its budget. As per Article 202 of the Constitution, the Minister of State for Finance Department

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presents the State Budget before the State Legislature. India's first budget was presented by James Wilson at the Council of Viceroy Canning on 18 February 1860. The first budget of independent India was presented on 26 November 1947 by Finance Minister RK Shanmukham Shetty.

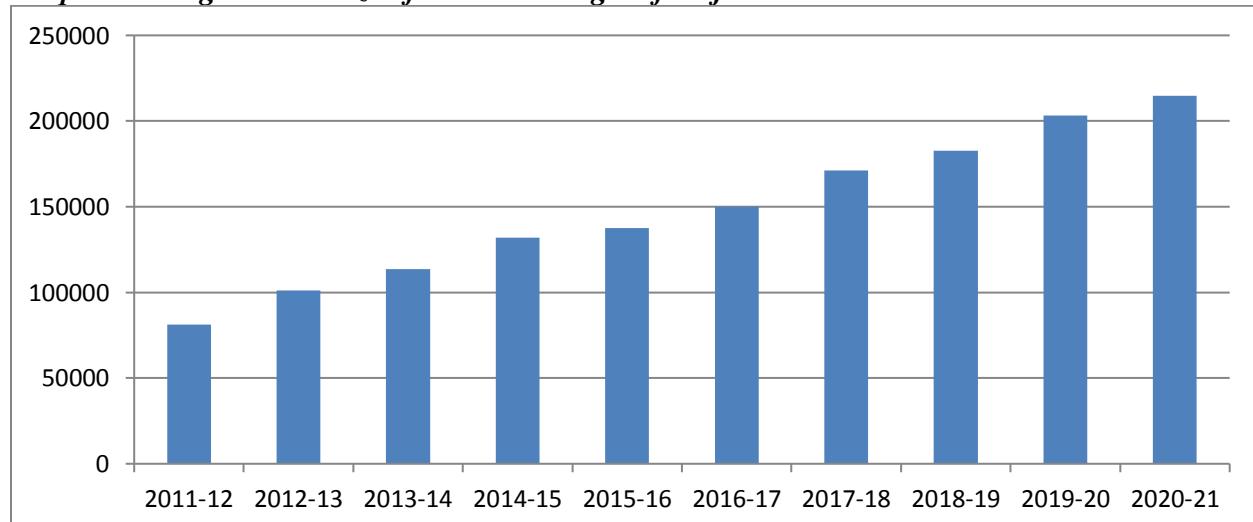
*With the changing of time, the Indian budget has undergone various reforms. Like,*

1. In 1921, the Ekworth Committee recommended that the railway budget be presented separately from the general budget. According to this recommendation, the railway budget was presented separately from the general budget from 1924. Until the year 2017-2018, the railway budget and the general budget were presented separately, but the 2017-2018 budget introduced a system of presenting the railway budget and the general budget together rather than presenting them separately.
2. Normally, the Union Budget was presented on the last day of February, but from the year 2017-18, the system of presenting the budget on February 1 has started.
3. In 2011, a committee chaired by Dr. C. Rangarajan recommended that capital and revenue expenditure be re-established in place of planned and unplanned expenditure. This recommendation has been implemented from the budget of the year 2017-18.
4. Changes in the size of the budget of the State of Gujarat.

The contribution of Gujarat State in the economic development of the country is invaluable. From the establishment of the state of Gujarat till today, the development journey of Gujarat has continued uninterruptedly. The government announces new schemes in the budget every year for the development of the state.

The state of Gujarat was formed on May 1, 1960. The first budget after the formation of the state of Gujarat was handed over to the then Chief Minister and Finance Minister Dr. Jivraj Mehta introduced the Working Legislative Assembly on 22 August 1960 at Ahmedabad. The size of first budget is only Rs 115 crore.

***Graph 1 Changes in the size of the state budget of Gujarat***



*[Reference: - Gujarat State Budget Year 2011-12 to 2020-21]*

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From the above graph 1, it can be said that the total size of Gujarat state budget in the year 2011-12 is Rs. 81279.98 crore which increased to Rs. 214738.47 crore in the year 2020-2021. Thus, in a period of ten years, the size of Gujarat state budget is increased by Rs. 133458.49 crore. In percentage terms, it can be said that the total size of the budget in 2020-21 has increased by 164.20% as compared to 2011-12.

In the budget of the year 2012-13, the total size of the state budget reached 1 lakh crore. Then in just 7 years, i.e. for the first time in the year 2019-20, the size of the state budget was Rs 2 lakh crore. It is not unreasonable to say that the size of the state budget will increase further in the future.

**Table 1 Comparison budget year to year.**

| Budget year | Total size of budget (crore) | Increase over last year (crore) |
|-------------|------------------------------|---------------------------------|
| 2011-2012   | 81279.98                     | **                              |
| 2012-2013   | 101135.01                    | 19855.03                        |
| 2013-2014   | 113483.68                    | 12348.67                        |
| 2014-2015   | 132090.75                    | 18607.13                        |
| 2015-2016   | 137667.04                    | 5576.29                         |
| 2016-2017   | 150137.87                    | 12470.83                        |
| 2017-2018   | 171071.13                    | 20933.26                        |
| 2018-2019   | 182728.16                    | 11657.03                        |
| 2019-2020   | 203146.97                    | 20418.81                        |
| 2020-2021   | 214738.47                    | 11591.05                        |

According to the above table, the budget for the year 2011-12 which was presented by Finance Minister Vajubhai Vala, the total size of this budget was 81279.98 crore. If we compare the year 2011-12 with the financial budget of 2020-21, we find that the size of Gujarat's budget has increased during these ten years. The total size of the budget for the year 2020-21 has been 214738.47 crore. 133458.19 crore in the size of the budget in the last ten years has increased. If we say this in percentage, we can say that Gujarat's budget has increased by 164.20% in ten years.

If we talk about the year 2017-18, this year's budget is Rs. 20933.26 crore as compared to the year 2016-17 has increased which can be considered as the highest increase (annual) during these ten years. Similarly, the lowest annual increase in the year 2015-16 was Rs. 5576.29 crore.

**Table 2 Comparison budget year to year in percentage.**

| Financial year | Changes from last year (in percentage) |
|----------------|--|
| 2011-2012      | **                                     |
| 2012-2013      | 24.43                                  |
| 2013-2014      | 12.21                                  |
| 2014-2015      | 16.40                                  |
| 2015-2016      | 04.22                                  |
| 2016-2017      | 09.06                                  |
| 2017-2018      | 13.94                                  |
| 2018-2019      | 06.81                                  |
| 2019-2020      | 11.17                                  |
| 2020-2021      | 05.71                                  |

## Changes in the size of Gujarat state budget (with reference to last 10 years)

As per Table-2, we get to know the amount of increase in the budget of Gujarat State every year. From Table-2 it can be concluded that the total size of Gujarat's budget has increased by 164.20% from 2011-12 to 2020-21. If we talk about the average of ten years, it can be said that it has increased by 16% every year. The highest annual increase in the budget for the year 2012-13 has been recorded. Which is 24.43%. While in the year 2015-16, the lowest annual increase of ten years has been recorded only 4.22%.

## CONCLUSION

During the year 2011-12 to the year 2020-21, a total of Rs. 133458.49 crore has been allocated in the budget of Gujarat State and an increase of 164.20%.

The size of the Gujarat state budget is expanding. The size of the first budget of the state of Gujarat was only Rs 115 crore. 214738.47 crore in the year 2020-21. Thus, the size of the state budget has been increasing every year. We know that the role of government in the development of the state has increased a lot in the present times. And special provisions have to be made for the welfare of the people. The size of Gujarat's budget has increased from Rs 1 lakh crore to Rs 2 lakh crore in the last seven years. This means that in seven years, the government has doubled the budget. We can predict that the size of the Gujarat budget will continue to increase in the future as well.

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### ***Conflict of Interest***

The author declared no conflict of interest.

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