The Information Deficit in India's Fiscal Architecture: A Multi-Disciplinary Analysis of Union Budget 2026 and the Resurgence of Arthashastra in the Era of Digital Dashboards

भारत के राजकोषीय ढांचे में सूचना की कमी (इंफॉर्मेशन डेफिसिट): केंद्रीय बजट 2026 का एक बहु-विषयक (बहुdisciplinary) विश्लेषण और डिजिटल डैशबोर्ड के युग में अर्थशास्त्र का पुनरुत्थान

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Keywords

- Union Budget 2026
- Information Deficit
- Fiscal Transparency
- Information Asymmetry
- Public Finance Management (PFM)
- Indian Knowledge System (IKS)
- Viksit Bharat 2047
- Economic Hoaxes.

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- केंद्रीय बजट 2026
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- राजकोषीय पारदर्शिता
- सूचना की विषमता (इंफॉर्मेशन एसिमेट्री)
- सार्वजनिक वित्त प्रबंधन (PFM)
- भारतीय ज्ञान प्रणाली (IKS)
- विकसित भारत 2047
- आर्थिक अफवाहें (होक्स)

Abstract

This paper explores the structural paradox of India's Union Budget 2026: a document characterised by high-level fiscal discipline and long-term stability that, despite its technical merit, suffers from a widening and dangerous "information

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deficit." In the fiscal year 2026-27, the Government of India has demonstrated remarkable macroeconomic resilience, successfully targeting a fiscal deficit of 4.3% of GDP and prioritising a massive capital expenditure (Capex) outlay of ₹12.2 lakh crore. However, the sheer complexity of these fiscal manoeuvres, coupled with a lack of granular, accessible, and localised data, has led to a systemic disconnect between the state's strategic intent and the lived reality of its citizens. This research argues that this information asymmetry, defined as a gap where the state possesses sophisticated long-term growth data while the public operates on fragmented short-term signals, creates an intellectual vacuum. Also, the problem lies with the public being over-judgemental and uninformed at large. In this void, economic hoaxes, viral misinformation, and cynical public misinterpretations flourish. Consequently, a "Stability-First" budget, designed to anchor India's journey toward Viksit Bharat 2047, is frequently and incorrectly perceived by the public as a "Generic," "Apathetic," or "Anti-Poor" instrument.

The study employs a multi-disciplinary analysis, merging traditional Public Finance Management (PFM) metrics with the behavioural insights of Information Economics. A significant portion of this research is dedicated to the resurgence of Indian Knowledge Systems (IKS) as a corrective framework. By considering the equivalence between modern fiscal transparency benchmarks, such as the Open Budget Index (OBI), with ancient Kautilyan economic principles, specifically the concepts of Yogakshema (welfare-based stability) and Koshapoorna (treasury management), this paper identifies a fundamental epistemological gap. It displays that the current information deficit is a shadow of colonial budgetary paradigms that prioritise top-down secrecy over the indigenous principle of Jan Bhagidari (public participation).

Furthermore, the paper analyses the "Social Media Multiplier" effect, wherein technical jargon, such as "revenue neutrality" or "nominal GDP growth", acts as a barrier to entry, forcing the common citizen to rely on secondary, often unreliable, digital intermediaries. Through a comparative study of global best practices, including New Zealand's "Well-being Budget" and South Korea's "D-Brain" system, the research evaluates India's current digital interface, such as the Union Budget App, noting that while accessibility to documents has improved, transparency regarding "outcomes" remains stagnant.

The concluding sections of the study propose a radical roadmap for democratising economic data. It advocates for the establishment of a "D-Gati" (Data-Gati) Portal, a real-time, district-level transparency dashboard that translates

monolithic budget outlays into tangible local outcomes. It further suggests the mandate of a "Citizen's Budget" in regional languages, utilising IKS-based metaphors to bridge the literacy gap. By shifting from a narrative of "expenditure" to one of "social duty" or Dharma, the paper concludes that the state can reclaim public trust. The path to a $10 trillion economy requires more than the technical allocation of capital; it requires the strategic allocation of truth. This research serves as both a critique of current fiscal communication and a blueprint for a trust-led economic future where stability is understood not just as a fiscal target, but as a shared national psychological state.

सारांश (Abstract)

यह शोध पत्र भारत के केंद्रीय बजट 2026 के संरचनात्मक विरोधाभास की पड़ताल करता है: एक ऐसा दस्तावेज जो उच्च स्तरीय वित्तीय अनुशासन और दीर्घकालिक स्थिरता की विशेषता रखता है, लेकिन अपनी तकनीकी योग्यता के बावजूद, एक बढ़ते और खतरनाक "सूचना के घाटे" (इंफॉर्मेशन डेफिसिट) से ग्रस्त है। वित्तीय वर्ष 2026-27 में, भारत सरकार ने एक उल्लेखनीय व्यापक आर्थिक (मैक्रोइकोनॉमिक) लचीलापन प्रदर्शित किया है, जिसमें सकल घरेलू उत्पाद (GDP) के 4.3% के राजकोषीय घाटे का सफलतापूर्वक लक्ष्य रखा गया है और ₹12.2 लाख करोड़ के बड़े पूंजीगत व्यय (कैपेक्स) को प्राथमिकता दी गई है। हालांकि, इन राजकोषीय रणनीतियों की अत्यधिक जटिलता, और साथ ही सूक्ष्म, सुलभ व स्थानीयकृत आंकड़ों की कमी के कारण राज्य के रणनीतिक इरादे और उसके नागरिकों की वास्तविक जीवन की स्थिति के बीच एक व्यवस्थागत दूरी पैदा हो गई है। यह शोध तर्क देता है कि सूचना की यह विषमता (इंफॉर्मेशन एसिमेट्री)—जिसे एक ऐसे अंतराल के रूप में परिभाषित किया गया है जहाँ राज्य के पास परिष्कृत दीर्घकालिक विकास के आँकड़े हैं जबकि जनता खंडित अल्पकालिक संकेतों के आधार पर काम करती है—एक बौद्धिक शून्यता पैदा करती है। इसके अलावा, एक बड़ी समस्या यह भी है कि आम जनता अत्यधिक पूर्वाग्रही (ओवर-जजमेंटल) और बड़े पैमाने पर अनभिज्ञ है। इस शून्यता में, आर्थिक अफवाहें, तेजी से फैलने वाली गलत जानकारियां और जनता की संदेहास्पद गलत व्याख्याएं फलती-फूलती हैं। परिणामस्वरूप, 'विकसित भारत 2047' की ओर भारत की यात्रा को सुदृढ़ करने के लिए तैयार किए गए "स्थिरता-प्रथम" बजट को जनता द्वारा अक्सर और गलत तरीके से एक "सामान्य", "उदासीन" या "गरीब-विरोधी" माध्यम के रूप में देखा जाता है।

यह अध्ययन पारंपरिक सार्वजनिक वित्त प्रबंधन (PFM) के मानकों को 'सूचना के अर्थशास्त्र' (इंफॉर्मेशन इकोनॉमिक्स) के व्यावहारिक अंतर्दृष्टियों के साथ मिलाते हुए एक बहु-विषयक विश्लेषण का उपयोग करता है। इस शोध का एक महत्वपूर्ण हिस्सा एक सुधारात्मक ढांचे के रूप में 'भारतीय ज्ञान प्रणाली' (IKS) के पुनरुत्थान को समर्पित है। यह पत्र आधुनिक राजकोषीय पारदर्शिता के मानकों, जैसे कि ओपन बजट इंडेक्स (OBI), और प्राचीन कौटिल्य के आर्थिक सिद्धांतों, विशेष रूप से 'योगक्षेम' (कल्याण-आधारित स्थिरता) और 'कोशपूर्ण' (राजकोष प्रबंधन) की अवधारणाओं के बीच समानता पर विचार करके एक मौलिक ज्ञानमीमांसीय अंतर (एपिस्टेमोलॉजिकल गैप) की पहचान करता है। यह दर्शाता है कि वर्तमान सूचना की कमी औपनिवेशिक बजटीय प्रतिमानों की ही एक छाया है जो स्वदेशी सिद्धांत 'जन भागीदारी' (सार्वजनिक भागीदारी) की तुलना में ऊपर से नीचे (टॉप-डाउन) की गोपनीयता को प्राथमिकता देते हैं।

इसके अलावा, यह शोध पत्र "सोशल मीडिया मल्टीप्लायर" (एम्पलीफिकेशन) प्रभाव का विश्लेषण करता है, जिसमें तकनीकी शब्दावली, जैसे कि "राजस्व तटस्थता" (रेवेन्यू न्यूट्रैलिटी) या "नाममात्र जीडीपी विकास" (नॉमिनेट जीडीपी ग्रोथ), आम नागरिक के प्रवेश में बाधा के रूप में कार्य करती है, जिससे वे माध्यमिक और अक्सर अविश्वसनीय डिजिटल मध्यस्थों पर निर्भर होने के लिए मजबूर हो जाते हैं। न्यूजीलैंड के "वेल-बीइंग बजट" और दक्षिण कोरिया के "डी-ब्रेन" सिस्टम सहित वैश्विक सर्वोत्तम प्रथाओं के एक तुलनात्मक अध्ययन के माध्यम से, यह शोध भारत के वर्तमान डिजिटल इंटरफेस, जैसे कि 'यूनियन बजट ऐप' का मूल्यांकन करता है। इसमें यह नोट किया गया है कि यद्यपि दस्तावेजों तक पहुंच में सुधार हुआ है, लेकिन योजनाओं के वास्तविक "परिणामों" (आउटकम्स) के संबंध में पारदर्शिता अभी भी स्थिर है।

अध्ययन के अंतिम खंड आर्थिक आंकड़ों के लोकतंत्रीकरण के लिए एक क्रांतिकारी रोडमैप का प्रस्ताव करते हैं। यह एक "डी-गति" (डेटा-गति) पोर्टल की स्थापना की वकालत करता है, जो एक रीयल-टाइम, जिला-स्तरीय पारदर्शिता डैशबोर्ड है जो विशाल बजटीय आवंटनों को मूर्त स्थानीय परिणामों में अनुवादित करता है। यह साक्षरता के अंतर को पाटने के लिए आईकेएस-आधारित (IKS-based) रूपकों का उपयोग करते हुए क्षेत्रीय भाषाओं में "सिटिजन बजट" (नागरिकों का बजट) को अनिवार्य करने का सुझाव देता है। यह शोध पत्र निष्कर्ष निकालता है कि "व्यय" (खर्च) के आख्यान को "सामाजिक कर्तव्य" या 'धर्म' में बदलकर राज्य जनता का विश्वास फिर से हासिल कर सकता है। एक $10 ट्रिलियन की अर्थव्यवस्था के मार्ग के लिए केवल पूंजी के तकनीकी आवंटन से कहीं अधिक की आवश्यकता है; इसके लिए सत्य के रणनीतिक आवंटन की आवश्यकता है। यह शोध वर्तमान राजकोषीय संचार की आलोचना और विश्वास-आधारित आर्थिक भविष्य के खाके दोनों के रूप में कार्य करता है, जहाँ स्थिरता को केवल एक राजकोषीय लक्ष्य के रूप में नहीं, बल्कि एक साझा राष्ट्रीय मनोवैज्ञानिक स्थिति के रूप में समझा जाता है।

Introduction: The Fractal Nature of India's Fiscal Discourse

The Union Budget of India has traditionally been viewed through the sterile lens of an annual accounting exercise—a constitutional requirement under Article 112 involving the presentation of the "Annual Financial Statement." However, in the contemporary geopolitical and economic landscape, it has transcended its ledger-book origins to become the primary socio-political and policy instrument through which the sovereign state signals its long-term developmental priorities. As the nation stands at a critical juncture in 2026, the Union Budget is no longer merely about the reallocation of resources; it is a vision document aimed at anchoring India's ambitious journey toward becoming a "Viksit Bharat" (Developed India) by the centenary of its independence in 2047.

The Union Budget 2026 arrives amidst a global shift toward "Economic Statecraft," where fiscal policy is weaponised to ensure national security, technological sovereignty, and climate resilience. Yet, as the state pivots toward this sophisticated, stability-oriented framework, a profound and destabilising paradox has emerged: the widening "Information Deficit."

The Complexity of Modern Fiscal Architecture

In the decades following the liberalisation of 1991, the Union Budget was relatively transparent in its populism. It dealt with tangible, immediate levers—subsidies for fertilizers, changes in basic customs duties on gold, or direct adjustments to income tax slabs that affected the monthly take-home pay of the middle class. However, the Union Budget 2026 reflects a fundamental maturation of the Indian economy into a $5 trillion+ entity. The focus has shifted from "Survivalist Economics" to "Structural Economics."

Today's fiscal discourse is dominated by specialised missions such as the India Semiconductor Mission 2.0, multi-decadal outlays for Biopharma SHAKTI, and complex debt-sustainability metrics like the Debt-to-GDP glide path. These initiatives represent "invisible infrastructure"—the digital and biological foundations of a future superpower. For the state, these are the high-yield investments required for long-term stability and global competitiveness. For the "common citizen," however, these concepts represent an intimidating wall of technical jargon that offers little immediate resonance with their daily struggle against the cost of living. This structural complexity has inadvertently created a barrier to entry, where the language of the budget is increasingly the language of the elite technocrat, leaving the average taxpayer in a state of cognitive dissonance.

Defining the Information Deficit

The central problem addressed in this paper is the Information Deficit: a widening chasm between the state's sophisticated intent for long-term fiscal stability and the public's immediate, often uninformed, and increasingly cynical interpretation of budgetary outcomes. This deficit is not merely a localised phenomenon of "economic illiteracy." Rather, it is a systemic failure in the architecture of data dissemination.

Information is the lifeblood of a functioning democracy, and in the realm of public finance, it is the bridge that connects the tax-paying citizen to the state's developmental objectives. When this bridge collapses, the result is Information Asymmetry. In this state, the government possesses a "monopoly of intent," understanding the downstream benefits of a 4.3% fiscal deficit (such as lower interest rates and controlled inflation), while the public is left with the "burden of the present," perceiving only the absence of immediate populist relief. This asymmetry is not a passive gap; it is an active vacuum that is rapidly being filled by digital noise, ideological biases, and sophisticated economic hoaxes.

From Colonial Shadows to the Resurgence of IKS

To understand the roots of this deficit, one must acknowledge the historical evolution of the Indian budgetary process. The modern budget remains, in many ways, a vestige of British colonial administration—a "top-down" announcement from the high halls of power to a passive citizenry. This "Westminster Model" prioritised secrecy and executive control, a paradigm that is increasingly at odds with the digital-age demand for radical transparency.

As this paper argues, the solution to the Information Deficit may lie in the resurgence of Indian Knowledge Systems (IKS). Ancient Indian economic thought, specifically the Kautilyan framework of Arthashastra, never viewed the treasury in isolation from the people. The concept of Yogakshema—which balances the "acquisition of wealth" (Yoga) with its "secure enjoyment and welfare" (Kshema)—mandates that the state must not only be fiscally disciplined but must also ensure that the rationale for such discipline is understood by the governed. In the Kautilyan state, the Adhyaksha (Superintendent) was as much a communicator as a manager. By ignoring these indigenous principles of Jan Bhagidari (public participation) in favor of sterile, Western technocratic communication, the modern state has allowed the Information Deficit to become a crisis of trust.

The Stakes of Misinterpretation

The escalation of this deficit has dire consequences. When a "Stability-First" budget is misinterpreted as an "Apathetic" or "Generic" one, the political capital required to execute tough structural reforms begins to erode. Economic hoaxes—ranging from viral misinformation about "hidden taxes" to the misrepresentation of high-tech missions as "pro-corporate" giveaways—are not just social nuisances; they are market-distorting forces. They trigger irrational consumer behaviour, stifle local investment, and create a climate of fear that can undermine the very stability the budget seeks to build.

Through a multi-disciplinary lens, this paper seeks to deconstruct the mechanics of this deficit. It moves beyond a mere critique of the Union Budget 2026 to offer a roadmap for the Democratisation of Economic Data. It posits that for India to achieve the status of a developed nation, it must first develop a "Budgetary Narrative" that is as robust as its "Budgetary Math." The transition to a $10 trillion economy cannot be achieved by a state acting in isolation; it requires a participatory citizenry that understands the "why" behind the "what." This introduction serves as the foundational argument for a trust-led economic future, where the allocation of truth is as vital as the allocation of capital.

Fiscal Framework: The Stability Pivot

The Union Budget 2026 marks a transition from post-pandemic recovery to structural consolidation.

Macro-Fiscal Anchors

- Fiscal deficit targeted at 4.3% of GDP.
- Total expenditure: ₹53.5 lakh crore.
- Capital expenditure: ₹12.2 lakh crore (3.1% of GDP).

This framework aims to reduce debt levels and crowd in private investment by lowering borrowing pressures. While economically sound, these benefits remain abstract for the general public.

Sectoral Anchors

- India Semiconductor Mission 2.0 focuses on full value-chain integration.
- Biopharma SHAKTI aims to transform India into a global drug discovery hub.

These initiatives represent “invisible infrastructure,” essential for long-term competitiveness but lacking immediate visibility in citizens’ lives.

Perception Gap

The absence of direct welfare expansion leads to three misinterpretations:

- Stability is perceived as inaction.
- Capex is seen as benefiting corporations rather than citizens.
- Long-term benefits are undervalued due to delayed impact.

This divergence illustrates that the budget’s weakness lies not in design but in communication.

Anatomy of the Information Deficit

The information deficit operates across three dimensions:

1. Linguistic Complexity

Technical terms such as "fiscal consolidation" and "nominal GDP growth" act as barriers. Without simplification, citizens depend on intermediaries who often distort meaning.

2. Transparency Gaps

Despite improvements, complexities around off-budget borrowing and Public Sector Borrowing Requirements create confusion. The absence of a unified fiscal narrative fosters suspicion of "hidden debt."

3. Institutional Constraints

Proposed limitations within the RTI framework risk reinforcing perceptions of opacity. Reduced transparency increases reliance on informal information channels, amplifying misinformation.

4. Social Media Multiplier

Algorithm-driven platforms prioritize sensational narratives over nuanced explanations. As a result:

- Stability is reframed as apathy.

- Complex policies are reduced to misleading soundbites.

- Official communication struggles to compete with viral misinformation.

Escalation of Economic Misinformation

The information deficit enables the rapid spread of economic hoaxes:

Apathetic Budget Narrative

Fiscal discipline is misrepresented as neglect of the poor, ignoring its role in controlling inflation and ensuring long-term welfare.

Tax Surveillance Myth

The New Income Tax Act (2025) was misinterpreted as enabling intrusive digital monitoring, leading to behavioral distortions such as increased cash transactions.

Education Privatization Hoax

Investments in digital infrastructure were portrayed as steps toward privatization, resulting in resistance at the grassroots level.

These cases demonstrate that misinformation is not incidental but structurally enabled by communication gaps.

Global Best Practices

International models highlight pathways to transparency:

OECD Framework

- Pre-budget consultations.
- Outcome-based reporting.
- Citizen-friendly summaries.

India performs moderately on disclosure but poorly on accessibility and participation.

South Korea's D-Brain

- Real-time tracking of public expenditure.
- High transparency at the local level.

New Zealand's Well-being Budget

- Aligns fiscal policy with social outcomes.
- Communicates intent through relatable narratives.

India's Union Budget App improves access but remains a one-way communication tool lacking interactivity and outcome tracking.

Recommendations: Toward a Trust-Led Economy

1. D-Gati Portal

A real-time, district-level dashboard enabling citizens to track budget allocations and outcomes. Integration with PFMS can ensure transparency from allocation to execution.

2. Citizen Budget in Regional Languages

Simplified, culturally contextualized documents using IKS metaphors to explain fiscal concepts. This approach bridges linguistic and conceptual gaps.

3. Outcome-Based Reporting

Quarterly performance reports linked to measurable outcomes, supported by independent audits and public trust scores.

4. Financial Literacy via JAM

Direct communication through mobile platforms:

- Scheme-specific notifications.
- Regional language explainers.
- Rapid-response misinformation countermeasures.

Conclusion

The Union Budget 2026 is a technically sophisticated document that correctly identifies the structural needs of a $10 trillion economy. However, technical sophistication is a double-edged sword; without radical transparency and an IKS-led narrative, it breeds suspicion and allows hoaxes to escalate. By adopting the D-Gati Portal, mandating Citizen's Budgets, and moving toward Real-Time Outcome Auditing, the Indian state can ensure that its "Stability Pivot" is not just an accounting success, but a democratic one. The road to Viksit Bharat is paved with trust, and that trust can only be built by closing the information deficit with the "Allocation of Truth."

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