

Budget Delay

Why in news?

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The representations of several opposition political parties seek a postponement of the revised Budget date, which is scheduled earlier this year.

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What is the current move?

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- The Union Budget is generally presented on the last day of February.
- The current government announced that the current year's budget will be presented on the 1st of February.

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Why was it opposed?

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- The Opposition's argument is that the Budget for 2017-18 is scheduled to be presented too close to Assembly elections in five states.
- This move might circumvent the EC's model code of conduct and use the Budget to announce sops for the states in question.

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What was the government's response?

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- The matter was taken to EC and it had asked the government to respond on the question of delaying the Budget.

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- The government stood by its decision to present the Union Budget on February 1.

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Why is delaying not recommended?

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- **Date of announcement** - The commission announced the dates of Assembly elections only at the start of 2017, after the declaration by the government about the revised date for the Budget.

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- If EC thought that an early Budget would in any way jeopardise the election result, it could have chosen a different date.

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- **Efficiency** - The Budget used to be passed by the middle of May. This affects the expenditure during the first six weeks. Scheduling earlier will allow the government to have the Budget passed before the start of the financial year.

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- **Time Saving** - An early Budget also does away with a vote on account and saves Parliament from a lot of procedural hassles and time wastage.

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- **Constitutional requirement** - Just like the Assembly elections, the annual Budget is also a Constitutional requirement. It need not be be disrupted every time an Assembly election is due to take place.

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- The Union Budget is for the whole country, not for any one particular state. By convention, the central government avoids announcing any scheme or policy related to these poll-bound states.

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- To avoid such confusion there must **be coordination between the EC and the Union government** in future.

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Category: Mains | GS - II | Polity

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Source: Business Standard

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