

# **Restoring Social Security**

## **Effect of the ArthaKranti Proposal and Social Security Allowance**

### **Current Reality**

- While a limited section of the population is enjoying the opportunities and benefits of globalization, a huge mass is unable even to survive with dignity
- There is the undeniable chasm between the Haves and Have-nots, being widened by the pressures on the national economy due to globalization.
- The consequences of this extreme socio-economic disparity are on the rise (farmers' suicides, naxalism, terrorism, divisive tendencies, weakened law and order, rampant corruption)
- The governance at any level is unable to take care of the real downtrodden, primarily due to lack of revenue
- Noble intentions of Social Welfare, even well-meaning laws (for e.g. Child employment related) can not be brought into reality
- At the bottom of the socio-economic pyramid, there is a very limited purchasing power available. The various subsidies do not reach the intended beneficiaries. All such Social Welfare schemes tend to get bogged down by corruption. And these indirect schemes do not address the crippling reality of inadequate capital/credit supply to the poor class of the economy.

## The Social Security Allowance (SSA) Proposal

- A Social Security Identification (SSID) is issued to every Indian Citizen
- To begin with, **the beneficiaries** of the Social Security Allowance Scheme will be **all adult citizens of India beneath the poverty line**
- For every deserving adult, a fixed amount (as per DA), Social Security Allowance, will be credited every month into a unique bank account linked to the SSID
  - Say Rs. 2,000/ pm -- Based on Food (Rs. 900/-) + Shelter (Rs. 500/-) + Clothing (Rs. 300/-) + Health (Rs. 300/-)
- Government will **remove all non-merit subsidies** thus freeing up revenue to pay the Social Security Allowance to the deserving citizens
- All Social Security Allowance beneficiaries can get a credit of up to Rs. 50,000/- from the banks
- Uniform implementation throughout the country
- Restrictions to ensure correct usage
  - No rights to SSA beneficiaries on income from hereditary property
  - SSA amount can not be used as a security against any other loan

### Calculations

In the first phase, **SSA** Scheme will be implemented for people below poverty line.

Number of people below poverty line (monthly income below Rs. 300/-) is 30 Crores

Total monthly expenditure = Rs. 2,000 \* 30 Crores = Rs. 60,000 Crores

Total yearly expenditure = Rs. 60,000 Crores \* 12 = Rs. 7,20,000 Crores

Excluding current expenditure of the Government on account of subsidies of Rs. 1,50,000 Crores, additional yearly expenditure will be Rs. 5,70,000 Crores

Considering current national income of Rs. 40,00,000 Crores, **SSA Scheme** outlay comes out to be ~15% of the national income.

## **Effects of the Social Security Allowance (SSA) Proposal**

- Immediate answer to farmers' suicides
- An end to the fight for existence, *leading to* decreased rebellious tendencies, extremism, increased peaceful creativity
- Decreased opportunities for corruption will mean that the Benefits of Social Welfare Schemes reach the Intended/Targeted Population
- Increased credit availability to last citizen – this is the real availability of micro-credit
- Increased use of banking system and increased credit registration and establishment of credibility of every citizen
- Increased money through banking system across the nation
- Increased purchasing power implies increased demand for goods. At the first instance, more than 30 Crore consumers of basic needs added to marketplace. This will lead to increase in demand and hence increase in the employment
- Increased Purchasing Power and funds in rural households will mean increased desire for and ability to build better homes. There will be a boom in the rural construction leading to benefits like decreased homelessness, increased demand for steel, cement and increased employment.
- This will decrease the disparity of growth rates in rural and urban areas
- Decreased migration to cities from hinterland, increased opportunities in rural area. This implies decreased pressure on urban areas and will in turn also lead to increased quality of life in the cities.
- This will lead to a balanced development of the entire nation
- Basic quality of life is assured for every citizen. Hence India can truly be called a Developed Nation
- Effective implementation of child welfare laws and schemes
- Overall wellbeing will be the focus leading to reduction in social / religious tensions