

RAHUL GANDHI: 'RAHUL'S MINIMUM INCOME PLAN'S ANNUAL COST RS 3.6 LAKH CR'

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

[Congress](#) President [Rahul Gandhi](#)'s latest announcement to provide to Rs 72,000 per annum to 5 crore households, if implemented, is likely to have a major impact on the country's exchequer, costing a huge Rs 3.6 lakh crore per annum, according to [economists](#).

Under the 'Nyay' scheme, Gandhi said the Congress will provide Rs 72,000 per annum to 20 per cent poorest families in the country. The scheme will benefit 5 crore families and 25 crore individuals directly, he said.

While the Congress chief initially said the "minimum income line" is Rs 12,000 per annum and the scheme will benefit individuals earning less than that, he subsequently clarified that the scheme will supplement the income of the poor if it is less than Rs 12,000 per month.

"The minimum income line is Rs 12,000 per month. Whatever the difference -- say the income is Rs 6,000 -- we will top it up. Those who earn less than Rs 12,000, we will take their earnings to Rs 12,000," Gandhi said.

Economists are of the opinion that the party should come out with the details of the scheme, observed that such a scheme would have a significant pressure on the economy.

N.R. Bhanumurthy, professor at National Institute of Public Finance and Policy, said that it could be a scheme wherein some of the non-functioning welfare schemes are subsumed. Such a plan may work, he added.

Criticising the announcement, economist Surjit Bhalla tweeted: "Is RG's #MinimumIncomeGuarantee a game changer or absurd beyond compare? The idea is fundamentally flawed and so beyond compare."

In defence of the announced scheme, former Finance Minister and Congress leader P. Chidambaram said in a tweet: "We have consulted economists, this is doable, and we will adhere to fiscal discipline."

"Every family in the poorest 20 per cent will be given an income support of Rs 6,000 a month," he said.

[Congress](#) President [Rahul Gandhi](#)'s latest announcement to provide to Rs 72,000 per annum to 5 crore households, if implemented, is likely to have a major impact on the country's exchequer, costing a huge Rs 3.6 lakh crore per annum, according to [economists](#).

Under the 'Nyay' scheme, Gandhi said the Congress will provide Rs 72,000 per annum to 20 per cent poorest families in the country. The scheme will benefit 5 crore families and 25 crore individuals directly, he said.

While the Congress chief initially said the "minimum income line" is Rs 12,000 per annum and the scheme will benefit individuals earning less than that, he subsequently clarified that the scheme will supplement the income of the poor if it is less than Rs 12,000 per month.

"The minimum income line is Rs 12,000 per month. Whatever the difference -- say the income is Rs 6,000 -- we will top it up. Those who earn less than Rs 12,000, we will take their earnings to Rs 12,000," Gandhi said.

Economists are of the opinion that the party should come out with the details of the scheme, observed that such a scheme would have a significant pressure on the economy.

N.R. Bhanumurthy, professor at National Institute of Public Finance and Policy, said that it could be a scheme wherein some of the non-functioning welfare schemes are subsumed. Such a plan may work, he added.

Criticising the announcement, economist Surjit Bhalla tweeted: "Is RG's #MinimumIncomeGuarantee a game changer or absurd beyond compare? The idea is fundamentally flawed and so beyond compare."

In defence of the announced scheme, former Finance Minister and Congress leader P. Chidambaram said in a tweet: "We have consulted economists, this is doable, and we will adhere to fiscal discipline."

"Every family in the poorest 20 per cent will be given an income support of Rs 6,000 a month," he said.

END

Downloaded from crackIAS.com

© **Zuccess App** by crackIAS.com

CrackIAS