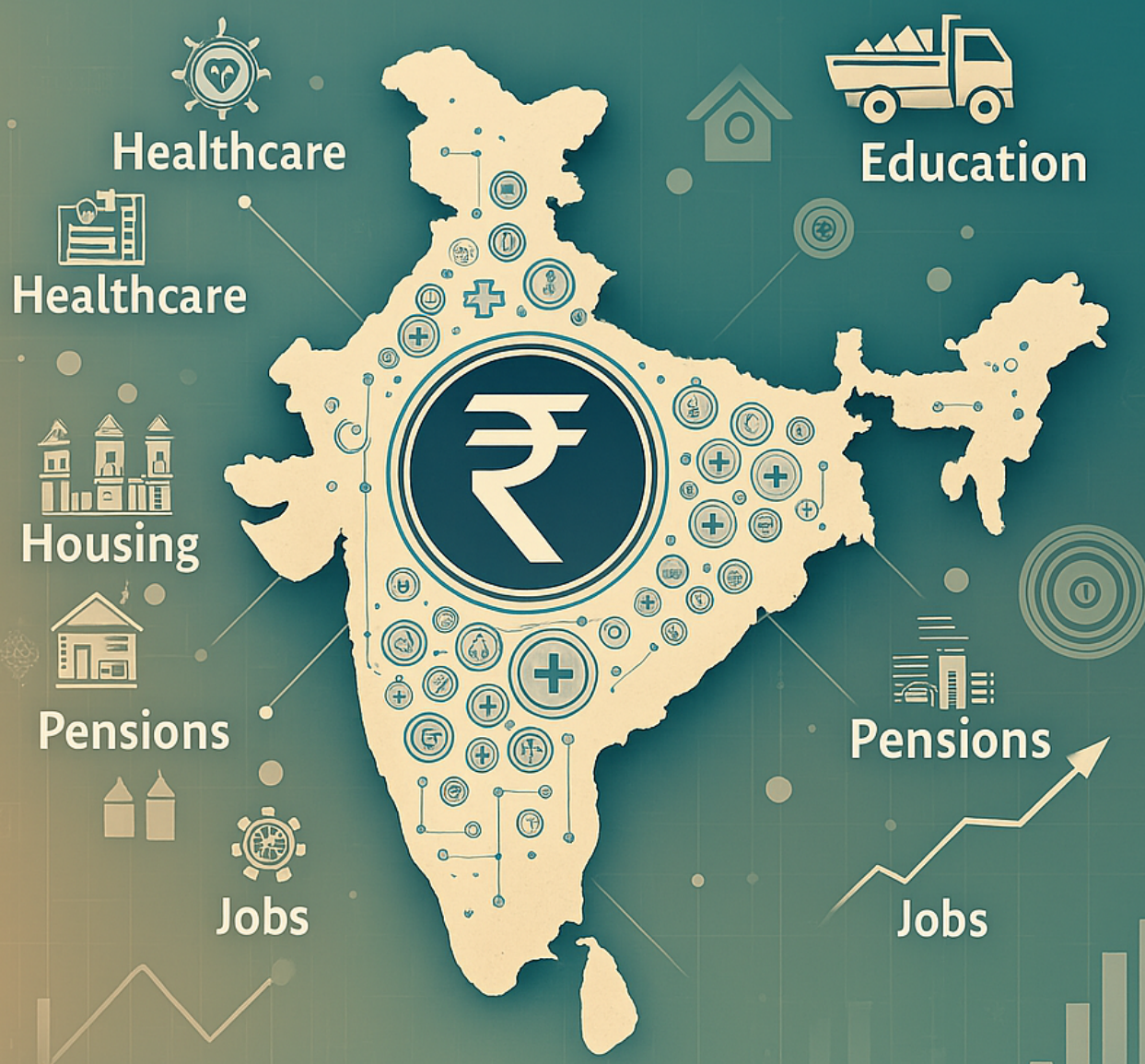


# India's Rs 29.6 Lakh Crore Question: Can Welfare Drive Growth?

A Simulation-Based Policy Insight by Dr. Rajesh S. Kempegowda | [rajeshsk76@gmail.com](mailto:rajeshsk76@gmail.com)

# India's ₹29.6 Lakh Crore Question: Can Welfare Drive Growth?

A SIMULATION BASED POLICY INSIGHT



Dr. Rajesh S. Kempegowda

As India charts its path toward a \$10 trillion economy, there's a pressing question we must ask:

What if we allocated 10% of our GDP - Rs 29.6 lakh crore - toward building a comprehensive welfare state?

To explore this, I developed a simulation model using Python in Google Colab, projecting how such a welfare-driven approach would impact GDP, taxation, and fiscal gaps between 2025 and 2035.

#### SIMULATION ASSUMPTIONS:

- Base Year GDP (2024-25): Rs 296.6 lakh crore
- Welfare Budget: Rs 29.6 lakh crore (10% of GDP)
- Effective GST Rate: 11.6%
- Nominal GDP Growth: 7% annually
- Welfare Multiplier: Every Rs 1 spent adds Rs 2 to taxable consumption

#### WELFARE ALLOCATION COVERS:

1. Social Security (BPL families, elderly, single women)
2. Unemployment Benefits
3. Minimum Wage Employment Programs
4. Universal Pension Scheme
5. Public Healthcare Access for All
6. Minimum Food and Nutrition Security

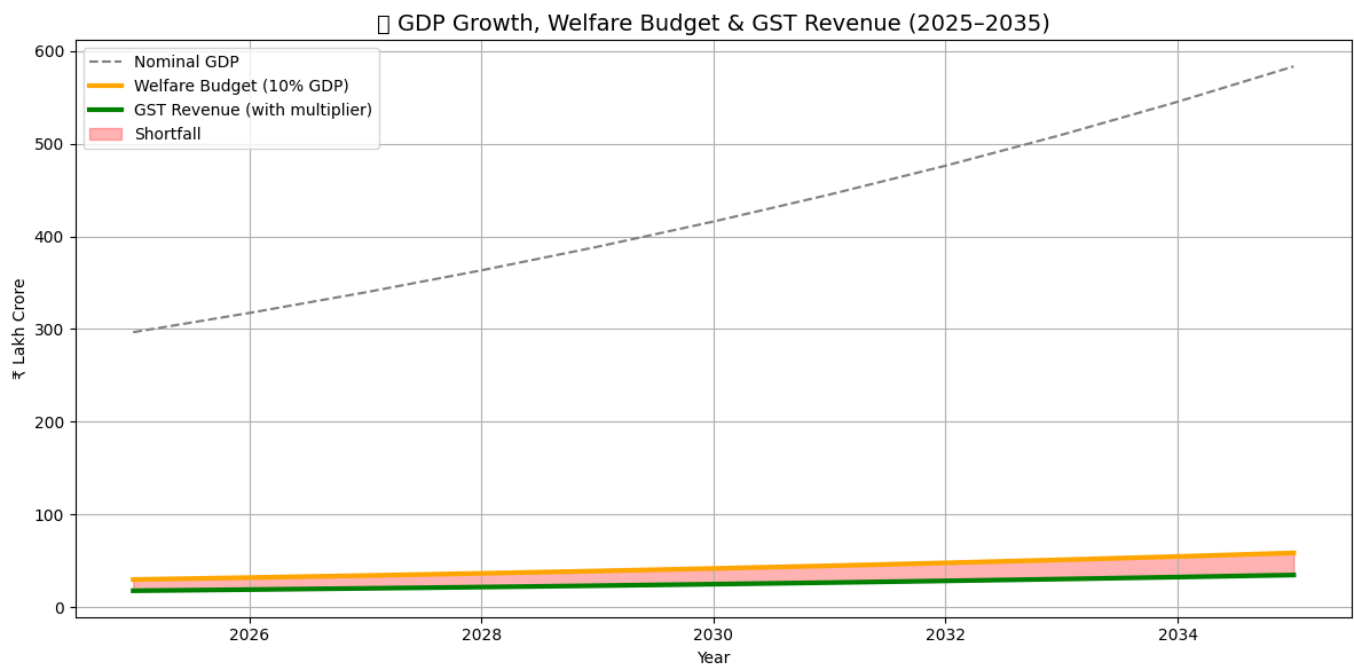
#### KEY FINDINGS (2025-2035):

- GDP doubles in 10 years (Rs 296.6L Cr -> Rs 583L Cr)
- Welfare budget scales with GDP, remaining at 10%
- GST revenue grows with multiplier effect
- Fiscal gap narrows from ~Rs 18.9L Cr to ~Rs 6-10L Cr
- Consumption boost benefits MSMEs, rural markets, and service sectors

#### POLICY ADVANTAGES:

- Welfare stimulates economic demand - it's not just a cost

- Smart tax expansion, not just rate hikes
- Digital infrastructure (Aadhar, DBT, UPI) ensures effective targeting
- Carbon/wealth/transaction taxes help fill revenue gaps
- Welfare is not charity - it's a strategic investment in India's future



## WHAT'S NEXT:

I'm building a public Clojure-based dashboard to make this simulation interactive for policymakers, developers, and researchers.

Request access to:

- Google Colab Notebook
- GitHub repository (coming soon)
- Visualization Dashboard (under development)

Let's collaborate - whether you're in government, academia, or grassroots development.

Email: [rajeshsk76@gmail.com](mailto:rajeshsk76@gmail.com)