

Welfare Financing as Benefit Taxation

Dr. Muhammed Riyas MP
RV University, Bangalore

The discourse around the funding of welfare schemes

- Market Distortion
- Fiscal Profligacy
- Populism

Alternative approaches

- Inequality as a social externality
- Backward – forward linkages of social schemes
- Compensation for lower foot print
- The socio-cultural and identity values

Five schemes of Karnataka state government

- Gruha Jyothi Scheme: Every home will get 200 units of free power from July 1. Those who have cleared their past electricity bills are eligible for this scheme.
- Gruha Lakshmi Scheme: Any household that has a woman as the head of family will ₹ 2,000 every month starting August 5. Women from below poverty line (BPL) and other economically weaker families are eligible.
- Yuva Nidhi Scheme: Unemployed graduates in Karnataka will get an allowance of ₹ 3,000 per month. Unemployed diploma holders will get ₹ 1,500 per month.
- Anna Bhagya Scheme: BPL families will get 10 kg rice for free from July 1.
- Shakti Scheme: Free travel in government buses within the state for women from June 11.

Benefit Principle of taxation!

- In taxation, the benefit principle is a principle based on the notion that those who benefit more from government expenditure or spending should pay more taxes than those that do not. This principle is one that outlines what government expenditure should be tailored at and those that should pay for them. Hence, individuals who are direct consumers of services provided through public financing are expected to pay more taxes than other people. The benefit principle is sometimes compared to prices paid in private transactions because they serve similar purposes. Implementation of this principle would mean that resources allocated for public projects will be based on the response of consumers in terms of payment of taxes.
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Karnataka, India free bus scheme for women

- Karnataka Shakti Scheme is flagship scheme of Government of Karnataka.
- It was launched in the year 2023.
- The main objective behind launching Shakti Scheme is to empower women financially by providing them free of cost bus service.
- Under Karnataka Shakti Scheme, Free of Cost Bus Ride across Karnataka will be provided to all women beneficiary of Karnataka State.
- Free of Cost Bus Service under Shakti Scheme will only provide in the below mentioned transport corporation buses :-
 - Karnataka State Road Transport Corporation. (KSRTC)
 - Bangalore Maha Nagar Transport Corporation. (BMNTC)

Karnataka, India free bus scheme for women

- North West Karnataka Road Transport Corporation. (NWKRTC)
- Kalyan Karnataka Road Transport Corporation. (KKRTC)
- Free Travel from one place to another place is only applicable within the boundary of Karnataka State.
- Women Beneficiary can avail the free of cost ride under Shakti Scheme only in Ordinary, Urban Transport, Express and Regular Transport Buses.
- No Free of Cost Bus Service will be provided to women beneficiary in AC, AC Sleeper, Non AC Sleeper, or any luxury bus.
- Women Beneficiary can travel anywhere from one place to other, there is no minimum kilometer limit applicable.
- Smart Card is mandatorily needed to avail the benefit of free of cost bus ride under Shakti Scheme.

Karnataka, India free bus scheme for women

- Women Beneficiary can apply for Smart Card under Shakti Scheme for free bus ride by filling [Online Application Form](#).
- [Online Application Form for Smart Card](#) under Shakti Scheme is available on [Karnataka Seva Sindhu Portal](#).
- Till the women beneficiary received their Smart Card, they can show any below mentioned photographed identity card in bus to avail free of cost bus ride :-
 - Aadhar Card.
 - Driving License.
 - Voter Identity Card.
 - Or Any Other Photographed Identity card.

Karnataka, India free bus scheme for women

- Zero Sum Tickets will be provide to women beneficiary at the time of travelling.
- It is to be estimated that around more than 41 lakh women will get benefit under Karnataka Shakti Scheme.
- Women Beneficiary can travel free of cost in 6,308 City Buses, 5,958 Ordinary Buses, and 6,343 Express Buses.
- Application for Obtaining Smart Card under Shakti Scheme will be open from June 15th 2023.
- Smart Card under Shakti Scheme will be obtained by applying [Online](#) on [Seva Sindhu Portal](#).
- Our users can [Subscribe for Karnataka Shakti Scheme](#) to get regular updates regarding the scheme.
- Once you [Subscribe the Karnataka Shakti Scheme](#), We will sent you every single update regarding Karnataka Shakti Scheme.

Benefits of the scheme

- Socio-Economic mobility of the women
- Higher dependence of public transportation
- Decongest the otherwise highly traffic roads
- The environment and sustainability values of the scheme

Financing of the scheme

- Out of the five major Congress guarantees, the Shakti scheme (free bus travel for women) is the second cheapest scheme with an annual outlay of Rs 4000 crore.

Potential sources of financing the scheme based on the principles of benefit taxation

- Petroleum cess
- Luxury tax
- Registration cess
- Pollution cess etc

Thank You!!