



# PROLETARIAN POWER

PEACE, PROSPERITY AND JUSTICE ... FOR ALL

15h May, 2022.

To

The Prime Minister,  
Government of India,  
South Block, Raisina Hills,  
New Delhi 110011.

Honourable Prime Minister Shri.Narendra Modi ji,

Sub: Introducing a separate currency for the purpose of meeting 'Public Welfare' Expenditure to improve efficiency and effectiveness of such expenditure.

Proletarian Power is a not-for-profit entity primarily engaged in analyzing the macroeconomic environment in India from 'Public Interest' angle.

We have been working on a project for some time to develop a local/community currency which can be used as a tool to eradicate poverty by networking the proletariat (people at the bottom of the pyramid like marginal farmers, artisans etc.,). We have named this currency 'Shree Currency'. Shree Currency is a specially designed digital currency backed by Indian Rupee (INR) on a one-to-one basis, that is each unit of Shree Currency is backed by one INR. Let me explain briefly how the Shree Currency works and how it can reduce poverty through empowerment of the proletariat:

Governments, both Central and State, spend considerable amounts of money, each year, on various 'Public Welfare Programmes'. Governments transfer huge amounts of money to beneficiaries accounts under these programmes (directly or indirectly). Now, our proposal is to transfer Shree Currency instead of INR wherever it is possible. This, according to us, will result in following benefits:

1. **Creates a nationwide network** : To start using the Shree Currency all eligible beneficiaries are identified and registered into a network. Technically everyone is connected with everyone in this network. This, when completed, creates a large network of the proletariat. This network is like an artificial isle, a separate economic entity within the overall economy. This network has its own dynamics, its own characteristics and its own peculiarities. With this one step the entire population of the proletariat is brought on to one single platform. With this Governments are in a better position to plan, design different welfare schemes with greater precision and efficiency. Further this process is more efficient in preventing ineligible beneficiaries from getting into the network because of its transparency and working mechanism.
2. **Makes the proletariat self sufficient** : It is true that the proletariat suffer from inadequate resources. But, we think, such inadequacy is more than compensated by their numbers. Population of the proletariat is huge and when their resources are pooled and properly channeled into productive schemes, exceptional results can be expected. Allow us to explain. Most of the goods and services required by the proletariat can be produced within the community. Food grains, cooking oils, clothes and even daily needed items like bathing soaps and tooth powder

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and whole ranges of products can be produced in cottage/small scale industries owned and run by the local modules within this network.

3. **Rejuvenates community's economy** : As explained above when the proletariat starts sourcing goods and services required from within, it creates income generating opportunities for the members which in turn create demand and then consumption and so on. This entire process when picked up revs up the local economy leading to better standards of living to its members.
4. **Stops migration of poor to cities** : More and more people are leaving villages and migrating to cities in search of livelihood since the rural economy, across the country, is not supporting them. There are instances we have come across that entire villages migrated. As explained above if income generating opportunities are made available locally most of these people would prefer to stay back in their respective villages. This in turn can be expected to reduce the load on already overburdened urban infrastructures.
5. **Builds eco friendly economy** : India follows an economic development model (largely borrowed from the west/developed world) that is energy intensive, capital intensive, consumption driven and urban centric. This model, according to us, is not suitable and unsustainable for India with serious environmental, social consequences in the long term. When part of the production/consumption 'shifts back' to cottage/small scale industries as explained above we expect some relief.
6. **Shree Currency can not be hoarded/cornered by anyone** : Shree Currency can not be hoarded by anyone since it comes with an expiry date. Each unit/batch of Shree Currency is time stamped and comes with an expiry date. On expiry it reverts to the issuing authority. However this expiry can be kept on hold when it is invested in certain 'eligible projects'. This we call hibernation of Shree Currency. Effectively one has to either consume/spend it or invest it in certain prescribed/eligible projects. It means Shree Currency is always in circulation revving up the local economic activity. Since the marginal propensity to consume is high among the poor, such expiry dates should not bother them.
7. **Helps in development of rural/social infrastructure** : As stated above Shree Currency expires unless invested in certain 'eligible/prescribed projects'. Here eligible projects means certain local infrastructure projects that are hitherto neglected by the authorities for whatever the reasons. For example many water bodies in rural areas, often centuries old, are degraded/destroyed for want of proper upkeep and maintenance. Local Government Bodies like Gram Panchayat and Municipalities who are responsible for maintenance of this infrastructure lack resources. Now, these 'Local Government Bodies' may be allowed to borrow Shree Currency under certain specific schemes. This in turn not only develops rural/social infrastructure but also encourages the proletariat to save and invest their hard earned money. These projects also create employment opportunities to the local population. Similarly local modules of the Shree Currency network may develop infrastructure to facilitate storage/process of commodities produced by its members.
8. **Good Governance at the grassroot level** : As stated above when local government bodies become active and take up the local infrastructure projects with the funds mobilised from the local population governance at the grassroot level like Gram Panchayat will certainly improve. Public participation will increase. Distance between the rulers and the ruled will decrease. Wastage of resources on irrelevant projects stops. All this can make the governance at the grassroot level very vibrant and make India strong eventually.
9. **Reduction in corruption and leakages** : Shree Currency works in a very transparent manner. Since this can be transferred among the networked members only, its movements are traceable and with this one can expect considerable reduction in leakages and also reduction in corruption.

10. **Discourages bad habits like alcohol consumption** : Often beneficiaries under different government schemes use the money received by them from the government on vices like alcohol. Since Shree Currency can be spent only at accredited vendors such possibility will come down drastically.
11. **Government's burden will come down** : Finally when a large section of the population moves out of poverty and becomes self-sufficient, their dependence on government will come down. This in turn relieves the government from the burden of supporting such people and can concentrate more on nation building. This, of course, will happen over a period of time.
12. **Balanced growth and better utilisation of natural resources** : In this model of development local modules of the network and local government bodies are expected to participate actively in planning resource allocation. Authorities/people at the local level know better what they want and allocate available resources accordingly. This will lead to more balanced development.

**Conclusion :**

To conclude, we think, if properly managed, Shree Currency can produce exceptional results. This not only improves the economic condition of the poor but also leads to a better society, better environment and stronger 'Bharat'. Eventually this may even reduce burden on State and Central Governments.

We are aware that many details need to be worked out and we are ready to do our bit.

Thanking you

Yours sincerely,

*sd/-*

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**Postscript:**

We wish to clarify that Shree Currency is not a substitute for INR. Further as of now Shree Currency is a concept that is yet to be tested. To the best of our knowledge no country ever tried such currency till now. However we strongly believe that benefits that India/Bharat can derive by introducing Shree Currency, if managed well, far outweigh risks, if any.

Copy to :

1. The Finance Minister, 134/North Block, New Delhi 110001
2. The Governor, RBI, Shahid Bhagat Singh Road, Fort, Mumbai 400001.