Abstract

India is basically agrarian country. Near about 80% Economy depend on the agricultural. The Universal Basic Income is a scheme that provides a basic income to all citizens of a particular state or the country, irrespective of their income, social standing, or employment status. The idea behind the scheme is that every citizen is entitled to a reasonable income irrespective of their contribution to the economy. Universal Basic Income is a regular cash payment made to all individuals by the State without any means or work testing. It has historically been debated upon and more than a few justifications for UBI have been made. UBI has entered policy debate in India ever since UBI was proposed by the Economic Survey 2016-17 as a social welfare scheme suitable for India. In this paper, a normative justification for UBI is sought to be arrived at. A right to basic income, by promoting ‘real freedom’ of individuals is said to be a part of the conception of substantive dignity of all individuals. It is important for the actualization of other rights and freedoms of an individual. Associated benefits of UBI include realizing the right to adequate standard of living, respecting autonomy rights of individuals and as a policy intervention in combating poverty and inequality. The lessons from UBI experiments conducted in different places also sufficiently highlight the advantages of UBI. The challenges in implementing UBI in India are discussed in the course of this paper alongside a critical analysis of a model that seeks to overcome these challenges. In such a fervid political environment, another balloon has been floated. There have been accelerated discussions of the government launching a universal basic income scheme to overcome hardships caused by economic stagnation.

Keywords: Indian Economy, Government, Farmers, Income.

Introduction

One of the fundamental ideas behind UBI is that when everybody has a guaranteed income, market forces are allowed full play without being circumscribed by “market-distorting” social schemes. This is like a slippery slope and could lead to many unintended consequences. One immediate effect will be an emasculation of the social state, in whatever form it exists, and replacing it with private sector services. In all likelihood, private sector pricing of some essential sectors might verge on rent-seeking, leaving beneficiaries with little to spend on other services.

Take the example of higher education in India, especially the debate about public versus private institutions. As the state has retreated, private institutions have proliferated and costs have gone up without a corresponding improvement in education standards. Private education in India has largely become an exercise in land-grab and price-gouging under government patronage. The cost of education in many private institutions takes a life-time to repay without necessarily imparting the right skills. The best example is the large number of dubious private engineering colleges that have mushroomed, charging enormous fees but leaving many students worse off. There is no denying that there are many excellent private institutions in India; however, all the league tables and merit lists feature mostly public institutions at the top.

Objective of study

1. To study impact of Universal Basic Income Scheme in all Sector in India
2. To study changes in transaction process After Launching this Scheme
3. To know the history of Universal Basic Income Scheme
4. To know the challenges of implementation in India

Universal Basic Income Scheme

Many countries have tried UBI and have found that while it provides some cash to every poor citizen, it does not really tackle the economy’s structural problems that keep people poor or generate vast inequalities. A 2016 referendum for introducing UBI in Switzerland was comprehensively rejected, with only 23% of Swiss citizens voting in favour. The White House’s chief economist Jason Furman
had also dismissed in 2016 the introduction of UBI on the grounds that it could worsen inequality.

The push for UBI is also coming from the technology sector which sees it as a solution to endemic unemployment that might be created in the wake of new and innovative technologies, like Artificial Intelligence or 3D printing. This is a rather reductionist view and disregards the fundamental right of people to work.

UBI, as an idea, found some traction in India when former chief economic adviser Arvind Subramanian dedicated a full chapter to it in the Economic Survey 2016-17. His advocacy came from a strange place: apart from equity and dignity, Subramanian argued that UBI was a way to get around the leakage and coverage problems associated with current social sector schemes.

**History of The Universal Basic Income Scheme**

In particular, the Telangana state government’s experiment with a farmers’ cash support scheme, Rythu Bandhu scheme, and how it ensured electoral victory for Telangana Rashtra Samithi (TRS), is providing tailwind to the proposals. Opinion is divided whether the government should launch a UBI or only a farmer cash support scheme given the severity of farm distress and its likely impact on the final vote tally. But, despite UBI’s professed role in tackling poverty and overcoming economic distress, there are multiple reasons why UBI may not be the right solution for India. Let’s start with Rythu Bandhu scheme which promised cultivators Rs 4,000 per hectare per cultivation season. The Telangana government was able to launch the scheme in record time because of the hard work done by previous governments of undivided Andhra Pradesh in digitizing land records. This allowed the current TRS administration to identify beneficiaries without delay and launch the scheme just before elections. Launching a similar scheme in other parts of India say Uttar Pradesh or Bihar, where land records are either non-existent or are in paper form and need to be re-certified is bound to create more anguish than votes.

The Telangana scheme, as pointed out by various commentators, has multiple design flaws. For one, it focuses only on land-owning cultivators, many of whom are absentee landlords. In essence, they then are able to appropriate the Rs 4000-government support which should have been ideally available for the marginal farmer or the sharecropper who takes all the investment risks: buying inputs and then being exposed to price volatility of the finished crop?

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**Impact of Universal Basic Income Scheme on Common Man**

A basic income is a periodic cash payment unconditionally delivered to all on an individual basis, without means test or work requirement. Considered a viable way to reform social security to address the shortcomings that the current system is rife with targeting and delivery the main motive behind UBI is to address the behavioral, design, and implementation downsides in the currently used systems of unemployment and social security benefits. People who are participating in the basic income pilot seem to have a renewed sense of hope and are beginning to dream about their futures, he says. Personally, I believe basic income will become the preeminent social policy imperative of the 21st
century. Recently, the ruling party of Sikkim, the Sikkim Democratic Front stated that it would include the UBI in its manifesto for the Assembly election scheduled to be held in 2019. The party said that it was aiming to implement the scheme by 2022. If it is materialized, Sikkim will be the first state in the country to roll out the scheme. In the 2017 Economic Survey, the UBI scheme was termed as “a conceptually appealing idea” and a possible alternative to social welfare programmers targeted at reducing poverty.

**Conclusion**

A right to basic income is integral to achieving real freedom and actualization of rights of an individual. Within the conception of substantive dignity wherein the State is obligated to ensure a dignified life for all its citizens, a right to basic income is also located. It is so owing to the necessity of real freedom and actualization of rights in leading a dignified and flourishing life. Under this framework, a right to basic income is consistent and defendable and also has the potential to be eventually constitutionalised. It is also relevant to Indian constitutional and legal jurisprudence which while dealing with a plethora of matters connected to social welfare has always recognized the Indian state as a primary caretaker of its citizens under the scheme of the Constitution and the ideals of dignity and social justice enshrined in it. There are some significant practical bottlenecks in doling out a universal and unconditional basic income in India today, largely connected to infrastructural impediments. Inclusion and accessibility of financial institutions to undertake cash transfers of a huge magnitude is a big challenge, with further improvements, is a possible method of implementation but Aadhar is stuck in a legal challenge. Moreover, there is not much clarity on the monitoring mechanism for UBI of which we have outlined a few basic functions. It is thus hoped that in the coming days UBI is subject to further deliberation and public debate and steps are taken towards instituting a right to basic income based UBI model in India.

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