

# IT'S TIME FOR A UNIVERSAL BASIC INCOME PROGRAMME IN INDIA

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

The ongoing crisis is creating changes that could end up dividing society into pre- and post-COVID-19 days. These changes are also likely to exacerbate the novel challenges accompanying the fourth industrial revolution.

Today, disruptive technologies like artificial intelligence are ushering in productivity gains that we have never seen before. They are also steadily reducing human capital requirements, making jobs a premium. A microcosm of these trends can be seen in Silicon Valley. The region is home to five of the world's eight most valuable companies. These giants, all technology companies, have a cumulative market cap of over \$4 trillion, yet they together directly employ just 1.2 million people.

Also read | [Pandemic fallout revives talk of universal basic income](#)

Many consider a universal basic income (UBI) programme to be a solution that could mitigate the looming crisis caused by dwindling job opportunities. UBI is also deliberated as an effective poverty-eradication tool. Supporters of this scheme include Economics Nobel Laureates Peter Diamond and Christopher Pissarides, and tech leaders Mark Zuckerberg and Elon Musk.

UBI in its true sense would entail the provision of an unconditional fixed amount to every citizen in a country. Nevertheless, countries across the world, including Kenya, Brazil, Finland, and Switzerland, have bought into this concept and have begun controlled UBI pilots to supplement their population.

India's huge capacity and infrastructure-building requirements will support plenty of hands in the foreseeable future. Nonetheless, even before the pandemic, India was struggling to find enough opportunities for more than a million job aspirants who were entering the job market each month.

Also read | [India has to come to terms with inequality: Thomas Piketty](#)

The [2016-17 Economic Survey](#) and the International Monetary Fund (IMF) had once proposed quasi-basic income schemes that leave out the well-off top quartile of the population as an effective means of alleviating poverty and hunger. The fiscal cost of a UBI pegged at 7,620, at 75% universality, was 4.9% of the GDP. A UBI on par with the numbers suggested by the Economic Survey could lead to targeted household incomes increasing by almost 40,000 per annum, since the average Indian household size is approximately five.

The political will was nonetheless lukewarm because of the costs involved. Requirements to trim some of the existing subsidies to balance the resultant deficit were also difficult political minefields for the then government. So the proposition was finally shelved.

The times now are very different. IMF has projected global growth in 2020 to be -3.0%, the worst since the Great Depression. India is projected to grow at 1.9%. The U.S. economy is expected to fall by 5.9%. The unemployment rate and unemployment claims in the U.S., since President Donald Trump declared a national emergency, is the highest since the Great Depression. Unfortunately, India does not even have comparable data.

Also read | [The case for minimum basic income](#)

Lockdowns in some format are expected to be the norm till the arrival of a vaccine. With almost 90% of India's workforce in the informal sector without minimum wages or social security, micro-level circumstances will be worse in India than anywhere else. The frequent sight of several thousands of migrant labourers undertaking perilous journeys on foot in inhumane conditions is a disgraceful blight on India. One way to ensure their sustenance throughout these trying times is the introduction of unconditional regular pay checks at maximum universality, at least till the economy normalises. If universal basic income ever had a time, it is now.

*Anil K. Antony is the Convener of INC – Kerala Digital Media, and the National Coordinator of PIIIndia.org, a COVID19 action group. Tweets @anilkantony*

You have reached your limit for free articles this month.

Already have an account ? [Sign in](#)

Start your 14 days trial now. [Sign Up](#)

Find mobile-friendly version of articles from the day's newspaper in one easy-to-read list.

Enjoy reading as many articles as you wish without any limitations.

A select list of articles that match your interests and tastes.

Move smoothly between articles as our pages load instantly.

A one-stop-shop for seeing the latest updates, and managing your preferences.

We brief you on the latest and most important developments, three times a day.

\*Our Digital Subscription plans do not currently include the e-paper ,crossword, iPhone, iPad mobile applications and print. Our plans enhance your reading experience.

Dear reader,

We have been keeping you up-to-date with information on the developments in India and the world that have a bearing on our health and wellbeing, our lives and livelihoods, during these difficult times. To enable wide dissemination of news that is in public interest, we have increased the number of articles that can be read free, and extended free trial periods. However, we have a request for those who can afford to subscribe: please do. As we fight disinformation and misinformation, and keep apace with the happenings, we need to commit greater resources to news gathering operations. We promise to deliver quality journalism that stays away from vested interest and political propaganda.

Please enter a valid email address.

To reassure Indian Muslims, the PM needs to state that the govt. will not conduct an exercise like NRC

Subscribe to The Hindu now and get unlimited access.

Already have an account? [Sign In](#)

Start your 14 days trial now [Sign Up](#)

To continue enjoying The Hindu, You can turn off your ad blocker or [Subscribe to The Hindu](#).

[Sign up for a 30 day free trial.](#)

**END**

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

CrackIAS.com