

MUST START RS 1,000 PER MONTH TRANSFER NOW: ABHIJIT BANERJEE AND ESTHER DUFLO

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New Delhi: India should immediately begin cash transfers of 1,000 per person per month as universal ultra-basic income ([UBI](#)) and implement the one-nation, one [ration card scheme](#) urgently, to tide over the crisis caused by the [Covid](#) 19 pandemic, [Nobel Laureates Abhijit Banerjee](#) and [Esther Duflo](#) have said.

In a conversation with each other at online version of [Jaipur Literature Fest](#) on Sunday, Banerjee said that India could help in mass production of the Covid 19 vaccine, when it is developed, but cautioned that in the absence of one, India is set to see another lockdown since cases were only rising. India's strength as a vaccine producer could be leveraged further, but it will have to work with other nations to iron out the distribution, funding and intellectual property rights battles. "It will be a good training for nations to work together," he added.

Cash transfers

"1000 per person per month would make a huge difference, that's probably too much. Even 500, so for a family of five 2,500, I think that makes a big difference. It would pay for all the emergency things," Banerjee said.

"India is going to face a massive demand shock so pumping money in the hands of people might actually be the way to save the economy," Banerjee said, underlining the solution for addressing the demand gap issue in India.

Banerjee appreciated the government's efforts of providing one nation, one ration card, but stressed that the implementation needs to be done "now... urgently."

Duflo said that India could immediately start with UBI, as it was "very close" with the pipelines through JAM (Jan Dhan-Aadhaar-Mobile) trinity already in place. She flagged that the government's thinking that the grant or aid should not reach the undeserving poor, needs to change.

She added that the Covid 19 situation may have pushed people back into a "poverty trap," which is where UBI could help, and that the government could not just use UBI for aiding people, but keep it as social security option for those who may need, even after the crisis tides over. "We have to reassure people that next lockdown will be much better and that's going to be the key for recovery," Banerjee said.

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