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Analysis of Universal Basic Income in India

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A universal basic income was suggested in the Economic Report of India 2016–17 as a way to address the ineffective and misallocated welfare programs already in place in India. This study examines the outcomes of cash transfer pilot programs in India and other nations to determine whether universal basic income in India is a viable option. The pilot study in Madhya Pradesh demonstrated how universal basic income improved household financial inclusion, reduced household debt, and increased access to necessary medications. The Delhi study has shown that households were able to switch to improved sanitation, cleaner fuel, and the consumption of non-cereals thanks to direct income. The Kenyan experiment revealed that regular monthly income has a considerable positive impact on psychological well-being. With the potential to promote economic mobility and, eventually, development, a UBI is thought to lessen the impacts of pervasive poverty. In this essay, the difficulties a UBI program would face in India are discussed. The UBI system resolves the aforementioned problems by firstly, being unconditional and universal, and also by providing beneficiaries with a guaranteed income. In this regard, the article concludes that UBI can be a good substitute for all current social programs to lessen poverty in India. UBI should only be adopted gradually because there are now many practical obstacles to its implementation.

Keywords: *universal basic income, poverty, schemes, experiments, financial inclusion.*

INTRODUCTION

'I am now convinced that the simplest approach will prove to be the most effective solution to poverty is to abolish it directly by now widely discussed measures: the guaranteed income.'

- Martin Luther King, 1967

Universal basic income seems to be the answer to all the questions. It ensures guaranteed poverty alleviation. It ensures guaranteed income in which all citizens or residents of the country receive regularly a certain and unquestioned amount of money from the government of a country or other institution in addition to the income gained by them anywhere else. The essential for universal basic income is derived from a 3-tier basics universality, unconditionality, and agency and implication should be based on the principle of affecting individuals irrespective of income and age.

Under this income shall be provided without imposing any restrictions and conditions over the beneficiary's right to decide and plan the use on their own accord and preferences. Preferably it should be funded by the existing sectors of the government or by PSUs (public sector undertakings). The idea of the universal basic income has been developed from the model where an individual's income falls within a certain limit, the state does not tax their income, however, they augment it. It is also known as negative tax models but these models also have major differences between them, as negative taxation is conditional in nature however the universal basic income is however unconditional in nature.

NEED FOR UNIVERSAL BASIC INCOME

Increasing income inequality at a global level is due to the concentration of private capital in hands of a few¹. According to the world inequality report 2022, in India top 10% hold 57% and the top 1% hold 27% and 22% respectively of the total national income while the share of the bottom 50% has gone down by 13%. The report shows that income inequality in India has its

¹ 'The Indian Economic Inequality Gap Widen since 1980: Report' (*Economic Times*, 17 December 2017) <<https://economictimes.indiatimes.com/news/economy/indicators/indian-economic-inequality-widened-since-1980-report/articleshow/62070475.cms?from=mdr>> accessed 20 February 2023

roots in an era of liberalization and deregulation. The highly unequal distribution of wealth during colonial India reduced during the 4 decades following Interdependence². India's curing policy leaned towards socialism such as high taxation on high-income industrialist nationalization of every sector, land reforms abolishment of the privy purses³.

The transition into growth-led development of the Indian economy characterized by a plethora of free-market policies profoundly contributed to the inequity gap increment. The major motive behind the introduction of economic reforms and reforms in the structure of machinery was poverty alleviation, agriculture, health, and education in the economy. Because of this major policy change, even today 70 percent of India's poor live in rural areas, most of whom are farmers (The World Bank 2021)⁴. This did not lead to re-distribution of the income as well as social distributive justice. To extinguish this matter of inequality and distributive justice UBI seems to be the least possible way to tackle this societal problem, UBI from the worsened condition of the labor's welfare and their social security as well as it has the charm to relinquish poverty and directly address inequality on an economic basis scheme like UBI itself aligns with Article 38 of the Indian Constitution which works as a directive principle to eliminate the income inequalities by preventing the concentration of means of the major production (also income) among a certain class of individual to promote social economic welfare.

India, in its independent era policy, has majorly based on a subsidy system and transfer payment as poverty alleviation schemes. More than 950 schemes and structural programs administered by the central government account for more than 5% of GDP by allocation made in the budget. Majorly these programs are not big, fragmented, and infected by leakages made in administration. For a long period. Indian public policy over a variety of departments from

² *Ibid*

³ A Panagariya, 'March to socialism under prime minister Indra Gandhi offers an interesting parallel' (*Indian Express*, 24 August 2011) <<https://economictimes.indiatimes.com/opinion/et-commentary/march-to-socialism-under-prime-minister-indira-gandhi-offers-an-interesting-parallel/articleshow/9715049.cms>> accessed 20 February 2023

⁴ 'India's Poverty Profile' (*The World Bank*, 27 May 2016) <<https://www.worldbank.org/en/news/infographic/2016/05/27/india-s-poverty-profile>> accessed 20 February 2023

neonatal care and maternal-infant nutrition to educational and agricultural has been crafted as a large albeit leaky, large, costly.

Many schemes such as NREGA (National Rural Employment Guarantee Act in 2005) and later MNREGA (Mahatma Gandhi National Rural Employment Guarantee Act has been long seen as promising scheme but as in whole it has misallocation of funds across the districts with poor districts suffering from low levels of state capacity in administrating these programs. Many of these schemes fail to reach the lowest level of the expected mark one of the major flaws behind the subsidy system is that subsidizing certain essential goods which includes fuel and food, compels the lower state of society to consume those goods, without paying heed to its value as well as their quality. It's time to bring reform in these subsidy systems direct transfer of money seems a viable alternative where the direct transfer will enable the poor to at least get the intended monetary benefit to empower recipients, and it will allow the poor to have choices and their own will to opt for them.

The flexibility of UBI is another thing to be admired where UBI could be a universal doctrine or for specific vulnerable goods. Targeting is subjectively appealing but has been potentially riddled with identifying problems, advancement in technology and mobile telephony place the government at the pedestal where it is better placed than perhaps before covering most if the not entire population Therefore, it's considered a potential alternative to help overcome the failure of the current system⁵. However, India's approach toward UBI will be limited to identifying socio-economically deprived groups with an objective of cash transfer, which will depend on the current income of potential beneficiaries. One of the difficulties in implementing universal basic income in India is setting an income threshold, computed around the poverty line is hard to compute. The estimated prediction of people falling under the category is a contentious issue. Underlying this challenge are concerns about the millions of extremely vulnerable citizens who are standing on either side of the national poverty line. As a large percentage of the whole population majorly reside in low-income strata, even a minimal

⁵ Dipinder S Randhawa, 'The Universal Basic Income: Challenges and Rationale, 567, ISAS Insights' (*Institute of South Asian Studies*, 28 May 2019) <<https://www.isas.nus.edu.sg/wp-content/uploads/2019/05/isas-insights-no.-567.pdf>> accessed 20 February 2023

alteration in the definition of the poverty line can result in a large number shifting in it or out of it, which will affect the beneficiaries of the universal basic income, any setbacks in restricted schemes will outcast them as extremely vulnerable. As well as flaws in aadhar cards have already exaggerated the challenges to universal basic income to reach the last person standing in the line of society, with economic vulnerability.

ANALYSIS OF UBI: PROS AND CONS

It is important to assess the outcome of universal basic income on Indian society as well as the economy. For that, it's important to impartially analyze the pros and cons of shifting policy-making to universal basic income.

Advantages of UBI

Under the universal basic income, the person will become the agent itself and will have the freedom to spend the money in the manner in which they want, according to their necessities for reaping the benefit in the fullest. It satisfies the material as well as mental being of an individual which is a clear follow-up of Amartya Sen's capability approach toward the economy. Under this, the government will be obliged to respect individual choices rather than dictating choices to them which ignores the fact that a diversity of choices can be made by different people due to a variety of problems and needs. Currently, there are thousands of schemes that are provided by either the central or state government and with these schemes, there is ample corruption. Universal income is capable of replacing these non-functioning schemes and programs. Present-day schemes contain exorbitantly high levels of leakages along with poor implementation. According to NSS 2011-12 survey, there is a lack of budget allocations in poorer regions, and as an implication lower per capita income prevails in these regions as compared to different regions⁶. Economic survey of 2016-17 recommends universal basic income based on the logic that out of 950 government schemes, 11 schemes of the central government account for more than 50% of budget allocation. As well as implementation costs

⁶ '68th National Sample Survey - India' (*Government of India*, 2011-12)
<<https://catalog.ihnsn.org/index.php/catalog/3281>> accessed 20 February 2023

are very high as it takes a good amount of time and an ample amount of wealth has to be spent between the higher and lower strata of society. But universal basic income in itself has the potential to become a solution to this issue, due to its principle of universality will do away with the messy and time-consuming mission of identifying. It will be followed through the direct transfer method via directly transferring money into the bank account of the beneficiaries. This will ensure that no encroachment takes place by the middleman and bureaucracy on the allocated funds to be

A much more independent market for the labor force of the country will provide liberty in contracts between laborers and employers. Universal Basic Income will also address the trouble of growing wage inequality. It will provide a basic safety net against health, income, and other shocks. It will be more effective towards eliminating absolute poverty and providing support to socially and financially backward citizens as this provides a cushion to people of lower strata of society to survive and get their basic needs fulfilled with a basic sense of financial security. Another positive virtue of universal basic income all the people will get benefit from the programs the error for exclusion will become zero which means that no poor citizen or targeted individual will be deprived of getting the benefit of universal basic income and the welfare of each will be secured. This will be pinpointed answer to answer to the deficiency of access to government schemes by the socially and financially backward and excluded section of society and will put a cross-check on whether the trickle-down effect of basic income grants can be achieved. However, the data from the economic survey of 2016-17 revealed that the public distribution scheme has been a failure and an example of lack of success in the subsidy system as It did not acquire 40% of the poorest of the total population in 2011-12. Currently, 27% of the poorest fifth are kept apart from their due welfare and 35% of the richest 1% benefitted from subsidized food which they are not even entitled to⁷. Implementation of universal basic income will also directly harness the national economy while focusing and observing that government welfare schemes or programs which are currently active are all part of government indirect

⁷ 'India debates the Case of Universal Basic Income, Leaders' (*The Economist*, 02 February 2017)
<<https://www.economist.com/leaders/2017/02/02/india-debates-the-case-for-a-universal-basic-income>>
accessed 20 February 2023

transfer payment to the public which according to national income accounting, is causing a rise in the gross aggregate demand which will boost the economic output of the country. However, these schemes suffer from corruption and leakages, once former PM Rajiv Gandhi said, “If Rs. 1 is sent from Delhi only 10 paise is received at the ground level”⁸. Therefore, the output of the economy in the present day is not up to its true potential, its still lower than it and while solving this problem universal basic income can play a crucial role as it will be a direct bank transfer-based scheme it will out rule the possibility of corruption and leakage and strengthen the overall economic output of the country.

Disadvantages of UBI

One of the greatest drawbacks of universal basic income can be the one related to which has been discussed under the advantages, it can affect the labor market in both positive and negative ways. Universal basic income has the potential to distort the whole labor market where the workers can be easily discouraged as they will have a direct source of income which do not demand any requirement as well as work to be done. Universal basic income will reduce the supply of workers in the market, as it opens up a choice for workers to opt out of their jobs as they will have secured household income which will directly lead to a loss in net production and the pace of economic progress will slow down. As well as due to the lack of supply of labor in the market, the cost of labor in the market will increase subsequently as an aftermath of this universal basic income will prevent the receipt of affordable products. this will create a UN observed consequence of Universal basic income inflation. The subsidy system has a direct advantage over the universal basic income foods are not simply subject to the fluctuation in the retail prices in the market, on the other side allocation of basic income is highly vulnerable to the market inflationary prices of the product. This gives rise to the risk of purchasing power which seems very impossible to lessen and later this risk will have a direct impact on the real income of a household. However, its effect on the rich will be comparatively negligible. Another course of discussion is regarding the deriving method to determine the level of basic income.

⁸ ‘Rajiv’s Gandhi Popular 15 Paise Remark Finds Mention In Supreme Court Verdict’ (*Indian Express*, 09 June 2017) <<https://indianexpress.com/article/india/rajiv-gandhis-popular-15paise-remark-finds-mention-in-sc-verdict-4696740/>> accessed 20 February 2023

It's a point of tussle as if the basic income that is being directed to is too less then it will be ineffective in fulfilling the basic objectives of policy and we may not get results as expected. Therefore, Universal basic income must be at a level that can ensure a minimum acceptable standard of living for each citizen who benefited from it. Another point of contention could be the fact that the nature of the scheme induces "Universality" and implies that every citizen including rich people will be a beneficiary of this scheme. this will be not accepted by many people around the country leading to being challenged by a large number of the opposition of poor. once Universal basic income is implemented it will be next to impossible to take it back if universal basic income fails to achieve its objective. The transition from the current mechanism to the another will be challenging and the difficulty can be exaggerated by keeping the size of a country like India in the mind. When we observe obstacles in machinery major obstacle in machinery is its mechanism of transferring funds. DBT (direct bank transfer) seems an easy way to implement it, but the devil lies in detail as the banking infrastructure exists which is required for bank transfers but its viability in rural areas is still not under scrutiny. Less than 60% of people an accounts are linked with Aadhar which will lead to inconsistency in process of identification. As well as the fiscal implication of Universal basic income is also under the question mark. As Government has to carry the huge burden of Universal basic income. Collection and allocation of revenue is still a big worry in a country like India. Universal basic income will put a lot of burden on taxpayers mainly the middle class. According to estimates made it will cost around 10% of the total GDP to provide 10000 per annum to per capita whereas when compared to current welfare schemes it only cost 5.2%. This concludes that If in any case, Universal basic income replaces current welfare schemes it will put a huge burden on the exchequer. This was the reason why Switzerland didn't accept the idea of a minimum basic income. It can also have some negative implications on society as well as in India generally men in the household have greater control over the household income. The Grant allocated to the different members of the household will be spent by men on Temptation goods like tobacco alcohol and many nonessential things. These aspects become a point of friction as previous welfare schemes had funds allocated for different utilities but in UBI it can easily substitute

utility with plantation goods. However, according to data from NSS 2011 12 per capita, consumption increased and the share of the total consumption of tempted goods has fallen.

PILOT PROJECTS AROUND THE WORLD

Alaska, United State of America - The state of Alaska in the United States of America founded a permanent fund dividend funded by the wealth affiliated out of a newly discovered oil reserve in 1976, the dividend of the fund was used to distribute a kind of basic allocation of money (basic income to the families and was distributed to all the citizens without any work test or requirement)⁹. The basic criteria on which eligibility was decided was that person must be a resident of Alaska and he should have the intent to be one¹⁰. Although, the model adopted by Alaska is completely different from the concept of Universal basic income. However, its implications and impacts can draw an analogy between both of them.

Impact - The amount received by every beneficiary was spent on consumer goods which brought back the money into the market economy and eventually generated jobs and boosted the overall economy. Statistics depict that Ginni Coefficient which is a parameter to analyze inequality in society is one of the lowest compared to another state at 0.43¹¹. As well as people residing under the poverty line in the state are among the lowest in the United States of America¹². a report by the world economic forum stated Alaska is among the most equal of all the states in the United States of America with the highest scores on the well-being index¹³. The income of the poorest fifth of poor Alaska families increased by 28% as compared to a mere 7% increase for the richest fifth in the last 10 years (till 2002). It is a significant triumph of Alaska

⁹ Scott Goldsmith, 'The Alaska Permanent Fund Dividend: An Experiment in Wealth Distribution' (*ILO*, 2002) <<http://www.ilo.org/public/english/protection/ses/download/docs/gold.pdf>> accessed 20 February 2023

¹⁰ *Ibid*

¹¹ 'Explore Income Inequity in Alaska: 2015 Annual Report' (*America's health Rankings*, 2015) <<https://www.americashealthrankings.org/explore/2015-annual-report/measure/gini/state/AK>> accessed 20 February 2023

¹² Alemayehu Bishaw & Craig Benson, 'Poverty: 2015 and 2016, American Community Survey Briefs' (*Census*, September 2017) <<https://census.gov/content/dam/Census/library/publications/2017/acs/acsbr16-01.pdf>> accessed 20 February 2023

¹³ Scott Santens, 'Is the Solution to Extreme Wealth Inequality Really – Alaska?' (*We Forum*, 26 April 2017) <<https://www.weforum.org/agenda/2017/04/extreme-wealth-inequality-alaska-model/>> accessed 20 February 2023

that has been derived from its fund dividend model as a matter of fact, a study conducted derived that no evidence of wastage of money by the people to whom the amount was offered, was found. this shows the success of the model adopted by Alaska in the United States of America.

Kenya - Randomized control trial (RCT) of unconditional transfer of cash in Kenya took place in 2011-12 for more transparency implementation of the program was done by NGO 'Give Directly' in the western part of Kenya the payment method used for the distribution was done by the mobile money system called M Pesa and criteria decided for the eligibility of the scheme was that beneficiary should have a house with a thatched roof over them¹⁴. the selection of beneficiaries was done by randomly picking one from the households which were eligible for the scheme. and beneficiaries were allowed to spend money in the way they prefer.

Impact - the basic income allotted under the scheme had a significant impact on the overall consumption, hunger, food security, asset accumulation, and psychological well-being of beneficiaries, also the impact on asset holding is primarily driven by an increase in investment in livestock, furniture, and hard roofs¹⁵. The transfer of cash directly increases the likelihood of a household having an iron roof by 23% compared pare to the control group which is at 16%¹⁶. An increase in investment was noticed in food, medicine home improvement, education, durability, and social events. the scheme also increased direct investment and revenue from income-generation activities which primarily included nonagricultural business and livestock rearing. However, there was no increment in the consumption of tobacco or alcohol, as well as there, was no decline in the labor supply¹⁷. The major facts to be noticed are that there was a major decline in domestic violence and an increase in female empowerment, an increase in

¹⁴ Johannes Haushofer & Jeremy Shapiro, 'Policy Brief: Impacts of Unconditional Cash Transfers' (*Princeton*, 24 October 2013) <https://www.princeton.edu/~joha/publications/Haushofer_Shapiro_Policy_Brief_2013.pdf> accessed 20 February 2023

¹⁵ Johannes Haushofer & Jeremy Shapiro, 'The Short Term Impact of Unconditional Cash Transfers to the Poor: Experimental Evidence from Kenya' (2016) 131(4) *The Quarterly Journal of Economics*

¹⁶ *Ibid* 16

¹⁷ *Ibid* 17-19

psychological while being, and a reduction in the level of stress hormone cortisol among the people¹⁸.

Brazil - Brazil introduced a prototype of Universal basic income citizen basic income in 2004. Article 1 of the act itself entitles citizens to a right to basic income from 2005. It entitled each citizen to have a guaranteed annual payment regardless of the social as well as the economic status in the society. Although the law by virtue does not come into force. The program was scheduled to be implemented in different phases where priority was decided based on the vulnerability and neediness of the individual. Brazil launched "Bolsa Familia" in 2003, as the world's largest social security net scheme in the world, this scheme was part of the full fledged implementation of Universal basic income. The scheme was a conditional cash transfer scheme that was implemented to get rid of poverty and work for poverty elevation. However, it comes without a well-defined beneficiary selection criterion. The procedure includes self-reported family per capita income and the number of children in the family. it also comes with a certain number of conditions including the monthly family income should be below 120 dollars, a minimum of 85% of school attendance for children between the age of 6 and 16, and compulsory vaccination of children below 6. It was funded through a 0.38% tax levied on financial transactions¹⁹.

Impact - 'Bolsa Familia' as a welfare scheme can be seen as a success as it directly impacted poverty due to its redistributive and equity concept. extreme poverty falls from 9.7% to 4.3% within 10 years of its implementation²⁰. A report published in 2010 entails that poverty, as well as extreme poverty, have fallen by percent and 33% respectively. The inequality in the country also crumbled by 16% within 10 years from 1999 to 2009. it also impacted the empowerment of women and the poor in the country who constitute around 90% of the total beneficiaries²¹. As

¹⁸ *Ibid*

¹⁹ World Bank, 'Bolsa Familia: Changing Lives of Millions' (*World Bank*, 2010)

<<https://www.worldbank.org/en/news/feature/2010/05/27/br-bolsa-familia>> accessed 20 February 2023

²⁰ Deborah Wetzal & Valor Economico, 'Bolsa Familia: Brazil's Quiet Revolution' (*World Bank*, 4 November 2013)

<<http://www.worldbank.org/en/news/opinion/2013/11/04/bolsa-familia-Brazilquiet-revolution>> accessed 20 February 2023

²¹ Helder Ferreira de Mendonça & Diogo Martins Esteves, 'Income inequality in Brazil: What has changed in recent years?' (2014) *Cepel Review* 112

well as its impact can be closely observed in the education sector of society as it leads to a rise in school attendance and grade progression. Also, a higher proportion of the beneficiary children have updated immunization than beneficiary ones. one more interesting observation was that there is an appreciable reduction in children stunting from age 6 to 16. The market participation rate for adults who benefited from the scheme was higher than the non-recipient. The study also shows that cash transfers made people more active rather than making them lazy and responsible²².

Many other examples are available where schemes that include the basic concept of Universal basic income can be easily recognized and accordingly their impact can be assessed. Like Finland where in 2017 it offered Universal basic income to 2000 random people as a part of a trial. the result of this experiment later in 2020 showed that these people reported fewer mental issues better physical and mental health as well as slightly higher employment levels and growth in the vision of trusting in their future²³. Where people on basic income registered had 3% to 9% more working days per year than people not on the basic income it showed promising results²⁴.

PILOT PROJECTS IN INDIA

Madhya Pradesh, India - A study on basic income was launched as a pilot project in 2012 by SEWA Bharat and UNICEF period for the project was for 18 months it was divided into two parts and was implemented in one of the backward states of the country which is part of so-called BIMARU state, Madhya Pradesh²⁵. The group of basic income villages under SEWA was four and four non-SEWA villages²⁶. A larger pilot project objectified transferring cash in a bank account as well as women in villages was opened in Sewa cooperatives²⁷. From June 2011

²² Johanna Pekio, *Universal Basic Income: A New Tool for Development Policy?* (International Solidarity Work 2014) 3

²³ Catrina Midoes, 'Universal basic income and the finnish experiment' (*Bruegel*, 18 February 2019) <<https://www.bruegel.org/blog-post/universal-basic-income-and-finnish-experiment>> accessed 20 February 2023

²⁴ Heikki Hiilamo, 'The Basic Income Experiments Yields Surprising results' (*University of Helsinki*) <<https://www.helsinki.fi/en/news/fair-society/basic-income-experiment-finland-yields-surprising-results>> accessed 20 February 2023

²⁵ Sarath Davala et al., *Basic Income: A Transformative Policy for India* (Bloomsbury India 2014)

²⁶ *Ibid* 36

²⁷ *Ibid* 37

onward cash started distributing to the people who do not have the privilege of having a bank account as well as direct transfer of money into the bank accounts of other beneficiaries. For identification government distributed cash in front of the Sarpanch and he issued the affidavit certifying the Identity of the person receiving the cash²⁸. Rupees 200 to every adult and rupees 100 to every child²⁹.

Impact - The Pilot study was both qualitative and quantitative the evaluation survey was conducted in three stages entering evaluation survey, final evaluation survey, and post-final evaluation service the result showed the beneficiaries who were small farmers and marginal farmers have shifted from wage labor to start investing in their cultivation. It even lead to farmers started using better seeds, there was a rise in demand for small machinery, and there was a shift from the local wage labor to all accounting work. We can conclude from this that basic income had a positive effect on production and net income level and increment in self-earning activities. People having debt in the villages of SEWA was less than the people having debt in the Other observations villages. Basic income provided the beneficiary household with much of the required liquidity and eliminated indebtedness caused because of the financial crisis.

Telangana 'Rythu Bandhu' scheme - Recently Telangana got carved out of Andhra Pradesh a major initiative by introducing a Quasi Universal scheme in 2018. Under this scheme, a certain amount of sum was going to be distributed between all the farmers owning land, twice a year all the cropping season. The major objective of the scheme was to help small farmers to get out of the vicious cycle of debt trap of farmers by providing some financial support which will enable farmers of purchasing timely inputs and diversifying agriculture Enterprises. under the scheme, farmers will be allocated a sum of rupees 8000 per acre per year the total amount allocated for the scheme was 12000 crore for the 2018-19, financial year which will have a huge coverage area of 1.42 crore acre land and benefited about 5.8 million small scale farmers³⁰. To

²⁸ *Ibid* 38

²⁹ *Ibid*

³⁰ A Subramanian, 'Quasi-UBI: Rythu Bandhu can be social and agri policy Template' (*Financial Express*, 11 July 2018) <<https://www.financialexpress.com/opinion/quasi-ubi-rythu-bandhu-can-be-the-social-agri-policy-template/1239581/>> accessed 20 February 2023

support the network launched an online portal to seek financial contributions from people of the state directly.

Impact - The Policy was a potential massive agriculture investment and a short-form income that allow commerce to take progressive and better cropping decisions with respective minimum support prices. This can avoid distortion by growing surplus serials notified under MSP³¹. This means a chance of eliminating patronage and inefficiencies. However, the implementation of the scheme with other subsidies directly questions the financial stability of the scheme as well as there is a high probability of inclusion and exclusion errors as all people who cultivate do not have land, and all the people who have agricultural land cultivate on it. Hence, the government of Telangana must check the validity of the identification criteria of the scheme. Telangana's initiative has set up a benchmark, its biggest land record titling, digitalizing, and cleaning the whole mechanism is another milestone. Land records as a whole are tamper-proof with 17 checks and were available to be accessed by any government department. In the financial year 2019-20 many state government seems to have been impressed with this basic income model in the Agriculture Department to counter agrarian distress. Jharkhand also introduced another similar scheme 'Krishi Aashirwad Yojana' to all land-owing farmers who have 5-acre land or lower will get a sum of 5000 rupees up to Max of 25000 per acre. The government of Odisha also announced direct cash transfers to small marginal as well as landless laborers by 'Krushank Assistance' for livelihood and Income augmentation, which was distributed on a per-household basis, During Rabi season for the people involved in both animal husbandry and crop cultivation government of Bengal followed the same direction and announce rupees 58 per acre each year to farmers under the 'Krishank Bandhu Scheme' combined with the benefit of Crop Insurance and compensation for farmers death³². Even the union government proposed an income-supporting scheme called 'Pradhan Mantri Kisan Nidhi Yojana' which will assist Rupees 6000 per year for marginal and small farmers who have less

³¹ AG Adeetha Carriapa & Apoorva Srinivas, 'Universal Basic Income For India: Way Towards Equality' (2018) 15(1) Indian Journal For Economics And Development

³² A Kumar, 'Farmers gain as schemes bring direct benefits to parties' (Economic Times, 19 January 2019) <<https://economictimes.indiatimes.com/news/politics-and-nation/farmers-gain-as-schemes-bring-direct-benefit-to-parties/articleshow/67581225.cms>> accessed 20 February 2023

than two factors of land them. Another basic income scheme such as the experimental cash transfer study in Delhi by UNDP has also seen success in completing its basic objectives by clearing other myths and theoretical disadvantages mentioned earlier in the paper.

WAYS FOR IMPLEMENTING UBI IN INDIA

There are many questions regarding the implementation of Universal basic income in a country like India, there is contention over whether there is any fiscal space in the economy or not to introduce it, and there are also discussions over the feasibility and its effect on budgetary allocation and Indian treasure, another point of friction is the weather will it be able to replace other subsidy base schemes by government or not. The expenditure of the governments on the already existing programs for welfare like the Public Distribution System, subsidies on LPG, fertilizers, Railways housing, etc. account for more than 5.2% of GDP. If the up to implement the universal basic income on other hand we have to spend over 12.5% of the total GDP which will amount to about 95% of the net expenditure of the government. Although if Universal basic income is implemented on basis of the SEWA and UNICEF pilot project it will amount to 5.1% of the GDP and can be a viable and cost-effective than other options. As well as the report has suggested that the amount is enough to bring behavior and logical changes among the beneficiaries and for the living quality elevation. Even the ex-CEO of Niti Aayog Mr. Amitabh Kant suggested that Universal basic income should be implemented as an interest-free loan (for entrepreneur support) initially in a few years after money can be collected and regenerated for the government. This idea can be a solution to the border of implementing Universal basic income on the budget and government treasury. Albeit there is risk associated with this the on loans given as such which potential can create a financial Trap for the overall economy. Another solution is taxing bad things such as pollution or increasing tax on the wealthiest or financial transactions or taxes on luxury items etc. There are discussions taking place on whether Universal basic income can be implemented as a scheme of Universal basic 'share' rather than organized as universal basic 'income'. It can be effective as cash transfer purchasing power can be badly curtailed by market fluctuation subsidies that are not subject to the market fluctuations which affect the real income of an individual. GDP is directly proportional to market inflation

as the GDP rises in the economy inflation Rises too. Therefore 'share' can add the risk of inflation which is associated with the direct transfer of cash. However, The Economic Survey conducted in 2016-17 proposed certain measures to implement the universal basic income in India conveniently. The report supported the 'name and Shame' approach where the list of all the beneficiaries of Universal basic income will be published publicly which will create a deterrent to the rich people who are taking benefit of the schemes due to the shame. As this will tarnish their public image in society and eventually compel them to move out of this system. Another approach to which Niti Aayog paid some heed was the " give it up" approach which entails that those individual or household beneficiaries who do not wish to take the benefits provided by universal basic income can easily opt out. This help to revenue and the benefit of transfer to the rich but up to a Limited extent due to human nature and greed. Further, the report explains that initially scheme can be introduced as targeted basic income. It can be first implemented by transferring the amount to a certain vulnerable group of society like farmers, orphans, poor oldest citizens, etc. This will help us to analyze the impact of the policy. This group can be easily identified and the scope of providing the benefit is extremely high but one of the major problems is the availability of bank accounts of beneficiaries for implementation we have to define the nondeserving basis for skin such as people owning automobiles or AC or bank balance exceeding a certain amount should not get benefited from this scheme. The government can also go with regular verification of beneficiaries of Identity as well as people could be given the option between the existing programs and universal basic, this will further empower a person to choose between their needs as well it will also force the current administrators of the currently existing schemes to improve overall delivery and performance. This will restrict the system to containing corruption and other leakages. one of its drawback is that those who are already out of the current system will not get a chance to choose and the nonpoor section which are still getting benefited from the present scheme will wrongly continue to grow. However, there is still a need of running more pilot projects in different states it will support providing more detailed and explained results of the impact of Universal basic income on the number of people below the poverty line and above it.

CONCLUSION

Basic income as a right is essential to get real freedom and actualization of the rights of a citizen. A right to basic income is also included in the idea of substantive dignity according to which the state has a responsibility to guarantee all of its inhabitants a life of dignity. It has because freedom, not virtual freedom, and realization of rights are essential for a living and honorable, and prosperous life. In this system, a right to basic income is steady and defensible and bears the capacity to get embedded in the constitution. It also possesses the basic feature of the Indian constitution and legal jurisprudence scope, which includes matters related to social welfare and has recognized, the State of India as the primary caretaker of its citizen under the objective of the constitution and its ideals of providing dignity. Universal basic income has a strong potential, specifically in society. It also allows giving the freedom of individuals to make their own choices of preferences and the right agency as an agency. As poverty can be seen as an indicator of the poor's deprivation of individuals rights and freedom, Universal basic income can prove itself to be a game-changing asset for the improvement of the life of the poor. It will also support to overcome a few of the deleterious impacts of income depreciation on the mental health of an individual and give a contribution towards better Psychology of the individual and ability to make decisions. Even after new theories evolve against the backlashes of universal basic income, many experiments and different pilot projects suggest that the mentioned drawback does not find any place in the result of these experimental projects. These experiments established the success of Universal basic income. Grants made in Universal basic income helped beneficiaries to meet their basic needs and necessities, given the option to opt for better employment possibilities, encourage local entrepreneurship, and sometimes help to improve School attendance of children. As well as allegations made about Universal basic income like it promotes laziness and people usually lead to a rise in spending on nonessential goods have been rejected both in experience and theory. These facts arrived from the pilot projects are of great relevance in a country like India which has been home to the largest population of poor people. However, even after looking at these experiments and Pilot projects there are a problem to be addressed before implementation if believed Universal basic income will make use of technology in identifying and directly transferring the allocated money to the beneficiaries, then

we have to make sure that it will be full proof and do not suffer any glitches. However, at present, we find many system failures in states like Rajasthan, Gujarat, and Jharkhand where a large number of Aadhar beneficiaries of the public distribution system have to go without their ration because of a lack of connectivity infrastructure and unreliable fingerprints. Also, public opinion should be considered before the implementation of Universal basic income. In 2011 survey of rural households in 9 States observed that 60% of all respondents referred to kind transfer over cash conducted in Bihar in 2012 on the performance of Mukhyamantri Balika and Balak cycle Yojana discovered that there is more than 50% discount preferred in-kind cycle transfer over cash. The Public's favor of Universal basic income is essential because for a good policy to be successful the agreement and support of people are required.

These points have to be discussed and addressed by the policymaker before implementing Universal basic income completely, as an answer to It implementation of Universal basic income initially can be done in different stages, as it is well predicted that going back to the existing policy after implementing Universal basic income completely seems to be impossible and have a drastic effect on Economy, especially economically marginalized group of people. Hence evaluation of the advantages and disadvantages of the universal basic income must be done with accurate statistics and measures, before playing " THIS" big move.