



**A Critical Analysis on the Universal Basic Income Schemes in the light of COVID 19
Pandemic**

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ABSTRACT

The ongoing pandemic is making changes that could wind up partitioning society into pre-and post-COVID-19 days. These progressions are additionally prone to intensify the novel challenges going with the fourth industrial revolution. Today, troublesome advancements like Artificial Intelligence are introducing profitability gains that we have never observed. They are likewise consistently lessening human capital requirements, making employments a premium. A microcosm of these patterns can be found in Silicon Valley. The district is home to five of the world's eight most valuable organisations. These Goliath, all tech organisations, have a total market top of over \$4 trillion, yet they together straightforwardly employ simply 1.2 million individuals. On the other hand, IMF has anticipated global growth in 2020 to be - 3.0%, the most exceedingly awful since the Great Depression. This paper aims at highlighting the pros and the cons of a potential UBI scheme and whether it can provide a solution for the existing world problems combined with problems of the COVID era. Covering the concepts that the right to life includes a person's right to live with dignity, and that the government has a duty towards its people to provide them with an adequate standard of living, this paper weighs the feasibility of a UBI scheme discussing alternative options and also the challenges of implementation.

Keywords: Pandemic, Universal Basic Income, COVID, society



INTRODUCTION

The ongoing COVID-19 crisis stirred up the conversation on a rather controversial topic of Universal Basic Income and whether or not it is the scheme that can help an economy like India provide its citizens with adequate facilities. But life as it is, is tough for the less fortunate sections of the society and come a pandemic of this size which is not only unprecedented but also so dynamic in nature that post 9 months into it, the scientists in the world are still figuring out the true nature of the virus and the economists around the globe have declared that the world is going through the deepest recession till date, the poor have nobody to turn to but the government of the country. This is the right time to discuss a plan for a future where such pandemics could be of a frequent occurrence.

Universal Basic Income may be commonly defined as “an income paid by a political community to all its members on an individual basis, without means test or work requirement”¹. As per this definition, we can infer that the 2 main characteristics of Universal Basic Income are ; (i) it is universal, i.e. irrespective of a person’s earnings, status of employment, or any other benefits beings received as part of other welfare schemes, and (ii) it needs to be unconditional, i.e. it is given without any obligations on the receiver and no requirement of any participation in any activity.

Another important aspect, as discussed by experts, of a basic income is that the payment delivered must be sufficient so as to help an individual meet his basic needs. This is considered important as the whole purpose of such payments is to help the people irrespective of whether they earn an income or not, and therefore, for a person with no income at all, the basic payment must be such that it is sufficient enough to be able to provide for the basic human needs. The question still arises as to what these basic needs are and who decides what is enough and what isn’t.

No country currently has a Universal Basic Income model in place which fulfils all the requirements as set.² However, there have been several pilot programs conducted throughout the globe and a few larger scale programs that were meant to test the efficacy of the scheme and the effect on the population receiving the same. In India. there have been several proposals of UBI-like schemes such as the Nyay Yojna proposed by the Indian National Congress in their manifesto

¹ Van Parijs P., *Basic income: a simple and powerful idea for the twenty-first century*, SAGE JOURNALS (Mar. 1, 2004), <https://doi.org/10.1177/0032329203261095>.

² Ugo Gentilini et al., *Exploring Universal Basic Income: A Guide to Navigating Concepts, Evidence, and Practices*, WORLD BANK (2020), <https://openknowledge.worldbank.org/handle/10986/32677>.



for the 2019 General Elections, the “Quasi-Universal Basic Rural Income” by Felman in 2019 and many other smaller scale proposals by state governments. However, none of these proposed schemes fulfil the “universal” criteria to be considered as UBI as all of these schemes have a specific target audience which is usually a percentage of people who fall below the poverty line.

Poverty, however, does not amount to the only reason why a UBI may be suggested as an option. With the advancements made in the technological sector over the past decade, many jobs have been lost to automation and with the rate of such advancements more are predicted to be lost in the coming years. Elon Musk too has weighed in on this and called artificial intelligence “our biggest existential threat”. With the population growing and more and more job seeking youth coming in, especially in a country like India that has about 20% (366 million) of the world’s youth population³, such decline in the vacancies in jobs poses a great threat and needs to be addressed on high priority.

Thus, some see a UBI as a net for those who will be left without a job due to the technological revolution. Apart from this many more reasons can be given for why a UBI can be beneficial, but along with that critics have pointed out several cons of this scheme at the top of which is the loss of motivation to work. many have argued how a basic income can lead many to lose their motivation to work for a living and in turn lead to many other issues such as alcohol abuse etc.

Therefore, there are several factors that need to be discussed at length in order to decide whether or not a UBI scheme should and can be implemented in a country or region. The main questions that need to be answered are: Can UBI be considered a right? What are the benefits of UBI? What are the arguments against it? How can a UBI be implemented and what are the challenges for implementation? Is Emergency UBI considerable?

This paper deals with the above-mentioned questions and attempts to answer them with the data available till date.

³ Balwant Singh Mehta, Arjun Kumar & Simi Mehta, *International Youth Day 2020: The Rise of Unemployed And Idle Youth In India*, OUTLOOK INDIA (Aug. 12, 2020), <https://www.outlookindia.com/website/story/opinion-international-youth-day-2020-the-rise-of-unemployed-and-idle-youth-in-india/358529>.



RIGHT TO BASIC INCOME

An important question that needs answering is whether a Universal Basic Income can be considered a right. To understand this, we need to understand why we have rights in the first place. Human rights are simply the minimum standards that are required for a person to live his/her life with dignity. Human rights give people the freedom to choose how they live, how they express themselves, and what kind of government they want to support, among many other things. Human rights also guarantee people the means necessary to satisfy their basic needs, such as food, housing, and education, so they can take full advantage of all opportunities. Finally, by guaranteeing life, liberty, equality, and security, human rights protect people against abuse by those who are more powerful.⁴

In a democracy, it is the elected governments' responsibility to safeguard the rights of its citizens and hence it would be right to believe that the government has the responsibility to provide all its citizens with necessary means to satisfy their basic day to day needs and in the current times of increasing population and nearly not enough jobs to employ these people, there is a short fall in the fulfilment of said responsibility. Van Parijs P., an advocate for the UBI theory states that it is primarily an instrument of "social justice"⁵ and hence, in order to grant people real freedom, the first step must be to provide them with means to sustain themselves and that may be achievable through basic income grants.

Part III of The Constitution India provides all the citizens of the country with fundamental rights which are an integral part of an individual's existence. These are Right to Equality, Right to Freedom, Right Against Exploitation, Right to Freedom of Religion, Cultural and Educational Rights, Right to Constitutional remedies, Right to Education. All these rights apply to all citizens irrespective of age, race, caste, religion, gender etc. Further we can see how the constitutional rights can be associated with the right to basic income.

⁴ *Basics of Human Rights*, ADVOCATES FOR HUMAN RIGHTS, https://www.theadvocatesforhumanrights.org/human_rights_basics.

⁵ Philippe Van Parijs, *Basic Income for All: If You Really Care about Freedom, Give People an Unconditional Income*, BOSTON REVIEW, Oct.-Nov. 2000, <http://bostonreview.net/archives/BR25.5/vanparijs.html>.



RIGHT TO LIFE AND PERSONAL LIBERTY

Article 21 of the Constitution reads as “No person shall be deprived of his life or personal liberty except according to a procedure established by law”⁶. This right like every other fundamental right is provided to every citizen of the country as well as any person from an alien country. The right to life however does not merely provide for the right to survive, but it includes the right to live with dignity.

Maneka Gandhi v. Union of India is one of the most significant cases to understand the right to life, the Supreme Court in their judgement for the case, granted a fresh dimension to Art. 21 and held “that the right to live is not merely a physical right but includes within its ambit the right to live with human dignity”⁷.

Another equally relevant case following the Maneka Gandhi judgement, *Francis Coralie Mullin v. The Administrator*, had the bench observe that:

“The right to live includes the right to live with human dignity and all that goes along with it, viz., the bare necessities of life such as adequate nutrition, clothing and shelter over the head and facilities for reading writing and expressing oneself in diverse forms, freely moving about and mixing and mingling with fellow human beings and must include the right to basic necessities the basic necessities of life and also the right to carry on functions and activities as constitute the bare minimum expression of human self.”⁸

Further, an expansive idea about the true meaning of life of dignity can be understood as given in, *Bandhua Mukti Morcha v. Union of India*, describing Art. 21 as the pillar of fundamental rights, the Court provided an elaborate explanation and Justice P.N. Bhagwati observed that:

“It is the fundamental right of everyone in this country... to live with human dignity free from exploitation. This right to live with human dignity enshrined in Article 21 derives its life breath from the Directive Principles of State Policy and particularly clauses (e) and (f) of Article 39 and Articles 41 and 42 and at the least, therefore, it must include protection of the health and strength of workers, men and women, and of the tender age of children against abuse, opportunities and facilities for children to develop in a healthy manner and in conditions of freedom and dignity, educational facilities, just and humane conditions of work and maternity relief.”⁹

⁶ INDIA CONST. art. 21.

⁷ Maneka Gandhi v. Union of India, A.I.R. 1978 S.C. 597.

⁸ Francis Coralie Mullin v. Union Territory of Delhi, (1981) 1 S.C.C. 608 : A.I.R. 1981 S.C. 146.

⁹ Bandhua Mukti Morcha v. Union of India & Ors. (1997) 10 S.C.C. 549.



“These are the minimum requirements which must exist in order to enable a person to live with human dignity and no State neither the Central Government nor any State Government-has the right to take any action which will deprive a person of the enjoyment of these basic essentials.”¹⁰

Post the decisions imparted in the above mentioned cases, the SC in *Peoples Union for Democratic Rights v. Union of India*, held that non-installment of least wages to the labourers, given employment in different ASIAD-82 Projects in Delhi, was a disavowal to them of their entitlement to live with essential dignity associated with right to life and hence, violative of Article 21 of the Constitution.¹¹ Justice P.N. Bhagwati and Justice Baharul Islam held that, rights and advantages presented on labourers engaged in a job by a contractor under several labour laws are obviously planned to guarantee fundamental human dignity to workers. He held that the non-execution by the private contractors drew in for developing a structure for conducting Asian Games in Delhi, and non-enforcement of the provisions of said laws by the State Authorities was held as violative of the fundamental right of labourers to live with basic human dignity as given under Art. 21.¹²

In *Chandra Raja Kumar v. Police Commissioner Hyderabad*¹³, it was again held that the right to life includes right to live with human dignity and decency and, therefore, holding of beauty contest is repugnant to dignity or decency of women and offends Article 21 of the Constitution only if the same is grossly indecent, scurrilous, obscene or intended for blackmailing. The government is empowered to prohibit the contest as objectionable performance under Section 3 of the Andhra Pradesh Objectionable Performances Prohibition Act, 1956.¹⁴

Over the years the law has emphasised how a dignified life is an integral part of the right to life. But can we today claim that every individual in the world leads a life of dignity that they desire? The answer is a well surveyed no. A dignified life does not only require a person to be able to feed himself/herself each day, it requires access to education, healthcare, shelter, clean drinking water etc. Along with this the court has found that right to pollution free air and water¹⁵, right to

¹⁰ *Id.*

¹¹ *Peoples Union for Democratic Rights v. Union of India*, A.I.R. 1982 S.C. 1473.

¹² *Id.*

¹³ *Chandra Raja Kumar v. Police Commissioner Hyderabad*, A.I.R. 1998 A.P. 302.

¹⁴ Shubhada Pednekar, *Freedom of Speech and Expression: Dignity of Woman*, SHODHGANGA (April, 2014), <https://shodhganga.inflibnet.ac.in/bitstream/10603/145287/13/publication%201.pdf>.

¹⁵ *Subhash Kumar v. State of Bihar*, 1991 A.I.R. 420.



electricity¹⁶, right to economic empowerment of the poor¹⁷ along with many more also fall under the ambit of right to life and are therefore necessary for a dignified existence.

RIGHT TO ADEQUATE LIVING STANDARDS

Although the right to adequate standard of living is not a fundamental right provided in the constitution, over the years many landmark judgments as well as several international legal instruments have incorporated it in their understanding of the right to life. The right to adequate standard of living has been defined under Article 25(1) of the UDHR as the access to sufficient health, food, clothing, housing, medical care, social services, and social security in situations of deprivation of livelihood such as unemployment, sickness, old age or disability¹⁸. It is further recognised under Article 11 of the International Covenant on Economic, Social and Cultural Rights 1966, Article 27 of the Convention on the Rights of the Child 1989, Article 5 of the International Convention on the Elimination of All forms of Racial Discrimination, 1966 and Article 28 of the Convention on the Rights of Persons with Disabilities (CRPD).

In his interpretation of Article 21 of the Indian Constitution, Justice P.N. Bhagwati opined that the right to life includes “right to live with human dignity and all that goes along with it”¹⁹ and accentuated that “everyone has a right to basic necessities of life”²⁰

Also, the Constitution imposes a primary duty on the State to raise nutritional levels, improve living standards along with public health as under Article 47. It further, under Article 39(a) provides

“that the citizens, men and women equally, have the right to adequate means of livelihood”²¹.

As given under the Article 41, the Constitution states that “the State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want.”²² A UBI is believed to further these goals set up by Article 41 and make them more achievable.

¹⁶ T.M.Prakash v. The District Collector, 2013 S.C.C. OnLine Mad 3001.

¹⁷ Murlidhar Dayandeo Kesekar v. Vishwanath Pandu Barde, 1995 S.C.C., Supl. (2) 549.

¹⁸ Universal Declaration of Human Rights, G.A. Res. 217A, U.N. Doc.A/810 (December 12, 1948) Art.25(1).

¹⁹ Francis Coralie Mullin v. Union Territory of Delhi, (1981) 1 SCC 608 : AIR 1981 SC 146.

²⁰ Id.

²¹ INDIA CONST. art. 39(a).

²² INDIA CONST. art.41.



In India, there are several government schemes that are launched in order to provide people with access to means of adequate living standards like healthcare, food, clothes, and other schemes for the unemployed such as the Deen Dayal Upadhaya Grameen Kaushalya Yojna, that aims at providing the rural youth (mostly the BPL and the SC/ST segments) with employment that is gainful through skill development programmes, Digital India Programme, aiming at making government services available to all citizens digitally, Pradhan Mantri Grameen Aawas Yojna, that provides financial assistance to the poor rural population to help them in constructing their houses on their own, Mahatma Gandhi National Rural Employment Guarantee Act, to provide a legal guarantee of a 100 days of employment to adult members of a family, Pradhan Mantri Ujjwala Yojna, aiming to provide women belonging to below poverty line families with free LPG connections and others like the Startup India, Ayushman Bharat Yojana and Swamitva Yojana.

However, even with the existence of these various welfare programs and schemes, we see that over the years there has not been any major difference brought about to the life of those that are less fortunate. In order to enjoy all of these rights, one must have a certain minimum income that allows them to access these basic necessities. With respect to the government schemes that exist in order to provide subsidised food grains and provide for free water in certain areas, it would not be right to say that an individual having access to a few things free of cost or at lesser than market price, he must not therefore be entitled to other things that are important for his/her life. All basic needs are necessary and hence all must be affordable enough to each person whether employed or not, whether earning above the basic required amount or not. On the other hand, for an individual who does not fall under the target of a welfare scheme he/she should not have to choose between what basic need he should invest in and which one to let go of based on how much he can afford with his limited income. This is where UBI may play an important role as it aims to provide a level playing field to all in attaining a bottom line where a person can, to the least, fulfil his basic needs.



INDIA AND UBI

India as a nation, has battled poverty since as long as it has existed and in the modern times still continues to do so. As of 2011, according to the World Bank data, India's 21.9% of the population lived in poverty.²³ This however cannot be held as the exact representation of the situation in the country. Poverty is considered to be one of the most pressing issues that the country has been dealing with and the government of the country attempts at eradicating it through its various schemes. All these schemes have contributed towards curbing poverty but nothing so far has provided a result that can be considered ground breaking and extremely effective and a simple reason for this, that is understandable, is faulty "targeting".²⁴ And hence, a look at the universality of basic income becomes compelling.

A UBI has been a topic of discussion and consideration for a long period of time across many countries and countries like Brazil, Namibia, Kenya, Finland, Uganda, Germany and Spain have conducted experiments, out of which some are still underway, in order to attain better understanding of its impacts and results.

PILOT PROGRAMS IN OTHER COUNTRIES

BRAZIL

The Bolsa Família Program was created in October 2003, by merging four of the country's pre-existing cash transfer programs with a view to enhance efficacy and coherence of the social safety net and to reform assistance to supply universal coverage of Brazil's poor. The program provided transfers ranging from US\$7-45 per month to poverty-stricken families. Similar to other conditional cash transfers, the BFP aimed to assist in;

- (a) reducing the poverty and inequality, by granting a minimum level of income for extremely poor families; and
- (b) breaking the transmission of inter-generational poverty by placing the condition for these transfers on compliance from the benefactors with human capital requirements (attendance at school, timely vaccinations, pre-natal hospital visits).

²³ *Poverty headcount ratio at national poverty lines (% of population) - India*, WORLD BANK, <https://data.worldbank.org/indicator/SI.POV.NAHC?locations=IN>.

²⁴ A.G. Adeeth Cariappa & Apoorva Srinivas, *Universal Basic Income for India: The Way Towards Right to Equality-A Review*, 15 INDIAN J. ECON. DEV. 142 (2019).



The BFP also aimed to empower BFP beneficiaries through linking them to free-of-cost services.²⁵ The only conditions put on the target population of this project was that they had to make sure their children attended school and vaccination of children was done on a timely basis.²⁶

Findings of the project:

After 10 years of running of the Bolsa Família Program, the results were praised tremendously as it was considered as key in halving the extreme poverty in the country from 9.7 % to as low as 4.3 %.²⁷ The income inequality in the country too fell by an impressive 15% (Gini coefficient of 0.527).²⁸

Apart from the most apparent impact on the overall poverty in the country, the program increased the attendance at schools and in some cases even a significant progression in grades was recorded along with an increase in the chances of young girls (aged 15) attending schools by a good 21%.²⁹

NAMIBIA

Having a population of around 2.5 million, Namibia stands as one of the most scarcely populated country in the continent of Africa. Despite being home to a large number of natural resources and an abundance national wealth, the distribution of such wealth isn't uniform and therefore, Namibia stands as one of most unequal countries with respect to wealth distribution and hence poverty lingers in its midst.

Along with poverty some key issues prevalent in the country are unemployment (33.4% as of 2013), HIV/AIDS being the biggest cause of deaths, discrimination on the basis of gender, domestic violence against women and children, Child labour and trafficking.³⁰

Hence, through the establishment of the Namibian Basic Income Grant Coalition in 2004, comprising of the Council of Churches, the National Union of Namibian Workers, the National

²⁵ Kathy Lindert, Anja Linder et al., *The Nuts and Bolts of Brazil's Bolsa Familia Program: Implementing Conditional Cash Transfers in a Decentralized Context*, WORLD BANK (May, 2007), <https://web.worldbank.org/archive/website01506/WEB/IMAGES/0709.PDF>.

²⁶ Deborah Wetzel & Valor Econômico, *Bolsa Família: Brazil's Quiet Revolution*, THE WORLD BANK (Nov. 4, 2013), <https://www.worldbank.org/en/news/opinion/2013/11/04/bolsa-familia-Brazil-quiet-revolution>.

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ Gery Petrova, *Namibia – UBI success and institutional failure*, BASIC INCOME EARTH NETWORK (Jul.14, 2020), <https://basicincome.org/news/2020/07/namibia-ubi-success-and-institutional-failure/>.



NGO Forum, the Namibian Network of AIDS Service Organisations, the Legal Assistance Centre, and The Labour, Resource and Research Institute, the decision was to conduct a 2 year universal basic income experiment (pilot) in the area of Otjivero – Omitara, making all of its residents (close to 1000 people) beneficiaries to a monthly payment of US\$4.5 which ended up being paid till the month of March in 2012.³¹

Findings of the project:

The baseline study conducted after six months of the launch of the project showed some significant improvements in the standards of living in the short period of time.

The results included mobilisation and empowerment of the community via the establishment of an 18-member committee than aimed at mobilising as well as advising the community with regard to how they can optimally utilise the money received by them.³² The data also showed a significant decrease in the percentage of malnourished, underweight children from a massive 42% to only 17% and also shed light on an increase in the income of people over and above the grants being received, which stands as proof that with the help of the grants more and more people opted towards being increasingly productive in their conduct.³³

Karl Widerquist in his essay from 2008, points out that the program also reduced the dropout rate of children from school to 5 % which was earlier as much as 30-40% along with increased accessing of healthcare services which in turn led to an inflow of money in the clinics in the area. The Basic Income Grants showed a promising fall in criminal activities emerging out of poverty, such as robbery, theft etc. by over 20% and also a decrease in prostitution which was earlier a significant issue.³⁴

Even though the results from the program were promising, the application at national level didn't take place due to unwillingness from political side.

³¹ *Id.*

³² Karl Widerquist, *BIG PILOT PROJECT IN NAMIBIA HAS POSITIVE IMPACT (from 2008)*, BASIC INCOME EARTH NETWORK (Feb. 14, 2018), <https://basicincome.org/news/2018/02/big-pilot-project-namibia-positive-impact-2008/>.

³³ *Id.*

³⁴ *Id.*



SEWA'S UBI PILOT PROGRAM IN INDIA

The Self-Employed Women's Association (SEWA) pilot program conducted in Madhya Pradesh, was one of the first large scale UBI experiment conducted in India. Partnering with UNICEF, SEWA organised an unconditional cash transfer in the rural areas of MP. Avoiding the burning debate, instead of calling the experiment a UBI experiment, the term "Basic Income" was used. Basic income as defined by BIEN is "a sum paid regularly, in money, to individuals, without conditions, as a rights-based payment"³⁵

The design of the project was such that all registered residents of the 8 village under SEWA program, received a "Basic Income" transfer each month with a sole condition of opening a bank account and the results were to be compared with 12 non basic income villages. Each adult member received the same amount and all transfers towards those of an age below 18, were given to the mother, or a legal guardian in the case of absence of the mother.³⁶

The experiment paid all individuals the same amount irrespective of their status of rich, poor, elderly, minors, disabled over the duration of one year. Along with this there were no conditions put on how the individual should spend the amount given. The receivers were free to spend the amount as they pleased.

In order to be able to analyse the results in a fair manner, a separate experiment called the Tribal Village Unconditional Cash Transfer was set up for the tribal areas of MP where 2 similar villages were compared, one where basic income was given, and the other where it was not given.³⁷

The design was such that in the beginning, in the general pilot, all adult beneficiaries were given Rs.200 a month and every child was given Rs.100 a month. After the end of the first year, these figures were raised to Rs.300 for adults and Rs.150 for children respectively.

In the case of the tribal pilot (Tribal Village Unconditional Cash Transfer), the amounts for adult beneficiaries remained Rs.300 and Rs.150 for the whole duration of the pilot.

³⁵ The Basic Income Earth Network's Definition of Basic Income, BASIC INCOME EARTH NETWORK (2016), <https://basicincome.org/wp-content/uploads/2020/07/Basic-Income-definition-longer-explanation-1.pdf>.

³⁶ Akhilesh Arya, Astha Kapoor & ors., *A Little More, How Much It Is- Piloting Basic Income Transfers in Madhya Pradesh, India*, SEWA BHARAT (July 2015), <https://sewabharat.org/wp-content/uploads/2015/07/Report-on-Unconditional-Cash-Transfer-Pilot-Project-in-Madhya-Pradesh.pdf>.

³⁷ *Id.*



Findings of the project:

At the end of the pilot program, it was observed that there were significant changes in the lives of the beneficiaries of the “Basic Income” grants. It was noted that in the villages under SEWA that were receiving the basic income payments, there was an improvement in the overall sanitation. 16% of the households in the SEWA villages recorded the use of the grants in making changes to their toilet systems.

There was an investment, mostly by the beneficiaries of the tribal pilot, into getting an access to better quality of drinking water. Also, about 24.3% households under the general pilot benefit, made alterations to their sources of energy for electricity as well as cooking.³⁸

The poor tribal villages, recorded an increase in ownership of household assets such as bicycles, scooters as well as livestock. As compared to the data from villages not receiving grants, the SEWA basic income tribal villages recorded that about 27% of households purchased a total of 32 scooters and motorcycles, whereas only two new two-wheel motor vehicles were purchased in non basic income villages.³⁹

An extremely positive effect was seen in the food sufficiency department. Over 78% of tribal villages receiving basic income reported that their income was enough to fulfil their food requirements.⁴⁰

The most significant findings of the SEWA pilot were that firstly it changed the response of the people to illnesses and increased the willingness to invest in better healthcare/medications etc. Also, it was recorded that in basic income general villages, the percentage of girls enrolled in schools increased to a number of 66% as compared to that of a mere 36% for non basic income villages.⁴¹

Contrary to popular belief, the SEWA report showed that the productivity of individuals increased in 21% of households where basic income cash transfers were made. The income given to the members, increased the work conducted by them to earn further income.

Dr. Montek Ahluwalia, Former Deputy Chairperson of the Planning Commission stated:

³⁸ *Id.*

³⁹ *Id.* at 14.

⁴⁰ *Id.*

⁴¹ *Id.* at 17.



“This study also eliminates a second class of arguments. It is generally believed that people will spend cash in wasteful ways, and that liquor consumption will increase. The study shows what happens when people get cash. It shows that people use cash towards development and not in a wasteful manner.”

ARGUMENTS AGAINST UBI

The Economic Survey of 2016-17⁴² laid down various arguments that have arisen or may arise against a Universal Basic Income Scheme. The Survey thoroughly covers whether these arguments are valid and have research backing them up or are just mere reservations with lack of data.

One of the most frequently made argument against the UBI scheme is one of “Conspicuous Spending”⁴³. The argument claims that, if given a fixed amount over and above and irrespective of, existing earnings, individuals (especially males) may resort to wasteful spending on activities that hold lesser benefit than mere entertainment and may also indulge themselves in alcohol related recreational activities more than one should.

Another argument made is that of “Loss of will to work”. It is raised by many that when given a sufficient amount to fulfil basic needs, a person may lose his/her will to further work to earn a livelihood as he/she won’t have an obligation anymore. However, some pilot programs such as the one conducted by SEWA, showed a different picture with regard to this aspect. It was observed that, in those households that received the grants from SEWA, the members became more focused on working harder and bettering their lifestyle as the grants took away the feeling of burden and unaccomplishment away from them.⁴⁴

Some have also argued that a UBI cash transfer may lead to “Gender Disparity” as it is more likely to be handled/controlled by the male members of the family which is not the case with other in-kind transfers.⁴⁵

⁴² Department of Economic Affairs, Ministry of Finance, Economic Survey 2016-17, (Jan. 22, 2017).

⁴³ *Id.* 175.

⁴⁴ Arya, *supra* note 36.

⁴⁵ Department of Economic Affairs, *supra* note 42, at 176.



Others have argued that there is no real reason as to why the government should be transferring cash to the rich and the middle-class sections of the society and instead it should utilise that fund to build a “productive capacity” in the economy.⁴⁶

It has also been noted as in the Economic Survey 2016-17, that it can pose as a difficult task to discontinue a UBI program in case it shows signs of failure and hence that poses a threat of causing a fiscal cost issue.

A UBI, unlike other subsidies, makes the receiver “subject to market risks”. Hence, in case of market fluctuations (inflation), the purchasing power of the beneficiary may get affected, making the UBI payment nearly useless.⁴⁷

These arguments have been the cause for a UBI not being in place in its true sense anywhere. Even with successful experiments being conducted, the uncertainty factor regarding the impact on the actual population size, keeps a UBI from being implemented.

IMPLEMENTATION OF A UBI

Through the various pilot studies conducted in India as well as other countries, a significant positive feedback has been noted with regard to its impact. However, for setting up a UBI program there are barriers that have to be cleared and also protocols that need to be put in place as the current system has too many leakages and loopholes that may result in failure of the program.

With the introduction of the Jan Dhan Aadhar Mobile trinity, the country became equipped to handle direct transfers into all Aadhar linked accounts. This makes it extremely easy for the government to reach a very large population which would not have been possible without JAM. This lowers the efforts to be made as well as the resources required to establish a special system for UBI transfers.

A major issue that arises in all attempts of establishing a UBI program is the factor of targeting. Targeting being one of the most important features on a basic income scheme serves as the backbone, but if done wrong it leads to the scheme being ineffective for many.

⁴⁶ Rajesh Kumar, *The case against universal basic income*, LIVEMINT (Jan. 26, 2017), <https://www.livemint.com/Opinion/WrMpO95QxKF1kggt6ZrdML/The-case-against-universal-basic-income.html>.

⁴⁷ Department of Economic Affairs, *supra* note 42, at 176.



It may be observed that the colossal number of schemes is in turn prompting regulatory failure. According to the Union Budget 2016-17 there exist 950 Central Sector and Centrally Sponsored Schemes. Out of these the 10 main schemes (Public Distribution System-food and kerosene, Urea Subsidy, Mahatma Gandhi National Rural Employment Guarantee Scheme, Sarva Shiksha Abhiyaan, LPG Subsidy, Pradhan Mantri Awas Yojana, National Health Mission, Pradhan Mantri Gram Sadak Yojana, Integrated Child Development Services, Swachh Bharat Abhiyan, Mid-Day Meal Scheme) represent 1.4 percent of GDP and the remaining 940 schemes amount to 2.3 percent of the GDP.⁴⁸ Almost 50% of the Central Sector Schemes were drawn out for more than 25 years giving indications of monotonous and broad nature, regularly prompting inefficient utilisation of assets and government endeavours.⁴⁹ However, replacing these schemes with an all-out UBI would also not be advisable as the impacts of UBI on larger population still stand unknown and each scheme serves its own purpose, which if taken away from the society could have consequences.

The Economic Survey of India 2016-17 announced that around 40 and 65 percent of the focused-on recipients were not benefitting from PDS (Public Distribution System) and MGNREGA individually in 2011-12 because of avoidance mistakes.⁵⁰

Economist Pranab Bardhan in an article stated that one of the main justifications for implementing a UBI is that, in numerous government programmes, targeting the poor is faced with massive leaks where the needy are not benefitted and the non-targeted public benefits in their place.⁵¹ Therefore, the universal nature of the UBI can be seen as a positive factor as it cancels the process of targeting completely and therefore lessens the chances of leakages due to incorrect targeting.

Pranab Bardhan goes on to suggest a scenario where a UBI is fixed at Rs.10,000 as per the 2014-15 price(3/4th of poverty line then) and is paid to every citizen of the country per year at the 125 crore population, then the total comes down to 10% of the GDP of that year.⁵² He adds how therefore, a Rs. 10.000 UBI if funded through regressive subsidies and a portion of revenue from the Central budget, without any introduction of new taxes, isn't impossible to pull off.⁵³

⁴⁸ A.G. Adeeth Cariappa, *supra* note 24, at 144.

⁴⁹ *Id.*

⁵⁰ Department of Economic Affairs, *supra* note 42.

⁵¹ Pranab Bardhan, *Universal basic income for India*, LIVE MINT (12 Oct 2016), <https://www.livemint.com/Opinion/WuLbydPMOPXvWNrv5wLkDI/Universal-basic-income-for-India.html>.

⁵² *Id.*

⁵³ *Id.*



Another economist Vijay Joshi, in his book has discussed the same at 2014-15 prices and arrived at an amount of Rs17,505 per household/year. When calculated, this amounts to about 3.5% of the GDP for the entire population.⁵⁴ Differently, economist Debraj Ray had proposed an intriguing option, where place of a fixed amount, a certain percentage of the GDP is committed towards the universal income scheme.

The efficiency of existing schemes has raised various questions. Explaining the NYAY policy, introduced in the Congress party manifesto for the 2019 general elections, Jean Drèze, points out the shortcomings of the existing schemes for the poverty stricken. He states that the PDS is prone to many leakages along with continuous errors of exclusion, the MNREGA's promise of guaranteed employment isn't being fulfilled even after formal application being filed and the one's receiving the employment aren't getting the minimum wage rate, the social security pensions that target the elder, widowed and disabled population are lagging in their reach and the contribution of the central government towards the pension has remained a mere Rs.200 for a period of over 12 years and through the Pradhan Mantri Matru Vandana Yojana (PMMVY) the maternity benefits have been unlawfully restricted to only the first child at just Rs. 5000.⁵⁵ This mass misallocation and wasteful execution by the authorities opens up the argument to better functioning schemes. To facilitate the UBI better, in an MIT study, it was found that the PDS, if replaced with a UBI scheme can save up to an expenditure of nearly 36 percent.⁵⁶

A UBI subsequently, can be viewed as an implementable plan in the perspective of financial specialists, however, a change this huge in the framework needs appropriate planning.

AN EMERGENCY UBI: WITH RESPECT TO COVID-19 PANDEMIC

The credibility of the Universal Basic Income has come under question numerous times for various reasons due to which an all-out, truly universal and unconditional basic income scheme hasn't been approved and applied anywhere in the world till date. However, as we saw through the data from pilot programs, where the target groups of such Quasi-UBI or conditional basic income

⁵⁴ VIJAY JOSHI, *INDIA'S LONG ROAD : THE SEARCH FOR PROSPERITY* (Penguin Books 2016).

⁵⁵ Jean Drèze, *NYAY e-Symposium : Doing justice to NYAY*, IDEAS FOR INDIA (May 1, 2019), <https://www.ideasforindia.in/topics/poverty-inequality/nyay-e-symposium-doing-justice-to-nyay.html#>.

⁵⁶ David Coady & Delphine Prady, *Universal Basic Income in Developing Countries: Issues, Options, and Illustration for India*, INTERNATIONAL MONETARY FUND (July 31, 2018), <https://www.imf.org/en/Publications/WP/Issues/2018/07/31/Universal-Basic-Income-in-Developing-Countries-Issues-Options-and-Illustration-for-India-46079>.



displayed promising results and positive changes in the overall being of the community, the idea of a Quasi UBI may be considered with more actionable approach.

The global pandemic of COVID-19 entered India on 30th January'2020⁵⁷ and the journey from then to 8 months down the line has been an unprecedented test for all of humankind. Here we shall cover the impact of the pandemic on India and its vulnerable population along with the steps taken by the government to provide help. The list below points out the key problems faced by the country due to the pandemic:

- 1) *Lack of Adequate Healthcare Facilities to Deal with a Pandemic:* When India was first hit with the pandemic the main problem that arose was the weak healthcare sector which was not equipped to handle it. To better manage things the government decided to bifurcate the hospitals under 3 heads; Dedicated COVID Hospital (DCH), Dedicated COVID Care Center (DCCC), and the Dedicated COVID Health Center (DCHC), each having a different role to play. Despite this, problems such as lack of beds, lack of healthcare insurance and essential equipment, lack of health care professionals, lack of PPE kits, lack of ventilators were some of the biggest problems faced.⁵⁸
- 2) *Migrant Crisis:* The migrant crisis faced by India during the first leg of the lockdown, stands as one of the biggest tragedies caused due to the COVID-19 pandemic. As the first 21-day lockdown was put into force from the midnight on March 25th, 2020 without any warning, banning all movements including all public transports, lakhs of migrant workers who had lost their means of livelihood, set out, on foot, cycles, etc. to return to their villages and towns hundreds and thousands of kilometers away and many lost their lives in the process.⁵⁹ This struggle of the migrants raised many fingers on the government for poor handling of the situation.⁶⁰

⁵⁷ Bindu Shajan Perappadan, *India's first coronavirus infection confirmed in Kerala*, THE HINDU (Jan. 30, 2020), <https://www.thehindu.com/news/national/indias-first-coronavirus-infection-confirmed-in-kerala/article30691004.ece>.

⁵⁸ Priyanka Raj, *Poor Health Care Infrastructure, Lack of Doctors has Made COVID-19 Pandemic so Worse in India*, INVESTIVA (June 10, 2020), <https://www.investiva.co.in/stories/priyankaraj/poor-health-care-infrastructure-lack-of-doctors-has-made-covid-19-pandemic-so-worse-in-india/>.

⁵⁹ *Migrant woes greatest manmade tragedy in India since Partition: Ramchandra Guha*, THE HINDU (May 24, 2020), <https://www.thehindu.com/news/national/migrant-woes-greatest-manmade-tragedy-in-india-since-partition-ramchandra-guha/article31663219.ece>.

⁶⁰ *Id.*



- 3) *Job Losses at all Levels:* As per the CMIE (center for monitoring Indian Economy), in the month of April alone, 122 million jobs were lost in India, out of which 75% were of small traders as well as daily-wage workers.⁶¹ This number is predicted to keep increasing as the pandemic has not showed any signs of slowdown even till the end of September, 2020.
- 4) *Shutting down of Small and Medium sized Businesses:* Amid the pandemic nearly 35% of MSME's (Micro, Small and Medium Enterprises), along with 37% of self-employed people, were compelled to shut their businesses post incurring heavy losses, stating that there was no hope for recovery as long as the lockdown and the pandemic were in existence.⁶²
- 5) *Impact on the country's GDP :* The economy of the country, as per the data provided by the Ministry of Statistics and Programme Implementation shrunk by a massive 23.9% in the first quarter (April-June) of the fiscal year 2020-21 and has been called the worst decline since India first began recording said data for the GDP on a quarterly basis.⁶³
- 6) *Domestic Violence and Cyber Crimes Against Women:* The lockdown and its stringent nature observed a drastic increase in crimes against women as reported to the National Commission for Women (NCW) including cyber-crimes, domestic violence. As the lockdown introduced a stay-at-home work culture, the cases of rape, sexual assault saw a decline whereas increased domestic violence and cybercrime complaints were recorded.⁶⁴ As per the data from January 2018 to May 2020, the rise in domestic violence cases in red zoned areas as relative to green zoned areas was recorded as 131%, whereas this increase was 184% in the case of cyber-crimes.⁶⁵

⁶¹ The Hindu Data Team, *An estimated 12.2 crore Indians lost their jobs during the coronavirus lockdown in April: CMIE*, THE HINDU (May 7, 2020, 9:23 AM), <https://www.thehindu.com/data/data-over-12-crore-indians-lost-their-jobs-during-the-coronavirus-lockdown-in-april/article31520715.ece>.

⁶² Nishtha Saluja, *Over one-third MSMEs start shutting shop as recovery amid Covid-19 looks unlikely: AIMO survey*, THE ECONOMIC TIMES (Jun 02, 2020, 06:31 AM), <https://economictimes.indiatimes.com/small-biz/sme-sector/over-one-third-msmes-start-shutting-shop-as-recovery-amid-covid-19-looks-unlikely-aimo-survey/articleshow/76141969.cms>.

⁶³ Kavaljit Singh, *COVID-19 Has Pushed the Indian Economy Into a Tailspin. But There's a Way Out*, THE WIRE (Sept. 21, 2020), <https://thewire.in/economy/covid-19-india-economic-recovery>.

⁶⁴ Kathleen Beegle, *Using district variation in COVID-19 lockdowns in India to assess their impact on violence against women*, THE WORLD BANK BLOGS (July 29, 2020), <https://blogs.worldbank.org/impactevaluations/using-district-variation-covid-19-lockdowns-india-assess-their-impact-violence>.

⁶⁵ *Id.*



GOVERNMENT RESPONSE

The Government of India as well as the State Governments have come up with various reforms to deal with all the problems that the different sectors are facing during the pandemic. They can be briefly understood as follows;

- For the beneficiaries of the National Social Assistance Program (NSAP), specifically the elderly, widows and disabled, and amount of Rs.1000 each announced.
- For all the female account holders of Pradhan Mantri Jan Dhan Yojana (PMJDY) (approximately 200 million women) an amount of Rs.500 monthly for 3 months from April till June was announced.
- For the beneficiaries of Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) (approximately 87 million), a top up amount of Rs.2000 monthly was announced for 3 months.
- The state of Uttar Pradesh announced a compensation for those poor workers such as small vegetable vendors, construction workers etc. who have lost/or will lose their jobs due to the pandemic.⁶⁶
- Direct cash transfer of Rs.611, made by the state of Uttar Pradesh to 27.5 lakh workers of the MNREGA.⁶⁷
- The Government of Bihar announced transfer of Rs.1000/- per family to the labourers, who are residents of Bihar, stranded in other states due to the lockdown without work.⁶⁸
- A one-off cash transfer by the Uttar Pradesh government to 480,000 daily wage workers of Rs. 1000 each was announced.

⁶⁶ Ugo Gentilini, *Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures*, UGO GENTILINI BLOG (Sept. 18, 2020), <http://documents1.worldbank.org/curated/en/295321600473897712/pdf/Social-Protection-and-Jobs-Responses-to-COVID-19-A-Real-Time-Review-of-Country-Measures-September-18-2020.pdf>.

⁶⁷ Outlook Web Bureau, *Amid Coronavirus Lockdown, UP Govt Transfers Rs 611 Crore To 27 Lakh MNREGA Workers*, OUTLOOK INDIA (Mar. 30, 2020), <https://www.outlookindia.com/website/story/india-news-amid-coronavirus-lockdown-up-govt-transfers-rs-611-crore-to-27-lakh-mnrega-workers/349701>.

⁶⁸ Aanchal Magazine, *44.5% of Bihar s cash transfers to over 10 lakh workers are in Delhi, Haryana, Maharashtra*, THE INDIAN EXPRESS (Apr. 19, 2020, 8:36 AM), <https://indianexpress.com/article/business/economy/covid-19-44-5-bihar-cash-transfers-10-lakh-workers-delhi-haryana-maharashtra-6368673/>.



- Pension of an amount ranging from Rs. 4000-5000 was announced to be paid to 850,000 individuals by the 7th of April 2020.⁶⁹
- For the beneficiaries of Antyodaya Anna Yojana (AAY), the Public Distribution System (PDS) grants were increased to 1kg pulse(family) and 5kgs wheat or rice(individual), for three months.⁷⁰
- The State of Gujarat extended its grant of food grains (10kgs of wheat, 3kgs of rice, 1kg of sugar and 1kg of pulses) to households that fall above the poverty line and are therefore not covered under the National Food Security Act.⁷¹
- Grant of free cylinders for the beneficiaries of the Pradhan Mantri Ujjwala Yojana (PMUY) for 3 months announced.⁷²
- Allowance was given for the withdrawal of up to 75% of the non-refundable advance
- In India, nearly 30 crore account holders of the Pradhan Mantri Jan Dhan Yojana program, a financial inclusion program, received account-based cash transfers as an immediate response to the pandemic.⁷³

JUDICIAL RESPONSE:

In numerous instances where the governments' actions did not suffice in providing assistance to the citizens or when the government failed to take positive actions in providing relief, the courts either by suo moto action or by the pursuance of a PIL decided on many important matters.

In the case of *Harsh Mander and anr. vs. Union of India*, the petitioner prayed for the court to direct the concerned government to ensure the payment of wages of migrant workers during the lockdown. The case was later disposed off after the government submitted its status report.

⁶⁹ UGO GENTILINI, *supra* note 66.

⁷⁰ Id.

⁷¹ Id.

⁷² Id.

⁷³ Ugo Gentilini, *Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures*, UGO GENTILINI BLOG (May 22, 2020), https://www.ugogentilini.net/wp-content/uploads/2020/05/Country-SP-COVID-responses_May22.pdf.



In another case of *Shashank Deo Sudhi vs. Union of India*⁷⁴, seeking directions to allow free testing for COVID-19 in public and private hospitals, the petitioner approached the Supreme Court. The SC held that as under Ayushman Bharat Pradhan Mantri Jan Aarogya Yojana, free testing was already being held and therefore, the government must be left to carry out its job.

The court in, *Aayom Welfare Society & anr. vs. Union of India*⁷⁵, disposed off the petitioner's prayer of providing free ration to those without a ration card by stating that the matter is a policy issue and hence is at the hands of the central and state governments. The court further suggested the petitioner to serve the Solicitor General with the copy of the petition in question for consideration by the Central government.

Through a Suo Moto Writ Petition taken up by the Supreme Court on the matter of "*Contagion of Covid-19 in Prisons*"⁷⁶, the SC directed the states to constitute a committee that can decide the class of prisons fit for being let out on parole or interim bail for a duration necessary to avoid overcrowding in prisons in the light of the pandemic. The Court also advised the Union Government to issue appropriate directions as per the Disaster Management Act, 2005 or other applicable laws.

By an order dated 9th June 2020, the Supreme Court of India in the Suo Moto Writ Petition regarding the plight of the migrant workers (IN RE: Problems and Miseries of Migrant Workers vs. For Admission), "directed the Central Government, all States and Union Territories to take all necessary steps regarding identification of stranded migrant workers in their State which are willing to return to their native places and take steps for their return journey by train/bus which process may be completed within a period of 15 days from today and in event of any additional demand, in addition to demand of 171 Shramik trains, as noticed above, railway shall provide Shramik trains within a period of 24 hours as submitted by learned Solicitor General to facilitate the return journey of migrant workers."⁷⁷

This act of stepping in of the Judiciary at such time was seen as a necessary step to keep a check on the governments' actions.

⁷⁴ Shashank Deo Sudhi v. Union of India A.I.R 2020 S.C. 500.

⁷⁵ Aayom Welfare Society & anr. v. Union of India A.I.R 2020 S.C. 602.

⁷⁶ *In RE: Contagion of Covid 19 Virus in Prisons*, SMW(C) NO.1/2020, SUPREME COURT OF INDIA, https://main.sci.gov.in/pdf/LU/16032020_100611.pdf.

⁷⁷ *IN RE: Problems and Miseries of Migrant Workers*, SMW(C) No.6/2020, SUPREME COURT OF INDIA, https://main.sci.gov.in/supremecourt/2020/11706/11706_2020_34_42_22217_Order_26-May-2020.pdf.



However, with all the measures taken, reaching each and every individual and providing them with the help specific to their grievances is an extremely difficult and tedious task, and therefore many experts, including philosopher Karl Widerquist, have been pushing the idea of an emergency UBI scheme that can be put into action in such pandemic like situations.

From the example of the migrant workers' crisis in the midst of this pandemic emergency and resulting lockdown, we saw pictures of a great many migrant workers restoring to their homes strolling several kilometers. According to information gathered by Union Skill Development Ministry, around 67 lakh traveler labourers were able to get back to their homes. The scrape of these migrants during the emergency could have been essentially turned away in the event that they had a money related security net to depend on as most of them had lost their employment after the lock down had become effective.⁷⁸

NEED FOR UBI IN A PANDEMIC

As per Karl Widerquist, an emergency UBI during times like that of COVID-19, is a policy that can be deemed effective as-

- it fills in as a shock absorber for individuals who are un-or under-employed during the emergency;
- it likewise fills in as a shock absorber for individuals who need to continue working (those in essential services) who regularly have low wages and could profit by a reward that perceives their commitment to society;
- it fills in as an upgrade for the economy overall and reduces multiplier impacts; and
- it is less difficult than other schemes, as it includes less exchange costs and less administration, (for example, delays due to deciding qualification).⁷⁹

Currently the need of the administration is to guarantee liquidity in the market and give financial security to its citizens. Obviously for a long-term solution a well-structured plan needs to be put

⁷⁸ Ritambhara Singh, *A Case of Universal Basic Income Support*, CENTRE FOR LAW & POLICY RESEARCH (JULY 14, 2020), <https://clpr.org.in/blog/a-case-of-universal-basic-income-support/>.

⁷⁹ Christian Sthl & Ellen MacEachen, *Universal Basic Income as a Policy Response to COVID-19 and Precarious Employment: Potential Impacts on Rehabilitation and Return-to-Work*, J. OCCUP. REHABIL. 1–4 (2020), <https://doi.org/10.1007/s10926-020-09923-w>.



in place for times of emergencies such as a pandemic or a global recession. However, in order to address the momentary concerns, the Pradhan Mantri Garib Kalyan Yojana⁸⁰ introduced by the government displayed a requirement for a UBI even though the nature of such requirement may be momentary and quasi.⁸¹

Nonetheless, the plan has been seen to experience certain blemishes and insufficiencies such as, right off the bat, the plan expects that just previous sections of society are in the need of monetary help and subsequently forgets about a large part of people who have lost their source of livelihood along with their lifetime of savings, and fundamentally have no federal retirement aide. Besides, the plan is an augmentation of existing plans. Accordingly, it not just conveys with it the current defects of the plans yet additionally neglect to present any significant measures. One such imperfection is the instalments to the farmers under the PM KISAN Yojana which gives instalment to, in numerous cases, a missing landowner instead of the real turner of the field. In this pandemic this isn't simply heartbreaking yet unfortunate.⁸²

Finally, the financing of the plan is lacking as Rs. 1.70 Lakh Crores, that have been allotted for the scheme, adds up to a simple 0.8% of the GDP. It is horribly insufficient particularly when contrasted with the money related boost offered by other creating and created nations. Overall, internationally 10% of GDP was spent on monetary improvement. Further it neglects to legitimise government funds in a period where more prominent effectiveness per Rupee is the very pinnacle of need.⁸³

The Economic Survey of 2016-17⁸⁴, dedicating an entire chapter to UBI noted that a UBI will “promote liberty, provide flexibility in the labor markets, efficiency in government schemes, the productivity of labor, and most importantly equality in true sense”.⁸⁵

⁸⁰ *PM Garib Kalyan Yojana | More than 42 crore people get ₹68,820 crore financial aid*, THE HINDU (Sept. 8,2020, 04:38 PM), <https://www.thehindu.com/business/pm-garib-kalyan-yojana-more-than-42-crore-people-get-68820-crore-financial-aid/article32552499.ece>.

⁸¹ Noel Therattil, *COVID19-XV: A CASE FOR UNIVERSAL BASIC INCOME IN POST-COVID INDIA*, LAW SCHOOL POLICY REVIEW (May 11, 2020), <https://lawschoolpolicyreview.com/2020/05/11/covid19-xv-a-case-for-universal-basic-income-in-post-covid-india/>.

⁸² *Id.*

⁸³ *Id.*

⁸⁴ Department of Economic Affairs, *supra* note 42.

⁸⁵ Ritambhara Singh, *supra* note 78.



A thorough inspection of the Umbrella schemes has portrayed that there exist, almost 950 sub-schemes that are centrally sponsored in India and they account for about 5.7% of the GDP by allocation of budget⁸⁶ as of 2019-2020.

Therefore, if the government decides to rationalise its non-essential schemes, it will be easy to direct these funds towards the formation of a UBI scheme. In the time of immediate need, a well planned UBI scheme can act as an immediate shock absorber for the massive economic downfall that a country may face. Due to large number of job losses and pay cuts, the pandemic has led to a huge reduction in the overall purchasing power of the people⁸⁷ as the uncertainty caused by the pandemic increases the willingness of people with an income to save more for a rainy day, and for those who have limited to no income, tend to cut down on their already meek consumptions. This in turn leads to a slowdown of flow of cash into the economy. An emergency UBI therefore, will act beneficial for the economy.

CONCLUSION

A Universal Basic Income model has proved to be an efficient tool to reach our goals of poverty eradication along with provision of proper incentive to work and contrary to popular belief, the UBI experiments have shown that individuals when handed a basic income tend to utilise it in wiser manners than they were expected to do like the SEWA experiment clearly observes.

However, the lack of data from large scale implementation for longer durations raises a doubt on whether it is something that the country needs so desperately that this factor of uncertainty be ignored and the UBI structure be taken by the government. There are instances of failed experiments like Finland where poor implementation led to the complete failure of the program and ultimately no benefit came from it.

Considering all the arguments against UBI and their counters, one argument generally made is also that the people should receive income on the basis of the work they do any how much they contribute to the society in respect of giving back like paying their taxes etc. This argument however can be considered a very layman and amateur one as everyone's contribution in the

⁸⁶ Noel Therattil, *supra* note 81.

⁸⁷ Katie Jones, *These charts show how COVID-19 has changed consumer spending around the world*, WORLD ECONOMIC FORUM (May 2, 2020), <https://www.weforum.org/agenda/2020/05/coronavirus-covid19-consumers-shopping-goods-economics-industry>.



society is unique, the amount of tax one pays does not decide the quantum of their rights. All citizens of the country enjoy the exact same rights irrespective of the value of their contribution. An individual has the right to live with dignity and also to maintain an adequate standard of living, and the government has a duty to safeguard/ provide for these rights.

Also, the reason an individual may be unable to provide a better lifestyle for himself and his family, is in majority of the cases not the unwillingness or lack of skill, but the lack of opportunities made available to them.

As in the case of COVID-19, and cash transfers, it is seen that most of the measures taken or announced by the government either involved distribution of rations or cash transfers to families for their needs as maximum number of these people had lost their means of income. Now, considering a situation where the government provides the people with rations and basic medicines and whenever required but does not hand out any liquid cash at the disposal of these poor individuals. This would result in a decrease in the overall sale of daily use necessary commodities and in turn result in even larger losses for micro, small and medium businesses and may also result in a recession like situation throughout the country as a huge section of the society would have no cash to spend. On the contrary, if sufficient cash transfers are made to the people even without the distribution of any rations, the individuals would have the purchasing power to buy these commodities themselves in quantities they require.

However, there is another side to this. In the long run if a UBI is introduced it may cause an inflationary situation. If people are handed cash transfers equally on every level of the society to avoid any leakages and to cut down on the costs involved with “targeting activities”, it wouldn’t bring any real benefit to the upper middle class or the rich, but the actual benefit would come to the lower middle class, poor and extremely poor populations. Imagining a scenario where the amount transferred to each individual is enough for the person to cater to his/her basic needs, the demand for certain essential commodities in the market will increase as a large chunk of the population would now be in a state to be able to afford these items. With increased demand, the resultant supply deficit can therefore lead to a hike in the prices of these commodities which therefore, may make the fixed amount given to the people less and less useful as now with increased prices the individual would be able to afford lesser things and hence this reduced purchasing power can cause a case of coming full circle with no positive result.



Another reason for a delay in the implementation of a UBI is the unwillingness from the political parties. The political scenario in India is such that whenever a change of this magnitude has to be brought in, there is significant skepticism and resistance from the opposition parties, sometimes for no good reason. And therefore, it makes it an extremely hard job to pass legislations that will establish a UBI scheme. Just like the idea of the NYAY scheme of the Congress party received a ton of criticism from the in-power BJP government, this cycle goes on and on.

We, as a country, need a reform in the policies of the government of the magnitude that they actually create a difference rather than just creating a perception of the work getting done. No welfare policy of any government has till date succeeded in reaching each and every targeted individual, and this is the biggest problem that needs addressing. A large chunk of the country's population is illiterate and has no understanding of their rights and even the sheer existence of these rights. It would be unfair to expect such individuals to turn up and make a claim on the benefits these welfare schemes are set up to provide to them. And therefore, it is ultimately the government's duty to make sure it identifies and reaches these individuals through a method that is effective and does not create a cost burden on the economy. And hence, due to this, the universal factor of the UBI appears to be an effective solution. Through the JAM trinity model, the reach to every individual's Aadhar linked accounts can help facilitate these transfers and eliminate the need for a fresh system for the transfer process as and when such UBI model is taken up.