

PANEL DISCUSSION ON UNIVERSAL BASIC INCOME: ISSUES AND CHALLENGES FOR INDIA

Rapporteur: Department of Social Science

5 Apr. 2019: A Panel Discussion on Universal Basic Income (UBI) was organized by Department of Social Science, School of Liberal Studies (SLS), PDPU on 5th April, 2019 at 3:00 p.m. The panellists of the event were Shri CK Koshy, IAS (Retd.) Former add. Chief Secretary, GoG; Dr. Rasananda Panda, Registrar, MICA; Dr. B. Jagannatham, Faculty, Centre for Gandhian Thought and Peace Studies and Dr. Prashant Panda, Head of Department of Social Science, SLS, PDPU. The moderator and the coordinator of the event was Dr. Anurag Srivastava and Dr. D. Sriram.

The event was inaugurated by presenting mementos to the panellists to greet them. The welcome address was delivered by Dr. Nigam Dave, Dean and Director of School of Liberal Studies. Dr Dave briefly talked about how the idea on conducting discussion on UBI has emerged. As a moderator in his opening remarks Dr. Anurag Srivastava underlined the context and background of UBI by articulating few important things in the context of UBI in India. He gave a number of example of farmers, as India is basically an agricultural country. In the Interim budget of year 2019 government had declared to give Rs.6,000 per annum to farmers with less than 2 hectares of land and at the same time Telangana State Government is providing an income support under '*Rythu Bandhu*' scheme by giving Rs. 4,000 per acre per season, irrespective of the size of their land holding. Further he also talked about the recent political manifesto of congress government on providing universal basic income per month of Rs.6,000 for farmers. At the end, he commented on the increased issue of automation and made the discussion open for panellists. The detailed remark of each of the panellists are given below:

Shri CK Koshy, IAS (Retd.) Former add. Chief Secretary, GoG:

Initiating the discussion Koshy said debate on Universal Basic Income for India is having its essence from the concept of socialism and capitalism. As per socialism it is a responsibility of state to serve its citizens from womb to tomb, on the other hand capitalism is saying citizens may take care of themselves and government is just needed to perform its administrative functions. But in reality neither of this system helps in solving some major social issues such as poverty. Vicious cycle of poverty is still there since the independence. At present it is slow but continuous. To justify it he gave an example of drought of Gujarat. In the year of 1968-69 monsoon failed in Gujarat for consecutively three years and state was not having adequate infrastructure such as bridges, canals etc. Hence people became helpless. At that time as a part of administrative duty the State Government had launched scarcity relief work under which government provided various types of ancillary work like digging to workers who willingly want to work to earn their momentary livelihood. With the help of such example he made a point that government provided money in return of the work as it is believed as per traditional ideology that government cannot give direct money to needy. However today the scenario has changed. At present with the current way of economic growth, there is a surge in

the inequalities of income and hence assured income is a necessity for a certain class of population. Concluding his points, he gave an example of pilot project of Canadian government on UBI and its positive impact on lives of people. He also pointed out his ideas optimistically on how it should be implemented in our country and what will be the measures to practice it.

Dr. Rasananda Panda, Registrar, MICA

According to Dr. Rasananda Panda the idea of Universal Basic Income is relevant but not new. It was came before many centuries ago and at present all around the world people are discussing it with some newness. Basically UBI is a Public Spending Programme. To justify his arguments from the point of view of an economist, he explained the concepts of welfare economics and principles of distributive justice and social justice. Inequality is a fact of life and a perfect mechanism to reduce it is with distributive justice. He made his arguments strong by raising questions that the schemes are excellent but what about transaction cost, who will be the provider, what mechanism will be used and for how long it should be continued. As per his perspective, no policy is efficient and effective. But with the proper public finance it is possible to maintain its efficacy and looking at the political economy it will work. He also elucidated various economists' view points and their diverse principles in the field of Micro and Macro Economics to validate his arguments. He concluded his arguments by giving positive vision that government should implement it once but only for limited time period without pressurising citizens for tax.

Dr. B. Jagannatham, Faculty, Centre for Gandhian Thought and Peace Studies:

Dr. Jagannatham began by quoting that in India today almost 22% population is living below poverty line and about half of them are from reserved cast i.e. Schedule Cast (SC) and Schedule Tribe (ST). India is a welfare state and to the some extent believed in an ideology that state will think of each and every individual. The Indian constitution also mentioned important role of the state towards citizens of the country. Indian population especially people live in rural areas are dependent on agricultural activity to earn their livelihood which is uncertain and natural and that's why farmers of poor states such as Bihar, Rajasthan, Maharashtra, Uttar Pradesh and the likes face so many problems in earning their livelihood and which leads to increase in farmers suicide. Today, focus of country has shifted from statism to capitalism and hence the state has merely become a facilitator. Another aspect of UBI is about globalisation, due to which people are migrating to other countries for a higher expectations of earning and a better livelihood. The elected representatives of the country are from the affluent class and thus, they don't understand the plight of the people from lower strata of the society. Universal Declaration of Human Rights, Conventions of United Nations , ASEAN Human Rights Declaration, etc. talk about to support needy people. Our state government can partially start an implementation of UBI in rural areas especially for less-privileged people. So far in this context government had implemented Public Distribution System and Mahatma Gandhi National Rural Employment policies. At last he concluded his thoughts by emphasising that human angle have to be seen in such policies and government should modify and enforce it from time to time.

Dr. Prashant Panda, Head of Department of Social Science, SLS-PDPU:

Dr. Panda commenced his debate with the recent provisions related to income tax declared by government in this year's interim budget. As government had declared that people who will buy second house will get reduction from the tax on the income earned from the other house in a form of rent. However, it has been found out that the government has not changed its ideology and it's the time for the citizens of India to take necessary steps in order to modify the orthodox ideology of government. The world is changing and with that the idea behind universal basic income is changing. No appropriate and necessary steps have been taken by the government in the last few years. As time is changing and automation is increasing, policy makers should think about giving tax exemption to companies who have more labourers. At last he concluded up by saying that such policies were non-avoidable and government should implement it on timely basis.

Responses from the panel with respect to questions raised by the floor:

At the end of the discussion, students have asked various questions out of their curiosity which includes: What UBI look like from an economic man's perspective? What will be the impact of it in the country like India where in some states such as Gujarat government spend almost one crore to create 4 jobs and at the same time half of the population in rural areas don't have BPL card hence implementation of this idea will be critical or will it become a game changer?

In response of these questions, panel respectively tried to satisfy students by explaining various principles of economics. UBI is not an intellectual statement and is not attached with the lifestyle of people. Here, universal in this context is government reach to all the citizens. As per Chief Economic Adviser Arvind Subramanian, India should follow quasi UBI concept. It also lead to inflation because as income increase spending will increase and consequently it lead to increase in national income and per capita income. The spending in creation of jobs will differ from place to place as it depends on the economic condition of a state, in states such as Gujarat where development is on a peak, the government have to put more money to create job as per the microeconomics concept of production- function.

Conclusion:

Concluding the discussion Shri. Koshy told one funny story to justify all the arguments in accordance with Indian man perspective and proved that there are people in country who do not require help of UBI but ultimately wish to take it. He also put forward various challenges in the enforcement of it such as lack of banking and technological facilities, high population of migrant and tribal and identification of poor people in backward regions of a state. In the solutions of all these challenges he explained that our country need to take precautions like high policing and auditing and more time and deep relevant analysis before taking such initiative. This idea is good but before taking it into consideration first we have to question that whether we are prepared or not? Other panellists agreed to this sentiment.

At last Charvi Agrawal, student of School of Liberal Studies thanked all the panellists for gracing the session with their presence and to enlighten students through such a fruitful discussion.