

## **Press Release**

- *Conceptual issues and design and implementation aspects of Universal Basic Income (UBI) discussed in IHD ILO Round Table*
- *Need for “small and gradual steps” before adopting the policy of UBI stressed Professor Mundle*
- *NITI Ayog member, Bibek Debroy inaugurates IHD’s Roundtable on Universal Basic Income*
- *Chief Economic Adviser, discusses the Economic Survey Proposal on Universal Basic Income in his Keynote Address*
- *IHD engages with the feasibility of “UBI in India” in a Round Table*

The Institute for Human Development (IHD) with support by the International Labour Organisation (ILO) organised a Round Table on *Universal Basic Income: Emerging Perspectives* was held at the India International Center on July 10, 2017. . Over 80 delegates participated in the discussions comprising senior academics, bureaucrats, and researchers from India and abroad. Professor Bibek Debroy, Member, NITI Aayog delivered the inaugural speech and the keynote address was delivered on behalf of Dr Arvind Subramanian, Chief Economic Advisor, Government of India. The leading proponents of the Universal Basic Income (UBI) Prof. Pranab Bardhan and Prof. Vijay Joshi also participated in the Round Table and presented their versions of UBI.

The deliberations during the day-long event largely focused on conceptual issues and on aspects of design and implementation of Universal Basic Income (UBI). Professor Mundle while summarising the proceedings and deliberations of the Round Table, concluded that that the success of the Round Table was that while the proponents of UBI recognize potential problems with the idea and practice of UBI, the opponents also recognized the positive elements and the potential of the proposed programme.

While much of the discussion centered on practical, financial, and political feasibility of this measure, it was nonetheless contextualized within broader philosophical and ethical concerns. The concept of Universal Basic Income has gained traction in recent times although the motivation driving these discussions differs across countries and regions. In the developed countries discussions conceptualization of the policy is in terms of future of working or

employment. Concerns in developing countries like India differ considerably. In the Indian context, concerns of poverty alleviation, inequality, the necessity of bringing deprived populations under a social security net, and the fiscal feasibility of such a policy have guided deliberations.

The main technical sessions in the round table deliberated on the three main proposals, namely, the Bardhan Proposal, the Joshi Proposal, and the Economic Survey Proposal. Professor Abhijit Sen classified these as the “left and right” of the UBI idea where the vehicle remains the same albeit with radically different political, ethical, and economic concerns and outcomes. Professor Bardhan argued that implementation of a policy like UBI has a sound ethical and political basis and has over time generated support across the ideological spectrum. In India this gains importance in the context of high levels of poverty, vulnerability, and inequality. He advocates for a universal UBI implemented as a right of citizenship. He also insisted that there is sufficient fiscal space to implement this programme without cutting back on public spending on other schemes. This would require fiscal restructuring by removing/reducing tax exemptions, non-merit subsidies, implementing wealth and inheritance tax, and by increasing the tax base. This essentially would imply contracting subsidies for the rich and increasing the fiscal space for the benefit of the poor and vulnerable.

Professor Joshi’s proposal similarly argued for a universal UBI policy. His concerns however were located in need for such a measure as an essential aspect of the ongoing economic reform and rationalization of public expenditure. He argued that the resources for the programme can be made available through the removal of food and non-merit subsidies, badly targeted schemes, disinvestment, and removing unnecessary tax exemptions. The Economic Survey Proposal advocated a quasi universal scheme. Like in the case of the Joshi Proposal, the central concern was fiscal reform and removal of certain schemes. The Economic Survey proposal while advocating the need for such a programme, nevertheless concluded that its implementation in the current context is infeasible.

The critics in the conference largely expressed their concerns in terms of general skepticism towards the implementation of such a measure, calling in question the feasibility of the scheme in the Indian context. Professor Dreze termed the scheme a Trojan horse which if implemented would be used to rationalize the reduction in spending on essential social and economic services. Various presenters, like Professor Dreze, Abhijit Sen, and Ashwani Saith also stressed that the Indian social security measures are comprehensive in their design and that the current need is for universalizing and strengthening these rather than replacing the existing schemes by UBI. Bibek Debroy and Ashwani Saith also focused on supply side issues and argued that India lacks basic infrastructure and social amenities which would then undermine the feasibility of this measure which is exclusively focused on demand. The reach and the spread of other institutional measures for implementing such a scheme, such as the banking system, are also inadequate. Many delegates also expressed concerns about the division of financial responsibility between the centre and states.

Concluding the Round Table deliberations, Professor Mundle stressed the need for “small and gradual steps” before adopting the policy. The general agreement was that there is need for more clarity on the idea and feasibility of UBI in India. They suggested that experiments and pilot projects in select regions or for select populations would be useful. In this context, Professor Alakh Sharma proposed a pilot programme for implementing UBI for the old age citizens which is fiscally feasible currently.