

Growth versus Development in the light of Universal Basic Income -

A focus on India Case

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Development is a more inclusive concept than economic growth that focuses merely on the output. India is growing, but if it is in the path of development is the question of democracy?

One major welfare policy in many developing countries such as India is the distribution of freebies which are goods that distributed to some group in the country, often for political support. These freebies are often inefficient as they are not of direct use or benefit to the beneficiaries but are quite expensive due to the leakages and administrative expenses. They are also poorly targeted and often lost in the transaction process. Apart from all this, they strip the poor of any flexibility to choose or streamline this benefit. Public need not be considered as beggars who cannot be choosers as the welfare measures should be the right of general public.

Apart from the easier implementation (and therefore, less leakage and transaction cost), UBI will also greatly help the people stuck in poverty traps to make good investment decisions or at least pay off their debts.

Concept Clarity of Basic Income:

The International Monetary Fund defines universal basic income as “a cash transfer of an equal amount to all individuals in a country.” Recipients can spend the money however they like, and they aren’t required to report how they spend it.

Milton Friedman’s Negative Income tax: This is a welfare concept in which the people who are earning below a certain amount receive supplemental pay from the government instead of paying taxes to the government. His book on Capitalism and freedom Published in 1962 argued that he wanted to give poor people cash rather than an array of welfare benefits.

Universal Basic income scheme, originated from the unconditional cash transfer policy introduced by Thomas More in his 1516 book, Utopia.

But in countries like India, the concept can be altered according to the requirement. India is going to be the most populous country in the world from 2023. For this unmanageable number, atleast the poor can be targeted. Hence this concept is used as Basic income and not Universal Basic Income. Conditions like the Job assurance, salary limit, property ownership, Vehicles ownership, Income tax payment, GST payment, Gadgets ownership etc are attached to the Basic income.

Trials and Errors:

Many countries have ventured into this method of Universal Basic Income.

Iran, while winding down the country's extensive oil subsidies for citizens, President Mahmoud Ahmadinejad of Iran implemented a flat cash dividend, paid out to every man, woman, and child in the country. Iran was the first country to introduce a national basic income in autumn 2010. It is paid to all citizens and replaces the subsidies of petrol, fuel, and other supplies that the country had for decades in order to reduce inequality and poverty. As of 2012, the sum corresponded to about 40 U.S. dollars per person per month, 480 U.S. dollars per year for a single individual and 2,300 U.S. dollars per year for a family of five people.ⁱ

Belgium, the most active group promoting basic income is the movement Vivant and the philosopher Philippe Van Parijs, who founded the Basic Income European network (BIEN) in 1987. A Belgian basic income network affiliated to the BIEN was founded in 2012 in Brussels.

Bulgaria: The "European Citizens' Initiative for Unconditional Basic Income" was a citizenship initiative in the European Union in 2013. In December 2014, one year after the European basic income initiative, Bulgarian Union for Direct Democracy, a new party, was created. Besides direct democracy, the party also included basic income in its program.

Poland: In 2016, the Law and Justice government of Beata Szydło has introduced a program named "500+", satisfying the conditions of the basic income, which included the parents or the legal guardians of every Polish child up to the age of 18, including those already born, without any further conditions. The allowance amount was set for 500 PLN monthly (about 120 EUR).

From 1968 to 1982, the **US and Canadian governments** conducted a total of five negative income tax experiments. They were the first major social science experiments in the world. The first experiment was the New Jersey Income Maintenance Experiment, proposed by MIT Economics graduate student Heather Ross in 1967 in a proposal to the U.S. Office of Economic Opportunity. The four experiments were in

1. The New Jersey Income Maintenance Experiment: Trenton, Passaic, Paterson, and Jersey City, New Jersey with Scranton, Pennsylvania added to increase the number of white families, 1968–1972 (1357 families)
2. The Rural Income Maintenance Experiment: Rural areas in Iowa and North Carolina, 1969–1973 (809 families)
3. Gary, Indiana, 1971–1974 (1800 families)
4. Seattle (SIME) and Denver (DIME), 1971–1982 (4800 families)
5. Manitoba, Canada ("Mincom"), 1974-1979

In the **US**, the Alaska Permanent Fund Dividend program has been in place for the past 25 years, with money distributed from the oil reserve royalties earned in the state. The unconditional cash payments amount to \$2,000 per Alaskan resident.

Whilst the Alaskan implementation of UBI is one of the most well known, it isn't the only such project around the world. For instance, Y Combinator ran a UBI pilot in Oakland, California in 2016-2017, awarding participants an unconditional monthly income of \$2,000 each. There have also been experiments in Brazil, Finland, the Netherlands and Italy.

In the **United States**, Andrew Yang who is running for President as Democrat in 2020, plans to implement the Freedom Dividend. This form of UBI that he is proposing for the United States is a set of guaranteed payments of \$1,000 per month, or \$12,000 per year, to all U.S. citizens over the age of 18. By 2015, automation had already destroyed four million manufacturing jobs, and researchers now predict that a third of all working Americans will lose their job to automation in the next 12 years. The Freedom Dividend funded by a simple Value Added Tax, would guarantee that all Americans benefit from automation. Andrew proposes funding the Freedom Dividend by consolidating some welfare programs and implementing a Value-Added Tax (VAT) of 10%. Current welfare and social program beneficiaries would be given a choice between their current benefits or \$1,000 cash unconditionally.

In Switzerland, the supporter's camp of Basic Income had suggested a monthly income of 2,500 Swiss francs (£1,755; \$2,555) for adults and also SFr625 for each child. Swiss voters have overwhelmingly rejected a proposal to introduce a guaranteed basic income for all. And not a single parliamentary party came out in favour.

In Finland, the government is considering a trial to give basic income to about 8,000 people from low-income groups.

In Namibia, from January 2008 to December 2009, a pilot project with basic income grant was implemented in the villages of Otjievero and Omitara, organized by the Namibian Basic Income Grant Coalition and funded by a German Protestant church. After the launch, the project was found to have significantly reduced child malnutrition and increased school attendance. It was also found to have increased the community's income significantly above the actual amount from the grants as it allowed citizens to partake in more productive economic activities.

In **Japan**, Toru Yamamor, and Kaori Katada, New Party Nippon and the Greens Japan are supporting basic income.

In **South Korea**, Geum Min and the Socialist Party supported basic income.

Multiple countries have taken initiative to introduce Universal Basic income. But often it failed. Instead if they attach some conditions and introduced the same as Basic income assurance for the deserving, this program will be a great success.

Initiation from India:

India has been considering the experiment of basic income in India. On January 31, 2017, the Economic Survey of India included a 40-page chapter on UBI for India. The NDA government had a Plan of announcing a series of measures estimated to cost more than Rs 1 lakh crore (Rs 10,00,00,00,00,000) in the run-up to the 2019 Lok Sabha electionsⁱⁱ, which was more of a Basic Income concept. In Tamilnadu the BJP and AIADMK government transferred Rs 2000 in January 2019 as a form of Pongal Bonanza.

Congress government announced that if Congress came to power after 2019 Lok Sabha polls, Five crore families and 25 crore people will directly receive Rs 72,000 Per Year, terming it is a "final assault" to eradicate poverty in the countryⁱⁱⁱ and named it as a minimum income guarantee (MIG) scheme.

Need for Basic Income- Growth Vs Development:

Economic growth refers to an increase in a country's real output of goods and services (GNP) or real output per capita income. But development relates to growth of human Development indices like health, education, Per Capita Income, employment, decrease in inequality figures and structural changes that improve the general population's quality of life. Hence measuring Growth indicates the increase in income and output, while development indicates the increase in overall welfare. So development means welfare of majority especially in a democratic country like India.

India having maximum number of poor people in the world with low income country with moderately indebted categorisation, having maximum gender inequality index, medium (Just near low) Human development Index, holding maximum population next only to China has maximum responsibility to take care of the country's development than its growth.

India is in the Rostow's take off stage for years and finding it hard to fly because of poverty, unemployment, poor health and illiteracy. To achieve this welfare state, a critical minimum effort (as given by Leibenstein) is needed to push the economy up so as to bring it abreast of others.

"It is an answer to long-term economic stagnation, a trickle-up form of Keynesianism that would stimulate our economy through increased household spending," Barnes writes. "Moreover, if funded by fees on unproductive activities such as pollution and speculation, it would help solve two other deep problems of twenty-first-century capitalism: climate change and financial instability."^{iv} According to her memoir, "This inspired Hillary Clinton to formulate a campaign slogan, "Alaska for America" based on the Alaska model where every resident is paid by the government for the oil reserves obtained from there."^v

India shines well in the world economy in cases of maximum gross national income, space achievements, defence achievements, technology achievements etc except in the welfare indicators.

This Basic Income concept will become a pivot or the fulcrum in the principle of lever to lift the economy.

Preamble of the constitution:

The Preamble of the Indian constitution says that we the people of India, having solemnly resolved to constitute India into a Sovereign **Socialist** Secular **Democratic** Republic and to secure to all its citizens, Justice, social, economic and political; Liberty of thought, expression, belief, faith and worship; Equality of status and of opportunity; and to promote among them all; Fraternity assuring the dignity of the individual and the unity and integrity of the Nation; In our constituent Assembly this 26th day of November, 1949, do hereby adopt, enact, and give to ourselves this constitution. Thus, the preamble assures social justice and livelihood for the people.

Justification from legal framework of India:

Constitution aims at a Socialistic Pattern of Society. In other words, India aims at democratic socialism, where there is the decision of majority and just society is targeted.

The two Directive Principles which aim at the establishment of a socialist pattern of society are:

- Article 39(a) - The State should provide for citizens, a proper adequate means of livelihood through securing for all its citizens, men and women, equal rights.
- Article 39 (c) - To regulate the economic system of the country so as to prevent concentration of wealth and material resources in a few hands. Also, the means of production and other resources of the country should be utilised for the common good.

Bharathiar's justification:

Bharathiar –the legendary Poet of Tamilnadu has written a poem, where he justify the right for everyone for his/ her food and right for everyone for his living, which is considered as the world's responsibility.

'If there is no food for any individual, we will destroy the world' (Thani Oruvanuku Unavuillai enil Jagathinai Azhithiduvom). Every individual needs to have the basic income for their survival. It is the duty of the every other individual.

Christian Justification:

In Christianity, there are indications from the very beginning of Genesis that human are intended to work. The Lord says to the first parents 'In the sweat of your face shall you eat bread'^{vi} But we also find many of the biblical verses speak about the justification for basic income. Just leaving all such commandments, few authors argue based on Gen 3:19 only.

Carry each other's burdens, and in this way you will fulfil the law of Christ^{vii}. Anyone who has two shirts should share with the one who has none, and anyone who has food should do the same^{viii} 'if your enemy is hungry, feed him; if he is thirsty, give him something to drink'^{ix} Romans

12:20 If your enemy is hungry, give him bread to eat, and if he is thirsty, give him water to drink^x
More verses support of Basic Income.

John 15:12, 1 John 3:17-18, John 5:1-9, Luke 3:11, Matthew 14:15-21, Matthew 25:34-46, Matthew 10:42, Matthew 25:34-40, Matthew 25:42, Corinthians 6:2, Galatians 6:2, Romans 12:20, Ezekiel 18:7, James 2:15-17 Luke 12:33, Hebrews 13:2, Luke 3:11, 1 John 3:17-18, Psalm 146:7, Gen 2:19, Gen. 1:28, Gen. 2:15, Proverbs 14:31, Proverbs 21:13, Proverbs 19:17, Proverbs 25:21, Proverbs 22:9, Proverbs 28:27, Proverbs 31:20

Isaiah 58:7, 10, Ezekiel 18:7, Deuteronomy 15:7,11, Proverbs 11:25-27, Psalm 112:9, Proverbs 28:27, 2 Corinthians 9:7, Deuteronomy 15:10, Ephesians 4:32, Colossians 3:12, Romans 12:20-21, Proverbs 25:21, Luke 6:35 Deuteronomy 15:7-8

After the life of Jesus, all the believers met together in one place and shared everything they had. They sold their property and possessions and shared the money with those in need. They worshiped together at the Temple each day, met in homes for the Lord's Supper, and shared their meals with great joy and generosity^{xi}. 'For there will never cease to be poor in the land. Therefore I command you, 'you shall open wide your hand to your brother, to the needy and to the poor, in your land^{xii}.

There are verses which support the work culture. But multiple verses argue in support that we should share our income with the poor and needy. Many religions promote sharing and charity. But Basic income should be looked upon still at a different (elevated) perspective as it is a basic right of every individual and basic duty of every government

Savings on wastages of money spent under multiple schemes:

950 schemes are available in India for which the government allocates crores of money. In 2019-20 budget, the government is expected to spend 27,86,349crores. Or 2,78,63,49,00,00,000. Population of India is 1,37,05,39,538 (1.37 billion) as of Saturday, August 17, 2019, based on United Nations estimates. If we just distribute the amount to the public on lay person calculation, each one will get an individual share of 20,330.

Former Prime Minister Rajiv Gandhi made a remark in 1985 that only 0.15% of every rupee meant for the welfare of downtrodden reaches them. So much of money is wasted in the transfer process. The amount allocated under various schemes are absorbed by infrastructural expenses, salary of the government staff, the pension of the staff related to the schemes, transport expenses, bank charges, corruption paid by the beneficiaries, corruption paid to the goods and services given on contract, fraudulent method of beneficiaries considerations, bribery that has to be paid on the part of the beneficiary, payment for the agents, payment claimed by not eligible influential candidates, double, treble payments etc. The government distribute TV, Gas stove, Computer, Laptop, Cycle etc. And

most of the people have these products already and receive the same and sell them. To avoid all these unwanted expenses, we can just distribute the money as Basic Income.

Case study of government expenditure on Swachh Bharath:

Many of the above schemes are funded by external borrowings. The money received by borrowing is not achieving the purpose for which it is received. In 1st April 2000, the government of India restructured the Comprehensive Rural Sanitation Campaign and launched Total Sanitation Program, where Individual Household Latrines (IHHL) to make India open defecation free. The scheme was renamed as NirmalBharathAbhiyan in 2012, so that a NirmalBharath was attained by 2022 by attaining open defecation free by constructing more IHHL without any external borrowing. This scheme was renamed as SwachhBharath Mission to achieve open defecation free by 2nd October 2019, for which the World Bank approved \$ 1.5 billion loan for SwachhBharath Mission by providing toilets (renamed from IHHL).

According to data from the World Bank, 75% defecated in the open in 1990. But in 2015, this has decreased significantly to 40% (524 million people) before the receipt of any external borrowing. Now the same target is going to be achieved with a loan of \$1.5 billion from World Bank.

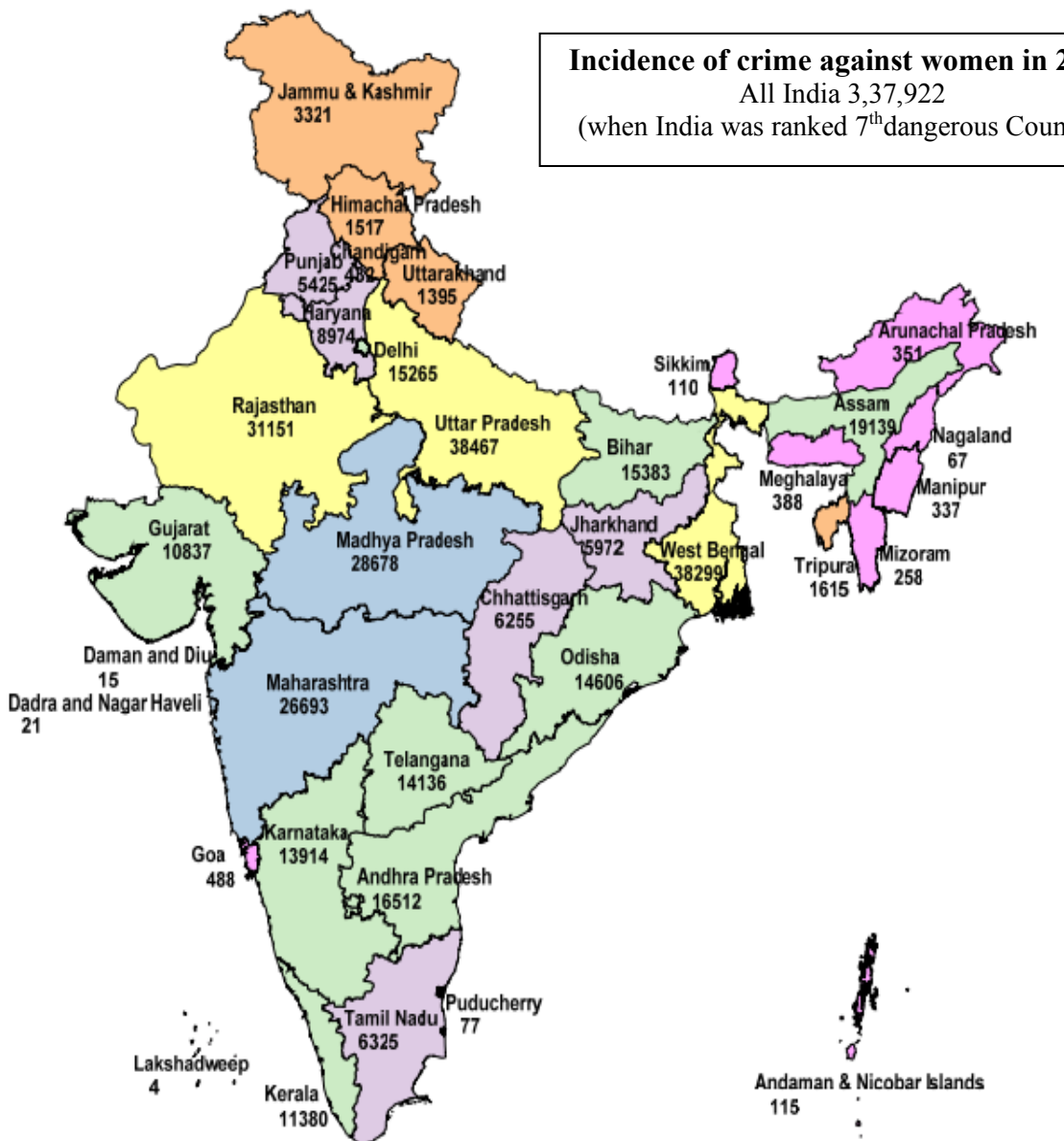
As per official claims, around 94 per cent of rural households have been provided toilets. But a World Bank (WB)^{xiii} research in India conducted by Varun Gauri, Tasmia Rahman and Iman Sen which surveyed five villages in the Ghaziapur district of eastern Uttar Pradesh (UP) and they have found that around 40 per cent of people having toilets in their houses did not use them. A 2018 survey conducted by the Research, Institute for Compassionate Economics (RICE) suggests that open defecation is still widely prevalent (44% of households) across Bihar, Madhya Pradesh, Uttar Pradesh and Rajasthan despite three of these states already being declared fully or largely open defecation free by the Union government at that time. When people does not have house, there is no no question of in providing toilets? If basic money is given in the hands of the people, they will decide whether to construct the house, or toilet or water for the toilet etc. Within a month on 2nd October 2019, the targeted date is approaching. But still there are no free toilet in the bus stands of Tamilnadu, Railway stations etc. Beggars and mentally retarded people are in huge numbers and these people are living in roadside without money for their food. How can they pay for the use of toilets and urinals?

Basic Income for Gender Empowerment:

Crimes against women are too high in India. But since 2014 and mainly after 2016, the data on crimes are not transparently available in publications. National Crime Records Bureau does not give publicity for the crime data over the last eight years. India tops a global ranking of most dangerous countries for women in the world^{xiv} as per the Thomson Reuters Foundation^{xv}

India has become the most dangerous country for women, while it was ranked fourth in the same survey before seven years. Women are in danger of human trafficking including forced labour, sex slavery and domestic servitude.

Marriages for a woman is more a transaction and a costly liability for most of the women in India. The bridegroom and her parents have to pay one lakh to 5 crore in cash and household items to the bride. In addition, a gold jewel has to be bought by the parents, in addition to the marriage expenses. This dowry system and the resultant crimes are huge and unmanageable in number. But neither the crime department nor the policy framers have taken any preventive measures to secure the women. Atleast if basic income is provided for the women, the women will be economically empowered and in turn there will be more scope for standing on their own legs, which will reduce the female harassment.



Monetary allocations for multiple schemes:

Population of India is 1,37,05,39,538 (1.37 billion) as of Saturday, August 17, 2019, based on United Nations estimates. As per the Registrar General of India is set to enter into the fourth stage of the demographic transition after India supersede the population of China after 2023. The total amount allotted for the welfare schemes alone amounts to Rs37,30,47,00,00,000. If it is divided for the whole population individually, it comes to Rs2723.

Scheme wise allocation in 2019-20 (Rs crore)			
Schemes	Actual 2017-18	Actual 2018-19	Budgeted 2019-20
PM-KISAN	-	20,000	75,000
MGNREGS	55,166	61,084	60,000
National Education Mission	29,455	32,334	38,547
National Health Mission	32,000	31,187	33,651
Integrated Child Development Services	19,234	23,357	27,584
Pradhan Mantri Awas Yojana (Rural + Urban)	31,164	26,405	25,853
Pradhan Mantri Gram Sadak Yojana	16,862	15,500	19,000
Pradhan Mantri Fasal Bima Yojana	9,419	12,976	14,000
AMRUT and Smart Cities Mission	9,463	12,569	13,750
Swachh Bharat Mission (rural + urban)	19,427	16,978	12,644
Green Revolution	11,057	11,802	12,561
Mid-Day Meal Programme	9,092	9,949	11,000
National Rural Drinking Water Mission	7,038	5,500	10,001
National Livelihood Mission	4,926	6,294	9,774
Pradhan Mantri Krishi Sinchai Yojana	6,613	8,251	9,682
	2,60,916	2,94,186	3,73,047

As per the categorization given by the government of India budget 2019-20, Rs. 2,78,63,49,00,00,000 is the total expenditure. 12% is allocated for central sector schemes. subsidies 9%, centrally sponsored schemes 9%. So totally under different schemes 30% (Rs. 83,59,04,70,00,000) is allotted for central schemes. The finance commission transfers are separated newly as 8% . Other expenses are separated as 8%. Pension payments are separated as 5%. Instead of allocating this 30% and more under different schemes, if money is distributed as basic income, the actual benefits will reach the intended Public.

Budgetary Sources of income before and after the merger of Railway and Union Budget					
2014-15(Before Merger)		2016-17(Before merger)		2019-20 (After Merger)	
Rly Rct-Rs 1,67,834crs. 16,78,34,00,00,000		Rly Rct-Rs 1,60,165 crs 16,01,65,00,00,000			
Corporate Tax	21	Corporate Tax	19	Corporate tax	21
borrowings and liabilities	24	borrowings and liabilities	21	borrowings and liabilities	19
Income Tax	13	Income Tax	14	income tax	17
Service Tax	10	Service Tax	12	GST	21
Customs	9	Customs	9	customs	4
Non Tax Revenue	10	Non Tax Revenue	10	non tax disinvestment	8
Union Excise Duty	10	Union Excise Duty	12	union excise duty	7
non debt capital receipts	3	non debt capital receipts	3	non debt capital receipts	3
Source: Budget Papers of the respective Budgets					

Budgetary confusions in allotments and lack of transparency:

Till 2014-15, India had two budgetary presentations, Union Budget and Railway Budget. These two budgets were clubbed together and new budget was presented after 2016-17. In which the many of the escalations including that of defense, debt, interest payments were suppressed and were compared with the previous union budget. After clubbing both budget also the defense percentage allotment, interest payment allotment etc. remained almost the same, which means there is heavy escalation under these sections.

To avoid the debate on unusual allotments, the categorization of allotment was modified in a different manner. This is not fair from the point of view of citizens. Major income of India is made from external borrowing and disinvestment. State share is considerably reduced over years. But the publicity of data is reduced to the minimum and unwanted discussions are generated to divert the core allotments and related discussions. This mismanagement can be extensively seen in the following budgetary allocations. Instead of allocating such if the total money is distributed to Public as Basic income, the money will be transferred without any difficulty.

Loss of trust in Democracy due to lack of transparency and accountability:

India was facing severe economic challenges. Indian GDP growth rate was 8.2% in 2016-17, 7.2% in 2017-18, 6.8% in 2019. Indian GDP Ranking has slipped to 7th Position. After 2016, there is a severe set fall in majority businesses and while there is growth in minority big businesses.

The data provided by the government does not speak about this set fall. Many of the companies are shutting down their businesses. Few companies like TVS Lucas, Honda etc faces lay off. Now in 2019, Maruthi Suzuki cuts 3000(6%) temporary jobs and cut its production by 18% by May 2019, 25.15% in July 2019. In the automobile sectors more than 3,50,000 people have been sent out of Job since May 2019 till August. In Nissan 1700 staff are dismissed on a single day. TVS and

Honda has entered into severe lay off and has announced compulsory holidays. It has planned to reduce 1,00,000 staff. TVS Lucas has announced compulsory holidays. Tata and Ashok Leyland have planned for temporary shutdown. Tata Motors has planned to close 30 steel companies at Jharkhand. IBM has dismissed one lakh employees over the last one year. Other companies like Britannia and Parle G also has retrenched its labour. In their words, people are not in apposition to buy biscuit for even Rs 5. Jet Airways closed, Air India in Rs 7600 loss, No money to pay salary of HAL employees, Postal department loss, 12.76 houses unsold. The most profitable company ONGC is making loss. 36 largest debtors are missing from India. Railways is on sale after merger. 5 airports sold to Adani. Videocon bankrupt, CCD founder VG Sidhardh suicide due to heavy debt. Government also tries to reduce the job for their existing staff. Few Railway staff are sent on compulsory retirement quoting either 55 or 30 years of service. But the government data does not project all the above realities. People slowly loose faith in the government and its data. The distribution of basic income will help the jobless for their survival in times of crisis. The external borrowing of India has risen to \$ 543 billion out of which 38% is commercial borrowing and risky short term borrowing is 18.89%. India entered into heavy domestic stagflation. Highest unemployment over the last 45 years and Heavy recession is fast approaching since then.

Without taking effort to inject money into the economy, the existing businesses of the governments are being privatized. BSNL and Indian Airlines employees are made to go on attractive voluntary retirement scheme. The loss of income because of the staff payment is quoted as the reason. Of late telecommunications, Airtravel and networking are the most prospective businesses in the current scenario. Unfortunately it is shocking and surprising to watch a loss in such sectors. BSNL has maximum ownership of both building and networking infrastructures in India. Will it not be an injustice to sell the hard earned savings of our forefathers investment to sell and spend.

Undemocratic decisions on Currency Conversion, Suspension of Planning Commission, Signing of agreements with multiple countries, New Education Policies, Changing Kashmir status, Amendment of Citizenship Amendment Act of 1955 etc dilute the power of democracy. This slowly takes the country into the path of Fascism. The environmentally Damaging projects of the government and the serious opposition by the public in cases of Koodankulam Nuclear Project, ISRO's Kulasai proposed project, Enayam Project, Eight Lane Project, Neutrino Project, Methane Project and Sterlite Project, Sethu Project, shows the deep failure of democracy. The Public expressions of Non Violent Gandhian oppositions has resulted in Police force against freedom of expression, Suspension of Gram Sabha meetings against public, Police firing and Death. When the livelihood of the public is challenged by the government, the distribution of basic income will help the jobless for their survival in times of their crisis. But the government data still says that India's

growth rate is very high. The data unfavourable to government are not published. IT cell of the government is very careful in removing the data which are against their Political Policies.

Transparent democratic analysis of every paisa spent is mandatory for the development of any country. Accountability of the administrators will create ownership among the public.

Priorities of growth rather than development: Few Cases:

India is a country with maximum number of poor people in the world. But the Government's projects have failed to address the unemployment, social security, hunger and poverty of the Indian poor people. Instead major portion are allotted for aristocratic projects which will not bring inclusive development.

Rs 100,000 crore for the Bullet train: The Bullet train is introduced between Ahmadabad and Mumbai to reduce the journey time. The cost of this 505 km corridor is Rs 100,000 cr. \$15 billion, out of which \$12 billion is received from Tokyo as loan.

100 smart cities with Rs 50,000-crore: The Cabinet had in April 2015 cleared a proposal for Rs 50,000-crore investment by the Centre into the 100 smart cities project. According to plan, Rs 500 crore per city would be spent by the Centre.

100,000 crs of Investment in Koodankulam Nuclear Power Project is done against the wish of the natives.

On 26 April 1986, the Chernobyl Nuclear Power Plant exploded. Since that date, no investment is made by Russia in their country on any new nuclear projects. Instead an inter-Governmental Agreement (IGA) was signed on 20 November 1988 by then PM Rajiv Gandhi and Michail Gorbachev, for the construction of 2 reactors in India. But the same technology was implemented after 26 years of agreement and the commercial operation of the plant was started from 31st December 2014. India and Russia signed another agreement for building units 3 and 4 of the Koodankulam Nuclear Power Plant project at a cost of Rs. 33,000 cr. Again, in Dec 2015, India and Russia signed 16 deals including agreement on Koodankulam units 5 and 6 with 'Rosatom' during P.M. Modi's visit to Russia.

If the energy is the target, if the money borrowed from Russia is distributed among the public, all the people of India will get solar or wind power free of cost for ever.

India has topped the world in import of arms import, though projects like Koodankulam are categorized under the category of energy.

For whom is the smart city, bullet train and nuclear project? Will it quench the thirst of our majority poor people? Will it fill the stomach of our hungry people? The government Policies aims at Growth instead of development. When growth becomes priority the majority needs are in question. Hence from the development perspective, Basic Income becomes justifiable.

Challenges for the Universal Basic Income:

Nobel-winning economist Paul Krugman believes that Universal Basic Income is not politically feasible because it would either cost too much or be an inadequate social program. Instead, he believes money would be better spent on targeted programs that “focus on people with real needs” such as universal health care and child care.^{xvi}

Joseph Stiglitz, professor at Columbia University and a Nobel laureate in Economics spoke on solutions to growing inequality, Universal Basic Income and the future of work in a conversation at the New York Stock Exchange. According to him, though he still “understands there are some advantages” to the idea of UBI, he believes that “there is a certain dignity from work”

Critics of UBI fear that it will inevitably lead to fecklessness as people stop striving and settle into a life of relative luxury.

Peter Barnes, the entrepreneur and environmentalist wrote on basic income that the amount of money being transferred wouldn't be enough for someone to live on. So he believed that revenue from taxing pollution should be used to fund the base income, which he argues is similarly efficient and also reflects a sense that the climate and the financial system are shared resources.

The challenges of the Basic income are always argued, as that it creates laziness, drunkards, promotion of unemployment etc.

Now the Tamilnadu government says that to fund the welfare schemes, they are running unethical businesses like Alcohol shops. If Basic Income is introduced, that might be projected as reasons for the unethical and environmentally unfriendly projects.

Another major disadvantage of Basic income is that it will be used as a vote bank and as the money for vote. Now a days in India, in many of the places during elections, money is distributed (bribing voters/ cash for vote) by different parties to collect the support of voters. If Basic Income is given, it will be projected as the money paid for vote canvassing by the ruling Party, whoever is in power.

Module for Basic Income for India:

In his book, ‘Raising the Floor’, Andy Stern^{xvii} president of Service Employees International Union (SEIU), and a Senior Fellow at the Richmond Center, Columbia University, proposed paying for the universal basic income by the following ways.

- Cancel most existing antipoverty programs, which cost about \$1 trillion a year, including food stamps (\$76 billion a year), housing assistance (\$49 billion), and the Earned Income Tax Credit (\$82 billion)
- Cut military spending
- Phase out most tax expenditures (tax breaks), which currently cost \$1.2 trillion a year
- Implement a federal sales tax and a financial transaction tax

- Establish a collective wealth fee and “Sky Trust” modelled after the highly successful Alaska Permanent Fund, which could pay a dividend of \$5,000 per person annually
- Leverage Technological advancements because they are responsible for replacing thousands out of jobs.

The US proposal can be modified for Indian Conditions as discussed in the above discussions. Universal Basic income has become a great failure on major experiments of many countries. And hence this should be converted as a Basic Income attached with conditions in India. Following Points should be noted for raising money for Basic Income in India

Identifying the intended beneficiaries, who are really in need.

Productive fund raising by the government for funding the Basic income should be done.

Green Taxes or Carbon tax can be used. Cut Military Expenditure.

Closure of Nuclear Power Projects which are agreed on external loans.

Cancellation of External Borrowings which are newly signed.

Government should promote its businesses in a profitable manner.

Property owners have to be categorised for tax assessment, as many of the Indians (especially Politicians) have crores of acres of agricultural land, for which they are not paying taxes. Land ceiling should be implemented. Developed countries like US earn more than 50% of its tax revenue from property tax.

Government owned enterprises should be managed to earn profit. For Example:

In India BSNL has the biggest network in India. Telecom and Network are the most profitable and prosperous business in the future. While the government has such a big network, there is no need for other private networks. Hence the newly started private businesses like Jio, Vodafone etc. should be nationalised.

In Tamilnadu and in many states, Government owns number of buses. A private single bus owner himself is a richer person. Is so, how much richer, our government should be. But the Bus department is running on loss. So efforts to generate profit have to be concentrated.

Agriculture is the prosperous business in India as there is never dying demand for the products. Government is the owner of maximum acres of land. It should work to generate more production by employing people to generate production and export.

Many of the Indians who does not own a house, who are mentally challenged, physically challenged, transgender, dependent population, unemployed, older people, widows, children, beggars, homeless, people in sickness, dying people etc cannot be expected to work and earn their living. They need to be taken care of, till they get motivated to work and earn on their own. Many of the public are also drunkards, because the government has opened alcoholic shops everywhere throughout Tamilnadu. Even school children are drinking alcohols and are addicted. There are no

government supports for counselling, de-addiction, social security etc. Atleast the money given will help them to survive. Hence Basic Income though not Universal Basic Income is mandatory.

Hence the government has to find ways and means to raise the government income and should distribute the income for the needy in terms of cash.

Conclusions:

When some advocates like the idea of Basic Income, just because it can reduce poverty, while others want it as a way to adapt to technological change or to dismantle the rest of the social safety net, creating a policy that satisfies everyone is very difficult, if not impossible. There are promising approaches that advocates could embrace, like carbon dividends or child allowances, but designing and enacting them requires care, attention to detail, and willingness to compromise.

While weighing the pros and cons, it becomes justifiable to distribute money from the development perspective. Let the people live rather than dying as it is their basic right. Universal Basic Income was an idea that never really got off the ground in the west, despite support from such doyens of the economics Platform as Milton Friedman. Perhaps, as Victor Hugo famously said, there is nothing as powerful as an idea whose time has come. Maybe that time is now.

ⁱTabatabai, H. (2012). Iran: A Bumpy Road toward Basic Income. In *Basic Income Guarantee and Politics* (pp. 285-300). Palgrave Macmillan, New York.

ⁱⁱ<https://www.indiatoday.in/elections/story/rs-1-00-000-00-00-000-what-modi-govt-may-spend-for-2019-lok-sabha-elections-1434025-2019-01-18>

ⁱⁱⁱ<https://www.indiatoday.in/fyi/story/rahul-gandhi-lok-sabha-polls-minimum-income-guarantee-universal-basic-income-1486117-2019-03-25>

^{iv}Barnes, P. (2014). *With Liberty and Dividends for All: How to Save Our Middle Class When Jobs Don't Pay Enough*. Berrett-Koehler Publishers.

^vClinton, H. R. (2017). *What happened?* Simon and Schuster.

^{vi}Bible Gen 3:19

^{vii}Bible Corinthians 6:2

^{viii}Bible; Luke 3:11

^{ix}Bible Romans 12:20

^xBible: Proverbs 25:21

^{xi}Bible: Acts 2:44-45

^{xii}Bible: Deuteronomy 15:11

^{xiii}<https://www.livemint.com/news/india/under-nda-more-toilets-less-open-defecation-1552842931107.html>

^{xiv} <https://bigthink.com/strange-maps/worst-countries-for-women?rebelltitem=1#rebelltitem1>

^{xv} <https://poll2018.trust.org/>

^{xvi}Malter, J. (2019, April 23) 'I'm not a UBI guy': Paul Krugman says money could be better spent on more targeted programs. Retrieved from <https://www.cnbc.com/2019/04/23/paul-krugman-on-universal-basic-income-im-not-a-ubi-guy.html>

^{xvii}Stern, A. (2016), *Raising the Floor: how a universal basic income can renew our economy and rebuild the American dream*, Public Affairs.