

Dr. Sarath Davala is an Indian sociologist and the Chair of the Basic Income Earth Network (BIEN), a global coalition of scholars and activists committed to universal basic income (UBI). He co-founded both the India Network for Basic Income and Mission Possible 2030, organizations advancing UBI discussions in India. Davala was Associate Professor at the Indian Institute of Management Bangalore (1993-2000) and served as Research Director for the Madhya Pradesh Basic Income Pilot (2010-2014). He currently co-directs the WorkFREE project, exploring UBI's impact among waste collectors in Hyderabad. He co-authored "Basic Income: A Transformative Policy for India," championing inclusive social protection. Davala advocates universal basic income (UBI) as a transformative policy. He views UBI as emancipatory, decoupling wages from work and ensuring dignity for all. Davala's work on the Madhya Pradesh Basic Income Pilot demonstrated how unconditional, periodic, individual cash transfers empowered entire communities, generating lasting improvements. He insists that universal coverage, unconditioned by behavior or status, maximizes UBI's impact, fosters gender equity, and addresses precarity in the global labor market. Partnerships with NGOs, plus synergy with SDGs, reinforce UBI's potential to reduce inequalities and spark community-led growth worldwide.

Scott Douglas Jacobsen: Today, we are here with Sarath Davala. He is an international intellectual, an Indian sociologist, and the Chair of the Basic Income Earth Network (BIEN), a global organization fostering dialogue on universal basic income. Of the organizations I write for and collaborate with, this is genuinely international regarding its members' personalities, cultural backgrounds, and intellectual contributions. Sarath is one of those prominent figures.

He is the co-author of *Basic Income: A Transformative Policy for India*. He served as the research director for the Madhya Pradesh Basic Income Pilot from 2010 to 2014. He was an associate professor at the Indian Institute of Management Bangalore from 1993 to 2000. Based in Hyderabad, India, he co-founded the India Network for Basic Income and Mission Possible 2030, both dedicated to advancing informed discussions about basic income.

First, what inspired your sociological perspective and promotion of universal basic income as a transformative policy proposal?

Sarath Davala: Thank you, Scott, for having me. When you mention a "sociological perspective," I would like to frame basic income in a broader context. I often use the metaphor of the Master and the slave. While formal slavery has been abolished, I believe that, in essence, our society is still governed by Masters.

A promise was made—a kind of social contract—that economic growth would trickle down to everyone, lifting all boats and ensuring universal prosperity. Although examples have been cited to suggest this has happened, I do not believe this promise was fulfilled. It became a myth—the so-called trickle-down theory.

Another significant issue is the strong coupling of work and income in industrialized societies. The widespread belief is that one cannot have income without work. However,

this coupling is specific to industrial societies and is not universally true across all historical periods. It is another myth.

Basic income challenges this paradigm by decoupling work from income, liberating individuals from this rigid linkage.

Let's consider the nature of work today, particularly in India. It aligns with what Guy Standing refers to as the "precariatization" of society. Increasingly, people find themselves in precarious, unstable, uncertain, and insecure jobs. This trend is global, but it is especially pronounced in India.

Historically, about 92% of employment in India was in the informal sector, characterized by a lack of formal contracts or job security. This figure has now risen to 95%–96%, meaning most Indian employment is informal, with no standardized contracts or job security guarantees.

Even in the government sector, traditionally a source of stable jobs, precarious positions are becoming increasingly common. In this context, the future appears grim, with many people likely to have access only to low-quality jobs, often requiring two or three jobs to survive.

Basic income offers a solution by proposing a societal design where basic income is part of the social infrastructure. It is not intended to replace work or wages entirely or provide a full living income but to ensure a foundational level of economic security, allowing individuals to have a stable platform to build their lives on.

You receive a modest, unconditional cash for your basic needs, and then, you decide whether to participate fully or partially in the labour market. This arrangement gives you a certain degree of choice.

In such a scenario, basic income is increasingly relevant. Over the last 20 years, we have seen a growing push for basic income. Particularly in the last five years, the momentum in India has come from the politicians.

Gone are the days when academics primarily discussed basic income. Today, politicians have taken up the cause. India has a long history of moving toward a basic income. I emphasize "toward a basic income" because while it is not fully implemented, we notice that the political discourse acknowledges one essential principle: unconditionality.

In the Indian context, it has become clear that cash must be provided to people unconditionally. This principle is becoming a fundamental ground rule of our political economy. Let me stop here for now. Please let me know if you have further questions regarding this analysis of society.

Let's push this master and slave metaphor a bit further. We see a prevailing notion about who drives economic growth. The masters are perceived as the engines of growth. They employ slaves who execute their commands. The slaves invest their labour and toil, however, it is the master who gets the credit as the economy's main driver. Don't take my words literally; see this as a metaphor I am using to make a point.

Consequently, government policies often favour the masters, offering subsidies, incentives, and tax cuts. This is seen as a natural strategy for economic growth. I would like to challenge this notion. Today, the concept of masters has become abstract, almost invisible. Slaves are often unclear about who they truly work for.

If we ask fundamental questions about where value is created and who creates it, the answer is evident: it is created by everyone - all of us. Every street vendor selling vegetables is an entrepreneur. She is taking risks, creating value, hoping to make a profit, and thus contributing to the GDP.

From this perspective, society should recognize that everyone needs investment to generate value, enhance human capital, improve themselves and thus contribute to the economy. I want society to move in this direction rather than remain bound by traditional frameworks. Let me pause here.

Jacobsen: There are practical examples in your history of work. The Madhya Pradesh Basic Income Pilot Project was effective in eradicating poverty. Why was it effective in that part of India? What made the Madhya Pradesh pilot project effective, or why was it effective in that part of India?

Davala: Yes. We studied nine villages where approximately 6,000 individuals received a basic income for 17 months. Let's set aside the concept of "poverty eradication" for a moment because terms like "poverty" and "poverty eradication" can often become simplistic tropes. India has a long history of framing issues within the confines of these categories. In my view, they do not fully capture the complexity of the ground realities.

In this study, every individual in every family - rich or poor - in the village of an average of 100 families received money. Each individual potentially had the freedom to make one's own decisions about how to use the money. Here it is relevant to address a common prejudice; often held by the middle class and ruling classes who shape public discourse: the belief that if you give money to people experiencing poverty without conditions, they will squander it on alcohol or misuse it.

This prejudice leads to program designs that aim to force poor people to behave in ways deemed "responsible" by the program designers which is usually the bureaucrats and politicians. However, the way basic income works defies these assumptions. Initially, a short period of excitement or euphoria is experienced by the recipient, and it may last a month or two. Over time, people's planning horizon expands. Very soon, individuals develop longer-term strategies instead of focusing only on daily or weekly needs.

For instance, let's examine the economics of it: suppose you are given an amount of money, X per adult. If you have eight members in your family, including two children (who receive half the amount that adults receive), that already multiplies your household's income to $7X$. If you decide to pool this money and then save for three months, you now have $21X$. With $21X$ in hand—something most people in these villages rarely have—people start thinking, and with the confidence that $21X$ gives, the family decides to borrow, say $10X$ from a neighbour or a relative in the community, there you have $31X$. Then, they might decide to save half of it and use the other half to purchase seeds for the sowing season or make other productive investments.

This multiplier effect, which we discuss in our book, is profound. You see how X has now become 31X. There is a very strong community effect here that we should not overlook. When everyone in the village is getting a basic income predictably every month, the creditworthiness of individuals increases. It is much easier to get a soft loan from a relative. Imagine 100 families making their own decisions, each tailored to their unique circumstances and needs. Some individuals or families may even pool resources and collaborate on joint projects.

It is critical to provide basic income for a sufficient duration to allow such changes to take root. We recommend a minimum of 18 months: three months to fade in, 12 months to account for a full annual life cycle in rural areas (with recurring economic patterns), and three months to fade out. Ideally, however, three years would be even better. Over this time, people start making serious, long-term economic decisions to improve their lives.

The multiplier effect amplifies the value of basic income far beyond its monetary worth. We often emphasize that basic income's emancipatory value—its ability to give people agency and dignity—is even greater than its monetary value.

For example, if you give 1,000 rupees (about 12 USD at current exchange rate) per person monthly, some might dismiss it, asking, "What can 1,000 rupees do?" But when distributed consistently and unconditionally, it becomes a powerful tool for individual empowerment and economic growth.

When people combine and utilize the basic income they receive, it creates a multiplier effect. This is the most important aspect of basic income—it has the potential, over time, to help people rise completely out of different forms of deprivation of basic needs. People inherently want to escape poverty; nobody wants to remain in it.

When that inner desire exists, and you ensure consistent cash flow to every household and individual—especially in rural areas, where cash flow is often rare—it creates a transformative impact. We sometimes refer to this as the "magic carpet."

Will basic income address poverty? Of course, it will, but it is not given specifically to reduce poverty. Instead, basic income addresses higher needs in the *hierarchy of needs*, such as freedom, dignity, and personal agency.

Jacobsen: How would different subcultures and economic contexts within India require adaptation for respective basic income models if implemented? Given the variety of basic income formats that could be adopted in different countries or subcultures within those countries, how would these adjustments play out?

Davala: There is only one true model of basic income; there are no multiple models. Variations might deviate from the core principles, but those are not true basic income. Basic Income Earth Network (BIEN) defines basic income based on five key characteristics:

1. It must be universal and provided to everyone without discrimination.
2. It must be individual and granted to everyone, not households or groups.

3. It must be provided in cash, not vouchers or in-kind goods.
4. It must be periodic, given at regular intervals rather than as a one-time payment.
5. Most importantly, it must be unconditional, meaning no requirements or conditions are attached to become eligible for it and to continue to get it. You are born in a particular land, and are a normal resident there, and you get it. Period.

Suppose a scheme does not meet all five criteria. In that case, it is not a basic income but something akin to a "basic income-like scheme" or a "basic income-ish program."

In both the Madhya Pradesh Pilot and the WorkFREE Pilot, we worked hard to implement all five characteristics despite significant constraints. As Malcolm Torry has pointed out, only three genuine basic income pilot studies—Namibia, Madhya Pradesh, and WorkFREE—have ensured these five characteristics were met. Basic income is like a medicine that requires all five ingredients to function properly; if any are missing, it cannot achieve its intended outcomes.

Basic income is not solely for poverty eradication—it aims to unleash the emancipatory potential of individuals and communities.

When the idea of basic income is introduced into a specific socio-cultural or socio-economic context, it inevitably becomes part of the ongoing discourse around social policy. Every context discusses income security, social protection, and related topics. The terminology used may vary—social protection, poverty eradication, income security—but the concepts are always part of the existing narrative.

As basic income enters these discussions, it gets woven into the prevailing discourse, where policymakers and politicians shape how it is presented and potentially implemented. This adaptation should not alter the core principles of basic income, though more often than not, it does. Still, it integrates them into the local framework and ongoing policy debates.

Once the concept of basic income enters the realm of policymaking, the political economy begins to shape its implementation. Policymakers often say things like, "Universal? We can't afford that, so let's target specific groups." Or "Individual payments? Why? We'll provide it to households instead." Even for the periodic nature of basic income, they might say, "We'll distribute it twice or four times a year instead of monthly because it's easier to manage."

These adjustments, driven by political, fiscal and logistical considerations, can potentially erode the definition of basic income. In each context, the political economy determines how the program is designed. I can provide numerous examples of how this is unfolding in India.

When we develop a playbook for basic income, we emphasize that all five core ingredients must be present, regardless of the setting—an urban area, a metropolitan city, a rural region, a remote village, or a tribal community. If these five components are not included, it cannot truly be considered a basic income.

That said, we do not dismiss the ongoing efforts or the initial steps being taken. We recognize these as incremental progress toward basic income. For example, *Bolsa Família* was described as a stepping stone toward a full basic income in Brazil. It was introduced with this promise, and has been included in their constitution as well. However, the full basic income goal is yet to be realized.

Our advocacy focuses on promoting cash-based social policies that align with the principles of basic income. We encourage governments and policymakers to provide unconditional cash transfers to individuals, not households, and ensure these transfers are universal, periodic, and unconditional.

We engage with policymakers in every context to steer the conversation and implementation in this direction. It is the best path forward. I will pause here.

Jacobsen: What are the primary challenges for basic income policies on a global scale?

Davala: On a global scale, universal challenges span industrialized societies and modern economies. For instance, the pervasive industrial ethic, encapsulated by phrases like "no free lunch," "no pain, no gain," or "no work, no pay," is deeply ingrained in the societal values. This ethos creates significant barriers to the acceptance of basic income.

The first major challenge is the question of unconditionality. Many people, especially the middle class and so-called 'taxpayers', view welfare recipients as "freeloaders" or "welfare queens," perpetuating a narrative that they are wasting taxpayer money, as if others don't pay any taxes!!! This objection is not limited to one class; it is internalized across social strata, reinforcing resistance to unconditional basic income. The most effective form of control is when the oppressed believe in their oppression's legitimizing narrative.

The second major challenge is the question of universality. People argue, "Why should we give basic income to the rich? They don't need it. It should go only to those who do." However, basic income is not about selective distribution or charity. It is about equality—putting all citizens on the same level. Think of voting rights: everyone stands in the same queue to cast their vote, whether rich or poor. Basic income operates on the same principle—it is a right, not a benefit. Whether someone accepts or rejects, it is their choice. The point is every normal resident is entitled to receive a basic income. If they want, governments can provide tax incentives or other trade offs for people who would like to opt-out. That is a matter of administrative detail.

In the Global South, additional challenges arise. For example, there is a tendency to advocate for providing income to the "most responsible" person in the household, typically the woman, rather than distributing it equally to all individuals. This is often framed as a way to prevent irresponsible spending by men who are essentialised in the public discourse as chronic alcoholics and wife-beaters. However, we insist that basic income must be for all individuals - male or female. It should be paid to the individual, not to the household-based. This ensures personal agency and equality.

A newer global challenge is the emergence of Central Bank Digital Currencies (CBDCs). Governments are exploring these digital currencies for welfare payments, allowing them

to program restrictions on how money can be spent. For instance, the money might only be usable for specific items, within certain locations, or by a fixed deadline. This kind of programming erodes the very principle of basic income, which is rooted in freedom and autonomy. India and the U.S. have already begun pilot projects for CBDs, and it is only a matter of time before they become widespread.

These are the core challenges we face globally. We stand as watchdogs, advocating against measures introducing control and emphasizing that basic income is fundamentally about freedom. While we succeed in some areas and face setbacks in others, the struggle continues.

Jacobsen: Moving to more contemporary activities, how does WorkFREE in Hyderabad contribute to the discourse on basic income and equitable growth?

Davala: Yes, the WorkFREE pilot is conducted in an urban setting, unlike the Madhya Pradesh pilot, which focuses on rural areas. The questions we are addressing now significantly differ from those we explored 10–15 years ago. In my view, any pilot has two primary objectives.

First, the scientific objective is to produce evidence demonstrating what basic income can achieve in a specific community. This can challenge existing myths and address common questions or concerns. However, one recurring issue is: how much evidence is enough to convince skeptics? Is it two studies, five studies, ten, or even a hundred? Sometimes, when people are unwilling to be convinced, no amount of evidence will suffice.

Second, there is the political objective: a pilot generates conversation within a community. It may provoke debate—some dismiss the study or criticize basic income, while others champion it. This discussion and this energy in the public domain is vital. Those conducting the pilot can engage in these debates, face criticism, or receive support, all contributing to a broader understanding of basic income, and societal well-being.

Basic income raises questions about trust, dignity and freedom and sparks practical discussions about current welfare systems. For example, many governments run multiple schemes to eradicate poverty. Are these programs effective? Is the money being spent efficiently? If there are significant losses in the delivery system—say, 30 to 40% transmission losses—then it is time to rethink the system. Pilots like WorkFREE stimulate critical conversations about how things are done now and whether there are better alternatives.

This makes pilots inherently political—not in supporting a particular party or ideology, but in fostering societal dialogue about the political economy and challenging existing norms.

In addition to these objectives, WorkFREE has introduced an innovative component: UBI Plus. We believe cash alone is insufficient; it must be accompanied by "care." This does not mean telling people how to spend their money but fostering community mobilization in a non-intrusive way. The idea is to support communities in discussing

and addressing human needs as they see fit. This value-added approach distinguishes WorkFREE from other pilots, as it emphasizes the importance of a supportive social framework alongside cash transfers.

In this sense, WorkFREE contributes significantly to the discourse on basic income and equitable growth within India and globally.

Jacobsen: One topic that arises in international studies by reputable organizations is the role of women in poverty-stricken communities. Women often serve as the central support within families and communities, even though they may lack formal status. When investments, seed funding, or basic income are directed to women, they are more likely than men to invest in their families and communities, thereby lifting everyone. Do we observe similar dynamics in both rural and urban contexts in India when basic income pilots are conducted?

Davala: We didn't conduct a comparative study specifically on this topic. However, over the last twenty years in India—and broadly in South Asia—most welfare programs have been directed toward women. This trend is tied to the rise of self-help groups and the microfinance and microcredit revolution. These initiatives encouraged savings among women and then provided loans based on their disciplined saving behaviours, often at reasonable interest rates.

While this approach initially appeared promising and brought many social entrepreneurs into the fold, it also encountered challenges, and the bubble eventually burst in some areas. It was not as universally successful as envisioned.

Political parties and governments favour targeting women for several reasons. In India, this often serves as a "vote bank" strategy. Directing programs toward women can influence half the population and potentially secure their votes. Additionally, there is a long-standing prejudice that men are irresponsible and might squander money. At the same time, women are perceived as more responsible. This belief underpins many schemes where benefits are targeted solely at women.

In India, several states—10 to 12 at present—have implemented basic income-like schemes for women. These programs are often directed at specific demographics, such as women aged 18 to 59, and provide a monthly payment without conditions. While these initiatives are carried out under women's empowerment, we believe they do not achieve true empowerment.

True empowerment comes from providing basic income universally—to every individual, regardless of gender. This approach fosters inclusivity, dignity, and a sense of economic citizenship for everyone in the household, including children. When children receive basic income, they feel a sense of personhood and participation in the household's economy. This can transform the household dynamic and encourage collective decision-making.

The notion that men, particularly poor men, are essentially drunkards and irresponsible is deeply flawed. While there may be outliers, you cannot talk about men in general along those terms. Our studies have shown that men—such as farmers and fishermen—

have used basic income most productively to make significant strides in their economic activities. For example, in several villages, the number of livestock has doubled due to household investments made possible by basic income. Agricultural production and productivity has gone up as never before in the villages.

Providing basic income to all, including men, women, and children, creates meaningful conversations within households and reinforces the principles of equality and dignity. Targeting women alone may be a politically expedient, low-hanging fruit, but it is a short-sighted policy. It could be a stepping stone toward a universal, unconditional basic income.

Jacobsen: What is the role of government-NGO partnerships in reducing inequalities?

Davala: Government-NGO partnerships are crucial in reducing inequalities because governments—and by implication politicians—are not inherently wise. In democratic societies, it is desirable that there exists a healthy conflict of ideas. Dictatorships might operate assuming leaders know best and have the sole authority to decide what is right for the people, but democracies function differently.

In a democracy, broad participation and conversation about what is good for the people are essential. Policies should not be designed in isolation by middle-class technocrats who assume they know best. Arrogance—such as declaring oneself the greatest economist or policymaker—is unwarranted. While experts certainly have a role, they should approach their work humbly and consult with the people affected by their decisions. Policies are far more likely to succeed when people are involved in their design and implementation.

NGOs can represent the people, provide valuable insights, and serve as intermediaries between the government and communities. However, this role is not always guaranteed; NGOs vary in effectiveness and intentions.

In some regions, like India and Central Asia, there is a term called "government NGO." It refers to NGOs that may be promoted by governments, or operate under government influence or align closely with government interests. This raises questions about their independence and ability to represent the people truly.

Does the term "government NGO" make sense to you?

Jacobsen: It's a strange hybrid beast.

Davala: Yes, exactly. Suppose NGOs receive significant funding or aid from international organizations like the World Bank. In that case, governments sometimes create "NGOs" to access those resources. These so-called autonomous entities are extensions of the government, designed to function like NGOs while remaining under governmental control. This approach allows governments to colonize and capture the NGO space, eliminating genuine conversation and dissent.

However, in India, my community and I strongly believe that dialogue is the essence of democracy. Everything must be open to discussion.

The relationship between governments and NGOs should be fundamentally democratic. Everyone has a political right to participate in decisions that impact their lives. Without such participation, true democracy cannot function.

Jacobsen: How can sustainable development goals (SDGs) align with the principles of basic income?

Davala: The alignment of basic income with the SDGs has several dimensions. However, the 17 SDGs, comprising gender equality, poverty, ecology, and child welfare, are often compartmentalized into areas. Governments tend to design specific targets and programs to address these discrete areas.

However, saturating a community with a basic income simultaneously accomplishes many of these goals. Basic income is not just about reducing poverty; it has far-reaching effects.

For example, women in the labour market often face lower wages for the same work as men and also perform a significant amount of invisible, unpaid labour, often categorized as care work. This care labour is culturally expected of women as part of their societal roles. By providing unconditional basic income to women and girls, society acknowledges the value of their contributions and compensates them for their unpaid work. This addresses gender inequality and women's empowerment without requiring numerous small-scale schemes or irrelevant training programs. Basic income creates a systemic infrastructure that fosters equality and dignity.

Another critical area is nutrition, particularly child nutrition. Numerous studies, including those from Madhya Pradesh and WorkFREE, have shown that basic income improves nutrition. Families begin to eat better and consume sufficient food, which directly impacts the well-being of children, especially girls. For instance, in urban areas, where food poverty was assumed to be less significant, statistics revealed increased food sufficiency after basic income was introduced.

Basic income ticks multiple SDG boxes with a single intervention. Instead of creating and managing 17 or more separate schemes, basic income addresses poverty, gender equality, nutrition, and other goals in an integrated way.

Globally, our initiative, *Mission Possible 2030*, emphasizes that basic income is a key tool for achieving many SDG goals. We actively work with organizations like the UNDP to advocate for basic income. During the COVID-19 pandemic, UNDP published a *Temporary Basic Income* report highlighting the potential of basic income as a transformative measure, though in their articulation they framed it as a temporary relief measure.

The multiplier effect of basic income makes it an effective and efficient way to address various SDG goals. We focus on embedding basic income into frameworks like the UN Peacebuilding architecture and broader SDG strategies to maximize its impact.

Jacobsen: What critical crises must be resolved before societies achieve a basic income economic structure?

Davala: There are no strict preconditions for achieving basic income, but two major global trends are shaping this discussion.

First, as we've discussed, the precariatization of labour is happening everywhere—across the Global North and South. It is as prevalent in Canada as in Sri Lanka and as evident in Japan as in Brazil. This is not just about the rise of artificial intelligence but also about the business models of the past 30 years. These new business models, aided by technological advancements, have created widespread income insecurity.

This groundswell of insecurity is driving a demand from people worldwide—a cry from the ground. People demand solutions, and the political economy responds with models of basic income or "basic income-like" policies. These initiatives are emerging as a response to this cry for financial security of ordinary people.

Second, on a normative level, organizations like BIEN (Basic Income Earth Network) have long argued that basic income is a desirable path forward. It offers a way to adapt to the realities of global capitalism while addressing systemic inequalities. Scholars like Philippe Van Parijs and Robert Van der Veen, in their seminal work "A Capitalist Road to Communism" (written in 1987 or 1989, I can't recall precisely), explored how basic income could bridge the gap between capitalism and broader social welfare goals.

This work highlighted the possibility of incorporating basic income into capitalist frameworks to respond to economic and social pressures at the cusp of the Soviet Union's collapse and the end of the Cold War.

Today, I see a convergence of these two forces. On one side, there is the theoretical groundwork that has been laid over decades. Conversely, there is a real-world demand for economic solutions, which governments and political systems increasingly cannot ignore.

Basic income is not desirable. It is inevitable within the next 10 years.

Jacobsen: Sarath, thank you very much for your time today. It was nice to meet you.

Davala: Nice to meet you, Scott.

Jacobsen: Thanks. Different from seeing you on those clips on YouTube and elsewhere. It's fascinating to see people from various walks of life and contexts sharing their insights.