

The Emancipatory Power of Unconditional Basic Income

An Optimistic Note from the Indian Pilot Study

Why Basic Income and Why Unconditional?

Philosophic Justification

- All human beings have a right to live with dignity
- Nobody should start from zero
- The world has enough wealth to feed all
- The benefits of technological progress should reach all

Pragmatic Justification

- Current welfare regime is inefficient
- It is not based on trust and care
- Too many conditionalities
- It dis-empowers the recipients, and makes them beggars

Where is this idea coming from?

- Right, Left and Centre?
- First world? Third world?
- Third Sector? Corporate Sector? Or from Governments?

Desmond Tutu



Nathalie Kosciusko-Morizet



Philippe Van Parijs, University of Louvain, Brussels



Zhiyuan Cui, Tsingua University, China



Katja Kipping, President, Die Linke Party, Germany



Arvind Subramanian, Chief Economic Advisor, Government of India



Renana Jhabvala, Chair, Self Employed Women's Association, India



"The road to economic empowerment is through dignified work, self-worth and self-reliance. For poor women organising makes it happen."

Renana Jhabvala's Chairperson, Women in Informal Employment: Globalizing and Organising, UN Secretary-General's High Level Panel of Women's Economic Empowerment

#EmpowerWomen

Bishop Zaphania Kameeta, Minister, Namibian Government



Sam Altman, Chief, Y Combinator, Silicon Valley Start-up Promoter



Abhijeet Banerjee, Professor, MIT



Michael Bohmeyer, Founder, Meine Grundeinkommen



One Idea, Diverse Contexts

- Freedom from hunger, debt, illness. (poor)
- Freedom from monotonous jobs and drudgery
- Freedom to explore and equip oneself
- ‘Felt needs’ differ: among rich and poor countries; among different demographic groups within the same country.
- BI Promises different things to different people

India Pilot tested BI Effects on rural poverty

- Not presenting statistical findings
- This presentation about how UBI has the power to address poverty
- Based on my experience in the villages
- Ideal-type / model on “BI Effects”

Amount Transferred

Pilot 1 in 8 Villages

Phase 1: June 2011 to May 2012 -12 months – **\$ 3.2 adult \$1.6 child**
Monthly

Phase 2: July 2012 to Nov 2012- 5 months – **\$ 4.7 adult \$ 3.4 child**
Monthly

Pilot 2: One tribal village

January to December 2012 -- **\$ 4.7 adult \$ 3.4 child**

Profile of Beneficiaries

	General Villages	Tribal Village
No. of Households	986	127
No. of direct Recipients	5285	756
Total amount transferred	16.3 million rupees (USD 255,688)	2 million rupees (USD 31,373)
No. of months	17 months	12 months
Annual average amount transferred per HH	Rs. 16531 (USD 260)	Rs. 15,315 (USD 240)



Face of Economic Vulnerability

- Barter system co-exists with cash economy
- Debt Bondage – vicious cycle
- Uncertainty about cultivation and wage employment

5 Features of the BI pilot

- Monthly
- Individual
- Unconditional
- Universal
- Fool-proof cash transfer

Five BI Effects

- Physical Well-being Effect (PW)
- Living Conditions Effect (LC)
- Psychological Effect (P)
- Social Solidarity Effect (SS)
- Cumulative Effect (Q)

Physical Well-being Effect (PW)

Cash is liquidity, first effects of liquidity on day-to-day choices on food and illness

- Eat better
- Better attention to illness

Direct effects of liquidity

- Food grain procurement plan is annual
- Day-to-day purchases of pulses, oil, vegetables, eggs and meat.
- Making and keeping of stored food
- Decision to go to a doctor or not; people with chronic illness taking medicines regularly or not

Living Conditions Effect (LC)

Liquidity directly impacts

- Chronic Indebtedness – Shift from harsher forms of borrowing to softer forms
- Assets: Poling BI is common; amount increases; significant for a poor household; acquisition of productive assets or convert a non-productive asset into a productive one;

Psychological Effect (P)

- Initial state of euphoria and exhilaration passes;
- Thinking and planning future takes its place
- Regular BI (monthly and certain) provides an orientation to the future (horizon expands – beyond present)
- Conscious investments
- Sense of security
- Credit-worthiness improves
- Releases positive energies and helps people make better choices
- Sense of worth and economic citizenship to unpaid care workers and invisible workers

Social Solidarity Effect (SS)

Among members of family and household to household in the village

Individual entitlement provides economic citizenship-

Consensus building required by head of the family for family pooling

Replicates in wider community (better if homogenous)

- informal social support practices
- Cooperative enterprises; income-generating activities

Cumulative Effect (Q)

- Emancipatory Value vs Monetary Value
- Loosening of constraints
- Positive upwards spiral of transformation

power of basic income is that it lets people take small steps. But these steps seem to be in a strategically different direction, and gradually this movement seems to change the game itself.

From Small Changes to Transformation itself

Disclaimer

- Not necessary for all the 4 sets of effects to take place
- Depends on the 'degree of preparedness for change' in the household
- To the extent positive effects occur, they together gather to lead to the 'Q Effect'

Moral of the Story

It is important for us to believe that essentially people have a deep desire to get out of their poverty and misery. If given an opportunity, most people are capable of pulling themselves up by their bootstraps.

Basic Income gives that opportunity.

Thank You for your attention