

Universal Basic Income: Re-Imagining Social Security

PART-I

A just society is a society that if you knew everything about it, you'd be willing to enter it in a random place.

-John Rawls

It has been beautifully suggested after deep deliberation that, “People don’t just have needs, rather they have ideas about their needs”, ideas which evolved over considerable period of time with cultural embodiment. The conception of social rights spreading through 20th century has brought around sea change in jurisprudence of rights associated with humans in general. The proclamation of UDHR under the aegis of UN General Assembly in 1948 has given the world a new segment of human rights, euphemistically called social rights. They provide for various rights like those covering social security, rest and leisure, work, education, decent standard of living and cultural participation.

Amongst a plethora of such rights, the coverage in this article will largely be restricted to socio-economic rights. Democratically nurtured constitutions across the globe unmistakably, are impregnated with provisions bearing fulfillment and protection of socio-economic rights. To put in perspective, Indian constitution provides for such rights in the preamble itself, even before venturing into chapters of the opus. It has been argued by Cecile Fabre that, such rights protect the vital interests individuals have in autonomy and well-being.

Further, it has been emphasized that respect for socio-economic rights shall be placed at equal pedestal to that of civil and political rights in order to aspire for equality and decent polity.

Interestingly, socio-economic rights give rise to both negative as well as positive obligations. Henry Shue has also argued for recognizing and appreciating both positive and negative obligations emanating out of socio-economic rights. Under negative obligation, state is bound to protect the property, other assets of an individual from improper invasion. On the other hand, positive obligations come into play, when an individual is completely unable to fend for their own needs. The need for positive obligations towards the state become more pronounced during *crisis*. . In the landmark case of *Grootboom v. Govt. of Republic of South Africa*, it was duly recognized that the crisis need not restrict itself to physical needs of an individual, rather emotional and psychological dimension may be also be considered.

Moreover, the impact of impaired protection of socio-economic rights on developing countries

In order to absorb such thundering shocks during *crisis* period, a minimum core approached embraced in international human rights law as well as in some domestic jurisdictions provides could be more shattering, since in such countries at a given point of time considerable

population lives in state of impending crisis. In light of emerging uncertainties, a relatively new idea in realm of social security is being tested across various jurisdictions globally. This potential reimaging of social security is given a mantle of universality, thus colloquially called Universal Basic Income.

CONCEPTUAL UNDERPINNING

The specific terminology of Universal Basic Income is typically employed when such universalization is based on citizenship. Though, the idea of basic income has enamored humanists for too long, a more recent usage could be associated with American revolutionary Thomas Paine. However, the idea underlying Paine's imagination was that of Guaranteed Minimum Income, particularly covering those whose land was taken by the government.

Further, Philippe Van Parijs in his seminal work with Bruce Ackerman, perhaps the best-known academic advocate of basic income, puts basic income as "an income paid by a political community to all its members on an individual basis, without means test or work requirement." Thus, receiving basic income does not require satisfying a means or income test, it is also not conditioned on any work requirement.

In fact, basic income is insulated from any intention or willingness to work nor, the fulfilment of any sort of broad notion of social contribution, such as employment, job search, education, training, , or home care for children or elderly.

Universality + Unconditionality + Agency = Universal Basic Income

Universal: that the disbursement of such income will be aimed at achieving universalization in income parity at minimum threshold.

Unconditional: no strings attached payment being made to all citizens.

Agency: it is based on the principle that people are masters of their own fate. As it got written in The Economist, “The most efficient way to spend money on the homeless might be to give it to them”.

Political philosopher John Rawls wrote, “Once a suitable minimum is provided by transfers, it may be perfectly fair that the rest of total income be settled by the price system.”

Similarly, highly revered legal economists Louis Kaplow and Steven Shavell have made a deliberative argument that the tax system, rather than the legal system, should be the sole method for redistributing income.

PHILOSOPHICAL GOALS

Economic Survey 2016-17 has described the concept of UBI as a radical and compelling paradigm shift, encompassing both social justice and economic productivity. It could create similar wonders to 21st century, what the civil and political rights did in the 20th century.

Basic income might enable individuals to choose much more freely what’s appropriate for their situation.

The concept of UBI could make disruptive impact on the following themes:

Social Justice

Primarily, UBI is a ground breaking test of a just and non-exploitive society. It ascertains the key agenda mentioned right at the beginning of constitution of ensuring justice to citizenry at large. Universal Basic Income augurs well with most basic norms of society, by guaranteeing equal respect to all citizens. Also, it is proposed to be anti-paternalistic granting choice of income utilization.

Economic Equality

UBI could play crucial role in rectifying the persistent imbalance of social spending across districts in India. It has been analysed that the share of social spending of most poor districts is not coterminous to their percentage of poverty.

Poverty Alleviation

It has been contended that if implemented wisely, UBI could evolve as the most effective and fastest way in reducing poverty. It could be seen as the civilized way to combat poverty.

UBI counteracts against the inequalities generated by labor markets and immovable assets ownership by ensuring everyone a guaranteed flow of subsistence. It provides a sustained level of decent living standard for children extinguishing the pathologies of poverty traps and work disincentives characteristic of means-tested antipoverty programs.

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PART-II

GLOBAL EXPERIMENTS

London

In 2009, a Charity undertook a project of disbursement of GBP 3000 per annum to street dwellers. It was not initiated by the Government. The result was eye opening and worthy of attention. On an average only GBP 800 was spent by the chosen group. Nearly all of them used that Free Money in the most pragmatic manner, as suited to their respective needs.

Switzerland

It was taken up through referendum in June 2016, that guaranteeing Swiss Franc 2500 for every individual per month. It got rejected with 77% people voting against such universalization of income. Curiously, citizens of SUI are not in favor of labour-free money.

USA

Under the Presidency of Richard Nixon, a bill providing for minimum guaranteed income received assent from House of Representative. Unfortunately, it could not muster enough votes in Senate and got debunked. Never such initiative came up after that.

Finland

An ideal welfare state. Scandinavian countries are looked upon as lodestar in marching rally of welfare measures.

In Finland, a pilot study started in January 2016 under which 560 euros was given to the selected group of people. Results of the study are expected to come out in December 2018.

AN INDIAN CASE STUDY

There has been one pilot project carried out by an NGO in Madhya Pradesh in 2010. It reached to conclusion in 2013. The pilot project was not backed by any government (Central or State). The results of the project are astonishingly positive and deserves due analysis.

Research was conducted in 8 villages, where 6000 people were given fixed monthly sum.

Nearly 25% households changed their main source of energy for cooking and lighting.

Of the total households, 16% repaired their toilets.

Of these 95.6% had bank accounts. In a year 73% reported decline in their debt.

There was no increased spending in temptation goods.

Perhaps, it is quite wisely said by one of the most prolific writers, “A nation is not made wealthy by the childish accumulation of shiny metals, but it is enriched by the economic prosperity of its people”.

There has been a contemporary announcement, in which state of Jammu & Kashmir has shown intent to implement Universal basic Income, thus becoming first Indian state to do so.

CONCLUSION

As has been well written by Vox journalist Dylan Matthews, “Basic income is having a moment.” The idea of social entitlement based on Universalization has caught imagination of world leaders unanimously. As a matter of fact, UBI was hot topic during WEF in Davos during 2016. The title was ‘World without Work’.

However, it will be highly solicited from the state to appreciate the fact that the human life depends not only on income but also on social opportunities, particularly education and health care.

One of the most defining reform to be expected through UBI is that in area of gender parity. A women’s monthly, unattached income through a basic income entitlement gives her more bargaining power in the household . This would also allow mothers to raise their kids independently in a much more uninhibited environment.

As was mentioned by Karl Marx in one of his letters that the social progress can be measured by the social position of the fairer sex. Thus, the progress of any nation is intrinsically linked to holistic development of all its subjects.

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