

Devansh Grover

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## The Dangers of Universal Basic Income: Why Governments Should Avoid Providing Guaranteed Income for All Citizens

The idea of Universal Basic Income (UBI) has gained popularity in recent years as a means of addressing issues including poverty, inequality, and future job losses due to automation. UBI advocates believe that every citizen should receive a regular, unconditional cash transfer, regardless of job status. UBI advocates contend that it can reduce poverty, improve social welfare, and foster economic stability. However, a closer look exposes serious flaws that raise concerns about the effectiveness and sustainability of implementing UBI on a big scale.

The ability of UBI to decrease poverty by guaranteeing a minimal standard of living for all citizens is one of the key reasons in its favor. UBI's supporters contend that by offering a guaranteed income, it can help individuals who are poor. This argument, however, ignores an important point: UBI does not distinguish between individuals who legitimately need financial support and those who do not. UBI diverts money away from the most vulnerable groups in society by giving money to every person, regardless of their socioeconomic condition.

Let us consider the case of India, a country where poverty remains a pressing issue. The implementation of UBI in India could have severe consequences. With limited resources and a vast population, it is crucial to target the most impoverished communities for effective poverty alleviation. UBI, however, scatters financial assistance indiscriminately, diluting its impact on those who truly need it. Instead of focusing on targeted interventions, such as welfare programs tailored to specific needs, UBI could result in the misallocation of resources, undermining efforts to combat poverty (Sharma, 2018).

Another alleged advantage of UBI is its potential to serve as a safety net for people impacted by automation and technological progress. UBI can provide financial security for people left out of the economy as specific jobs are eliminated by technology, according to supporters of the idea.

However, extensive financial resources are needed to execute UBI on a wide scale. Such a programme would require a large amount of the government's budget, which would ultimately result in more taxes or less money being spent on other crucial services. In the Indian context, where the government already faces immense pressure to allocate resources efficiently, implementing UBI would strain public finances further. The burden of funding UBI would fall on taxpayers, potentially leading to higher tax rates. Moreover, the redirection of funds away from critical sectors such as healthcare, education, and infrastructure development could hinder economic growth and impede progress in these vital areas (Verma, 2021).

Furthermore, UBI may inadvertently discourage workforce participation. When individuals receive a guaranteed income without the requirement to work, some may choose a life of dependency on the government rather than actively seeking employment. In a country like India, where unemployment rates are already high, such a scenario could exacerbate the problem and perpetuate a cycle of economic stagnation. Encouraging productive employment and creating job opportunities should be a priority in addressing unemployment, rather than fostering a culture of dependency (Singh & Mehta, 2022).

India's attempt at implementing a form of UBI, known as Basic Income Support (BIS), serves as an example of the challenges associated with such programs. The pilot projects conducted in select districts revealed several shortcomings, including issues with identification, exclusion errors, and inadequate funding. BIS faced significant challenges in accurately targeting the most vulnerable populations, leading to the misallocation of resources and undermining the program's objectives (Banerjee & Duflo, 2019). The BIS's shortcomings in India are indicative of more general issues with UBI implementation. The proper implementation of UBI is a difficult endeavor because of the complexity of a diverse and populous nation like India and the difficulties in locating and contacting the most marginalized communities.

While UBI has been experimented with in various countries, these experiments have often fallen short of expectations. For example, Finland's UBI pilot program did not result in significant improvements in employment rates or overall well-being. In Canada, the Ontario Basic Income Pilot was terminated prematurely due to concerns about its effectiveness and sustainability.

These examples illustrate that the promised benefits of UBI may not materialize in real-world scenarios (Huovinen & Kangas, 2021; Picot et al., 2019). Moreover, the financial burden of sustaining UBI programs has proven to be unsustainable in many countries. In Alaska, the Permanent Fund Dividend, a UBI-style program funded by oil revenues, has been gradually reduced in recent years due to budget constraints. Similarly, the Swiss referendum on UBI failed due to concerns about its impact on public finances (Edin et al., 2020; Steiber & Haenni, 2019).

In conclusion, although the concept of Universal Basic Income may initially sound enticing, a closer look exposes serious disadvantages that should cause politicians and individuals to stop. Unsustainability of UBI as a solution to poverty and inequality is indicated by the unequal distribution of resources, the financial costs of supporting such a programme, and the failures of UBI experiments in India and around the world. UBI would be a particularly inefficient solution in the socioeconomic and political climate of India, taking funds away from matters that are more urgent and fostering dependency on the government. The government should put its attention on targeted actions that deal with the underlying causes of poverty rather than trying to implement UBI as a magic bullet, such as spending money on healthcare, education, and job development.

A cautious and evidence-based approach to policy interventions is required in light of the failures of UBI trials conducted globally and in India. Governments must invest in research, data, and evidence-based policy-making to support long-term sustainable development rather than looking for short fixes like UBI. By using this strategy, decision-makers may put into place effective policies that help the most at-risk groups, lessen inequality, and pave the road for inclusive economic growth. Instead of UBI, alternative policies such as targeted cash transfers, job creation programs, universal basic services, and negative income tax may be more effective in addressing poverty and inequality.

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