

# Indian Basic Income

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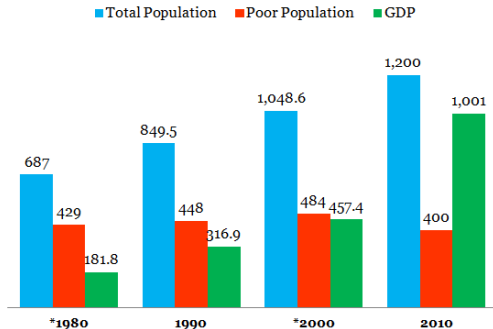
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Figure: Population living with less than \$1.25 a day in India

### India's Overall Population, Poor Population & GDP, 1981 - 2010



NOTE: Population; Figures in million, GDP; Figures in US\$ bn  
\*Poor Population figures are of 1981 and 2002 respectively  
Source: World, OECD, MoSPI

- Poverty reduction: nutrition, health, education, women empowerment
- Dignity: enhance responsibility, as opposed to paternalism
- No exclusion error: no one left behind
- Administrative efficiency: no corruption

## Unfounded:

- Conspicuous spending
- Decrease labor supply

## Founded:

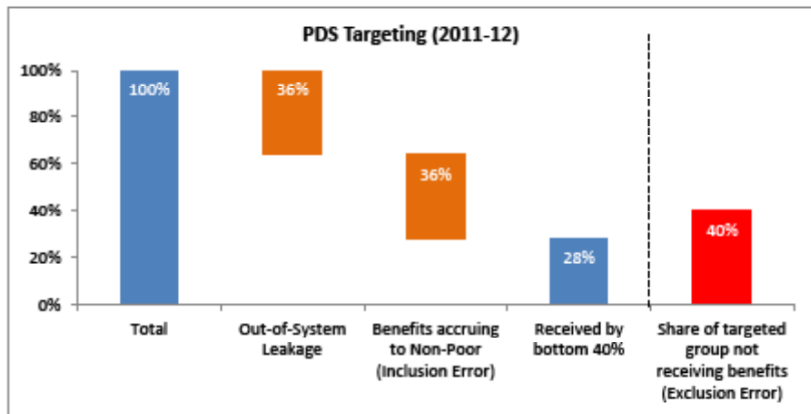
- Budgetary conflict
- Political economy of exit
- Market risks
- Technical infrastructure

# Issues

- measurability
- identification
- patronage
- leakage
- cost

## Resource mis-allocation

Figure A5. PDS and MGNREGS Targeting (2011-12)



# Replacing food subsidy by cash: experiment in Delhi

**Table 7: Difference in Difference Regression results**

	Per capita per day total calories	Per capita per day cereal calories	Per capita per day non-cereal calories	Per capita expenditure on non-cereals	Per capita expenditure on Alcohol
Variables	Pcpd_cal_diff	Pcpd_cal_diff cereals	pcpd_cal_diff non-cereals	pc_exp_diff non-cereals	pc_exp_diff intoxicant
C1	72.318 (95.66)	125.055** (62.92)	-52.736 (46.63)	-127.584*** (42.14)	-1.624 (10.69)
C2	-88.372 (97.2)	18.105 (63.93)	-106.478** (47.38)	-137.662*** (42.81)	9.259 (10.86)
Constant	105.695 (68.17)	-5.677 (44.84)	111.372*** (33.23)	270.166*** (30.03)	-1.408 (7.62)
Observations	282	282	282	282	282
R-Squared	0.0099	0.0163	0.0178	0.0446	0.0042

#Standard errors in parentheses

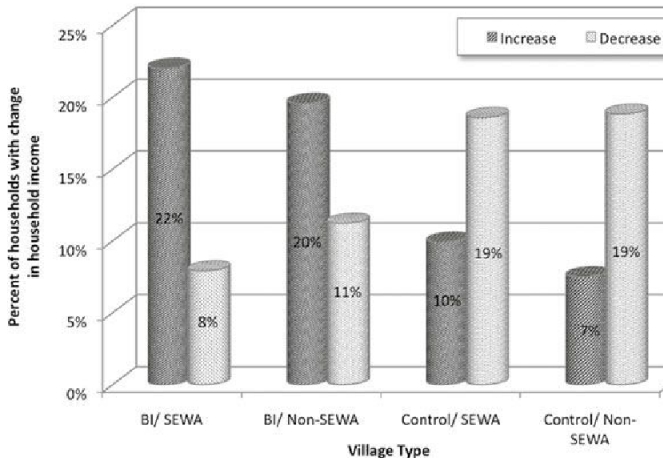
\*\*\* P<0.01, \*\*P<0.05, \* P<0.1

Pcpd is per capita per day; diff is difference; cal is calories; exp is expenditure



# Testing the BI: experiment in Madhya Pradesh

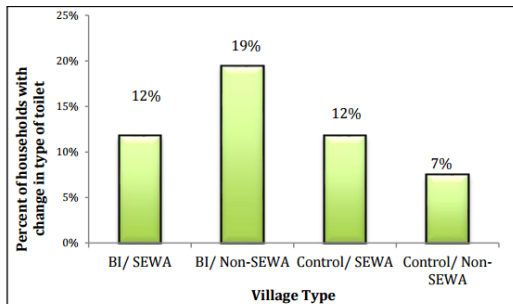
Figure 8.1 General villages: Households with change in household income, by type of village



Source: MPUCT FES, 2012; n=2034

## Testing the BI: experiment in Madhya Pradesh

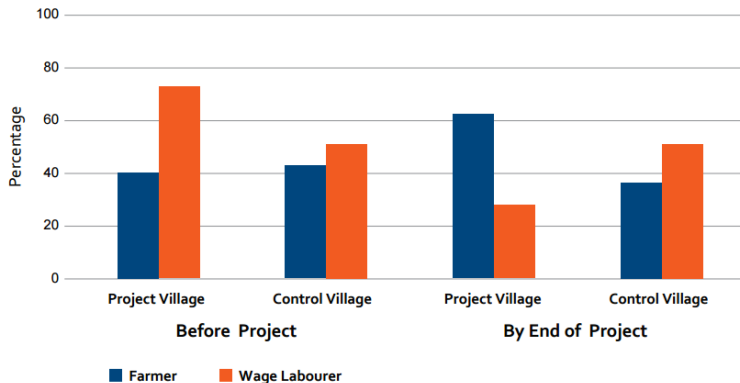
**Figure 2. General pilot: Percent of households with change in type of toilet, by village type**



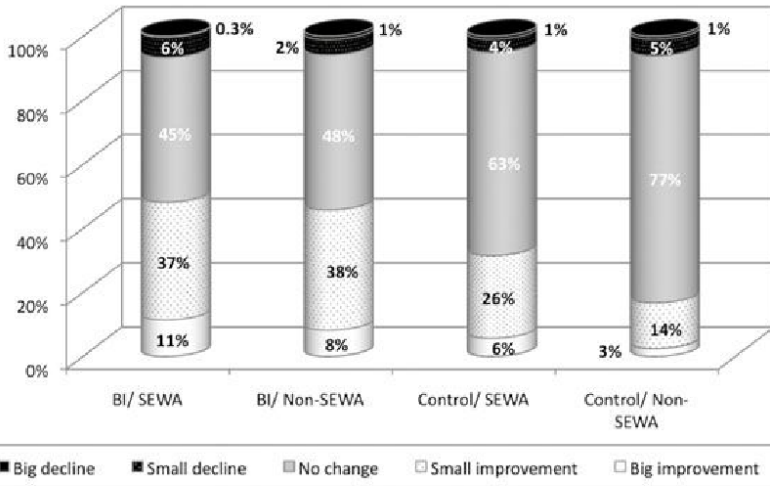
Source: MPUCT FES, 2012, n = 649

## Testing the BI: experiment in Madhya Pradesh

Figure 2: Shift from wage labour to farming: main occupation in the tribal village<sup>3</sup>



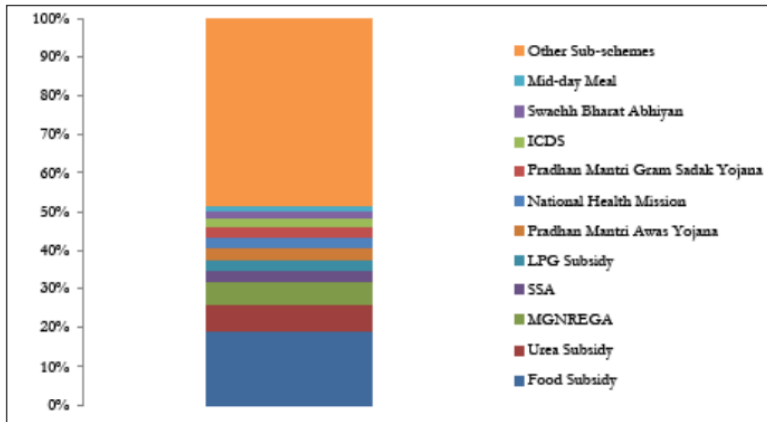
## Testing the BI: experiment in Madhya Pradesh



Source: MPUCT FES, 2012; n=1290

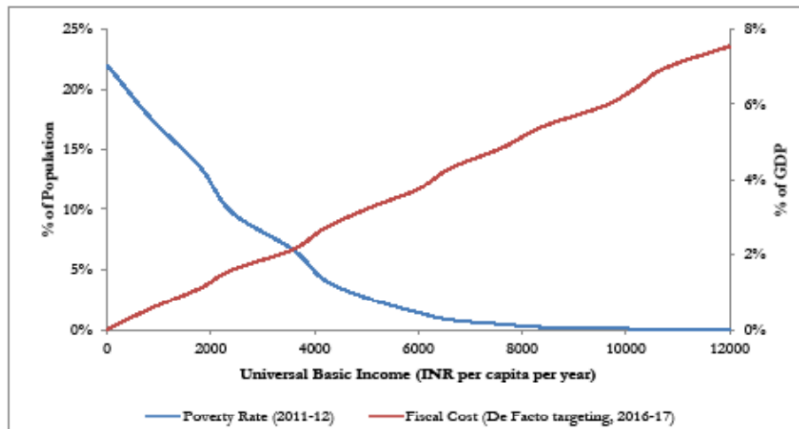
- 32% higher odds of working more hours for the recipients of the BI in Madhya Pradesh, similar findings in other experiments (non-negative effect on labor supply)
- No increase in consumption of temptation goods in any experiment

**Figure 1. Centrally Sponsored and Central Sector Sub-schemes by Budget Allocation, 5.2% of GDP (2016-17)**



Source: Budget 2016-17

Figure 10. Implications of the UBI and its effect on poverty and vulnerability



Source: NSS 2011-12, Budget 2016-17, Survey Calculations

- Almost all adults have an Aadhaar number
- But Aadhaar presents a lot of identification errors: it is not working so well
- Also, only 40% have a bank account (2013)



A great idea whose time will come (RDV in 10 years?)