

## Alternative Universal Basic Income (UBI) Scheme

### Why in News?

A recent report by the International Labour Organization talks about how jobs growth has been lagging globally due to automation and Artificial Intelligence, and problem of youth unemployment in India.

### What are the differences between Cash Transfer Scheme and UBI?

- Cash Transfer Schemes and Universal Basic Income schemes both are safety net programmes aimed to address poverty and support their basic income.

To Know more about UBI Click [here](#).

Characteristics	Cash Transfer Scheme	Universal Basic Income
<b>Definition</b>	It is an income support scheme aimed at specific purpose for targeted groups.	It is an income support mechanism intended to reach all with no conditions.
<b>Coverage</b>	Targeted to specific groups Women, Farmer, Youth, Children. • PM KISAN - Farmers • National Social Assistance Programme	Universal - All Citizens
<b>Cash / Kind</b>	It can be either • Cash as in PM KISAN Or • Kind as in Public Distribution System .	Only in Cash
<b>Conditions</b>	They can be conditional such as • To work as in Mahatma Gandhi National Rural Employment Guarantee Scheme or MGNREGS Or • Sending children to school as in Mid-day meals.	No Condition
<b>Individual / Group</b>	It can be individual or family basis.	It is individual basis.
<b>Purpose</b>	They aim to directly address specific problems correspond to specific social objectives.	It addresses diverse problems aiming at holistic development.
<b>Method of Transfer</b>	Direct transfer to Bank accounts. Example : PM KISAN Or Through an intermediary mechanism. Example : Public Distribution System	Direct transfer to Bank accounts only.
<b>Inclusion and Exclusion errors</b>	They face inclusion and exclusion errors.	It aims to address inclusion and exclusion errors by making everyone eligible.

## What are the alternatives to Universal Basic Income?

- Financial feasibility is a big challenge to UBI scheme amounting to 3.5%-11% of GDP, which would either require cutting other anti-poverty programmes or drastically raising taxes.
- **Limited universal income transfer** - It is a modified UBI policy which can be implemented in combined with other transfer schemes instead of replacing them.
- **Negative Income Tax (NIT)** - This system provides payments to individuals whose income falls below a certain threshold, to supplement their income and ensure a minimum level of income for everyone.
- **Universal Basic Services (UBS)** - Instead of providing cash, this approach focuses on ensuring access to essential services like healthcare, education, housing, and transportation.
- **Universal Basic Food Scheme** - Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) providing basic food security to almost two-thirds of its citizens.
- **Minimum Income Guarantee** - It targets specific groups such as the unemployed, disabled, or elderly, ensuring they receive a minimum level of income.

### Quick Facts

#### State level Income Transfer Schemes

- **Rythu Bandhu Scheme (RBS)** - In 2018, Telangana launched it to give farmers unconditional payments of Rs.4,000 per acre.
- **KALIA** - Krushak Assistance for Livelihood and Income Augmentation programme launched by Odisha.
- **Rajiv Gandhi Kisan Nyay Yojana (RGKNY)** - Launched by Chattisgarh to supplement the income of rice, maize, and sugarcane farmers through direct cash transfers.
- **Pudhumai Pen Thittam** - Launched by Tamilnadu to provide financial assistance for higher education of government school girl students.
- **Mahalir Urimai Thogai** - Financial support to women head of the family.

### Reference

[The Hindu | Universal Basic Income](#)



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