25/8/22 Universal Basic Insurance is a better proposition than universal basic income. Do you agree? Comment.

GS-3

The covid pandemic has resulted in identification of insurance cover as one of the main need for social security. It is more resilient than the universal basic incomed.

Universal Basic Insurance

It can protect the population from falling below the critical survival line and also lift people beyond the Basic living wedge line

Food security - The National food security act feeds more than 80 crore beneficiaries. The people on the critical survival line are covered in this scheme. The mid day meals scheme feeds more than 12 ~~crore~~ crore children acting as a launchpad.

Health security The unorganised sector is unsecured by the Ayushman Bharath mission covering more than 49 crore users. This can prevent the out of pocket expenditure by the patients.

For the organised there is Employee State insurance scheme covering 13 crore beneficiaries

Income security for farmers the PM-KISAN ensures timely payment of ₹6000 per annum.

Pension schemes such as Atal pension Yojana, Vaya Vandhana Yojana covers geriatric needs.

Income Vs Insurance

Universal basic income has fiscal implication involving 4.5% GDP in identifying beneficiaries

For UB insurance to pick up the insurance penetration which is around 4% and insurance density which is $59 for life needs to be increased at least at level upto Asian peers

Universal Basic insurance scheme can make use of e-shram and GSTIN data on the Kutumba framework by Karnataka