National Institute of Technology Rourkela

Defence Seminar

Seminar Title : The Debate of Cash and In-kind Transfers in India: Decoding Universal Basic Income

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Abstract

Venue : Seminar Room, HS Department
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: The present study aims to focus on the preferences of the demand-side stakeholder, i.e., the beneficiaries, for cash or in-kind transfers. The key objectives of the study are to measure the strength of the contextual conditions and other allied scheme- specific facets in shaping their preferences for either form of transfer. For this purpose, households availing benefits from Targeted Public Distribution System (TPDS), Mid-Day Meal Scheme (MDMS), and Integrated Child Development Services (ICDS) of the study area have been taken into consideration. The study is confined to the selected blocks of chosen districts of Odisha, i.e., Khordha, and Mayurbhanj and has used quantitative approach for collection and analysis of data. The collection of data has been done primarily through open and close-ended schedules. Further, logit regressions have been carried out for the analysis of data at hand, to measure the influence of contextual conditions, including the respondent&rsquos educational status, caste category, primary occupation, monthly income, access to banks, and transition costs, on the preference of the beneficiaries for cash or in-kind transfers. The findings suggest that the beneficiaries of all three schemes under consideration are in favour of continuation of the same and stated their preferences for in-kind transfers. The preferences in case of ICDS was observed to achieve an enormous majority in favour of food and services transfers as against cash transfers. TPDS came with a 14.4 percent preference for cash transfers whereas, 31.4 percent of MDMS beneficiaries preferred cash in Khordha. In Mayurbhani however, more than 90 percent respondents equivocally cite their preference for all the schemes in their in-kind form, i.e., as food or cooked meals or takehome rations. Furthermore, of the factors under consideration representing the contextual conditions of the respective districts, it has been found that education has a prominent impact on the choices made in case of TPDS and MDM in Khordha. Primary occupation, monthly income and transaction costs are also noted to be leading reasons for shaping preferences of the beneficiaries for all the schemes. Moreover, the scheme specific benefits and disadvantages, alongside Covid-19 effects also show significant effects in moulding preferences in favour of inkind or food transfers. Furthermore, the reasons regarding the benefits and concerns of either form of transfers as stated by the beneficiaries are also discussed. Regulation of expenditure and lower transaction costs involved are cited as primary reasons for preferring in-kind transfers.