

ECLAC proposes granting basic emergency income for the poor



Santiago de Chile, May 28 (RHC)-- The Economic Commission for Latin America and the Caribbean (ECLAC) Secretary Alicia Barcena Wednesday called on governments to ensure an "Emergency Basic Income" (EBI) for the entire population to cope with the COVID-19 pandemic's socioeconomic impacts.

This UN agency proposes that Latin American governments guarantee immediate temporary cash transfers to meet basic needs and sustain household consumption, which will be crucial to achieving a solid and relatively rapid economic recovery.

In the long term, this emergency policy could become the first step towards the establishment of the "Universal Basic Income" (UBI), a proposal that would guarantee the right to survival of poor and vulnerable people.

"We have calculated that it could cost around 2 percent of GDP and I do not think it is too much when we see that tax evasion levels are 6.3 percent of GDP," Barcena said and added that "there are countries that can do so. It would only require political will."

"The pandemic has made visible the economic model's structural problems. The shortcomings of social protection systems and welfare regimes are proving very expensive for us today. For this reason, we must move towards the creation of a welfare state based on a new social pact, which considers fiscal, social,

and productive issues," she added.

Specifically, ECLAC proposes that this emergency basic income have the value equivalent to a poverty line, that is, to the cost of acquiring a basic food basket and other basic needs.

This amount, which varies from country to country, would be delivered for six months to the entire Latin American population in poverty, which currently reaches 215 million people and represents 34.7 percent of the regional population.

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