

Ecuadorean Congress Reviews Wealth Redistribution Law



Quito, June 8 (teleSUR-RHC)-- A new bill put forward by Ecuadorean President Rafael Correa designed to redistribute wealth in the country was officially submitted on Friday to the National Assembly.

The bill targets the large transfers of wealth between family members, implementing a progressive tax policy schedule on inheritances starting with 2.5 percent tax on sums above \$35,400 and climbing in increments, up to 77.5 percent on inheritances above \$849,600. "It works to avoid this inter-generational passing down of wealth that maintains the same families in power," said President Correa last week when first proposing the bill.

Sources close to the government said that this latest measure was inspired by the work of French economist Thomas Piketty, who wrote the best-selling 2014 book *Capital in the Twenty-First Century* that largely deals with wealth concentration and redistribution.

Opposition politicians claim that the measures are geared to address shortfalls in the budget, a claim refuted by Correa. In a late-hour change, the bill now also allows the inheritance tax to be paid via stock to workers of a company “thus the ownership of the means of production is democratized, which is what we seek, the state does not receive a penny,” Correa said.

The re-distributive nature of this bill is based on article three of the Ecuadorean constitution, which reads, “the primary duties of the state are planning national development and eradicating poverty, promoting sustainable development and equitable distribution of resources and wealth in order to bring about Good Living.”

The bill has been tagged as being of an “urgent economic nature” meaning that the bill must be approved or rejected within 30 days.

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