

Question for written answer E-000391/2021/rev.1
to the Commission
Rule 138
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Subject: The effect of universal basic income on inflation

The notion of universal basic income (UBI) is gaining popularity in Europe¹ in the light of the growing inequality due to the COVID-19 pandemic crisis and the apparent discrepancies in access to social protection and other subsidy schemes.

Under basic income schemes, governments would provide all citizens with a periodic cash payment, unconditionally paid to everybody on an individual basis, and without a means test or employment requirement.

However, a recurring concern is that UBI would lead to an increase in the prices of goods and services, as people may spend more, or may anticipate an increase in overall spending. Although the decision to implement a basic income is outside the remit of the European Central Bank (ECB), it could have a spillover effect on the ECB's objective of price stability.

Has the Commission carried out studies on whether the introduction of a universal basic income would have a positive or negative effect on inflation and/or inflation expectations? Could this analysis be made available to the public?

¹ <https://you.wemove.eu/campaigns/politico-emergency-basic-income-for-the-eu-now>