

Disaster-related Basic Income Support for Stable Livelihood of the Public Hit by COVID-19



‘ Jeonju City launched the nation’s first disaster-related financial support system ’

As COVID-19 spreads to communities, emergency disaster-related living expense support schemes are offered to help offset some of the economic damage being wrought by the virus. These cash transfers aim to help citizens fight the coronavirus and reinvigorate local economies. Here is a review of the Jeonju-type disaster-related basic income scheme, the first of its kind in Korea.

01 Jeonju-type Disaster-related Basic Income

Amid the coronavirus pandemic, the whole world, as well as Korea, is suffering an economic crisis. People are worried about losing jobs and are reluctant to go out to avoid exposure to the coronavirus, and the government is urging people to observe social distancing rules. As a result, businesses and those in the self-employed sectors such as airlines, tourist agencies, accommodation facilities, and restaurants are, particularly at risk. With these gloomy developments, workers who have lost jobs are worried about their livelihood.

Those in the low-income bracket and socially disadvantaged people tend to be more vulnerable at times of social disasters or economic crises. A policy is needed to relieve these people directly facing difficulties caused by COVID-19, and as a result, Jeonju City of Jeollabuk-do Province introduced “disaster-related basic income”, the first in Korea.

02 Eligibility for and Method of Applying for Jeonju-type Disaster-related Basic Income

A non-universal basic income is meant to ensure earlier livelihood stabilization of citizens who were hit by the economic fallout from the pandemic. The Jeonju-type basic income is offered to citizens aged 15 and over with address in Jeonju City as of March 1, 2020. Eligible persons receive up to KRW 527,000 based on monthly health insurance contributions. The Jeonju-type basic income was paid out to over 50,000 citizens. The income was charged to cash cards and must be used within three months.

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| Eligibility for application (the insured of community national health insurance) | 1st priority: individual whose monthly contribution is less than KRW 25,840 |
| | 2nd priority: individual whose monthly contribution is between KRW 25,850 and KRW 47,260, AND whose income has fallen in February and March compared with that in December 2019 and January 2020 |

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| Eligibility for application the insured of employee national health insurance) | 1st priority: individual whose monthly contribution is less than KRW 66,770 |
| | 2nd priority: individual whose monthly contribution is between KRW 66,780 and KRW 74,670, AND whose income has fallen in February and March of 2020 compared with that in December 2019 and January 2020 |

✓ Required documents : application for Jeonju-type disaster-related basic income, copy of resident registration (including records of address changes during resident five years), health insurance contribution payment confirmation, and health insurance status confirmation

Procedure for Payment of Jeonju-type Basic Income

- 1 Application by visiting community service centers or connect to the website of Jeonju City (Application by visit: 5-day rotation system)

| Day of the week | Monday | Tuesday | Wednesday | Thursday | Friday |
|-----------------------------|--------|---------|-----------|----------|--------|
| End figure of year of birth | 1, 6 | 2, 7 | 3, 8 | 4, 9 | 5, 0 |

e.g.) Those born in 1994 can apply on Thursday.

- 2 Decision will be made in three to seven days.
- 3 Selected individuals will be notified via text message.
- 4 Branches of Jeonbuk Bank in Jeonju City issue prepaid cards (selected persons should bring ID cards and text message)

03 Expected Effect of Jeonju-type Disaster-related Basic Income

A disaster-related basic income of Jeonju City is expected to provide a multiplier effect of invigorating the depressed local economy impacted by COVID-19. Cash strapped citizens may accept financial support as a “welcome rainfall for drought-hit farmers” and spend the money at community stores, helping the local economy.

The basic income support system is also being implemented in other local governments including Seoul, Gyeonggi, Daejeon, Gwangju, Chungnam, Sejong, Gangwon, Gyeongnam, Daegu, and Gyeongbuk. In Gyeonggi-do, 6 out of 10 self-employed persons expect a rise in sales thanks to the basic income support. The national government and local governments earnestly hope that local economies will recover soon with the help of the support money.