Experimenting with basic income in Finland, Canada and the United States: what can we learn?

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Introduction

Basic income has gained considerable attention during the last few decades both from activists and academics. Over the last few years also politicians and business elites have taken interest in basic income. As a result, a number of countries have embarked on experiments with basic income (McFarland 2017). There are strong arguments both in favor and against basic income, but rather little evidence as to how people actually reach and behave when they get unconditional guaranteed income. Since early 2017 the Finnish state has been running an experiment with basic income. There are ongoing and planned basic income experiments in also in Kenya, the Netherlands, Canada, Scotland, Uganda, and the United States (McFarland 2017). This paper studies the context of three experiments which have passed a planning phase, namely experiments in Finland, Canada (Ontario) and the United States. The aim is to study if these experiments are able to provide generalizable knowledge of basic income as a policy instrument to alleviate poverty and improve well-being among the most vulnerable parts of population in the rich countries.

Discussion around basic income in popular media has quickly grown into a global scene of basic income enthusiasts, but as a social innovation basic income is ridden with conflicting goals and expectations (Widerquist 2017). Self-employed and entrepreneurs see basic income as the support structure for the age of precarious work and sharing economy and platforms. Economists and technologists see it as a possibility to sustain middle classes in the wake of automatisation. Social engineers discuss basic income as a new way of reprogramming fiscal and economic activities of the state to address the needs of people affected by globalization. Environmentalists see it as a way to root out poaching and illegal harvesting of wildlife in poor countries and as a means to reach wellbeing within the boundaries of the planet in rich countries.

The debate on basic income represents a major shift in welfare state policy paradigm. From the 1970s onward, social policies on both sides of the Atlantic have been dominated by workfare programs where payment of benefits is made conditional upon participation on job promoting activities such as training, rehabilitation and work experience or on unpaid or low-paid work. Those who fail to fulfill these conditions may see a considerable reduction in their benefits or may lose them completely. The sticks have not worked very well. A review on workfare program outcomes show that traditional activation policies have proven inadequate in employing long-term unemployed people, and in preventing them from social exclusion (Card et al. 2015).

The question of how to find meaningful employment for those in the margins of labor market has urgent relevance throughout the Western world. As globalization and technology is feared to eliminate jobs (Fray and Osbourne 2013), an increasing number of people may be unable to make ends meet with earnings from employment. The case for basic income is based on the notion that the current social security system, designed for an industrial and outdated society, is dysfuctional in a globalized society, where many workers are forced to function in a short-term capacity.

Interestingly, around the same time the workfare programs dominated the West, the concept of basic income gathered interest from legislators and governments in the U.S. and Canada resulting in local experiments (Ashenfelter 1978, 1983; Ashenfelter and Plant 1990; Hum and Simpson 2001) The
four negative income tax experiments (Seattle-Denver, New Jersey, Rural and Gary) in five US states between 1968 and 1980 and in the Canadian province of Manitoba between 1974-1979 showed that employment fell slightly (Greenberg and Halsey 1983). In the absence of universal access to child care and elderly care, these results may be linked to a preference for unpaid care work over paid work. In any event, the experiments were doomed as a failure and no new trials were conducted before Finland launched basic income pilot in 2017. A reanalysis of the experiments in the 1970’s showed that beyond labor market outcomes guaranteed income was associated with positive effects on low birth weights, homeownership, health and academic outcomes (Hanushek 1986; Forget 2011). After reviewing nonacademic articles on the experiments Widerquist (2005) argues that the limitations of the experiments in terms of demand response and subsequent labor market response were poorly understood. In the following we will first discuss basic income as a policy prescription in a rich country context and then compare the political and welfare state context, experimental design and outcome measures and data sources of the three basic income experiments.

Definitions

Once the negative income tax experiments in the US and Canada were determined unsuccessful the idea of basic income continued to float as a political philosophy concept among a small group of enthusiasts. The Basic Income Earth Network (BIEN), founded in 1986, advocate a regular cash payment, paid periodically to every individual within a defined political community, irrespective of the recipient’s income or wealth and without reference to any prior contributions or work history or imposing behavioral conditions upon receipt (Van Paris and Vanderborght, 2017).

Theoretically, there may exist varieties of basic income within these core parameters, for example with regard to payment level and funding mechanism, but the advocates of basic income tend to stick to the their definition of basic income. The orthodox definition may have validity for practical implementation in developing countries with no existing social security networks. That is not the case in any rich country. The main problem in implementing basic income is how it would articulate with wider existing systems of social security, including which programs it is intended to complement or replace (De Wispelaere and Stirton, 2004). Some policy ideas may also give up one or more of the core features to allow for modified version of basic income. For example, the negative income tax relaxes the condition of payment for everyone (payment only received once a claimant falls below a specified income threshold), while participation income comes with weak and inclusive behavioral condition.

The discussion on definition of basic income and its modifications has been carried out mostly on theoretical level, where the debate has focused on which conditions are imperative and which optional. The basic income experiments need to tackle these issue on practical terms. Word “experiment” is being used here the way it is in the social and biomedical sciences, where study participants or a cluster of them are randomly assigned to at least two groups and at least one of the groups is a treatment group receiving basic income, while at least one is a control group not receiving basic income.

Before any type of basic income is payable to claimants, the agency responsible for delivering basic income needs to know how basic income is affected by any existing public transfer and service system. In terms of policy outcomes of basic income experiments, there is also a need to evaluate the role of public and private services. All welfare states acknowledge, although with a great variety in emphasis, that becoming an active member of a society one needs, beyond monetary compensation, affordable high-quality education, access to health care and active labor market policies (ALMPs). The question is how a basic income experiment would fit into the existing welfare state context.
Implementing universal basic income as it is defined by BIEN in any country would be a revolutionary change with potentially extreme public costs and risks. It is obvious that this type of systematic changes cannot be evaluated through experiments which rely on the use of experiment and control groups. The experiments have to focus on particular risk categories. Basic income is traditionally seen as a way to improve deficient social security system in the context of labor market dysfunction, but the target group of the basic income experiment is, of course, a result of political preferences among those who are responsible for launching the experiment.

As the debate on the negative income experiments in the 1980s demonstrate (Widerquist 2005), the outcome measures of the basic income experiments are vital for establishing implementation trajectories and path-dependency in social policy reforms. A closely related question concerns data sources. The experiments can inform us only about those outcomes which are measured in connection with the experiments. In the following we will analyze the welfare state and political context, experimental setting and outcome measures and data sources of the basic income experiments in Finland, Canada and the United States.

**Comparison of three experiments**

**Welfare state context**

The three countries sharing an interest in basic income are completely different in terms of welfare state orientations (Esping-Andersen 1990, 1999). Finland represents the comprehensive Nordic welfare state type, where the public sector has assumed a large responsibility in social transfers and in arranging and producing public services. Canada and the United States belong to the Anglo-American family of welfare states where the markets have a major role. When it comes to implementing basic income, the most important welfare state programs concern existing minimum income schemes (Table 1). In Finland, there is unconditional minimum income scheme (social assistance), which can be reduced if the claimant neglects a job or a training offer, but it cannot be withhold entirely (Eleved 2016). The constitution of Finland guarantees that “those who cannot obtain the means necessary for a life of dignity have the right to receive indispensable subsistence and care” (Chapter 19, The Constitution of Finland 731/1999). In Canada and in the US the minimum income schemes are only for those who seek work, are unable to work or take care of small children at home. For Ontario, where the Canadian basic income experiment is taking place, the most important minimum income programs are Ontario Works and Disability Support Program. Both programs offer financial assistance and employment assistance. To receive financial assistance from Ontario Work, the claimant must agree to participate in employment assistance activities. In the US, there is in kind assistance for all low-income people (Supplemental Nutrition Assistance Program), while conditional financial assistance is only given for needy families (Temporary Assistance for Needy Families Program).

In addition to minimum income schemes, also access to health care, post-secondary education and ALMP’s matter for basic income as to its capacity to improve well-being. Also in these respects Finland differs from Canada and the US. However, the Canada has universal access to health care while the US does not. Finland’s investment in active labor market policies (AMLPS) corresponds to OECD average, while Canada and the US make very little investment in ALMPs (Martin 2014). The Nordic countries are characterized by both strong employment-sustaining policies and high flexibility on the labor market, while the Anglo-American welfare states highly flexible labor markets but weak employment-sustaining policies (Bukodi and Róbert 2007).

Table 1. Welfare state context of the three basic income pilots.
<table>
<thead>
<tr>
<th>Country</th>
<th>Minimum income protection</th>
<th>Access to health care</th>
<th>Access to post-secondary education</th>
<th>ALMP’s</th>
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<tbody>
<tr>
<td>Finland</td>
<td>Unconditional (social assistance)</td>
<td>Universal</td>
<td>No tuitions, living allowance grants for all</td>
<td>OECD average effort</td>
</tr>
<tr>
<td>Canada (Ontario)</td>
<td>Conditional (Ontario Works, Disability Support Program)</td>
<td>Universal</td>
<td>No tuitions for low-income families, no living allowance</td>
<td>Very low effort</td>
</tr>
<tr>
<td>United States</td>
<td>Conditional (Temporary assistance for needy families TANF)</td>
<td>Restricted</td>
<td>High tuitions, no living allowance</td>
<td>Very low effort</td>
</tr>
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</table>

Source: Luxembourg income study 2017.

As expected on the basis of welfare state arrangements, poverty levels are much lower in Finland than in United States or Canada, which falls between the two countries (Figure 1).

**Political context**

For Finland, with around 5.5 million inhabitants and a small and open economy, promise of a basic income system stem from the nature of the economy’s dependency on the export industry and its vulnerability to external shocks such as global economic crises, trade sanctions against neighboring Russia and price fluctuations of minerals and pulp and paper. As a result of globalization long-term unemployment has become a persistent problem in Finland. The publicly announced goal of the Finnish basic income experiment is to reform the Finnish social security system to better correspond to changes in modern working life, to make social security more participatory and diminish work-disincentives, and to reduce bureaucracy and simplify the overly complex benefit system (Kela 2017).
Since 2001, those who have been classified as “long-term unemployed” have been forced to participate in rehabilitative work programs, in an attempt by the government to reinvigorate the economy; those who refuse to participate, lose their unemployment benefit for two months and may also face reduction in social assistance. The scheme has not worked well in reducing long-term unemployment (Ala-Kauhaluoma et al. 2004). As elsewhere, all minimum income benefits are means-tested in Finland, which means that extra income acquired from work is deducted from government-sponsored benefits. Combining small work incomes involved a lot of bureaucracy and repercussions, which could discourage jobless people from seeking the kind of odd jobs and small jobs available for them, since the unemployment system in the country takes away 50 percent of assistance based on any income above 300 euros a month.

Starting in the 1980s, Finnish progressives began discussing how unconditional “citizens’ income” could help to combat poverty and inequality resulting from declining employment in the industrial sector. The theory was that payment of a guaranteed income could free all citizens and allow groups like the jobless, students, stay-at-home parents and the elderly to meaningfully contribute to society through, say, voluntary work, caretaking, charity or artistic projects (Koistinen and Perkiö 2014). Traditionally, the Left Alliance and the Greens have advocated basic income, but surprisingly the 2017 experiment was implemented by a center-right bourgeois government. The basic income experiment in Finland was one of the key projects formulated in the program of Prime Minister Juha Sipilä’s Government (nominated May 28th, 2015). However, there is a strong opposition, both from left and right, against basic income in Finland and are vehement opponents among the conservatives as well as among social democrats and the trade union. The critics have dubbed the proposed scheme a state handout, arguing it would hamper people’s motivation to seek jobs and participate in employment promoting activities.

Ontario government motivates the pilot by testing “whether a basic income can better support vulnerable workers, improve health and education outcomes for people on low incomes, and help ensure that everyone shares in Ontario’s economic growth” (Ontario 2017a). In June 2016, the Ontario government led by the Ontario Liberal Party established an Income Security Reform Working Group with the task to build a multi-year plan to reform social assistance within the broader income security landscape. At the same time, the government asked a former chief of staff to Ontario Premier and Canadian Prime Minister Hugh Segal to produce a discussion paper on basic income experiment. Segal published in November 2016 a detailed plan “Finding a Better Way: A Basic Income Pilot Project for Ontario” (Segal 2016). Segal emphasized basic income as a possible way to reduce the cost of poverty not only welfare and disability payments, but also health care and economic performance.

The province government invited Ontarians to share their feedback on the design of a Basic Income Pilot between November 2016 and January 2017 and provided a summary report of the feedback (Ontario 2017). The consultation was extensive including almost 33,000 public survey responses, 1,200 expert survey responses and almost 1,200 in-person meetings attendants. The consultation report defines basic income as different from social assistance in terms of being paid to anyone who meets the income eligibility criterion, giving the same amount of money to everyone, topping up the incomes of people who earn less than a certain amount and establishing generally simpler system to administer.

Unlike the experiments in Finland and Ontario, the experiment in the United States was initiated by a private person. In January 2016, young Silicon Valley tech entrepreneur Sam Altman (2016) published a blog where he spoke about his research company’s Y Combinator Research’s future agenda: “We’d like to fund a study on basic income—i.e., giving people enough money to live on with no strings attached. I’ve been intrigued by the idea for a while, and although there’s been a lot of discussion, there’s fairly little data about how it would work.” Altman also predicted that “at some point in the future, as technology continues to eliminate traditional jobs and massive new wealth gets created,
we’re going to see some version of this at a national scale”. According to Altman “it’s impossible to truly have equality of opportunity without some version of guaranteed income”. Altman’s interest in utopian ideas entails a more holistic understanding of the possible effects of basic income effects on health, time use and social participation.

Table 2. Political context of the three basic income experiments.

<table>
<thead>
<tr>
<th>Initiative of the experiment</th>
<th>Planning of the experiment</th>
<th>Main policy goal</th>
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<tbody>
<tr>
<td>Finland</td>
<td>Center-right national government</td>
<td>Reducing long-term unemployment</td>
</tr>
<tr>
<td>Canada (Ontario)</td>
<td>Ontario Liberal party-led province government</td>
<td>Reducing poverty and health care costs</td>
</tr>
<tr>
<td>United States</td>
<td>Private research company Y Combinators Research</td>
<td>Provide a social protection program against capital accumulation and job destruction caused by automation</td>
</tr>
</tbody>
</table>

Experimental setting

A national social welfare institution Kela (Social Security Institution) was responsible for the design of the basic income experiment (Kangas and Pulkka 2016). The same institution is also implementing the experiment. The experiment was preceded by report including literature review and microsimulation calculations but no exploratory field study was not conducted prior the experiment. The experiment was launched by passing a law which details the procedures and parameters of the experiment (Laki perustulokokeilusta 1528/2016). The partial basic income payable during the experiment is called “perustulo” which translates as basic income.

The experimental group consists of 2,000 persons, who were randomly selected from a pool of individuals between the ages of 25 and 58, who were receiving flat rate unemployment benefits from Kela in November 2016 (about 175,000 individuals nationwide). The flat rate unemployment benefit program is designed for young people who enter labor markets with no work history and for those long-term unemployed who have exhausted their right for an earning-related unemployment compensation.

A guaranteed sum of €560 ($600) will be paid for the basic income group participants monthly. This cash sum will replace the existing flat rate unemployment benefits and will continue to be paid even if they take up jobs. The existing benefit is exactly on the same level as basic income but the difference is that the basic income group will be able to keep all extra money they earn also beyond 300 euros a month. An additional advantage for the participants is that they do not need to report their incomes to the unemployment office, which reduces bureaucracy and the insecurity caused by fluctuating benefit levels. Another important difference is that basic income group do not risk losing their benefit if they refuse to participate in active labor market policy programs. A problem is that research design does not allow to study the effects of different components of basic income described above. The basic experiment will continue until 2018, followed by an assessment of its results in 2019.

Planning for the 2017 experiment showed that the final study design will inevitably be the result of various politico-institutional compromises. Behind the scenes the planning team struggled with

administrative and political hurdles. Goal setting of the experiment was distracted by complexities in social security and constitutional legislation. The researchers had major problems in explaining the nature of the experiment for administrators and policy makers. Lack of cooperation between different government agencies proved an additional obstacle. The end result was affected by such factors as the amount of time available for the planning, whether it is possible to develop new payment and taxation systems, and the quality of the cooperation between different government agencies (Hiilamo and Kangas 2017).

The aim of the Ontario basic income pilot is to test replacing the broad policing, control, and monitoring now present in Ontario Works and the Ontario Disability Support Program (ODSP), with a modestly more generous basic income, which is automatically disbursed to those living beneath a certain income threshold. The Ontario pilot study will take place in three locations: the Hamilton, Brantford, and Brant County region (launching rolling recruitment in late spring 2017); Thunder Bay and surrounding area (launching in late spring 2017); and the city of Lindsay (launching in autumn 2017). The locations were selected so that the experiment could be scaled to province level.

In the experiment randomly selected low-income individuals (under CAD 34,000 per for single people and under CAD 48,000 per year for couples) who will receive invitation and information on the experiment through mail. The experiment will adopt a phased approach starting with a limited mail-out, testing design and collecting experiences before starting with large-scale mail-outs. The operational duration of the pilot will be three years. Unlike in Finland, participation is voluntary, and those who do agree to participate in the experiment may exit at any time during the study. Eligible individuals will be randomly selected to either receive the basic income or be part of a control group made up of people who will not be receiving payments.

In the experiment, a total of 4,000 potential participants will be randomly selected with on-going enrollment from a pool of low-income adults between the ages of 18 and 64 years. To prevent contamination from migration, the condition for selection is that the individual has lived in one of the three test locations for at least one year.

The experiment is designed in a way that nobody is worse off. The amount of basic income is determined as 75 percent of low-income measure in the province. That is 16,989 CAD (USD 1130/month) for single individuals and 24,027 CAD (USD 1600/month) per year for couples. Individuals with disabilities will be paid an additional amount of up to 500 CAD (£334) per month. That is, the benefit is not individual like in Finland. Individuals and couples with no external income would receive this amount of money. For participants who to earn additional income, the amount of the benefit will be reduced by 50 cent per each dollar (entailing that, for example, single individuals will stop receiving any payment if their income rises above 48,054 CAD per year). Surprisingly, that is the current system in Finland which is valid for the control for the control group of the basic income experiment. Income from other programs, such as the Canada Pension Plan and Employment Insurance, would reduce the basic income payment dollar for dollar. Income related to children, such as the Ontario Child and child support, would be exempt. People receiving support through Ontario Works who enter the pilot will continue to receive the Ontario Drug and people on the Ontario Disability Support Program will continue to receive the Ontario Drug and dental.

The Ontario basic income is unconditional in the sense that the benefit is not contingent on work or looking for work. This is a major departure from Ontario Works program. The Ontario experiment has adopted the term “guaranteed minimum income”.

Y Combinator Research launched basic income project in September 2016 with a small scale pilot in the city of Oakland. During the first wave the research team involved fewer than 10 individuals

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2 Official site for more information: [www.ontario.ca/page/ontario-basic-income-pilot](http://www.ontario.ca/page/ontario-basic-income-pilot)
(including treatment and control) to test and improve the study procedures. In September 2017, when publishing a full-blown proposal for the study, the team informed that they plan to enroll up to 100 by the end of 2017 (Y Combinator Research 2017). According to the plan the core of the experiment will be a randomized controlled trial (RCT) with 3,000 individuals across two US states in urban settings. During the experiment 1,000 will receive USD 1,000 per month for up to 5 years (experiment group), and 2,000 will receive USD 50 per month and serve as a control group for comparison.

Both group will consist of young (21 to 40- year old) low-income individuals, with oversampling of people further away from median income. In addition, the team will conduct extensive surveys with participants at the start and end of the project. The idea is to test how basic level of income security helps people with economic volatility and uncertainty. The project will involve a qualitative research with a subsample of participants, where the aim is to determine how a basic income influences people’s lives. In the selection of study locations the research group will pay attention to the extend which the states are willing not to cut existing benefit (e.g. housing vouchers) from the study participants.

Table 3. Experimental setting of the three basic income experiments.

<table>
<thead>
<tr>
<th></th>
<th>Size of the experiment group/control group</th>
<th>Benefit level, USD/month in experiment group/control group</th>
<th>Target population</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>2,000/173 000</td>
<td>645/645</td>
<td>Unemployed individuals between 25y and 58y</td>
<td>2 years, 2017-2018</td>
</tr>
<tr>
<td>Canada (Ontario)</td>
<td>4,000</td>
<td>1130/305 (Ontario Works) 1,600/468 for couples</td>
<td>18-64 olds low-income individuals and couples, 12 m residency</td>
<td>3 years, beginning 2017</td>
</tr>
<tr>
<td>United States</td>
<td>1,000/2000</td>
<td>1,000/50</td>
<td>Young workers</td>
<td>5 years, beginning 2018</td>
</tr>
</tbody>
</table>

Outcome measures and data sources

The limited scope of the Finnish experiment is reflected in the choice outcome measures, which mostly relate to labor market outcomes. The main outcome is the difference in employment rates between the treatment (basic income) and control groups. Since Finland has extensive registers it is possible also to study expenditure on medication, health care usage, and income variation. However, these outcomes were not discussed in the law detailing the experiment or in the official policy documents. Kela, the organization designing and implementing the experiment, did not approach the study participants before the experiment to conduct surveys or qualitative interviews. To avoid observer effects, Kela has announced that it is not conducting interviews or questionnaires during the course of the experiment, and will publish no results prior to its conclusion at the end of 2018. It is not clear who will evaluate the results from the experiment; would it Kela or an independent third party.
Acknowledging the limitations of the experiment the research team recommended expansion of the experiment in future years. The expert group which designed the initial experiment underlined that in order to produce more reliable and generally applicable information, a series of experiments are needed to study the preconditions for the reform from a variety of perspectives and at the level of various population groups. There were plans to introduce a new experiment in 2018 with a wider treatment group consisting of self-employed, free-lancers, small-scale entrepreneurs and other small-income receivers. An experiment with negative income tax might be launched in 2019 was also proposed. That could be built on the national incomes registry, which is set to be introduced in Finland around 2020. However, in August 2017 the government decided not to invest in any new basic income experiments.

The Ontario experiment has adopted a completely different approach than Finland. The evaluation will be carried out by an independent third party and it will take place in real time, that is preliminary results are expected before the three year experiment is finished. Already Hugh Segal (2016) who designed the first plan for the experiment suggested that “aggregate data in the form of preliminary results, once it starts to flow, must be accessible to Ontarians in a transparent fashion”.

Besides employment and labor market participation the Ontario experiment will study a broad range of outcome measures including community participation, stress and anxiety, mental health, health and health care usage, housing stability, education and training. The hypothesis are set on three time ranges. The experiment group is expected in short term to have better food security and reduced stress and anxiety. The median term hypotheses relate to increased community participation and improved health and wellbeing, while the long term hypothesis consists of better quality of life and enhanced labor market attachment. The final results of the pilot will be reported to the public in 2020. In the evaluation both quantitative and qualitative data through access to administrative records, questionnaires and interviews will be used.

The YC Research team has adopted even a more holistic view of basic income’s expected outcomes than the Government of Ontario. Besides the outcomes measured in Ontario the research team is interested individuals’ time use, consumption, finances and effects on children (e.g. grades and test scores) and social networks.

In the planned experiment basic income is distributed a payment card/account which allows to study, pending participants endorsement, how the participants spend their extra money. The research team will also make sure that each participant has a mobile phone and if not, provide one, for the participants. That will also be used, again with participants endorsement, in data collection. By utilizing standardized instruments and well-developed health and labor market surveys the research team aims to guarantee the validity of the experiment. The research team is also interested in studying the mechanism behind basic income’s potential through qualitative research.

Discussion

The basic income experiments demonstrate that basic income has become a serious political proposal and is no longer a “philosophical pipedream” (Van Parijs, 2013). Basic income has been mooted in academic circles for decades, and had a period of serious attention in the 1970s, before going under the policy radar for the majority of the subsequent three decades (De Wispelaere, 2016). The citizens movement for basic income has emphasized basic income as a mean to promote equality through offering recess from paid employment but the recent public interest in basic income is connected with the problem of unemployment. In the aftermath of the global economic crises, the traditional workfare measures proved inefficient in struggling with long-term unemployment and high rates of young people not in education, employment or training (NEET). Despite economic
recovery since 2008, the dysfunction of labor markets is expected to continue with the new technologies replacing especially those jobs which still are available for low-educated workers.

Since 1990s the developed countries have experimented with various new policies to tackle the problem of unemployment and underemployment. They have not attracted the volume and scope of attention the basic income experiments have. The salience of basic income as a policy prescription is partly attributed to the fact that basic income is presented as uniformly applicable solution to social protection across jurisdictions. Implementing universal basic income as it is defined by BIEN in any country would be a revolutionary change with extreme public costs and risks. It is obvious that this type of systematic changes cannot be evaluated through experiments which rely on the use of experiment and control groups. The current basic income experiment show that governments are willing to view basic income, after a series of workfare reforms, as a second generation solution to specific problems among working aged populations suffering from poverty. In addition to countries where experiments are under way, several other jurisdictions are waiting and watching

All experiments discussed above have determinedly adopted a narrower definition of basic income. None of the experiments is universal in the sense that it paid to everyone. The target group is most limited in Finland where only certain type of unemployed people are included and other individuals with low incomes are excluded. In the Ontario and US experiments the target groups covers a larger variety of risk groups than only unemployed. However, the guaranteed income in Ontario is not paid individually since couple have a separate benefit. The benefit is unconditional in all countries upon seeking work or participating in work promoting activities. However, in Ontario 50% of extra income is deducted from basic income. All the experiments depart from workfare policies, though, where claimants may face sanctions terminating all benefits. In the experiment discussed here basic income is based on a positive view of individuals. It is a symbol that we believe in even poor people’s capacity and we think that they are able to do things which are beneficial to them and their community.

The Finnish basic income experiment has been criticized for the fact that it only studies an incremental change in the social security system. Basic income in on equal level with the unemployment benefit paid for the members of the control group. Paradoxically, that can also be considered as a strength of the experiment. The experiment is about analyzing the effect of unconditionality, not about giving more money for the poor. The experiments in Ontario and in the US can be questioned by the simple fact that the body of literature on poverty shows that people are better off if they get extra money. The potential efficacy of basic income lies in the evidence that it is a more efficient way to deliver support than the current system. Given the obvious weaknesses in the level on current systems in Ontario and in the US, it may be considered self-evident that basic income will improve all or nearly all of the studied outcomes. However, the experiments may fail to answer if basic income is value for money.

The problem with the Finnish experiment is that it might not produce information on more general effects of basic income. Let’s assume the trial in Finland would show basic income will indeed increase employment and lead to higher incomes. Obviously, such result would encourage to believe that basic income made the difference in turning passive individuals into workers and entrepreneurs and it that the model as such could be emulated to other countries. As a member of the Nordic welfare state family Finland offers ample opportunities for those on the verge of labor markets. Basic income may help people to more fully utilize these opportunities but positive labor market outcomes may not be realized in other contexts. Guaranteeing the absolute minimum in terms of money for every individual would be a major step in social progress but it would simply not be enough to secure equal opportunities.

The comparison between the two experiments organized by governments and one by a private company show that the private actor has a better leeway for scientific inquiry. In the Finnish experiment the outcome measures are very limited, and although it may be possible to use registers
to study later, for example, social and health effects of basic income, lack of subjective measures at baseline put significant constrains on such endeavors. YC Research’s approach to the experiment is clearly more innovative and thorough than in Finland or in Ontario.

It is evident that all the experiments will disappoint those activists who see universal basic income as a panacea for improving social justice, equality, freedom and ecologically sustainable communities. All the experiments only involve a relatively small number of people. Experiments cannot inform about structural effects of the ideal type of universal basic income, for example, the effect on labor markets, effect on wages, working conditions and labor supply. It is also not possible to test indefinite effect through trials. Whether the basic income advocates like it or not, the experiments will mainstream basic income as a loosely defined policy prescription to reform social security benefits for those outside employment or in precarious positions in the labor market.

It is important to bear in mind that poverty, unemployment and inequality are not risks looming in the future with artificial intelligence, 3D-printing and Manufacturing 4.0 which might rupturing labor markets. They are pressing problems practically in all corners of the world. Given the fact that UBI is not a well-defined formula for a revolutionary innovation in social security but a collection of old and new ideas and justifications for universal social protection, the global enthusiasm around UBI must be viewed as a signal for the failures in the current social protection systems. Ongoing discussion on UBI demonstrates a genuine interest in finding new solutions not only to emerging problems but also to current ones.

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