

Some results from the Finnish basic income experiment

Bristol Poverty Institute Conference 2021
Poverty and the Sustainable Development Goals:
From the Local to the Global
The Sixth Peter Townsend Memorial Conference

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Content of the presentation

- The Finnish basic income experiment
- Some results on employment
- Some results on health and general well-being
- Conclusions

The final setting

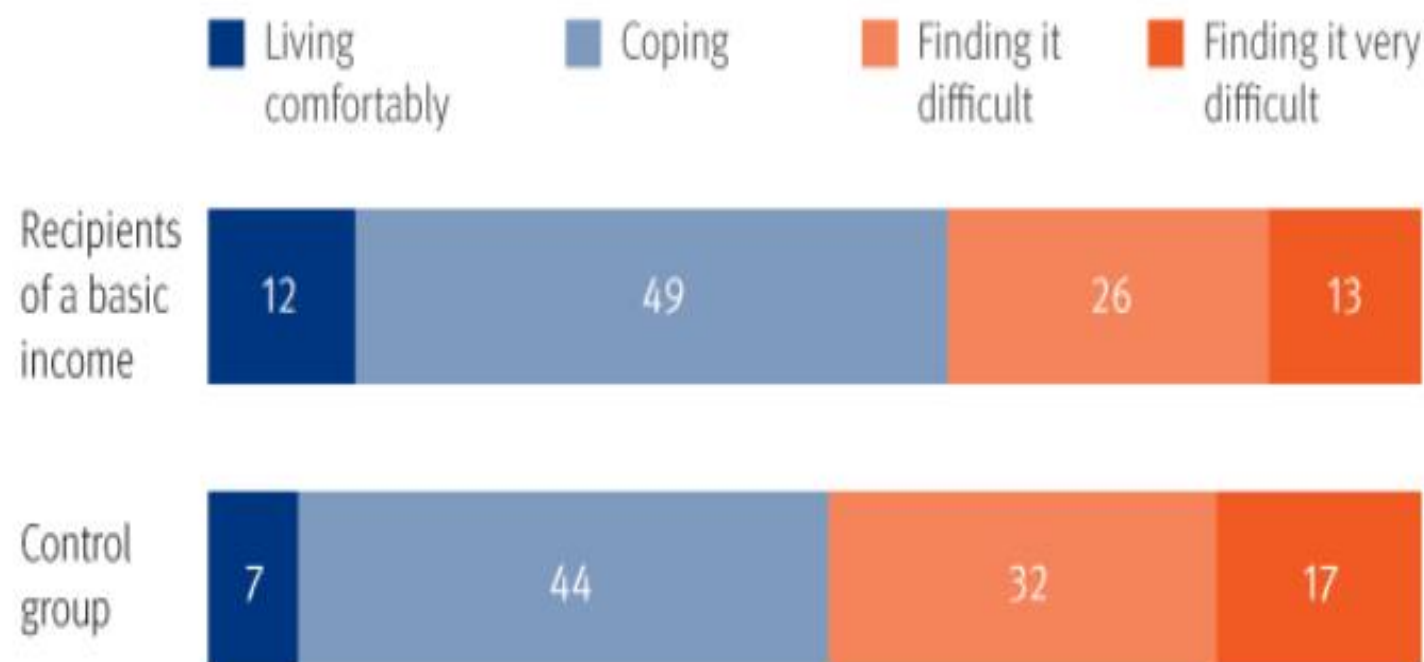
- BI 560€ net a month
 - Present taxation on income exceeding 560€
 - Social benefits exceeding 560€ will be paid out as previously
 - Nobody will loose
 - Housing allowance and social assistance are tested against basic income
 - Work income 'float' on BI
 - Obligatory participation
 - 1.1. 2017 to 31.12.2018
- 2 000 unemployed who get flat-rate benefit from Kela
 - Random nation-wide selection into the treatment group
 - The rest of the Kela unemployed (app. 170 000) form the control group
 - The follow-up studies:
 - Registers on income, employment, use of medicine, medical treatment
 - Surveys and interviews on:
 - Other aspects of welfare
 - Experiences on bureaucracy

Cons and pros of the experiment

- **Only unemployed included**
- **Not possibilities to evaluate substitution effects**
- **Too small a sample (2,000)**
- **Partial BI -> does not eliminate bureaucracy**
 - **Too small an amount**
 - **Benefits exceeding BI had to be applied for**
- **Not possible to evaluate community level effects**
- **The 'activation model' introduced treatment for the control group (political stupidity)**
- **Randomized controlled nation-wide field experiment**
 - **To avoid impact of various shocks**
- **Legislated, obligatory experiment**
 - **To avoid selection bias**
- **Legislated**
- **Treatment group and an identical control group**
- **Possibilities to use registers in evaluations**

Basic income recipients reported a better perceived financial situation than members of the control group

Self-perceived financial situation at current income level,
% of respondents

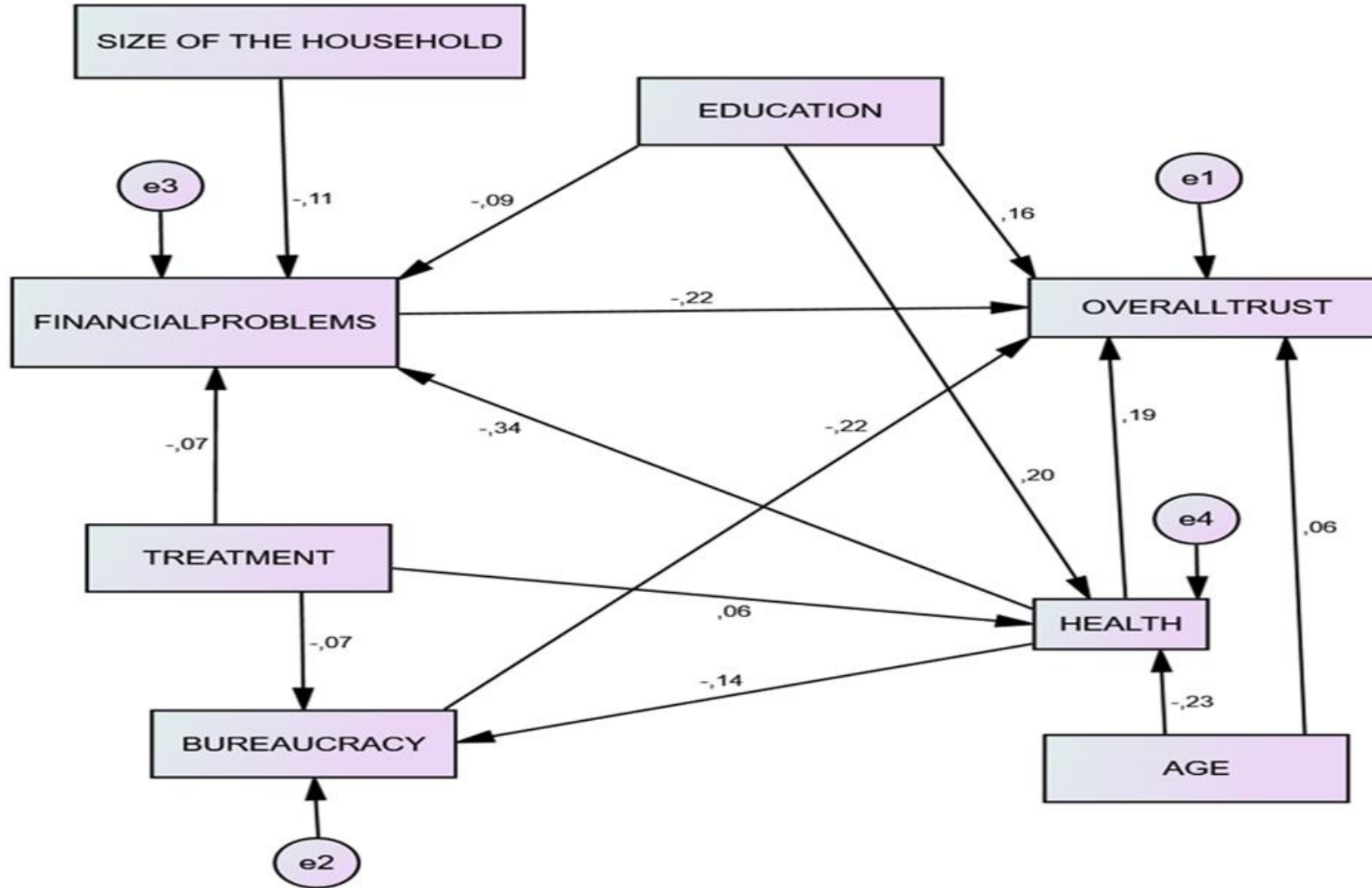


Trust in other people and societal institutions on a scale of 0 to 10

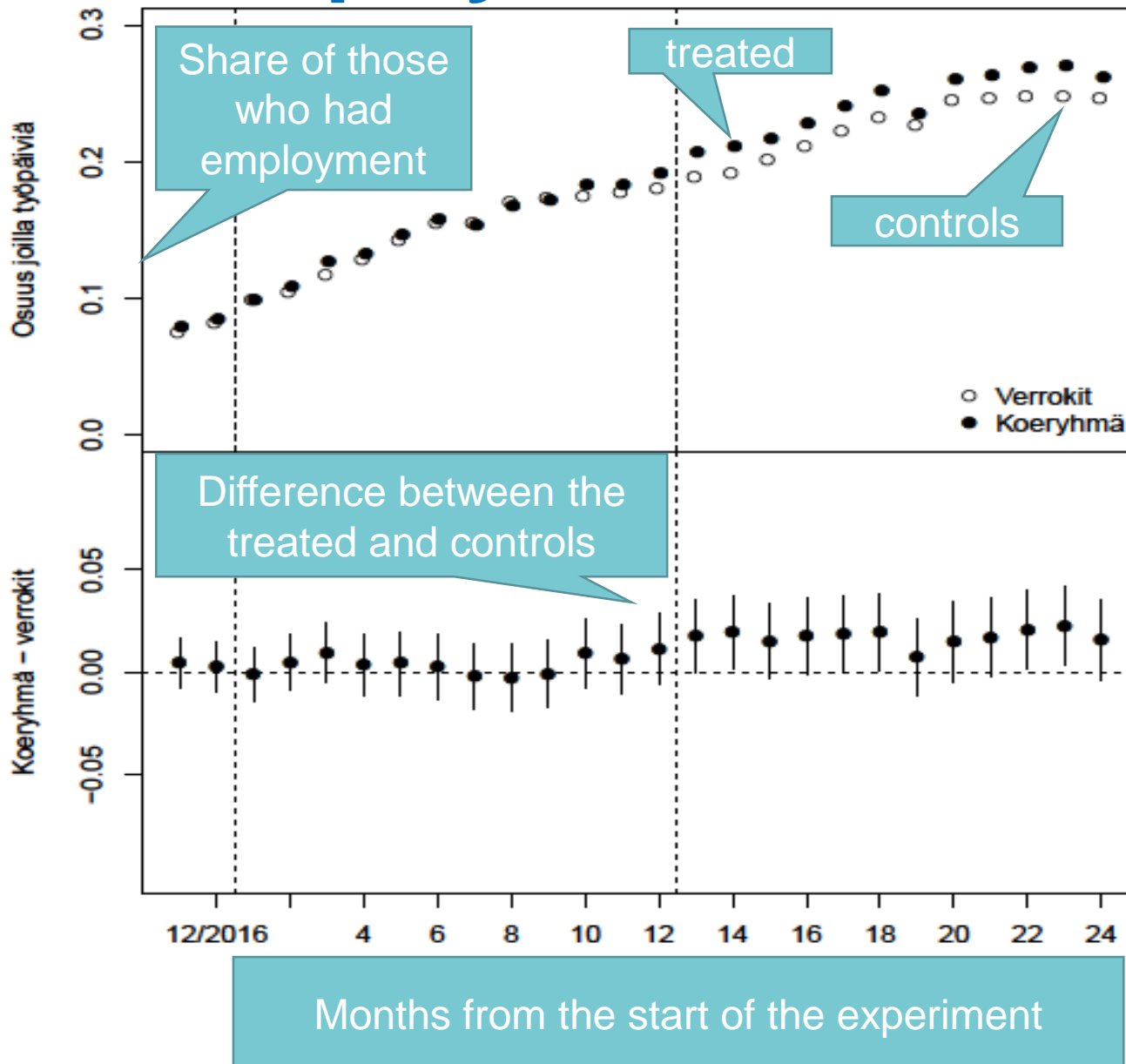
● Control group ● Recipients of a basic income



BASIC INCOME AND WELL-BEING



Employment effects 2017-18 (Hämäläinen & al. 2020)

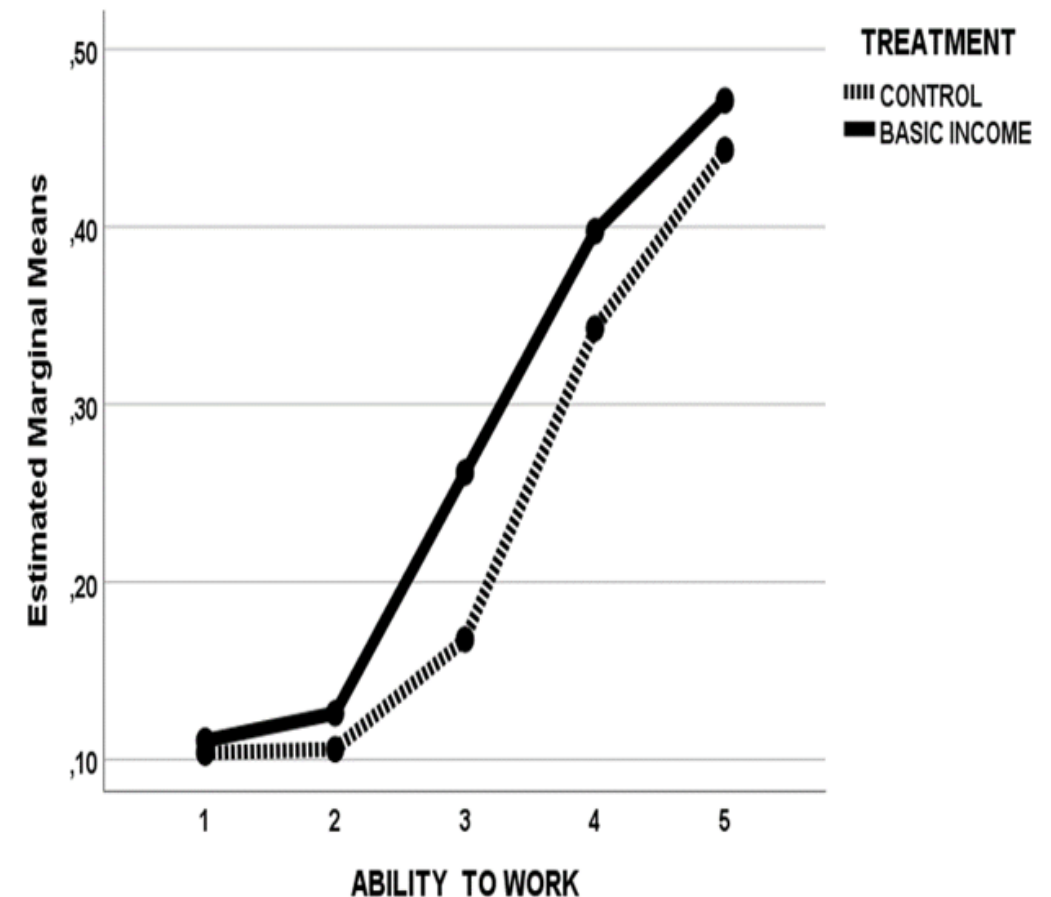


- No significant employment effects
 - BI did not make people less active ('lazier')
 - neither did it help them to find employment
- However: significant positive employment effects among the immigrants and among those who had families
 - Younger, healthier and closer to the labour markets

Basic income and employment

- Not possible to study substitution effects
- Important to keep in mind the specific characteristics of the target population
- Small positive effects compared to the control group
- However: employment and confidence in finding employment is conditional to the health status
- Decent level of income is a necessary but not a sufficient condition for employment
 - in addition, we need social-, health care- employment and education and training services

Probability to be employed in 2018 and self-rated work-ability



Thank you!



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