

1. Introduction to the journey of the Finnish basic income experiment

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This book provides a broad picture of the Finnish basic income experiment – from the planning, through the implementation, and ending with an evaluation of the experiment – in a versatile collection of studies. The editors, together with the rest of the research group, have had the most interesting couple of years evaluating the Finnish basic income experiment. In fact, some of us have spent even more time with the experiment, by being involved in the planning phase. This has been quite a journey.

It is not every day that a researcher gets a chance to dive into such an adventurous journey, peep into the hidden chambers of political decision-making with its tensions, intrigues and compromises, and see how ideas are transferred into legislation and how legislation is implemented. The journey has provided the opportunity not only to work in a talented and dedicated research group but also to have the most fruitful discussions with fellow academics, passionate reformers of welfare states, and journalists from every corner of the world.

Interest in the Finnish experiment has been huge since the beginning of the experiment and it continues. Throughout the experiment and its evaluation, national and international media have reported the twists and turns of the journey, and followed the lives of some of the participants of the experiment, who eventually became famous, especially outside Finland. You can read more about the role of the media during and after the experiment in Chapter 13, by Katja Mäkkylä.

Some may ask, why all this fuss in a country that has already established comprehensive social security for all its residents? Is Finland not representative of a Social Democratic welfare state with universal transfer benefits guaranteeing decent income for all and free and good quality services from the cradle to the grave? Is Finland not a country that takes the top spots when it comes to poverty reduction, well-being, trust, happiness and life satisfaction, quality of life, democratic political freedoms, or economic competitiveness?

Well, it is not only happiness and prosperity for us in Finland. We also have people queuing for food aid, people without shelter, and people living in

prolonged poverty. Moreover, we have a jungle or a labyrinth of benefits and services when people try to find someone to help them with their problems. Already exhausted from often multiple social and health problems, those desperately in need for help may not have the capabilities to find their way forward in this jungle, or out of it. There are both economic and bureaucratic disincentives and, due to them being built in the social security system, people may give up and continue to live on social security instead of seeking ways out of the social security net.

One main reason for experimenting with basic income was to determine whether it could diminish the bureaucracy and dissolve the monetary disincentives involved in today's social security system. The task of the experiment was to evaluate whether basic income would be a device for simplifying the system and making it more transparent. The main question was whether basic income could reduce various work disincentives and consequently increase the employment rate. Even a well-developed welfare state may have problems providing help to its clients, and it may submerge them in myriad social policy programmes that are not always interacting in a rational way.

Chapter 2 presents the current social security system and its rather complex structure, and introduces the reader to the reasons why the centre-right government of Prime Minister Juha Sipilä (nominated in 2015 and resigned in 2019) decided to write the creative words, 'We shall have a basic income experiment', into its governmental programme. For many in Finland, this came as a surprise. The Sipilä government consisted of three parties: the Centre Party, the National Coalition Party, and the Finns Party. While the first had shown some lukewarm support for basic income, the two other parties had been openly critical of basic income. The two parties that most eagerly advocated basic income in Finland, the Green League and the Left Alliance, were in opposition at that time.

Surprisingly, basic income was visibly and firmly on the political agenda, and the next question was who should be responsible for planning such a novel experiment. The Prime Minister's Office announced a competition for this, which was won by the research group led by the Research Department in the Social Insurance Institution of Finland (Kela). This was the start of a long and challenging journey for the research group. Numerous microsimulations were run, and models evaluated, and endless legal, practical, and political problems were more or less successfully solved during the planning of the experiment. The planning phase was full of inspiration, perspiration, and frustration. Chapter 3 by Olli Kangas contains a narrative about the making of the experiment, and Chapter 4 by Anna-Kaisa Tuovinen sheds light on what kind of constitutional and other legal aspects had to be considered when planning such a social experiment as the Finnish one.

Against all odds, the basic income experiment began as planned on 1 January 2017, and the inspired planners of the experiment could take a moment to breathe. But not for long. The evaluation of the experiment had already started, a new crew was gathered around this evaluation, and a new phase of the journey begun.

The scientific evaluation of the experiment includes four sub-studies and involves several researchers from different universities and research institutes in Finland. The research is multidisciplinary, utilising both quantitative and qualitative data. In the evaluation, the interest has been mainly in the employment effects of the experiment, but also in other aspects of well-being and in the experiences and opinions of those selected for the experiment to receive unconditional basic income for two years. In Chapter 5, the editors describe how the evaluation of the experiment was conducted. The extraordinary Finnish registers and their various combinations give endless possibilities for further, more extensive, more detailed, and better studies.

Register-based results regarding the employment effects of the experiment have been reported in earlier publications.¹ In this book, we utilise the survey data gathered at the end of the experiment from the receivers of basic income and their control group (see Chapter 5). In Chapter 6, Minna Ylikännö and Olli Kangas focus on employment questions with a special interest in the survey respondents' subjective assessment of work ability and self-rated confidence in finding new employment. The findings in this chapter support the previously reported results from the register analysis, but they also open new perspectives to the debate on the link between basic income, employment, and ability to work.

When discussing basic income in general, and in the context of modern societies with developed social security systems, in particular, questions about the trade-off between comprehensive social security and labour supply always pop up. In these discussions, one should keep in mind that participation in paid labour always requires the ability to work. One must have the skills needed, be healthy enough, both physically and mentally, to search and find a job. The target group of the Finnish experiment consisted of unemployed job seekers, of whom the majority had been unemployed for a long period. Almost 80 percent of them had been unemployed for more than one year. It is not that rare for a person without work to have multiple barriers to employment, including health problems. That is why interest in the evaluation was also in multifaceted connections between basic income, health, and well-being, and not only on employment effects.

In Chapter 7, Miska Simanainen and Annamari Tuulio-Henriksson analyse associations between basic income, subjective health, and cognitive abilities; that is, those essential prerequisites for participating in paid labour. Stress, induced by poverty and scarce financial resources, is in turn of interest in

Chapter 8 by Maarit Lassander and Signe Jauhiainen. Prolonged stress can trigger various physical and mental health problems, and from this perspective, the possible effects of basic income to mitigate financial stress are also of great interest. For two years, the experiment guaranteed a participant a net income of €560 per month, which was unconditionally paid on the second banking day of each month to the participant's bank account.

As mentioned above, one aim of the experiment was to diminish the bureaucracy involved in the transitions from social security to work. In these transitions, there may be many hurdles. It may be that the work does not pay enough (as discussed in Chapter 2) or there may be bureaucratic hindrances, making the unemployed cautious of accepting possible job offers. Bureaucracy is the focus of Miska Simanainen's analyses in Chapter 9. He asks whether basic income made it easier for social benefit recipients to cope with the complicated social security system. The recipients of basic income did not have to regularly report themselves to the public employment services, and they were not subject to any sanctions as stipulated by the current unemployment benefit system. They could trust they would receive the basic income every month, and no paperwork or screening of any kind was needed to prove the right for the benefit.

In a way, basic income is 'money of trust'. In the basic income system, the residents are trusted and expected to make rational decisions for themselves and, in the end, decisions that benefit societies at large. The proponents of basic income argue that universal and unconditional income transfer as basic income would eventually free people from bad quality jobs and enable them to do voluntary work or in other ways contribute to the well-being of others. Hence, by enhancing social capital bridging in society, they would also build a more trusting environment. When being trusted by the society, we tend to mutually create trust. Trust is built through reciprocity. In Chapter 10, Olli Kangas, Minna Ylikännö, and Mikko Niemelä analyse multifaceted associations between basic income and self-confidence. Furthermore, in the spirit of John Rawls, Amartya Sen and Martha Nussbaum, they also use survey data to determine whether basic income possibly enhances the capabilities required to be able to fully participate in society. Chapter 10 also concludes with some of the results from the earlier chapters by including health and financial stress in the multivariate models utilised in the analysis. It is also a conclusive chapter in a more philosophical sense in that, fundamentally, basic income is about trust more than anything else. The central question for functional societies is, to what extent should we or can we trust other people and societal institutions?

This central question partly defines how we think about basic income. If public opinion is against basic income, it is not feasible to implement it. Depending on the votes of the potential voters, politicians would not risk their political career in proposing something that had a lot of resistance among the

public. However, if the majority of public opinion is for basic income, it may emerge in the political agenda and even end up being implemented. In Chapter 11, Miska Simanainen and Olli Kangas report results from opinion surveys collected just before and after the experiment. In addition to discussing the level of popular support for basic income in Finland, this chapter analyses how much citizens' financial insecurity, on the one hand, and political attitudes and perceptions of deservingness, on the other, explain popular opinion.

The evaluation of the experiment was not limited to registers or surveys; a vast number of face-to-face interviews were conducted among the recipients of basic income. For the qualitative analyses presented in Chapter 12, Helena Blomberg, Christian Kroll and Laura Tarkiainen have gone through hundreds of pages of transcribed text from almost a hundred interviews. Although the stories told are as many as there were interviewees, following the famous sociologist Hannah Arendt the researchers have been able to condense their analyses into three modalities: work, employment and labour.

The discussion on the role of public opinion regarding implementing basic income continues in the final chapter of the book (Chapter 14), where Olli Kangas analyses the feasibility of basic income in Finland, and whether the experiment increased the probability of implementation. If you decide to do what so many book readers do, and read the last lines of the book first, you will already know whether basic income is a feasible option for a new social policy model in Finland.

Every chapter in this volume looks at the basic income and the Finnish experiment from a different angle, and they have different stories to tell. The research group represents different scientific fields, which is a significant advantage on one hand, but, on the other hand, is reflected in how the individual articles are constructed and the story told. Keeping this in mind, the editors of the book, together with Edward Elgar Publishing, wish you a pleasant reading experience and hope you enjoy the journey as much as we did.

NOTE

1. Hämäläinen, K., Kanninen, O., Simanainen, M. and Verho, J. (2020), *Perustulokeilun arvioinnin loppuraportti: Rekisterianalyysi työmarkkinavai-
kutuksista [The Final Evaluation Report on the Basic Income Experiment: Register-Based Analysis on Labour Market Effects]*, Helsinki: VATT Institute for Economic Research, VATT Muistiot, 59.