Basic Income, Wellness and Changing Forms of Productivity

Lisa Adkins and Hanna Ylöstalo

The COVID-19 pandemic has seen the furloughing and laying-off of millions of workers worldwide. Alongside stay-in-place and lockdown mandates, and in response to economic shut downs, Anglo-capitalist governments have put in place a range of emergency measures, including income support and wage subsidy schemes for the furloughed and the out of work. Many of these emergency measures are now beginning to be wound back, leaving workers and their households on a cliff-edge.

In this fraught environment, it is perhaps unsurprising that interest in the guaranteed form of security offered by Basic Income (BI) is growing. Delivering regular and equal payments to all individuals regardless of their employment status or income, BI has been located as offering a fairer and more comprehensive scheme than that provided by government emergency measures. It is also considered to be realistic replacement for long out-moded social security payment systems (Standing, 2020a, 2020b).

Prior to the pandemic, BI was widely touted as a post-productivist mode of social security appropriate for a world in which the wage and wage-earner no longer occupy centre stage, and in which precarious and unpredictable forms of employment predominate, and where wages do not cover the costs of life. Before the pandemic a number of experiments with BI took place with support from across the political spectrum. One of these experiments took place in Finland and it attracted attention not least because it focused on the already unemployed who were in receipt of unemployment benefits and subject to conditionalities. Inasmuch as the experiment signalled that it was both feasible and possible to break from the conditionalities and sanctions associated with social security payments, it was located as leading a potential paradigm shift in European welfare policy (De Wispelaere et al, 2018).

However, as details of the experiment were released by Finland's then centre-right coalition government, initial enthusiasm turned towards disappointment. A previously tabled ambitious plan to run a series of experiments with different models of BI morphed into a single two-year long trial. From the beginning of 2017 to the end of 2018 a randomized controlled trial (RCT) designed by a consortium of experts, including behavioural economists, was carried out with 2000 randomly selected registered unemployed people. Each participant in the experiment received €560 unconditional basic income per month.

As the experiment progressed it became the subject of both national and international debate. The experiment criticized for not testing basic income proper but only certain features consistent with it (Standing, 2019). Methodological limitations were highlighted (De Wispelaere et al, 2018) and concerns were raised regarding the political framing of the experiment. Finnish politicians and policy makers tended to frame the experiment primarily as a trial to promote labour market reintegration (Perkiö, 2019).

In light of this, critics were concerned that the BI experiment was ultimately a trial with a new mode of labour market activation, albeit one operating without the conditionalities and sanctions of workfare. Those involved in the design of the experiment feared that politicians

and policy makers had misunderstood the experiment with the consequence that any positive effects, including improvements in wellbeing, would be downplayed. Indeed, the experiment had been explicitly designed to enhance and improve the feeling states of the unemployed through the removal of conditionalities and sanctions. In the language of behavioural economics, the experiment had been designed to provide participants with a 'choice architecture'.

This fear appeared to be partly appeased with the release of an assessment of the experiment which foregrounded how while it had not increased employability or resulted in increased rates of employment, the experiment had nonetheless seen significant increases in the wellbeing of participants in the trial (Kangas et al., 2019, 2020). Seizing on this finding, the world's press touted the Finnish experiment as demonstrating how BI can operate as an instrument of health and wellbeing (see e.g. Henley, 2020; Virki, 2020).

But amongst this public debate there was little recognition of the turn to wellness operating across corporate and public policy worlds (Davies, 2016; 2011), and especially of how wellness has become a valued attribute of workers. Indeed, there was little recognition of how as economies have come to be dominated by service and knowledge production, the cognitive, psychological and emotional wellbeing of workers is of increasing concern to employers, not least because improvements in wellbeing amount to improvements in the productive potential of workers.

There was also little acknowledgement that the experiment had been precisely designed to improve wellbeing and that it was calibrated and measured in these very terms. The experiment did so via the enrolment of the techniques of behavioural economics: by removing constraints (sanctions and conditionalities) and providing a choice architecture, it explicitly sought improvements in the cognitive orientation of the unemployed.

It is against this background that the Finnish experiment with BI should be situated and understood. Far from operating externally to issues of labour supply, it was an intervention that attempted to modulate the productive capacities of potential workers and enhance their employability in a regime where psychological and emotional wellbeing operates as a labour market resource. The Finnish experiment in BI was then a trial in defining and recalibrating labour supply in terms of notions of health and wellbeing. Here the good potential worker was defined not so much in terms of notions of activation, competitiveness and employment status, but in terms of psychological, cognitive and emotional wellness.

Commentators on the experiment have suggested that it was paradoxical that it ran at the same time the sitting government was 'pushing hard for workfare schemes and tighter benefit conditionality' (Lehto, 2018: 168), that is, when was tightening the regime of incentivizing for work. But once it is understood that wellbeing is a productive capacity and that the BI experiment precisely aimed to enhance wellbeing, the timing of the experiment and its existence alongside conventional activation and workfare measures appears less contradictory. Just as activation and workfare regimes seek to modulate and recalibrate labour supply, so too did the Finnish BI experiment, albeit in ways that were aimed at maximizing wellbeing.

Our current COVID moment has fuelled hopes for the embrace of progressive economic policies, basic income included. But Finland's experiment suggests that not all applications of BI are necessarily progressive. Indeed, it is important to register that policy experiments precisely operate as a means for the state to open out new frontiers. In this instance an experimental policy opened out new routes to promote the restructuring of labour supply.

References

Davies W (2011) The Political Economy of Unhappiness. *New Left Review* 71: 65- 80.

Davies W (2016) *The Happiness Industry. How the Government and Big Business Sold Us Well-Being*. London: Verso.

De Wispelaere J, Halmetoja A, and Pulkka V V (2018) The Rise (and Fall) of the Basic Income Experiment in Finland. *CESifo Forum* 19(3): 15-19.

Henley J (2020) Finnish Basic Income Pilot Improved Wellbeing, Study Finds. *The Guardian*, 7 May 2020. https://www.theguardian.com/society/2020/may/07/finnish-basic-income-pilot-improved-wellbeing-study-finds-coronavirus

Kangas O, Jauhiainen S, Simanainen M, and Ylikännö M (2019) The Basic Income Experiment 2017–2018 in Finland. Preliminary Results. Helsinki: Ministry of Social Affairs and Health.

Kangas O, Jauhiainen S, Simanainen M, and Ylikännö M (2020) Suomen Perustulokokeilun Arviointi. Helsinki: Ministry of Social Affairs and Health.

Lehto O (2018) An Earthquake in Finland. In: Downes A, Lansley S (eds) *It's Basic Income: The Global Debate*. Bristol: Policy Press, 165-170.

Perkiö J (2019) From Rights to Activation: The Evolution of the Idea of Basic Income in the Finnish Political Bebate, 1980–2016. *Journal of Social Policy*, DOI: https://doi.org/10.1017/S0047279418000867

Standing G (2019) What Has a Year of Experiments Taught Us About Basic Income? *World Economic Forum Agenda,* 17 January 2019. https://www.weforum.org/agenda/2019/01/trial-phase-2018-in-basic-income-in-review/

Standing G (2020a) Coronavirus Has Shown Us Why We Urgently Need to Make a Basic Income a Reality, *World Economic Forum Agenda,* 13 April 2020. https://www.weforum.org/agenda/2020/04/coronavirus-made-basic-income-vital/

Standing G (2020b) Guy Standing on How Lockdowns Make the Case for a Basic Income. *The Economist*, 20 May 2020. https://www.economist.com/by-invitation/2020/05/20/guy-standing-on-how-lockdowns-make-the-case-for-a-basic-income

Virki T (2020) Finnish Basic Income Scheme Lifted Mental Wellbeing: Study. *Reuters News*, 7 May 2020. https://www.reuters.com/article/us-economy-finland-basicincome/finnish-basic-income-scheme-lifted-mental-wellbeing-study-idUSKBN22I2SP

This article is based on Lisa Adkins and Hanna Ylöstalo (2020) Experimenting with Wellbeing: Basic Income, Immaterial Labour and Changing Forms of Productivity. Critical Sociology, DOI: https://doi.org/10.1177/0896920520940011

Lisa Adkins is Professor of Sociology and Head of the School of Social and Political Sciences at the University of Sydney.

Hanna Ylöstalo is Senior Lecturer in Sociology at the University of Turku, Finland.