





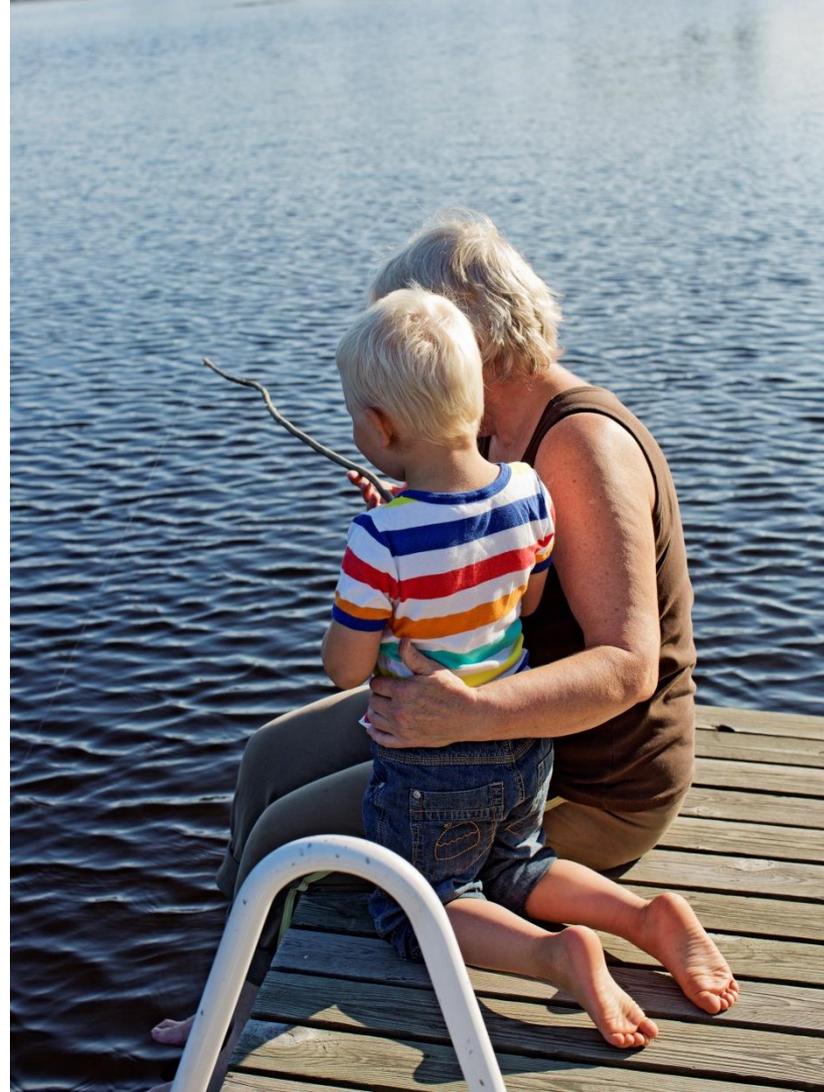
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# FINLAND'S BASIC INCOME EXPERIMENT

2017–2018

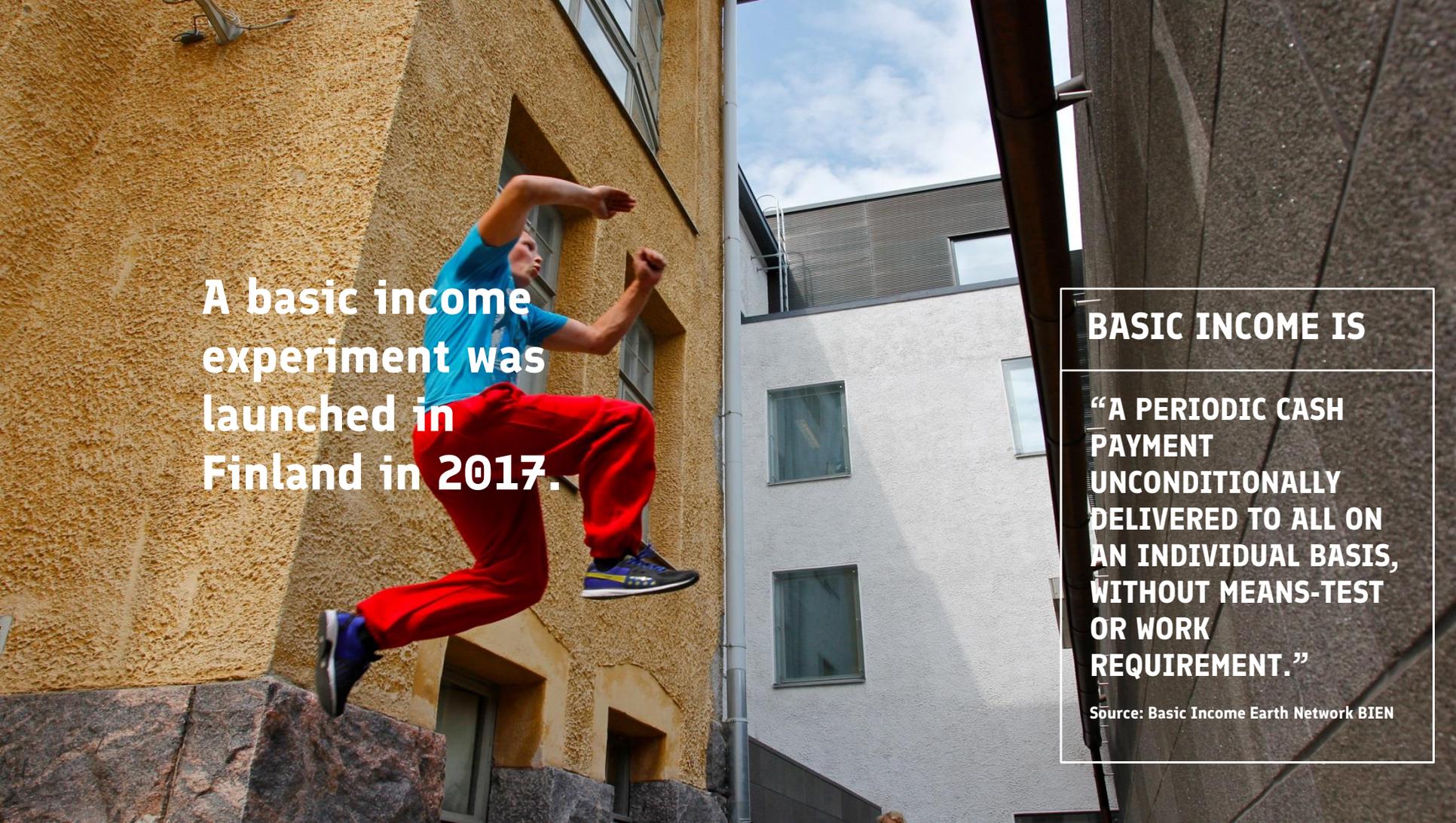


**In Finland, income security is guaranteed to everyone.**





However, the basis of the current social security system was laid down in a different time. Experimentation with new ideas can lead to solutions that better fit present-day challenges.

A man in a bright blue t-shirt and red pants is captured mid-air, jumping over a stone ledge. He is looking forward with a determined expression. The background shows a multi-story building with a textured yellow facade and several windows. The sky is blue with some clouds. The overall scene is an urban environment.

**A basic income  
experiment was  
launched in  
Finland in 2017.**

**BASIC INCOME IS**

**“A PERIODIC CASH  
PAYMENT  
UNCONDITIONALLY  
DELIVERED TO ALL ON  
AN INDIVIDUAL BASIS,  
WITHOUT MEANS-TEST  
OR WORK  
REQUIREMENT.”**

Source: Basic Income Earth Network BIEN



## The experimental Finnish attitude

Basic income is one example in a long line of public policy pilot experiments that seek to produce information to support decision-making.

### Baby boxes

The maternity package, or baby box, is an example of an experimental Finnish social innovation.





## Continuous improvement

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In 2015, the Prime Minister's Office launched a priority project promoting a culture of experimentation. The Experimental Finland programme was set to find innovative ways to develop society and services.

The Finnish orientation towards continuous improvement is also reflected in the unique Committee for the Future, which has existed under the auspices of the Finnish Parliament since 1993.



# Basic Income Experiment 2017–2018

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Duration

**2 years**

(2017–2018)



Amount

**560 €**

per month



Study population

**2,000**

persons between  
ages 25 and 58



## The aim of the basic income experiment was to...

- find out if the social security model could be simplified and
- provide a stronger incentive for finding employment.\*

\*At present, finding a job doesn't necessarily increase the income of an unemployed person, because earnings lower social benefits.

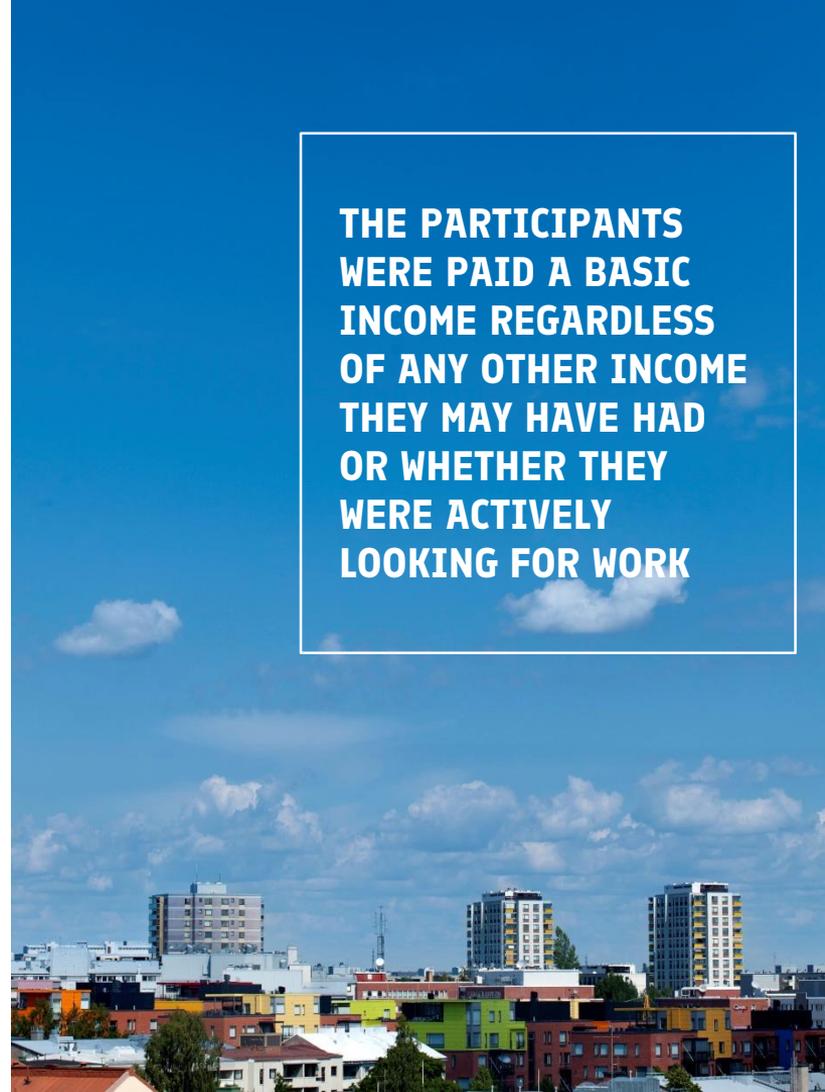




## Finland's basic income 2017–2018...

- was a tax-free benefit
- was taken into account in or deducted from most other social benefits
- was not reduced by any other income the participant may have
- was compulsory to those selected to the trial

**THE PARTICIPANTS  
WERE PAID A BASIC  
INCOME REGARDLESS  
OF ANY OTHER INCOME  
THEY MAY HAVE HAD  
OR WHETHER THEY  
WERE ACTIVELY  
LOOKING FOR WORK**

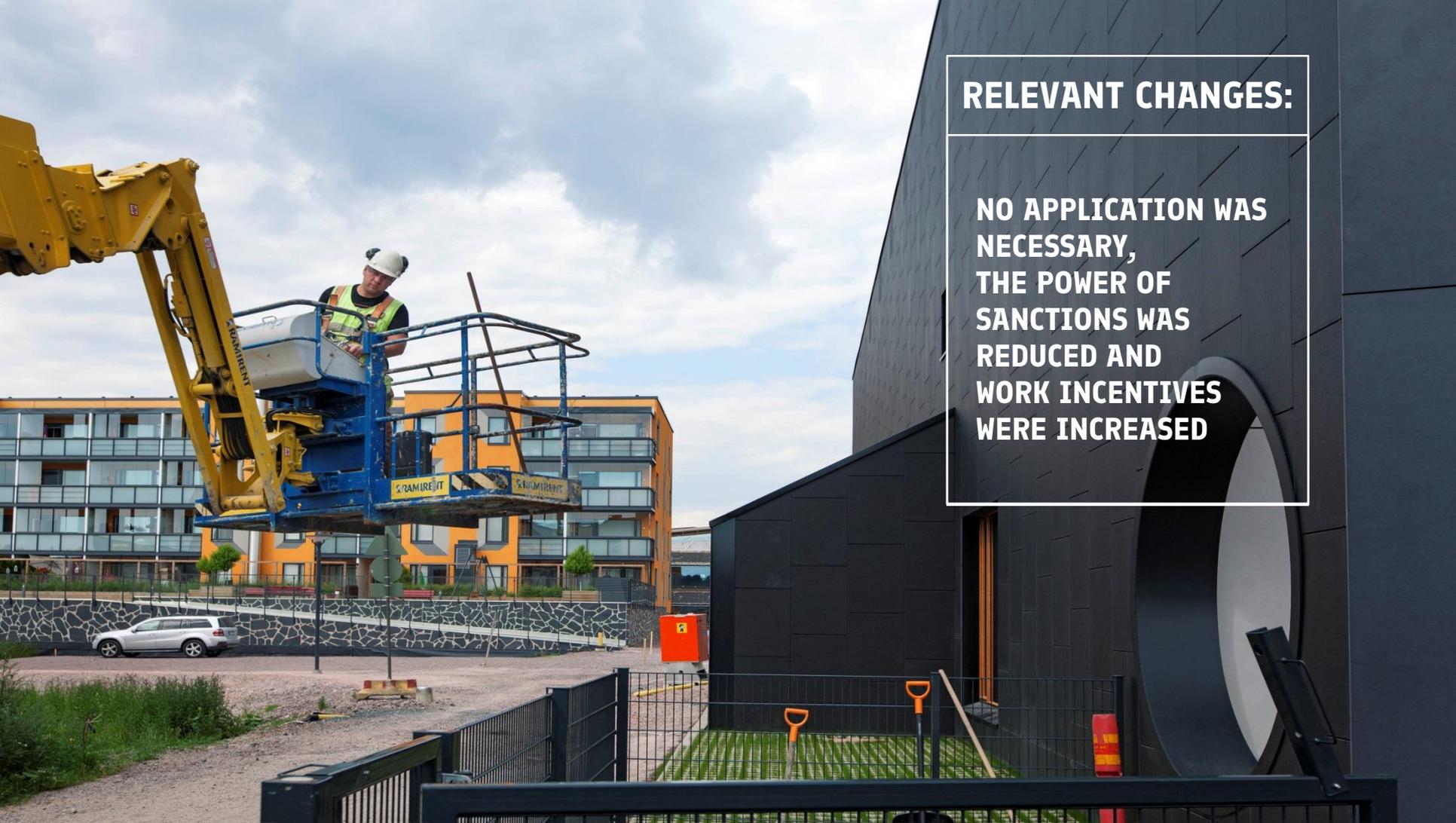




## The set-up of the experiment

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- The nationwide experiment was implemented by the Social Insurance Institution of Finland (Kela).
- The participants were selected by random sample from people receiving basic unemployment benefits in November 2016.
- The experiment was designed in a way that ensures that no participant will suffer negative financial consequences.



## **RELEVANT CHANGES:**

**NO APPLICATION WAS  
NECESSARY,  
THE POWER OF  
SANCTIONS WAS  
REDUCED AND  
WORK INCENTIVES  
WERE INCREASED**



## Data gathered during the trial:

- employment
- market income
- registration as a jobseeker
- participation in employment promotion measures
- social benefit take-up





## Exceptional experiment

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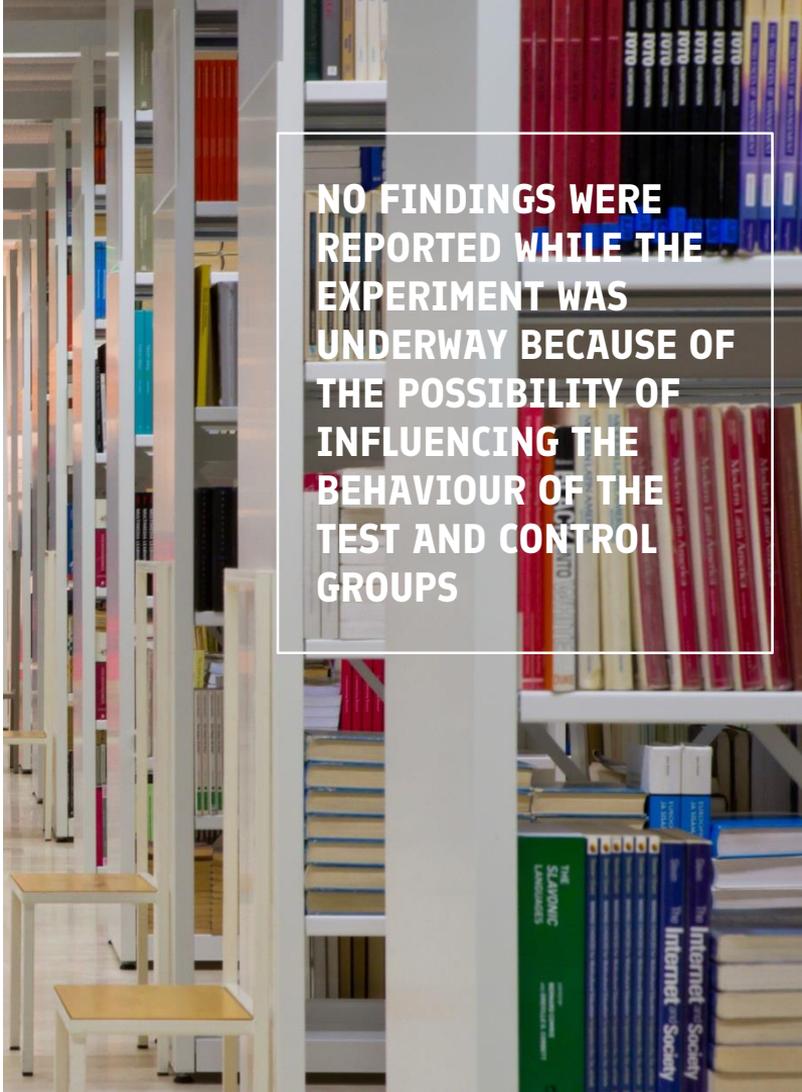
The Finnish basic income experiment was the world's first basic income experiment that was nationwide, statutory and based on a randomised field experiment.

Participation in the experiment was not voluntary, which means that it is possible to draw more reliable conclusions of the effects of the experiment than was the case in previous experiments which were based on voluntary participation.



## Analysing the effects

- Analysis of the effects begun in January 2019 after the experiment had ended.
- The effect of basic income on the employment rate and wellbeing of the participants was evaluated.
- The results were published in stages during 2019 and 2020.

The background of the slide is a photograph of a library. It shows rows of white bookshelves filled with books of various colors. In the foreground, there are several small, light-colored wooden tables and chairs. A white rectangular text box with a thin border is overlaid on the right side of the image, containing the text: "NO FINDINGS WERE REPORTED WHILE THE EXPERIMENT WAS UNDERWAY BECAUSE OF THE POSSIBILITY OF INFLUENCING THE BEHAVIOUR OF THE TEST AND CONTROL GROUPS".

**NO FINDINGS WERE REPORTED WHILE THE EXPERIMENT WAS UNDERWAY BECAUSE OF THE POSSIBILITY OF INFLUENCING THE BEHAVIOUR OF THE TEST AND CONTROL GROUPS**



## Results of the experiment: employment

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The employment rate for basic income recipients **improved slightly** more during this period than for the control group. The experiment also enabled participation in society for instance through voluntary work or informal care.

However, the interpretation of the effects of the experiment was complicated by the introduction of a new activation model at the beginning of 2018, which meant more stringent entitlement criteria for unemployment benefits asymmetrically in both groups.



## Results of the experiment: wellbeing

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The recipients of a basic income **perceived their wellbeing as being better** than did those in the control group.

They were more satisfied with their lives and experienced less mental strain, depression, sadness and loneliness. They also had a more positive perception of their cognitive abilities and ability to concentrate. In addition, they had a more positive perception of their income and economic wellbeing than the control group.



**BASIC INCOME RECIPIENTS ALSO TRUSTED OTHER PEOPLE AND THE INSTITUTIONS IN SOCIETY MORE AND WERE MORE CONFIDENT IN THEIR OWN FUTURE AND THEIR ABILITY TO INFLUENCE THINGS THAN THE CONTROL GROUP**



## Diverse effects and starting points

- Basic income increased activity and employment among those who were active already before the experiment.
- Basic income didn't solve the problems of those who were in a challenging life situation before the experiment.





The basic income experiment attracted great interest internationally. Enquiries from foreign media, government officials, organisations and researchers arrived on an almost daily basis.



However, context is important.

For many, the existence of Finland's current extensive social safety net is remarkable in and of itself.





The experiment was successful and it provided new information. The implementation also showed that an extensive social experiment is possible from a legislative viewpoint.

The lessons learned provide a solid base for the planning of new ambitious social experiments.





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**Thank you**