

Very useful snippet about the BI Finland Experiment

Otto Lehto, the former president of the BIEN Finland, gave us his comments, which seems to have a more nuanced tone:

Feelings, as an individual and academic, formerly of BIEN Finland, can be summed up as follows: The research parameters are about exactly the sort of compromise that one would expect to emerge as a result of the recommendations of an expert coalition commissioned by a wide-ranging coalition government spurred to action by a vague and compelling sense that something needs to be done, but equally held back by the realization that many toes will inevitably be stepped on, and many special interests will need to be reconciled, before anything can be done. Change breeds fear, and fear breeds paralysis. To allay skepticism, the parameters are designed to be the least offensive to, and the smallest possible departure from, the established norms and expectations of the Finnish workfare/welfare-state. In particular, excluding young people and students is, in my opinion, a moralistic choice of little merit and little justification, but it makes sense as a compromise within the status quo, and as a precaution against the critics of “free money to lazy students.”

The budgetary constraints and time constraints are beyond Kela’s control, so the main fault lies within the government. They also set the original goals and parameters within which the labour market participation focus has been raised as the main criteria, with the predictable result that human right, liberty, equality and other considerations of social justice bent have been largely set aside, to the chagrin of many (myself included). This, however, is the state of things, and can only be changed in the next general election of 2019.

2000 participants is a small sample, but if the budget does not change, this cannot be helped. Limiting the sample to people on the government unemployment benefits makes nominal sense as a result of the government’s single minded focus. But it skews the experiment by excluding a number of potential beneficiary groups, including people on low-paying jobs, students, the self-employed, etc. This does not even make sense from the government’s own (limited) perspective, since labour market participation is a more complex notion than the old-fashioned distinction, reflected in the official unemployment statistics, between people who are “in” and “out of” work.

The taxation aspect is another potential disaster. If taxation cannot be changed to reflect the new benefit structure, this will inevitably make SOME recipients of basic income better off than their peers, while some of them will be worse off than their peers. Such a model, with its creation of a massive budget-deficit, cannot be generalized for the whole national economy, as Osmo Soininvaara, the father of the Greens’ basic income model, has written in his recent blog, very critical of the government’s/Kela’s proposal.

I am very skeptical this experiment will produce any really interesting scientific results, but it serves the function of satisfying the nominal requirements of the government’s plan, and the pressures from the various interest groups. It does not appear too radical, too left-wing, nor too right-wing. It might serve a useful purpose in propelling the basic

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income discussion forward. At the same time, many instances will probably try and use to it squelch any further discussion, too.

Beyond my own views, I will now say something about how this proposal has been received more generally. The overwhelming consensus among my own group of friends, representing multiple parties, left-wing and right-wing, those opposed to basic income as well as those in favour, is that the experiment seems disappointing in many respects, and perhaps even doomed to fail. (Some will conspiratorially add: consciously?) Many people, including opponents and skeptics, would like a more thorough, larger-scale and better designed experiment. The lukewarm success, bordering on failure, of the experiment, before it has even gotten off the ground, is a good indication of the difficulty of institutional change in our country. Good ideas become OK ideas, bad ideas become OK ideas, until we are left with nothing but OK ideas. So, yes, this experiment seems... OK.