PUBLISHED Updated 5 months ago by Lydia Morrish (talk | contributions) started by Lydia Morrish (talk | contributions)

Finland, where your welfare is unconditional

- **The Nordic nation is giving a random selection of unemployed people €560 a month**
- **The money has no strings attached, and is still paid even after taking a job**
- **Participants are better off, but the payments not enough to survive on**
- **What happens next for unemployed Finns depends on 2019 election**

Every month, €560, the equivalent of $667 or £495, appears in Marja-Liisa Lähteinen's bank account, from the Finnish government. Lähteinen, 32, who lives in Finland's eastern city of Kuopio, snow-covered at this time of year, is one of 2,000 randomly-selected participants on a historic social experiment.

Lähteinen usually puts the "basic income" money into her savings, but she can also use it to help friends out. She's bought a new computer and a dishwasher, and she spent money on a summer vacation last year. "It's like extra pocket money for me," she says.

Finland is in the middle of a radical experiment on the concept of a Universal Basic Income (UBI). The government wants to know if free cash, no strings attached, can encourage people into better paid work, eliminate dependency and improve lives. UBI has a simple premise: scrap the existing welfare state and replace it with an unconditional cash payout for everyone, regardless of whether they're at work or on the sofa.

The UBI payment isn't cut back once the recipient starts earning. And fortunately for Lähteinen, who took a job as a lab technician just five days before receiving her first instalment in January 2017, at the end of the trial she will have received 24 basic income payments on top of full-time wages. For doing nothing. Understandably, Lähteinen, who also runs a non-profit website for vegan products, says she feels "lucky" to be part of the test.

The concept of UBI has been gaining traction worldwide as a possible answer to rising inequality, changing work practices and jobs threatened by automation. But its roots are surprisingly old: political theorist Thomas Paine pitched the idea that governments pay everyone a standard £15 a year in 1797. His idea of a guaranteed income didn't catch on then, but recent

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Activity

(diff) .. 2018-04-23 17:36:50. . Lydia Morrish (talk | contributions) (Action → adding news that trial won't be extended) **** **Latest version** ****

(diff) .. 2018-04-16 17:40:57. . Lydia Morrish (talk | contributions) (Action → update: including bullet point about Ray Kurzweil)

(diff) .. 2018-03-15 09:59:32. . Lydia Morrish (talk | contributions) (Action → adding 2018 UN world happiness report in which finland came top)

(diff) .. 2018-02-21 17:37:09. . Lydia Morrish (talk | contributions) (Action → tweak)

(diff) .. 2018-02-21 17:36:27. . Lydia Morrish (talk | contributions) (Action → adding bullet point on Alaska)

(diff) .. 2018-01-22 22:15:52. . Lydia Morrish (talk | contributions) (Action → rejecting edit to "instalment" as it's U.S. spelling)

(diff) .. 2018-01-22 20:28:54. . Dave Owens (talk | contributions | block) (Action → The impression I've had from the media, and until I reached near the end of this article, is that th)

(diff) .. 2018-01-22 17:43:39. . Scott Daniel (talk | contributions | block) (Action → spelling)

(diff) .. 2018-01-22 15:50:44. . Lydia Morrish (talk | contributions) (Action → Adjusting framing of image)

(diff) .. 2018-01-20 10:38:48. . Lydia Morrish (talk | contributions) (Action → Corrections to small details about subject Marja)

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decades have seen nations all over the world, including Scotland, Switzerland and now Finland, consider a basic income for all. Finland has gone furthest with its experiment.

Finland ticks all the boxes

The Nordic country — with its population of just 5.3 million — consistently ranks highly for education, innovation, quality of environment, safety and quality of life. It is routinely recognized as a pioneer of gender equality and was ranked top of the United Nations' 2018 World Happiness Report.

In Helsinki, the capital, buses and trams run on time through clean streets, picking up and dropping off Finns who in winter wrap up and keep on working despite only six hours of daylight. It's an almost stereotypical image of a Nordic lifestyle of perfectly maintained public ice rinks and pavements swept clear of snow no matter how much falls.

Walking around Helsinki and Kuopio it is apparent the country's doing well, as are its people. Finland has nearly eliminated homelessness and has one of the most comprehensive social welfare systems in the world. It seems clear why Finland can fund the €20 million ($24.5 million) basic income experiment.

Now halfway through, the two-year trial is being watched globally by world leaders, media and the business elite, who are curious about the potentially revolutionary welfare system. But it has its critics: one Finnish politician dismisses it as an outdated solution to new and complex problems, calling it a "1970s solution".

Heavyweight support

Though often portrayed as a utopian fantasy, UBI is backed by serious people across the ideological spectrum: from billionaire business mogul Elon Musk, libertarian scholar Charles Murray to the UK's left-wing Green Party and Italian feminist Sylvia Federici and former U.S. presidential candidate Senator Bernie Sanders. Dutch historian Rutger Bregman is one of the newer and fresher voices advocating it, as in this popular TED talk.

Those who have studied basic income for decades, such as Guy Standing, co-founder of the Basic Income Earth Network, say it can reduce economic inequality and get rid of bureaucracy. But others, such as founder of the U.S. Center on Budget and Policy Priorities, Robert Greenstein, who focuses on UBI in America, argue the idea is unrealistic and could even increase poverty.

Mixed feedback on Finland's trial paints an uncertain future of the country's welfare state and the reputation of basic income across the world.

A Christmas market in Helsinki, Finland's capital. Finland is one of few countries worldwide to trial a basic income. Photo by: Lydia Morrish/WikiTribune

One of the main premises of the experiment is whether unconditional money

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from the state will allay unemployed people's fear of losing benefits they have come to depend on. The monthly sum of €560 is the equivalent of the minimum unemployment benefit in Finland; participants can still receive other payments, such as housing benefit, on top of that.

"Now I'm able to take all those little gigs," Tuomas Muraja, a Helsinki-based journalist who is both in the experiment and writing a book about it, tells *WikiTribune*. Previously, he was on unemployment benefit but was wary of part-time or sporadic work as it jeopardized the payments.

"Even if [I'm paid] only €250 for a presentation, I can take that because I don't have to be worried all the time," says Muraja, a diffident redhead with a knitted scarf around his neck to close the gap with his snug leather jacket.

In Finland, self-reliance is a big cultural pressure and being unemployed is frowned upon. But the jobless stigma could be solved with the basic income, Muraja says. However, the sum would need to be higher. "Five hundred and sixty is not enough. It could be, let's say, €1000." The average monthly wage in Finland is just over €3,300 ($4,050).

The journalist, who is also writing a book on the experiment, says he likes receiving the unconditional payments which he doesn't have to justify or grovel to receive. He prefers this system to filling in piles of "complicated forms" and thinks basic income would help all people with irregular work, such as freelancers, artists and writers.

In Kuopio, Marja-Liisa Lähteinen says she is less stressed about money and feels more positive financially since she joined the program. "There's a lot less jobs now [in Finland] and I don't think everybody has to work a regular 9-5 job. There's different types of work."

While she hopes basic income could mean people wouldn't "have to submit to crappy jobs just to survive," she doesn't think basic income can solve Finland's unemployment problem. "Because there aren't enough jobs. They're not just gonna magically make them appear."

She thinks basic income works better than the current social security system in Finland, which is a patchwork of around 100 different benefits. It "chips away" at the unemployed, she says, adding that it "forces" people seeking jobs to do courses, fill in endless forms and take jobs they don't want. The situation is similarly administrative in the UK for people on an unemployment benefit called Jobseeker's Allowance.

"It's the unemployed person who's being punished, not the system that's not creating proper jobs," says Lähteinen, a reserved, vocational degree-educated woman with her "sleeve" tattoos discreetly hidden beneath a cardigan.

Marja-Liisa Lähteinen is one of 2,000 randomly-selected people taking part in Finland's basic income experiment. Photo by Lydia Morrish/WikiTribune

At the core of UBI is the ability for citizens to sustain themselves. But €560 is unlikely going to pay a Finn's rent. Renting in Helsinki can cost between

€838 and €1910, according to Expatisan using OECD statistics; rent prices rose 2.5 percent this year, according to Statistics Finland.

Lähteinen, who has been living alone or with partners for over a decade, says her rent outside the capital used to be around €400. "Now under 700 there's hardly anything," she says.

The 2008 financial crisis caused economic and financial instability in Finland, with employment rapidly declining in 2009 when 74,000 more people became unemployed, according to official Finland statistics. Thousands of people now use food banks, and over a quarter of young people are at risk of poverty.

From 2009 Finland spiralled into one of the Eurozone's worst recessions, according to the *Financial Times* (may be behind a paywall). The government is still picking up the pieces and trying to spur the unemployed – around 7.3 percent, according to Statistics Finland's most recent Labour Force Survey – back into work.

Unemployment in Finland has been stubbornly higher than neighbouring Sweden on 6.7 percent, the Netherlands where only 5 percent are unemployed, and Germany at 3.8 percent of the workforce, according to data from the Organization for Economic Cooperation and Development.

A 'bit of a lame duck'

Finland's experiment is radical and unlike any other because it is the only one in the world to take legislation into account, Markus Kanerva, founder of think-tank Tänk and the basic income researcher at Finnish Prime Minister Juha Sipilä's office, tells *WikiTribune.*

"The most radical thing about the basic income experiment is the design of the experiment itself … There are very few examples from the world, from experiments that were nationwide and [have] a proper legislation behind [them]."

But how exactly basic income for all could be financed if the experiment goes well is yet to be worked out. It isn't clear exactly how the plan could play out in real life. "The experiment is … a bit of a lame duck," Kanerva admits.

Markus Kanerva, a researcher on basic income at the Finnish prime minister's office and founder of think-tank Tänk. Photo by: Lydia Morrish/WikiTribune

Miska Simanainen, a researcher for Kela, the Finnish social security institute, which handles the basic income payments, says the government is yet to decide how to evaluate the experiment. Work patterns of the basic income group will probably be compared to that of a control group on unemployment benefit. There will be no data available until the experiment is over.

Matias Mäkynen – a young and fashionable emerging politician, maybe even a hipster with his clipped moustache and fresh-pressed white shirt – from the Social Democratic Party – one of Finland's largest political parties, traditionally against basic income – says that the experiment doesn't consider the real-life situations people have.

"Basic income is more of a '70s solution. It's too simplified," he tells *WikiTribune* in a Skype conversation. He criticizes the Finnish experiment for not being long enough, not having enough funding, and not including taxation. "It's quite hard to make such big decisions basing on that two-year experience," he says. "There are no students, no entrepreneurs [on the trial]. It's basically only an unemployment benefit experiment." He also says, because basic income is given to all, it redistributes wealth "upwards."

'No one is starving'

The Finnish Green Party has come up with what it thinks is a "realistic" model for basic income, Ville Ylikahri, secretary general for Visio, The Green Cultural and Educational Centre, tells *WikiTribune.* After decades of research since the party launched in the 1980s, Ylikahri says the Greens want to change the entire welfare system. Their basic income pitch is that the monthly handout is paid for by tax.

But the Green basic income model is "not a magic drink," he says, adding that he expects discussions on BI to be central to the 2019 election that will take place four months after the experiment ends.

"No one is starving in Finland. But the problem we are discussing is that they said the people are forced to stay unemployed, because it's so hard to combine works from other income and these benefits," Ylikahri says.

Ville Ylikahri, secretary general for Visio, The Green Cultural and Educational Centre of Finland and member of the Helsinki City Council. He has published a book on UBI and has been involved in UBI research for the Green League political party. Photo by: Lydia Morrish/WikiTribune

When her new co-workers found out Marja-Liisa Lähteinen was on the experiment, they told her she'd "hit the jackpot!"

But what will happen to her bank account after the experiment depends on the 2019 parliamentary election. Whether Finland really has found a way to a better society, or just a lucky break for 2,000 individuals, depends on that – and the results of this ambitious experiment.

- Finland's experiment won't be extended following the two-year trial. Instead, the government will examine other ways of reforming the Finnish social security system. Olli Kangas, one of the experiment's designers, said the eagerness of the government was "evaporating."
- Google's director of engineering Ray Kurzweil said universal basic income will be widespread in the 2030s at the 2018 TED Conference (Axios). The futurist, who is known for making attention-grabbing predictions about the future of technology and politics, said deflation would make goods cheaper and help countries pay for basic income.
- Residents of Alaska have been receiving a partial basic income from the

Alaska Permanent Fund, a state-owned investment fund that uses oil revenues, since 1982. *The Wall Street Journal* reports that the project hasn't stopped Alaskans from working. A new study published in the *National Bureau of Economic Research* suggested that the basic income dividend scheme hasn't lowered employment rates, alleviating some concerns about basic income reduces employment.

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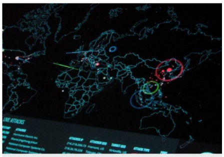

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