



BASIC INCOME EXPERIMENTS IN THE CONTEXT OF THE DIGITAL ECONOMY



PRESENTATION OUTLINE

Social Policy in the Digital Economy

What (if Anything) Can We Learn from the BI Experiments?

Conclusions



SOCIAL POLICY IN THE DIGITAL ECONOMY 1/2

- at the *technological level* possible to minimise the need for many jobs which currently provide wide employment
- digitalisation enables a more flexible organisation of work via different digital platforms
- a conservative scenario: technological unemployment (at the very least in the short and medium term) and precarious jobs will increase, though the extent of the increase will depend on multiple interdependent factors
- it is important not to dismiss the costs (social and economic) of the many displaced workers
- risky to exclude the possibility of more serious disruption?



SOCIAL POLICY IN THE DIGITAL ECONOMY 2/2

- vital to have flexible policies to address to current AND expected problems
 - e.g. policies that diminish bureaucracy traps in social security
- future social security needs to facilitate combining paid work, self-employment, lifelong learning and informal employment
 - less means-testing, conditionality and sanctions, more freedom for people to define meaningful participation
- the digital economy does not necessarily require benefits with no strings attached



ARGUMENTS IN FAVOUR OF A BASIC INCOME

- reproducing capitalist economy
 - macroeconomic stabiliser
 - incentive for part-time work and self-employment (studied in the Finnish basic income experiment)
 - tackling poverty and inequality
- postcapitalist visions:
 - facilitating redistribution of paid work
 - reconceptualising of work
 - pay for unpaid work/informal employment such as domestic care or volunteering
 - facilitating peer production such as writing open source softwares or Wikipedia



WHAT (IF ANYTHING) CAN WE LEARN FROM THE BI EXPERIMENTS?

- randomised controlled trials (RCTs) can produce useful data, *if* population representative, sample sizes sufficient and different models tested
 - political targets define research settings in the last resort
 - important research questions may not be studied
 - data vs political interpretations
 - without political commitment, i.e. enough time and money, no representative and generalizable results
- the most fundamental question: Are people lazy?
 - can determine whether more or less means-testing is required
- fixed-period trials cannot reveal the universal truth



THE FINNISH BASIC INCOME EXPERIMENT

- politically determined research question employment
 - relevant research questions in the context of the digital economy most likely not studied
- due to budget and time constraints several limitations: unrepresentative population, just one model, taxation not reformed (not a realistic model)
 - less bureaucracy vs better economic incentives?
 - moral hazard hypothesis?
- political interpretation of the results?
 - economic incentives matter → more sanctions and means-testing?



CONCLUSIONS

- politics matters also with RCTs
- the Finnish BI experiment offers just limited information for designing the future social security
- gradually towards less conditional social security, **carefully studying what actually works**
 - combining benefits, reducing income- and means-testing, cutting back obligations and sanctions gradually and giving the unemployed more opportunities to define meaningful activities themselves
 - if such reforms are insufficient, the idea of a universal basic income will remain as the light at the end of the tunnel



FURTHER READINGS

- Pulkka, Ville-Veikko (2017): A Free Lunch with Robots – Can a Basic Income Stabilise the Digital Economy? Transfer: European Review of Labour and Research. *Forthcoming*.
- Pulkka, Ville-Veikko & Kangas, Olli (2017): [Digitaalisessa taloudessa tarvitaan joustavaa sosiaaliturvaa](#). Digitaalinen Suomi 2017 -julkaisuhanke.