



METHODOLOGICAL PITFALLS OF BASIC INCOME SURVEYS: THE FINNISH CASE



PRESENTATION OUTLINE

- ✓ An overview of Finnish basic income surveys 2015–2017
- ✓ Methodological limitations of the Finnish basic income surveys
- ✓ Tackling the methodological pitfalls? (Pulkka & Hiilamo 2017)



SUPPORT VARIES BETWEEN 20%–79%

Conducted by	Measured support
Think tank e2 (2015)	79%
Research at Kela (2015)	69% ("cheap") / 29%–35% ("expensive")
Finnish Business and Policy Forum EVA (2017)	39%
European Social Survey (2017)	58%
Pulkka & Hiilamo (2017)	20%–51%



THE UNBEARABLE DIFFICULTY OF DEFINING BASIC INCOME

Conducted by	Definition of BI	Measured support
e2 (2015)	A benefit that incentivises participation in the labour market and going into self-employment	79%
Kela (2015)	A benefit automatically paid to everyone/different levels combined with flat-rate taxes	69% / 29%–35%
EVA (2017)	The level of social assistance and higher taxes	39%
ESS (2017)	Less vague than Kela's definition, but still somewhat general	58%
P & H (2017)	BIEN's definition and models	20%–51%



THE UNBEARABLE DIFFICULTY OF DEFINING BASIC INCOME

- Too general definitions (e2, Kela, EVA, ESS)
 - No mentions on the level, replaceable benefits, or taxation
 - The nature of basic income as an unconditional benefit may not be clear without explicit mention
 - "basic income" as a term has been used for conditional schemes as well
- Polemic definitions (e2, Kela, EVA)
 - Favourable assumptions (e.g. incentivises participating in the labour market and going into self-employment)
 - Unfavourable assumptions (e.g. flat-rate tax, higher taxes, diluting the current level of social security)



TACKLING THE METHODOLOGICAL PITFALLS?

- Pulkka & Hiilamo (2017)
 - A survey carried out as a part of a research project entitled *Finnish Work After the Transformation*
 - A multiphase sampling (TNS Gallup Catibus), and the interviews (n = 1004) carried out on telephone to minimize selection-bias and produce demographically-balanced data
 - The data weighed using information from Statistics Finland (*Tilastokeskus*) and thus nationally-representative with respect to gender, age (15–79 years old population) and region (excluding the autonomous region of Åland)



PULKKA & HIILAMO (2017)

- General definition based on the BIEN's definition:
 - The unconditional and universal nature emphasised explicitly: no work-requirement, no means testing, no income testing. Additionally, it was highlighted that the effects on income distribution are dependent on the level, replaceable benefits and applied tax system
- Level definition
 - Corresponding to the current level of basic security benefits = €560 a month, < €560 a month, > €560 a month, a partial BI of €1000, a full BI of €1000 & a full BI of €1500
- The most crucial non-withdrawable benefits in partial models defined
 - Housing allowance, earnings-related benefits



PULKKA & HIILAMO (2017)

- Limitations
 - Taxation excluded
 - Budget constraints, people's difficulties to perceive the difference between gross and net taxation, lack of microsimulations on other than revenue neutral flat-rate tax models
 - Level definition?
 - All the policy proposals in the survey were defined as a measure to improve labour's possibilities to adapt to the digital economy
 - Not necessarily a limitation given the comparatively low support



PULKKA & HIILAMO (2017)

Table 1. Support for six various basic income models and participation income in Finland

Basic income model	Good idea	Neither good nor bad idea	Bad idea
Partial ^a basic income of €560 a month	51%	20%	21%
Partial ^a basic income > €560 a month	33%	20%	39%
Partial ^a basic income < €560 a month	27%	27%	37%
Full ^b basic income of €1500 a month	25%	17%	66%
Partial ^a basic income of €560 a month	24%	17%	51%
Full ^b basic income of €1000 a month	20%	20%	51%
Participation income ^c	78%	11%	7%

^a Maintains eligibility for housing allowance and earnings-related benefits.

^b Withdraws eligibility for housing allowance and earnings-related benefits.

^c Eligibility for social assistance and basic security benefits requires participation in activation measures that can be defined by the unemployed in a more autonomous manner than currently (e.g. voluntary work, studying, caring for close relatives or leisure activities).



SUPPORT BY AGE GROUP

Table 2. Support for a partial basic income of €560 a month by age group

	Age group					Total
	15–24	25–34	35–49	50–64	65+	
Good idea	72%	53%	49%	46%	42%	51%
Neutral idea	12%	22%	19%	23%	22%	20%
Bad idea	9%	22%	24%	22%	24%	21%
No opinion	7%	3%	7%	10%	12%	8%
n	147	163	234	233	226	1003



SUPPORT BY LABOUR MARKET STATUS

Table 4. Support for a partial BI of €560 a month by labour market status

	Labour market status				Total
	Full-time employee	Part-time employee	Unemployed	Outside workforce	
Good idea	48%	61%	68%	49%	50%
Neutral idea	22%	20%	11%	19%	20%
Bad idea	23%	16%	15%	21%	21%
No opinion	7%	3%	7%	11%	9%
n	473	64	62	402	1001



CONCLUSIONS

- BI surveys are prone to methodological shortcomings
 - The concept of basic income, but also the model should be accurately defined
- Pulkka & Hiilamo (2017) has its limitations, but reasonable to argue that the study gives a more realistic view on the support of BI in Finland
 - Finns are not in favour of models that would improve, or on the other hand, weaken the current social security
 - Youth and unemployed most often in favour of a basic income (both in weak position in the labour market)
 - Should the digital economy lead to a more volatile labour market, the support for basic income can be expected to increase