



DO PEOPLE LIKE FREE LUNCHES?

PSYCHOLOGICAL FEASIBILITY OF BASIC INCOME



PRESENTATION OUTLINE

- ✓ Analytic framework: Political feasibility of basic income
- ✓ Identifying psychological feasibility: An overview of Finnish basic income surveys 2015–2017
- ✓ Tackling the methodological limitations of the Finnish basic income surveys? (Pulkka & Hiilamo 2017)

De Wispelaere, Jurgem & Noguera, Jose A. (2012): [Political feasibility of basic income. An analytical framework](#). In Richard Caputo (ed.): Basic income guarantee and politics. International experiences and perspectives on the viability of income guarantee (Exploring the basic income guarantee). Palgrave: New York.

Pulkka, Ville-Veikko (2018a): [Finland shares unconditional money, but the public view remains polarised](#). The IPR Blog. University of Bath.

Pulkka, Ville-Veikko (2018b): ["This time may be a little different" – exploring the Finnish view on the future of work](#). International Journal of Sociology and Social Policy.



POLITICAL FEASIBILITY OF BASIC INCOME

- De Wispelaere & Noguera (2012)
 - “[...]a policy is politically feasible when the background conditions are such that there is a reasonable probability of the policy becoming actualised in the foreseeable future.”
 - Policy neither immediately realisable, nor impossible to realise
 - Investigation of factors that hamper policies to be realised
 - Constraints arising from human will
 - Typology: Strategic, Institutional, Psychological, and Behavioral feasibility
 - “[...]a toolkit to think about political feasibility in a systematic comparative manner”



T TYPOLOGY OF POLITICAL FEASIBILITY

- Strategic feasibility
 - Political coalitions that enable legislation and implementation
- Institutional feasibility
 - Implementation challenges to BI administration
- Psychological feasibility
 - Level of social acceptance among the general public
- Behavioral feasibility
 - BI must neither produce perverse or counterproductive effects nor fail to produce key desired outcomes



PSYCHOLOGICAL FEASIBILITY

- Three reasons why important to study (ibid.):
 - In modern democracy difficult to defend the imposition of a BI against strong opposition of the public opinion
 - Tax payers' and voters' opinion taken very seriously by political agents and decision makers
 - Directly impacts on the strategic feasibility
 - Illegitimate policies fail if people refuse to play by the rules
- Two constraints:
 - Given sociohistorical context (e.g. austerity paradigm)
 - Institutional designs able to activate particular responses



WHY BI MIGHT NOT BE PSYCHOLOGICALLY FEASIBLE?

- The reciprocity norm: who needs and deserves
 - Paid work a core value
 - Case Participation Income

"[qualifying conditions]would also include people engaging in approved forms of education or training, caring for young, elderly or disabled dependants or undertaking approved forms of voluntary work, etc. The condition involves neither payment nor work; it is a wider definition of social contribution."
(Atkinson 1996)

- Framing & cognitive biases

"Carefully framing BI proposals to avoid triggering negative perceptions, values, and beliefs and instead trigger positive dispositions may significantly improve the psychological feasibility of BI." (De Wispelaere & Noguera 2012, 29)



IDENTIFYING PSYCHOLOGICAL FEASIBILITY

- Surveys an obvious answer
 - Policy opinions fundamentally subject to framing (Chong & Druckman 2007)
 - ...but careful design of surveys can inform respondents (Chrisp 2018)
 - Survey evidence always contingent
 - Numerous BI surveys carried out in the past years
 - Five only in Finland
 - Majority of them measuring support of the idea; not any exact model



CAREFUL DESIGN? (CHRISP 2018/PULKKA 2018)

- Wording: basic income, citizen's wage, guaranteed income, universal income, universal basic income
- Framing: automation, poverty measure, incentives, bureaucracy + many negative options
- Models/definition
- Favourable/unfavourable assumptions



THINK TANK E2 (2015)

- Internet panel (n=over 1200) 30.12.2014–1.1.2015
 - Internet panel = less generalisable results
- "I could support basic income if it *guarantees basic subsistence, reduces bureaucracy and incentives simultaneously working and entrepreneurship.*"
- No mentions on the level, replaceable benefits, or taxation
- Favourable assumptions



E2 RESULTS: 79% SUPPORT!





KELA (2015)

- F2F interviews (n=1006) in September 2015 (reliable)
- Study population: Finns over 15 years old excluding Åland
- Comparable results with Andersson & Kangas (2002)
- "What do you think about a system in which to every permanent resident of Finland would be guaranteed a certain basic income?"
- Neutral definition, but overly vague model definition



KELA RESULTS: 69% SUPPORT!





KELA 2015

- Methodological pitfalls partly identified by Kela researchers
- Second part of the survey explored support for different levels of basic income combined with flat-rate taxes
 - Flat-rate taxes more or less a non-starter in the Finnish political context
 - Politically controversial model?
 - People may not comprehend the difference between marginal tax rate and net tax rate



SUPPORT FOR BASIC INCOME IN FINLAND (AIRIO, LAATU, KANGAS & KOSKENVUO 2015)

	BI as such	BI €500/m, tax 40%	BI €600/m, tax 45%	BI €700/m, tax 50%	BI €800/m, tax 55%
Very good idea	29.0	8.2	5.3	6.8	10.4
Good idea	40.3	26.5	29.1	24.6	18.6
Bad idea	18.5	29.5	33.3	35.2	31.2
Very bad idea	8.1	30.2	26.4	27.2	33.8
No opinion	4.1	5.6	5.9	6.2	6.0



FINNISH BUSINESS AND POLICY FORUM EVA (2017)

- Internet panel (n=2040) 11.–23.1.2017, adult population
- "Possible basic income should be so good that it would guarantee *adequate income* even if it meant *higher taxes*."
 - Once again: Do people comprehend the difference between marginal tax rates and net taxation?
- "I support basic income if it will be so low that *the recipient must work*."
 - Neoliberal models controversial in Finland



EVA RESULTS

- Adequate income and higher taxes: 39%
- Vague neoliberal model: 50%



EUROPEAN SOCIAL SURVEY (2017)

- Face-to-face interviews (n= over 350,000) every two years (since 2002), study population residents aged 15+
- Basic Income Scheme question fielded in Round 8 for the first time
- Unique data for cross-country comparisons



ESS QUESTION

- Some countries are currently talking about introducing a basic income scheme. In a moment I will ask you to tell me whether you are against or in favor of this scheme. First, I will give you some more details. The highlighted box at the top of this card shows the main features of the scheme. A basic income scheme includes all of the following:
 - The government pays everyone a monthly income to cover essential living costs.
 - It replaces many other social benefits.
 - The purpose is to guarantee everyone a minimum standard of living.
 - Everyone receives the same amount regardless of whether or not they are working.
 - People also keep the money they earn from work or other sources.
 - This scheme is paid for by taxes.

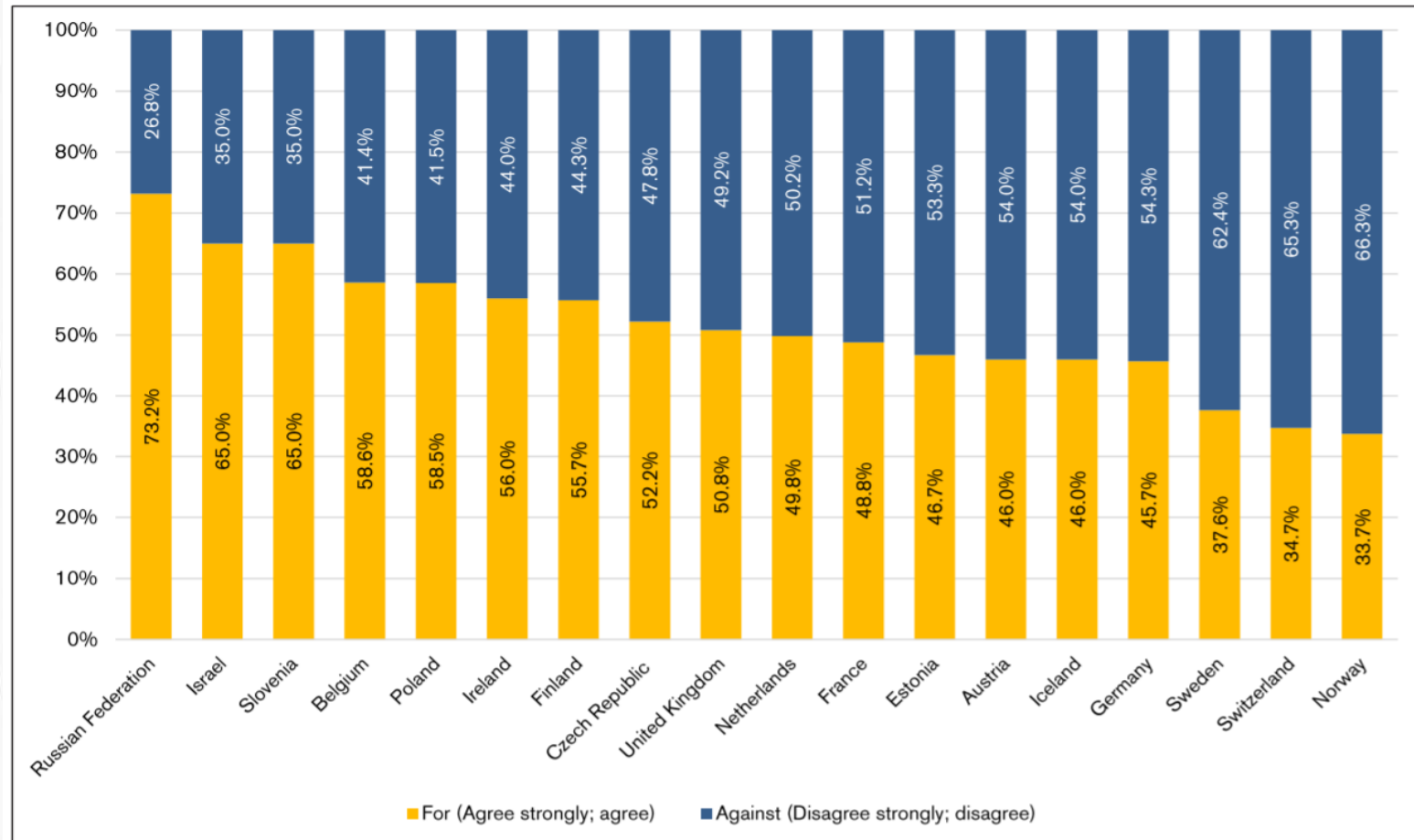


ESS QUESTION

- Less vague than previous idea level questions
 - Model: essential living costs (not a neoliberal model), replaces many other social benefits (partial), everyone receives regardless of whether or not they are working (unconditional and universal), no income-testing, paid for by taxes
 - Model still vague
 - Favourable framing?
 - "Guarantee everyone a minimum standard of living." = poverty reduction
- Support in Finland: 58% (n=1,985)
- Main drivers of support: age (youth), labour market status (unemployment), studying
- Gender, class and education level not generally drivers



ATTITUDES IN 18 COUNTRIES (COWAN 2017)





THE UNBEARABLE DIFFICULTY OF DEFINING BASIC INCOME

Conducted by	Definition of BI	Measured support
e2 (2015)	A vague model that incentivises participation in the labour market and going into self-employment	79%
Kela (2015)	A vague model automatically paid to everyone/different levels combined with flat-rate taxes	69% / 29%–35%
EVA (2017)	A vague model with higher taxes/vague neoliberal model	39%/50%
ESS (2017)	Less vague than Kela's general definition, but still vague	58%



THE UNBEARABLE DIFFICULTY OF DEFINING SURVEY BI

- Overly 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 minimise 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?
 - Framing: 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



SUPPORT VARIES BETWEEN 20%–79%

Conducted by	Measured support
Think tank e2 (2015)	79%
Research at Kela (2015)	69%/29%–35%
Finnish Business and Policy Forum EVA (2017)	39%/50%
European Social Survey (2017)	58%
Pulkka & Hiilamo (2017)	20%–51%



THE 10 MOST POPULAR POLICIES (PULKKA 2018)

Policy	Support
Increasing economic incentives	90%
Increasing adult education	89%
Increasing entrepreneurial education	86%
Emphasising creativity and social skills in education	85%
Active finance policies	82%
Increasing current activation measures	79%
Increasing local agreements without weakening collective agreements	78%
Participation income	78%
Using unemployment benefits for studying	77%
Reducing bureaucracy traps	77%



CONCLUSIONS

- Measuring psychological feasibility of BI is prone to methodological shortcomings
 - The concept of basic income, but also the model should be accurately defined
- As expected, design makes a major difference
- 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
 - Support for the experiment model relatively high, only 21% against
 - The view still clearly polarised



CONCLUSIONS

- Challenging the reciprocity norm still a great challenge for the political feasibility of basic income
 - High support for participation income and activation measures
- The Finnish experiment expected to affect considerably the psychological feasibility
 - Will be investigated by Kela's research department in 2019
- 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