

# A Policy Comet in Moominland? Basic Income in the Finnish Welfare State

Antti Halmetoja\*, Jurgen De Wispelaere\*\* and Johanna Perkiö\*\*\*

\*University of Tampere

E-mail: [antti.halmetoja@kapsi.fi](mailto:antti.halmetoja@kapsi.fi)

\*\*University of Bath, Independent Social Research Foundation

E-mail: [jurgen.dewispelaere@gmail.com](mailto:jurgen.dewispelaere@gmail.com)

\*\*\*University of Tampere

E-mail: [perkiio.Johanna.M@student.uta.fi](mailto:perkiio.Johanna.M@student.uta.fi)

---

*Finland is widely considered a frontrunner in the European basic income debate, primarily because of the decision by Juha Sipilä's centre-right coalition government to design and conduct the first national basic income experiment (2017–2018). The Finnish basic income experiment builds on several decades of public and policy debate around the merits and problems of basic income, with the framing of basic income over time changing to fit the shift of the Nordic welfare state to embrace the activation paradigm. Underlying this discursive layer, however, we find several discrete, relatively small and unintended institutional developments that have arguably aligned the design of Finnish unemployment security closer to a partial basic income scheme. While the latter may suggest Finland has important stepping stones in place, important stumbling blocks remain and the jury is very much out on whether Finland would be the first European country to fully institute a basic income.*

**Keywords:** Basic income, welfare state, Finland, unemployment security, institutional feasibility.

## Introduction

Finland is widely considered a frontrunner in the European basic income debate. In 2015 Juha Sipilä's centre-right coalition government announced plans to run the first national basic income experiment. A two-year nation-wide experiment, featuring 2000 unemployed aged twenty-five to fifty-eight who now each receive a €560 basic income without conditions in replacement of previous basic unemployment benefits, is ongoing since January 2017 with the analysis of impact and behavioural effects expected by 2019 (Kangas *et al.*, 2017). At the same time, however, the government is already pushing for significant social security reforms, which appear to run counter to the basic income scenario. What to make of this apparent contradiction? Is Finland on the verge of becoming the first European state to implement a (partial) basic income<sup>1</sup> or should we instead regard the ongoing experiment as a policy distraction – yet another example of basic income getting pushed aside by a competing policy agenda (De Wispelaere, 2016a)?

To answer this question we need to appreciate the unique and deep engagement of Finnish social policy with the basic income proposal. Historically, basic income has

been on and off the policy agenda since the early 1980s, with parties across the political spectrum pushing a basic income agenda (Stirton *et al.*, 2017; Perkiö, 2018). It is often suggested that basic income makes for an easy fit within the Nordic welfare models, characterised by redistribution, solidarity, equality and the provision of generous universal social protection (Kildal and Kuhnle, 2005). However, this suggestion fails to appreciate the extent to which Nordic welfare states have developed *and diversified* over time. Finland, in particular, is often seen as having taken a different path compared to Sweden, Denmark or Norway in terms of social expenditures, size of the public sector, and the application of labour market reforms (Kvist, 1999; Kananen, 2012; Kantola and Kananen, 2013). Such arguments also fail to appreciate how the basic income debate varies across the Nordic welfare states, with Sweden traditionally exhibiting little to no interest in the basic income idea compared to Finland (Andersson and Kangas, 2005).

In this article we briefly review the Finnish basic income debate since the 1980s before outlining the specific policy context against which these ideas emerge, with specific focus on unemployment benefits. In response to changing circumstances and in order to accommodate changing risks, over several decades Finland has initiated a series of social security reforms. In this article we show that, while not directly aimed at promoting basic income, some of these reforms prepare the institutional ground for a partial basic income. The ‘accidental conjunction’ of institutional stepping stones and a vibrant discursive engagement with basic income in the past decades goes some way to explaining the unique nature of the Finnish basic income debate. However, important stumbling blocks remain and the future of basic income in Finland remains contested.

### **A brief history of basic income in Finland**

The concept of basic income (*perustulo*) emerged in Finnish policy discourse after the mid-1980s and dominated the debate around the mid-1990s (Koistinen and Perkiö, 2014; Perkiö, 2018).<sup>2</sup> The context of the early debate in the 1980s was a small increase in unemployment at a time of economic affluence, with primary focus on the flaws of the social security system and the persistence of poverty in the recently matured Finnish welfare state. The idea of a ‘guaranteed minimum income’ gained momentum on the agenda of the 1983–1987 government in an attempt to streamline the different social protection systems, improve their coverage and strengthen the social rights of all citizens by guaranteeing a minimum standard of living. In the latter half of the 1980s, most parties supported some variant of the proposal. Meanwhile, during this time the related but distinct concept of a ‘citizen’s wage’, focused on the income-work nexus against the backdrop of technological progress, also featured in the debate.

A second wave of the basic income debate can be located in the second half of the 1990s. In the aftermaths of the 1990s economic recession, the idea of basic income was strongly reframed by its advocates in a way that resonated better with the evolving political climate in social policy (Perkiö, 2018). Basic income became predominantly understood as a tool for activation policy, albeit distinct from conventional activation measures focused on bureaucratic control and sanctions. By eliminating incentive traps inherent in social security and guaranteeing a small secure income, basic income is expected to increase individuals’ economic activity. In the middle and late 1990s, both the Centre Party and the Green Party (as well as a small liberal party, the Young Finns) advocated basic income from an activation perspective. By contrast, the Left Alliance

advocated for a progressive 'citizen's income', aimed at reducing income inequality and increasing bargaining power for vulnerable workers.

Following several years in which the debate was muted, in 2007 the Green Party published a model for implementing a partial basic income system that for the first time used microsimulation modelling to estimate the impact on the public economy and income distribution (Koistinen and Perkiö, 2014). Subsequent proposals in this third wave of the debate broadly followed the design of the Greens' model, including the 2011 Left Alliance proposal as well as the models examined by the research team preparing the basic income experiment (Kangas and Pulkka, 2016). These models share a number of design features: minimum unemployment security as a reference point; leaving social assistance, earnings-related benefits and housing benefits untouched; and financing basic income through income taxation.

In recent years, several organisations put forward proposals for streamlining the benefit system and integrating taxes with benefits, which often contained some elements of basic income. The topic also received regular coverage in mainstream media. In 2013 the debate accelerated when the advocacy group BIEN Finland ran a citizen's initiative campaign; while ultimately failing to collect the requisite amount of signatories, the initiative boosted media attention for basic income. In 2015 the new government under Prime Minister Juha Sipilä launched its Government Program which contained a direct reference to conducting a nation-wide basic income experiment intended 'to explore whether basic income could be used to reform the social security system so as to reduce incentive traps relating to working.'<sup>3</sup> While its restricted remit came under heavy criticism, this experiment has since been rolled out in January 2017 and will continue until the end of 2018.

One striking feature of the Finnish basic income debate, when contrasted with other countries, is the continued involvement of the majority of political parties (Koistinen and Perkiö, 2014; Perkiö, 2018). Though individual supporters can be found in nearly all parties, the Green Party and the Left Alliance and – to a lesser extent – the Centre Party are the main proponents of the basic income idea (Stirton *et al.*, 2017). Where smaller left-wing or green parties are regularly counted amongst the political support base of the basic income proposal (De Wispelaere, 2016b), Finland stands out by having one of its leading centrist parties consistently showing favourable interest. This interest in flat-rate universal benefits may be partly explained by the historical roots of the Centre Party as the voice of the agrarian population (Kangas *et al.*, 2010). Equally peculiar, the coalition government conducting the Finnish basic income experiment is also comprised of the Conservatives and the Finns Party, historically robust opponents of basic income (Stirton *et al.*, 2017). This puts the most committed basic income advocates in Finland – the Greens and the Left Alliance, currently in opposition – in a distinctively awkward position.

### **Social protection in the Finnish labour market**

The Nordic welfare state is commonly regarded as distinct from other regimes (Esping-Andersen, 1990; Kautto and Kvist, 2002), but within this group significant variation in expenditure, policies and outcomes can be observed (Kvist, 1999; Kangas and Palme, 2005; Kananen, 2012; Kantola and Kananen, 2013). Kananen (2012) reports that whereas Sweden has strengthened its social insurance in the mid-1990s, Finland has weakened the principle of social insurance by introducing more stringent conditions of receiving

basic unemployment insurance and introducing a new layer of means-tested support for the unemployed. This restriction of benefit eligibility was also parred with increased behavioural control of labour market outsiders and the imposition of a harsher sanctioning regime (Kananen, 2012).

The development and recalibration of the Finnish welfare state in the past decades is partly due to distinct gradualist reform pathways – a type of *political* path-dependency (Kangas *et al.*, 2010) – but also a response to the economic situation at the time. In the early 1990s, Finland experienced a severe economic crisis that resulted in mass unemployment for years to come. The unemployment rate rose from 3.4 per cent in 1990 to 17.7 per cent in 1993 (Ploug, 1999), and never fully recovered. In 2015 the unemployment rate was recorded at 9.4 per cent (OSOF, 2016). During this time precarious employment in the form of atypical contracts or job insecurity is said to have increased (Jakonen, 2014), although the rate of increase remains contentious. From 2000 to 2014 the share of self-employed has increased from 20,000 (0.9 per cent) to 45,000 (1.9 per cent), while long-term part-time contracts have increased from 163,000 (7 per cent) to 208,000 (8.7 per cent) and 83,000 wage-earners were working on the basis of a ‘zero hour’ contract in 2014 (Pärnänen, 2015). Even those who deny a large increase in the ‘precariat’ accept around a tenth of Finnish employees work in precarious conditions, which is often clustered within certain groups with gender, age and education level being singled out as key determinants (Pyöriä and Ojala, 2016).<sup>4</sup> Recent graduates, for instance, have faced declining employment rates year upon year between 2010 and 2015 and are now facing a 14 per cent unemployment rate compared to a national average of 9.4 per cent (OSOF, 2017).

The persistence of unemployment and precarious employment is a main driver of labour market policy development. The 1990s recession played a major role in causing a social policy paradigm shift from universalism and equality to a strong policy focus on activation and competitiveness (Kantola and Kananen, 2013). While this increased focus on competitiveness has not necessarily reduced job protection or the overall generosity of unemployment benefits (Shahidi, 2015) – for a large part because of continued high unionisation and the corporative/collaborative nature of Finnish industrial relations – it drives a government agenda of reforming social protection to further activate those currently outside or at the margin of the labour market. Amongst Finnish decision-makers, the interest in basic income must be understood against this strong activating policy agenda, as is evidenced in the design of the Finnish basic income experiment.

### **A good fit? Basic income and the Finnish welfare state**

Political decision-makers have responded to recent developments in the Finnish labour market by debating several variants of the basic income proposal (Perkiö, 2018). At the same time, Finnish policy-makers also instituted incremental reforms of the existing social security system. Over time, and quite unintentionally, these reforms have jointly shifted the unemployment benefit system to a point where its main institutional features can be said to closely resemble, and perhaps even represent a stepping stone towards, a genuine basic income (De Wispelaere, 2016a). In other words, current social security arrangements make Finland uniquely suitable for introducing a modest partial basic income at the current basic security level (Halmetoja, 2017). Although this final step may yet prove

Table 1 Schema of unemployment benefits in Finland

ELIGIBILITY FOR UNEMPLOYMENT BENEFITS		
Meets working history requirements		Does not meet working history requirements or has exceeded the maximum duration of benefit receipt
Member of an unemployment fund	Not a member of an unemployment fund	Member/not a member of an unemployment fund
Earnings-related benefit (duration 300/400/500 days)	Basic unemployment benefit (duration 300/400 days)	Labour-market subsidy (duration unlimited)

Source: Halmetoja, 2017

exceedingly difficult, the importance of having appropriate institutional frameworks in place should not be underestimated (Jordan, 2012).

The Finnish unemployment benefit system comprises three different tiers (Table 1).<sup>5</sup> Working age adults who are unemployed are divided into two main trajectories, depending on whether they satisfy past work requirements. To meet the work requirement, a person must have completed thirty-four calendar weeks of eligible employment during the preceding twenty-eight months (Kela, 2016). Those that have established sufficient previous employment history either are entitled to earnings-related benefits (*Ansiosidonnainen työttömyyspäiväraha*) if they are members of an unemployment fund, or to basic unemployment benefit (*Peruspäiväraha*) if they are not. Those that fail to satisfy the work history requirement, or outrun their maximum benefits under the first two tiers, end up in a third tier of labour market subsidy (*Työmarkkinatuki*). While there are some differences in terms of the entitlement duration for earnings-related and basic unemployment benefit (300, 400 or 500 days, depending on work history and age), labour market subsidy guarantees an entitlement of unlimited duration (Kela, 2016). The amount of the basic part of the earnings-related unemployment benefit, basic unemployment benefit and labour market subsidy are equal (€32,40 per day).<sup>6</sup>

Three key steps in the Finnish social security development jointly produce the fertile institutional ground for implementing a modest partial basic income, such as the model currently experimented with by the Sipilä Government. In 1993 the Government introduced the legislation for labour-market subsidy (GP 235/1993) in direct response to the severe economic crisis. The Bill was aimed at those entering the labour market for the first time, who hadn't built up the required work history to become eligible for earnings or basic unemployment benefit, as well as long-term unemployed who maxed-out their entitlement to unemployment benefits (Ploug, 1999). The Government initially proposed to restrict the duration for receipt of labour-market subsidy to 300 days, while also reducing the unlimited duration of basic unemployment benefit to 500 days. In a two-pronged approach, the aim was for the new legislation to upgrade basic unemployment benefit to match earnings-related benefits and simultaneously institute labour-market subsidy as a new lowest category of unemployment benefits. However, in its review of the proposed Bill, the Finnish Constitutional Law Committee stated that limiting the duration of labour market subsidy to 300 days would shift the burden too much onto the social assistance

programs arranged by the municipalities, which would be in contradiction with the state's responsibilities for unemployment protection under the Constitution (CC 32/1993).<sup>7</sup> Subsequently, the Bill was changed and revised legislation implemented labour-market subsidy with unlimited duration (Finlex 1542/1993), effectively offering a basic income floor for the long-term unemployed.

One of the differences between labour-market subsidy and the other two unemployment benefit tiers was that the latter were individual benefits, whereas labour-market subsidy took the partner's income into account. This distinction between the different unemployment benefits became contested at the turn of the century. In 2002 both the Constitutional Law Committee (CC 46/2002) and the Social and Health Committee (SHC 43/2002) had strongly argued that a partner's income should not be considered when determining eligibility for labour-market subsidy. In a first move, the legislation was reformed in 2003 by changing the threshold at which a partner's income would be taken into account from €236 to €536 (Finlex 1009/2003). However, the issue wasn't fully resolved because income-testing remained in place until 2012, when a new Bill finally removed this feature (GP 115/2012). The Government's argument was to prioritise labour market participation by reducing disincentives and bureaucratic regulation, but the resulting individualisation of labour-market subsidy again contributes to establishing a basic income floor accessible for all unemployed.

A third major step to making unemployment benefits more congruent with a partial basic income took place in 2014 with the easing of means-testing of the income flow of unemployment benefit recipients. This reform facilitates the combination of small wages from part-time or temporary employment with continued eligibility for unemployment benefits, promoting both labour market insertion and income security. The Government proposed a €300 earned-income threshold after which unemployment benefits would start to withdraw at a rate of 50 per cent (GP 176/2013). The Social and Health Committee supported the change, arguing that having a robustly protected income floor reduces the reliance of the unemployed on social assistance measures aimed at temporary support (SHC 24/2013). The new legislation was approved by the Finnish Parliament and came into force in 2014. This last measure again moves social security closer to a modest basic income scheme by supporting the principle that a firm income floor must remain in place independent of economic activity of its recipients, including earnings from part-time or temporary employment that can be used to propel one towards more secure employment (Van Parijs and Vanderborght, 2017).

Finnish social security is a complex system, with different programs put in place for different target groups. But when focused on unemployment support more specifically, we find an institutional development that has shifted support for the (long-term) unemployed in a direction that closely resembles a partial basic income. Each of the three steps outlined above contributes to establishing an individual secure income floor for those in receipt of unemployment benefits. Over time, critical differences between the three types of unemployment support were reduced and the resulting program, while formally still operating as three distinct tiers, could be said to constitute a single layer of basic income support of unlimited duration for all Finnish unemployed. Interestingly, these reforms were introduced piecemeal and independent of each other, without any overarching rationale to move towards a comprehensive basic income reform. Additional characteristics of how the Finnish social security system is administered and funded are supportive of a move towards a partial basic income (Halmetoja, 2017). For instance, both labour-market

subsidy and basic unemployment are administered centrally by Kela (the Finnish Social Insurance Institution) and funded almost entirely out of general taxation.<sup>8</sup> But importantly, the basic level of the earnings-related unemployment benefit (at €32,40 per day equal to the other two tiers) is also funded out of general taxation, which makes a merger of the three basic tiers into a single partial basic income scheme administratively more feasible. Needless to say, the current system is still far removed from a *universal* basic income policy. Furthermore, the continued reliance on conditions and sanctions for receipt of unemployment benefits is a major stumbling block to be overcome to establish a genuine *unconditional* basic income policy.

### Universality and unconditionality as persistent stumbling blocks

In post-crisis austerity-driven Europe, a persistent activation agenda primarily focused on employment incentives rather than protection against poverty or human capital expansion reigns supreme (Marchal and Van Mechelen, 2017). Fiscal responsibility appears the primary driver of post-2008 European labour market and social policy (Shahidi, 2015), with early expansion of minimum income support rapidly declining and recent reforms commonly resulting in increased conditionality and a focus on work incentives (Marchal *et al.*, 2016).

Against this backdrop, the Finnish basic income experiment has led to sweeping predictions of Finland becoming the first European country to put a genuine unconditional basic income place. But as soon as political reality kicked in, the initial exuberance amongst global spectators rapidly dampened. The strict remit of the Finnish government to focus the experiment on assessing the labour market effects on a small sample of unemployed Kela recipients filtered through in the limited experimental design (Kangas and Pulkka, 2016). Political resistance by political parties inside the government and in opposition – as well as by social actors such as the trade unions – affects not only the experiment itself, but also the prospects for basic income once the results are in.<sup>9</sup> Public support too remains unclear: recent polls show solid support amongst the general public, but equally demonstrates this support is subject to important priming and framing effects – notably reference to taxation to fund basic income (Pulkka, 2018). These political stumbling blocks are real and difficult enough to overcome in their own right. In this section we briefly touch upon two institutional hurdles that impede moving to a fully-fledged basic income model.

The first hurdle pertains to universalising the unemployment benefit system to achieve a full flat-rate and uniform payment scheme for all. Our concern here is not with expanding the scheme to include those currently not covered under the relevant regulations – students, the self-employed, those on disability or long-term sickness, etc. – although this would certainly pose numerous difficulties. Instead we want to focus on the difficulty of bridging even the initial steps currently in place, as outlined in the previous section. Suggesting that a Nordic country such as Finland, where universalism is already firmly embedded (Anttonen and Sipilä, 2012), is uniquely well-placed to introduce a basic income fails to appreciate the contested nature of universalism in the Nordic policy development. Universalism within the basic income debate refers to a scheme that applies to all members in society, but it is intricately linked with flat-rate benefits that are funded through general taxation rather than earmarked social insurance contributions. This is precisely the sort of ‘flat-rate universalism’ criticised by Esping-Andersen (1990:

26) for enabling dualism and leading the better-off to revert to market-based policy solutions. In contrast with flat-rate universalism, the universalistic solidarity of the Nordic welfare state is grounded in broad access to earnings-related benefits, which historically have weakened market-based commodification, especially when compared to liberal welfare regimes. However, this type of universalism decidedly runs counter to the flat-rate universalism of the basic income proposal.

In Finland, the tension between basic security and earnings-related schemes dates back to the 1950s (Kangas *et al.*, 2010). Non-contributory types of universalist policies are a persistent feature of Finnish social policy, but their importance has been declining in recent decades with basic security becoming increasingly more means-tested and access to earnings-related benefits more restricted. Esping-Andersen (1990) may be correct in arguing that earnings-related schemes manage to ward off dualism at times of high employment, but this argument fails when the unemployment rate is persistently high. Such circumstances produce dualism *within* the protection system for the unemployed. Whereas in 1995 approximately 75 percent of unemployed people were receiving either earnings-related unemployment benefit or basic unemployment benefit (Tuomala, 2018), by the end of 2016 167,000 people were on earnings-related unemployment benefit, 38,300 were receiving basic unemployment benefit and a whopping 204,500 were in receipt of labour market subsidy (Kela, 2017). This produces a structural dualism between those entitled to a means-tested flat-rate basic security scheme and those who can access the more superior earnings-related benefit scheme.<sup>10</sup> This persistent dualism within Finnish unemployment policy remains an important stumbling block to universalising the scheme across the unemployed population when powerful actors such as trade-unions or the Social Democrats resist moves that they view as eating into earnings-related income support (cf. Van Parijs and Vanderborght, 2017). Even where the three layers of unemployment support get us close to a *de facto* partial basic income, formalising the current situation into a *de jure* partial basic income scheme will meet important resistance – let alone trying to build up the scheme either by improving its generosity or expanding its reach.

The second hurdle pertains to the degree of conditionality that remains a persistent feature of Finnish unemployment benefits. Clasen and Clegg (2007) offer a useful tripartite typology to understanding the different dimensions of conditionality applied to welfare policies. ‘Conditions of category’ pose few problems: eligibility depends in the first instance on proving one’s jobless status to the gatekeepers in the unemployment office. ‘Conditions of circumstance’ are more complicated because eligibility criteria vary among the three layers, determining whether unemployed are entitled to earnings-related benefits or relegated to basic security benefits. In line with other countries, means-testing is more strict for basic security and less strict regarding earnings-related benefits. Despite this, as we argued before, recent developments such as individualising benefits or allowing recipients to earn some income on top of benefit receipt have weakened the conditions of circumstance.

The crucial obstacle in Finland, however, is the trend to tighten what Clasen and Clegg (2007) call ‘conditions of conduct’, the behavioural requirements that regulate benefit eligibility. Activation policies for the unemployed are the most prominent example of the increased importance of this third level of conditionality in the Nordic welfare state. Finland is no exception and recent developments clearly pull unemployment security away from a basic income-friendly pathway. The focus on activation was already present



when the Sipilä government announced the basic income experiment, but even while the experiment itself is ongoing the Finnish policy debate is taking a decidedly 'conditional turn'. At the start of 2018, legislation has been enacted that introduced a new 'activation model' into Finnish social security (Finlex 1138/2017). This new scheme sets additional behavioural requirements that an unemployed person needs to meet: in a nutshell, an unemployed person has to work at least eighteen hours or participate for five days in an employment promoting service for every examination period of sixty-five days or face a 4.65 per cent benefit reduction.<sup>11</sup> While the objective of the new activation legislation is the same as the basic income experiment – to increase the employment rate – the resulting policy instrument couldn't be further from establishing an unconditional basic income floor for all.

## Conclusions

This article reviews the basic income debate in Finland as well as a number of recent developments in the tripartite unemployment benefit system that appears to put Finland on the way to instituting a partial basic income. Specifically, we outline three features that jointly resemble the design and functioning of a partial basic income for the unemployed. However, despite strong support for basic income among political parties and the general public in Finland, and notwithstanding these basic income-friendly stepping stones, important political and institutional stumbling blocks remain that cast doubt on Finland being at the cusp of introducing a genuine basic income policy.

Tove Jansson's 1946 classic *Comet in Mooninland* sees Moomintroll and friends preparing for the imminent calamity of a comet hitting Moominland, only for them to realise one morning that the comet has missed Earth altogether. Jansson's story is an apt allegory for the current basic income debate in Finland: following the 2015 announcement of the basic income experiment and its subsequent roll-out, many advocates around the world thought Finland was set to institute the first basic income policy in Europe. But while some interpret the signs of the basic income 'policy comet' as opening an unprecedented policy window, more likely it too will fail to hit solid ground. For while the basic income experiment is nearing completion, recent initiatives to reinforce activation and conditionality in the unemployment benefit system have set Finnish policy development on a trajectory that competes with the unconditional basic income approach. This raises the question whether the basic income experiment – and, indeed, the future of basic income – is little more than a shiny policy comet on a near-miss path in the Finnish policy landscape.

## Notes

1 A partial basic income can be defined in two ways. One approach focuses on the outcome, defining a partial basic income as a scheme that falls short of a defined living standard (typically the poverty rate). The second approach focuses on program design and defines a basic income as 'full' or 'partial' by reference to whether the scheme replaces all or only some social protection schemes.

2 In the 1970s or early 1980s cognate concepts such as citizen's wage, negative income tax and guaranteed minimum income featured more prominently in the public and political debates (Perkiö, 2018).

3 The Ministry of Social Affairs and Health of Finland (<http://stm.fi/en/basic-income-pilot-study>).

4 Pyöriä and Ojala (2016) specifically entertain adopting a basic income to accommodate the negative experiences associated with precarious work.

5 Social assistance and housing benefit are additional support schemes that the unemployed in Finland can apply for. These are complex policies that we disregard in what follows as in most proposals they would be retained as a top-up to the partial basic income.

6 This amount after taxes is approximately equal with the basic income paid out in the basic income experiment (€560 per month) (Kangas *et al.*, 2017).

7 The Constitutional Law Committee is a sub-group in the Finnish Parliament formed by members of the Parliament charged with constitutional matters pertaining to legislative bills. The Committee writes a report about the bills and they can recommend that a bill be approved as is or with minor or major changes or to recommend the bill be rejected. See <https://www.eduskunta.fi/EN/lakiensaataminen/valiokunnat/perustuslakivaliokunta/Pages/default.aspx>.

8 In 2016, 8 per cent of the basic unemployment benefit was funded through employees' insurance payments.

9 Modelling political parties' support for basic income on the basis of three decades of political documents, Stirton *et al.* (2017) show that parties' positions change very little and, if anything, have become even more entrenched over time. Experimenting with basic income by a government coalition with two out of three parties having a strong track record of opposition to the idea was always going to be fraught with difficulties. In the meantime, the Government appears more interested in shifting the policy agenda towards the Universal Credit model partially instituted in the UK.

10 In 2016, the average amount for recipients of the earnings-related unemployment benefits was €1,383 per month before tax (Kela, 2017).

11 At the time of writing this article, Kela reported that in the first evaluation period (covering the first sixty-five days of 2018) 93,342 out of 187,406 individuals in receipt of the labour-market subsidy and basic unemployment benefit were sanctioned with benefit reduction. See [http://www.kela.fi/ajankohtaista/-/asset\\_publisher/mHBZ5fHNro4S/content/puole](http://www.kela.fi/ajankohtaista/-/asset_publisher/mHBZ5fHNro4S/content/puole).

## References

- Andersson, J. O. and Kangas, O. (2005) 'Universalism in the age of workfare. Attitudes to basic income in Sweden and Finland', in N. Kildal and S. Kuhnle (eds.), *Normative Foundations of the Welfare State: The Nordic Experience*, London: Routledge.
- Anttonen, A. and J. Sipilä (2012) 'Universalism in the British and Scandinavian social policy debates', in A. Anttonen, L. Häikiö and K. Stefánsson (eds.), *Welfare State, Universalism and Diversity*, Cheltenham: Edward Elgar.
- CC 32/1993 (1993) *Perustuslakivaliokunnan Lausunto Esityksestä Työmarkkinatukilaiksi sekä Työttömyysturvalain Muuttamisesta* [Statement by the Constitutional Committee on the act on labour market subsidy and the act on changing unemployment protection].
- CC 46/2002 (2002) *Perustuslakivaliokunnan Lausunto Hallituksen Esityksestä Työttömyysturvalaiksi* [Statement by the Constitutional Committee on the act on unemployment security].
- Clasen, J. and Clegg, D. (2007) 'Levels and levers of conditionality: measuring change within welfare states', in J. Clasen and N. A. Siegel (eds.), *Investigating Welfare State Change: The 'Dependent Variable Problem' in Comparative Analysis*, Cheltenham: Edward Elgar.
- De Wispelaere, J. (2016a) 'Basic income in our time: improving political prospects through policy learning?', *Journal of Social Policy*, 45, 4, 617–34.
- De Wispelaere, J. (2016b) 'The struggle for strategy: on the politics of the basic income proposal', *Politics*, 36, 2, 131–41.
- Esping-Andersen, G. (1990) *The Three Worlds of Welfare Capitalism*, Cambridge: Polity Press.
- Finlex 1542/1993 (1993) *Laki Työmarkkinatuesta* [Act on the labour market subsidy].
- Finlex 1009/2003 (2003) *Laki Työttömyysturvalain 9 Luvun 3 §:n Muuttamisesta* [Act on changing the third section of the ninth chapter in the unemployment security act].

- Finlex 1138/2017 (2017) *Laki Työttömyysturvalain Muuttamisesta* [Act on changing the unemployment security act].
- GP 235/1993 (1993) *Hallituksen Esitys Työmarkkinatukea Koskevaksi Lainsäädännöksi sekä Laiksi Työttömyysturvan Muuttamisesta* [Government proposal on the act on labor market subsidy and the act on changing unemployment protection].
- GP 115/2012 (2012) *Hallituksen Esitys Työttömyysturvalain Muuttamisesta ja Väliaikaisesta Muuttamisesta* [Government proposal on the act on changing and temporarily changing the unemployment security act].
- GP 176/2013 (2013) *Hallituksen Esitys Työttömyysturvalain Muuttamisesta ja Esityksen 90/2013 Täydentämisestä* [Government proposal on the act on changing unemployment security act and supplement to the Government proposal 90/2013].
- Halmetoja, A. (2017) 'The Finnish welfare state and basic income – is it a match?', *paper presented at the 17th BIEN Congress, Lisbon, 25–27 September*.
- Jakonen, M. (2014) 'Uusi työ ja prekarisaatio. Työn muutosten vaikutukset suomalaisen hyvinvointivaltioon ja poliittiseen järjestäytymiseen', *Tiede & Edistys*, 39, 4: 287–320.
- Jordan, B. (2012) 'The low road to basic income? Tax-benefit integration in the UK', *Journal of Social Policy*, 41, 1, 1–17.
- Kananen, J. (2012) 'Nordic paths from welfare to workfare: Danish, Swedish and Finnish labour market reforms in comparison', *Local Economy*, 27, 5–6, 558–76.
- Kangas, O., Lundberg, U. and Ploug, N. (2010) 'Three routes to pension reform: politics and institutions in reforming pensions in Denmark, Finland and Sweden', *Social Policy and Administration*, 44, 3, 265–84.
- Kangas, O. and Palme, J. (eds.) (2005) *Social Policy and Economic Development in the Nordic Countries*, London: Palgrave Macmillan.
- Kangas, O. and Pulkka, V.-V. (2016) 'From idea to experiment: report on universal basic income experiment in Finland', *Kela Report 88*, Helsinki: Kela.
- Kangas, O., Simanainen, M. and Honkanen, P. (2017) 'Basic income in the Finnish context', *Intereconomics*, 52, 2, 87–91.
- Kantola, A. and Kananen, J. (2013) 'Seize the moment: financial crisis and the making of the Finnish competition state', *New Political Economy*, 18, 6, 811–26.
- Kautto, M. and Kvist, J. (2002) 'Parallel trends, persistent diversity: Nordic welfare states in the European and global context', *Global Social Policy*, 2, 2, 189–208.
- Kela (2016) *Statistical Yearbook on Unemployment Protection in Finland*, Helsinki: Kela.
- Kela (2017) *Statistical Yearbook on Unemployment Protection in Finland*, Helsinki: Kela.
- Kildal, N. and Kuhnle, S. (eds.) (2005) *Normative Foundations of the Welfare State: The Nordic Experience*, London: Routledge.
- Koistinen, P. and Perkiö, J. (2014) 'Good and bad times of social innovations: the case of universal basic income in Finland', *Basic Income Studies*, 9, 1, 25–57.
- Kvist, J. (1999) 'Welfare reform in the Nordic countries in the 1990s: using fuzzy-set theory to assess conformity to ideal types', *Journal of European Social Policy*, 9, 3, 231–52.
- Marchal, S., Marx, I. and Van Mechelen, N. (2016) 'Minimum income protection in the austerity tide', *IZA Journal of European Labor Studies*, 5, 4, 1–20.
- Marchal, S. and Van Mechelen, N. (2017) 'A new kid in town? Active inclusion elements in European minimum income schemes', *Social Policy and Administration*, 51, 1, 171–94.
- OSOF (2016) *Statistical Yearbook of Finland 2016*, Helsinki: Tilastokeskus.
- OSOF (2017) *Transition from School to Further Education and Work 2015*, Helsinki: Official statistics of Finland.
- Pärnänen, A. (2015) 'Työn tekemisen tavat 2000-luvulla — tapahtuiko rakenteellisia muutoksia?', *Työelämän Tutkimus*, 13, 3, 242–50.
- Perkiö, J. (2018) 'From rights to activation: the evolution of the idea of basic income in the Finnish political debate, 1980 to 2016', *mimeo*.

- Ploug, N. (1999) 'Cuts in and reform of the Nordic cash benefit systems', in M. Kautto, M. Heikkilä, B. Hvinden, S. Marklund and N. Ploug (eds.), *Nordic Social Policy: Changing Welfare States*, New York: Routledge.
- Pyöriä, P. and Ojala, S. (2016) 'Precarious work and intrinsic job quality: evidence from Finland, 1984–2013', *The Economic and Labour Relations Review*, 27, 3, 349–67.
- Pulkka, V.-V. (2018) 'Finland shares unconditional money, but the public view remains polarised', *IPR Blog*, University of Bath, <http://blogs.bath.ac.uk/iprblog/2018/01/23/finland-shares-unconditional-money-but-the-public-view-remains-polarised/> [accessed 17.05.2018].
- Shahidi, F. V. (2015) 'Welfare capitalism in crisis: a qualitative comparative analysis of labour market policy responses to the great recession', *Journal of Social Policy*, 44, 4, 659–86.
- SHC 43/2002 (2002) *Sosiaali ja Terveysvaliokunnan Mietintö Hallituksen Esityksestä Työttömyysturvalaiksi* [Social and Health Committee report on the act on unemployment security].
- SHC 24/2013 (2013) *Sosiaali- ja Terveysvaliokunnan Mietintö Hallituksen Esityksestä Eduskunnalle Työttömyysturvalain Muuttamisesta ja Esityksen 90/2013 Täydentämisestä* [Social and Health Committee report on the Government proposal on the act on changing unemployment security act and the supplement to the Government proposal 90/2013].
- Stirton, L., De Wispelaere, J., Perkiö, J. and Chrisp, J. (2017) 'Modelling political parties' support for basic income in Finland, 1979–2016', *paper presented at 17th BIEN Congress*, Lisbon, 25–27 September.
- Tuomala, M. (2018) 'Aktiivimallin puolustajien pitäisi päivittää taloustieteen tietämystään', *Alusta!*, Tampere: University of Tampere.
- Van Parijs, P. and Vanderborght, Y. (2017) *Basic Income. A Radical Proposal for a Free Society and a Sane Economy*, Cambridge, MA: Harvard University Press.