

# Alternative for work, low-income supplement or investment?

## Exploring the idea of basic income in the Finnish public debate

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### Introduction

The idea of an unconditional basic income granted to all members of society on a regular basis<sup>1</sup> has gained growing global attention in recent years. However, the idea has a long history in both academic (see Widerquist, Noguera, Vanderborght, & De Wispelaere 2014) and political discussions (see Van der Veen & Groot 2000; Caputo 2012) in various countries. The idea has risen on the agenda in countries such as Finland, the Netherlands and Canada, whose local or national governments have recently carried out basic income related experiments.

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<sup>1</sup> See Basic Income Earth Network <http://www.basicincome.org/basic-income/>

Finland is one of the countries in which the public and political attention to basic income has been intense and long-lasting. The idea has been featured in manifestos of political parties (Koistinen & Perkiö 2014), in parliamentary debates (Perkiö 2020) and eventually in the platform of the 2015–2019 centre-right coalition government of PM Juha Sipilä as a commitment to experiment the scheme. The aim of the two-year trial that ran from January 2017 to December 2018 was “to explore whether basic income could be used to reform the social security system so as to reduce incentive traps relating to working” (STM 2020). The trial consisted of giving a basic income of €560 a month (that is equivalent to the level of minimum unemployment benefit after taxes) to 2000 randomly selected individuals across the country unconditionally and without means-testing. All recipients were between the ages of 25 and 58 and had formerly received unemployment benefits.

This chapter sheds light on the history of Finnish public debate on basic income. Drawing on an empirical analysis on the coverage of the issue in the leading daily newspaper, it argues firstly that basic income has not occurred as a coherent idea, but the way it has been depicted has varied over time. Secondly, the article shows how understanding of the basic income idea has often been rather far from how most academics (in particular social philosophers) have considered it. More than a radical measure of individual freedom, basic income has appeared as a practical tool for pursuing the goals of mainstream employment and social policies.

The chapter builds on a content analysis of the basic income discussion from 1980 to 2015 in Helsingin Sanomat, the leading daily newspaper in Finland. The data includes altogether more than 1100 newspaper stories of different categories (news, opinions, articles, editorials and columns) in which the concept of basic income or citizen’s wage (that term has been used for roughly the same meaning) appears. There is a great variation in the number of texts per year,

ranging from three in 1982 to 98 in 2015. The main idea behind both concepts has been to introduce a more uniform and universal system of minimum social protection which would involve fewer conditions to the recipients than the existing welfare schemes. However, the concept of citizen's wage has sometimes been used to refer to a conditional system, in which the benefit would be subject to some kind of activity for "common good", whereas basic income has most often referred to a universal and unconditional welfare provision.

In the newspaper stories, one can find various views and disagreements in the discussion of the possible consequences of introducing a basic income (or citizen's wage) system. The opinions differ not only between proponents and opponents of the scheme, but also between proponents with different ideological perspectives (see Perkiö 2013) since basic income has gained both support and opposition across the political spectrum. This article, however, does not pay attention to the conflicting viewpoints but attempts to identify strong narratives and dominant discourses that were shared by most of those participating in the discussion at a given time.

## The Finnish basic income debate from 1980 to 2015

The debate on the basic income idea began in Finland in the early 1980s, first with the concept of citizen's wage. The idea emerged as a part of the wider discourse concerning the future of employment, led mostly by academics and other social influencers. Automated production was anticipated to replace a significant part of the industrial employment, and citizen's wage was mainly regarded as a way to provide alternatives for full employment. The supply of labour was to be set at the corresponding level with the declining demand by introducing new policies such as job-sharing, civil work and citizens' wage. The 1980s discourse often called for a new understanding of the concept of work and ways to provide means for dignified life and

participation in society for those excluded from the labour market by technological progress. The following quotations from the data illustrate the typical reasoning for citizen's wage in the 1980s:<sup>2</sup>

1. "there will be less and less useful paid work available every year" (1980)
2. "automation will take away more jobs than even the best economic boom will bring" (1981)
3. "widening the concept of work to the areas that are now considered as hobbies needs to be placed next to a more equal distribution of work" (1981)
4. "If all human activity that people do for developing themselves and their environment were considered as societally valuable work, there would no more be unemployment" (1986)

Therefore, during the 1980s, the idea of citizen's wage occurred almost exclusively as an alternative for paid work. It was regarded as a "secondary" wage for those who could no more sustain themselves by their own labour. Sometimes citizen's wage was considered as a conditional payment, which would involve some activities for common good by the recipients. The grant was meant to be especially for those whose contribution was no longer needed in the labour market. The 1980s discourse often painted a picture of society in which people would work less on the "hard" market sector and devote more time for personally and socially meaningful activities in households, neighbourhoods and civil society.

Towards the late 1980s and in the early 1990s, the citizen's wage discourse became more concerned with the practical problems of the social security system. It was understood as way to simplify the complex social protection system and provide better coverage for all citizens.

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<sup>2</sup> The quotations were translated from Finnish to English by the author.

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In the aftermath of the economic depression of the early 1990s, the understanding of the idea radically changed. The shift co-occurred with a conceptual change, whereby the concept of citizen's wage was gradually replaced by basic income. From the mid-1990s onwards, the idea of basic income was mainly discussed as a way to reduce the welfare bureaucracy and to activate the unemployed to take part in the labour market. The context for the new rationale was the mass unemployment that persisted throughout the decade and the increasing attraction of neoliberal ideas among policymakers, which led them to seek primarily supply side solutions to the unemployment crisis (e.g. Kantola & Kananen 2013). One proposed solution was to stimulate the service sector employment by enabling lower salaries and labour costs than those of the (more productive) industrial workers. In the late 1990s, altogether four political parties placed basic income or a related concept on their agendas, two of them incorporating it into neoliberal reform agendas concerning labour market deregulation and reduction of taxes and welfare expenses. The role of basic income was to supplement small and irregular income and soften the impacts of the proposed labour market reforms to the workers. When workers had a (rather low) basic income as an unconditional income floor, taking up a job—however small the income it provides—would pay more than staying at home. The following quotations illustrate the changed rationale of the basic income idea in the 1990s:

5. “basic income model leads to a situation where taking up even a small scale job is always profitable, whereas now it is often the most economical to stay fully unemployed” (1994)
6. “basic income would encourage work” (1995)
7. “the central aim is to make it possible that even a low-paid job is worthwhile to accept” (1997)
8. “we can say that just basic income is favourable to work” (1998)

Unlike in the 1980s, the main concern in the basic income debate was now how to provide better incentives for paid work. The deliberation on the nature and future of work became a rather marginal discourse. Basic income was primarily understood as a supplement for small labour income. Instead of offering alternatives for paid work, it could activate people to work more. It was often emphasised that the level of basic income should not be set so high as to give incentives to withdraw from the labour market and live at the expense of society. However, sometimes the idea was linked to “job-sharing”, another powerful idea in the 1990s that suggested those working full-time could reduce their labour, whereas the unemployed could take up the new jobs that would become available. The role of basic income was to create alternatives between full-time unemployment and full-time employment by simultaneously improving incentives to work and making shorter working times a more feasible option.

In the late 1990s, a new discourse emerged that emphasised that life had become more insecure and unpredictable and that the “old” welfare system was ill-suited to respond to the new risks of rapidly changing life and employment situations. This was connected to the observed increase in “atypical” employment. It was argued that life does not follow the traditional patterns anymore, and social security should enable more flexible combinations of work, family, studies and leisure time according to one’s own needs and preferences. This discourse grew stronger in the basic income debate during the 2000s.

In the early 2000s, the amount of public discussion on basic income was relatively low. The idea re-emerged in 2006 with rise of the youth movement against precarious working conditions (precarity movement). The activists introduced new perspectives on basic income that largely confronted the mainstream politics and morality. They approached the issue from the perspective of power and income distribution. Basic income was called for not as a better functioning social policy, but as the precariat’s bargaining

weapon against the exploitative employers. The activists argued that a growing amount of work takes place in networks outside of standard working hours or places, and they regarded basic income as a way to remunerate activities outside paid employment that accumulate the capitalist value. They criticised the “old” left’s (especially trade unions) propensity to nurture “outdated” conceptions of work and to regard work as a value per se, as well as attempts to introduce a low basic income in order to activate people to take up more low-paid jobs. Instead, basic income was considered as a tool to provide more autonomy for precarious workers to decide when, how and for whom to work.

The precarity movement’s appearance was followed by a widespread public debate in which many politicians and academics took part. Especially the Green Party promoted basic income as a way to improve the economic security of those working on an irregular basis, to streamline the bureaucratic benefit system and to provide better incentives to work. Unlike in the 1990s, the focus was now in “atypical” employment and growing insecurity of life rather than unemployment as such. The traditional welfare system was seen ill-suited to the changing labour market realities, and basic income was argued to be a more flexible scheme which would treat all recipients equally and cover the gaps in social protection. The key argument for basic income was that it would make all economic activities always rewarding. It was also regarded as an investment to new forms of economic and non-economic activities, especially entrepreneurship and creative work. The following quotations illustrate the different perspectives on basic income from 2000 to 2015:

9. “the unconditionality of basic income would guarantee that one does not need to accept any job, and especially not at any price” (2006)
10. “if everyone received a monthly small basic income a decent standard of living could be reached by lower earnings” (2006)

11. “basic income granted to all will also lay the foundation to the way of living in the new circumstances, where earnings are acquired by many parallel, often sporadic jobs” (2006)
12. “the (Green) party estimates that basic income would free the desire for work and entrepreneurship which is hidden in the society better than the contemporary social benefits” (2007)
13. “the division between wage earners and entrepreneurs does not fully hold anymore” (2009)
14. “another benefit of any basic income model would be placing the small income groups now factitiously in different positions, such as entrepreneurs, freelancers and students, on the same line” (2012)

In the last years examined by this study there was a minor shift in the focus of the debate: the automation of work (due to digitalisation) became again a key issue. However, the recipe to combat the threatening employment crisis by basic income was now to create better incentives for irregular work, *not* to provide possibilities for meaningful life outside labour market as in the 1980s.

## Conclusions

This article demonstrates how a policy idea evolves over time following the shifts in society and in the political discourse. The rationale of citizen’s wage in the 1980s was to provide dignified and meaningful *alternatives for paid work* for those pushed out of the labour market by technological development. In the context of the 1990s mass unemployment, the rationale shifted and basic income became to be understood as an *activation measure* and *low income supplement*. In the 2000s, the precarity movement’s approach was to question the intrinsic value of paid work and the prevailing socio-economic relations. The movement regarded basic income primarily

as a tool to improve the *bargaining position* of precarious workers. In the following debate, the key concerns were the *incentive structure* of the existing welfare system and the daily subsistence of those in *atypical employment*. Basic income was also understood as an *investment* to boost new economic activities and to obtain a higher employment rate.

In the academic literature, basic income has often been portrayed as a radical departure from the principles of existing welfare policies. It has been presented as a means to provide greater individual freedom for all (Van Parijs 1995), to transform labour-capital power relations (Wright 2006) and to pave the way towards ecologically more sustainable economy and lifestyle (Andersson 2009; Fitzpatrick 2009; 2013; Goodin 2013). This article shows how the radical idea is translated into language of everyday policymaking in order to be perceived as a realistic alternative. In the Finnish public debate, basic income became to be seen from the 1990s onwards as a technical solution to pursue those goals that were prevalent in the mainstream policy agenda rather than a way towards a different social order, as it was in the 1980s. This re-framing of the idea in a way that resonated with the “political winds” of the time is likely to explain why the basic income discourse did not fall into the political margins, as happened in Denmark (Christensen 2008).

Apart from few confronting voices, such as that of the precarity movement, the Finnish basic income discourse, as it occurred in the leading newspaper, was strengthening the existing moral boundaries of society rather than challenging them. Nevertheless, the basic income discourse questioned the realism of stable and high quality full-employment that has historically been an elementary part of the Nordic welfare tradition. However, it still did it by celebrating the intrinsic value of work and presenting basic income as the best way to incentivise people to work more. Accommodating the “radical” idea as a part of the dominant policy discourse may explain why it has

gained much attention among policymakers in Finland compared to countries such as Germany (Liebermann 2012) where it has rather been promoted by social movements as a markedly alternative welfare strategy.

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