Basic income and women in an established gender-equal welfare state:

results from the Finnish basic income experiment

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Content of the presentation

- Previous studies and theories
- Universalising theories and empirical findings
- Hypotheses: research questions
- Data
- Empirical evidence
- Conclusions: "we should not universalise"

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Gendered effects of UBI

- Positive employment effects
  - Gives possibilities to part-time / atypical work
  - Evidence from India
    - Davala et al 2015
- Guarantees gender-neutral basic security
  - Social insurance benefits men
- Emancipatory and empowerment effects
  - India, U.S., Canada
- More equal distribution of care responsibilities
  - Jordan 1992; Standing 1992; Alstott 2001; McKay 2001; Zelleke 2011; Davala et al. 2015

- Trap for women

- Negative employment effects
  - Negative income tax experiments in the 1970s and 1980s in the U.S.
  - Canadian Mincome experiment
  - LF participation among young woman and young males decreased
    - E.g., Hum & Simpson (1991)

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Universalising theories and results

- There is a tendency to universalise theories and empirical results
  - Reasoning around social policy, UBI and employment are much Anglo-American centred
    - US / Canada in 1970/1980s are not Finland in the late 2010s.
  - Negative gendered employment effects
    - US / Canada
  - Positive gendered employment effects
    - India & other developing economies
  - Empowerment of women and girls
    - Mostly in developing economies

- Problem in universal theories and findings is that experiments are carried out in time and place

- Institutional settings matter and affect results

- Institutions travel badly

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UBI in an established gender-equal welfare state

- According to the Global Gender Equality Index, Finland is one of the most gender equal countries in the world

- Ramifications for results?

- Research questions:
  - Gendered employment effects in such a context?
  - Gendered effects of empowerment / self-confidence

UBI in a established gender-equal welfare state

- In the Finnish UBI experiment, the primary or secondary aim was not to promote gender equality.
  - The potential impact of UBI on gender equality was hardly considered during the implementation or even during the initial analysis of the experiment. Gender equality in Finnish society is so strongly built-in.

- Several gender-neutral policies have been implemented in Finland as part of the "project" to build a gender equal welfare state.

- Gender equality cannot be achieved, nor can it be undermined by a single social policy, but requires a number of measures that consistently seek to promote what is important in society.

- Given that Finland is a highly gender equal country with multiple policy measures to promote gender equality and a strong emphasis in individualized income transfer schemes and individual taxation, we did not expect to see significant differences between women and men in the impact of UBI on employment or empowerment.

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The final setting of the Finnish experiment

- BI 560€ net a month
- Present taxation on income exceeding 560€
- Social benefits exceeding 560€ will be paid out as previously
  - Nobody will loose
- Work income 'float' on BI
- Obligatory participation
- 1.1. 2017 to 31.12.2018

- 2 000 unemployed who got flat-rate benefit from Kela
  - Random nation-wide selection into the treatment group
  - The rest of the Kela unemployed (app. 170 000) form the control group
- The follow up studies:
  - Registers on income, employment, use of medicine, medical treatment
  - Surveys and interviews on:
    - Well-being
    - Experiences on bureaucracy

Telephone SURVEY carried out in November 2018; surveys will be linked to registers

	Sample	Number of interviews	Response rate
TG	1 869	455	24,3%
CG	5 161	826	16,0%
All	7 030	1 281	18,2%

- **No differences in**
  - Gender
  - Age
  - Education
  - Region
- **Some differences in**
  - Income
  - Size of the household
- **Representativeness**
  - Weighting

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Variables used

- **Usual demographics**
  - Age, gender, education and work ability
- **Employment:**
  - labour market status at the end of the experiment.
    - 1 = 'employed' either employees or self-employed
    - 0 = not employed
- **Confidence in finding employment:**
  - "If you are unemployed or if you would become unemployed, do you believe that within 12 months you would find a job that corresponds to you education and skills?"
    - 0 = does not believe in finding a job
    - 1 = believes in finding a job

- **Confidence:**
- 'How do you feel the following things have developed in your life within the last two years ?
- **Confidence in**
  - 1) your own future,
  - 2) your own economic situation,
  - 3) your ability to cope with difficult life situations.

  - The answer options for the above questions were: 1) bad, 2) fairly bad, 3) neither bad nor good, 4) fairly good, 5) good, and 6) I do not know.

  - We also merged them into one '**Overall confidence**' index that got values between 3 and 15

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Binary logistic regressions on the gendered employment effects and beliefs in finding employment.

Variables	Employment			Beliefs in finding employment		
	B	Sig.	Exp(B)	B	Sig.	Exp(B)
Constant	-3.858	.000	.021	-.471	.213	.625
Treatment	.245	.159	1.277	.490	.013	1.632
Gender	.108	.469	1.114	-.314	.039	.731
Treatment*Gender	-.044	.854	.957	-.032	.905	.969
Age	-.013	.021	.987	-.033	.000	.967
Education	.129	.000	1.138	-.045	.228	.956
Ability to work	.736	.000	2.087	.567	.000	1.762
Employed	--	--	--	.961	.000	2.614

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Confidence in economic survival, future and coping in difficult life situations among women and men in the treatment and control group. Share of those respondents with high or very high confidence (%).

Confidence in	Total sample			Treatment group			Control group		
	Treatment group	Control group	χ² sig	Females	Males	χ² sig	Females	Males	χ² sig
Economy	44.2	33.0	.000	47.7	58.3	.334	33.4	51.5	.100
Future	61.1	49.3	.000	67.4	55.4	.059	54.1	46.1	.168
Coping	67.3	57.9	.001	70.8	64.2	.361	59.6	56.4	.160

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General linear model on confidence (significance of coefficients)

| Variable	Confidence in			Overall index of confidence
	coping in difficult situations	future	economic situation	
Treatment	.001	.000	.000	.000
Gender	.147	.000	.028	.004
Treatment*Gender	.995	.910	.408	.769
Age	.069	.002	.011	.002
Education	.031	.182	.868	.134
Ability to work	.000	.000	.000	.000
Adjusted R^2	.161	.225	.171	.256

Basic income and employment

- Not possible to study substitution effects
- Important to keep in mind the specific characteristics of the target population
- Small positive effects compared to the control group
  - But no gender effects
- UBI did not boost self-employment
- Basic income versus conditional activation model
  - BI seems to work better in this specific group
  - But no gender effects
- However: employment and confidence in finding employment is conditional to the health status
  - No gendered effects
- Decent level of income is necessary but not sufficient condition for employment: in addition, we need a bundle of services

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Confidence and empowerment

- There may be positive empowerment effects as found in some previous studies (theories)
- However, our analyses do not display any significant gender effects
- Effects are the same for men and women
- Lesson: effects (if there are any) are sensitive to time and place and to the experimental model
- Therefore, we should be careful not universalise debates on UBI or results from experiments with UBI.

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Some tentative evidence from the Finnish basic income experiment
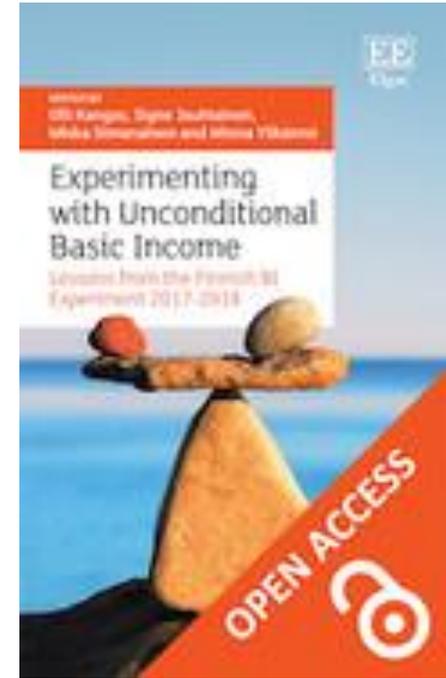
- Kangas, O., Jauhiainen, S., Simanainen, M. & Ylikännö, M. (eds.; 2021) Experimenting with Unconditional Basic Income. Cheltenhamn: Edward Elgar, https://www.elgaronline.com/view/edcoll/9781839104848/9781839104848.xml?rskey=qgWVg2&result=1

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