



From the basic income experiment in Finland to the evaluation of RDC in Italy

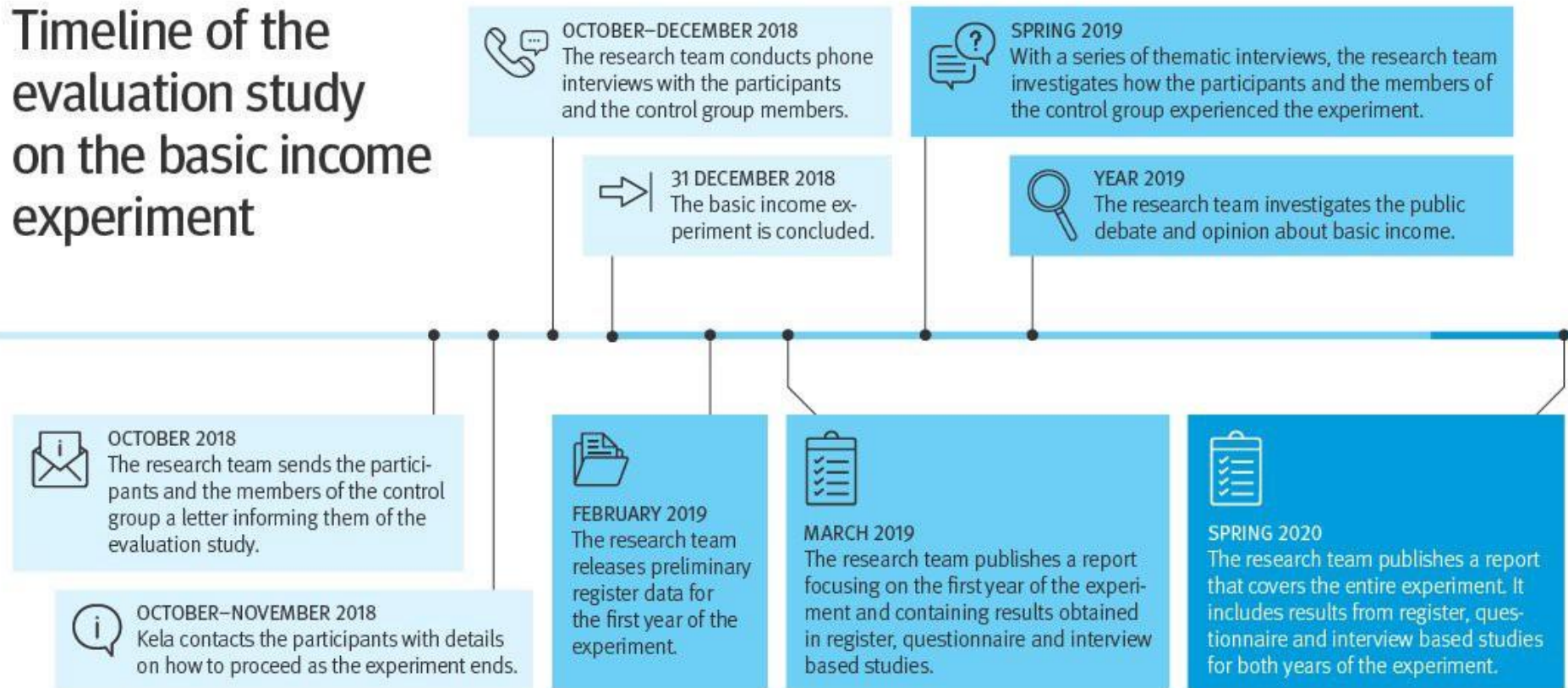
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- **FINLAND: Partial Basic income experiment – what we know**
- **What is There to Learn From Finland’s Basic Income Experiment? Did It Succeed or Fail?**
- **Conjunctions between Partial basic income and RDC (BI-MI)**
- **A preliminary theory of the Italy’s Assessment of RDC**

- ✓ This experiment was to be part of a new Finland where the scientific method would be applied to public policy.
- ✓ It would be a landmark in the history of policy making where instead of endlessly speculating and arguing, potential new policies would be considered, tested, and compared to existing policies and other alternative policies, before implementing what was found to be the best one.
- ✓ Finland's goal was to become the first truly experimental nation in the world, where policies are based on science, not ideologies or myths.

Timeline of the evaluation study on the basic income experiment



Preliminary plan, October 2018

Research question: basic income has positive effects on income and employment ?

The study of the effects was carried out through the use of administrative data and the execution of a survey

after two years of experimentation within a two-year experimental design, Finland released on February 8, 2019, preliminary results of their basic income experiment.

there was no discernible impact on employment, save for a small 1% boost in the self-employed, where the proportion of people with earnings from self-employment went from 42.85% to 43.70%.

In surveying the participants about aspects of their lives other than employment, their answers suggest that basic income reduced their stress levels, increased their senses of physical and mental health and well-being, increased their financial stability, grew their confidence, and even increased their levels of trust in other people and government, including politicians.

In Finland's experiment, the control group was 173,222 unemployed Finns. The treatment group was a randomly selected group of 2,000 also unemployed Finns. *You may think how the experiment was run, was to give them basic income instead of unemployment benefits, but you would be mostly wrong, and only partially right.*

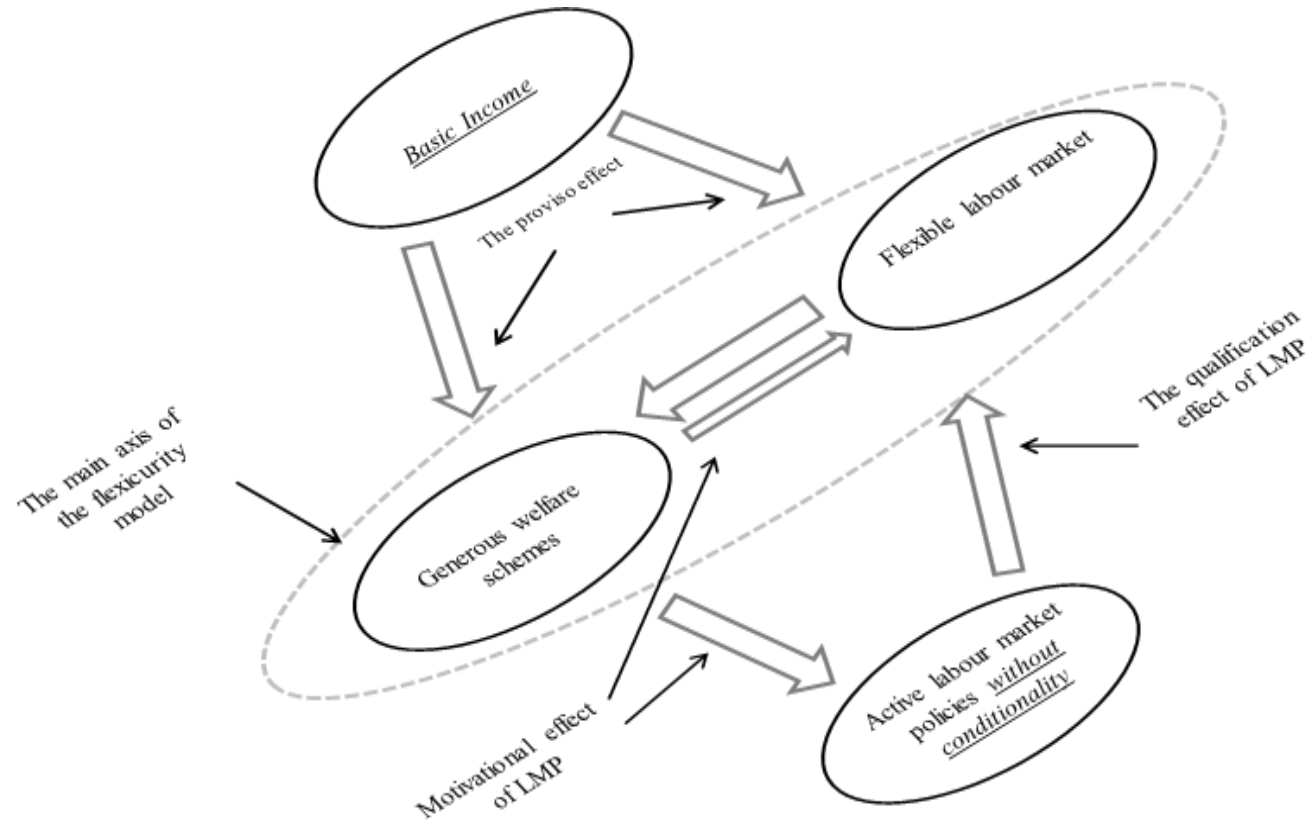
The single greatest problem with the design of the basic income experiment, aside from the exclusion of employed Finns, *and the lack of using a saturation site to test everyone in an entire town or city*, is that the treatment group continued receiving 83.3% of the conditional benefits as the control group.

Finland's basic income experiment didn't test the removal of the work disincentive which conditional benefits create. It only slightly reduced them.

To only test the unemployed is to therefore miss out on how most of the population would be impacted by UBI.

The question transformed from *“What would a random person do if provided an unconditional basic income instead of most existing conditional benefits, and what would the effect then be on both the individual and society?”* to *“What would an unemployed person do if provided a partial basic income in addition to many existing conditional benefits?”*

Welfare basic income embedded



Bergamante F., De Minicis M., (2019) from Bredgaard, Larsen e Madsen (2007).

Compared to the PBI, the RDC differs in the presence of the conditionality of the economic support offered and the obligatory activation measures provided. While other classic differentiations between a BI and MI are mitigated

The description of the subjects of the RDC control group seems to be approaching the beneficiaries of the PBI Art.10 1 bis DECRETO-LEGGE 28 gennaio 2019, n. 4

RDC's effects on employment and income, as well as on the "well-being" of beneficiaries. In this case administrative data will be used, and a survey will be carried out

the Italian minimum income measure was implemented without an experimental phase. This situation without doubt muddles the definition of the two groups

the two groups may, however, differ in other characteristics and conditions required overall by the active policy measure considered, as art 10

It would then seem appropriate that the draft assessment should concern the new beneficiaries of the measure from a definite point on (from January 2020)

4 groups U-E (unemployed-employed)

The BIG Question

what is the goal of unconditional basic income or MI? The answer is not job creation. Yes, UBI or MI *will* likely create jobs due to the economic impact of increasing demand requiring increasing supply, but that's not its purpose. It's just one of many effects.

To answer the purpose of UBI requires asking another question, **What is our purpose as a society? make life *better* for everyone.** Better is of course subjective, but Finland's experiment did show *that compared to the existing system built on distrust, partial basic income made life better for its recipients, by simply trusting them with the agency of making their own decisions.*

It was a test of freedom, dignity, security, and more, and it adds to the growing pile of evidence that human beings simply thrive more in systems based upon such core principles.



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