

Basic Income Experiments: Limits, Constraints and Opportunities¹

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I. INTRODUCTION

In a conference on basic income (BI) that I attended in mid-2016, a colleague told me that it seemed to be the ‘year of the experiment’. He was referring to the paper that KELA (the Finnish social security institution) had published at the beginning of that year (KELA 2016), which described the experiment the Finnish government would start at the beginning of 2017. My colleague was right in the sense that the experiment attracted unprecedented media attention. What he did not know is that we were actually in the middle of what is known as the ‘third wave’ of the basic income movement (Widerquist 2019). The first wave took place during the 1970s when some experiments on negative income tax (NIT) were undertaken in the US and Canada. The second wave started in 2008 with basic income experiments in Namibia (2008-2009) and India (2011-2013). From then on, various experiments have been started, completed and reported in widely different cities and countries, such as Kenya, Namibia, Finland, Ontario, Oakland, Stockton and Compton (US), the Netherlands, Barcelona, Maricá (Brazil), Gyeonggi Province (South Korea), Iran, Berlin and Glasgow, to mention just a few.

There is no single reason why so many municipal, regional and national governments worldwide are interested in testing basic income models. Instead, a set of factors are relevant. The first is the basic income activist community’s untiring efforts at dissemination and mobilisation across all these countries. Second, the impact of the 2008 financial crisis caused a subsequent increase in interest in basic income in many social sectors,

particularly among a stricken middle class, who began to see this as a mechanism for mitigating the more devastating effects of the crisis. Third, the lack of efficiency and effectiveness (not to mention the ethical controversies) associated with traditional means-tested benefits and conditional cash-transfers have attracted an increasing number of scientists and policymakers who are now considering basic income as an alternative to traditional conditional cash transfer schemes. In general, the combination of these three (and other) factors is causing more politicians, scholars and the general population to see basic income as a politically reasonable, economically viable and ethically desirable measure. What began years ago as a “radical utopian reform” (Van Parijs 2013), is now becoming a plausible future.

This article critically and collectively addresses basic income experiments. Most of those carried out recently have had positive results on indicators such as happiness and subjective well-being, stress reduction, community participation, school attendance and drop-out, and improved health and nutrition. The first section of this text discusses some of the reasons why these positive results can be expected and why we can conjecture that positive results will also be obtained in the next basic income experiments. Then, the question is why basic income has not already been implemented where it has been successfully tested. The second section of this paper examines this paradox and provides some reasons why it is difficult to believe that experiments can lead to implementation of basic income wherever they are performed. The third section delves more systematically into Karl Widerquist’s book, *A Critical Analysis of Basic Income Experiments for Researchers, Policymakers, and Citizens*, by underlining the importance of its two major goals: how to understand and communicate the basic income experiments’ results, and how to carry out these experiments given the difficulties that they necessarily entail.

II. BEYOND THE (PREDICTABLE) EXPERIMENTAL RESULTS

Theoretically, a government’s goal in carrying out a basic income experiment is to assess, at a relative low cost, the impact that basic income might

have on certain socioeconomic indicators, such as health, employment, well-being, happiness and social participation. Consequently, the aim would be to extrapolate these results to an eventual long-term, national basic income scheme (Standing 2012, 134). Most basic income experiments have obtained positive results. For instance, in rich countries where they have been conducted, such as Finland, a decrease in mental stress and an improvement in happiness and subjective well-being have been observed. Basic income recipients perceived that their financial situation was more manageable and stable than it used to be, while their trust in their fellow citizens and public institutions also increased notably (Kangas et al. 2020). In the city of Utrecht, the Netherlands, a slight increase in labour participation (and in the possibilities of obtaining a permanent contract) of basic income recipients was observed. In addition, recipients' autonomy and time for care and housework also increased (Verlaet et al. 2020). In the Ontario province in Canada, the experiment was abruptly cancelled by the government before completion. However, the results were also quite positive in terms of an increase in participants' social and community participation, improvement in their health and quality of sleep, a decrease in household stress levels and their consequent translation into an increase in satisfaction in the workplace and work entrepreneurship (BICN 2019). In the B-MIN-COME project in Barcelona, partial results also pointed to a substantial reduction in the probability of developing mental illnesses, a notable increase in well-being and happiness, and a significant reduction in households' financial stress (Laín 2019; Laín and Torrens 2019).

In different contexts, the results have also been quite positive. For example, in Namibia (Harman and Harman 2007) or Kenya (Haoushofer and Shapiro 2013), where the non-governmental organisation GiveDirectly is carrying out the longest experiment in the world, the results shows a drastic decrease in extreme poverty, a considerable improvement in school attendance rates, and a notable increase in economic and business entrepreneurship activities. No increase in drug or alcohol consumption has been detected. In the case of the Delhi and Madhya Pradesh

experiments in India, local economic activity mostly performed by women was boosted notably. There was an increase in school attendance and access to health treatments, and an improvement in the quantity and quality of participants' and their relatives' nutrition (Davala et al. 2015).

The aim is not to evaluate these projects exhaustively. However, it is true that all of them have had positive results. Given the observed evidence, it can be conjectured that current experiments and those that are being designed are also likely to have positive results. What arguments might support this optimistic prediction? How can we maintain that positive results are 'to be expected' without using any arbitrary statement or mere conjecture? There are many arguments supporting this thesis, among which three stand out.

In the first place, there has always been a certain 'political opportunity cost' that any government must face when it carries out a basic income experiment (or any other important policy). No politician who wants to remain in office is willing to carry out an experiment whose results are so negative that they lead to questioning the relevance of having conducted the experiment in the first place. A government may be against basic income and then try to manipulate the results of the experiment to justify why it is not an appropriate measure. Certainly, there is always a risk of 'political manipulation' (Noguera and De Wispelaere 2006; Widerquist 2005). However, what we want to highlight here is not the risk of political manipulation but the fact that politicians are usually enemies of bad press. Therefore, they always tend to justify and extol the achievement of their own political action. Indeed, "[...] scientific curiosity is not why trials are happening. They are an outcome of the political process" (Widerquist 2018a, 71). From this perspective, an experiment's results might not be particularly positive, but what responsible politicians will not allow is for the experiment to become a failure itself and that, being the 'outcome of the political process', it takes a toll on them in the next elections.

The second reason why experiments' results tend to be positive is associated with what can be called the 'redundant effect'. If we know that

a lack of money is a problem and creates related problems, then we can infer that a policy based on granting people money, particularly when it is on an unconditional and universal basis, will necessarily have a positive impact on socioeconomic indicators related to a lack of money. Indicators include a reduction in financial stress and an improvement in consumption capacity. The redundant effect is obvious: if economic poverty is what we intend to solve with basic income experiments, then unconditionally granting people money must reduce or substantially mitigate problems associated with its lack.

A third factor, which could be called ‘entry bias’, explains why an experiment with neutral or even negative results is highly unlikely. When a basic income experiment is designed, it is expected to alter one or various socioeconomic indicators such as the poverty rate or the beneficiaries’ employability. In the first case, the experimental design should include a basic income whose value is equal to or higher than the poverty threshold. In the second case, the basic income must be unconditionally granted and compatible with wage income to avoid poverty traps. Whatever its goal might be, the experiment must be designed from the outset to alter one or various specific indicators. Therefore, a neutral result that has no impact on the situation we want to alter is inconceivable. Needless to say, this does not assure the level of impact (for instance, to what extent we manage to reduce participants’ monetary poverty), but it allows us to state that our experiment has had positive results and that, consequently, it was worth carrying out.

These three factors are not exhaustive and they do not cover all the reasons why positive results tend to be obtained in basic income experiments. Nevertheless, they do offer some relevant clues and insights to sustain this hypothesis. Of course, the debate does not end here. At least two factors might challenge this assumption. First, it is not true that all basic income experiments have positive results, particularly if we consider the impact on labour supply, which is one of the indicators that interests the public the most (Widerquist 2005; Van Parjis and Vanderborgh

2017). Second, although our hypothesis was empirically right, we could question the meaning of ‘positive’ results from a substantive perspective, and the reasons for prioritising some results over others from an ethical perspective. Both are certainly necessary discussions, although they are beyond the scope of this paper. All in all, the following discussion assumes *ab initio* that: (i) most basic income experiments have or are about to have positive results, (ii) these results are associated with alleviation of stress and mental illness, improvement in eating habits, settlement of household and personal debts, improvement of happiness, subjective well-being and social and community participation; and (iii) these results are good or positive in themselves and therefore are ethically desirable.

III. BASIC INCOME THROUGH THE BACK DOOR?

If we are right and the results we obtain from basic income experiments will always tend to be positive (or, at least, positive enough to justify conducting an experiment) as described above, the question is whether these experiments will lead to the implementation of a real basic income. The debate might focus on determining to what extent such results are positive ‘enough’ (or statistically significant ‘enough’) to justify implementing a basic income. However, this is a matter of degree, not of substance. It does not invalidate our hypothesis that it is highly unlikely for basic income to be fully implemented as the result of conducting experiments. The reasons for this scepticism are multiple and complex, but two stand out.

The first is associated with a simple historical verification. Cash transfer experiments have been carried out since the 1970s through negative income tax or basic income schemes. Nevertheless, none of the countries where they have been tested has implemented a basic income yet. Basic income has been announced and promised in many electoral programmes of political parties across a wide range of the ideological spectrum. This promise tends to vanish as parties gain more political and

institutional power. It is also true that in some places where experiments have been conducted, the basic income idea has advanced and some places are even modifying the actual cash transfer policies to shift towards a more unconditional model (Standing 2008). However, to our knowledge, there is no country in which a basic income has been established after obtaining an experiment's results. The Finnish case proves this hypothesis: the positive results of the experiment are considered a 'failure' by mass media. Similarly, Otjivero, Namibia, obtained very positive, encouraging results but basic income was not implemented because of insurmountable government objections and the lobbying of important commercial and business sectors. In sum, as Widerquist holds, "[...] there is nothing inherently wrong with using a study [...] to promote a policy, as long as the evidence is presented honestly and aimed at improved understanding" (2018, 6). The problem, regardless of the results and how you communicate them, is that results alone are not enough to introduce a basic income.

The second reason is based on a criticism of the most constructivist or externalist perspectives and their efforts to transfer what occurs within a lab (or in a basic income experiment in this case) to real world politics (Latour 1983). Basic income is an economic policy with a huge redistributive capacity, which is even greater than that of retirement pensions and unemployment benefits. Consequently, it generates great political controversy. It is naive to assume that a government would implement it just because some positive results are obtained in an experiment. The debate here is not a matter of degree, but of substance: the fact that a government implements a policy such as a basic income does not depend on the magnitude or the statistical significance of the results, but on its political determination and the resistance it faces. It is true that a potential basic income will not be implemented all at once. It will rather require a constant fight to convince an increasing number of people step by step. Basic income experiments might contribute to this and be a necessary tool for advancing the basic income (Groot 2006), and even a means of

introducing it ‘through the back door’ (Groot and Van der Veen 2000; Standin, 2012). But in no way do they constitute a sufficient condition. From an ‘evidence-based policies’ perspective (Cartwright and Hardie 2012), it seems consistent and justified to defend basic income implementation if the experimental results are positive. However, political decisions rarely follow this form of scientific reasoning.

The aforementioned Finnish or Namibian cases and the cancellation of the Ontario experiment prove that basic income experiments in themselves have no capacity to establish a robust political agent or to build socio-political coalitions that are powerful enough to force governments to implement a basic income. Therefore, those who believe that a basic income can be achieved simply through an experiment should consider which ‘agents’ have the greatest interest and most ability to implement it and which ‘constraints’ will be most likely to impede it (De Wispelaere and Noguera 2012, 19-21). A view based on mere ‘naive scientism’ or ‘constructivism’ would therefore be replaced by considering the bulk of factors that really compound the political economy of basic income.

IV. ADDRESSING THE BIG PUZZLE: LIMITS AND OPPORTUNITIES OF BASIC INCOME EXPERIMENTS

Karl Widerquist’s book, *A Critical Analysis of Basic Income Experiments for Researchers, Policymakers and Citizens*, is a highly valuable work to abandon this perspective of scientism. The book helps us to avoid the analytical simplifications involved when we consider that basic income experiments have the capacity to implement such a policy. Particularly, it helps us to “separate basic income as a research object from basic income as a political goal” (Virjo 2006, 1). The author considers that between these two planes of analysis is a widespread belief that the experiments “[...] are capable of determining whether universal basic income ‘makes sense’”. Indeed, these “[...] experiments can produce useful information, but they cannot answer the big questions that most interest policymakers

and voters, such as does universal basic income work or should we introduce it” (Widerquist 2018a, 2).

Nevertheless, Widerquist does not deny that experiments might contribute to advancing the fight for a basic income. In fact, he points out four major strategies to contribute to this aim. First, experiments must ‘work back and forth from the public discussion’. In second place, they should “focus on the effects rather than the side effects of universal basic income”. Unlike the negative income tax experiments during the 1970s focused on labour activity and the cost-effectiveness debate, current experiments should be concerned with qualitative effects that are more difficult to quantify, such as the impact on participants’ well-being and subjective perception (Widerquist 2018a, 11). The current experiments, he continues, “[...] cannot provide enough evidence to answer a bottom-line question” (that is, the overall evaluation of universal basic income as a long-term national policy). However, it should be noted that “[...] researchers can relate all of their findings to it.” Finally, he concludes that researchers should be able to “address the ethical controversy” that any social experiments inherently entail (Widerquist 2018a, 12). These last two strategies are fundamental if we want experiments to help advance the idea of a basic income.

Experiments cannot predict the real effects of a basic income and have a very low capacity to answer the ‘bottom-line questions’ and the ‘ethical controversy’ inherent in a real basic income scheme. However, we cannot overlook these questions when we design and evaluate a basic income experiment. Indeed, “[...] people often expect that experimental researchers will produce an estimate of whether universal basic income works or whether the country should introduce it.” Because of this, in metaphorical terms, it can be sustained that people “[...] expect researchers to solve the entire puzzle” (Widerquist 2018b, 31). The fact that social experiments always entail these kinds of methodological limitations and that the results are rarely transferred to real life does not stop us from trying to answer some of the questions and ethical debates that attract

public attention most in discussions of basic income. This is one of the book's goals: to debate how "[...] citizens, policymakers, researchers, journalists, and others interested in universal basic income and universal basic income experiments communicate in ways that lead to a better public understanding of the experiments' implications for the public discussion of universal basic income" (Widerquist 2018a, 7).

Widerquist's book is valuable for two complementary reasons. It offers an original, suggestive reflection on how experiments and their results can and must be explained to promote an understanding of them and contribute to advancing basic income. As shown above, the author is particularly aware of the (scarce) impact that experiments and their results might have in convincing people about the virtues and benefits of basic income. In line with the perspective of scientism that we have previously criticised, Widerquist holds that "[...] people on one side of the issue or the other do not necessarily have to deny any evidence to make their case for or against the policy" (Widerquist 2018a, 89). As social scientists, we tend to believe that people think and make their decisions by weighting the available empirical evidence. One of the main contributions of this book is to highlight that the situation is much more complex and there are powerful reasons, including ethical factors that constantly condition our way of thinking. Therefore, the issue with the basic income experiments, according to the author, "[...] is more of an ethical debate about the desirability of its effects than an empirical debate about what these effects are" (Widerquist 2018a, 88). As in the aforementioned cases of Namibia, Finland or Ontario, what the author refers to is that experiments must delve into these 'bottom-line' and 'ethical questions' (Does basic income work? Should we implement a basic income?), and they should also be useful for boosting a public, deliberative debate. Social scientists should conduct their experiments properly and publish their results honestly and in the most understandable way for the benefit of the general public. In addition, basic income activists should be audacious and take advantage of the experiments and their results in a smart way to foster debate about basic income.

The book is highly valuable because it offers a myriad of suggestions and useful, original ideas on “[...] how do a good experiment given the difficulties involved” (Widerquist 2018a, 7). Beyond its dissemination, a basic income social experiment is highly demanding methodologically. Widerquist insightfully discusses the problems and constraints associated with questions such as scalability, inference, extrapolation, the problems of heterogeneity inherent in any controlled social experiment, the disadvantages or boundaries that a ‘randomised control trial’ may entail, and the advantages that a saturation study may offer in its place. Faced with the acritical, disproportionate optimism of some ‘randomistas’ when they proclaim the capacity of these trials in ‘changing our world’ (Leigh, 2018), the author warns us about the most essential factor. That is, that “[...] a social science experiment is a very limited tool, and its implications are inherently difficult to understand” (Widerquist 2018a, 12). In sum, Widerquist shows us what conclusions can be extracted from a randomised control trial, and, even more valuably, what conclusions cannot be drawn. Indeed, “[...] one should not assume that the behavioural effects of introducing BI in various institutional settings will be similar” (Peeters and Marx 2006, 5-6). In randomised control trials, like other controlled social experiments, we cannot assume that the result can be automatically extrapolated from a few cases to a social group or a community, nor from a cultural or institutional context to another distinct one.

Considering the above, it might seem that Widerquist’s book is sufficiently pessimistic and sceptical to discourage the researcher, policy-maker or citizen in general from researching, designing or being interested in basic income experiments. Nothing could be further from the truth. This book does not discourage anybody, but rather sharply analyses the pros and cons of experiments (in terms of design and implementation and the use and dissemination of results) in a way that is useful and understandable for researchers, policymakers and citizens simultaneously. The book has a last virtue that its apparent format of manual might not help to surmise. This virtue has to do with the current debate among

supporters and detractors of experiments within the basic income community. “The question is not whether to conduct an experiment”, states the author, “[...] but how to make the best of the experiments being conducted now” (Widerquist 2018a, 144). This book intelligently skirts around the first of these questions to offer a reflection that is as useful as it is necessary to answer the second one.

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NOTES

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