



Popular Support for Basic Income in Sweden and Finland

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1. Introduction

The Scandinavian countries are widely respected for their universal social policy. “Universalism” in this context means that the right to social security is guaranteed on the basis of citizenship or residence. Social security in Central Europe - Germany, for example - is more closely tied in with an individual's position in the labour market, whereas in Anglo-Saxon countries - in Australia and New Zealand in particular - benefits are primarily distributed on the basis of need.

Because of the large proportion of rural population and the strong political representation of agrarian interests, social insurance schemes in Scandinavia were extended far beyond the traditional working-class. Elements of universalism were already planted in the agrarian structure of Nordic societies. The initial social security programmes in Central-Europe were worker insurance schemes, whereas “national” or “people’s insurance” was the underpinning idea in Scandinavia.

A basic income (BI), which would be automatically distributed to each individual, is the clearest example of a universal benefit. It could be seen as an extension of the unconditional child benefits and people's pensions, which have been central components of the Scandinavian welfare regimes. However, only in two of the Scandinavian countries - Denmark and Finland - the idea of a basic income has received serious attention. The discussions in Sweden and Norway have been relatively sporadic and utopian (Andersson, 2000).

In this study we are not focusing on the intensity and character of the discussion, but on the views of the ordinary citizens. Are there large differences also in the popular opinion in Sweden and Finland? How do people in general react to ideas related to a BI? Which forms, if any, are the most popular? Who supports and who dislikes different BI-schemes? Do the old political lines of demarcation play any role? Is it possible to explain the attitudes towards basic income by looking at different background variables and at people's views on the causes for unemployment and poverty?

The study is based on nation-wide and representative opinion surveys conducted in Finland and Sweden. The Gallup of Finland collected the data in May 2002 through telephone interviews of 1,000 respondents representing the Finnish population in age brackets 15-80 years of age. TEMO collected the data for Sweden in June 2002 also through telephone interviews of 1,000 Swedes aged 16 years and above.

2. The questionnaire

In our surveys, we tried to formulate the questions so that they would pertain to the two main models of basic income:

- the negative income tax model;
- and the unconditional basic or citizen's income model.

In addition to these basic income questions, we asked four questions by which we tried to depict the way people would like to encourage employment. In one of these questions, we wanted to know how the respondents reacted to the idea of giving the unemployed a basic income, which they could keep even though they would earn additional incomes. A positive answer to this question can be interpreted as a support for a “participation income” of the type suggested by Atkinson (1998). We also asked the respondents to indicate a monthly level of a BI, which they thought would be appropriate. The answers to these four questions suggest how popular a basic income is.

The three other ways of encouraging employment we asked about were:

- public subsidy for low-paid jobs;
- more strict conditions for unemployment compensations; and
- creating jobs - also outside the ordinary labour market - tailored to the qualifications of the unemployed.

The first of these has been used in the United States of America in the form of an Earned Income Tax Credit (EITC). The EITC was introduced after the

Negative Income Tax (NIT)-experiments in the 1970s. The second and third question shows the position of the respondent towards workfare. BI has been supported as an alternative to workfare, but some BI-proposals have been linked to job creation in the informal or “third” sector, outside the ordinary labour market.

One question lurking in all debates on the proper degree of public involvement in the distribution of resources through various welfare state measures, is how rightful the individual’s need is perceived to be, or how inescapable the social risks from which the need emerged are. If we see the need as unavoidable, such that the sufferer cannot remove it through his or her own actions, we generally support the rendering of help. If we perceive the difficulties to be caused by people themselves we become more stringent. They have brought their misfortunes on themselves - why should others have to help them? (See e.g. Kangas, 2002) Instead, they should be whipped to work. In his studies of opinions on selectivity and universality in the Netherlands, van Oorschot (1997 and 1998) concluded that the first question the Dutch public is likely to ask before giving benefits is: “why are you needy?”. Two major answers were offered. According to the first, the source of need is beyond the control of the individual. Therefore, society should be blamed. The second emphasizes individual choices and therefore the individual herself is to be blamed. On the basis of previous studies it seems to be reasonable to suppose that these two aspects, i.e., “social blame” and “individual blame” play a crucial role in peoples attitudes towards welfare measures. Therefore, we also included these dimensions in our surveys in order to see if they yield any significant impacts upon opinions on basic security.

We were interested in how different background variables affected the support for basic income. Among these we have gender, age, education, income, residence, socio-economic and labour market status, and in the Swedish case unionisation and family size. We were especially interested in how the party affiliation affected the attitudes towards BI.

Our questions on people’s opinions on basic income and negative tax models were as follows:

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1. NIT: “What do you think about such a system where taxes and income transfers were unified in such a way that those with low income would automatically get income transfers (the so called negative income tax) and those with high income would pay taxes as normally on their income that exceed a certain limit?”
 2. BI: “What do you think about such a system that would automatically guarantee certain basic income to all permanent residents?”
 3. “How much should such basic income be?” (In *kronor* or *markka* per month).

The respondents could choose between five alternatives: very good idea; good idea, bad idea, very bad idea, no opinion / do not know. The amount of unconditional basic income was asked in former Finnish *markka*, since still it is easier for people to reason and calculate in *markka* then in euro.

Another set of questions was formulated in argument form. Therefore, the response alternatives were a bit different. In the case of questions 4 to 10 the answering options were: totally agree, agree, disagree, totally disagree, no opinion / do not know.

4. BI to support the unemployed: “The unemployed should be encouraged to get jobs by paying them a basic income that they could retain even though they would obtain additional income.”
5. “The unemployed should be encouraged to get jobs by a subsidy to low paid jobs.”
6. “The unemployed should be encouraged to get jobs by tightening the qualifying conditions to get unemployment benefits if the unemployed refuse to take offered jobs.”
7. “The unemployed should be encouraged to get jobs by creating tailored jobs even outside the normal labour markets.”

The individual blame (8 and 19) and social blame (9) questions were constructed as follows:

8. “Unemployment is the fault of the unemployed him/herself”.
9. “Unemployment is caused by social deficiencies”.
10. “Poverty is caused by the fact that poor people are not enterprising enough”.

Previous studies (e.g. Rasinski, 1989; Kangas, 1998) on the impacts of wording indicate that results from opinion polls are rather sensitive to the frame in which the question is posed. In order to evaluate to what extent, if any, some of our questions are word-sensitive, Finnish data also included an additional sample of 500 respondents where two of the ten questions were presented slightly differently. In terms of background variables (age, gender, etc), the two samples are identical. In this smaller “framed” sample the basic income question was presented as follows: (CW-question) “What do you think about such a system that would automatically guarantee certain basic income (citizenship wage) to all permanent residents?” The other framed question dealt with attitudes to harder qualifying conditions: “The unemployed should be encouraged to get jobs by hardening the qualifying conditions to get unemployment benefits if the unemployed refuse to take offered jobs even though those jobs would not correspond to their skills.”

3. A survey of the results

In this section we shall present the results in simple tables comparing Sweden and Finland. In the next section we will analyse the relationships in order to find some causal explanations.

Negative Income Tax (NIT)

“What do you think about a system in which taxes and benefits are integrated so that those with very low incomes would automatically receive an income transfer instead of paying a tax (a so-called “negative income tax”) and those with

high incomes would pay taxes as normally on their income that exceed a certain limit?”

Table 1. Negative Income Tax

	Sweden	Finland
Good idea	43	76
Bad idea	47	14
Do not know	10	9

Basic income (BI)

“What do you think about a system that would automatically guarantee a certain basic income to all permanent residents?”

Table 2. Basic income

	Sweden	Finland
Good idea	46	63
Bad idea	48	32
Do not know	10	5

Participation income (PI)

“The unemployed should be encouraged to get jobs by paying them a basic income that they could hold even though they would obtain additional income”.

Table 3. Participation income

	Sweden	Finland
Agree	44	79
Disagree	50	17
Do not know	7	4

Independently of how the question is framed a majority of the Swedes are critical towards a basic income. In Finland a clear majority favours all three forms of a basic income. They are especially attached to a “participation income”, where

a link is kept between the basic income and willingness to work. When we reframed the question on BI in the second smaller Finnish sample, using the term citizen's wage (CW), a clear majority (59 per cent) still supported the idea.

In both countries the differences between the sexes are insignificant. Young people are more enthusiastic than old. In Sweden 59 per cent of those aged 16-29 supported a BI. In Finland 78 per cent of the age bracket 15-24 years support both a BI and a CW. In both countries support tend to diminish somewhat with education and more clearly with income. In Finland students (80 per cent, 78 per cent) and unemployed (93 per cent, 91 per cent) are strong supporters of both a NIT and a BI. We do not have figures for these categories in Sweden, but both are included in the group "others", which significantly supports both a NIT (52 per cent) and a BI (54 per cent). In both countries those living in low-income households are most in favour, and those in the highest income bracket most against a BI.

In both countries people living in the countryside tend to favour a BI. The difference between cities and sparsely populated areas is somewhat stronger in Sweden (44 per cent and 57 per cent) than in Finland (61 per cent and 68 per cent). In Sweden lonely parents were significantly in favour of both a NIT (58 per cent) and especially a BI (69 per cent). We do not have the corresponding figures for Finland.

When we look at party affiliation we find some interesting results.

Proportion responding positively according to political affiliation

Table 4. Sweden

Party	NIT	BI	PI
Conservatives (M)	29 -	30-	40
Liberals (Fp)	43	51	50
Centre (C)	42	32	47
Christian (Kd)	45	42	38
Social Democrats (S)	47	52 +	43
Left (V)	42	65 +	47
Greens (Mp)	52	37	38

(A significant difference is marked with + or -)

Table 5. Finland

Party	NIT	BI	PI
Conservatives (kok)	63	48	73
Centre (kesk)	79	61	80
Others (kd, sfp, etc)	83	59	89
Social Democrats (sd)	82	60	74
Left (vas)	86	85	88
Greens (vihr)	82	70	92

In both countries the conservatives tend to be more critical than the others. In Finland, the supporters of the Left and the Greens are the most pronounced adherents, which is understandable since both parties have supported the idea in their party programmes. In Sweden the relatively high support from the Social Democrats and the Left (as well as from the LO membership) is somewhat astonishing, since both parties have turned down BI-initiatives, whereas the Greens, which have promoted the idea, do not seem to have such a strong support among their voters.

That the Finns are more thrilled by the idea than the Swedes becomes evident by comparing the lowest support in Finland with the highest support in Sweden. 63 per cent of the Finnish conservatives like the NIT-model, whereas only 52 per cent of the Swedish Greens do so. 73 per cent of the Finnish conservatives support a PI, in contrast to 50 per cent of the Swedish Liberals. As for a BI, however, the 65 per cent support of the Swedish Left beats all Finnish parties except the Left and the Greens.

Earned Income Tax Credit (EITC)

“The unemployed should be encouraged to get jobs by a subsidy to low paid jobs.”

Table 6. Earned Income Tax Credit

	Sweden	Finland
Agree	49	66
Disagree	50	28
Do not know	7	6

The difference between Swedes and Finns is repeated when they are asked about a subsidy to low paid work. EITC is a measure of workfare type, but it could be constructed in way that resembles a PI.

In both countries an EITC gets more support from women than from men, and from young than from old.

More stringent conditions

“The unemployed should be encouraged to get jobs by tightening the qualifying conditions to get unemployment benefits if the unemployed refuse to take offered jobs.”

Table 7. More stringent conditions

	Sweden	Finland
Agree	77	74
Disagree	22	24
Do not know	2	2

Both Swedes and Finns favour more stringent measures towards unemployed if they turn down a job offer. When we reframed the question in the second Finnish sample asking how the respondent would react if the work offered did not correspond to the qualifications of the unemployed, i.e. the unemployed had higher skills that were necessary in the job offered. The acceptance of using stick in such a situation diminishes, but still it is surprisingly high (61 per cent)

The difference between those employed and those unemployed is large: 75 per cent and 39 per cent respectively in Finland. For Sweden this difference seems to be smaller since the group “others” which include the unemployed differs only marginally from the average.

Third-sector employment

“The unemployed should be encouraged to get jobs by creating tailored jobs even outside the normal labour markets.”

Table 8. Third sector employment

	Sweden	Finland
Agree	49	55
Disagree	43	36
Do not know	8	9

Swedes are somewhat more sceptical to the possibility of deviating from the normal labour market.

Individual responsible for unemployment

“Unemployment is the fault of the unemployed him/herself”.

Table 9. Individual responsible for unemployment

	Sweden	Finland
Agree	16	14
Disagree	82	85
Do not know	2	1

Society responsible for unemployment

“Unemployment is caused by social deficiencies”.

Table 10. Society responsible for unemployment

	Sweden	Finland
Agree	64	70
Disagree	32	27
Do not know	4	3

Individual responsible for poverty

“Poverty is caused by the fact that poor people are not enterprising enough”

Table 11. Individual responsible for poverty

	Sweden	Finland
Agree	22	26
Disagree	75	71
Do not know	3	3

The differences between the two countries are negligible in these three questions. A large majority among both Swedes and Finns tend to blame the society rather than the individual.

Women are less likely than men to blame the individual and more like to blame society. In Sweden young people, people with only basic education and people not belonging to a trade union are prone to blame *both* the individual and the society. In Finland the youngest and the oldest, farmers and entrepreneurs tend to blame the individual. Those with a low education blame both the individual and society.

Level of BI

“How much should such basic income be?” (SEK or FIM in euro)

Table 12. Level of BI

Euro per month	Sweden	Finland
Less than 500 (F) or 550 (S)	16	33
500 (550) to 670 (F), 770 (S)	6	13
More than 670(F) or 770 (S)	46	25
Mean €/month	970	620
(Not any suggestion or €0)	32%	39%

The table shows the percentage of all respondents; also those who did not respond because they did not think any BI would be a good idea. Those proposing a zero BI have been left out. The Swedes are clearly more generous than the Finns, but the average in both countries is high compared to the existing lowest benefits and to the amounts (• 250 - • 500) that have been proposed in the political debates.

In general men and older people propose a higher BI than women and youngsters. In Finland the proposed amounts rise with urbanisation, but this does not seem to be the case in Sweden. In both countries those affiliated to the Left propose the highest amounts, and those with the Greens the lowest.

4. Explaining attitudes towards BI

The tables presented above gave a rough overview of the attitudes towards basic income. We can refine the analysis by looking at more complex relationships between different variables. Can we explain the attitudes towards basic income using the background variables and the variables expressing how the respondents tend to blame individuals or society? How are the proposed BI-levels related to the attitudes towards BI and to the background variables?

Using the answers to the NIT-, BI- and PI-questions, we constructed a composite measure for the attitude towards basic income: ATTIBAS. The answers to these three questions have high factor loadings in both countries and we calculated ATTIBAS as a sum of the attitudes towards NIT, BI and PI. The range of ATTIBAS goes from 1 (the most negative attitude) to 7 (the most positive attitude).

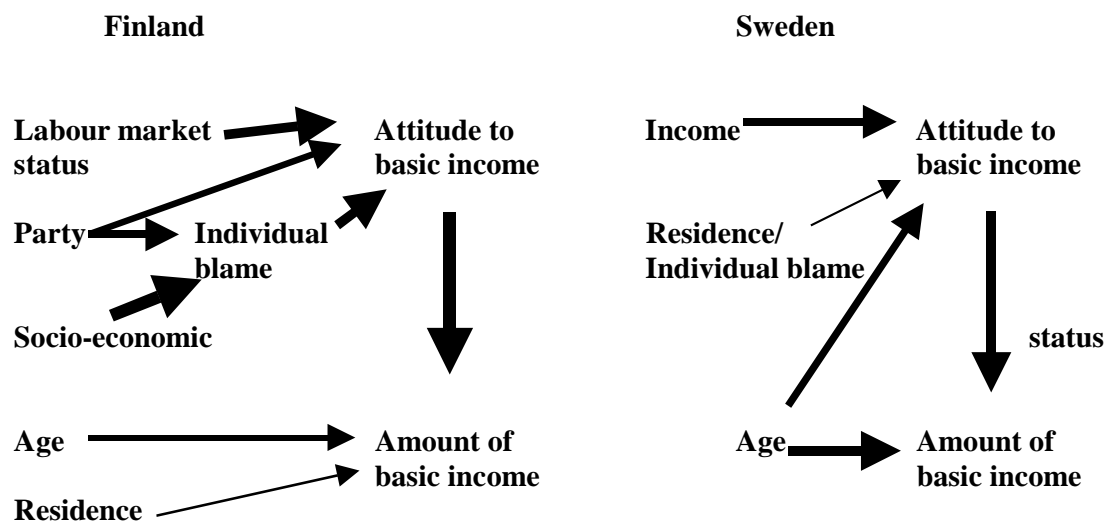
We also constructed another composite measure, INDIBLAM, by the use of the two questions related to individual blame. The range of this measure goes from 1 (blames the individual least) to 3 (blames the individual most). We did not include the question on social blame into this composite measure, since in both countries its factor loadings were surprisingly low.

After these transformations we analysed the data using methods of path analysis. On each “path” we looked for explanatory models, which on the one hand gave the highest degree of explanation, and on the other only contained variables that were statistically significant. After much experimenting we could not find a structure that was adequate for both countries (one reason being that we did not have the same labour status data for the two countries). We started by looking for variables to “explain” ATTIBAS, although it is questionable if this is a continuous variable. One variable that has some significance in both countries was INDIBLAM, and we also tried out explanations for this variable (which only takes on three values). In the Finnish case both party affiliation and socio-economic status seems to explain some of the variance in INDIBLAM. We then used ATTIBAS and other variables to explain the suggested amounts of BI. This

type of analysis has its drawbacks, and the degrees of explanation tend to be low. However, we find the results to be worth reporting. The relationships are not contra intuitive, and they point to some interesting differences between Finland and Sweden.

The explanatory models we ended up choosing were the two outlined in figure 1. The thickness of the arrows expresses the statistical significance of each explanatory relationship.

Figure 1. Explanatory models for basic income in Finland and Sweden



The degree of explanation is somewhat higher in the Finnish case. One reason may be that we did not get the responses of the unemployed in Sweden separately. In Finland the labour-market-status and the individual-blame variables are good predictors of the attitudes towards BI. In Sweden income and age are the best predictors (low income or young age increases ATTIBAS). It is possible that income and age in Sweden act as proxies for the labour-market-status variable in Finland. Either individual blame or residence adds to the explanation in Sweden. Blaming the individual or living in cities decreases ATTIBAS. In Finland the socio-economic status affects ATTIBAS only indirectly through INDIBLAM.

In Finland party affiliation affects ATTIBAS both directly and indirectly through INDIBLAM. In Sweden we could not find a similar relationship. This may be because the debate in Finland has differed from that in Sweden. The political parties have either endorsed or rejected the idea. We also found in the Finnish case, that those who were sure of voting for a certain party also tended to agree more strongly with the party line on basic income (compared to more lukewarm supporters of the same party).

Age affects the proposed amount of BI in both countries. Young people are satisfied with a lower level and so are those living in the countryside in Finland.

The Finns are much more thrilled by a basic income than are the Swedes. The reasons may be sought for on the individual level, but clearly there are some important differences in the economic, social and political situation, which are the more interesting explanations. Factors we believe to be important are:

- the relatively low levels of unemployment in Sweden;
- the stronger adherence to the insurance principle (*inkomstbortfallsprincipen, standardtrygghet*) in Sweden;
- the stronger influence of the Centre, Left and Green parties in Finland, all of which have been relatively eager supporters of universal benefits, which are not dependent on labour market status;
- the lower level of basic security in Finland;
- Finns are less afraid of toying with new even “crazy” ideas.

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