

# Exploring the practicalities of a basic income pilot

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Insights from around the globe:  
An international learning report  
from BIEN 2018 Congress

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# Foreword

## by Martyn Evans

There is a sense in many developed countries around the world that our social security systems – complex, under pressure, and subject to widespread public suspicion – are no longer fit for purpose.

At the same time, the world of work is changing. In-work poverty, rather than worklessness, is our most pressing challenge, and the rise in insecure forms of work like agency, zero hours or temporary contracts offer unpredictable, often low incomes, fluctuating hours and few worker entitlements. These trends combine to create a great deal of precarity for people transitioning in and out of the labour market, either moving from contract to contract in search of less precarious work, or taking time out to perform the important duties of education, volunteering, retraining or caring.

Against this ‘perfect storm’ of precarity, there is rising interest around the world in the concept of Citizens’ Basic Income. Supporters of the policy believe it could provide a vital safety net to all citizens in a changing world of work; support greater personal freedom and dignity; and alleviate destitution and rebuild civic pride, while replacing a complex social security apparatus with single, unconditional citizens’ entitlement.

But the policy is untested. Basic income, in its pure or ‘full’ form, has not been tried, or even piloted, recently in any developed country which could provide a comparator to Scotland. CBI marks a significant departure from our existing societal norms around need and contribution. Therefore we believe it is important that the concept is piloted so its potential positive and negative effects can be properly examined. This was a recommendation of the [Fairer Fife Commission](#) that I chaired in 2015.

I am delighted that Scotland is being an innovator in this regard, with four Scottish local authorities, including Fife, working together to examine how basic income might be piloted in Scotland. The Carnegie UK Trust was pleased to sponsor their study visit to BIEN Congress 2018, a hub of international learning about basic income pilots underway and in planning, that produced this insightful report. We hope the learning gathered here will support their ongoing feasibility assessment to help advance the design of a feasible, ethical and meaningful basic income pilot in Scotland. Moreover, I believe the report’s ideas about how a successful basic income pilot might be carried out will be of interest to people around the world seeking to practically test this important and exciting policy idea.



**Martyn Evans**  
Chief Executive, Carnegie UK Trust

# Executive Summary and Report Outline

The concept of providing a regular, unconditional basic income to all citizens is gaining traction around the world. A combination of factors including rising inequality, widespread economic insecurity and potentially labour-displacing technological change has broadened its appeal in recent times.

## Background: a Basic Income pilot for Scotland?

### In Scotland, we are exploring the feasibility of such a Citizens' Basic Income (CBI) pilot.

In May 2018, the Scottish Government confirmed they would provide £250,000 over two years to support four local authorities to undertake a feasibility study on a CBI pilot scheme in Scotland. The four local authorities – Fife Council, City of Edinburgh Council, Glasgow City Council and North Ayrshire Council, supported by NHS Health Scotland and the Improvement Service, have formed a Scottish Basic Income Steering Group to advance this work. We will report to the Scottish Government on the findings of the feasibility work by September 2019 and produce a full business case by March 2020.

## Basic Income Earth Network Congress

There are several CBI pilots which have recently completed, are underway or in planning in Finland (completed December 2018), the Netherlands, Barcelona, USA, Kenya, and Canada (pilot cancelled in July 2018). As part of our work on feasibility, we are keen to explore what lessons can be learned from activity underway in countries that, as advanced post-industrial economies with a developed welfare state, can be considered as relevant

comparators to Scotland. To this end we embarked on an international study visit to Tampere, Finland in August 2018 to participate in the Basic Income Earth Network (BIEN) Congress 2018. The visit was funded by the Carnegie UK Trust.

The event brought together academics, policy-makers and advocates from around the world, granting insight into the activities, successes and challenges of developing and implementing pilots. This provided a unique opportunity to engage with international colleagues working on developing, designing, implementing and evaluating pilots. Through our participation in the Congress, we were able to develop case studies on the areas where pilots have recently taken place: Finland (pilot ending December 2018), the Netherlands and Ontario, Canada (pilot cancelled in July 2018).

## Key learning

Although each CBI pilot has its own specific context, their experiences provide an opportunity to enhance the learning and understanding around the practicalities and feasibility of implementing a CBI pilot in Scotland.

Key lessons and considerations we took away – which focus around pilot framing, design, implementation, evaluation and communication – are set out overleaf:

## Pilot framing and context

### Different context, different framing

There is no 'one-size-fits-all' CBI scheme. The case studies we present in this report of international examples describe the challenges, compromises and successes within the social, political, cultural and economic landscape of each experiment.

In the Netherlands and Finland, CBI has been framed as a social assistance or welfare issue. Such framing has influenced the purpose and design of experiments. Pilots in Finland and the Netherlands have focussed on unemployed citizens and how to support people back to active participation in the labour market. The Scottish feasibility study however, finds greater similarity in the framing of the Ontario pilots. Both stem from an interest in exploring CBI as a method of tackling poverty and inequality.

It is important to ensure experiments are framed in a way which is specific to the salient challenges and problems within each pilot location, to satisfy the psychological and political feasibility required to run a pilot.

### Connecting constituencies of support

Similarly, it is important to be aware of the emergence of CBI interest from a specific constituency and how this may pose legislative challenges. For example, in the Netherlands and Scotland, momentum has arisen from local government and civic society. While such grassroots support is valuable, such origins can pose challenges for institutional feasibility due to the need to also engage with, and gain buy-in from, a range of national organisations.

Depending on the legislative context of the pilot site, the level of government participation could be considered a critical success factor: in the case of Scotland, collaboration is required with both Scottish and UK governments if piloting basic income is to be considered feasible.

## Understanding the political cycle

Political events have the potential to shape the design and future direction of pilots. For example, in Finland the experiment was framed by a political window of opportunity – the pilot ended in December 2018, shortly before a parliamentary election takes place in April 2019. Such a window could place time limits on the evaluation of outcomes and influence the quality of interpretation.

In July 2018 it was announced that the Ontario pilot would be terminated early. This sudden decision demonstrates the risk of changing political actors on pilot commitment, particularly if pilots are run over several years and coincide with elections.

## Pilot design and evaluation

### Design impacts

It is important to understand how the design of a pilot can influence the success of the project. This requires early consideration of the constraints that impact on pilot and evaluation design. In the Netherlands, a change in legislation had to be sought to allow municipalities to test alternative welfare policies. This led to compromises in the experiment design, with some experimental conditions being curtailed. Alongside awareness of the role of these external influences, there is a need for clear and transparent decision making, which ensures pilot design decisions and their potential impacts are made in an objective and evidence-based manner.

### Unconditionality

Evidence from BIEN and the case study pilots suggest the unconditional nature of a CBI scheme has the potential to have significant impacts on participant behaviour and health outcomes.



Considered alongside recent research in the UK on Welfare Conditionality (Wright 2018), which finds inverse negative impacts from welfare conditionality, and the political salience and controversy around this issue, it is important to think carefully about the place, scope and framing of unconditionality in the pilot design. However given the current social norms which emphasise conditionality in welfare design, it may be difficult for a different approach to be seen as politically and psychologically feasible.

### Deciding how to measure success

Early planning and prioritisation of the evaluation strategy and timeframe will have an impact on what outcomes can be measured and therefore what a pilot is able to demonstrate. Speaking from experience of the Ontario

evaluation design, Professor Evelyn Forget noted that broad community outcomes (such as a reduction in access to health services, or in and out population flows) take more resources to evaluate and need to be planned early.

### Communicating the pilot

Clear communications and public relations are a critical part of taking forward a pilot. Pilots and feasibility studies will attract media attention and it is therefore important to be clear on the aims, status and reporting schedule. Related to this is the need to be aware of the power of 'stories' and rich qualitative data related to participation in the pilot. Although statistical evidence is important, personal experience and narrative may have substantial impact on public and decision makers' perceptions of a pilot.

### Report Outline

- ✓ This report outlines our insights from our study visit to BIEN Congress 2018, and the key considerations for Scotland that we gained from our participation and from discussion with those taking forward activity in other areas – particularly Finland, Netherlands and Ontario, Canada.
- ✓ It provides background to the international study trip; explores why it might be useful to undertake a pilot of CBI; outlines the areas of feasibility we are focusing on; presents case studies highlighting the key characteristics of areas where pilots are currently underway; and highlights key insights from this activity that can inform our present exploration of the feasibility of a CBI pilot in Scotland.
- ✓ We were keen to focus on practical lessons for CBI pilots as much as possible rather than theoretical debate about the concept of a basic income, and therefore we highlight lessons around: **framing, pilot design, implementation, evaluation, communication.**
- ✓ This report is not intended to be a full reflection of the CBI debate as it was explored at BIEN 2018, but to shine a light on some of the key insights we gained from this study trip, asking: **what lessons can Scotland learn from international basic income pilots?**

# 1. Introduction

The concept of a citizen's basic income (CBI) – a regular, unconditional sum paid to all citizens regardless of employment status – is not a new one, and one which has enjoyed support from across the political spectrum.

## What is CBI?

The general concept is based on offering every individual, regardless of existing welfare benefits or earned income, a non-conditional flat-rate payment, with any income earned above that taxed progressively.

A combination of factors has broadened its appeal in recent times: rising inequality, widespread economic insecurity, the growth of an insecure and low-paid emerging global class (the *precariat*), potentially labour-displacing technological change; and a renewed focus on radical solutions as elections around the world seem to signal citizens' disquiet with the political status quo.

## Scottish context

In September 2017, the Scottish Government announced in the Programme for Government

that it would support local authority areas to explore the feasibility of a CBI Scheme. In March 2018, four local authority areas – Fife Council, City of Edinburgh Council, Glasgow City Council and North Ayrshire Council – collaboratively prepared and submitted a joint bid to the Citizens' CBI Feasibility Fund. The Scottish Government confirmed on 21 May 2018 that they would provide £250,000 over two years to support the undertaking of a feasibility study for a CBI pilot in Scotland.

The four local authorities – supported by NHS Health Scotland and the Improvement Service – will report to the Scottish Government on the findings of the feasibility work by September 2019 and produce a full business case by March 2020. The learning from this work will be used to inform a decision from the local authorities and their partners about whether to progress plans beyond the feasibility stage, as well as whether the Scottish Government would support a further stage and eventual CBI pilot in Scotland.

## Key features of CBI

<b>Basic</b>	Payments should be sufficient to make a significant difference in people's lives and help people cover basic needs.
<b>Regular</b>	Paid at regular intervals (for example every month), not as a one-off grant.
<b>Unconditional</b>	Paid without a requirement to work or to demonstrate willingness to work.
<b>Individual</b>	Paid on an individual basis – and not, for instance, to households.
<b>Non-withdrawable</b>	Not be means-tested. Whether someone's earnings or wealth increase, decreased, or stayed the same, their Citizen's Basic Income would not change.
<b>Universal</b>	Paid to all, without means test.

Sources: RSA 2018, Basic Income Earth Network 2018, Citizen's Income Trust 2018



## Basic Income Earth Network (BIEN) Congress 2018

The Carnegie UK Trust funded a group of delegates from the Scottish CBI Steering Group to participate in the 18<sup>th</sup> BIEN Congress in Tampere, Finland. Held over four days in August, the event brought together over 300 academics, policy-makers and advocates to discuss and share opinion on a range of topics related to CBI. Participation in the BIEN Congress allowed insight into the activities, successes and challenges of several pilots, namely those which have taken place in Finland, the Netherlands and Ontario, Canada.

*This learning report shares lessons and insight from other current pilots around the world, adding to the debate on wider projects concerning social protection and security to enhance the learning and understanding around the practicalities of implementing a CBI pilot in Scotland.*



## 2. Why Pilot CBI?

CBI pilots, of varying forms and size, have recently completed, are underway or at planning stages in Finland, Netherlands, Canada, Barcelona, USA and Kenya, amongst other areas.

Despite significant international and domestic interest in the concept, there is a lack of evidence as to whether it would work within a Scottish or UK context, and especially within the norms of our current tax, benefit and social contract.

Research is therefore required to determine the feasibility of CBI within a Scottish context. The learning from the Scottish feasibility study will be used to inform the feasibility and design of local pilots of CBI, and whether plans will progress beyond the feasibility / design phase.

The Scottish Government is supporting four local authorities to explore and test the concept. Across the local authorities there is a common interest in reducing poverty and tackling inequality, and the role that a CBI might play in this. The local authorities recognise the potential of a CBI to support the delivery of existing strategies aimed at reducing poverty, unemployment and inequality, however further research is required to explore any potential negative or unintended impacts.

- 🔍 Local pilots of CBI would enable small-scale, preliminary experiments to generate this new evidence for the Scottish context, allowing us to investigate crucial components of a CBI and its implementation within managed constraints.
- 🔍 There is currently little evidence on how people react and respond to CBI (Hiilamo 2018), i.e. the behavioural feasibility of the policy.
- 🔍 A pilot encourages policy debate (Bregman 2018), helping to explore how and why CBI does or does not work.
- 🔍 Pilots also have a role to play in raising awareness and generating public debate and potential support for the idea of a CBI.
- 🔍 There are many models that can be used to pilot a CBI. Differences include the amount of the CBI delivered to participants; how payment levels are applied across different age groups; the source of funding; and the nature and size of reductions in other transfers that accompany it (for example, changes to existing tax and National Insurance systems; which benefits are withdrawn from participants).

“Several Scottish local authorities are considering how they can pilot elements of a citizen’s CBI, a radical form of social assistance. One of its attractions is that it may help those on the lowest incomes back into work or help them work more hours, while providing an unconditional ‘CBI’ as a safety net. We believe that bold and imaginative projects like this deserve support but we also recognise that the concept is currently untested. Therefore, we will:

- establish a fund to help these local authorities areas develop their proposals further and establish suitable testing
- ask the Poverty and Inequality Commission to consider how it could help to draw together findings from local authorities to inform the government’s thinking.”

Scottish Government, Programme for Government, September 2017

## 3. Feasibility

We are starting to research the feasibility of a CBI pilot in Scotland, which involves exploring what is achievable and viable (Torry 2014). Feasibility incorporates a number of different aspects, which are outlined below:

### Politically feasible:

One aspect of whether a CBI is seen as achievable is whether it can be considered to be politically feasible:

- Is there broad political support for proceeding with, and implementing a pilot of CBI?
- How might a CBI move from idea to policy?
- Is it possible pilots might be undertaken to satisfy political interests or to gather evidence to inform opinions?

### Psychologically feasible:

Public opinion is an important aspect of whether something is seen as politically acceptable. This relates to psychological feasibility:

- Is a CBI pilot seen by the public as an acceptable idea?
- Is it readily understood, and seen to be beneficial by the community?
- Is there public support for the unconditional nature of a CBI?
- How does this fit with existing societal norms around need and contribution?
- There is a particular role for experiments in framing and informing public discussion regarding the feasibility of a CBI.

### Financially feasible:

Whether a CBI can be seen as viable involves assessing financial feasibility:

- Would it be possible to finance a CBI?
- Would implementation impose financial losses on households / individuals?
- What would be the net cost, as opposed to the gross cost, of a CBI?
- What savings to society might we expect to see in the longer term that would make investment in a CBI be seen as worthwhile?

### Behaviourally feasible:

In addition, it is important to think about behavioural feasibility:

- What behavioural effects would CBI have on the individuals who receive it, and what would be the knock-on effects in terms of participation in the household, community and workforce? How well can we plan for behavioural effects, both positive and negative?
- How well can we capture these?
- What outcomes will be measured?

### Institutionally feasible:

Viability also depends on the context within which a pilot is to be implemented: is a CBI seen to be institutionally feasible? There is a need to consider where organisations will provide support for a pilot

- What are the practicalities of how a pilot will be funded / administered and are the right organisations willing to collaborate on a pilot, for example, tax departments and social security agencies?
- Does the pilot design help to illustrate and explain the benefits of a CBI to encourage these institutions to participate? And is it clear how the pilot will be implemented?

### Feasible to evaluate:

Another aspect of viability that relates particularly to experimenting with a CBI is evaluability:

- Is the study capable of being evaluated or is it feasible to evaluate the study?
- What are the outcomes that are of interest to researchers and the Scottish Government from a pilot?
- Will it be possible to put appropriate measurement in place, both qualitatively and quantitatively, and in proportion to what is reasonable?
- Within the assessment of evaluability, there is a need to consider the limits to what can be adequately evaluated in a subsequent pilot.

Experiments offer a means of informing our understanding of different aspects of the feasibility, achievability, and viability of a CBI pilot. There are also risks to feasibility inherent in this, depending on how experiments are designed and implemented, for example the interaction with the current benefits and tax system.

We are in a fortunate position to be able to learn from appropriate and relevant comparators, in particular to learn from experiments that have been taking place in Finland, the Netherlands and Ontario, Canada, and to consider the lessons that we can take from this for the feasibility work in Scotland. These case studies were used as they are in developed countries with similar institutional frameworks that Scotland can relate to. The below case studies of several international pilots are not intended to be comprehensive but offer some reflections on the pilots gained from participation in the BIEN conference.



## 4. Case Studies

### Case study: Finland

- Basic
- Regular
- Unconditional
- Individual
- Non-withdrawable
- Universal

Test group size	2,000 + control (rest of target population)
Target Population	Unemployed citizens
Type	Randomised trial experiment
Duration	2 years (Jan 2017 to Dec 2018)
Amount (monthly)	€560 (£497)

#### Context

In 2015, Finnish Prime Minister Juha Sipilä announced a CBI experiment as part of the Finnish Government's programme for government.

A preliminary study was launched October 2015 and a research group comprised of several Finnish Universities was established. The research group submitted its preliminary report in March 2016 and the Government prepared a bill on the CBI experiment which was passed by the Finnish Parliament in December 2016.

The CBI experiment was launched on 1 January 2017.

#### Overview

A total of 2,000 unemployed people between 25 and 58 years of age have been in receipt a CBI of €560 per month – this is an unconditional payment, without means testing. Participants will receive the CBI for a period of two years (1 January 2017 – 31 December 2018).

The experiment is run by Kela, the Finnish social security agency.

Study participants were selected at random in December 2016. Participation was compulsory – participants could not turn participation down as it was felt this could skew the results – and people could not apply to be part of the study.

The experiment has been designed in a way that ensures no financial detriment through participation in the pilot and this was a key condition of the bill that passed to enable the study. This means the level of CBI has been designed to match existing benefits or participants' income has been compensated up to the level they would otherwise have received through existing benefits.

The purpose of the experiment was to examine the work incentives of a CBI compared to current conditional benefits. Kela (Kela 2017) state that the CBI experiment seeks answers to the following questions:

- 🔍 How could the social security system be redesigned to address the changing nature of work?
- 🔍 Can the social security system be reshaped in a way that promotes active participation and gives people a stronger incentive to work?
- 🔍 Can bureaucracy be reduced and the complicated benefits system simplified?

As with pilots in other locations, Kela will need to determine how best to support CBI participants to transition back to their existing benefits system.

The evaluation of the study will include both a register-based study and a phone survey among members of the experimental group and the control group. Results on the first year of the experiment will become available in spring 2019 – ahead of the Finnish national election. This will be followed by a full report in 2020.

In light of the upcoming election, all parties in Finland have developed proposals for the future of the social security system.



## Challenges

The time to plan the experiment was limited which led to compromises around experimental design. The Government decided the experiment should start at the beginning of 2017 which constrained time for planning and design. It is clear results are required before the election in spring 2019. The parameters of the experiment was also constrained by the €20 million budget set by the Government.

The research team submitted its final report in December 2016 recommending the expansion of the experiment in 2018 to enhance the sample size and include other low-income individuals other than unemployed people. However, there are currently no plans to continue or expand the experiment. This has given rise to misinterpretations regarding the Finnish experiment in the international media with stories published over Spring-Summer 2018 alleging that Finland is going to end its experiment early. This is not correct – the experiment will continue until its planned end date of December 2018 but the expansion recommended by the researchers is not currently planned to take place.

The CBI is not subject to tax due to the Finnish Tax Department not participating in the study. This means the pilot is not a comprehensive reflection of how CBI would function if implemented as a policy in terms of interactions with the tax system.

## Strengths

As the social security agency is running the experiment at a national level, they are able to use national administrative data with existing population registers. It was noted that centralised decision making has helped ensure a smooth pilot implementation.

Although it was necessary for legislation to be passed to allow implementation of the pilot, this could be considered a benefit as it would permit a similar type of experiment to be run again.



## Case study: Netherlands

- ✓ Basic
- ✓ Regular
- ✓ Unconditional
- ✗ Individual
- ✓ Non-withdrawable
- ✗ Universal

Test group size	2,500 plus 500 (control) across six municipalities
Target Population	Unemployed Citizens
Type	Randomised trial experiment
Duration	2 years
Amount (monthly)	€946 (£840) for an individual, €1352 (£1200) for a family

### Context

The Dutch Participation Act 2015 introduced tighter regulations including greater conditionality for welfare recipients. With the decentralisation of the Netherlands' system of general assistance, local municipalities were given some leeway to experiment with approaches for their local area.

### Overview

The social assistance benefits experiments in the Netherlands are testing out which interventions help unemployed people get back in to the labour market or participate in activities of care and voluntary work. The experiments also include variables pertaining to the health and well-being of welfare recipients and the job satisfaction of case workers. Existing social assistance is used as the CBI. Experiments are taking place across six municipalities: Groningen, Tilburg, Utrecht, Wageningen, Nijmegen and Deventer.

The experiments explore the effects of changing work conditions and means-tested social assistance in the direction of an unconditional CBI. Interventions vary between municipalities but broadly cover 1) exemption from duties of reintegration such as job search and training, 2) intensive coaching through additional voluntary and personalised support, and 3) testing financial incentive of retaining more earnings from taking a job.

### Challenges

An administrative law Annex to the Participation Act currently limits the extent to which municipalities applying for an experiment are legally permitted to form treatment groups that relax the conditionalities of work and means-tests. After extensive negotiation with the Dutch Government on the interpretation of these limits, the cities which submitted applications had to accept compromises in their experimental design. Other cities (including Amsterdam Almere, Apeldoorn Epe and Oss) have decided to stage municipal experiments without applying for permission with the central government under the Annex. This however also imposes restrictions on their experimental designs. There have been some criticisms of the Netherlands experiments in that they do not reflect 'true' basic income pilots and are more about experimenting with conditionality and new incentives. However, we consider that the process of political negotiation between central and local government which gave rise to the current design of the pilots offers some useful learning for a potential CBI pilot in Scotland.

### Strengths

Experiments have emerged from the response of local politicians and civic society to the increased conditionality of the Participation Act. In each municipality, there are good links in to local universities in support of the local experiments, and good connections between the different municipalities testing out different aspects of social assistance.

## Case study: Ontario, Canada

- Basic
- Regular
- Unconditional
- Individual
- Non-withdrawable
- Universal

<b>Test group size</b>	Total group size: 4,000 (Randomised Control Trial + Quasi-Saturation Site) 2,000 (RCT: 1000 Hamilton, 1000 Thunder Bay) + 2,000 comparison 2000 (Quasi-Saturation Site: Lindsay, zero controls)
<b>Target Population</b>	Low income citizens
<b>Type</b>	Tax Credit Model using stratified recruitment sample
<b>Duration</b>	19 months (initially to be 3 years)
<b>Amount (monthly)</b>	\$1415.25 (£825) for an individual, income is withdrawn at 50% above \$16,989 (£9,979) annually

### Context

In their March 2016 budget, the Ontario Liberal Party committed to establish a CBI pilot to test the ability of CBI to sustainably reduce poverty. Pilot recruitment ran from September 2017 to April 2018. The pilot was due to run for three years, however in July 2018 it was announced the pilot would be terminated early, with participants receiving final payments in March 2019.

### Overview

Ontario's approach was framed around reducing poverty in a sustainable way, exploring how people's lives might change if they knew with certainty that they would have enough money to cover basic needs. Following a tax credit model, it aimed to provide a minimum income to those living in low income (under \$34,000 for a single person and \$48,000 for a couple). Those with a disability received an additional \$500 per month to take account of additional living costs. Invitations to participate were targeted at residents aged between 18-64 years old. It was tested in three communities: Hamilton, a large urban community; Thunder

Bay, a smaller urban area; and Lindsay, a small town / rural community. The pilot was funded by Ontario Provincial Government. The experiment is a Negative Income Tax model due to CBI decreasing by \$0.50 for every dollar earned through employment.

### Challenges

In July 2018, a political decision was taken to end the Ontario pilot following the election of a new government. This sudden decision demonstrates the risk of changing political actors on pilot commitment, particularly if pilots are run over several years and coincide with elections. Following the decision to end the pilot early, participants were notified they would receive their final payment in March 2019. No evaluation will be conducted.

### Strengths

The level of payment in the Ontario pilot offered a real increase in incomes for low income households, compared to what they would have received under the current system of Ontario Works.

Communities in Hamilton have self-organised to share stories of the impact that CBI has had on their lives – profiled by the Living Proof Campaign (Living Proof 2018). The buy-in of journalists and the media was essential to deliver these narratives which have impacted on public understanding and support of CBI. However some researchers have expressed concern about the potential influence of such stories on pilot results, i.e. by creating a prior perception of the impact CBI is likely to have.

The Ontario study used both randomised control trial and saturation site designs. This allows

different outcomes to be measured. The RCT allows researchers to detect labour market effects, while the saturation site can measure community and spill-over effects.

There was a broad public consultation on the design of a CBI pilot. Consultations took place from 3<sup>rd</sup> November 2016 to 31<sup>st</sup> January 2017, gathering feedback via: In-person public meetings; an online public survey; an online survey aimed at experts; and written responses from the public, community and related groups.



## 5. Lessons and Key Considerations

There is no one-size-fits-all CBI scheme; the case studies describe the challenges, compromises and successes within the social, political, cultural and economic landscape of each experiment.

As such, context is extremely important. Nevertheless, there are some key general lessons for the Scottish Feasibility Study. Set against a background of contextual analysis, the considerations below illustrate how learning from CBI pilots in other countries can help advance a feasible, ethical and effective pilot in Scotland.

### Pilot Framing and Context

#### Learning Concept:

Experiments have diverse starting points depending on their context and as such will be framed in different ways.

### Social security context and narrative

The concept of CBI is located as part of a larger response to the social security and welfare environment. During her plenary session, Louise Haagh of York University noted that progressive and sustainable change delivered by CBI needs to be built upon the pillars of a strong and truly universal welfare state (Haagh 2018). A CBI scheme cannot be sustained on a pre-existing foundation of long-term welfare injustices. Consequently, there is a debate about whether a CBI can be achieved through gradual, incremental change, and more broadly whether the current problems perceived in our social security systems can be addressed by more 'tinkering around the edges', or whether what is required is 'more radical action' (Alston 2018).

To satisfy both psychological and political feasibility, it is therefore important to determine where CBI sits on the continuum of change within society and ensure experiments are framed in terms of the specific challenges and problems within each pilot location. The origins of CBI interests will influence the way in which a pilot is framed, with each site having different reasons for implementing a pilot (Dent 2018).

According to researchers in the **Netherlands**, good experiments need to strategically locate their interventions on a 'CBI versus workfare continuum', acknowledging that this is dependent upon political will. While in the eyes of many, the social assistance benefit experiments in the Netherlands are seen as limited in the context of the ideal CBI, they are relevant for starting to explore key aspects of this such as exemptions from conditions for receiving benefits, and weak financial incentives.

In **Finland** and the **Netherlands**, CBI is framed as a social assistance or welfare issue. These experiments focus on unemployed citizens and what works in getting people back to active participation in the labour market. It is expected when results become available from the Netherlands and Finland, outcomes around exemptions and financial incentives will attract political discussion. Social assistance in the Netherlands was previously administered nationally but this was devolved to local government / municipalities. It was as part of the process of passing responsibility from national to local that the concept of experimenting with how this shift was implemented locally arose.



In **Ontario**, the pilot is framed as a method of sustainably addressing poverty by ensuring a minimum income for citizens. It explores the impact of economic security and how people's lives might change if they knew with certainty that they would have enough money to cover basic needs. Similarly, the Scottish feasibility study stems from interest in exploring CBI as a method of tackling poverty and inequality. The prevalence of poverty may therefore influence the extent to which reducing poverty is seen as an appropriate frame for experiments of CBI. In this respect, the approach being considered in Scotland is more similar to Ontario than to Finland or the Netherlands. Addressing poverty and inequality through CBI will have an impact on the cost of a pilot. To raise income to a minimum level requires setting CBI at a higher amount. This will therefore have an impact on the financial feasibility of a pilot, however in line with what was being tested in Ontario, it might be viewed as a sustainable, cost-effective way of tackling poverty in the long term.

### Institutional context

In **Finland**, CBI is not a new concept. It has been debated in political and public discourse for a number of years (Andersson 2018). These widespread debates have framed the Finnish pilot as a national scheme, driven by government and Kela, the social insurance agency of Finland. However despite this national drive, the Finnish tax department are not participating in the study due to political reasons (De Wispelaere, Halmetoja and Pulkka 2018). While it is possible for a pilot to function this way, this has consequences for the financial feasibility of a national CBI policy. Without tax integration there would be a substantial budget deficit.

In the **Netherlands and Scotland**, momentum has largely emerged from local government and civic society. While such grassroots support is valuable, such origins can pose challenges

for institutional feasibility due to the need to also engage with, and gain buy-in, from a range of organisations including national government. As noted in the Netherlands case study, municipalities driving the pilot engaged in extensive negotiation with the Dutch Government to pass legislation which would allow the testing of alternative welfare policies. In addition to resources committed by four Scottish local authorities, the Scottish Government have provided funding to explore the feasibility of CBI. A proportion of social security elements have been devolved to the Scottish Government, however the majority of relevant powers remain with the UK Government. Consequently, collaboration with the UK Government and tax and social security agencies will be essential to deliver a pilot.

### Understanding the political cycle

The political framing of a pilot inevitably brings an element of risk. This is most strongly demonstrated by the premature ending of the **Ontario** pilot following a change in provincial government. During campaigns, all parties had agreed to continue the CBI pilot (Forget 2018a), however despite this cross party support, political priorities can change. Even where there is broad range of support across different political parties this is not exempt from opposition politics, highlighting differences of opinion in how a CBI should be implemented and what the ramifications of the policy could be.

Discussion with experts close to the Finnish and Ontario pilots noted the impact of the duration of a pilot on political feasibility. The longer the pilot period, the greater the risk of sustaining political commitment. The risk of political commitment may therefore influence the recommended duration of a pilot study. Shorter pilots may reduce the risk, however as noted above, changes in political opinion cannot be eliminated completely.

## Key Considerations - Pilot Framing and Context

- ✓ Importance of being clear on the objectives of the pilot and obtaining buy in to these objectives. The objectives will in turn naturally shape the design of the pilot.
- ✓ Pilots should be designed on a scale relative to the problems to be addressed, even if this is seen to be only a gradual or marginal step towards a 'pure' CBI.
- ✓ Awareness that political events may shape the future direction of the pilot. This is a key consideration when reflecting on the length of a pilot.
- ✓ The level of government participation could be considered a critical success factor depending on the legislative context of the site. In the case of Scotland, collaboration is likely to be required with both Scottish and UK Governments if piloting basic income is to be considered feasible.

## Pilot Design and Evaluation

### Learning Concept:

What was the context and justification for the experiment design and evaluation methodologies in other pilot sites? How does the pilot design influence the success of the project?

## Pilot Design

Evidenced by the structure of pilots in the Netherlands, Finland and Ontario, pilots are designed within the geographical, social and political context of each country.

In the **Netherlands**, a change in legislation had to be sought to allow municipalities to test alternative welfare policies. This led to compromises in the experiment design, with some experimental conditions being curtailed (Van der Veen 2018). It is therefore important

to be aware of existing legislation and identify potential constraints upon pilot design.

In **Finland**, the pilot design and evaluation has been subject to time and budget constraints set by the Finnish Government. The experiment has been framed by a political window of opportunity – the pilot was due to end in December 2018, shortly before a parliamentary election takes place in April 2019. Such a window could place time limits on the evaluation of outcomes and influence the quality of interpretation, particularly within the context of a forthcoming election. There are lessons to be learned from being aware of external influences, but also setting aside enough time to define the study and put robust systems in place to enable it. As mentioned prior, CBI in Finland has been subject to long-standing political debate, which has framed the experiment within the context of labour market outcomes. Framing the pilot in terms of objectives and expected outcomes has significant impact on the design, including size of population, amount of CBI, sampling strategy and the intervention group to be targeted.

Similarly, pilot objectives will have an impact on the length of an experiment. Discussions with Evelyn Forget (member of the Ontario Basic



Income evaluation team) noted the variable length of time required to measure outcomes. For example, increased food security may be observed as an immediate outcome, while changes to labour markets or health take longer to observe. As noted earlier, the length of a pilot will also be dependent upon the level of confidence in ongoing political commitment. In general, discussions from BIEN suggest a 2 or 3 year pilot is sufficient to measure outcomes, however this requires patience for results and an acknowledgement that time spent on a pilot needs to be respected.

### No detriment principle

Related to financial feasibility, an important element of the Finnish experiment was the agreement that people involved in the study would not be worse off as a result of their participation. This was particularly pertinent within Finland as participation in the study was random and compulsory. A representative from Kela explained that because a 'no detriment' clause was agreed by law, it allowed researchers to calculate the level at which CBI could be set and therefore determine the cost of the pilot.

Aside from the financial benefits of agreeing no detriment, morally and ethically, there is a clear duty that participants should not be negatively impacted from participation in an experiment. Ethics must also be considered in terms of recruiting participants. Compulsory participation can deny citizens the choice of engagement and enforces sharing of personal and financial data during measurement and evaluation. However compulsory participation ensures a robust sampling strategy and prevents attrition of participants throughout the duration of the pilot.

Due consideration must also be given to support participants out of an experiment,

whether by their choice, or at the end of the pilot – regardless of a planned end or sudden cancellation of the project. Following the Ontario cancellation, there has been tremendous response from grassroots activists, with people sharing stories of how they will suffer financial consequences of the pilot ending prematurely (Living Proof 2018). In learning from this situation, serious consideration should be given to the financial and ethical impact of a pilot termination when designing the experiment.

### Unconditionality

A general theme from BIEN suggests it is the unconditional nature of a CBI which is of particular importance to the individuals who receive it. While current social norms which emphasise conditionality in welfare design weaken public support for the unconditional nature of a CBI, it is expected recent experiments in Finland and the Netherlands will be able to deliver new insight into the positive effects of exemptions from conditionality. This will be important for framing both psychological and political feasibility within the context of Scottish pilots.

Welfare conditionality (which applies in the UK and Scotland to a range of UK Government administered benefits) has been the focus of a recent study by a network of researchers across six universities. Following interviews of participants with experience of the current social security system, the study notes that conditionality and sanctions triggered negative impacts such as anxiety, depression, poverty, fear of destitution and worsening physical and mental health conditions (Wright 2018). Within the context of such research, it is important to think carefully about the place, scope and framing of unconditionality in the pilot design. However being mindful of the political salience

and controversy around the issue, a CBI pilot which measures the impact of unconditional income on health and behaviour could be politically and psychologically challenging.

### Evaluation and Interpretation

Each area has different opportunities and challenges in relation to evaluation.

In the **Netherlands**, although the experiments all had different starting points, a common evaluation framework has been developed and adopted across the six municipalities.

Being a national experiment, **Finland** benefits from access to rich administrative data through their social insurance agency, Kela. However there has been no baseline survey, and no evaluation surveys of participants during the pilot period. As a result, there will be limitations on the extent to which they can explore behavioural and attitudinal effects. We understand that Finland is exploring how they might use some of the evaluation materials developed for the Netherlands (Kangas 2018).

Baseline data was collected at the start of the **Ontario** pilot, however it was cancelled before any evaluation could take place. The plan was to regularly survey participants, asking about their health, employment and housing situation. In Lindsay, Ontario, there was to have been a focus on community level outcomes such as hospital usage (Forget 2018b).

In **Scotland** evaluation is being planned from the start. There is scope to learn from evaluation materials developed for other areas, particularly the Netherlands and Ontario. Like Ontario, in Scotland there is interest in tracking broader outcomes both for individuals and for communities. However as noted by Evelyn Forget, these broader outcomes will take more resource to evaluate. For example if community outcomes are of interest, this will have an impact on the choice of sampling strategy and will increase the cost of the pilot. Therefore

another key consideration is the cost perception of any pilot – is it considered financially feasible? There is a need to be clear on gross and net costs when discussing or reporting on the pilot (Martinelli 2018).

### Stories

Scientific evidence does not stand alone nor speak for itself (Davalá 2018). Interpretation is a highly political process. There is a need to consider not just the results but the context, wider rhetoric and narrative around the societal change that is being sought, and how this is being framed politically – do the outputs of the pilot enhance psychological and political feasibility? The power of stories and rich qualitative data was noted by several experts at BIEN (Bregman 2018) (Chrisp 2018) (Forget 2018a). This has been evidenced by the Living Proof movement in Ontario, who have mobilised to share their stories about the difference that a CBI has been making to their lives (Living Proof 2018). In Finland however, there has been a concerted effort to avoid engaging with participants during the experiment to prevent contamination of results.

### Public relations

As mentioned previously, the decision not to extend the Finnish pilot resulted in misrepresentation by the media that the pilot had been cut short or was suddenly ending. This highlights the importance of public relations and having a strong communication strategy in place for the duration of the pilot, and indeed beforehand at the planning and design stage. This will be useful for participants but also wider civil society. Pilots will naturally attract media attention. The nature of this attention cannot be fully controlled but it is important to be clear with the media when communicating the aims, status and reporting schedule.

## Key Considerations - Pilot Design and Evaluation

- ✓ Consider at an early stage the constraints that impact on pilot design.
- ✓ The need for clear and transparent decision making processes and governance structure. What is the role of the pilot researchers vs those making decisions? Are decisions regarding pilot design being taken in an objective and evidence-based manner?
- ✓ Evidence suggests that unconditionality has the potential to have significant impacts on behaviour and health outcomes and should not be underestimated in terms of pilot design. However within our current social norms it can be difficult for this to be seen as politically and psychologically feasible.
- ✓ Prioritising evaluation and a strategy and timeframe for undertaking evaluation at an early stage, as this will have an impact on what a pilot is able to demonstrate and the viability of the pilot findings.
- ✓ Communications and public relations is a critical part of taking forward a pilot and a clear communications plan is required.
- ✓ Be aware that whilst evidence and data is important, 'stories' may have the most impact on the public and decision makers' perception of the pilot.



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## Further Information

For more information on the Scottish feasibility study see: [www.basicincome.scot](http://www.basicincome.scot)



BIEN Congress 2018 Scottish Steering Group Study trip participants. Photo by Gail Irvine.





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