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The Participatory Way

Contribution to GTI Forum [Universal Basic Income: Has the Time Come?](#)

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With all countries struggling amidst the global COVID-19 pandemic, I would like to present a brief and admittedly limited view from a perspective of someone living under some of the best conditions provided by the state anywhere in the world. Finland still has a comparatively robust welfare state with the capacity and preparedness to act and respond to serious, nationwide situations endangering the health of its citizens. Precisely because of this, our current failings pinpoint problems of which other countries and areas should take note.

The most urgent failings are a lackluster response to the crisis as it deepens, especially the capacity to provide adequate protection to our most vulnerable citizens. Mental health and poverty are very often intertwined, and they are areas in which Finland has shown how inadequate even the most advanced welfare states are, and how much expansion and development is still required. The current available information shows that since the early days of the pandemic, the poor, those with mental problems, and those who lack strong social connections in general have been hit hardest by the limitations on daily life and drops in income.

Universal basic income (UBI) is no panacea, but in crisis situations it could provide a financial safety net that is more dependable than means-tested solutions. Finland has a highly automated and well-resourced national income register that can follow changes in income and taxes on a nearly monthly basis. Therefore, introducing progressive taxation and negative taxation to create the basis for a form of UBI is not a pipe dream here. It could target people in need much better, and such systems should be developed elsewhere as well.

So the basic setup for introducing a UBI exists already and should be used to help support the part of the population that cannot earn income from the market. In all market economies, this group is considerably large, often around half of the population. In Finland, for example, 57% of the population does not go to a job, including the elderly, the young, students, and so on. A UBI can provide a quick safety net, but it obviously cannot provide the response and variance that wildly different life situations require. Maintaining and expanding existing benefits, both universal and means-tested, is the baseline for any proposal to improve the situation.

Introducing a UBI would increase the transfer and taxation of wealth without any adverse effect on the economy. In fact, it is precisely the kind of universal benefits and services that formed the backbone for the Finnish economy and enabled our rise to an affluent market economy from a developing nation we were not so long ago.

My main concern about UBI is that, as an automatic system, it fails to adapt to differing life situations. Finland has a serious issue with mental health problems, which affect nearly one fifth of the population. Nearly half of the unemployed suffer from a wide range of health problems, mental health being one of the most common. The financial security provided by UBI schemes would certainly help alleviate some of this, as well as lessen the impact of unemployment and precarious situations. But it would be a serious mistake to focus single-mindedly on introducing UBI, as necessary as that is, if it happens at the expense of wealth transfers, taxes, robust public services, and means-tested solutions.

In addition, introducing participatory elements and community-based, meaningful democracy would be essential to achieve a fuller picture of giving people the means to protect their own lives, improve the lives of their families, and build resilient communities.

Something along the lines of the participatory budgeting projects that already exist but created as a long-lasting sort of “UBI for the community” could provide people living in specific areas a steady stream of financing that they could direct as needed in their own district—improving housing, developing services, or even providing an increase in income for people in the area, to name just a few of the kinds of solutions that communities could come up with. It would be important to provide meaningful financial independence to these decisions, as well as robust tools

for democratic decision-making, combining representative decision-making with systems of direct democracy.

To summarize, we should be cautious about being overly enthusiastic about most UBI schemes. Finland has experimented with them, with positive results even with the quite limited and partially flawed trials we have had. A UBI would provide important security and support to some, especially those with short-term precarious life situations. But it cannot provide the basis for financial support, nor can it (quite obviously) provide the kind of direct support and help that most people need during specific times in their lives, and some people throughout their lives. Therefore, improving benefits as well as introducing and supporting, with national programs, more participatory forms of economic decision-making and community-based, robust networks of solidarity would be the kind of crucial steps that would push welfare states forward. Means-tested, varied, and participatory forms of financial and social support should provide the basis for a strong social “launching pad” (safety net is the wrong word in many ways) for advanced welfare states of the future, and UBI should be part of that vision.

About the Author



Antti Jauhiainen is an activist, author, and primary school teacher. He is a co-founder of Parecon Finland, a think tank focused on participatory economy and democracy. His articles on poverty, climate change, and the new economy have been published in the *New York Times*, *Jacobin Magazine*, and *Helsingin Sanomat*. He is the co-author of *The Welfare State Strikes Back*, which argues for the need for ambitious welfare states to kickstart the transformation to a sustainable, participatory economy.

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