



The Influence of a Basic Guaranteed Income on Entrepreneurs in Finland

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<p>This thesis aims to find out how a Basic Guaranteed Income (BGI) would influence entrepreneurs in Finland. The idea of the BGI is to give every citizen regularly (usually monthly) a suitable amount of money to cover all living costs. It is basic guaranteed since there would not be any requirements to be fulfilled to receive it. Everyone, regardless of age, race, income, profession and working or not would get the same amount to meet a normal and humane living as a full citizen.</p> <p>This thesis will review and analyze literature about this topic and analyze some real life experiments which have taken place. Also a survey among entrepreneurs in Finland is conducted to find out how they think about an BGI and if and how they would act different if it is ever introduced to Finland.</p> <p>In this experiments with the BGI entrepreneurship has been often enhanced. To consider in Finland is also the Nordic Model. In Finland there is already a quite extensive social security system in place. The BGI would maybe not make such a big difference as in other countries with less or even almost none social security in place nowadays. The second part, the survey, did consist of questions addressed to entrepreneurs about the BGI to find out how it would influence their mood and strategy regarding their business. The survey was answered by 51 entrepreneurs from Finland. The results were analyzed with ANOVA. It turned out that the BGI would have quite little influence on entrepreneurs in Finland. They would f.i. take more risks and change the way of doing business. They would not change other factors like employ more people or the amount of hours worked. Additionally they would not think that their individual situation is better or worse in five years from now if receiving BGI. As concluding remark it is necessary to mention that the past experiments as well as the current basic income pilot have been or are conducted with an amount of BGI which can hardly be seen as such.</p>	
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1 INTRODUCTION

1.1 Basics of the Basic Guaranteed Income

The idea of a Basic Guaranteed Income (BGI) is to give every citizen regularly (usually monthly) a suitable amount of money to finance a normal life.

A Basic Guaranteed Income (BGI) can be defined as follows (according to BIEN)

A basic income is a periodic cash payment unconditionally delivered to all on an individual basis, without means-test or work requirement.

That is, basic income has the following five characteristics:

1. Periodic: it is paid at regular intervals (for example every month), not as a one-off grant.
2. Cash payment: it is paid in an appropriate medium of exchange, allowing those who receive it to decide what they spend it on. It is not, therefore, paid either in kind (such as food or services) or in vouchers dedicated to a specific use.
3. Individual: it is paid on an individual basis—and not, for instance, to households.
4. Universal: it is paid to all, without means test.
5. Unconditional: it is paid without a requirement to work or to demonstrate willingness-to-work

(BIEN 2017)

It is basic guaranteed since there would not be any requirements to be fulfilled to receive it. Everyone, regardless of age, race, income, profession and working or not would get the same amount to meet a normal and humane living, above the poverty line, as a full citizen.

The main idea behind the BGI is to liberate people from the need to work for financial reasons. The hope behind is that people would do what they like and are good in rather than pursuing a profession for mostly monetary reasons. This, in turn, could make society more efficient since people would maybe overall perform better in the professions they have chosen because of their passion rather than because of financial reasons.

It should also make the citizens happier based on the assumptions that humans are always the best when being active in a work they enjoy the most while not needing to worry about covering living costs. The danger might be that too many citizens would not pursue any work at all once the monetary need is gone. This therefore could damage the economy and therefore wealth for society.

This could mean a drastic cut in the size of the welfare state. Since welfare as of its current state is conditional, there are several evaluation processes to check if someone fulfills these conditions. This creates bureaucratic work. The BGI could replace most of those current welfare programs. A lot of bureaucratic institutions could be cut tremendously down or completely deleted. Due to its unconditional nature, the BGI does not need the workload of checking if a potential recipient of welfare is eligible as social security systems nowadays do. This would save the costs for these institutions and therefore tax money. In return there would be more tax revenue available for the use of the citizens – as for example the BGI. The whole welfare state itself could become in huge parts redundant and therefore more cost efficient. Obviously, that might not be in the interest of those whose profession and income are based on the bureaucracy behind the redistribution, but that is a complete different topic and won't be covered here.

Now the question is obviously how much is this amount? How much is needed, in Euros every month, for example in Finland, to have a humane living as a full citizen?

This is a question hard to answer and obviously also subject to political debate. There will be never a “right” amount that fits everyone's needs perfectly. But to still give a first orientation, the at-risk-of-poverty threshold or the average gross or net salary of a country can be used. In 2014, the at-risk-of-poverty threshold for a one-person household was 14.300 € per year or 1.190 € per month in 2014 (Statistics Finland, 2014). The average gross salary was 39.624 € per year or 3.302 € per month in 2014 (Statistics Finland, 2014).

1.1.2 Popular Support

Interesting is that it is often considered to have its origin from the left political spectrum. But it is also in favor of famous right-libertarians as well. The famous among them most likely Milton Friedman. Richard Nixon revealed in 1969 his Family Assistance Plan which would have granted 1600 USD per year per family, too. (SOURCE) It was advocated by critics due to its insufficient amount though.

Interesting is also that Björn Wahlroos, one of the richest men of Finland and famous businessman, has spoken in favor of the BGI. Recently, outside of Finland other famous billionaires and established business men as Bill Gates, Elon Musk, Mark Zuckerberg or Richard Branson expressed a necessity or at least a positive opinion towards a BGI.

1.1.3 Situation in Finland 2017

Finland launched a basic income experiment in 2017. KELA, the social insurance institution of Finland is running this experiment. The experiment includes 2000 randomly chosen people from Finland between the ages of 25 and 58 which are receiving already unemployment benefits. This group will receive 560 € per month. The experiment is supposed to run for two years and it might be widened in 2018, adding also people below the age of 25 or other people with small incomes but not receiving unemployment benefits yet.

Understandably there will be no official results published until after the experiment nor will the contact details of the participants be made public by KELA. Therefore there can't be any findings or results to be used in this thesis yet.

One thing can be said already by now: The test in Finland is not necessarily a real basic guaranteed income (even though it is marketed as such by politicians and the press). The amount, 560 € per month, is hardly enough to finance a normal living standard in Finland. The average gross salary in Finland is 2509 € while the at-risk-of-poverty threshold is 1190 € per month. This puts the 560 € of the basic income experiment in Finland into some perspective, it is hard to imagine that it ever could replace the current social security

system. This would drastically cut off one benefit of the BGI, the chance to reduce bureaucracy and save (tax-financed) costs.

Additionally, also the motivation of the Finnish basic income experiment needs to be considered: “The goal is to build stronger incentives into the social security system” (KELA, 2016). The Finnish basic income experiment tries to find better incentives for people to seek employment while the actual real BGI wants to make people independent of employment. This would be against the 5. Point of the definition of BIEN displayed above (“Unconditional: it is paid without a requirement to work or to demonstrate willingness-to-work”) since its idea and motivation of the test in Finland is to get people into work.

Nevertheless, despite the amount and motivation of the basic income experiment in Finland, it needs to be mentioned and recognized that the Finnish trial is the most closed to a BGI which was ever tested in this big scale. The results, once published, will hopefully help Finland to develop its system and hopefully that there will be more interesting academic papers based on them in the future. Obviously, it would have been nice to incorporate the Finnish basic income experiment into the thesis, but the results are not yet published at the time this thesis is written (2016 and 2017).

1.2 Research Aim

The thesis has the aim to look at possible relationships between the BGI and entrepreneurship. More precisely to clarify if a BGI would change the attitude and approach towards entrepreneurship and, if so, how it would change those.

Would there be more entrepreneurship? Would entrepreneurs act different? Would this be good for the entrepreneurs?

It is still not clear how the effect of a BGI would be, especially on entrepreneurs. On the one hand this is of due to missing real-life cases on a national scale, on the other hand most of the theoretical discussions tend to be very emotional rather than rational or even

academic. This thesis shall contribute neutral and qualified facts and findings to the discussion with a focus on the situation in Finland.

Maybe the thesis will also find some new factors which cannot be foreseen yet. One example could be a possible psychological factor. Maybe entrepreneurs would risk more if they would not need to worry about meeting their individual living costs anymore. But it is another question if this riskier approach would be also lead to better results and would be therefore desirable at all.

Contrary to this stands also the fact that Finland has already a quite advanced welfare system (the so called Nordic Modell which is briefly presented in this thesis as well) with a lot of support for entrepreneurs already today. Finland, although small, is famous for its comparable big entrepreneurship-scene. The difference to the current Nordic Modell and a BGI might be too small to see a big change for entrepreneurship in Finland.

The other outstanding question is of course if money is really the bottleneck for the starting entrepreneur and if so, if a BGI would be even sufficient to solve this. A BGI could make sure of the living costs for entrepreneurs, but a business consists often of much more costs than just the entrepreneurs own profit.

Maybe there are even other reasons that entrepreneurs struggle which have nothing to do with money, which also could not be solved by a BGI neither. Maybe the level in entrepreneurship in Finland is already at its market-given optimum and there is nothing to improve at all, or at least not with mainly monetary measures like a BGI.

1.3 Research Questions

Summarized all questions in this thesis lead to one final research question: How would a Basic Guaranteed Income influence entrepreneurs in Finland?

The BGI could be a solution for the employed people that do every-day work and can barely meet their monetary needs with their job. It suggests that it would rise the life

quality for a large part of society. Therefore, more wealth and innovation could be created in working life.

But what about entrepreneurs? Among scientists and experts, entrepreneurs and start-ups are an important source of innovation (this is explained more in detail in 3.1).

This creates several sub questions, among them the most important ones: Would there be no motivation for a lot of potential entrepreneurs anymore because they don't need to start a business to make a comfortable living? Or would it maybe take out the financial stress that a lot of entrepreneurs often face especially in the first years in business? Does maybe both happen at the same time? If so, how big would be the effect of both? Could one effect partly or completely compensate the other?

1.4 Limitations

The focus is obviously the entrepreneurs which are active in Finland.

This thesis tries to look as much as possible at the whole spectrum of entrepreneurs. It is also tried to get as many entrepreneurs as possible which are creating a major part or even all their income with their business. But since humans can always lie or are simply not sure themselves about their data, this information is also verified as much as possible.

For the participants in the survey just entrepreneurs in Finland are taken. Statistically everyone which has a registered "Toiminimi" (similar to a sole proprietorship) is already counted as an entrepreneur. This includes also those which are not living from their business. People which are for example part-time selling some items after their workday. Of course, the entrepreneurs in the survey are asked how much their yearly turnover and profit is. But since humans can always lie about their numbers, there needs to be at least some filter or even validation.

Given the nature of the topic, it is obvious that any real-life examples in a big scale are missing. The BGI has this psychological side on it which is difficult to predict. It influences the human and his or her motivation, or to say in other words his or her emotion

towards work and entrepreneurship. Human emotions can be hardly put into statistics. It is even more difficult to predict those emotions. Something which works on a small scale can be totally different on a big scale.

So far, all data originates from theoretical abstracts, small-scale experiments in a few villages and communities and surveys. Those experiments have been outside of Europe with its quite extensive social security systems in most of its states.

But obviously the limitation is that the reaction and emotion of the entrepreneurs in Finland towards the BGI is still unpredictable. This thesis tries to create a spectrum of possible outcomes. It is also tried to predict an image of that with a survey conducted within entrepreneurs in Finland. But from history it is known that major changes within a society like the BGI can still create results that no one had even on the radar before.

Academic papers about the BGI are often either for or against a BGI and arguing in that way. The approach of this thesis is to be as neutral as possible, neither for nor against the BGI. It is aimed to be an unemotional and rational case study. But due to the background of the author (who is in favor of a BGI), it can be not guaranteed that this thesis is always perfectly neutral. If some number or facts seem too much interpreted some direction in, this always could be of some misinterpretation of the author.

Finally, there are also some few philosophical open questions asked. Questions like what people would do if they don't have to work anymore but don't have any good ideas for their life's otherwise. They are not in the scope of this thesis, so there are no direct answers provided to those questions. They are just thought to stimulate the reader for creating an own opinion about this topic.

1.5 Structure

This thesis contains three major parts: First the data from literature and real-life cases are analyzed. Second the data resulting from the survey conducted among the entrepreneurs in Finland is analyzed and interpreted. Third and last, concluding remarks are drawn from the two previous parts.

2 METHODOLOGY

This thesis has is built up around a literature review including an analysis of research on previous BGI attempts and a survey to investigate the Finnish entrepreneurial context. Having said this one can say that this thesis therefore, when it comes to the empirical data collection, uses a quantitative approach.

The thesis uses literature about the BGI and the reports of the case studies as material (secondary data). The sources are involving several academically papers and reliable information from business journals. Those are about the BGI and the Nordic Modell

There have been some real-life experiments with the BGI in few places in the world, those are looked at as well.

Finally, data from entrepreneurs in Finland was directly taken by a survey. The survey was conducted via an online form. This form creates an insight of the mindset, opinions and attitude of Finnish entrepreneurs towards the BGI.

Unfortunately, the results of the Finnish basic income experiment cannot be taken into this thesis since no results will be published yet at the time of writing this thesis. But other data regarding the Finnish basic income experiment, which is already available, is included into this thesis.

2.1 Primary And Secondary Data

The data used for this thesis will contain two parts: Primary and secondary data.

The primary data is collected with the help of a survey conducted among entrepreneurs in Finland. This data was collected via an online form. Entrepreneurs where send a link to a survey which they filled out. The form contains the most relevant questions and data in relationship to the BGI. The resulting data was analyzed and interpreted.

The secondary data contains on the literature review of several books and journals. There is not yet a lot of literature about the BGI directly. But some literature has the BGI included within their scope.

3 LITERATURE REVIEW

First different publications are studied thoroughly and tried to adapt to the experiment of the BGI in Finland as much as possible. Those help to find relationships between the motivation of entrepreneurs to start a business and the amount of businesses and innovation that would be created.

Interesting to mention maybe is the book “Capitalism and freedom” of Nobel-prize winner Milton Friedman. He wrote favorably about the Negative Income Tax, a form of the BGI, already half a century ago. But also recent scientific journals are used, for instance “Basic Income. The Material Conditions of Freedom” from Ravenos.

Second the real-life experiments with a BGI which have been conducted are analyzed. There were experiments conducted in villages and towns in Africa (Namibia) and North America (USA and Canada). Those experiments lead to interesting insights which could explain and foresee some aspects for a BGI in Finland but always with the limitation in mind that the political system, cultures and time was different in those experiments.

Studies and statistics about the BGI are not yet made in Finland or any other European country. Tests with the BGI were never introduced on a big or even national scale and for a permanent time frame in Europe yet. Therefore, there is no reliable scientific data yet.

3.1 Work done by machines

It is already a long believed and often proven fact that technology will create more jobs than it will replace. Therefore, one might wonder why this should be any different this time and even why something like a BGI is needed at all in the future. The difference is

that until now machines and computers have just replaced the muscle power of humans, but not their thinking capacity or creativity (Brynjolfsson, McAfee, 2014).

The world has changed dramatically in the recent 20 years since the upcoming of the internet. The calculation power of computers has gradually got good enough to fulfill even complex activities like driving a vehicle in traffic or making management decisions in daily operational business. The experiments and developments are promising and even experts seem to be regularly surprised by upcoming developments.

Something which was almost unthinkable just some years ago is now a reality and gives suddenly new perspectives. This has good affects as there will be most likely much less traffic accidents and businesses doing smarter choices, but it comes with the side effect that taxi drivers and managers might become to a big extend or even completely redundant one day. (Brynjolfsson, McAfee, 2014).

There are already promising experiments with software which can create more software by basically write new code. There are also already 3d-printers which can print more 3d-printers which can produce new products. Latest if software and machines can create and develop themselves, the human could become redundant in this process or at least won't be economical competitive in the "race against the machine" anymore.

No one can foresee the future completely how many jobs and professions will be affected nor if and how the human workforce could adapt to the new world. An interesting work from Carl Frey and Michael Osborne from the Oxford Martin School estimated in 2013 that in the USA 47% of all jobs are at the risk of being automated and thus workers replaced by machines and software. (Frey, Osborne, 2013).

This high number of automated jobs might differ in Finland. Maybe this number is a bit high, but again, even experts cannot 'guarantee' that this number won't be gradually become reality over time. Besides that, it is not even necessary to argue of the exact number of jobs being automated, it is commonly agreed that automation will at least change the working market and will require a different education if not even replace a big part of the current human workforce.

If in the future software and machines might do a major part of work, this could mean that entrepreneurs are simply not needed anymore in same numbers than today, just as the rest of the workforce. They might simply not be able to compete against more efficient and cheaper software and machines anymore.

3.2 Reduced risk for entrepreneurs

Independent of the possible future development of software and machines, already nowadays a BGI could reduce the risk for entrepreneurs (Raventos 2007: 82). If the living costs are taken care of, entrepreneurs can operate regardless if their business makes some profit or not. Or, in other words, the fortune or misfortune of the own business would not change that the expenses for a normal, human life are taken care of.

3.3 BGI as possible Solution For The Race Against The Machine

If it becomes ever harder for the human workforce to compete against software and machines as mentioned above, then humans would have in the current system a problem. The current system works with the condition that as much people as possible are in paid work, but machines doing the work for humans might 'steal' that work.

An entrepreneur would maybe not create a sufficient income from the entrepreneurial activity and could therefore not generate enough profit for a living since he maybe has no chance to compete against the machine. Therefore, the entrepreneur would need to stop that potential innovative idea and pursue another source of work which could become ever harder. Besides the financial aspect, the entrepreneur maybe would like to fulfill his activity just for his own pleasure. The entrepreneur would maybe not care if he or she is more efficient than software. In a system where everyone receives a BGI, the monetary need would be taken out partly if not completely. The entrepreneur could run a business which is not profitable since the entrepreneur has his or her living costs already covered by the BGI. The entrepreneur would not need to care anymore if he or she is more efficient

than software, he simply could go on with his or her business which might makes him or her happy.

3.4 The situation in the Nordics and in Finland now

The Nordic countries have traditionally seen rather low ambitions towards entrepreneurship. Responsible for this might be the cultural context, in the Nordic countries the population is quite homogeneous, and the markets share quite many similarities which might prevent entrepreneurs and small business owners to expand outside the Nordics.

With this comes that venture capital markets are largely national and the absolute volumes relatively low (Nordic Entrepreneurship Check 2016 p 73-75).

But at least politically, the environment for entrepreneurship in the Nordics and in Finland seems to be set up quite good for entrepreneurs already. According to a survey from Ernst and Young from 2015, “the majority of the Nordic entrepreneurs feel that their local municipality or region supports them in the future development of their business.”

3.4.1 The BGI and the Nordic Model

Being a member of the Nordic Countries (among Sweden, Norway, Denmark and Iceland), Finland also established the so called ‘Nordic Model’. This needs to be considered for the case of the BGI in Finland. The BGI would either replace or at least co-exist among the Nordic Model.

The Nordic Modell completes free market capitalism with a comprehensive welfare state. The goal of this model is to keep the individual autonomy and social mobility possible for the citizens. Above on that, it also provides people which are experiencing economical misfortunes, such as the loss of the job or sickness, with financial aid.

3.4.2 Brief Overview Nordic model

The Nordic model has a foundation consisting on 3 pillars: ‘Stateness’, Universalism and Equality (Alestalo, Hort, Kunle, 2009)

Stateness describes the fact that that the Nordic countries have a big public sector and in general an extensive state, regulating many things which would be in other countries completely subject to free markets.

Universalism means that not just the ‘have-nots’ shall benefit from the social welfare system but also the middle class of the society. The idea is also to create for everyone the feeling to belong and to contribute to the welfare state. This creates also the trust to be covered by the welfare system if needed.

Equality is something the Nordic countries are typically known for internationally. The income gap between the classes is quite low, the wealth very evenly distributed over the whole population. Since many things, like childcare, education to name two, are taken care of by the government, basically everyone has access to those services, regardless of the individual income or social ranking within the society.

This means especially for entrepreneurs in Finland that they can, thanks to the Nordic Model, be quite assured that they are taken care of in case that their business should fail. Thus, the amount of risks that entrepreneurs in Finland are taking already now might be quite high already. Therefore, the additional monetary security, which would come by introducing a BGI in Finland, might be not a big or maybe even no impact at all for the entrepreneurs in Finland compared to the current situation with the already existing Nordic Model.

3.4.3 Lower Administrative Barrier

Dvouletý suggests in his recent work (Determinants of Nordic entrepreneurship, 2017) that entrepreneurs in the Nordics can have difficulties and can be discouraged by administrative barriers.

Here the BGI could be an interesting alternative since the bureaucratic effort for the entrepreneur would be very low. Since the BGI is guaranteed without any requirements that need to be fulfilled, the entrepreneur can focus on his business and wouldn't need to worry or invest time to fulfill the requirements for start-up funds and other financial aid as it is the case within the Nordic Model in Finland right now.

3.5 Financial Security

The first possible change is rather obvious. Beside all business plans, venture capitalists and careful planning starting a new business is still a risk. The outcome is still uncertain and can often not be predicted.

Start-ups and new entrepreneurs can fail. This means not just that potential investors won't get their investment back. It also means for the entrepreneur that he has gotten little money out of the failed business – if any at all. In some cases, not enough to meet even the basic living costs. The result is that the entrepreneur might even end up with debts or has at least used up all personal savings. It also means that the entrepreneur has “lost” months or years of his or her lifetime in which he or she could have made an income as an employee. Opportunity cost in form of lost time so to say.

The BGI would obviously be paid to any entrepreneur as well, regardless of the development of the business. This would mean that for the entrepreneur at least his or her the living costs are covered and basic existence in society is ensured, regardless if the business is successful or not. (Barry 2005: 213). It is hard to estimate how much more or less people would start a business if there would be no or financial issues, distress or motivation.

It can be summed up that starting a business often means financial stress in one or several ways for the entrepreneur. But why should this be a problem for society? An entrepreneur less, why should we even care? Why does it matter to anyone else if someone is not even starting a business due to the fear of getting into financial distress? Why care at all since we live in a very free society when it comes to the choice of work?

The answer is that this income security could get more people to this very first step of starting a business. This in turn would most likely lead to a more innovative society from which we all profit (Raventós, 2007).

Another aspect is covered as well: The re-integration after a failed business. Entrepreneurs often find it more difficult than other people to get back into normal employment where they would get an income from (Sheahen 2012, Raventós 2007).

4 THE REAL LIFE EXPERIMENTS OF THE BGI

Following is a summary at the experiments where a BGI has been introduced in the past within small communities in the USA (1968 - 1980), in Canada (1975 – 1978) and in Namibia (2008 - 2009). The experiments are summarized in chronological order.

It is important to keep in mind that those BGI experiments in USA, Canada and Namibia have happened in a different setting and context. There was no or at least by far not as much social security in those places at that time. Conclusions from those cannot be directly drawn in the situation in Finland where there is the Nordic Modell as mentioned above.

Although those experiments in USA, Canada and Namibia where much smaller than for instance the basic income experiment in Finland, the outcome and results of those experiments are quite interesting since they differ. Some of them have been conducted as Negative Income Tax (NIT) and some as a direct basic guaranteed income.

A NIT is as the name already suggests a specific minimum tax amount in negative. Means instead of having to pay a minimum tax, the citizens receive a minimum tax. Every citizen has a credit with the tax authority which is unconditionally paid out. Financial times sums it up as follows:

Financial assistance for the poor through the tax system. Income below a certain stated level is brought up to that level through a tax credit. (Financial Times 2017)

It is to say that all the experiments in USA and Canada were conducted with quite small amounts of money, near the official amount of poverty in that time. We must keep this in mind when we analyze the results. The idea of the basic guaranteed income as we understand it now is to supply every citizen with enough money for a humane life in society. This should be obviously above the poverty line. A BGI near or even below the poverty line, it is not possible to completely stop work nor better the living conditions.

Lastly in this section we come to the basic income experiment which is currently running in Finland (2017 - 2018). As already mentioned, there are no results yet about the basic income experiment in Finland at the time this thesis is written (2017), but for the experiments in USA, Canada and Namibia from the past there have been results and findings published which are analyzed in this section. Those results and findings can, together with the survey, help to understand and predict possible outcomes of the Finnish income experiment.

4.1 The Experiments In The USA

There were 4 experiments in the USA. All the experiments were conducted as NIT and held between 1968 and 1980.

It started in 1968 in New Jersey and Pennsylvania and was finished in 1972. It included 1357 families. In Indiana another test went from 1971 – 1974 and included 1800 families. A third one was conducted in Iowa and North Carolina from 1969 to 1973 which included 809 families. The most famous and biggest was maybe the last of them, the Seattle-Denver Income Maintenance Experiment (SIME-DIME). This went from 1971 until 1982 and included 4800 families.

Back then especially in the USA poverty was a regular topic in general discussion. So we need to assume that the studies and interpretations of the experiments were often political motivated and depend on the source.

Obviously the most interesting and therefore most studied results were those in straight relationship to work and labor. But other factors were monitored as well, among them performance in schools, health or the number of divorces. This can be used to create a picture of the influence of the BGI onto the quality of life resulting from those small-scale experiments.

4.1.1 The Influence On Work In General

This was and still is most likely the most interesting question about the BGI: Would people still work? The BGI was a reason for many workers in the experiments to change something about the work. Therefore, the BGI obviously had an influence on work itself.

The numbers don't sound very high at first, but it is easy to overlook that those studies resulted in a reduction among the whole observed test group. Seemingly small changes but among the whole population would have impacts on a national level.

Overall no specific class in the population had stopped working at all. The reduction in work was somewhere between 0% and 7%. (Widerquist 2005)

4.1.2 The Influence On Women

It had a bigger effect on women than on men. Women used the BGI to stay either longer away from work after childbirths or to reduce the working time overall.

This is an interesting factor if we think about female entrepreneurs. Entrepreneurship grew in Finland 30% of all entrepreneurs in Finland are women.

4.1.3 The Influence On Young People

As mentioned above, the influence of a BGI was the highest on young men. The starting age of the working life increased.

4.2 The Experiment In Canada

This experiment became known also “Mincome” or “MINCOME”. It was conducted between 1975 and 1978 In Dauphin, Canada. (Forget 2011).

This study from Forget is focused on the effects on the health of the participants. Although it has nothing to do with entrepreneurship directly, it still is worth considering as a side note. The “safety” that the participants felt by receiving the Mincome and therefore income security influenced several health statistics in a positive way.

It suggests that people receiving a BGI are influenced also psychological. The effect of having no stress about generating enough income seems to even influence the health statistics. It is just abstract speculation, but it also could have a positive effect on entrepreneurs which don't need to be worried anymore about getting enough income from their businesses in Finland as well.

4.3 The Experiment In Namibia

The test in Namibia is therefore interesting since it was conducted quite recently. It started in 2008 in Otjivero-Omitara in Namibia and ended in December 2009 (Haarmann 2009). The amount of N\$ 100 was given monthly to everyone under the age of 60.

This experiment has been successful according to the data and research. The poverty line decreased from 76 percent to 37 percent. Income generating activities, one could call it also entrepreneurship, was rising from 44 percent to 55 percent. Impressive changes in a quite short time.

But of course, it needs to be mentioned that those experiments took place in Namibia which didn't have the same amount of social security than in Europe or in the USA or in Canada. Therefore, we cannot automatically expect the results to be similar positive in Finland neither.

4.3.1 The Influence On Entrepreneurship

Interesting was especially that the number of entrepreneurship was rising. A local market was created which contributed both in the community, the producer as well as the consumer.

4.3.2 The Influence On Debts

Considering that entrepreneurs often get loans from banks, it is a great coincidence that this was observed in Namibia as well. The recipients of the BGI used it obviously partly to pay back their loans and debts.

Considering this and the fact that startup-loans are also common in Finland, a BGI could influence this also in Finland. The startup-loans also cover often the living costs of the entrepreneurs. Obviously with a BGI taking care of this, that could become redundant and the loan could cover business expenses only. How this could influence start-up loans is another question which is without the scope of this thesis, but maybe an interesting to be answered in the future.

4.4 Current other developments as of October 2017

Around the time when this thesis is almost finished in October 2017, in several areas in the world an experiment regarding the BGI was either announced or introduced.

In the Netherlands and in Barcelona some experiments with the BGI have just started. Obviously, it will take some time for the experiment to take place now and for the results to be analyzed and published. Those results would be especially interesting since Netherlands and Spain are also European countries with some similarities to the social security system in Finland.

Kenya planned to start an experiment involving 300 communities and has started to test-run a pilot study in one community right now.

The province of Ontario in Canada has announced to start a 3 years BGI experiment and is enrolling candidates right now. Scotland has announced to start with experiments in the near future, too.

Last year (2016) Switzerland has voted in a nationwide referendum against the BGI

4.5 The test in Finland

Over the years, Finland has had a social security system that its citizens enjoy due to the provision of social benefits. Based under KELA, the Social Institution of Finland. This system reflects the Nordic belief that the country can on behalf of the citizens intervene for social insurance, welfare services and a comprehensive health system (von Gliszczysnki, 2016).

The system cares about provision of unemployment benefits, compensation of workers, pensions, sickness benefits, family aid, and disabled care services. KELA system henceforth, is designed to enhance Finns living conditions and dignity despite their economic status. The social security system is guided by several bodies in which the residence based social security is financed and administered by tax and KELA respectively. This division of social security provides for benefits such as maternity allowance, sickness allowance, medical expenses reimbursement, family allowance, labor market subsidy, child age subsidies, old-age retirement pension and cash benefits for parents (von Gliszczysnki, 2016).

The employment earnings based-related social security is administered by the Finnish Centre for Pensions financed by contributions to private insurance companies and pension funds.

However even in the provision of such benefits to Finnish citizens, the government and state still recognized that the KELA program did not fully address the poverty and unemployment in Finland (Kangas et al 2017). Henceforth, KELA came up with a pilot test scheme to enhance and promote employment among Finns. Introduced as a legislative proposal draft by the Finland's Ministry of Social Affairs and Health, after public opinion, controversy and debates within parliament, the proposal was finally accepted and the parliament in December, 2016 passed it as an act authorizing experimentation randomly across Finland (Kangas et al 2017).

This pilot test scheme experiment's main objective is to compare employment rate among the basic income recipients and individuals who are still relying on the KELA traditional unemployment benefits. The experiment, began implementation of January 2017 by targeting 2000 experimental subjects to whom will be selected through a random-sampling algorithm while emphasizing a mandatory participation of samples selected in the process.

4.5.1 Aims and Objectives

The purpose of the experiment according to Basic Income Experiment 2017-2018 and KELA's website, is to reduce the number of individuals seeking financial assistance while opening opportunities and activities that would enhance employment creation among Finns. After the experiment, data obtained will be used to determine the cost of its implementation of a basic nationwide income of 560 EUR (Kangas et al 2017).

The experiment will target individual between ages of 25 and 58. Argued to sometimes leave people depending on the social security benefits without money for weeks, due to bureaucratic incompetence as said, this process has devastated citizens much affecting their mental health while escalating poverty rates in Finland. Hence the introduction of the pilot test basic income scheme is to provide monetary income to unemployed individuals so to identify whether this system is better than what already exists. At the same time, the pilot scheme does not limit individuals who will attain work during the experimental period.

The pilot scheme hopes that by the end of the two-year period, the experiment will boost employment opportunities for the unemployed since the current system does the opposite. KELA hopes to expand the sample size from 2000 to more in 2018 as it monitors the progress that the basic income is impacting on individuals (Chrisp, 2017). Considering that such a system has been suggested in other European countries such as Switzerland (where it was previously rejected), Finland is also still facing controversies and being prophesied to be a non-workable and expensive plan. Nevertheless, in an of age of deepening economic and social insecurity and unpredictable employment patterns, the pilot system could work and be a strategy to provide security to basic income anyway.

However, Finland being the first European country to test the pilot scheme on its citizens and still facing debate among people, the government's Ministry of Social Affairs and Health still continues with an aim targeting at individuals faced with poverty as a result of unemployment and a non-consistent social security benefits system (Kangas et al 2017).

Moreover, individuals have been studied to opt for the social security benefits provided over short term employment activities and part time jobs or those that only amount to little wages. Most individuals preferred staying unemployment rather than losing out on the social security incentives provided. Hence, aim is to also discourage the disincentive problem among Finnish people. This was achieved after noticing that out of the 5.5 million population of Finland an 8.1% of individuals were studied to not have any employment activities undertaking. Hoping to work despite a lot of critics, it is hoped that the system will reduce joblessness problem in Finland (Sage & Diamond, 2017).

The scheme is also a way of transitioning individual form the traditional systems of employment into the technological advances that the world is introducing all through in provision of human labor. For the program to work the randomly selected individuals have to be utilizing the unemployment benefits and income subsidies. However, such payments will have to be cut off to study for the experiment's results on the individuals. The government will want to determine whether the new scheme will save money, simplify the welfare system that is already expensive to run, reduce costly bureaucracy or the opposite (Sage & Diamond, 2016).

Anticipating for enhanced opportunities for the unemployed Finns, the experiment emphasizes that individuals do not have to be afraid over the loss of unemployment benefits or even taxation.

4.5.2 Potential Impacts

The basic income experiment is meant to provide Finland with a precise over-view of how the small-scale experiment will affect the entire nation if it was implemented. Looking at its fairness and effectiveness and the response from both recipients and non-recipients of the scheme and beneficial payments, Finland's plan (unlike Swiss's) is likely to be more advantageous than disadvantageous.

The plan in Switzerland was immediately rejected by its citizens due to its plan which did not seem workable, consistent or sustainable (Sage & Diamond, 2017). In Finland, however, the logic was more acceptable hence, the go ahead of the experiment's implementation. Some of the potential impact that the pilot scheme anticipates to obtain include the provision of a fairer and effective social security system that is driven towards poverty evasion. This means that the country will enhance and strengthen endeavor and enterprise to its citizens. Another advantage relates to the issue in which Finns complained of not receiving unemployment benefits over months (Kanas et al, 2017). The success of the experiment will enable complete benefit fraud eradication to those who depend on the benefits.

However, even though benefits will be experienced, the basic income experiment is also anticipated to negatively impact on the government and its citizens.

First, the project is likely to promote laziness as individuals know that they will automatically receive monthly payments despite of not working. Individuals do not mind free money, therefore the scheme might negatively impact. The success of the experiment is also likely to trigger immigration to Finland so that enjoy the benefits.

The basic income will make Finland a more attractive place to live since every individual registered under the population registry will receive an extra additional income to whatever they are already living on (Sage & Diamond, 2017). Therefore, the project faces fear of lack of sustainability due to the likeable increase in population receiving income than those who relied on the unemployment social benefits. In addition, critics question the effectiveness of the 560 EUR which is only 16% of the 3500 EUR that the private sector earns. Such a difference in basic income makes one to wonder whether really the suggested basic income will even be close to meet the daily living expenses of an individual living in Finland.

However, even with the critics, Juha Sipila, prime minister of Finland encouraged that the basic scheme income experiment is a guaranteed strategy to enhance Finns living standards (Kangas et al, 2017).

4.5.3 Additional Note To The Experiments

In those experiments the amount of work done by the participants was reduced. Usually a reduction of work is considered this as a negative thing, due to our condition to value

work and see full-employment as something very achievable within the European culture. Therefore, a reduce in the number of hours worked seems at first automatically negative to our societies in Europe.

The result could be still positive though. Who says that with a BGI people simply worked more efficient rather than fulfilling their usual 8-hour work day? According to the motto “Work smart not hard”. Achieve the same results in less time is often seen as an ever-tempting great achievement for humanity.

Maybe the citizens with the BGI took that extra time to spend it with the humans around them or on their health. Maybe these and other positive side effects would contribute to our society more in the long run than those lost work hours would have. Maybe they really worked less, and productivity decreased a bit – but is this really a bad thing after all, especially in Finland? Yet another open question which can’t be answered in this thesis, but could be something to discuss in the future.

4.5.4 No data or results available yet

The Finnish government won’t release any data nor any results of this experiment until it is finished to not falsify the results.

The names of the participants are not published to avoid any media attention and thus any outside influence upon the participants of the experiment. This of course makes it impossible for me to take those participants into this thesis. There actually would be the opportunity to contact some of the participants although since some of those participants did kind of reveal themselves and have been even in social media and the news. But I personally don’t want to interfere in this experiment and I respect the efforts to keep this experiment as free of outer influences as possible.

Therefore, at the time this thesis is written, the experiment just started, hence there is no data yet published which could be used in this thesis.

5 WHAT ENTREPRENEURS IN FINLAND THINK ABOUT THE BGI

To find out what entrepreneurs in Finland think about the BGI and if entrepreneurs in Finland would change something if they would receive the BGI, a survey was created and filled out by entrepreneurs. The data was then analyzed with SPSS (ANOVA) and checked with the research question.

In this section, first the structure of the survey is explained in detail. Second, the data is analyzed. Third and finally, the results from the analysis is checked with the research question and a conclusion is drawn from this.

5.1 The Survey

The original online survey is still online and can be visited at the following link: <https://goo.gl/forms/DLEhImUI5XzDAUHC2>

The survey was sent via a link to the participants. The link was spread within Social Media (Facebook) between March and July 2017.

It contained several questions and was divided in 3 parts: The first part is to get a general picture of the participant; the second part is meant to gather soft data about the general mood of the participant and the third part comes down to specific questions towards the BGI.

For the first part there are data collected to get a picture of the participating entrepreneur. It was asked for the form of business (for example “Toiminimi” which is the Finnish equivalent to a sole trader ship or “OY”, the equivalent to the LLC), the area of business, size of the business (number of workers), the total yearly turnover, total yearly profit, the age of the business and the entrepreneur him- or herself. Obviously also the average working hours are asked for as well. The idea was to get numbers to categorize the entrepreneur and his business

For the second part there is also some “soft data”, which is not explainable in numbers, is asked to get a picture of the “mood” and the general “business-climate” within the entrepreneurs. It was also asked how he or she would determine his or her current situation, how optimistic the entrepreneur is for the next 10 years to get an insight into his feelings and emotions towards his business and general situation.

For the third part came last but not least the most relevant and interesting questions regarding the BGI: Would you still work if you would receive a BGI? If so, more or less hours? Would you have started your business earlier with a BGI? Do you think it would have helped you along the way if you would have received a BGI? How do you like the idea of BGI in Finland in general?

The survey was distributed in Social Media (namely Facebook) into several English-speaking groups that had in some way something to do with entrepreneurship. I did post the link to the survey into Facebook in the hope to reach many different people in different stages of their entrepreneurial activity.

Namely, “Finnish Entrepreneurship” and “Finland IESAF Business Group” have been two of those groups. But the survey was also posted in groups which have the BGI as a topic, namely was one “Suomen perustuloverkosto”, which can be translated to “Finnish BGI-network” and is a Finnish speaking and its members mostly for the introduction of an BGI.

It needs to be taken into consideration that some if not the majority of participants in this survey are most likely in favor of an BGI. The fact that the survey was purely in English might have drawn also a higher than usual number of international entrepreneurs which are living in Finland. Often those international entrepreneurs have not yet the same access to the Finnish social security system as the natives of Finland. It needs to be kept in mind as well that this might shift the opinion and judgement in the answers and therefore creates a different pictures than if mostly Finnish natives would have been asked.

There are 51 responses to the survey. Less than it was hoped for, maybe it would have created more responses if this survey would have been conducted in Finnish as well.

The age of the participants is revealing that most of the respondents were rather young. 51% of the participants were in the age group of 25-34 years. This is not reflecting the average age structure of entrepreneurs in Finland.

5.2 Method

The data collected from the survey is partly analyzed via SPSS. There are some questions which can be answered with either yes or no. Some other questions can be answered with a number. Those can be obviously easily analyzed with SPSS.

Obviously the most important here was to analyze the connection of the different variables. There are more important relationships like amount of work currently and the answer to the question if the entrepreneur would still work if he or she would receive a BGI (or increase or decrease the amount of work significantly).

The research question poses to identify the relationship of BGI on people's attitude towards entrepreneurship. The data analysis is conducted in SPSS software. To assess the relationship between the current study variables several hypotheses are formulated so that it is possible to get the clear insight of the data.

5.3 Data Analysis

The whole survey including its responses are included in the Appendix. The tables as following are referring to the tables in the Appendix.

Table 1 shows that the total number of respondents are 51 and there is no missing value in the dataset.

Table 2 showcases that majority of the respondent's lies in the age group of 25-34 which is 51% of the whole dataset. Table 2 also shows that merely 3.9% of respondents falls in the age group of 70+.

Table 3 shows that 72.5% of respondents are male whereas 27.5% of respondents are females. This might reflect that most entrepreneurs are male in Finland as in many other parts in the world as well.

Table 4 shows that 31.4% of respondents have a business of proprietorship, 3.9% have a partnership, 29.4% have a business nature of limited company, 27.5% of respondents didn't registered their business yet and 7.8% of respondents have no idea about the nature of their business.

The analysis showcases that majority of the respondents have a business of proprietorship and only 2 respondents have a business of partnership. Just one out of three (29.4%) of the participants have a limited company.

Also in Finland limited companies have a more comfortable tax rate and more opportunities for tax write-offs than businesses of proprietorship. Therefore the limited companies are often preferred among the entrepreneurs. But it is important to mention here that a limited company in Finland comes with some bureaucracy and upkeeping costs for the bookkeeping. It is quite impossible to set a precise number when the savings in taxes are bigger than the higher amount of bureaucracy and account of the limited company since every business and every situation is different. A rule of thumb among although is that just from a turnover of 100.000 € and above annually it is reasonable to file a limited company rather than a business of proprietorship in Finland.

Table 5 shows that majority of the respondents are VAT-registered (64.7%). As already mentioned earlier, a VAT registration means (usually) that the turnover of the business operation is at least 8.500€ per year. Since almost two thirds of the participants are VAT-registered, we can take this as a first indicator that the participants are producing at least a major part of their income or even all of their income with their businesses.

Table 6 shows the classification of number of respondents with respect to their yearly income. It shows that 29.4% of respondents didn't share their annual income by responding "I don't know yet, I just started". The most chosen answer of the surveyed respondents (27.5%) was an income that lies between 20,000 € and 50,000 €. This also represents roughly the average gross salary of 40,560 € of the employees in Finland. Therefore, this can be our second indicator that the participants are creating a major part or even all income from their businesses.

Table 7 portrays the motivators which influence or will influence the respondents to pursue entrepreneurship. It shows that 21.8% of respondents believe that "freedom" is the highest motivator or the perk to pursue entrepreneurship. This is the most chosen option. With already some distance, the second most often was "money" and "fun" (both 13.8%) and mission (with 12.2%). Interesting here is maybe also that "didn't find a job" (9.6%) and "just happened" (3.7%) were just rarely chosen. This maybe can be an indicator that entrepreneurship in Finland is something which is usually chosen in full consciousness and nothing that happens by accident or by necessity.

Table 8 shows that out of 51 respondents 46 are in the favor of receiving BGI whereas only 5 respondents negate this idea. This means 90.2% of the participants are in favour of the BGI, higher than the nearly 70% which were "favourably disposed" toward the BGI according to a survey conducted in Finland by KELA in 2015.

Table 9 shows that respondents who think that they do things differently if they would get BGI. 8 of the respondents won't provide their opinions so they will be treated as missing values. Most often the respondents have chosen that they would like to change strategy and hire people (both 19.4%) if they are able to receive BGI. Here it maybe can be assumed that the goal of hiring people is to delegate and therefore to either save working hours, grow the business or even both at the same time. Other responses have been f.i. taking more education (15.5%) and buy machines (13.6%). Only 5.9% of respondents feel to work less which might be interpreted as an indicator for how dedicated the respondents are towards their business or profession.

5.3.1 Summary participants

64.7% of all participants are VAT-registered (Table 5) and produce an income between 20.000 € and 50.000 € of 27,5% (Table 6). Two indicators that a major part of the participants of the survey are producing a major part of their incomes and take their business most likely serious.

5.3.2 Research question

The research question for the analysis of this survey is “How would a Basic Guaranteed Income influence entrepreneurs in Finland?”

5.3.3 Hypothesis testing

To determine the intentions or attitude of respondents towards entrepreneurship with their only annual income or along with the BGI is analyzed by using one-way ANOVA. Two testing hypotheses will be used. ANOVA is the most appropriate since in the survey are more than two means.

The first testing hypothesis will be:

H1: There is a significant mean difference in people’s intentions towards entrepreneurship when all available finance is their annual income.

Table 10 shows that p-value of all the dependent variables is greater than 0.05 so it is not possible to reject the null hypothesis and conclude that there is no significant mean difference in people’s intentions towards entrepreneurship when all available finance is their annual income.

Table 10. ANOVA p-value of all dependent variables

		Sum of Squares	df	Mean Square	F	Sig.
Doanythingdifferent	Between Groups	18.709	5	3.742	1.764	.140
	Within Groups	95.448	45	2.121		
	Total	114.157	50			
Takemorerisks	Between Groups	12.621	5	2.524	1.753	.142
	Within Groups	64.790	45	1.440		
	Total	77.412	50			
Chnagetheway	Between Groups	7.758	5	1.552	.842	.527
	Within Groups	82.948	45	1.843		
	Total	90.706	50			
Workmore_less	Between Groups	8.505	5	1.701	1.875	.118
	Within Groups	40.829	45	.907		
	Total	49.333	50			
BGI_situation	Between Groups	2.940	5	.588	.604	.697
	Within Groups	43.805	45	.973		
	Total	46.745	50			
FinnishPilot	Between Groups	7.885	5	1.577	1.079	.385
	Within Groups	65.762	45	1.461		
	Total	73.647	50			

The second testing hypothesis which aims to measure the effect of BGI on people attitude towards entrepreneurship will be

H2: There is a significant mean difference in people's intentions towards entrepreneurship when they get BGI along with their income generated from the business.

Table 11 shows that the p-value of dependent variables take more risks, change the way of doing business and better situation in coming 5 years has a p-value less than or equal to 0.05 (which are 0.0052, 0.003 and 0.004 respectively). Therefore, the null hypothesis can be rejected, and it can be concluded that with an availability of BGI the attitude of people towards entrepreneurship in the area of taking risks, changing the way of conducting business to get their businesses better are significantly affected.

Table 11. ANOVA p-value of all dependent variables

		Sum of Squares	df	Mean Square	F	Sig.
Doanythingdifferent	Between Groups	4.239	1	4.239	1.890	.175
	Within Groups	109.917	49	2.243		
	Total	114.157	50			
Takemorerisks	Between Groups	5.807	1	5.807	3.974	.052
	Within Groups	71.604	49	1.461		
	Total	77.412	50			
Chnagetheway	Between Groups	15.471	1	15.471	10.076	.003
	Within Groups	75.235	49	1.535		
	Total	90.706	50			
Workmore_less	Between Groups	2.981	1	2.981	3.151	.082
	Within Groups	46.352	49	.946		
	Total	49.333	50			
BGI_situation	Between Groups	7.419	1	7.419	9.244	.004
	Within Groups	39.326	49	.803		
	Total	46.745	50			
FinnishPilot	Between Groups	2.321	1	2.321	1.594	.213
	Within Groups	71.326	49	1.456		
	Total	73.647	50			

Apart from that, BGI has no significant effect on variables such as doing things differently, working more or less or the outcome about the Finnish pilot test for pursuing entrepreneurship (as stated earlier, it could be argued that the Finnish basic income experiment

could be really seen as a BGI). Therefore, we can conclude that receiving a BGI, entrepreneurs would not greatly change those factors.

5.3.4 Results from the survey

The survey has brought answers to the research question: How would a Basic Guaranteed Income influence entrepreneurs in Finland?

According to this survey, it seems that the BGI would have just little influence on entrepreneurs in Finland.

Entrepreneurs change their attitude towards taking risks, change the way of conducting business to get their businesses better are significantly affected.

It also showed that entrepreneurs would not significantly work less nor do they expect their situation to be much better or worse 5 years later if receiving the BGI.

6 CONCLUDING REMARKS

6.1 Reduced working time in the experiments

According to the survey of this thesis, the entrepreneurs in Finland would not work significant less (chapter 5.2.3). In the experiments in Canada, USA and Namibia, the participants did change their amount of work (chapter 5). Usually they reduced it.

This might be an indicator that in Finland, maybe due to cultural reasons, maybe due to the purely theoretical nature of the BGI in Finland so far. The exact explanation for this difference is outside of the scope of this thesis, but it gives an indicator that the entrepreneurs most likely would act different than in the previous tests if they would receive a BGI.

If productivity would always go over everything else, we as societies in Europe would still work rather 60 hours on 6 days a week as it was the case in Europe decades and centuries ago. We consider it nowadays as a luxury and often even as a privilege of a first world country that there is a law which limits the work hours per week to a certain maximum in Finland and many other European countries. In the so called developed countries we appreciate our free time. There is a change that the BGI would maybe give us more free time with the same wealth.

Parkinson's law states that "work expands so as to fill the time available for its completion". Maybe it is up to us to criticize ourselves more for taking too much time for work which could have been done faster or smarter rather than feeding our egos by working many hours and more hours than others. In other words, we maybe need to learn how to "work smart, not hard" rather than bragging with how many hours we are working.

6.2 The experiments with the BGI

The experiments which have been conducted in USA, Canada and Namibia have been in a time when there was no social security yet. Introducing any kind of social security into a country without any prior social security can't be really compared to Finland (and many other countries), where there is quite much social security already.

Another thing to take into consideration is that the amount of the BGI in the experiments have been hardly over the poverty line, far away from a sufficient BGI. Therefore, the people participating in experiments have most likely behaved different as they would have done with a "real" BGI well above just poverty line.

6.3 Future Developments

One question I want to ask is if it is even necessary to promote entrepreneurship or help entrepreneurs in the first place. Being an entrepreneur in Finland myself, of course I like the idea in the first place and many other entrepreneurs in Finland most likely would be in favor as well (as for example the survey of this thesis has shown). But the whole en-

entrepreneurship-‘scene’ right now seems a bit overhyped. Many people are suddenly starting a business and calling them entrepreneurs, but just very few are really providing products or services to actual paying customers.

Entrepreneurship seems often as the new way of procrastinating. It is easier to call oneself an entrepreneur and apologize mistakes with the ‘failing culture’ of entrepreneurship. This might prevent many people of getting there ‘hands dirty’ with real, value-creating work. It might prevent for many to start to become useful to the society by providing their skills in the form of a job (or at least some freelance-activity) rather than be an ever-failing entrepreneur.

Therefore, it maybe needs to be discussed if more support and engagement to entrepreneurship will really lead to more successful entrepreneurs and more successful businesses or just blowing up a bubble

Automation, a topic which is not even in the scope of this thesis, will most likely go on in the future. Therefore, less and less human labor and brain power might be needed to produce and fulfill our needs.

Fore entrepreneurship, automation could simply be a ‘job killer’ as well. One of the backbones of entrepreneurship, trade and retailing, might become redundant. Many small retail shops are maybe not needed anymore due to big, more efficient and cheaper alternatives like Amazon. It will be interesting to see if a small entrepreneur with a shop can still compete in the future against more efficient and automated bigger companies.

The BGI could become an ever more interesting solution to the fact that many humans are maybe simple ‘not needed’ anymore on the job market. But on the other hand, the emotional mentality that “one must work for his income” is often much deeper rooted in the human brain than a rational look where our wealth comes from and who – or better what – is actually producing it.

This mentality and objection of “everyone has to work if possible, as a matter of principle”, regardless if economical reasonable or not, might be too big to see a BGI in the future in Finland.

6.4 A reflection on the conducted survey

I personally did not just conduct this survey but also discussed the BGI a lot with many different people. There were two things that I had to explain repeatedly since it was hardly understood by a majority of people. Looking to this thesis, it might have been misunderstood by the participants of the survey as well.

The first thing which people often didn't get is that the BGI is paid always, regardless if someone works or not. That means that someone who works still has more (the BGI + salary) than someone who does not any income producing work (that person has just the BGI but no salary on top). Simple example I often used to explain this: let's assume a basic guaranteed income is 1500€.

John is just taking the BGI and has no other additional income, therefore John has 1500€ every month. Bob is also receiving the 1500€ income but he might also generate another 1500€ by producing websites for other people, thus he has 3000€ every month. Double as much as John who does not any work.

The second thing what people also didn't get most of the times is that the BGI is supposed to cover your basic needs as humans but is not supposed to finance a “luxury lifestyle”. A BGI is in most cases meant to be around the either minimum level to be officially out of poverty (f.i. 60% of the median income of a country is often defined as the poverty line) or maximum the median income. A BGI is not meant to be a salary among the upper middle class or even top earners of a nation. No one should be able to drive an expensive car or affording a big house by just the BGI.

I even heard sometimes that the BGI would be “a communistic thing”. And yes, it can be interpreted as such if someone wants to see it that way. But the goal of the BGI is still that if someone wants ‘more’ than just survive, there is an incentive to work for the extra ‘luxury’ which goes above basic human needs covered. This still separates the BGI from basic ideas of communism. The BGI still keeps a free, capitalistic system where effort is rewarded financially and the BGI would still create some healthy income inequality among the people to maintain the incentive to work in the first place as well.

I am not sure if the people in the survey got those two basic things which are important to know and understand the concept of a BGI completely. In Austria and Germany, where I discussed the BGI with many people as well, the first initial response was actually negative (in contrast to Finland where it was mostly neutral or positive) since people in Austria and Germany seem to want a big incentive to work (interestingly in the opinion of most, the incentive to work is always needed for the others but never for oneself, but that is another topic). Once it was understood that there is still an incentive to work (since the BGI would be paid regardless of employment), the opinion towards it changed often .

Looking back, I would have done the survey different, I maybe could have put a better explanation into the survey or ask some test question to test if the participant truly understood the BGI. Maybe I should have clarified also the BGI better, so that people have the chance to understand the basics before they are asked to judge it.

6.5 A last personal note

Finally, you as reader might ask yourself if the author is in favor of the BGI. Yes, I the author, am in favor for the BGI. I would like to see more experiments in the future and would like to have all data resulting be correctly analyzed.

But although a BGI has some promising possible solutions for future challenges like automatization and income inequality, I see also many problems and challenges that come with an BGI.

We need to be respectful to the needs of society. Stability is one of those needs, too fast changes are not good. Changing the social security system of a whole country is not easy and requires patience. If not executed carefully, the results are often tumult and a breeding-ground for radical movements.

So, should Finland introduce the BGI? I don't know for sure. But if Finland goes further down this road, I wish for a slow, step by step and rational approach without any populist or even radical fast moves.

APPENDIX 1. THE SURVEY

Entrepreneurship and Basic Guaranteed Income (BGI)

A survey regarding Entrepreneurship and Basic Guaranteed income in Finland. Your data is treated confidential.

There are 3 x 10 € Gift-Cards for Stockmann given away for answering this surveys! The winners are chosen randomly. Only requirement: Fill out the survey and leave an email-address!

*Required

7 General Questions to your person

1. 1.1 How old are you? * Mark only one oval.

- 18-24
- 25-34
- 35-55
- 55-70
- 70+
- Option 6

2. 1.2 What is your gender? * Mark only one oval.

- Male
- Female

8 Questions regarding Entrepreneurship

3. 2.1 What business form have you registered? * Mark only one oval.

- Proprietorship (toiminimi)
- Partnership (avoin yhtiö)
- Limited Partnership (kommandiittiyhtiö)
- Limited Company (osakeyhtiö)
- Cooperative Association (osuuskunta) I Don't have yet a company registered
- Other: _____

4. 2.2 Are you VAT-

registered (= Do you have an ALV-tunnus?) ? * Mark only one oval.

- Yes
- No

5 2.3 How much is your yearly personal income (from your business, after taxes, in Euro)? * Mark only one oval.

- I don't know yet, I just started
- 0 - 5.000
- 5.000 - 10.000
- 10.000 - 20.000
- 20.000 - 50.000
- 50.000 - 100.000
- 100.000 - 200.000
- 200.000 - 500.000

500.000 +

6. 2.4 What motivates you as an entrepreneur? (Several answers possible) * Tick all that apply.

- Fun
- Mission
- Freedom
- Money
- Time
- Opportunity
- Didn't find or get a job
- It just happened Other: _____

9 Basic Guaranteed income (BGI)

A basic income) is a form of social security in which all citizens or residents of a country regularly receive an unconditional sum of money, either from a government or some other public institution, in addition to any income received from elsewhere.

Unconditional means you would get it in all matters, no matter if you work, have a business or simply wouldn't do anything.

10 Here is also a short video (3:16 min) which explains the BGI (and possible pros and cons) on YouTube



<http://youtube.com/watch?v=dNWGmQD6yy8>

7 3.1 Would you be in favour of a BGI? * Mark only one oval.

- Yes
 No

8. 3.2 As an entrepreneur, would you do anything different if you would receive a BGI? * Mark only one oval.

1 2 3 4 5

No Yes

9. 3.2.1 If so, what would you do different?

10. 3.3 Would you take more risks as entrepreneur with a BGI? * Mark only one oval.

1 2 3 4 5

No Yes

11. 3.4 Do you think receiving a BGI would change the way how you run your business? * Mark only one oval.

1 2 3 4 5

No Yes

12. 3.4.1 If so, what would you do different? (several answers possible) Tick all that apply.

- Change my strategy
- Take more education
- Work less
- Work more
- Hire people
- Buy new or more machines
- Expand to other countries Other: _____

13 3.5 If you would receive a BGI, would you work more or less? * Mark only one oval.

1 2 3 4 5

less more

14. 3.6 With a BGI from now on, would your situation be better or worse in 5 years? * Mark only one oval.

1 2 3 4 5

worse better

15. 3.7 What do you think about the Finnish pilot test of an BGI? * Mark only one oval.

1 2 3 4 5

Not good Good

16. If you want to participate to win one of the Stockmann gift cards, leave your email address here (No spam, promised)

17. Do you want to be updated about the results of this survey and the thesis itself? (Max. two emails - one when the survey is completed and another one when the thesis is published)? * Mark only one oval.

- Yes, update me via email
- No, don't send me an email ever

Thank you for participating in the survey!

Your data is of course treated confidential.

If you have any questions, some more input or anything else, here are my contact details:

<http://michaelringlein.com/>

<https://www.facebook.com/michael.ringlein>

APPENDIX 2. THE RESULTS OF THE SURVEY

Table 1. Statistics

		Age	Gender	Business_nature	VAT_registered	Income_Annual
N	Valid	51	51	51	51	51
	Missing	0	0	0	0	0

Table 2. Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24	5	9.8	9.8	9.8
	25-34	26	51.0	51.0	60.8
	35-55	18	35.3	35.3	96.1
	70+	2	3.9	3.9	100.0
	Total	51	100.0	100.0	

Table 3. Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	37	72.5	72.5	72.5
	Female	14	27.5	27.5	100.0
	Total	51	100.0	100.0	

Table 4. Business nature

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Proprietorship (toiminimi)	16	31.4	31.4	31.4
	Partnership (avoin yhtiö)	2	3.9	3.9	35.3
	Limited Company (osakeyhtiö)	15	29.4	29.4	64.7
	I Don't have yet a company registered	14	27.5	27.5	92.2
	other	4	7.8	7.8	100.0
	Total	51	100.0	100.0	

Table 5. VAT registered

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	33	64.7	64.7	64.7
	No	18	35.3	35.3	100.0
	Total	51	100.0	100.0	

Table 6. Income Anual

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I don't know yet, I just started	15	29.4	29.4	29.4
	0 - 5.000	7	13.7	13.7	43.1
	5.000 - 10.000	6	11.8	11.8	54.9
	10.000 - 20.000	6	11.8	11.8	66.7
	20.000 - 50.000	14	27.5	27.5	94.1
	50.000 - 100.000	3	5.9	5.9	100.0
	Total	51	100.0	100.0	

Table 7. Motivation Frequencies

		Responses		
		N	Percent	Percent of Cases
Motivation ^a	Fun	26	13.8%	51.0%
	Mission	23	12.2%	45.1%
	Freedom	41	21.8%	80.4%
	Money	26	13.8%	51.0%
	Time	18	9.6%	35.3%
	Opportunity	26	13.8%	51.0%
	Din'find_getjob	18	9.6%	35.3%
	Justhappened	7	3.7%	13.7%
	other	3	1.6%	5.9%
Total		188	100.0%	368.6%

a. Dichotomy group tabulated at value 1.

Table 8 BGI favor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	46	90.2	90.2	90.2
	no	5	9.8	9.8	100.0
Total		51	100.0	100.0	

Table 9. Do Different Frequencies

		Responses		
		N	Percent	Percent of Cases
Do_Differently ^a	Strategy	20	19.4%	46.5%
	Moreeducation	16	15.5%	37.2%
	Workless	5	4.9%	11.6%
	Workmore	12	11.7%	27.9%
	Hirepeople	20	19.4%	46.5%
	Buymachines	14	13.6%	32.6%
	Expandothercountries	6	5.8%	14.0%
	Otheranswer	10	9.7%	23.3%
Total		103	100.0%	239.5%

a. Dichotomy group tabulated at value 1.

Table 10. ANOVA p-value of all dependent variables

		Sum of Squares	df	Mean Square	F	Sig.
Doanythingdifferent	Between Groups	18.709	5	3.742	1.764	.140
	Within Groups	95.448	45	2.121		
	Total	114.157	50			
Takemorerisks	Between Groups	12.621	5	2.524	1.753	.142
	Within Groups	64.790	45	1.440		
	Total	77.412	50			
Chnagetheway	Between Groups	7.758	5	1.552	.842	.527
	Within Groups	82.948	45	1.843		
	Total	90.706	50			
Workmore_less	Between Groups	8.505	5	1.701	1.875	.118
	Within Groups	40.829	45	.907		
	Total	49.333	50			
BGI_situation	Between Groups	2.940	5	.588	.604	.697
	Within Groups	43.805	45	.973		
	Total	46.745	50			
FinnishPilot	Between Groups	7.885	5	1.577	1.079	.385
	Within Groups	65.762	45	1.461		
	Total	73.647	50			

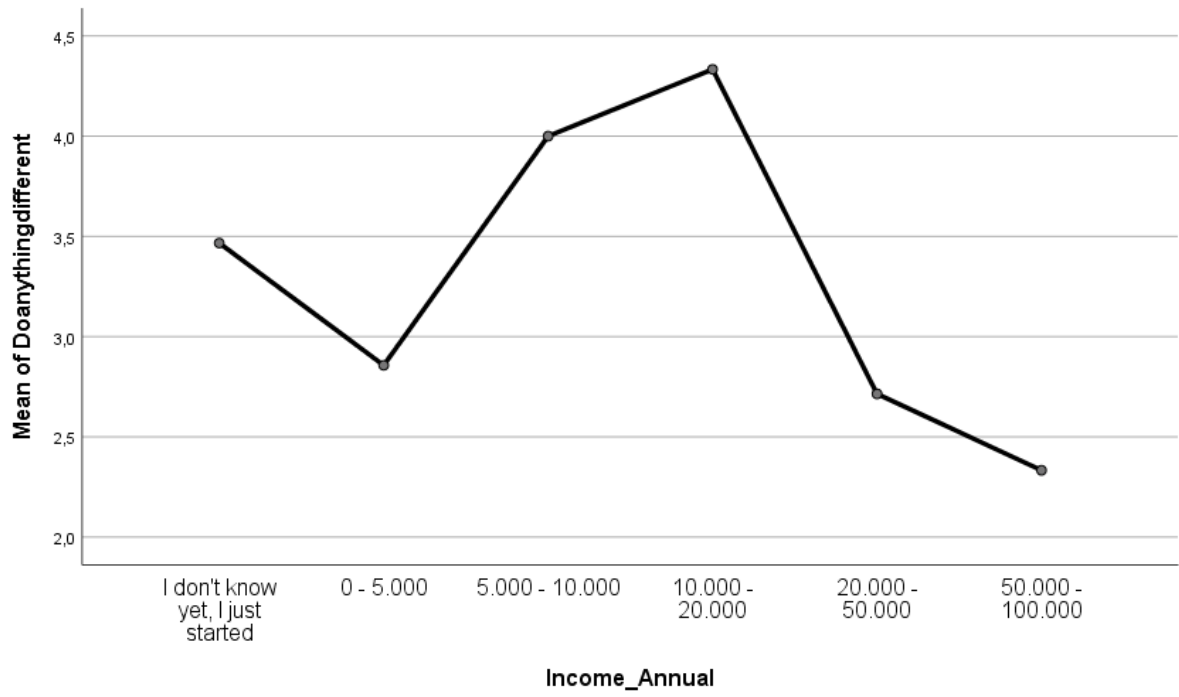


Figure 1. Means of Do anything different

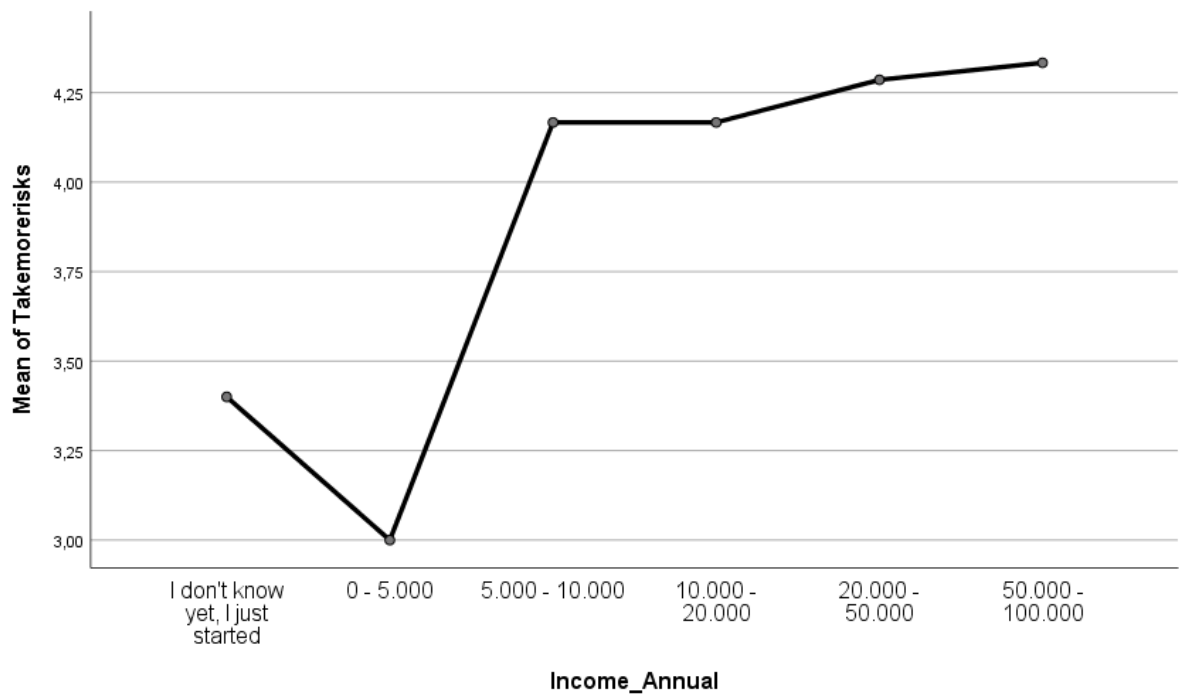


Figure 2. Means of Take more risks

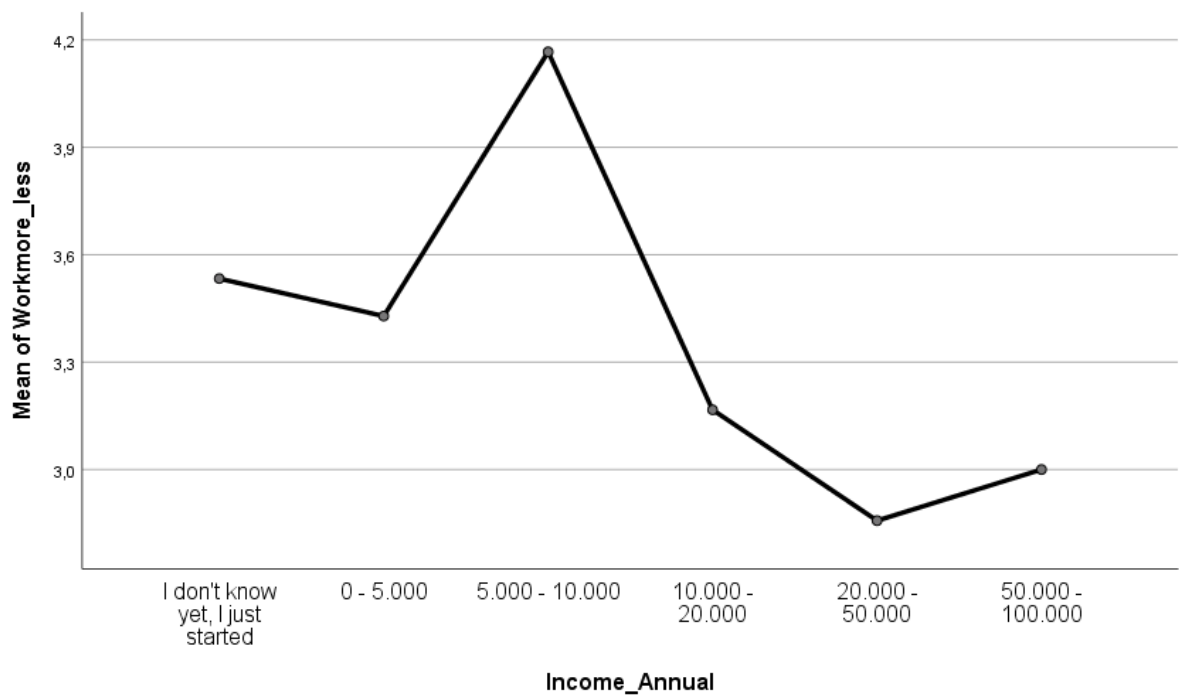


Figure 3. Means of Work more or less

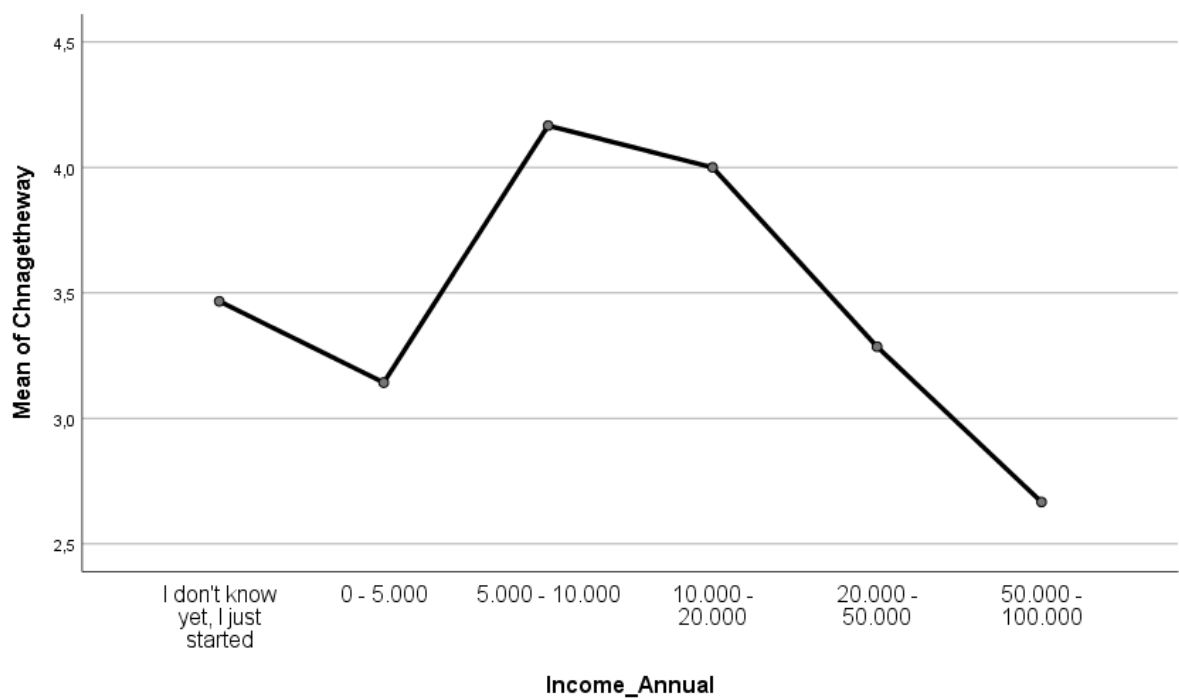


Figure 4. Means of Change the way

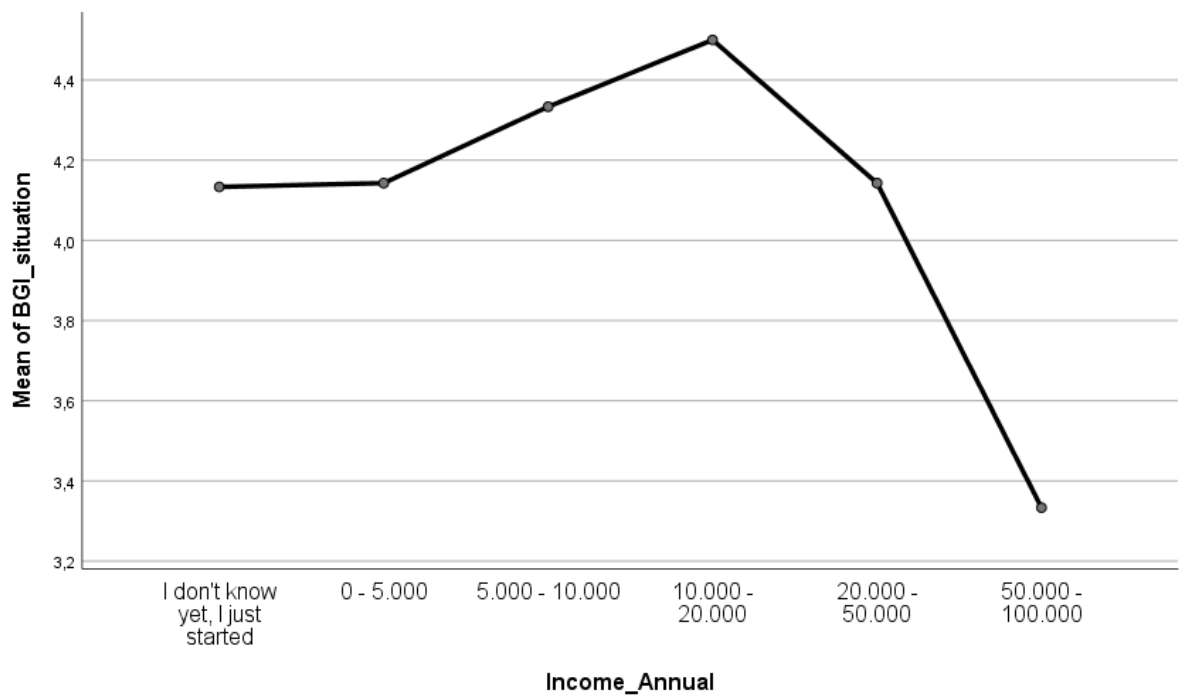


Figure 5. Means of BGI situation

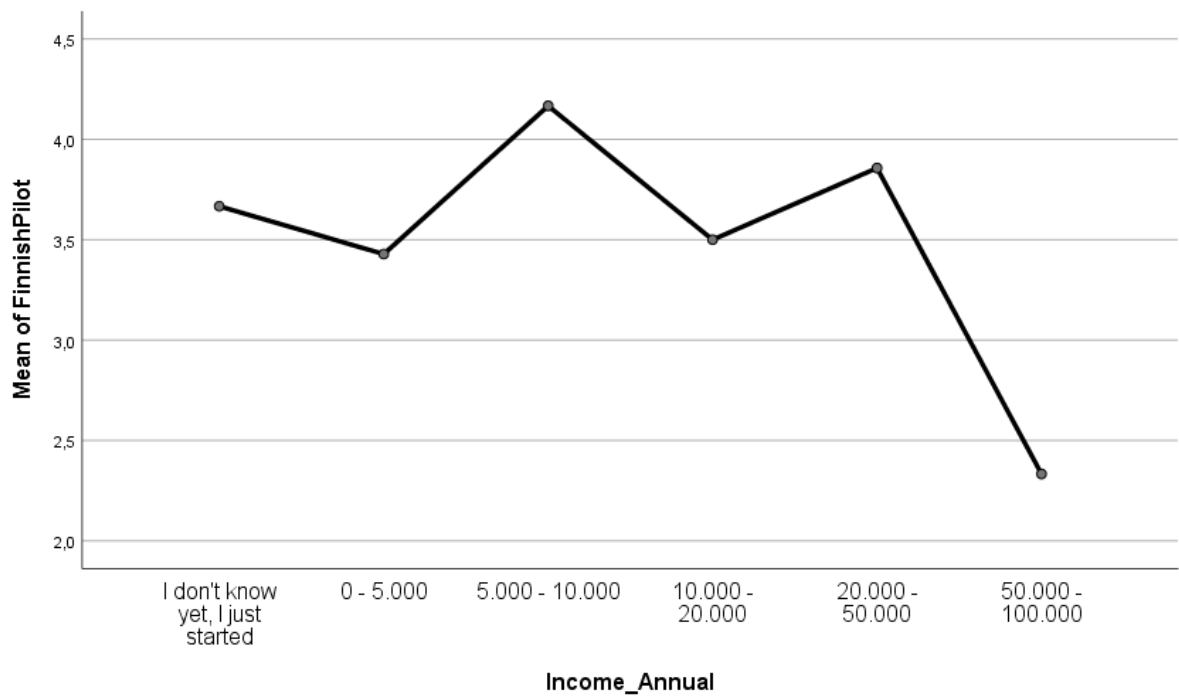


Figure 6. Means of Finnish pilot test

Table 11. ANOVA p-value of all dependent variables

		Sum of Squares	df	Mean Square	F	Sig.
Doanythingdifferent	Between Groups	4.239	1	4.239	1.890	.175
	Within Groups	109.917	49	2.243		
	Total	114.157	50			
Takemorerisks	Between Groups	5.807	1	5.807	3.974	.052
	Within Groups	71.604	49	1.461		
	Total	77.412	50			
Chnagetheway	Between Groups	15.471	1	15.471	10.076	.003
	Within Groups	75.235	49	1.535		
	Total	90.706	50			
Workmore_less	Between Groups	2.981	1	2.981	3.151	.082
	Within Groups	46.352	49	.946		
	Total	49.333	50			
BGI_situation	Between Groups	7.419	1	7.419	9.244	.004
	Within Groups	39.326	49	.803		
	Total	46.745	50			
FinnishPilot	Between Groups	2.321	1	2.321	1.594	.213
	Within Groups	71.326	49	1.456		
	Total	73.647	50			

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