

SMALL AND MICRO ENTREPRENEURS, SELF-EMPLOYED, THOSE ON THE BORDER OF WORK AS PRISONERS OF THE OUTDATED LAWS

Ladies and Gentlemen, proponents and opponents of UBI

Nobody is prophet in his/her own country. That's why I am here – to prophesy a great future for the Unconditional Basic Income. And, in concert with you rejoice over the good news all the time emerging from within the campaign for this UBI all over the world.

I forecast that UBI will be very, very beneficial to the huge amount of unemployed people, those huge amount of people made poor and left outside the social inclusion due to their hardly ending unemployment. Here, however, I give a little overview of the situation of Finland's small and micro enterprises, self-employed and people with so called 0-agreement, and try to find some arguments why it is so important not to let them out of the Finnish UBI experiment that is – hope so – about to get started soon.

First some background figures (source: Federation of Finnish Enterprises 14 Sept. 2015), that illustrate the significance of these groups of people from viewpoint of especially Finland's economy.

[Businesses with less than 10 employees are micro-enterprises. They number 262 435 or 93,4 % of all enterprises. Small enterprises numbered 15 675 (5,5 %), have less than 50 employees. Number of middle-size enterprises was 2 592 (0,9 %) and number of large companies 588 (0,2 %). The small and micro entrepreneurs numbered 278 110 all together. Additionally, according to assessment of Federation of Finnish Enterprises there are 170 000 self-employed people in our country. In grand total of 448 110 persons.]

Out of these figures it is easy to perceive their huge contributions to not only Finland's economy but also to our entire Nordic welfare society. But regardless of their highly important role and position in our country, their status – recognition and respect – by the legislators and our income-political negotiating table (called "tupo" in our language) consisting of the labor market parties, is heavily undervalued. To confirm this fact, I only need to state that the labor organisations have left the small and micro entrepreneurs outside this tupo-table, the most powerful societal entity after Finland's Parliament.

As for Finland's self-employed – among them a big number of artists, culture workers, freelancers etc. – their status is heavily undervalued, too. They are often very strongly controlled by authorities. One sign of this is that a large number of them are even forced to register as entrepreneur against their will!

One other example of how the Government tries to improve the working conditions of those on the margin of the labor organisations' rules: The fact that the tupo-table, which includes representatives for the political elite, too have prolonged the working time of their employee's (be that on whole or part time basis). I.e. with the presumption that it would increase the purchasing power of the members of the labor unions. Of course, with no option for how the working time – and purchasing power – of people on the margin of work would be increased. Even no attention to the fact that such a stupid decision would self-evidently not reduce the huge unemployment. Thus the high "representatives" for the nation acted in accordance with the neoliberal political culture typical for their attitude and behavior – against the huge majority of the people – not against the little minority of people who still vote for them.

They even don't see nor understand the consequences of this law either: that it is going to

deepen the gap between those who earn an economically decent and sufficient livelihood and those who suffer from its absence. [Note the Top Down principle of legislation and that the legislators don't follow well enough the consequences of their laws to their subservient (by Jyrki Tala, Professor of Law, Turku)].

Professor Tala has right: the Finnish Parliamentarians, due to this new law of work time prolonging, will not see that the purchasing power of the hundreds of thousands of unemployed and other ordinary people on the margin of work would be increasing in future. Neither may the legislators have seen that the purchasing power of the badly-off people has decreased a great deal during many decades already. Actually over 50 % since about 50 years back only. By the way, at the same time, the living standard of the Finnish population has sunk by 40 %, measured with HDI (human development index – not with GDP/Gross Domestic Product that measures economic variables only) (Also worthwhile reading: "Market discipline and managerial power. Governing the Finnish financial crisis in the 1990s", Helsinki: Loki. 2002, by researcher Anu Kantola, University of Helsinki.)

Conclusion of the above: these groups of people – plus many more people highly relevant to become tested how UBI could improve their living conditions – are left outside the UBI experiment by the decision of the Government. Perhaps the Government fears that the dynamic effects of the experiment on these people's lives would shake the comfort and advantages of those who, for some inscrutable reason, have still succeeded in keeping their whole day work relationship. Or maybe the entire tupo-clique fears so much that they had to persuade the Government to prevent the experiment administration from choosing people from the dangerous class of precariat as one other testing group (Guy Standing!). Thus, this solution may have been very easy for the Government to make because the Constitution's article on the state's obligation to protect the working force hasn't reached to apply for the protection of this special type of working force. One certain thing confirms this: the fact that they haven't a seat, nor any proper protection, nor any proponents at the tupo-table either.

In Finland there are a huge number of unemployed people, ever since the great economic depression in the beginning of 1990's. By approval of any laws – or without their hindrance – the unemployment rate has stayed between 8 and 9 % in average every year since, numbering from 230 000 to 250 000 people in recent years but climbing up to even 350 000 people lately. Imaginary more than 700 000 are marginalized in our Nordic welfare state if we count – as we have to – all long-term unemployed and those poor workers, small pension receivers and others who are dependent of social allowances. Breath queues are getting longer, the gap between rich and poor is widening all the time, old people care lies in a scandalous state etc. All this happens regardless of that Finland is far more richer now than ever in its history!

Dear listeners! The biggest hindrance in the way towards implementation of UBI may just lurk in this holy trinity: outdated social security system, outdated work and social laws (Parliament/legislators – NB Prof. Tala) and, last but not least, the outdated, powerful labor market organisations including the tupo-negotiating table. For their powerful societal status and overwhelmingly impressive privileges and advantages, they do not want to see nor acknowledge the world changing around them very fast. This might also be the biggest reason for that they haven't bothered finding out the core idea and essence of UBI.

Since the point of UBI is that (quote from Götz Werner) "it (UBI) is not the payment for work

but it facilitates the work". UBI facilitates work for a job seeker but concurrently provides the employer (in these above groups) with the same unconditional sum of money making it

possible for the enterprise to recruit new employee(s). For this is as if an imperative for both parties (we all know that a work relationship with a proper salary best can provide decent living conditions), they can easily agree about wages and other work conditions. We can easily prophesy how well both parties are able to overcome economic setbacks, even avoid bankruptcies, when their lives are (properly and humanly) secured with UBI. ()

As this is – in my mind at least – the main premise to improve the status and success factors of those hundreds of thousands of small and micro enterprises and the self-employed people, do you think that it wouldn't, concurrently, constitute a very good incentive when aiming at increasing work demand and supply at the labour market?

For some inscrutable reason, the Finnish Government will restrict the sample groups of the UBI experiment to one group only: a tiny group of 2000 unemployed people. This is a decision from another planet and has nothing to do with a proper UBI experiment because the Government has "forgotten" the counterpart for the sample group chosen: the most important purpose and rationale of the experiment. It would be extremely hard setback to the whole experiment if the incentiviveness and willingness for employing by the above category of employers would not be tested. Since both parties – job seekers and job suppliers – are as significant in this experiment. By including also the job suppliers in the experiment as sample group, our country can avoid making itself a laughingstock – in front of the whole international Basic Income community.

Last but not least fear is attached to the question whether the experiment is against the Constitution. Such doubts have been raised by those being against the experiment and even by some legislators saying that the experiment could be against the law of equality: people in any position of society should be treated equally. This statement of the highest rank of decision makers is actually no wonder in the light of what for instance professor Tala has said about the level of practicing legislation in Finland.

According to my own perception of how the law of equality functions in our society, I have come to the following conclusion that the law of equality is in deep conflict with our UBI experiment, ie. according to some high politicians and some legislators mainly. I think again how controversial and erroneous such a law looks like that doesn't apply to our modern world's working conditions (nor even can rescue people from the huge unemployment) and would – in worst case – even prohibit such a greatly welcomed societal experiment like UBI from coming true.

Hundreds of thousands of people are among each other equal through devastating consequences by law whereas those people outside social exclusion are much more equal because for them the positive effects of the law of equality are strengthened by way better justice they get through protection of some other laws like the work and social laws.

Summa summarum. In my layman's mind, the law of equality is not powerful enough since it doesn't grant all people of society socially and economically sufficient, sustainable living conditions in human dignity – far from it. The huge discrepancy between the law of equality and (the absence of a law of) justice makes me ask myself and wonder why can't our legislators make a better law that could give justice and shelter to all people – however not selectively as it now does to one part of the nation only.

Jouko Hemmi
Nordic UBI Conference, Copenhagen 23 Sept. 2016

()