

An Experiment with a Guaranteed Salary for the Unemployed Showed Poor Results

Zoe McAlister February 09, 2019



Every fifth young person in Finland is without work. Photo: Sampsa Tervaharju / Yle

During the unique social experiment, 2,000 unemployed Finns became the first Europeans who enjoyed guaranteed personal income, receiving a check from the state every month.

([NewsWire.net](http://newswire.net)-- February 9, 2019) -- The Finnish government released the first results of a two-year test a few days ago, a guaranteed monthly unemployment stimulus, which was completed a month ago. Contrary to expectations, the results showed that guaranteed funds for living did not motivate users to work and earn more, Reuters reports.

The social experiment aimed to discover motivating factors for life and work which were always thought that are money-based. Some 2,000 unemployed Finns became the first Europeans who enjoyed guaranteed personal income of 560 Euro, tax free, per month regardless of whether they found a job or sat at home.

The aim of sociologists is to remove the "lack of initiative" among the unemployed, that is, their fear of losing any help if they find a poorly paid job, and those who are selected to receive 560 euro a month will receive the money after they get hired.

"It is still not possible to make firm conclusions" from this experiment, the Finnish Social Insurance Institution (Kela) stated.

Kela noted that in the recipients of guaranteed salaries, there was a reduction in symptoms of stress and a strengthening of self-esteem, compared to a control group comprised of 5,000 people receiving social assistance. But the guaranteed salary didn't motivate Finns to go to work.

The average salary in the private sector in Finland is around 3,500 euro.

Critics say that the participants will get the realization that they will receive a basic salary and lose motivation to work. Scientists were hoping to reach other results that would show that if an individual is relieved of existential fear it would be enough to motivate them to contribute. So far the skeptics were right but the experiment is not over yet. It is set to last until 2020.

Finnish officials added that this experiment could later include low-income employees, such as part-time or part-time employees.

The unemployment rate in Finland, which has 5.5 million inhabitants, was 8.1 percent in November, or 213,000 people were out of work, which is the same as in 2015.

Source: <http://newswire.net/newsroom/news/00107621-an-experiment-with-a-guaranteed-salary-for-the-unemployed-showed-poor-results.html>