

19 Finland

This country profile benchmarks recent trends in entrepreneurship and self-employment for women, youth, seniors, immigrants and people with disabilities in Finland relative to the average for the European Union. It also describes recent policy developments and current inclusive entrepreneurship policy issues.

Recent trends in inclusive entrepreneurship activities

The share of people starting and managing new businesses (i.e. TEA rate) was 8% between 2018 and 2022, which is similar to the European Union (EU) average (7%). However, the share of youth (18-30 years old) (7%) was lower than the EU average for youth during this period (9%). This is likely influenced by young people spending more time in education compared to the EU average. If everyone was as active as 30-49 year old men in business creation, there would be an additional 110 000 early-stage entrepreneurs. Of these “missing” entrepreneurs, three-quarters would be women and nearly half would be over 50 years old. Few new entrepreneurs appear to be expecting high levels of job creation, especially among young entrepreneurs. This limits the wider job creation and economic growth benefits of entrepreneurship in Finland.

Recent policy developments

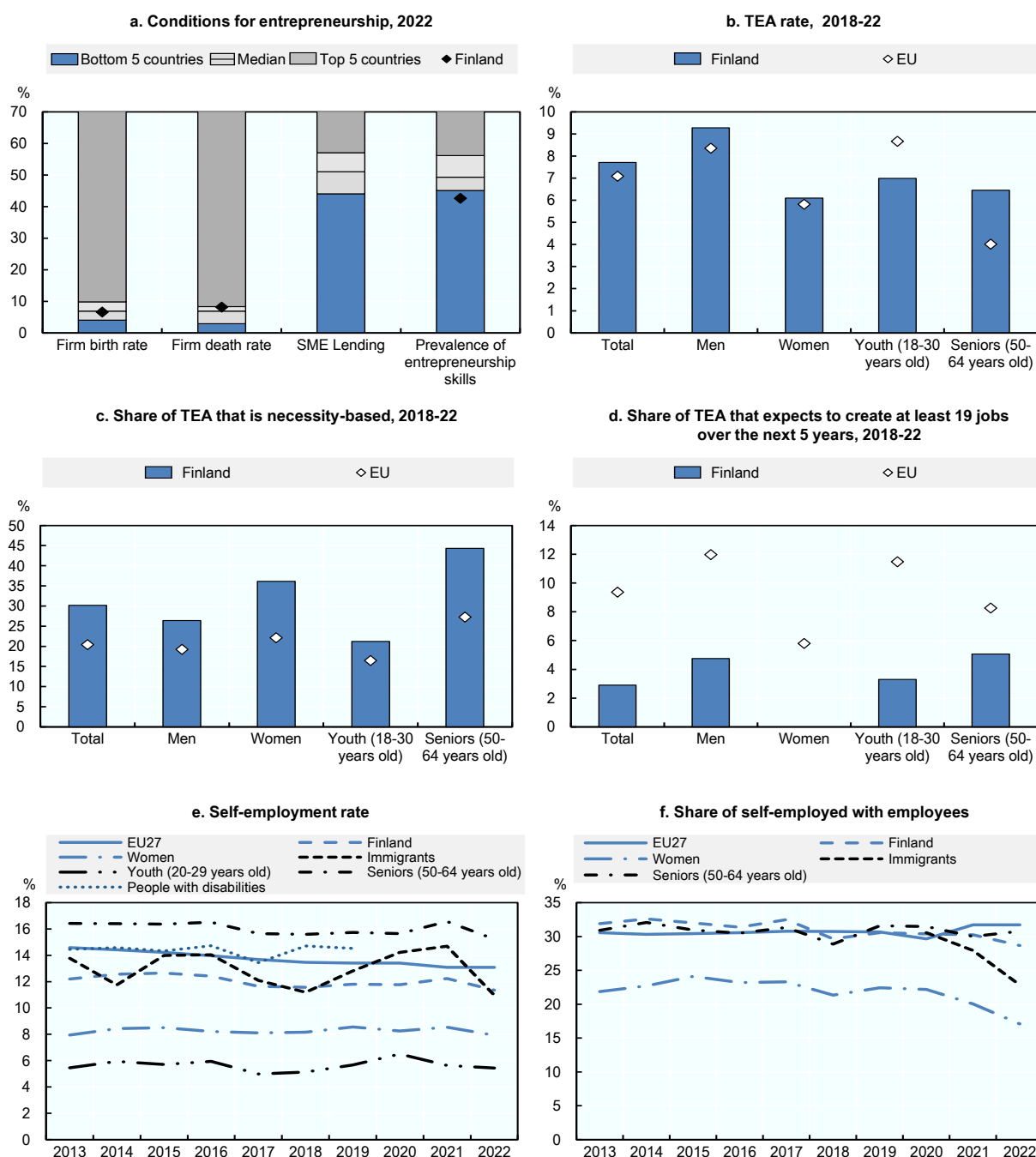
Finland’s parliamentary elections took place in April 2023 and the new government’s “Strong and Committed Finland” programme was published in June 2023, setting out the government’s key priorities and objectives across the full policy spectrum. The programme includes an objective to increase appreciation for entrepreneurship and commits to strengthening Finland’s start-up ecosystem, providing growth-supporting services to entrepreneurs, improving co-ordination between employment and self-employment, streamlining the process of hiring a first employee and reducing the administrative burden for companies. In line with the approach of previous governments, the entrepreneurship support measures outlined in the new programme of government do not generally target specific under-represented groups.

Hot policy issue

Approaches to managing the blurring boundaries between salaried work and entrepreneurship are much discussed in policy and academic circles. One specific issue is that people who work as employees and in self-employment are not covered by social protections for both income sources. The idea of a “combined insurance” initiative has been under consideration for several years but remains unimplemented. However, the new government’s programme includes an aim to complete a model for a combined unemployment insurance scheme. Such an initiative would make it possible to accumulate earnings for unemployment benefits based on both salaried work and entrepreneurship at the same time, and as such it would make it easier to switch between positions without compromising social security.

Inclusive entrepreneurship indicators

Figure 19.1. Entrepreneurship and self-employment data for Finland



Note: In Panel a, the data for the EU median for SME lending excludes the following countries: Austria, Bulgaria, Croatia, Cyprus, Denmark, Finland, Germany, Luxembourg, Malta and Romania. The EU median for the entrepreneurship skills indicator excludes: Belgium, the Czech Republic, Denmark, Estonia and Malta. In Panels b-d, the data for the EU average refers to a population-weighted average and excludes Belgium, the Czech Republic, Denmark, Estonia and Malta. Please see Chapter 10 for detailed notes on the figures.

Source: (Eurostat, 2023; GEM, 2023; OECD, 2023). Please see Chapter 10 for full citations.



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