



Inclusive Entrepreneurship Country Policy Assessment

Finland, 2017



Acknowledgements

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FOREWORD

Inclusive entrepreneurship policies aim to offer all people an equal opportunity to create a sustainable business, whatever their social group or personal characteristics. This is an important requirement for achieving the goal of smart, sustainable and inclusive growth set out in the Europe 2020 strategy. It is also a means to respond to new economic challenges, to create jobs and to fight social and financial exclusion. Among the key targets of inclusive entrepreneurship policies and programmes are women, youth, older people, the unemployed, migrants and people with disabilities, who all continue to face challenges in the labour market and are under-represented or disadvantaged in entrepreneurship activities. ‘The Missing Entrepreneurs’ series of publications of the Organisation for Economic Co-operation and Development (OECD) and the European Union discuss how public policies and programmes can support inclusive entrepreneurship. This includes refining regulatory and welfare institutions, facilitating access to finance, building entrepreneurship skills through training, coaching and mentoring, strengthening entrepreneurial culture and networks for target groups, and putting strategies and actions together for inclusive entrepreneurship in a co-ordinated and targeted way. Governments are increasingly recognising the challenge of inclusive entrepreneurship, but there is still much to do to spread good practice.

The proportion of people in Finland who were self-employed in 2016 was approximately equal to the average for the European Union (EU) (12.4% for Finland vs.14.0% for the EU). Approximately 6.1% of the adult population was involved in starting or managing a new business over the period 2012-16 relative to 6.7% across the EU. These slightly lower-than-average activity rates can be largely explained by a very low proportion of people who start businesses due to a lack of opportunities in employment, especially among women and youth. The environment for entrepreneurship in Finland is generally considered to be very positive as the regulatory burden is low and support is accessible. However, there is some scope to provide further support for entrepreneurs in under-represented and disadvantaged groups.

This note is the second in a series of annual country assessments prepared by the OECD in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission on the state of inclusive entrepreneurship policies and programmes in each European Union Member State. Each note provides an overview and assessment of policies and programmes that support people from under-represented and disadvantaged groups in business creation and self-employment and suggests policy actions to address gaps in the support system and to improve the quality of available support offers. The notes cover national-level policies and programmes and, where relevant, sub-national initiatives and actions by the non-governmental sector. The 2017 notes place a special focus on describing the characteristics of self-employment in each country.

The notes are part of a wider programme of work by the OECD and the European Commission that includes ‘The Missing Entrepreneurs’ publications, a series of Policy Briefs on specific target groups, policies and issues, country reviews of youth entrepreneurship and women entrepreneurship, and the production of online policy guidance. For more information please refer to: <http://www.oecd.org/employment/leed/inclusive-entrepreneurship.htm>.

TABLE OF CONTENTS

KEY MESSAGES.....	5
1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS	5
2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS.....	6
2.1. Labour market context.....	6
2.2. Self-employment and entrepreneurship rates.....	7
2.3. Barriers to business creation	10
2.4. Entrepreneurship performance.....	11
3. ASSESSMENT OF CURRENT AND PLANNED INCLUSIVE ENTREPRENEURSHIP POLICIES AND PROGRAMMES.....	13
3.1. Policy framework.....	13
3.2. Government regulations.....	13
3.3. Financing entrepreneurship.....	16
3.4. Entrepreneurship skills	18
3.5. Entrepreneurial culture and social capital.....	20
4. POLICY RECOMMENDATIONS	21
5. REFERENCES	22
ANNEX: METHODOLOGY	27

KEY MESSAGES

- Entrepreneurship policy is currently driven by economic policies that promote innovation and business growth. The general environment for entrepreneurship is considered very positive: information and advice is easily available; the regulatory burden of starting a business is low; and financing is not a major problem. While inclusive entrepreneurship is not currently a policy priority, entrepreneurship support is part of the suite of active labour market policies for some social target groups (e.g. youth, people with disabilities, immigrants).
- The self-employment rate in Finland was below the European Union average in 2016 (12.4% for Finland vs. 14.0% for the EU). Finnish people are less likely than the EU average to expect to create a business over the next three years (10.7% vs. 13.0%), and this gap is particularly large for youth (15.6% vs. 21.3%).
- Reducing regulations and norms regulating businesses is currently one of the government priorities affecting entrepreneurship. Benefits schemes pose an obstacle for employment and entrepreneurship although some changes and cuts have been implemented. This barrier is particularly important for disadvantaged groups, as they are often benefits recipients. Many potential entrepreneurs from these groups may risk losing their benefits-based income level – even if the business fails. This can prevent potential entrepreneurs to enter self-employment or start-up a business.
- While the Finnish environment for entrepreneurship is very strong overall, there are a number of policy actions that can be taken to provide further support for entrepreneurs in under-represented and disadvantaged groups, including i) Introducing more flexibility in the social security benefit schemes so that it is easier to enter self-employment without being afraid of losing a base income; ii) Increasing entrepreneurship awareness and promotion of entrepreneurship among all social target groups with targeted messages iii) Strengthening communication and collaboration between public support agencies for entrepreneurship and employment and private/third sector organisations and projects dealing with the social target groups; and iv) Streamlining entrepreneurship support for the unemployed and increasing the sensitivity towards target group needs within the mainstream support system.

1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

Promoting entrepreneurship is a policy priority for the Finnish Government. The aim is that by 2025 Finland is “a competitive country where entrepreneurship, ownership and investing are more profitable and it is always profitable to work and employ in Finland” (Prime Minister’s Office, n.d.). This calls for the creation of 110 000 new jobs and an increase of the employment rate (among 15-64 years old) to 72% by the end of the current governmental period (spring 2019). To support this, the government launched the “Entrepreneurship Package” in 2016 to provide integrated support for, and remove obstacles to, entrepreneurship. The updated package, released in 2017 focuses on new forms of entrepreneurship and working modes such as collaborative economy, platform economy, self-employment and various combinations of entrepreneurship and waged work (Prime Minister’s Office, n.d.b). Although the European Commission’s (2012) Entrepreneurship 2020 Action Plan urges Member States to pay specific attention to groups that are under-represented or disadvantaged in the labour market (e.g. youth, women, older people, the unemployed, people with disabilities and

immigrants), Finnish entrepreneurship policies do not currently highlight tailored actions for these groups but is rather of a more generic nature.

Finland has defined national targets that are in line with the European Union's 2020 targets. Finland aims to reach a national employment rate of 78% (20-64 years old) (Ministry of Finance, 2016), higher than the EU target of 75%. In addition, the government aims to reduce the number of people at risk of poverty or social exclusion by 150 000. Fostering entrepreneurship among people from under-represented and disadvantaged groups could help in achieving both of these targets.

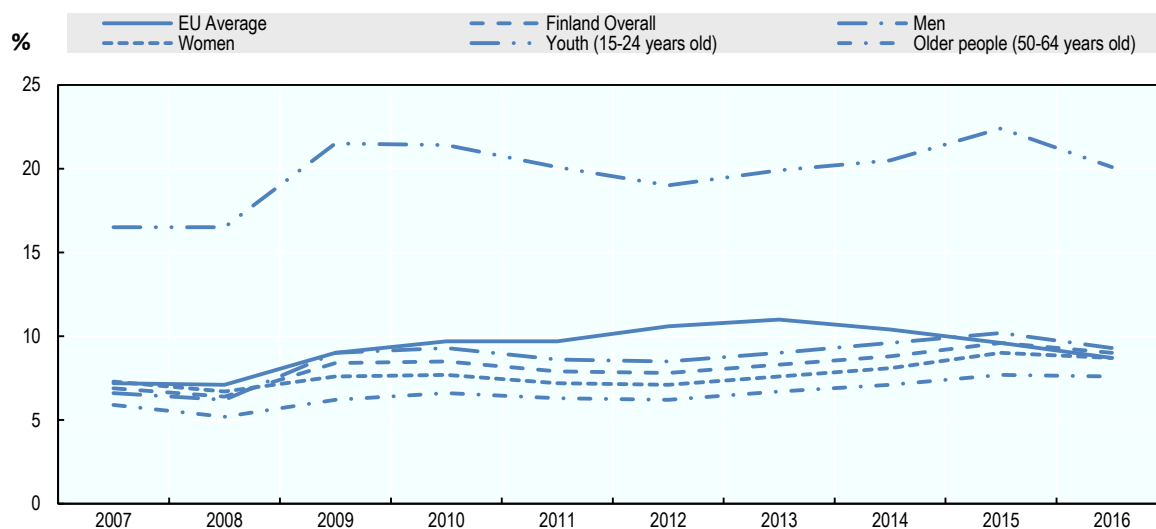
2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

2.1. Labour market context

Entrepreneurship and self-employment activities are highly dependent on labour market developments. Unemployment in Finland started declining in 2010, recovering earlier than the European Union (EU) labour market, but it increased again in 2013-15. In 2016, the unemployment rate was slightly above the EU average (9.0% vs. 8.7%) (Figure 1). The unemployment rate varied only slightly across different population groups in 2016, with the exception of the youth: women (8.7%), men (9.3%) and seniors (7.6%) all had unemployment levels relatively close to the national average. The youth unemployment rate (20.1%), by contrast was more than double the overall unemployment rate. Unemployment impacts youth and older workers disproportionately: nearly 40% of jobseekers in Finland are either under 25 (12%) or over 55 (27%) years old (Official Statistics of Finland, 2017).

In all population groups the unemployment rate decreased from 2015 to 2016 and the similar development has continued in the beginning of 2017: The number of unemployed job seekers has decreased among men and women in all age groups, at all levels of education and in all occupational groups. Even long-term unemployment has decreased (Official Statistics of Finland, 2017).

Figure 1. Unemployment rate, 2007-16



Source: Eurostat (2017), Labour Force Survey 2016.

2.2. Self-employment and entrepreneurship rates

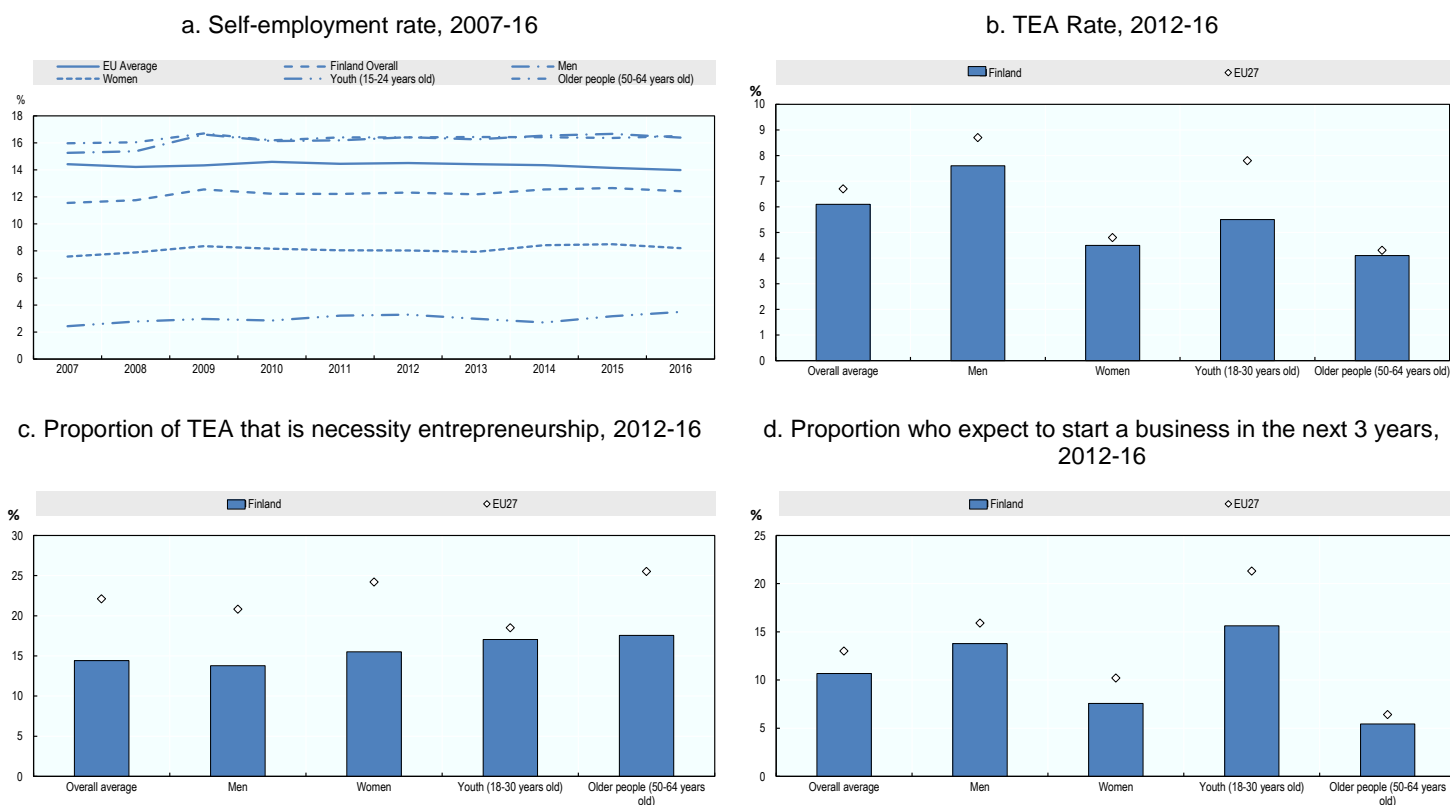
Self-employment rates in Finland are slightly below EU average (12.4% vs. 14.0%) (Figure 2a). Similarly, the Total early-stage Entrepreneurial Activity (TEA) rate, which measures the proportion of adults involved in starting businesses or managing new businesses that are less than 42 months old, was also slightly lower than the EU average for the period 2012-16 (6.1% vs. 6.7%) (Figure 2b). This can be partly explained by the relatively low level of necessity-based entrepreneurship in Finland, indicating that a smaller share of entrepreneurs (14.4%) started their business because they had no other opportunities in the labour market than the EU average (22.1%) (Figure 2c). Adults in Finland were also less likely to expect to create a business in the next three years than the EU average for the 2012-16 period (10.7% vs. 13.0%) (Figure 2d). These general observations hold among men and women, as well as among youth (18-30 years old) and older people (50-64 years old).

There were approximately 295 600 self-employed workers in Finland in 2016, 12 000 more than in 2007. This growth in self-employment is due to the influx of migrants in recent years. In terms of sectoral distribution, the number of self-employed workers active in agriculture decrease. On the other hand, various service sectors and construction have seen an increase in self-employment over the past decade. Consequently occupations such as professionals, technicians, service and trade workers have become more prevalent among self-employed whereas the opposite trend has been observed among managers as well as agricultural, forestry and fishery workers. Furthermore, the education level of the self-employed has increased and in 2016 roughly 85% of the self-employed had upper secondary, post-secondary or tertiary education.

As in the whole of the EU, *women* are less involved in entrepreneurship than men. Roughly one-third of the Finnish self-employed are women and two-thirds are men. While the country is generally considered to be a leader in achieving gender equality in the labour force and, as discussed earlier, women's employment rates are close to men's, the picture is more contrasted for self-employment and entrepreneurship. The TEA rate among women is 4.5%, only slightly below the EU average (4.8%) (Figure 2b). Women entrepreneurs tend to operate in the service sector more often than their male counterparts, and they also have a tendency to hire other women. This means that the social costs

related to families/mothers, such as maternity leave and childcare, are of particular importance for women entrepreneurs. Women’s orientation towards service sector reflects their professional choices in health and social care, arts and recreation and other services. In 2016 in these sectors women accounted more than half of the self-employed in Finland whereas in manufacturing and agriculture women accounted for less than a fourth of the self-employed.

Figure 2. Self-employment and entrepreneurship rates by target group



Note: The self-employment rate is defined as the proportion of those in employment who are self-employed. The TEA rate is the Total early-stage Entrepreneurial Activity rate, which is defined as the proportion of the population actively involved in pre start-up activities and those who have started a new business within the last 42 months. The proportion of TEA that is necessity entrepreneurship is the proportion of entrepreneurs involved in setting-up a new business or operating a business that is less than 42 months old, who were motivated to start their business because they had no better options for work. Data for panels b, c, and d were pooled for the period 2012-16. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average in panels b, c, and d covers all EU Member States except Malta.

Source: Panel a contains data from Eurostat (2017), Labour Force Survey; Panels b, c, and d contain data from the 2012 to 2016 Global Entrepreneurship Monitor household surveys that were tabulated for the OECD (2017).

Entrepreneurship is quite rare among *young people* under 25 years old: the self-employment rate was 3.5% in 2016 (Figure 2a), a little higher than in 2007. The share of self-employed workers among young people has slightly increased in both genders, particularly among those with tertiary education. Similarly, interest towards entrepreneurship has increased in this age group. According to a recent study (Aarnio, 2015), 20% of students in universities and universities of applied sciences report that it is likely or highly likely that they will start a business. Another notable finding in this study is that from the 7 000 students who already run their own company or have been self-employed, as many as 35% considered it highly likely that they will continue as entrepreneurs after graduation. However, the

TEA rate among youth is 5.5% which is clearly lower than EU average (7.8%) (Figure 2b). Nonetheless 15.6% of the youth expected to create a business in the next three years (Figure 2d).

The self-employment rate for economically active *individuals aged 55 years old or older* was 16.5% (Figure 2a). The self-employment rate has remained relatively stable over the years. Due to ageing population the number of self-employed has, however increased and this increase has taken place mainly among males. This includes a growing number of pensioners that are engaged in part-time entrepreneurship. During the 2000s the number of entrepreneurs in the age group 55–74 years old has increased from about 60 000 to 100 000 (Järnefelt, 2011). While the agricultural sector still remains the most typical field of entrepreneurial activity for this group, senior entrepreneurial activities have diversified in recent years and the importance of this sector has clearly decreased. Conversely, the number of professionals taking up self-employment in various services (such as professional and technical services) and in construction at a mature age has increased, possibly as a result of a surge in access to higher education in the 1960s. The TEA rate among older people (50-64 years old) is 4.1%, close to the EU average (4.3%) (Figure 2b) and 5.4% of the older people expect to create a business in the next three years (Figure 2d).

There are no statistics on entrepreneurial activities among the unemployed, however, recent research shows that as much as 24% of those who are currently self-employed say that they took up self-employment due to a lack of opportunities for waged work (Pärnänen and Sutela, 2014). Nonetheless, the relatively modest level of necessity-entrepreneurship reported across the board (Figure 2c), even among the youth with high unemployment rates, indicates that unemployment may not be a trigger to entrepreneurship.

Immigration to Finland is small compared to many western countries, but the number of residents born outside Finland has nearly doubled between 2005 and 2015 (European Commission, 2016). By the end of 2015 approximately 229 000 people with foreign nationality lived in Finland, representing more than 4% of the current population. This figure is expected to increase to 330 000 by 2020 (TEM, 2016). However it is difficult to estimate the number of *immigrant* entrepreneurs because these data are not collected (Joronen, 2012). Instead, this is approximated with the self-employed who are foreign-born. In 2015, 14.4% of working foreign-born people were self-employed.

Entrepreneurial activity among immigrants differs between ethnic groups and countries of origin. Entrepreneurship is most prevalent among Turkish and Northern African men and Thai women (Aaltonen et al., 2015). In 2015 the highest rate of entrepreneurial activity was found among Turkish (23%), Chinese (15%), British (14%), German (12%) and Thai (11%) citizens, among which entrepreneurs are more prevalent than among the native population (9%) (Statistics Finland, 2017). Immigrant entrepreneurs tend to be active in service sectors, particularly in catering businesses. Wholesale and retail trade as well as beauty care, hair dressers, cleaning, construction, interpretation, management consulting, car reparation and food kiosks are also common activities among immigrant entrepreneurs. The sectoral choices of entrepreneurs diverge between groups: e.g. Estonians are more active in construction, Northern Africans, Turkish and Asians in catering business, Russians in transports and entrepreneurs from Nordic countries, Western Europe, Russia and Baltic countries are active in business services. Entrepreneurial activities among immigrants differ according to education level: lower education levels are associated with higher entrepreneurial activity (Joronen, 2012). Nonetheless, previous studies suggest that higher education level does not protect immigrants from unemployment in a similar manner it protects original populations (Joronen, 2012; Aaltonen et al., 2015).

Similarly there is no established definition in statistics for people with disabilities and the estimates vary even considerably. Different surveys indicate that the amount of adults with different

physical or health restrictions (15-64 years old) is roughly 510 000 – 760 000. The amount of those adults needing physical aid or other's support is roughly 71 000 (Niemelä et al., 2017). This resonates with an estimate of the Finnish Institute of Occupational Health, suggesting that there are some 70 000 people with disabilities in Finland who are capable of working (Nevala et al., 2010). However, only 60% of them are employed: the people with disabilities are less frequently in employment in Finland than in Europe in general. Another narrow definition made based on the number of customers using services based on the Act on Services for Disabled suggests that there are roughly 35 000 working aged adults with disabilities in Finland.

Entrepreneurship plays an important role in employment of persons with disabilities. EU-SILC-data suggests that roughly 16% of the persons with disabilities are entrepreneurs indicating that entrepreneurship among persons with disabilities is more common than in population in general. Based on these figures and the narrow definition above Niemelä et al. (2017) estimated that there is roughly 6 000 – 11 000 active entrepreneurs with disabilities in Finland. This estimate is subject to above definitions and needs to be treated cautiously. Entrepreneurship may be an attractive option for people with disabilities as it may allow them to be active in the labour market under flexible conditions.

Furthermore, entrepreneurship is perceived to increase well-being and self-esteem although the income of entrepreneurial activity did not exceed social security benefits (Hjerm, 2004). Entrepreneurship is also considered as an effective means to integrate to the society and gain social contacts (Melin and Melin, 2012).

2.3. Barriers to business creation

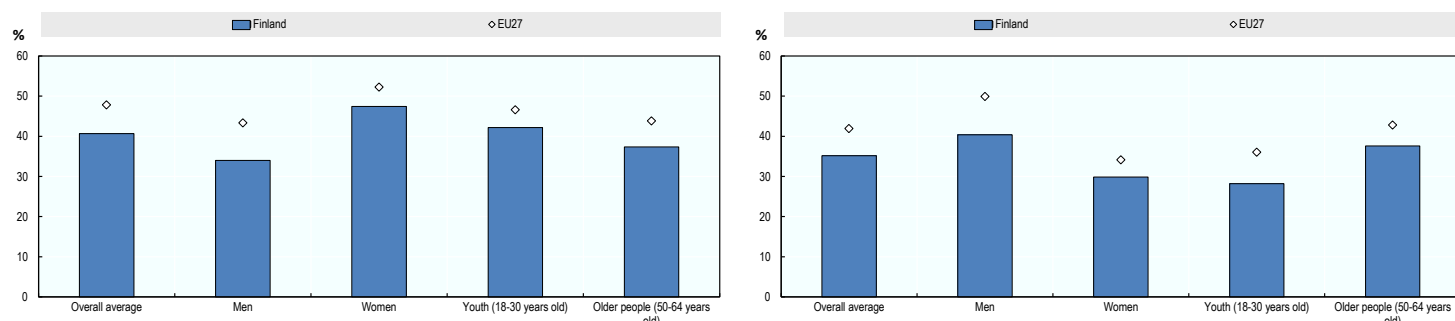
Finnish adults were less likely to report that fear of failure was a barrier to start-up a business in comparison to EU averages (Figure 3a). Women were more likely to report a fear of failure as a barrier to business start-up than men (47.4% vs.34.0%) over the 2012-16 period (Figure 3a), and youth and older people were about as likely as the Finnish average to identify this barrier (42.2% and 37.3%).

Similarly a lower proportion of women consider they have sufficient skills to start a business (29.8% for women vs. 40.4% for men) (Figure 3b). Over the period 2012-16, only 28.2% of youth reported that they had the necessary skills for business creation, which was clearly below the EU average (36.0%) and below other social target groups in Finland (Figure 3b) indicating that the perceived skills gap can form a real obstacle for business start-ups among youth. 37.6% of older people perceive to have the skills to start a business. The share is above the Finnish overall average (35.2%) but below the EU average among older people (42.8%) (Figure 3b) suggesting that a lack of entrepreneurial skills is not a major obstacle for older people.

Figure 3. Barriers to entrepreneurship by target group

a. Proportion who report that a fear of failure prevents them from starting a business, 2012-16

b. Proportion who perceive that they have the skills to start a business, 2012-16



Note: Data were pooled for the period 2012-16. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average covers all EU Member States except Malta.

Source: GEM (2017), special tabulations of the Global Entrepreneurship Monitor's household surveys from the 2012 to 2016.

There are a number of other key barriers faced by some social target groups. Deficiencies in language, cultural and marketing competences are the main obstacles encountered by immigrant entrepreneurs in business creation (Aaltonen et al., 2015).

People with disabilities face the same obstacles as any other entrepreneurs (such as lack of entrepreneurial skills, finance or relevant networks and contacts) but they may be amplified. Furthermore, due to prejudices towards disabilities people in support agencies do not necessarily understand and actively offer support to entrepreneurship among the persons with disabilities. Legislation related to social security benefits may also contain disincentives for entrepreneurship for some groups and support offers may not address the barriers faced (Niemelä et al., 2017). Finally, disability-linked impediments to everyday activities (due to e.g. restrictions to mobility and communication) also affect entrepreneurship (Niemelä et al., 2017).

2.4. Entrepreneurship performance

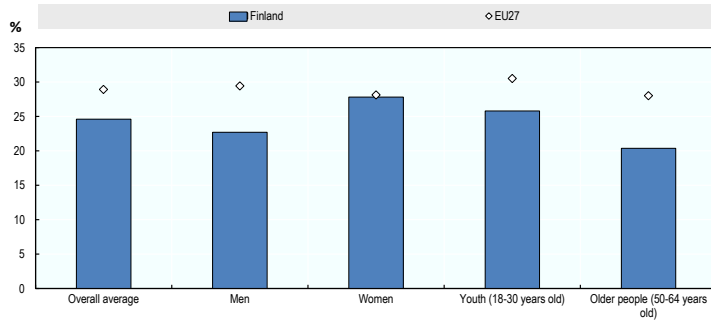
Finnish entrepreneurs overall are less likely than the EU average to offer innovative products and services (24.6% vs. 28.9%). This is true across all groups with the notable exception of women: 27.8% of early stage women entrepreneurs perceived to offer new and innovative products or services, clearly over the Finnish average (24.6%) and close the EU average (28.1%) (Figure 4a).

Finland also has a lower rate of export oriented young businesses: 49.6% of early-stage entrepreneurs have 25% international customers or more, clearly below the EU average (58.6%). This applies to all categories considered here: men, women, the youth and older entrepreneurs.

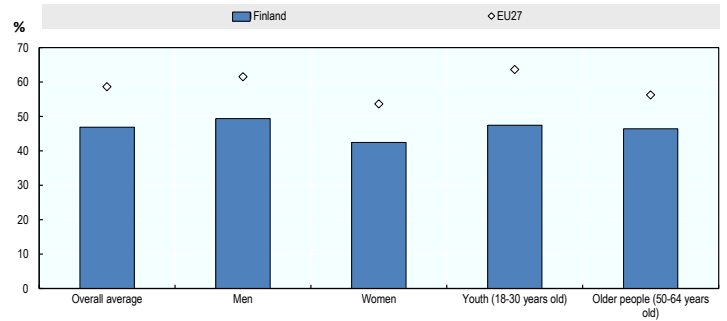
Finnish entrepreneurs also have modest growth expectations: a lower percentage of new business owners expect to create a significant number of jobs in the near future. The growth expectations are especially low among women entrepreneurs as is the case across the EU. Only 4.5% of early-stage women entrepreneurs expected to create more than 19 jobs in 5 years in 2012-16 (Figure 4c).

Figure 4. Self-employment and entrepreneurship activities by target group

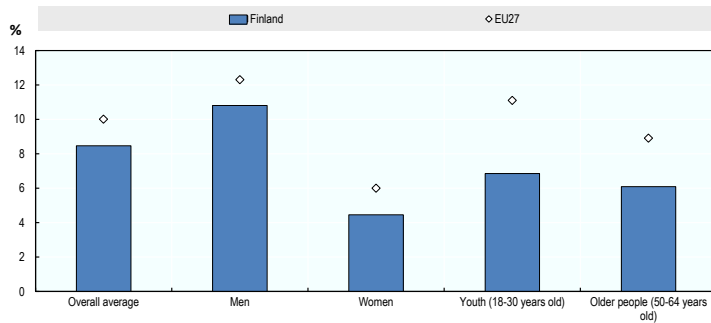
a. Proportion of new entrepreneurs whose products or services are new to all or some customers and who have few or no businesses offering the same products or services, 2012-16



b. Proportion who sell to customers in another country, 2012-16



c. Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in 5 years, 2012-16



Note: Data were pooled for the period 2012-16. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average covers all EU Member States except Malta.

Source: GEM (2017), special tabulations of the Global Entrepreneurship Monitor's household surveys from the 2012 to 2016.

In addition to these target group-specific trends, the Finnish entrepreneurial landscape and labour markets have undergone major changes in the 2000s and the development is likely to continue in the future. In recent years the number of firms employing has decreased whereas the number of self-employed has increased. Furthermore, globalization and new technologies influence work practices, as well as the roles of paid employment and entrepreneurship in the economy. Like elsewhere in Europe, the raise of the collaborative economy and digital platforms challenge the traditional understanding of work. They can be an opportunity for disadvantaged groups as they allow the contribution of those who have been left outside the labour market. Nonetheless, selling one's labour on a platform is not a primary source of earnings for most.

3. ASSESSMENT OF CURRENT AND PLANNED INCLUSIVE ENTREPRENEURSHIP POLICIES AND PROGRAMMES

3.1. Policy framework

Supporting and promoting entrepreneurship is a policy priority for the government and dedicated guidelines are provided in the Government programme, particularly in the “Entrepreneurship Package” and the 26 “key projects”,¹ which concretise the strategic objectives of the government. These guidelines form the basis for developing measures to encourage more disadvantaged individuals to start-up in business. Several of the key projects are relevant for inclusive entrepreneurship policy, including the projects “Strengthening competitiveness by improving conditions for business and entrepreneurship”, “Youth guarantee towards community guarantee” and “Career opportunities for people with partial work ability”. Co-ordination of the key projects has been allocated to designated ministers, and there are ministerial working groups to manage the strategic priority areas.

Entrepreneurship-related policies and programmes typically fall under the auspices of the Ministry of Employment and Economy, the Ministry of Education and Culture, the Ministry of Agriculture and Forestry and the Ministry of Finance. Implementation of policy actions is carried out through several organisations reporting to the ministries on regional and municipal levels. Reorganisations and changes in responsibilities of different actors are anticipated in the near future and these may influence also local entrepreneurship policy. Policy planning and implementation often involve co-operation with private sector and non-governmental organisations. For example, the Federation of Finnish Enterprises² promotes the general interests of enterprises, complementing actions undertaken by the government, ministries, parliament, and major interest organisations. In addition, there are some organisations dedicated to promoting the needs of specific under-represented or disadvantaged groups.

In the middle of the governmental period the government made an interim assessment of its achievements in spring 2017 (Prime Minister’s Office, 2017). Some progress has already been made in the “key projects” but many initiatives are still in preparation phase. Numerous studies initiated by the government have been or are being conducted. They touch upon entrepreneurship from different angles: e.g. entrepreneurship in digital economy, growth and business start-ups, platform economy, and entrepreneurship among persons with disabilities. A comprehensive assessment of inclusiveness in entrepreneurship is missing although some social target groups (e.g. people with disabilities), are addressed. Finland applies a generic approach to entrepreneurship policy. In concrete policy measures the needs of special target groups are often addressed by launching specific projects or targeted programmes. Consequently, the mainstream policy delivery infrastructure (i.e. support agencies), does not necessarily understand the specific needs of these target groups and may lack sensitivity towards them.

3.2. Government regulations

The administrative burden for starting a business in Finland is generally considered to be moderate. Information on administrative requirements is easily available on the Enterprise Finland

¹ <http://valtioneuvosto.fi/hallitusohjelman-toteutus/karkihankkeiden-toimintasuunnitelma>

² <http://www.yrittajat.fi>

website,³ which is operated jointly by public and semi-private institutions that are part of the Enterprise Finland network. The service also includes the entrepreneur's own “electronic desk”, “My Enterprise Finland”⁴. Many of the administrative tasks related to establishing and running a simple business can be taken care of by using these tools. One of the key projects of the government is to streamline business regulations and norms by simplifying licencing and reporting obligations and developing electronic communication to enhance information flow between different public authorities. Overall, regulations related to the start-up process do not appear to be a barrier for taking up self-employment.

Information on business creation is easily available through the Enterprise Finland platform. Additional sources of information and advice are available for specific target groups of inclusive entrepreneurship. Two organisations focus on women entrepreneurs: the Centre for Women Entrepreneurs (*Naisyrittäjyyskeskus*⁵) and The Women Entrepreneurs of Finland (*Suomen Yrittäjänaiset*⁶), which is supported by the European Social Fund (ESF). Young entrepreneurs can utilise the peer network “Young Entrepreneurs” that operates as part of the Federation of Finnish Enterprises.⁷ Information on business creation is also provided in educational institutions. Unemployed individuals can obtain information on the rules and regulations affecting their benefits status in the case of a start-up from their local TE Offices. Immigrants who are not fluent in Finnish, Swedish or English (the languages in which Enterprise Finland is available) can turn to many public and private organisations that help immigrants to integrate into the Finnish society (e.g. the network of Finnish Enterprise Agencies) but not all such organisations are familiar with start-up practices and entrepreneurship. Dedicated specialist organisation for persons with disabilities, Vates-foundation⁸ rather focuses on promoting employment of persons with disabilities than their self-employment.

There are some relief measures for small businesses in terms of business regulations to limit barriers to part-time and small-scale entrepreneurial activity. For examples, firms with an annual turnover under EUR 10 000 are not liable to pay value added tax (VAT) and the VAT percentage increases linearly up till EUR 20 000 when tax reaches the normal level (24% or 10% depending on the product/service). Small companies (annual turnover less than EUR 500 000) can also declare and pay their value added tax when they have received the payments rather than having invoiced ones facilitating the liquidity management of small companies. The administrative obligations become greater when firms hire employees; the Finnish labour market ranks as one of the most rigid among developed economies (Heritage Foundation, 2016). Therefore, the government has launched initiatives to reduce the disincentives for taking on employees, including lengthening the trial period of an employee, changing the prerequisites for fixed-term contracts. Furthermore, incentive traps that may prevent individuals from taking on work or becoming self-employed are gradually being addressed. These are important actions as entrepreneurs from disadvantaged groups are more likely to operate small-scale businesses.

One significant obstacle to promoting entrepreneurship among disadvantaged groups is the unemployment benefit regime. The high level and long duration of unemployment benefits increases

³ yrityysuomi.fi, during 2017 to be incorporated to a wider suomi.fi –portal.

⁴ oma.yrityysuomi.fi

⁵ <http://www.nyek.fi/naisyrittajyyskeskus>

⁶ <http://www.yrittajanaiset.com/>

⁷ <http://www.nuoretyritajat.fi>

⁸ <http://www.vates.fi/>

the opportunity cost of starting a business in two ways. Not only does the aspiring entrepreneur have to exchange the steady income from unemployment benefits to the uncertain income from entrepreneurship, but also in case the business does not succeed, returning to their previous unemployment benefit recipient status is not straightforward, as it requires proof that the business has been shut down completely. To tackle these challenges, the government is in the process of improving unemployment security of the self-employed by designing a new kind of insurance which allows self-employed to run a business and receive unemployment benefit at the same time for four months. The goal is to launch the instrument in the beginning 2018. Unemployment benefit can already be used to finance Start-up grant (see 3.3.). Furthermore the duration of income-related unemployment benefit has been shortened to reduce the thresholds for employment and start-ups.

For those approaching retirement the pension scheme might create a barrier for engaging in entrepreneurship. The amount of pension is dependent on the income-level in the final years of one's career. This might make it unattractive for seniors to leave employment and become entrepreneurs at this point (Kyrö et al., 2012), as they would not only face the risk to their current but also to their retirement income. The pension scheme has been changed and from the beginning of 2017 each year of work produces 1.5%-1.9% of annual income in pension benefits (depending on one's age). However, the elderly (63 to 67 years old) are encouraged to work longer with a 4.5% accumulation. Persons with disabilities may also encounter difficulties in reconciling their social security benefits, pension and entrepreneurial incomes, potentially creating disincentives to entrepreneurship. Indeed, different types of income (i.e. salary and capital income) affect pension rights and/or other benefits differently. More transparent information on the financial implications of starting a business is needed for recipients of benefits. This has particular implications for disadvantaged groups with a high likelihood of receiving such financial support, e.g. people with disabilities and the unemployed.

Another specific issue in social security are the costs related to parental leave.⁹ These are a bigger problem for female entrepreneurs than for men, and moreover because women tend to hire other women. To remove unequal treatment, government has launched initiatives¹⁰ to equalise the maternity and parental leave costs between the employers of both parents or offer a one-time state subsidy for the employers, including entrepreneurs. Furthermore, it is planned to reduce the fees for early childhood education to lower the threshold to enter to work or entrepreneurship.

The social security of the self-employed is arranged through a mandatory insurance (YEL), which is similar to the social security costs paid by employers for their employees and influences the pension entitlement as well as the level of unemployment coverage, sick leave and parental leave benefits. The level of insurance payments is based on the "calculated annual income" that the entrepreneur self-declares. As a result, entrepreneurs can choose a lower level of security to avoid high fixed costs; the YEL insurance payments are not dependent on the firm's actual income. This means that in practice, the social security of entrepreneurs is often lower compared to those in paid employment and so is also the pension when retired. Those who start their first business will get a 22% reduction on their YEL insurance payments for the first four years. Furthermore, senior citizens receiving full-time old-age pension do not need to take YEL insurance. These exceptions lower barriers to entrepreneurship among new entrepreneurs and those in retirement particularly. In addition, a waiting period of sickness benefit of YEL-entrepreneurs is currently being reduced from 1+3 working days to 1 working day making it less expensive for individual entrepreneurs to take sickness leave if need to.

⁹ <http://www.yrittajanaiset.com/index.php?k=3979>

¹⁰ <http://valtioneuvosto.fi/hallitusohjelman-toteutus/karkihankkeiden-toimintasuunnitelma>

Especially at the early stages of starting a business or if the activity is intended to remain small-scale, the entrepreneur can avoid all bureaucracy including the social security payments by using an invoicing service.¹¹ In return for a fee, these services invoice the clients on the entrepreneur's behalf and the entrepreneur receives their income as salary. This facilitates entry for small-scale entrepreneurs.

There are also plans to ease the regulatory burden for immigrants by allowing them to more flexibly get a residence permit in Finland based on their involvement in a start-up either as a self-employed individual or an employee. Legislative preparations are planned for 2017. At the same time, changes would be introduced to make establishing a company and opening a bank account as easy for immigrants as it is for Finnish-born individuals.

The main challenges in the regulatory environment relate to the rigidity of working life and benefits regime particularly. This has been acknowledged by the government, but decision making thereof is a politically sensitive issue. The ambiguity and complexity of the benefits regime is a challenge for all, but especially for people who run very small businesses, which is especially common for entrepreneurs in under-represented and disadvantaged groups. It can be difficult for an individual to know when it pays for them to derive self-employed income and when they would be better off as a benefits recipient. These arguments suggest that the social benefits regime could be simplified and point to a need to ensure that all forms of employment, including self-employment, are always preferable to the benefits-recipient status.

3.3. Financing entrepreneurship

Several institutions provide grants, loans, and guarantees for new business start-ups. These include the TE Offices that focus on labour market policy; ELY Centres that concentrate on regional policy; the financing company Finnvera; and the Finnish Funding Agency for Innovation (*Tekes*). In the beginning of 2018 Tekes and Finpro¹², who helps SMEs to go international, will be merged into a single entity called Business Finland. Business Finland will be in charge of innovation financing and promoting export, investment and travel to Finland. These different institutions focus on different aspects.

The most important grant scheme from the perspective of inclusive entrepreneurship is the Start-up Grant. Issued by the TE Offices, the grant is designed to provide a new entrepreneur with a regular and secure income during the time that getting the business up and running is estimated to take – for a maximum of 12 months. The recipients of the grant report that the grant accelerated the establishment of entrepreneurial activities and provided them with encouragement from the government. The greatest impact was reported among women and those with modest prior experience in entrepreneurship or industry indicating that the grant may compensate the lack of individual networks (Stenholm and Aaltonen, 2012; OECD, 2016). Although eligibility for the grant is not dependent on the labour market status, it is intended for full-time entrepreneurship such that grant recipients cannot draw a salary or any other type of benefit at the same time. Therefore, retired individuals and persons with disabilities receiving pension are not eligible for these grants, but they can use their pension to secure a base income when starting a business. Furthermore, Start-up Grant scheme contains features that can be disadvantageous to some social target groups. For example, certain professions that are typical amongst self-employed women (e.g. hairdressing) tend not to be given start-up grants because the public authorities want to avoid displacing others in the local market.

¹¹ See for example ukko.fi or eezy.fi.

¹² <http://www.finpro.fi/web/finpro-eng/finpro>

The ELY Centres offer grants for significant investments that are meant to support the growth and renewal of small and medium-sized enterprises. They also offer specific support for entrepreneurial activity in the rural areas where labour market opportunities are scarcer. The government is conducting a holistic survey on the impact of all these enterprise subsidies. The aim is to channel the grants to the projects which better re-invigorate economic and business life. The survey will inform the state budget discussion in Fall 2017. In October 2016 government launched a EUR 600 million growth package and a pilot project for ‘innovation voucher’ to promote innovative small businesses to grow.

Banks are the major financiers of Finnish small businesses and entrepreneurs (Pk-yrittysbarometri, 2017). In general, the banking industry in Finland is healthy and capable of financing viable business. EU regulations, however, pose constraints to banks’ risk appetite and this may influence negatively on their capabilities to finance small businesses with inadequate collateral. In such cases public risk financiers, such as Finnvera, may pack-up and share the risk with banks by offering guarantees (usually 50%) for loans increasing, thus, state’s liabilities. For those who face difficulties accessing bank loans (e.g. the unemployed, youth and migrants without financial assets or collateral), Finnvera offers junior loans with the condition that the applicant presents a viable business plan that meets Finnvera’s funding criteria.

The Finnish business environment provides several platforms for crowdfunding and business angel investment and new legislation is expected to encourage the establishment of such new services: the government has recently introduced a Crowdfunding Act that came into force in July 2016. The objectives of the act include clarifying the responsibilities of various authorities in the supervision of crowdfunding, improving investor protection and diversifying the financial markets. Based on a recent study (PwC, 2017) currently crowdfunding is volume-wise the largest form of collaborative economy¹³ in Finland due to a significant value of individual transactions and this is anticipated to be the case also in the future with a volume of roughly EUR 500 million by 2020. In crowdfunding it is typical that financing need of a company or an entrepreneur is covered by numerous small investments rather than a few large ones. In addition, the Finnish Funding Agency for Innovation (*Tekes*) is investigating a business angel model together with the European Investment Fund. Also, generic peer-to-peer (P2P) lending has become more common in recent years, with a number of service providers operating in this area (e.g. Fellow Finance, Vertaislaina Oy and Fixura).

Overall, the availability of start-up financing is not considered to be a major problem. This is reflected in the recent survey results. According to the Eurobarometer (European Commission, 2013), only 4% of respondents in Finland mention the lack of capital or financial resources as an obstacle for starting a business. Compared to the EU average of 21%, this is very low. Although the credit policies of the financiers have become stricter due to increases in credit margins and further requirements for collateral, in general access to finance is considered sufficient. Particularly fast growing companies are more likely to face financial challenges (PK-yrittysbarometri 2017). Furthermore, international studies suggest that the disadvantaged groups may face discrimination based on e.g. their gender or race in start-up financing (Henderson et al., 2015).

In addition, despite the recent government actions to facilitate more versatile and abundant financing opportunities for start-ups, none of the existing crowdfunding platforms or business angel services are tailored to the needs of the inclusive entrepreneurship target groups. This implies that there is not necessarily enough understanding of the special needs of the targets groups among the financiers and public officers. There are also no policy schemes that would support investments in

¹³ The following activities were included in the study: accommodation, transport, household and small tasks, professional services and crowdfunding.

enterprises run by members of under-represented or disadvantaged groups as they are not explicitly focused on. The policies highlight the role of entrepreneurship, but with special focus on growth and innovation on one hand and on labour market renewal on the other hand, but not explicitly on social target groups.

3.4. Entrepreneurship skills

In addition to the Enterprise Finland platform covered in section 3.2., TE Offices and ELY Centres offer entrepreneurship and business development training, consultancy and advisory services in Finland. There are also public coaching and mentoring services that are offered to the whole population through the TE Offices. As a part of the government's Entrepreneurship package 12 ELY Centres and TE Offices are in process of designing a tailor-made service package for self-employed, "From self-employed to employer" with an aim to lower their threshold to recruit the first employee. The programme aims to provide self-employed persons with the basic skills needed to recruit and act as an employer. The service will be purchased from private organisations and will include personal guidance, support and preparation of a recruitment plan. Marketing and communication will be done in collaboration with the Federation of Finnish Enterprises. Furthermore a nation-wide growth service is being built to support entrepreneurship as a part of the regional restructuring of administration.

In addition to the generic services, there are also specific training and advisory services available for some of the inclusive entrepreneurship target groups. For women, the Centre for Women Entrepreneurs (*Naisyrittäjyyskeskus*), financed by public and private sector institutions, offers mentoring based on the principle "an entrepreneur helps an entrepreneur" as well as courses that are run by experienced female entrepreneurs. Young women under 35 years old have priority access to these services.

Young people have access to entrepreneurship training in educational institutions. Finnish education system is well-known of its initiatives in enhancing enterprise education in all educational levels starting from primary school and ranging up to university (Ministry of Education, 2009a and 2009b) and support to enterprise education is to be continued. In accordance to these measures the Junior Achievement Finland (*Nuori Yrittäjyys ry*) initiative, for example, provides entrepreneurship education programmes for 7 to 25 year-olds through schools, colleges and universities allowing young individuals to gain experience from running a business and for some, a smooth transition from an educational project to real business ownership. These programmes also include teacher training as well as a mentoring model between teachers and entrepreneurs. Some educational institutions have an important role in entrepreneurship ecosystems: for example Aalto University and the University of Turku provide a dynamic environment for entrepreneurship including formal and extracurricular training in entrepreneurship and student-run entrepreneurship associations including incubators (Start-up Sauna and Start-up Journey). Business incubators for more advanced business ideas across Finland are also usually situated in the vicinity of universities. Furthermore, a new service – workshops for young entrepreneurs (*Nuorten yrittäjyyspaja*) – including business advice, mentoring, training and start-up grant is currently being designed to support entrepreneurship among the youth. Additionally, there are currently around 40 "*Ohjaamo*" centres in Finland, which are one-stop career guidance centres for youth supported by the ESF. These centres include entrepreneurship counselling in their offer.

The public employment and business services (TE Services) provide "labour market training" targeted especially at the unemployed. This training includes a short introduction to entrepreneurship. TE Services are also responsible for supporting the employment of migrants and disabled people, including provision of entrepreneurship training. Dedicated employment and entrepreneurship training courses and projects targeted at special target groups are usually organised by related associations. It is

important that the dedicated organisations and the mainstream business support system communicate on their offerings and services in order to provide a more holistic service for the target groups in terms of entrepreneurship.

Immigrants willing the start-up a business have access to the nation-wide support system consisting of services targeted to immigrants (integration services) as well as services for start-up entrepreneurs and businesses and for job seekers (Aaltonen et al., 2015). The public offering is plentiful but not easy to navigate. In the wake of the recent influx of asylum seekers into Finland¹⁴, initiatives have been launched to provide entrepreneurship training, coaching and incubators for this group (e.g. Shortcut, StartUp Refugees). There are also more generic initiatives such as NewCoHelsinki that offers entrepreneurship guidance and advice for all immigrants in 10 different languages in the Helsinki area where the majority of immigrants has typically settled. The initiatives include the recognition of entrepreneurial potential among immigrants and presentation of entrepreneurship as an option. Collaboration between the initiatives and enterprise associations, businesses and business support organisations needs to be encouraged as there is a clear need to integrate the immigrants to local people and businesses. In addition, the need to familiarize oneself to local culture and routines is also of importance. Language may impose a barrier particularly to those not fluent in official languages and English (Aaltonen et al., 2015; Yijälä and Nyman, 2017). It has been acknowledged that immigrants diversify the Finnish entrepreneurial landscape and bring new dynamics and capabilities (Aaltonen et al., 2015) – the impact starts making difference gradually as during the 21st century the number of entrepreneurs with immigrant origin has more than tripled (OSF 2017). Furthermore, it has been recognized that particularly educated immigrants can be an asset for SMEs intending to enter the international markets. The “Talent Pool” organised by Team Finland, a network of public sector actors providing internationalisation services, aims at attracting skilful immigrants to Finland.

Similarly, persons with disabilities have access to the nation-wide support system. The integration of benefit schemes and pensions and start-up financing is a challenge. Other challenges that need to be addressed in targeted support projects are collaboration with other non-disabled entrepreneurs, provision of entrepreneurial role models with impairments and provision of holistic (i.e. not limited to business competence) support for entrepreneurship. Finally, access to physical aids and supporting personnel are crucial in promoting entrepreneurship of persons with disabilities. Ensuring physical accessibility of support agencies is also a pressing need. These issues have been raised up in the recent report prepared for the government (Niemelä et al., 2017) and provisions for their implementation are under discussion. Currently some projects such as Enterprising! (*Yritystä!*) are under way to promote entrepreneurship among people with disabilities. This project run by Vates offers individual support, counselling and networks to potential entrepreneurs with disabilities. The project started in 2016 has reached more than 100 persons .It also aims to influence the support services available to people with disabilities in general.

Overall, the entrepreneurship skills support offered is typically of very good quality. However, the challenge faced by potential entrepreneurs from under-represented and disadvantaged groups is that they are often unaware of the available initiatives and how to access them. In addition, their business networks usually need to be widened in order to get support from peer entrepreneurs. Furthermore, the mainstream support agencies are not necessarily well aware of the special needs of specific target groups. One way to improve the dissemination of information and strengthen the existing networks among the under-represented and disadvantaged groups could be to increase co-

¹⁴ In 2015 Finland received over 32 000 asylum seekers which is almost 10 times more than before (Jauhiainen, 2017).

operation with the associations that represent and organisations that operate with the disadvantaged groups. Those organisations may not have the skills and expertise to provide entrepreneurial training themselves but they have the advantage of being acquainted with the needs of their members.

3.5. Entrepreneurial culture and social capital

Finland has improved in entrepreneurship culture over the last years. The general attitude is that entrepreneurship is a valid career option, and the political climate is very favourable to entrepreneurship. Successful entrepreneurs are highly valued and media attention for entrepreneurship is good (Suomalainen et al., 2016). Similarly the government highlights the role of entrepreneurship in boosting economic development.

The educational system at all levels forms an important backbone for nurturing the entrepreneurial culture. Educational institutions implement entrepreneurship courses, projects and activities and integrate them even in the curriculum. Recently entrepreneurship has been given more ground in universities and several universities have even put a special emphasis on it in their strategies. For example the University of Turku aims to strengthen its profile as an Entrepreneurial University¹⁵ and enhance entrepreneurial attitudes, behaviour, and culture across the entire university (students and staff in all faculties) and its various activities and stakeholders. Furthermore, events like Slush and Shift raise entrepreneurship awareness among the youth particularly but also among a wider audience. Education institutions are a part of entrepreneurship ecosystems and collaborate with other actors to help the students to build social capital. Consequently, students have generally positive attitudes towards entrepreneurship and the media has actively showcased stories of successful high-growth enterprises that have been established by young entrepreneurs. Despite positive attitudes and appreciation of entrepreneurship and other favourable developments, the entrepreneurial rate remains modest (OECD 2017). The culture of employment remains strong in the Finnish society where the waged employment still remains the norm.

As discussed above, there are organisations for the social target groups organising events and offering opportunities for networking. Media attention focuses primarily on high-growth start-ups, but it may be hard for people from disadvantaged groups to associate with most of these entrepreneurs. Studies suggest that it is important to get peer influence on entrepreneurship, i.e. relevant role models with which to associate and to gain entrepreneurial experience (Markussen and Røed, 2017). The awareness of disadvantaged groups becoming entrepreneurs remains low, as there are not many role models. This is particularly visible in case of entrepreneurs with disabilities. On the other hand, immigrant entrepreneurs are better showcased in the media. Attention to immigrant entrepreneurs has increased due to the recent growth in the number of asylum seekers, and on-going measures of the government to better exploit the potential immigrants can offer to the growth and internationalisation of Finnish business.

Entrepreneurship is gradually getting rid of its heroic image in Finland, with the idea that mundane individuals can perform well as entrepreneurs. For the disadvantaged groups particularly it is important that entrepreneurship is considered accessible and not something reserved for certain types of persons. The notion of entrepreneurship becomes more mundane when more individuals have contacts with entrepreneurs. Therefore creating boundary breaking networks for exchanging experience is of importance. In addition to offering positive examples and success stories of specific individuals (role models and live cases within the target group) that have succeeded as entrepreneurs, networks allow sharing experiences on the everyday life as an entrepreneur. They can also directly

¹⁵ <http://www.yrittajyysliopisto.fi/>

contribute to increasing the level of entrepreneurship by offering opportunities for team start-ups. Recent studies among the social target groups highlight the importance of networking with general population (i.e. Finnish-born entrepreneurs for immigrants or non-disabled entrepreneurs for potential entrepreneurs with disabilities) than solely amongst the peers (Aaltonen et al., 2015; Niemelä et al., 2017). The observation highlights the importance of not only focusing on providing tailored services and special care for the disadvantaged groups but also focusing on integrating them tightly into the wider entrepreneurial ecosystem.

4. POLICY RECOMMENDATIONS

The Finnish environment is generally very supportive of entrepreneurship. Business start-up information is plentiful, the regulatory burden related to business start-up and registration is low, financing is available for entrepreneurs, and training is available for those who want it. Entrepreneurs from under-represented and disadvantaged groups (i.e. youth, older people, women, people with disabilities and migrants) can access and benefit from this mainstream infrastructure alongside with the general population. Hence, despite the lack of particular policies for inclusive entrepreneurship all the basic elements are there to support business creation and self-employment among people in under-represented and disadvantaged groups. However, a number of policy actions that can be taken to improve support for these groups and make public support more accessible and effective for them:

1. *Introduce more flexibility in the social security benefit schemes so that it is easier to enter self-employment and create new business without being afraid of losing a base income of any kind when starting a business.* This is valid particularly for the unemployed and persons with disabilities, but relevant to all considering entrepreneurship as an option. The blurring boundaries between waged work and entrepreneurship emphasise the need to be able to flexibly move between entrepreneurship and waged work of different forms. The emergence of collaborative economy and new forms of work further highlight the need to renew the social security benefit schemes so that it is always more profitable to work than stay on benefits for those who can. This also implies identifying and abolishing different kinds of disincentives to employment of any kind. Technically the real-time income register (currently in planning phase) would allow such assessments in the near future. Generally, a flexible benefits system would facilitate a lower threshold for exploring entrepreneurship, which would allow people to gain valuable business experience. Prior engagement in entrepreneurship has been clearly shown to affect the intentions to continue (or return to) running one's own business. It would also support the development of skills for building financially sustainable enterprises.
2. *Increase entrepreneurship awareness and promotion of entrepreneurship among all social target groups with targeted messages.* The predominantly youth-oriented enterprise discourse will likely be off-putting to older individuals, discouraging them from seizing entrepreneurial opportunities. Thus, entrepreneurship should be actively promoted as part of "active ageing" since this age group holds entrepreneurial potential. Similarly, persons with disabilities find it hard to associate with current entrepreneurship role models and even the general public and business advisors do not necessarily consider entrepreneurship as a relevant choice for them. However, there are many successful entrepreneurs with disabilities

- and effort should be made to showcase their success stories more widely to influence attitudes related to entrepreneurship in this particular group.
3. *Strengthen communication and collaboration between public support agencies for entrepreneurship and employment and private/third sector organisations and projects dealing with the social target groups.* It seems that these organisations understand the needs of their target group but they are not that inclined to guide their customers towards entrepreneurial careers. On the other hand, the business support system has expertise in supporting their customers to start-up a business but does not necessarily recognize the potential and special needs of the target groups (e.g. persons with disabilities or immigrants). Furthermore, it is important that public services for job seekers offered by TE Offices also systematically refer to entrepreneurship as an option when promoting employment among social target groups. Immigrants and potential entrepreneurs with disabilities would need opportunities for networking with the wider population and various businesses, rather than just with other immigrants or disabled entrepreneurs, to gain a better understanding of the business environment and the opportunities it offers. Here collaboration with local associations of entrepreneurs is an asset that could be better exploited. A concrete policy action would be to actively promote collaboration with mainstream support organisations and organisations for special support for the target groups to build sensitivity to differentiated needs within the system on one hand and understanding and promotion of entrepreneurship among target group associations on the other. The Finnish ESF operational programme is working in this direction, especially considering youth entrepreneurship but efforts need to be broadened.
 4. *Streamline entrepreneurship support for the unemployed and increase the sensitivity towards target group needs within the mainstream support system.* Streamlining the entrepreneurship support offerings for the unemployed is needed to remove overlaps and ambiguous allocation of responsibilities for entrepreneurship-related services (e.g. TE Offices, ELY Centres and *seudulliset yrityspalvelut* – regional business service centres). Referrals between the actors (including third sector/private actors, see above) should also be promoted. Numerous actors cause variation in the interpretation of the regulations and regional differences in the availability of start-up services. It should also be ensured that entrepreneurship is actively presented as an option to the unemployed but also to other under-represented and disadvantaged groups to improve the outreach of various entrepreneurship initiatives. Moreover, opportunities to take over existing businesses should be encouraged and advertised together with job vacancies by exploiting the existing business transfer registers, for example.

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ANNEX: METHODOLOGY

Each note was prepared by a national expert in co-operation with the OECD Secretariat. Information was collected through desk research and interviews (i.e. telephone, face-to-face, email) with key stakeholders and government representatives. The information was then verified by government partners, programme managers and other inclusive entrepreneurship stakeholder groups through email exchanges and one-day seminars in selected countries.

The notes are based on an assessment framework that was developed by the OECD Secretariat. The assessment framework provided a common analytical framework and report structure for the 28 notes that are in this series.

The framework contains 5 pillars:

1. Policy framework

- Is there an entrepreneurship strategy or action plan that explicitly covers the promotion and support of entrepreneurship for people in under-represented and disadvantaged groups?
- Is there a mechanism for co-ordinating inclusive entrepreneurship policy actions across relevant national ministries, and with regional and local governments and civil society organisations?
- Is there a systematic monitoring and evaluation process for the policies, programmes and schemes that promote and support entrepreneurship for people in under-represented and disadvantaged groups?

2. Government regulations

- To what extent are entrepreneurs from under-represented and disadvantaged groups treated equally with employees by social security schemes?
- Do measures exist that temporarily cover the loss of state income supports (e.g. unemployment benefits, disability allowances) for entrepreneurs amongst under-represented and disadvantaged groups when they start a business?
- Do measures exist to support under-represented and disadvantaged entrepreneurs in dealing with administrative procedures for entrepreneurship amongst under-represented and disadvantaged groups (e.g. information provision, support with administrative requirements)?
- Are there any entrepreneurship policy initiatives or schemes to address group-specific institutional challenges related to dependents (e.g. childcare, eldercare)?

3. Financing entrepreneurship

- Are there grants for business creation offered to support entrepreneurs from under-represented and disadvantaged groups?
- Is microcredit for business creation available to support entrepreneurs from under-represented and disadvantaged groups?
- Are there loan guarantee schemes for business creation to support entrepreneurs from under-represented and disadvantaged groups?

- Are there self-financing groups for business creation to support entrepreneurs from under-represented and disadvantaged groups?
- Are there public policy schemes that encourage and support business angel networks to support entrepreneurs from under-represented and disadvantaged groups?
- Are there schemes that encourage and support crowdfunding and peer-to-peer lending to support entrepreneurs from under-represented and disadvantaged groups?
- Is financial literacy training offered to support entrepreneurs from under-represented and disadvantaged groups?

4. Entrepreneurship skills

- Are there entrepreneurship training initiatives for entrepreneurs from under-represented and disadvantaged groups?
- Do high potential entrepreneurs from under-represented and disadvantaged groups have access to one-to-one or group coaching and mentoring?
- Are there public initiatives that provide information on available support programmes or on business start-up procedures for entrepreneurs from under-represented and disadvantaged groups?
- Are there business consultancy and advisory services for entrepreneurs from under-represented and disadvantaged groups?
- Are there business incubators for entrepreneurs from under-represented and disadvantaged groups?

5. Entrepreneurial culture and social capital

- Is entrepreneurship actively promoted as an employment opportunity amongst under-represented and disadvantaged groups through the education system, media, role models, etc.?
- Are there public policy actions that attempt to build specific business networks for entrepreneurs amongst under-represented and disadvantaged groups?