

Abstract to the desk study report on the state of the art of Self-Employment in Finland

This desk study report on the state of the art of self-employment in Finland is a part of the LdV project “*SELF-EMPLOYMENT - Guidance and Counselling for Self-Employment*”. The aim of the whole project is to identify the location and the value of guidance and counselling services aimed at people considering self-employment. The project partners are from Austria, Poland, Romania and Finland. In the whole project self-employment is defined as a one-person company.

It is very important to research self-employment. Micro, small and medium-sized enterprises are socially and economically important, as they represent 99 % of all enterprises in the EU and provide around 65 million jobs and contribute to entrepreneurship and innovation. (SME Definition 2003.) Entrepreneurship is often considered to be the engine of the welfare of different economies. The society does benefit from a greater number of high-performing, successful self-employed people (Johansson 2000).

Many changes in the society have increased the importance of entrepreneurship and self-employment also in Finland. For example, depression in the 1990's, globalisation and developments in the European Union have caused many changes in the Finnish business environment and the society as a whole. There are also many other changes taking place, e.g. the population is ageing and the regional structure of Finland is changing. These transformations bring forward the need for new kinds of services and products. Additionally, the public sector is less eager to produce all services itself. The services are more frequently obtained from the private sector. (Yrittäjäyyskatsaus 2004.) For example these changes bring forward new possibilities and challenges for self-employment.

The main target groups of the self-employment project are 1) *students* that have just graduated and will soon graduate who consider self-employment, 2) *unemployed* people that consider self-employment, and 3) *people that are working* somewhere else at the moment, but consider self-employment as a future option.

There are several different ways to define self-employment. Definitions of the terms “self-employment”, “small business” and “entrepreneurship” are difficult to agree upon and they also tend to change when used in concrete situations. (Kovalainen 1993.)

Self-employment is an important option in the work careers of many. According to the Labour Force Survey, the number of entrepreneurs was 213,000 (excluding agriculture) at the end of 2003. Entrepreneurs accounted for nine per cent of total employment. Self-employment is rather common in Finland. In 2003 there were 124,000 self-employed persons in Finland. At the same time the number of entrepreneurs with employees was 89,000. The entrepreneurial activity in Finland is mostly opportunity driven.

There are and have been several different kinds of regional and local initiatives on self-employment. However, they are not usually only aimed at self-employment. It is more common that they are aimed at SMEs as a whole and all people considering entrepreneurship; not only to people considering self-employment. There is a wide

range of supporting, services and training available for people considering self-employment and also to those involved in self-employment.

The Internet is a very important factor in the context of self-employment in Finland. The Internet is available to nearly everyone in Finland. Importantly, nearly all information, forms and contact information on self-employment can be accessed through the Internet.