

Global Entrepreneurship Monitor

2021/2022 Finnish Report

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GLOBAL ENTREPRENEURSHIP MONITOR 2021/2022 FINNISH REPORT

Publications of Kerttu Saalasti Institute, University of Oulu 3/2022
<https://oulu.fi/ksi>

ISBN 978-952-62-3497-7 (electronic)
ISSN 2814-4406 (electronic)

Acknowledgements

Special thanks to the authors for preparing this report. We are glad to have this extremely dedicated and able research group which did superb job in a very short time span. This report brings together new results and analysis from many different angles, also comparing results with other countries, concerning the entrepreneurship in Finland. We are also grateful to the GEM project's co-ordination team: in particular Francis Carmona, Alicia Coduras and Forest Wright. We are pleased to have Sakari Alhopuro Foundation and Yksityisyrittäjien Säätiö to sponsor the Global Entrepreneurship Monitor Finland Report.

Mika Kuismanen, PhD

Chief economist, the Federation of Finnish Enterprises

Disclaimer

This report is based on data collected by the GEM Consortium and the GEM Finland team: The analysis and interpretation of the data are the sole responsibilities of the authors.

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The report was commissioned by the Federation of Finnish Enterprises (Suomen Yrittäjät), chief economist Mika Kuismanen, mika.kuismanen@yrittajat.fi.

For further information on the GEM consortium, see <https://www.gemconsortium.org/>

Foreword

The Global Entrepreneurship Monitor (GEM) is one of the most influential global research projects into entrepreneurial activity and trends. On behalf of the Federation of Finnish Enterprises it is a privilege to be part of this project. Especially, because this publication is the first since 2015/2016 publication.

GEM provides data-based evidence on cross-national entrepreneurship dynamics. The project surveys entrepreneurs directly and thus gives important information how attitudes, perceptions, motivation etc. of entrepreneurs have developed in different countries. GEM provides academics, policymakers, and research institutions a valuable toolbox to analyse entrepreneurship from many different angles.

World economy is in the middle of turbulent times. Due to the brutal war in Ukraine, the uncertainty is tangible, and the cost-of-living crises continues to affect Finnish consumers, business, and the economy as whole. In these times it is utmost important that the entrepreneurs receive all the needed support to survive the challenges. This does not mean financial business support but rather stable and time consistent business environment. Firms and especially SMEs are the source of economic growth and prosperity.

After the year 2016, many parts of the entrepreneurship framework have developed positively. National experts see Finland's strongest points as availability of financing, entrepreneurship education, R&D transfer, access to infrastructure and women entrepreneurship.

Despite the relatively good results there are still many things where Finland should improve. As an example, Finnish respondents see fewer good opportunities compared to Sweden, Norway and the Netherlands and the percentage of adults expecting to start a firm in coming years has decreased after 2015, while it has doubled in the Netherlands and increased also in Sweden.

One of the major challenge Finland will face in the coming years is related to companies' willingness to grow. According to GEM results, the growth expectations have decreased in Finland since 2015. This result is in line with other studies. In Finland the number of employer companies has significantly decreased during the last ten years. This trend must be reversed, and the results presented here give some indication of how it could be done.

Mika Kuismanen, PhD

Chief economist, the Federation of Finnish Enterprises

Key concepts and definitions

Two complementary surveys from the core of GEM research, as follows:

The Adult Population Survey (APS) is a comprehensive questionnaire administered to a minimum of 2,000 adults in each GEM economy, with the intention of collecting detailed information on the entrepreneurial activities, attitudes, and aspirations of respondents. The Finnish national report 2021 / 2022 employed an APS sample size of 1,983 participants.

The National Expert Survey (NES) is completed by selected experts in each GEM economy and collects views on the context surrounding entrepreneurship in that economy. It provides information about a country's socioeconomic characteristics, which, according to research, have a significant impact on national entrepreneurship (referred to as the entrepreneurship framework conditions).

The key entrepreneurial activity concepts used in the GEM report are as follows:

Total early-phase entrepreneurial activity (TEA): the proportion of adults (aged 18–64) who are starting or running new businesses. We use the word 'early-phase entrepreneur' to describe a person with TEA.

Established business owner (EBO): the proportion of adults (aged 18-64) who are currently the owner-managers of established businesses (who own and manage businesses that have paid salaries, wages, or made other payments to the owners, for more than 42 months). The word 'established entrepreneur' is a synonym for EBO in this report.

Main findings

Background

The Global Entrepreneurship Monitor (GEM) research consortium has conducted an ongoing annual study of 120 participated economies around the world since 1999. It combines the APS and NES surveys with global- and national-level analyses. Finland participated in the APS in 2015, the NES in 2016, and has returned with a new team to evaluate 2021 data. The most recent surveys included 37 national entrepreneurship experts and 1,983 adult respondents. In this national report, we analyse the entrepreneurial attitudes, activities and aspirations of the adult population and expert views, comparing latest results to the previous Finnish data for 2015-2016 and to the current states in Sweden, Norway, and the Netherlands. We also explore differences in gender, region, education, age, and household income according to APS data.

State of entrepreneurship and its conditions in Finland –expert views

National experts saw Finland's strong points as the availability of financing, entrepreneurship education in school, research and development transfer, access to infrastructure and women's entrepreneurship compared to Sweden, Norway, and the Netherlands. Finland's weak points were lack of support to entrepreneurship in cultural and social norms. Many aspects of the entrepreneurship framework developed positively after 2016.

Entrepreneurship potential in Finland

In Finland, the percentage of adults expecting to start a business in the coming years has decreased after 2015, whereas it doubled in the Netherlands and increased in Sweden. The knowledge and skills required to start a business increased since 2015, but the fear of failure preventing people from starting a business was an impediment in Finland. Over 60% of Finnish adults knew a new entrepreneur, and the percentage of adults perceiving promising opportunities to start a business in the next six months increased after 2015. Although, Finnish respondents identified fewer opportunities than those in Sweden, Norway, and the Netherlands. 70% of Finnish adults thought it would be easy to start a business, and the number of informal investors and invested sum per investor both increased.

Entrepreneurial activity in Finland

The TEA rate in the population increased from 6.6% to 7.9% between 2015 and 2021, but the proportion of EBO decreased slightly after 2015 in Finland. Enterprise growth was measured according to expected job creation. More than half of the Finnish TEA respondents expected to provide no jobs in the next five years and high-growth expectations were low. Finland had the lowest number of early-phase or established entrepreneurs who expected high growth in this comparison, and growth expectations in the country have decreased since 2015. Finnish established entrepreneurs were the least active exporters among the four countries. The Finnish TEA is expected to generate slightly more exports than its Norwegian counterpart but less than the Netherlands and Sweden. The most popular

motivational factors for TEA respondents in Finland were ‘to earn a living because jobs are scarce’ (almost 50% of respondents) and ‘to make a difference in the world (40 % of respondents). The most popular motivations for EBOs in Finland were ‘to earn a living because jobs are scarce’ (over 60% of respondents) and ‘family tradition’ (over 40 % of respondents). Finnish entrepreneurs, especially early-phase entrepreneurs, appeared to prioritise environmental and social sustainability over economic growth more than in the other three countries.

COVID-19 pandemic -related policies and dynamics in entrepreneurship

The early-phase entrepreneurs, EBOs and national experts claimed that the government’s response to the COVID-19 pandemic was not as good in Finland and Sweden as in Norway and the Netherlands. About one-fourth of the Finnish entrepreneurs identified new business opportunities due to the pandemic, digitalisation in Finnish enterprises did not advance due to the pandemic, either because it had already reached a high level, or because entrepreneurs thought it was unnecessary for their businesses.

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1. Introduction

GEM is the most extensive and informative study on entrepreneurship in the world. It was first conceptualised in 1997 by two academics, Michael Hay from London Business School and Bill Bygrave from Babson College in the United States. Since then, GEM research has comprehensively and comparably measured the entrepreneurial activity and trends of working-age adults across a wide range of countries. Now, 25 years later, the Consortium of GEM countries has grown substantially, representing all levels of economic development and almost all geographic regions. This year's global report is based on data from 50 countries. (GEM, 2022).

GEM is a major research project that describes and analyses different phases of entrepreneurship in a global context, reporting details of entrepreneurial attitudes, activities, and aspirations. GEM differs from most current studies in the entrepreneurship domain by considering not only businesses but also individuals aged 18-64 years for demographically representative portions of the population. Due to representativeness of the survey data and the comparability between countries, GEM's contribution to the knowledge about the entrepreneurial activity is unparalleled.

The Finnish national GEM report 2021/2022 mainly focuses on entrepreneurial activity in Finland in 2021. Based on the quantitative and qualitative data drawn from the surveys, it covers key aspects of entrepreneurship, such as entrepreneurship conditions, attitudes towards entrepreneurship, and the specific characteristics and attributes of entrepreneurs. The results of the GEM 2021 APS and NES provide a unique opportunity to understand the current state of the entrepreneurship landscape and to compare the Finnish findings with those of other small, advanced economies¹² (IMF, 2022; OECD, 2022; Skilling, 2016) in Europe (i.e. Sweden, Norway, and the Netherlands). These small, advanced economies are considered relevant benchmarks against which Finland can track its entrepreneurial activities³. Sweden and Norway were selected as Nordic benchmark countries and the Netherlands as a European-level benchmark country. Among various benchmark factors, the Netherlands has the highest TEA rate within the European countries, according to GEM (2022).

Academics and policymakers agree that entrepreneurs, and new businesses, play a critical role in the development and well-being of society. Hence, there is increasing recognition of the importance of new and small businesses in national economies. Since the previous country-specific GEM report on Finland was published several years ago, in 2016, this 2021/2022 Finnish national report sheds much-needed light on the national-level development of entrepreneurship based on the views of the working-age population and entrepreneurship experts.

It is well-known that, worldwide, fewer women than men are involved in entrepreneurial activities (Caliendo et al., 2015), and this gender gap in entrepreneurship has only slowly reduced (Henry et al., 2022). In this year's report, the authors specifically wish to highlight gender differences and similarities in entrepreneurial activities in Finland. A recent *GEM Women entrepreneurship report* (Elam et al., 2021) showed that women in

¹Skilling (2016) defined small, advanced economies as those with populations of less than 20 million people based on IMF criteria (see e.g., IMF, 2022).

²Small, advanced economies are defined as the OECD countries with populations of 1-20 million people and per capita incomes above USD 30 000 (OECD 2022).

³The other Nordic countries, Denmark and Iceland, were not included in the GEM 2021 data collection.

Europe had the lowest rates of entrepreneurship compared to other regions, with only 5.7% of women and 11% of men in Europe being entrepreneurs.

In this report, we explore regional differences within Finland at the NUTS2⁴ and, to a lesser degree, at the NUTS3 region levels. We also discuss the impacts of the COVID-19 pandemic on entrepreneurial framework conditions and the digitalisation of enterprises.

⁴ The nomenclature of territorial units for statistics (Nomenclature des unités territoriales statistiques – (NUTS)) is a geographical system that divides the territory of the European Union into hierarchical levels. See. <https://ec.europa.eu/eurostat/web/nuts/background>

2. GEM research design

The Finnish national GEM report 2021/2022 is based on two complementary surveys: the NES and the APS. The NES focuses on the entrepreneurial conditions in Finland that affect entrepreneurship potential and entrepreneurial activity across countries (GEM, 2022). Selected experts include policymakers, entrepreneurs, business support actors, business educators, and researchers. The APS measures entrepreneurship potential, early-stage entrepreneurship activity, and established entrepreneurship among the adult population.

One of the GEM APS framework's main measures is the TEA rate (Figure 1 1), which includes both nascent entrepreneurs who are setting up businesses and owner-managers of new businesses up to 3.5 years old. Businesses are classified as established after 3.5 years. The TEA proportion found in the adult population can be used as an index of business-creation activity. Both early-phase and established entrepreneurs are asked about their motivations, business growth and export expectations, pandemic effects, and attitudes towards the United Nations (UN) sustainable development goals. The adult population is also asked questions about their intentions, attitudes, skills, and perceptions regarding entrepreneurship to evaluate entrepreneurship potential. Demographic factors for the APS are gender, region, age, education and household income, which we will use herein as variables to study underrepresented groups in potential, early-phase, and established entrepreneurship.

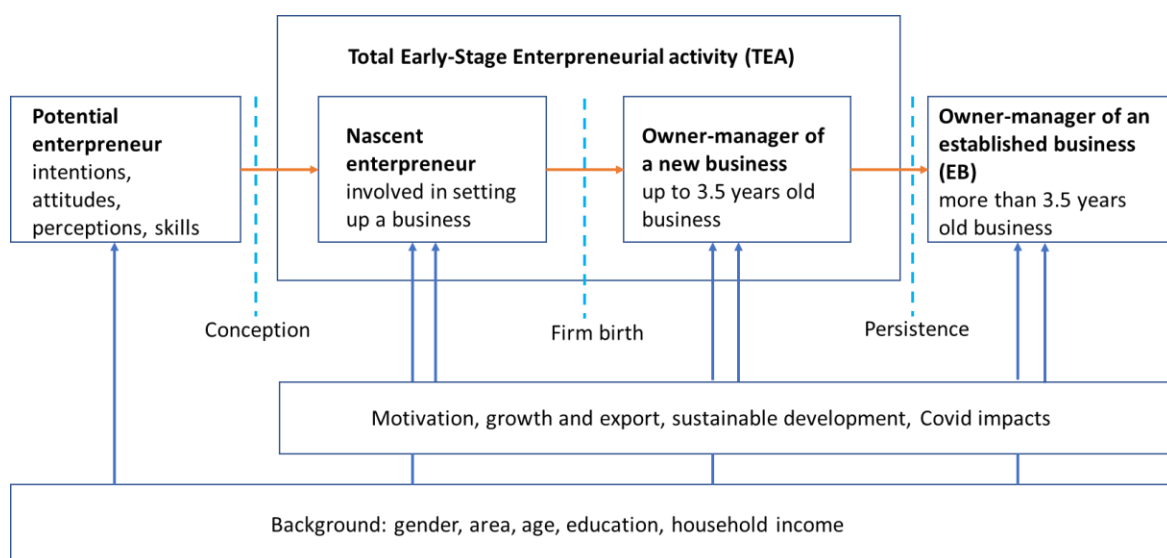


Figure 1. The GEM APS framework: potential, early-stage, and established entrepreneurship (reproduced from GEM, 2022). All APS participants were asked about their backgrounds. Those who were identified as early-stage (TEA) entrepreneurs or EBOs are also asked about their motivations, business growth and export expectations, attitudes towards sustainable development, and the effects of COVID-19 pandemic. The limiting line between early-stage and established firms used in GEM is 3.5 years of paid salaries.

The NES examines selected experts' views of the entrepreneurship framework and conditions in each participating country. In 2021, the NES was answered by 37 selected national experts in Finland, and the APS Finland sample comprised 1,983 people, slightly below the targeted minimum sample size of 2,000 for national-level studies (GEM, 2022). The APS sample was stratified to reflect the underlying national population in terms of age, gender and location. Some of the questions were only asked of respondents, who were either early-phase (147) or established entrepreneurs (197), and the small sample sizes these questions must be considered when interpreting the results.

The authors of the GEM Finnish report 2021/2022 are researchers from Kerttu Saalasti Institute at the University of Oulu: Pauliina Björk, Martti Saarela, Ossi Kotavaara and Matti Muhos. The Finnish GEM project was coordinated by the Federation of Finnish Enterprises, and Taloustutkimus Oy administered the surveys to collect the data. Globally, GEM has a yearly cycle, but Finland participated in the APS in 2015 (Suomalainen et al., 2016) and NES in 2016.

Section 3 explains the NES results, comparing Finland to Sweden, Norway, and the Netherlands and also with Finland's previous 2016 NES results. The most interesting points are addressed at the question-level. Sections 4 and 5 present the APS results, with the former concentration of entrepreneurship potential and the latter on entrepreneurship activity. Section 6 discusses all pandemic-related material from both the NES and APS.

3. State of entrepreneurship and its conditions in Finland –expert views

Highlights of the NES findings:

- Based on expert views, *Finland was positioned higher than Sweden and Norway in terms of entrepreneurship conditions*. In many areas, the Netherlands has set a better benchmark for Nordic countries.
- National experts saw *Finland's strong points as the availability of financing, entrepreneurship education, R&D transfer, access to infrastructure and women's entrepreneurship* compared to Sweden, Norway, and the Netherlands.
- *Finland's weak points were cultural and social norms*.
- *Most aspects of the Finnish entrepreneurship framework have developed positively between 2016 and 2021*.

3.1. Comparison of the entrepreneurial framework conditions in Finland, Sweden, Norway, and the Netherlands

Based on national expert opinions, Finland’s strengths were financing, entrepreneurial education, R&D transfer, and access to physical infrastructure. Also, support for women’s entrepreneurship was Finnish strength. Finland ranked first among all GEM countries in financing, entrepreneurial education at school, and physical infrastructure (GEM, 2022)⁵. Finland’s weak points were country’s social and cultural norms. Sweden seemed to lag behind the other comparison countries in terms of the support and relevance of government policy, taxes and bureaucracy, government entrepreneurial programmes, entrepreneurial education and R&D transfer. The Netherlands set a benchmark for social and cultural norms, as well as all government policy and programme topics. At the global level, Finnish entrepreneurship conditions were lacking in two other areas: the country was ranked 14 out of 19 GEM Level A⁶ countries for ease of entry: market dynamics and 11 out of 19 for government entrepreneurial programmes (GEM, 2022). (Figure 2).

Comparison of Finland, Sweden, Norway and the Netherlands

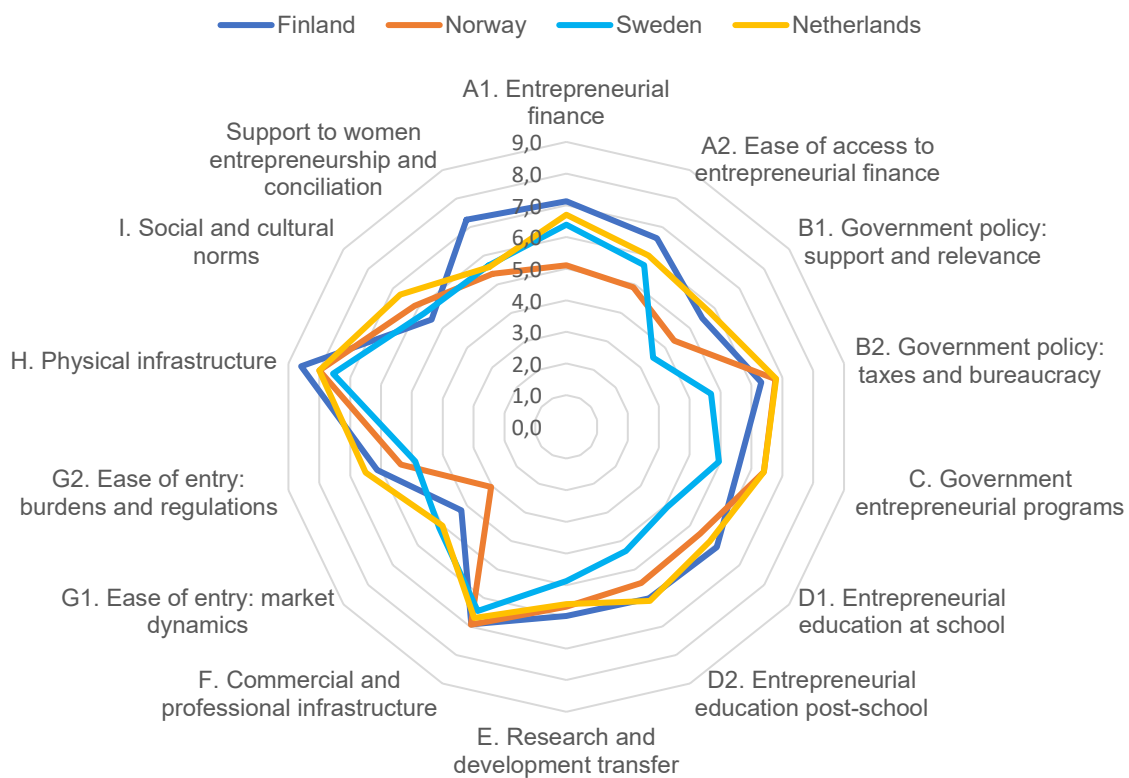


Figure 2. Comparison of the entrepreneurial framework conditions in Finland, Sweden, Norway and the Netherlands based on the 2021 NES. The national experts answered several questions regarding each topic. The figure is based on the means of the responses to a 10-point Likert scale.

⁵ See Finland’s entrepreneurial framework conditions compared to the Level A country average on page 110 of the *Global Entrepreneurship Monitor 2021/2022 Global Report* (GEM, 2022).

⁶ GEM Level A countries are the 2021/2022 participant countries with GDPs over 40,000 USD. See the list on page 28 of the *Global Entrepreneurship Monitor 2021/2022 Global Report* (GEM, 2022).

3.2. Changing entrepreneurial framework conditions in Finland

Figure 3 shows the changes in the entrepreneurial framework conditions between 2016 and 2021 in Finland. There was clear positive development in financing, government policy: taxes and bureaucracy and entrepreneurial programmes, entrepreneurship education, R&D transfer, ease of entry: burdens and regulations, physical infrastructure and even social and cultural norms. Only ease of entry: market dynamics showed a negative change.

Entrepreneurship conditions change in Finland from the year 2016 to 2021

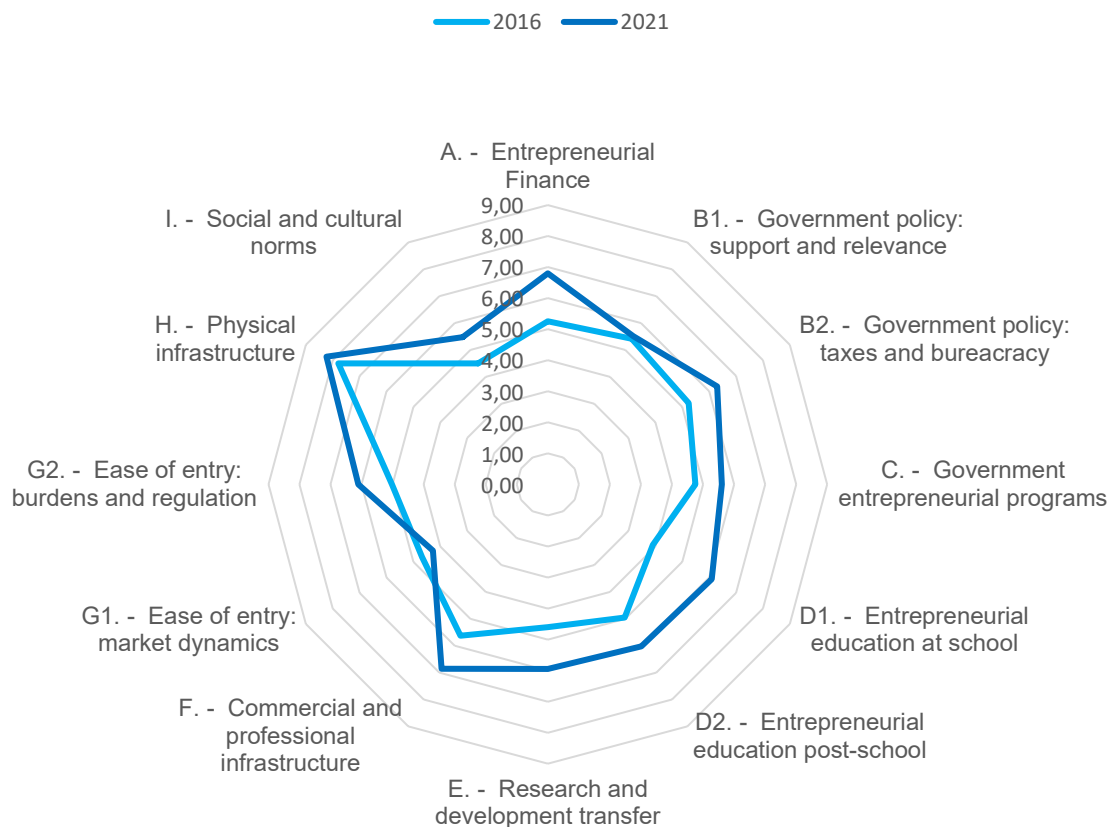


Figure 3. Entrepreneurial framework conditions changes in Finland between 2016 and 2021, based on national expert opinions. Both years are presented based on a 9-point Likert scale because it was used in 2016.

3.3. Entrepreneurship in the Finnish education system

Entrepreneurship education was perceived as a major Finnish strength. Figure 4 shows the NES experts' answers to the questions regarding entrepreneurial education topics D1 (Entrepreneurial level of education at school) and D2 (Entrepreneurial level of education at post-school). According to the experts, Finnish teaching encourages creativity and personal initiative. The least positive answers were for attention to business creation at all levels of education.

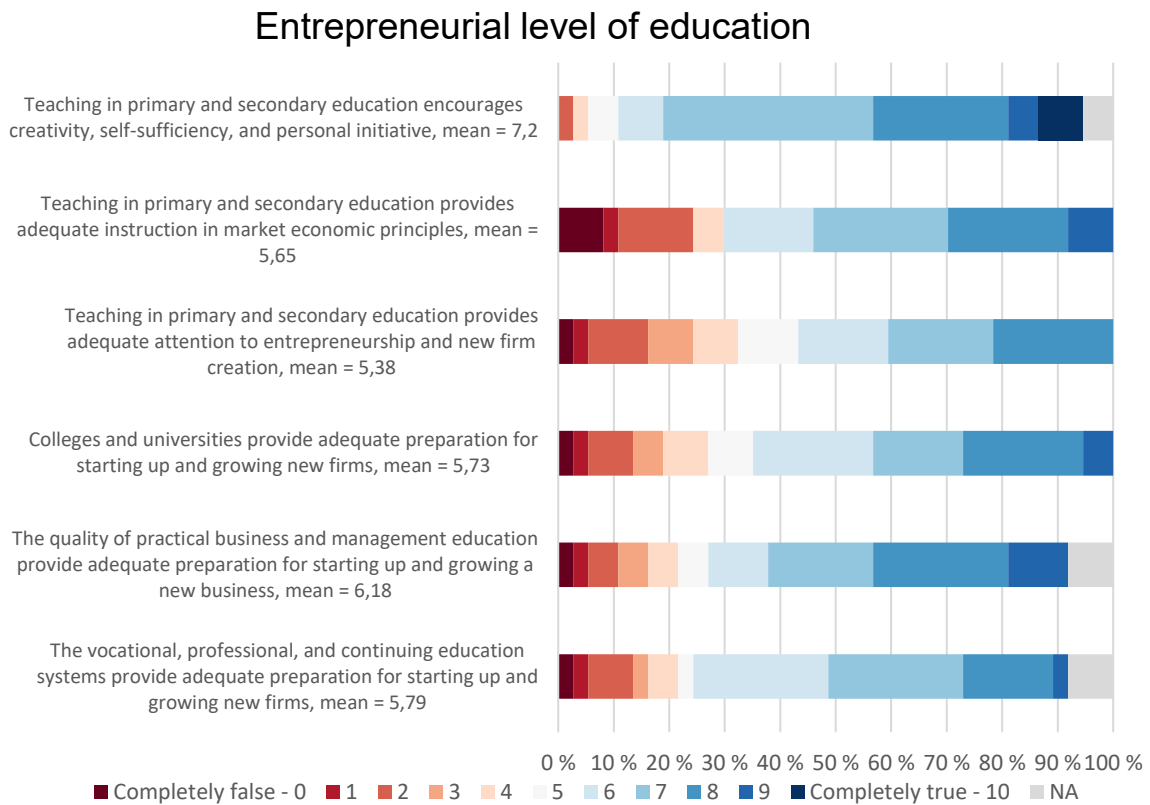


Figure 4. Entrepreneurial education -related questions and national expert answers in Finland based on the GEM NES.

3.4. Administration, policy, and taxation framework and its impact on Finnish entrepreneurs

National experts mostly agreed that the registration cost for a new firm was reasonable in Finland. However, the experts had negative opinions about government policies consistently favouring new and growing firms, the experts' responses on this topic varied a lot. Also, the taxation burden and prioritising support for new and growing firms received relatively low means with high variety in responses. (Figure 5).

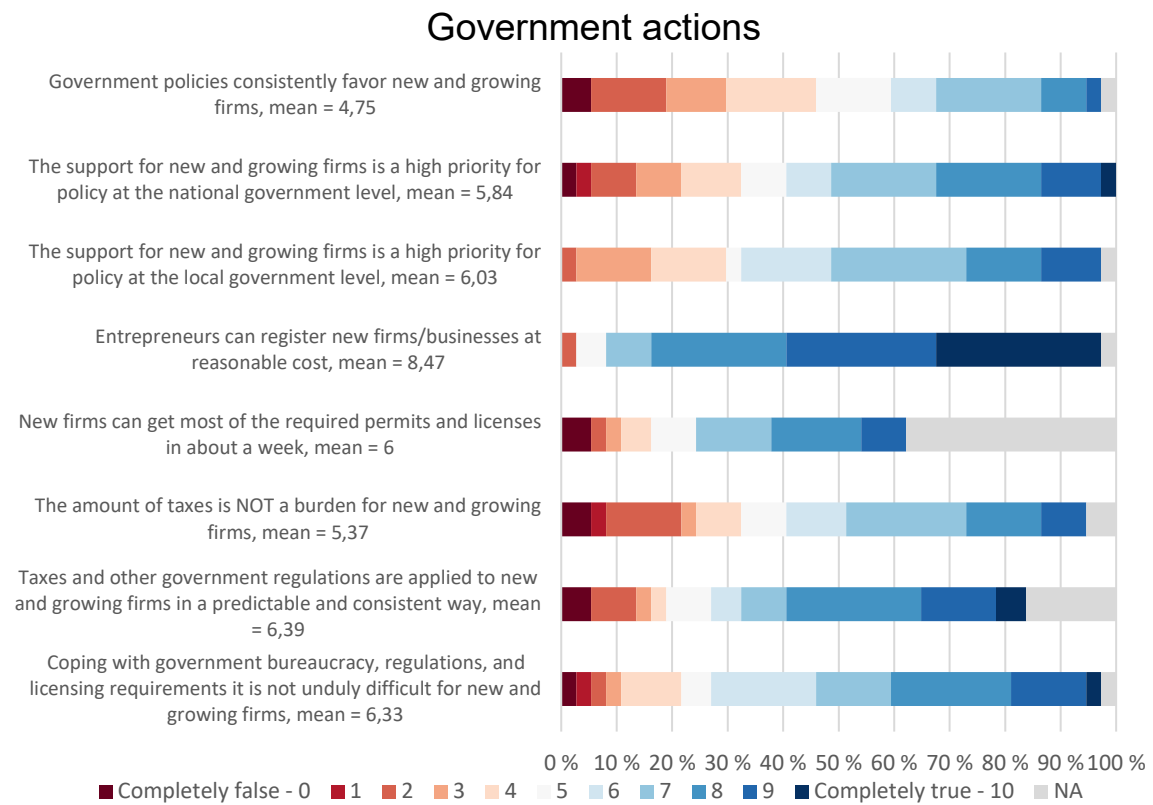


Figure 5. Government action -related questions and national expert answers in Finland based on the NES.

3.5. Support framework for women's entrepreneurship

In 2021, GEM asked national experts about women's entrepreneurship and support. Finland received the highest score for this comparison (cf. Figure 2). Figure 6 opens the questions about women's entrepreneurship. According to the experts, Finland's strengths were affordable support services for families and equal access to financing. However, the weakest point in Finland related to regulations encouraging women to choose employment rather than entrepreneurship.

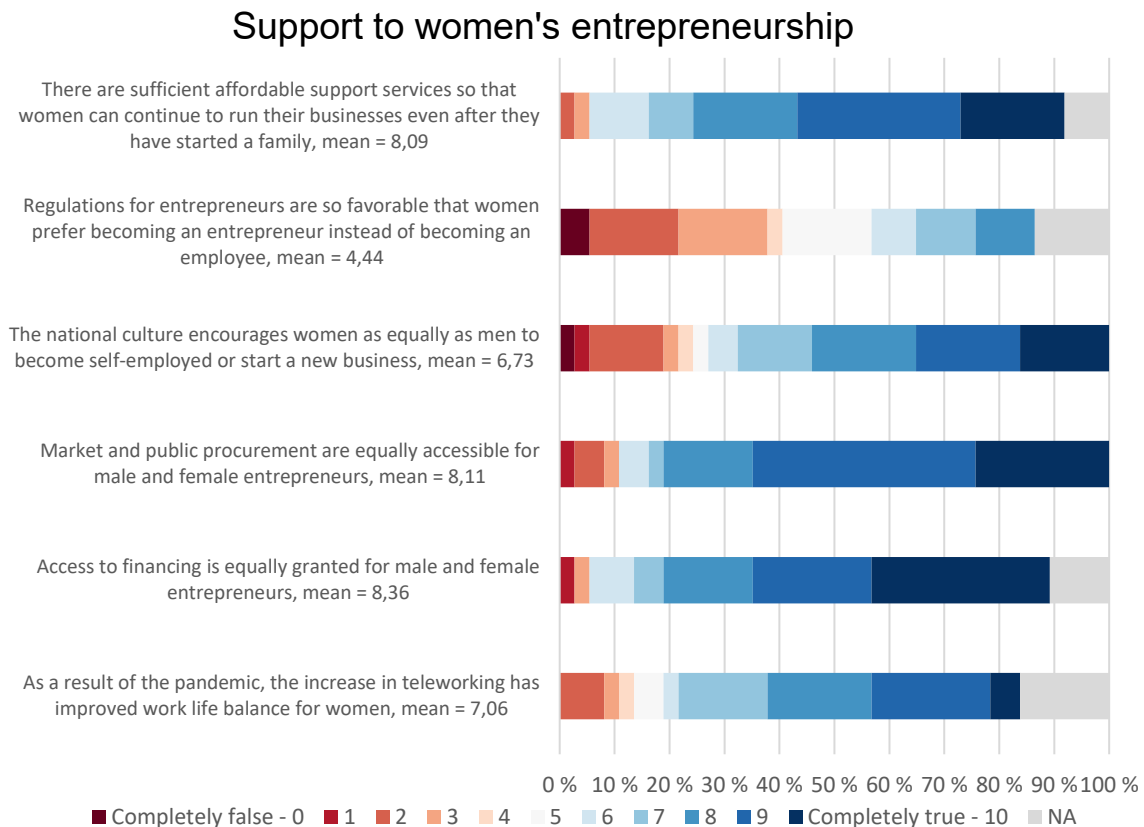


Figure 6. Women's entrepreneurship questions and national expert answers in Finland based on the NES.

3.6. Cultural and social norms and societal support for entrepreneurship

Finland scored lower than Sweden, Norway, and the Netherlands regarding cultural and social norms and societal support for entrepreneurship. The expert's evaluated cultural and social norms with low scores, with few differences between the questions. The lowest means were for questions regarding the national culture encouraging entrepreneurial risk-taking and supporting individual success through personal efforts. The highest means were for national culture encouraging creativity and innovativeness and national culture emphasising self-sufficiency, autonomy, and personal initiative. (Figure 7).

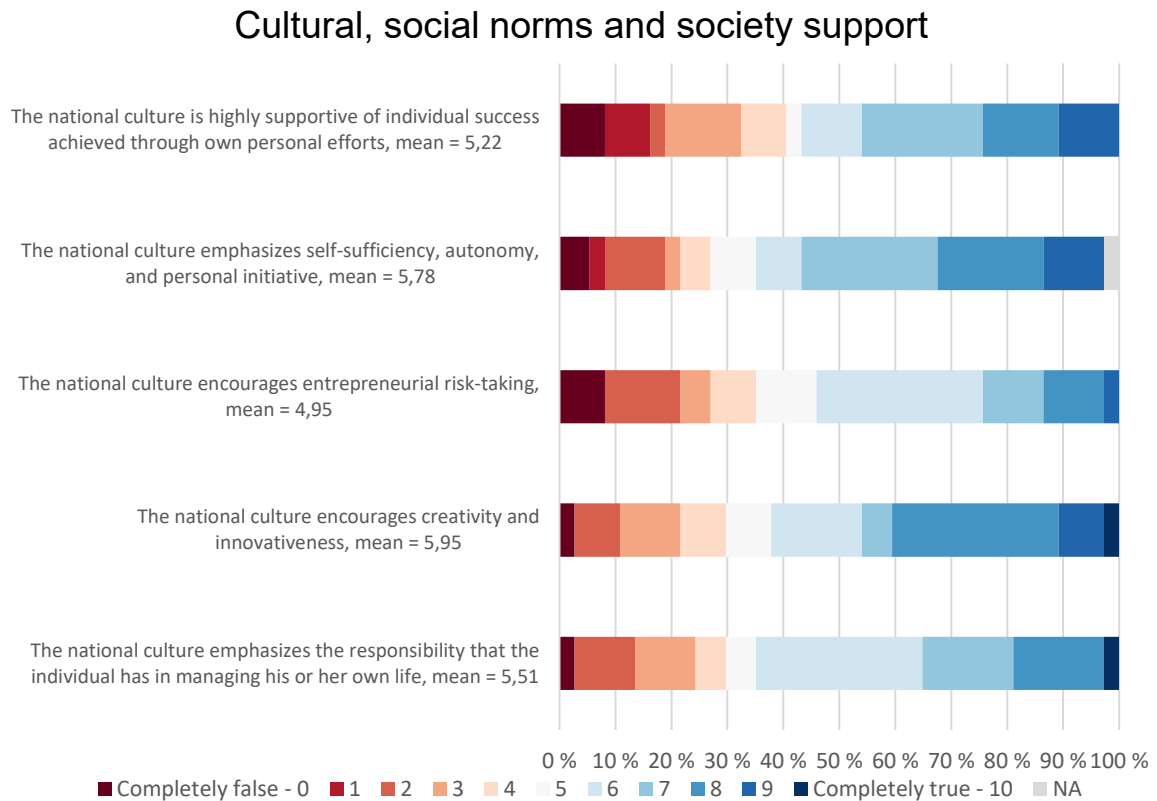


Figure 7. Cultural and social norms and societal support questions and national expert answers in Finland based on the NES.

4. Entrepreneurship potential in Finland

Highlights of the APS findings of entrepreneurship potential:

- In Finland, the percentage of adults *expecting to start a business* in the coming years has decreased after 2015 but doubled in the Netherlands and increased also in Sweden.
- *The knowledge and skills required to start a business* have increased in the comparison countries after 2015, but there was a gap between genders; women claimed to have fewer skills in every country.
- *Fear of failure preventing people from starting a business* increased in Finland but decreased in the Netherlands. In Finland, women reported more fear than men, but in the comparison countries, there were less differences between women and men.
- *People knowing a new entrepreneur who started in the past two years* has increased since 2015 across all the comparison countries, and over 60% of adults in Finland knew a new entrepreneur.
- The percentage of adults seeing *good conditions for starting a business in the next six months* has increased after 2015 across all the comparison countries. Finland was ranked last in this comparison in 2015. There were notable regional differences; adults in Helsinki region had the most positive views.
- Seventy per cent of Finnish adults thought *it would be easy to start a business* –smallest percentage in this comparison.
- *Informal investing* in Finland has increased in terms of investors and invested sum per investor. Finnish investors are more likely to be men than women, and the highest income group is more likely to invest than the lowest, but the South Finland region is underrepresented.

Entrepreneurship potential in Finland was evaluated based on APS survey questions regarding intentions, attitudes, and perceptions towards entrepreneurship. The first question asked about actual plans for starting a new business in the next three years. The subsequent questions mapped the reasons for the entrepreneurial potential: fear of failure, entrepreneurial skills, seeing good opportunities, knowing an entrepreneur, ease of starting a firm, and informal investing. Each question facilitated a comparison with the 2015 results and selected countries if appropriate. International comparison between genders were visualised when available, based on the GEM data. We also took a more detailed look at Finnish respondents' backgrounds by visualising their gender, region (NUTS2), age group, education, and household income. We also examined regional (NUTS3) variation in the maps for selected questions, but discounted counties with fewer than 30 respondents.

Original questions were presented on a 5-point Likert scale, but they were recoded to 'yes' or 'no' with two agreement answers linked to yes and two disagreement answers linked to no. Subsequent visualisations were based on the percentage of 'yes' answers. The sample size for each question differed from total APS participants because we removed 'not applicable' answers.

4.1. Plans to start a new business or become self-employed in the next three years

In Finland, 12% of the respondents had plans to start a new business or become self-employed in the next three years. The adult population percentage expecting to start a new business in the next three years was highest in Finland in 2015, compared to Sweden, Norway and the Netherlands. However, it had decreased slightly in Finland, but it had doubled in the Netherlands from 11% to 22% and increased also in Sweden. (Figure 8 8).

Expects to start a new business in the next three years

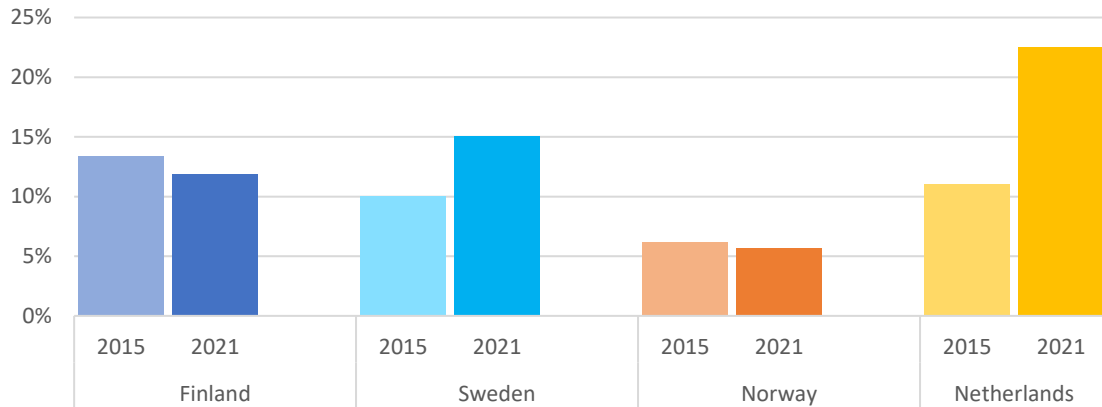


Figure 8. Comparisons of the adult populations expecting to start a new business in the next three years in 2015 and 2021.

The background variables in Figure 9 9 show notable differences between age groups; the oldest age group had about one-third of the business expectations of the to two youngest age groups. Also, there were clear gender differences; women had one-third lower expectations of starting a business than men. There were also differences between regions, with people in West Finland and the Helsinki region having higher expectations. Also, household income affected expectations; the lowest third in terms of income had higher expectations compared to others. The questions regarding entrepreneurship potential aimed to provide insight into the reasons for the levels of entrepreneurial activity.

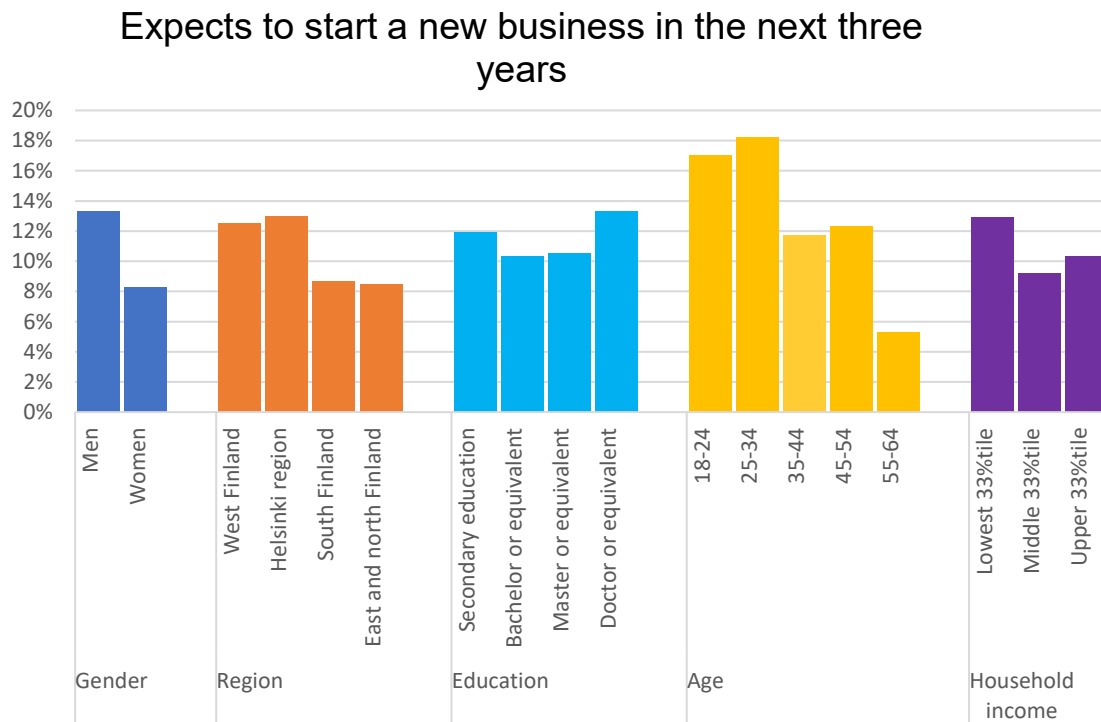


Figure 9. Expectations of starting a new business in the next three years in different respondent groups categorized according to the five key background variables (gender, NUTS-2 region, education, age, and household income).

4.2. Knowledge and skills required to start a new business

In Finland, 43% of respondents thought they had the required knowledge and skills to start a business. The knowledge and skills needed to start a new business increased in all the comparison countries after 2015 (Figure 10). In Sweden, half of the interviewed adults claimed to have the required knowledge, and slightly fewer in other countries. In all the comparison countries, women believed they had the required skills less often than men (Figure 11). In Finland, 53% of men, but only 32% of women thought they had the required knowledge and skills to start a new business.

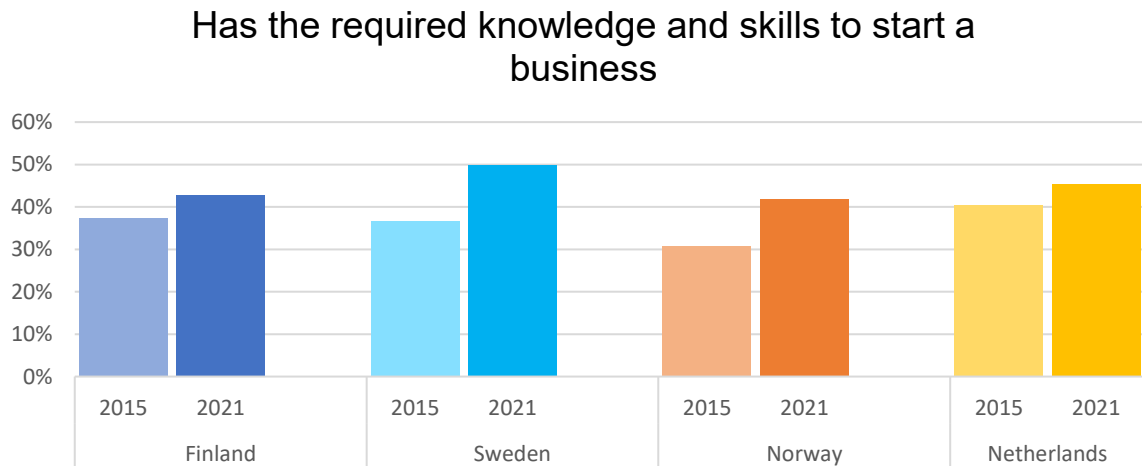


Figure 10. Comparison of the adult populations who answered they have the required knowledge and skills to start a business in 2015 and 2021 in Finland, Sweden, Norway, and the Netherlands.



Figure 11. Comparison of the gender differences in the adult populations who answered they have the required knowledge and skills to start a business in 2015 and 2021.

In Finland, more than 50% of men but only around 30% of women, thought they had the required skills and knowledge. The oldest age groups particularly believed that they had required knowledge. Also, when household income increased, the proportion respondents also increased. Higher education did not fill this gap because adults with bachelor’s degrees or equivalents had the highest percentages of required skills. (Figure 12).

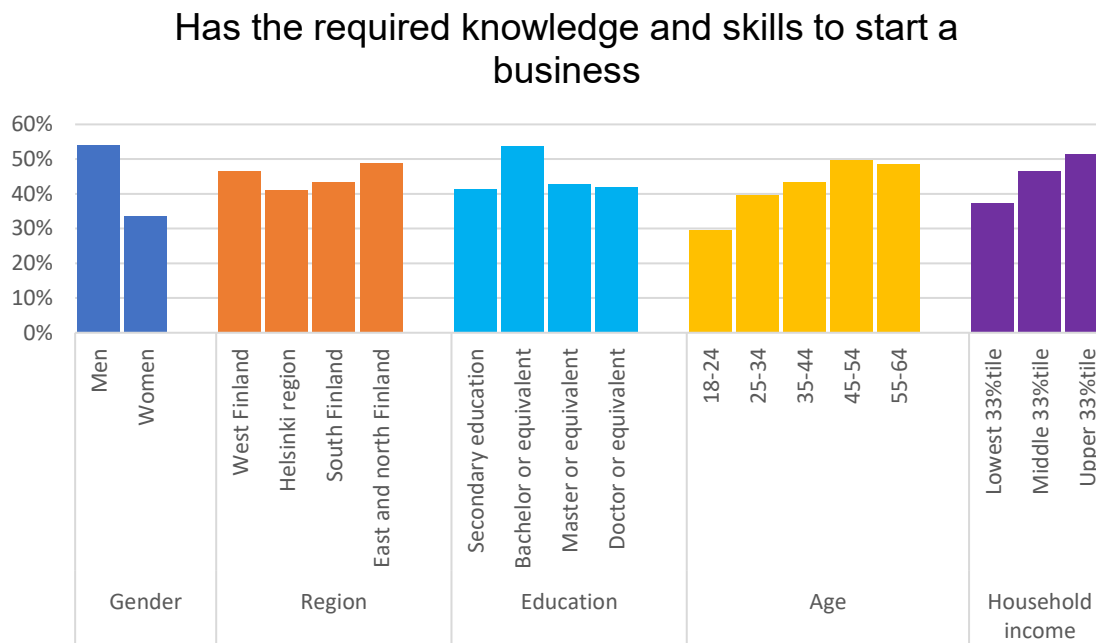
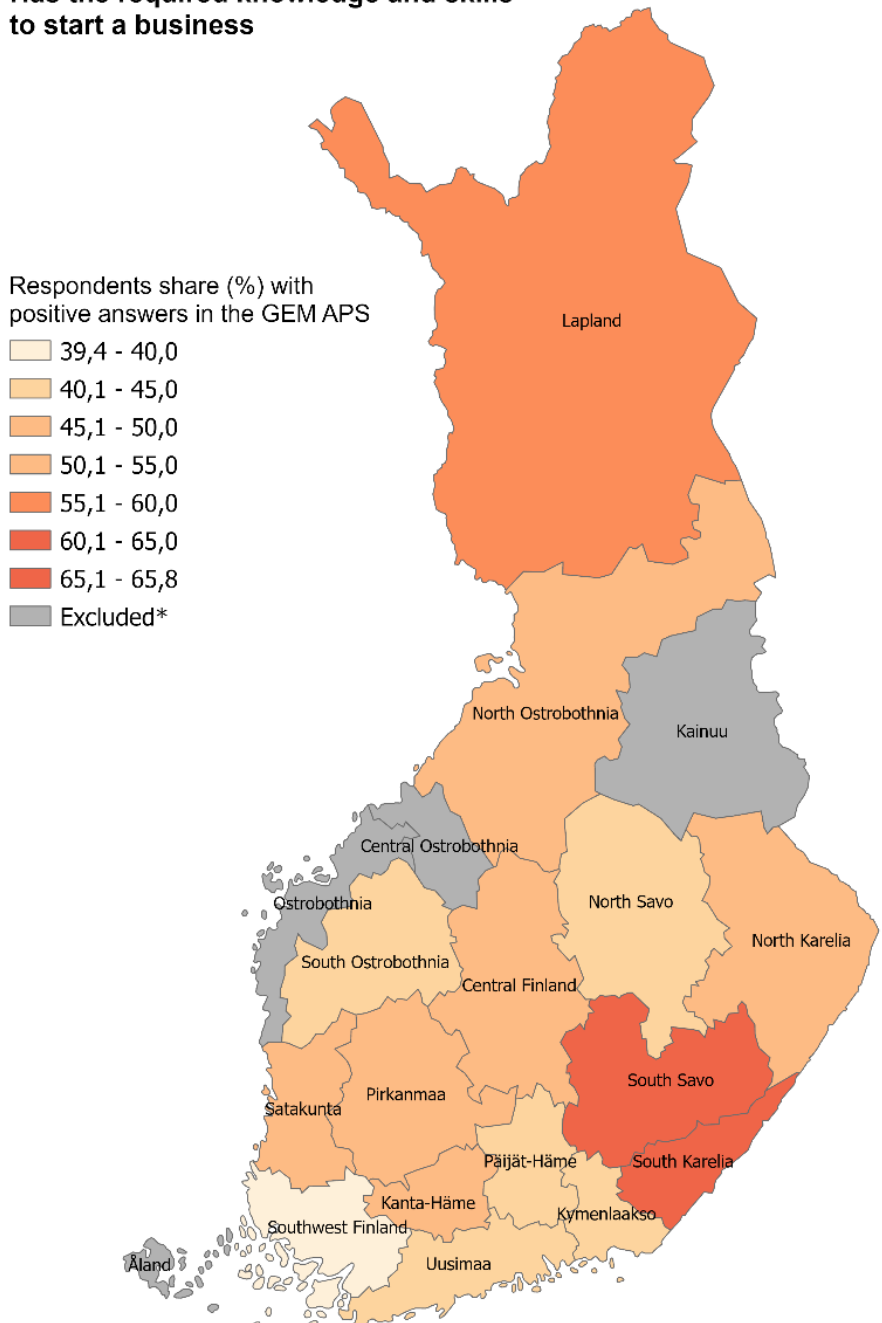


Figure 12. The knowledge and skills required to start a new business in different respondent groups categorised according to the five key background variables (gender, NUTS-2 region, education, age, and household income).

Figure 12 shows the differences having required skills and knowledge to start a business at regional (NUTS3) level. In South Karelia and South Savo more than 60% of adults thought they had the required skills and knowledge to start a business, whereas in Southwest Finland and Päijät-Häme only about 40% of adults thought this. Regions with fewer than 30 respondents were excluded from the map. Interestingly, rather rural regions South Savo, South Karelia and Lapland show highest shares of positive view on respondents' skills and knowledge to start a business.

Has the required knowledge and skills to start a business



Data: GEM APS Finland 2021.
 *Regions having respondents less than 30 are excluded. Aland was not included to GEM survey.

Figure 13. Regional variations in the respondents' views regarding the knowledge and skills required to start a new business.

4.3. Fear of failure prevents people from starting a business

Half (49%) of the Finnish respondents thought that fear of failure would prevent them from starting a business. This fear of failure was highest in Finland, and it has increased after 2015 (Figure 14). In 2015, Finland, Sweden, and the Netherlands had almost the same percentages, but in 2021 Finland took the lead on this negative question. In Finland, women particularly experienced fear, whereas other countries had more equal situations (Figure 15).

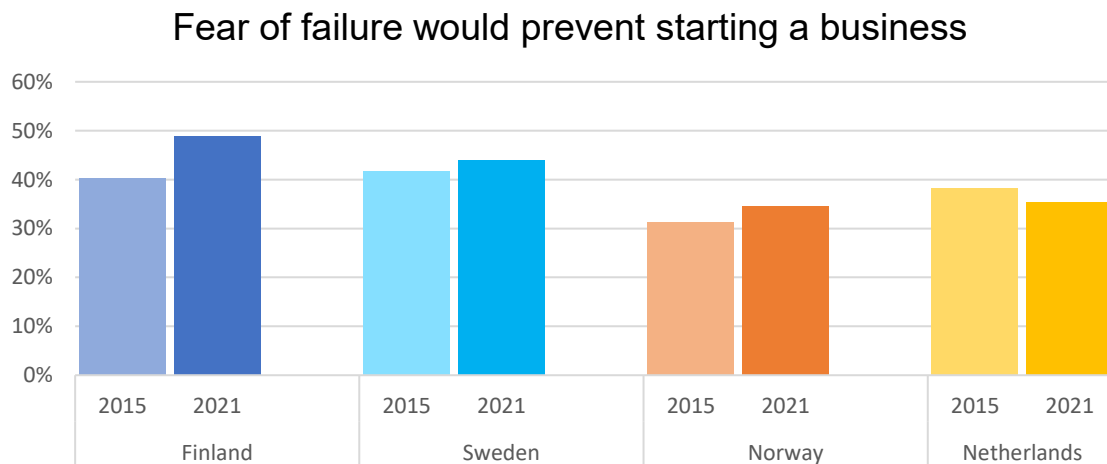


Figure 14. Comparison of the adult populations who would not start a business for fear it might fail in 2015 and 2021.

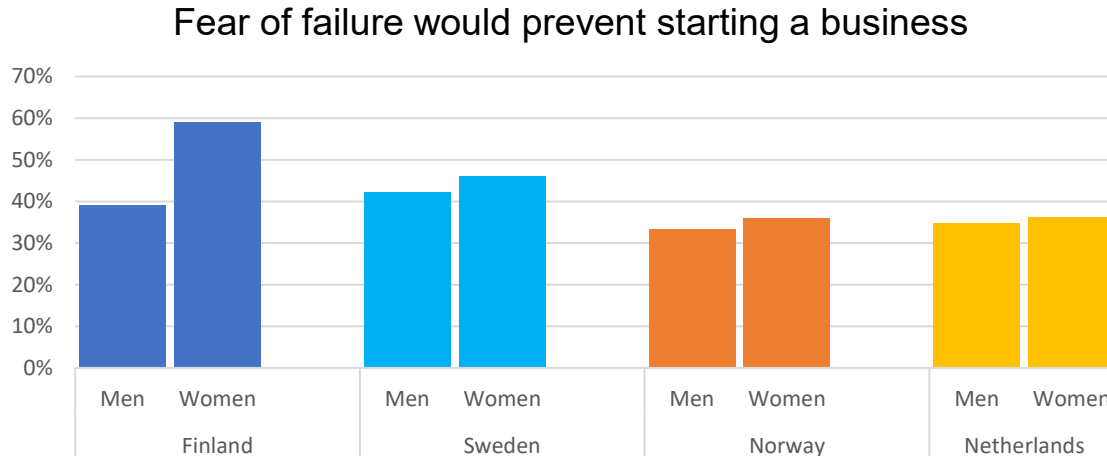


Figure 15. Comparison of gender differences if the adult populations who would not start a business for fear it might fail.

The background variables for Finland showed a significant gender gap: women feared failure more than men. While 38% of men feared failure, 56% of women thought the fear of failure would prevent them from starting a business. The fear diminished slightly with greater age, but region, education, and household income had little impact on the fear of failure (Figure 16).

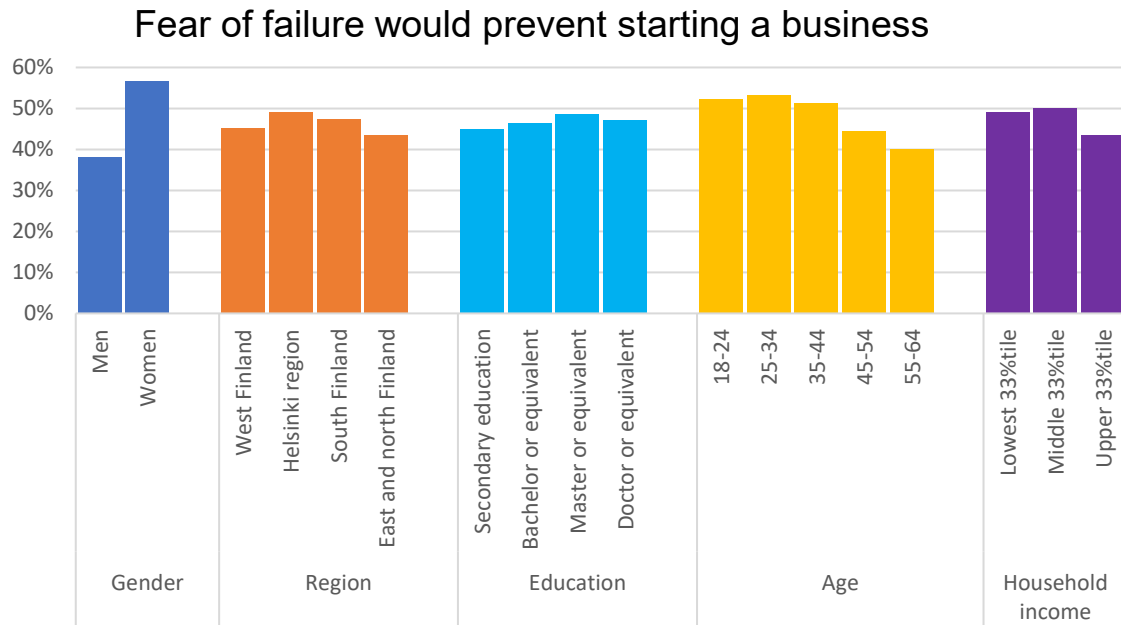
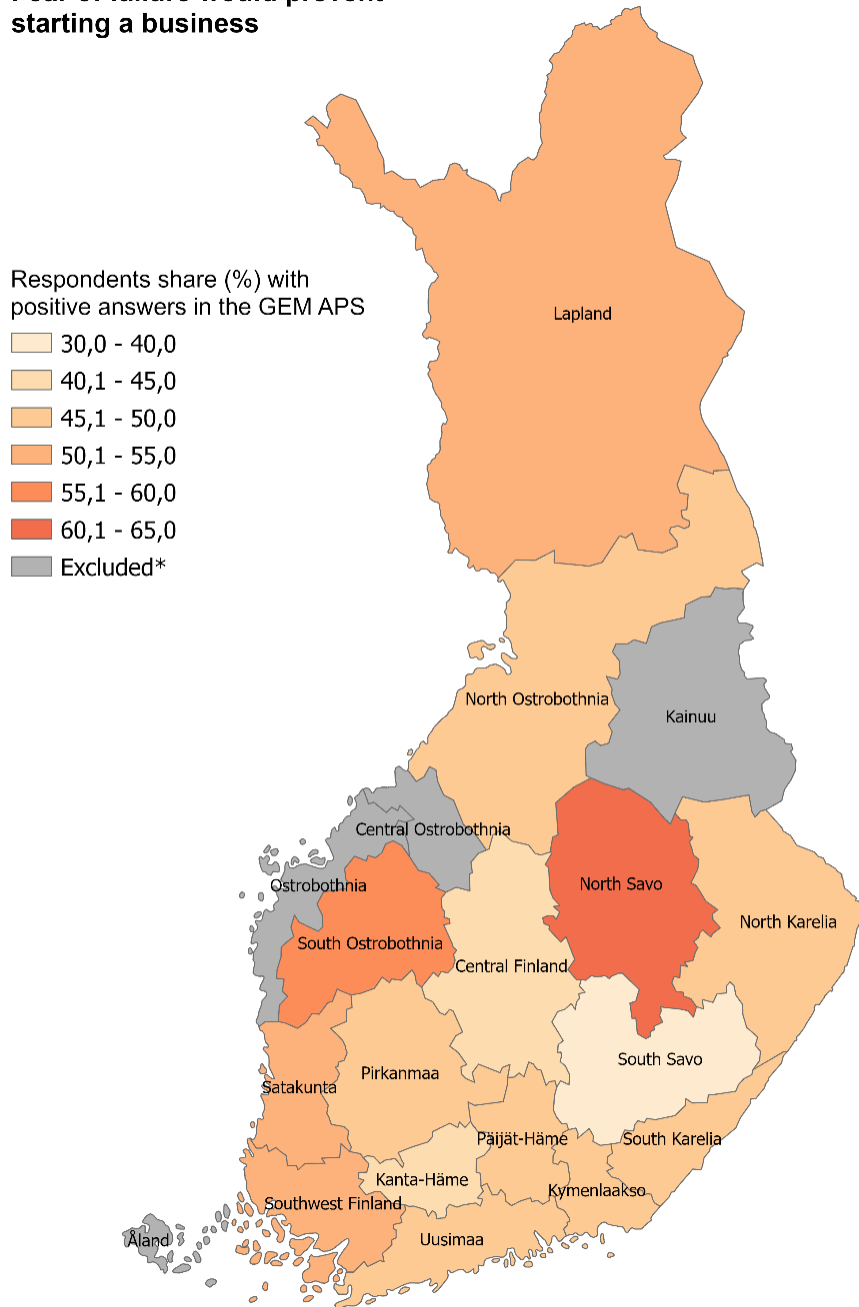


Figure 11. Fear of failure would prevent respondents from starting a business in different respondent groups categorized according to the five key background variables (gender, NUTS-2 region, education, age, and household income).

The provincial map in Figure 18 shows that fear of failure preventing people from starting a business was lowest in South Savo (40%) and Kanta-Häme (44%), but highest in South Ostrobothnia (55%) and North Savo (61%). Regions with fewer than 30 respondents were excluded from the map.

Fear of failure would prevent starting a business



Data: GEM APS Finland 2021.

*Regions having respondents less than 30 are excluded. Åland was not included to GEM survey.

Figure 17. Regional variations in the respondents who would not start a business for fear that it might fail.

4.4. Knowing a new entrepreneur who had started a business in the past two years

In Finland, 64% of the respondents knew a new entrepreneur who had started a business in the past two years. In all the comparison countries the percentage of respondents who knew a new entrepreneur increased after 2015 (Figure 12 17). In Finland, the percentage was highest among the comparison countries, 64%, and in Norway, it was lowest (only 38%). In all countries, women knew slightly fewer entrepreneurs than men, and in Finland, this was a relatively gender-equal topic (Figure).

Knows someone who started a business in the past two years

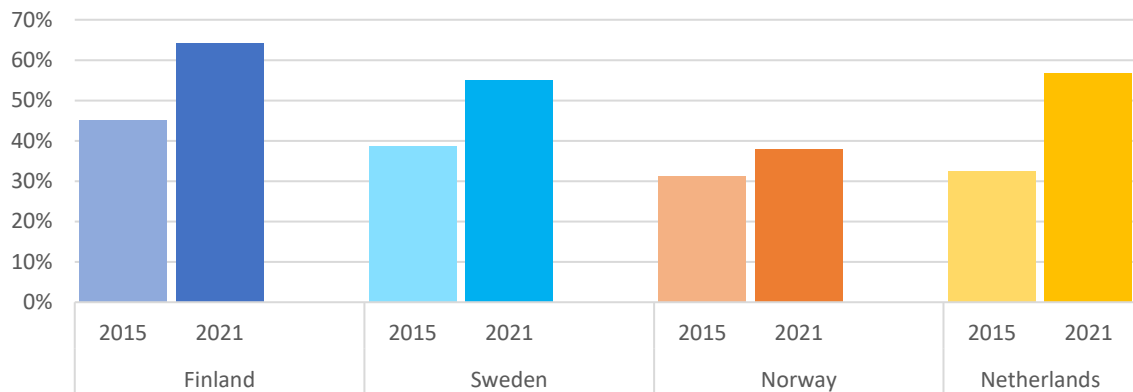


Figure 12. Comparison of the adult populations who knew someone who had started a business in the past two years.

Knows someone who started a business in the past two years

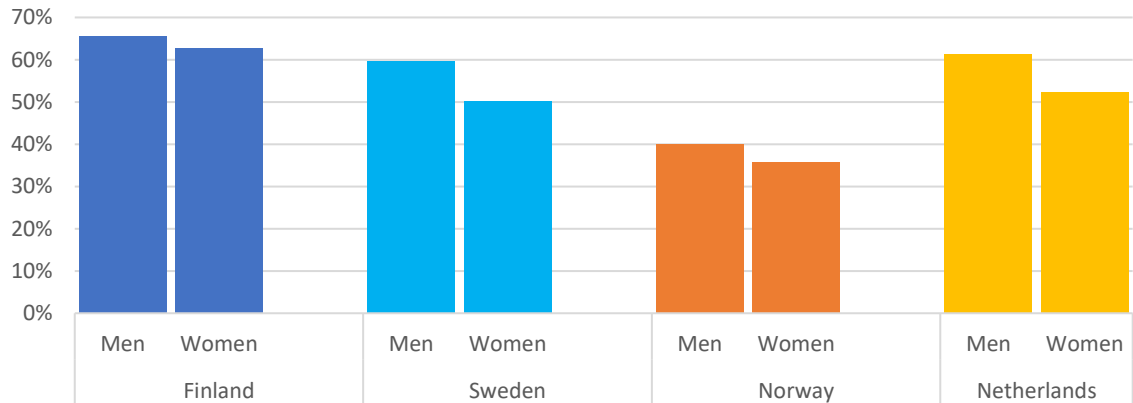


Figure 18. Comparison of gender differences in the adult populations who knew someone who had started a business in the past two years.

In Finland, knowing someone who started a business in the past two years decreased with age; the oldest age group knew fewer entrepreneurs. Gender, region, and income had only a slight impact on knowing entrepreneurs. Men and respondents with higher education and higher income knew more entrepreneurs (Figure).

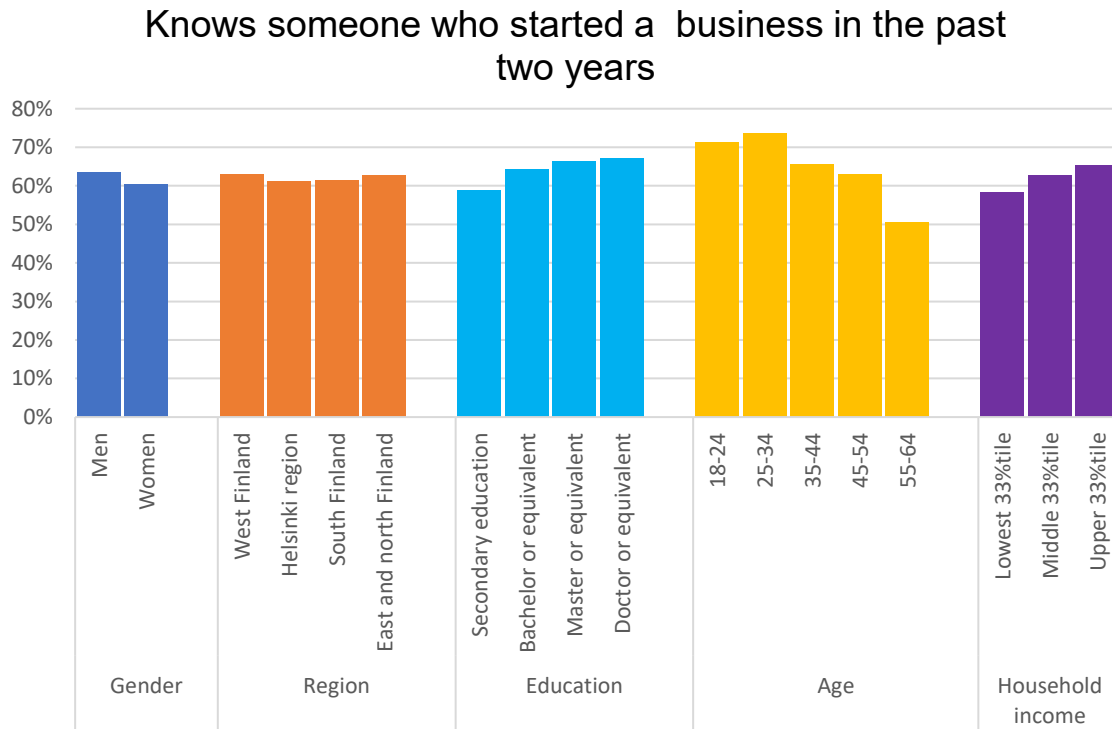


Figure 19. Knowing someone who started a business in the past two years in different respondent groups categorized according the five key background variables (gender, NUTS-2 region, education, age and household income).

4.5. Good conditions to start a business in the next six months

The percentage of Finnish respondents seeing good conditions to start a business in their region in the next six months was 61%. In all the comparison countries the respondents perceived favorable conditions to start a business in their region compared to 2015 (Figure 13), but Finland fell behind Sweden, Norway, and the Netherlands in 2021. A slight gap between men and women existed in all the comparison countries (Figure).

Good conditions to start a business in the next six months in my area

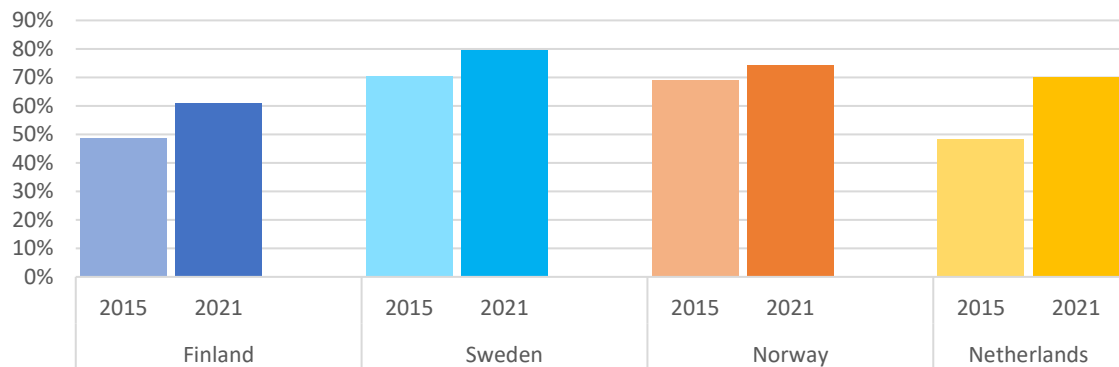


Figure 13. Comparison of adult populations who saw good conditions for starting a business in the next six months in their regions.

Good conditions to start a business in the next six months in my area

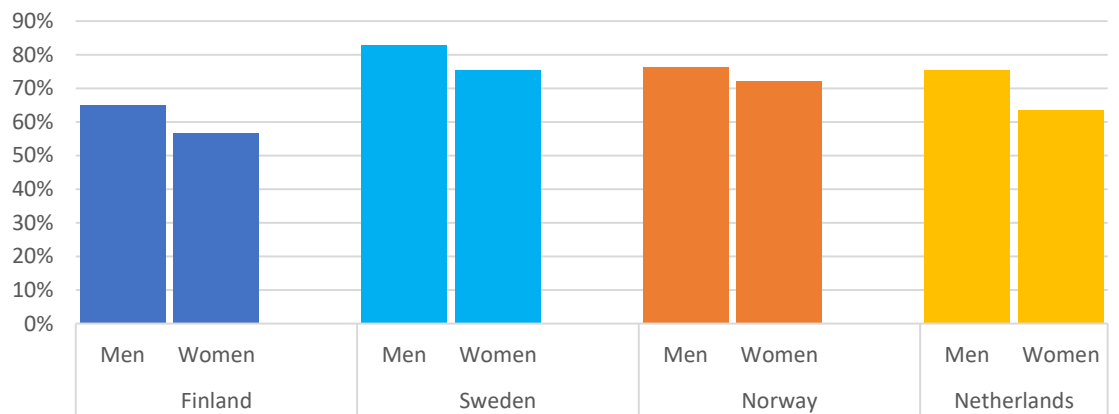


Figure 21. Comparison of gender differences in the adult populations who saw good conditions for starting a business in the next six months in their regions.

Figure show differences in the background variables in the NUTS2-level regions, the Helsinki region had the best conditions for starting a business. Respondents with higher education perceived more opportunities, and men saw somewhat better conditions than women. The perceptions of good opportunities also increased slightly with higher income and younger age.

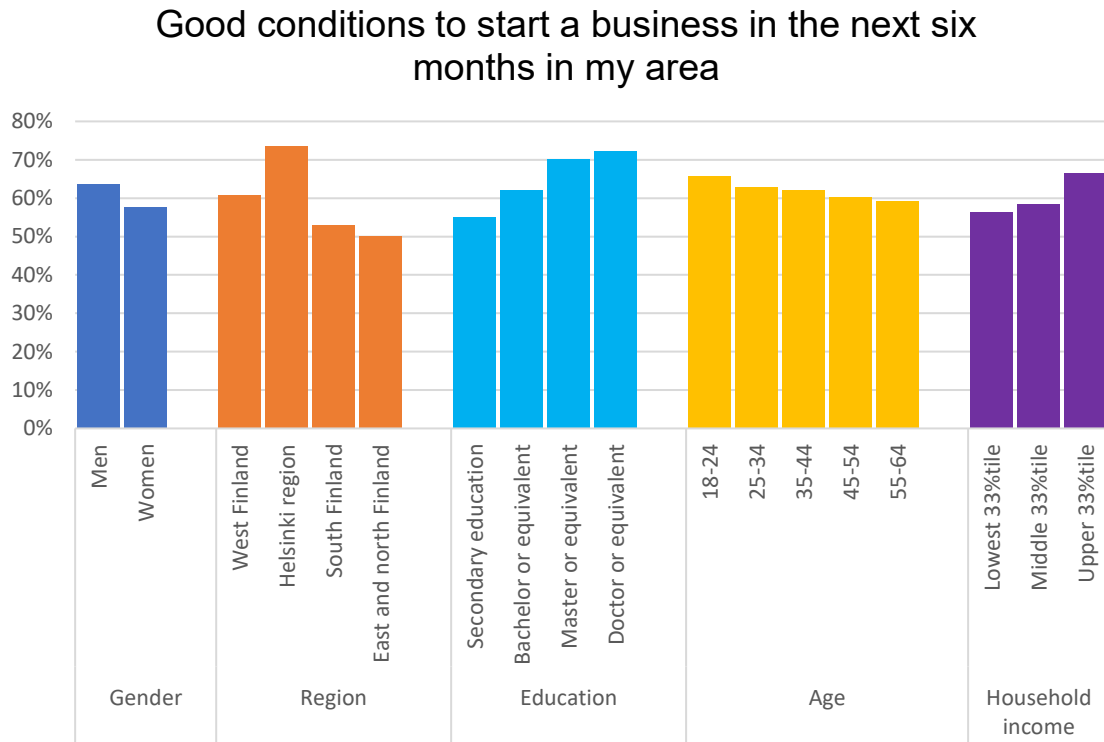
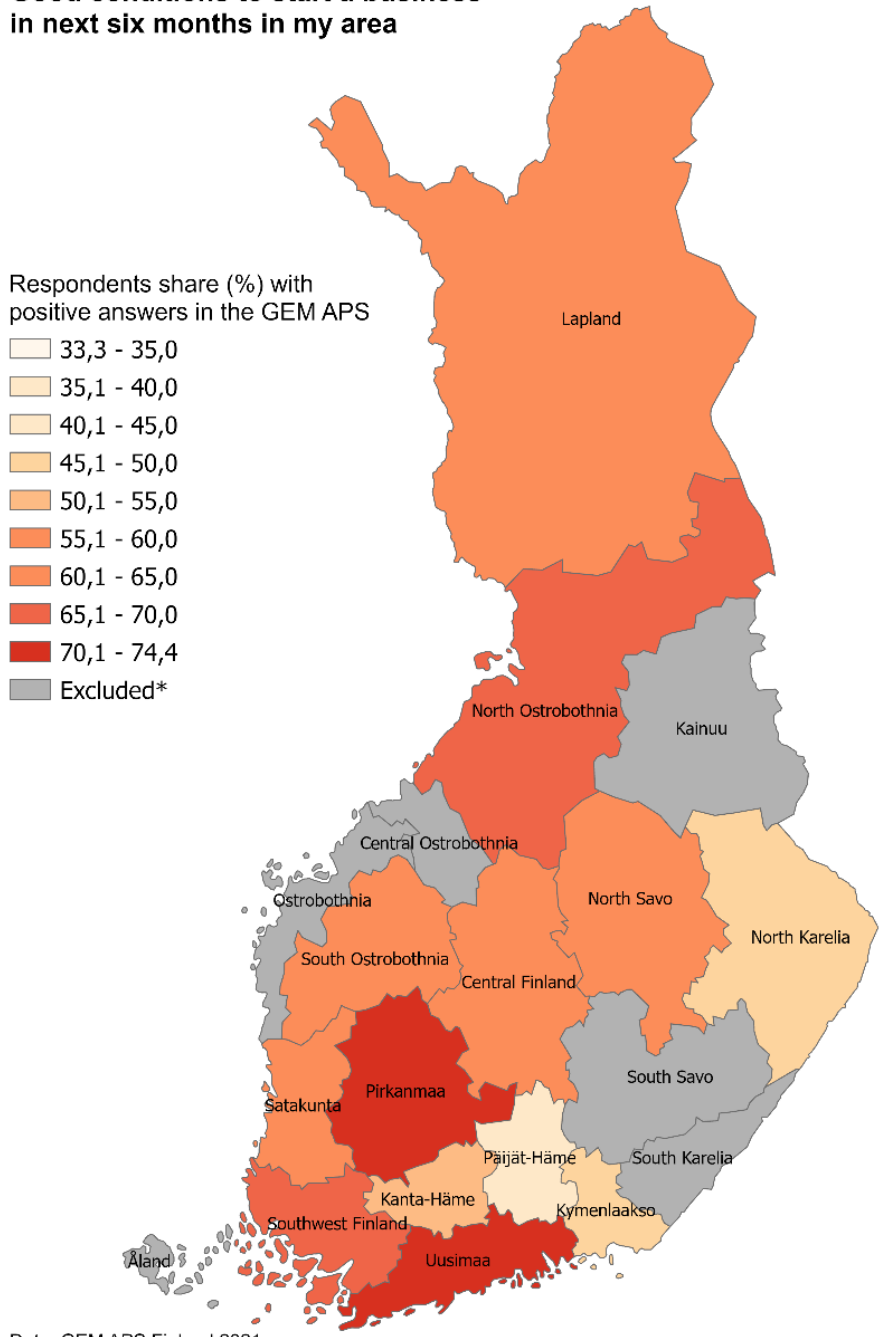


Figure 22. Good conditions to start a business in the next six months in own region for different respondent groups categorized according to the five key background variables (gender, NUTS-2 region, education, age and household income).

The NUTS3-level map in Figure 23 shows large regional differences in Finland. In Pirkanmaa and Uusimaa 74% of adults thought the conditions were favourable for starting a business in their region, while only 45% of respondents in Päijät-Häme and 48% in Kymenlaakso perceived good conditions. Opposite to having the skills and knowledge required to start a business, good conditions to start a business are mostly perceived in regions with the largest growth centers.

Good conditions to start a business in next six months in my area



Data: GEM APS Finland 2021.
 *Regions having respondents less than 30 are excluded. Åland was not included to GEM survey.

Figure 23. Variations in the respondents who saw good conditions for starting a business in the next six months in their regions.

4.6. It is easy to start a business in Finland

In Finland, 70% of adults thought it would be easy to start a business (Figure 24), but the percentages were higher in Norway, Sweden, and the Netherlands, in that order. This question was not asked in 2015. Figure 25 shows no large differences in the backgrounds of the respondents.

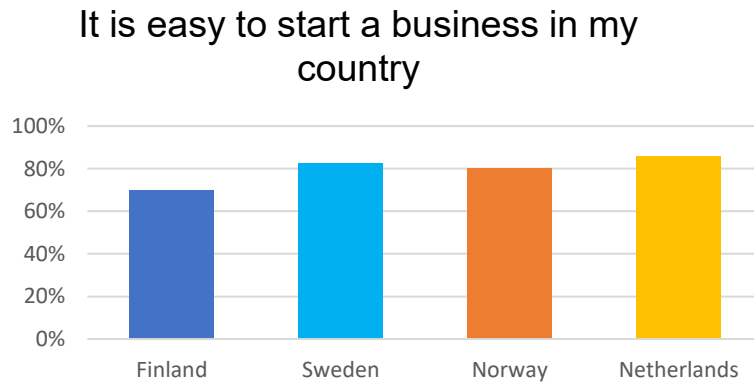


Figure 24. Comparison of adult populations in Finland, Sweden, Norway, and the Netherlands who thought it would be easy to start a business in their home countries.

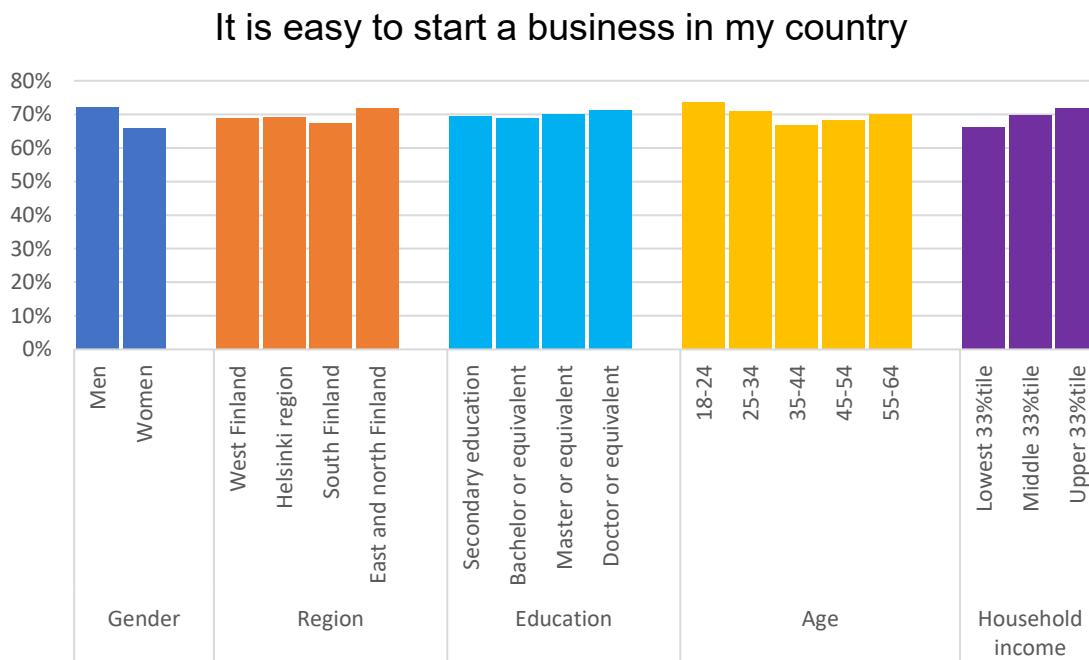


Figure 14. Different respondent groups who thought it would be easy to start a business, categorized according to the five key background variables (gender, NUTS-2 region, education, age and household income).

4.7. Informal investors

In Finland, 5% of the respondents had been informal investors in the last three years. Informal investing has increased in Finland, Sweden, Norway, and the Netherlands since 2015, according to the number of investors (Figure 26), and in Finland, the invested sum per investor has also increased slightly, although it has gone down in the other comparison countries (Figure 27). In Sweden, the percentage of informal investors doubled, and became the highest within the comparison countries, at 12%. Moreover, the invested sums per investor in Sweden were the smallest in comparison. In Norway, the invested sum per investor was still the highest, but the number of investors the smallest, at 4%.

Informal investor in the last three years

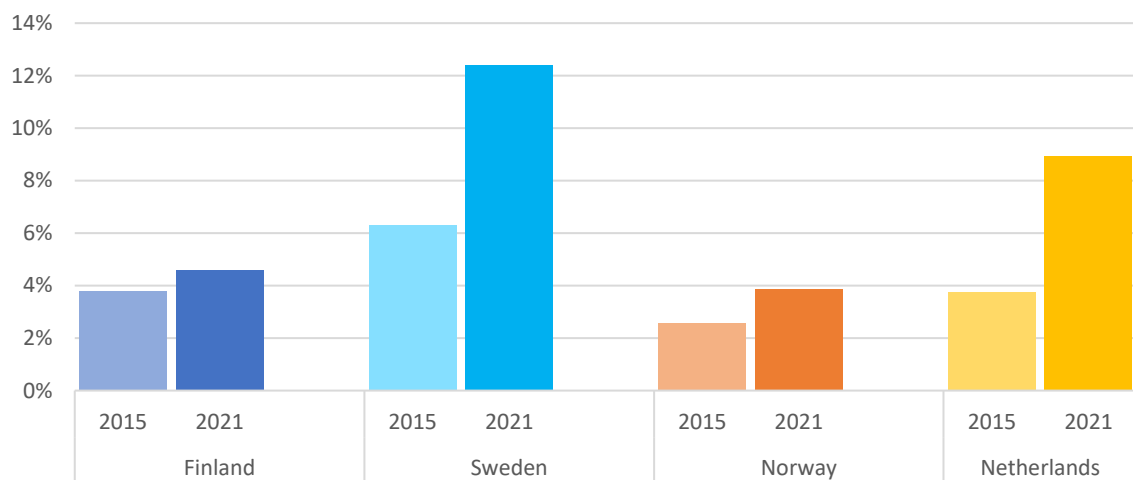


Figure 26. Comparison of informal investors in the adult populations in 2015 and 2021.

Sum US\$ / informal investor

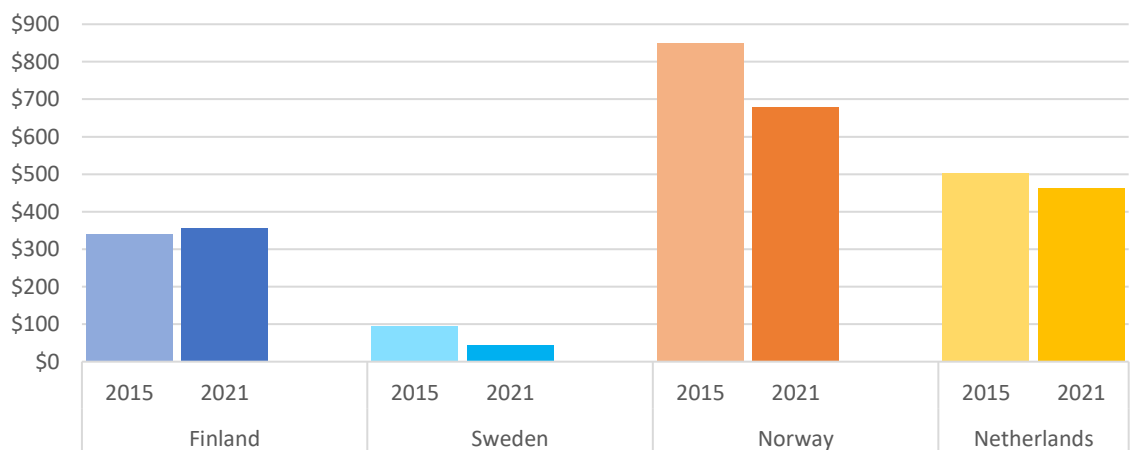


Figure 27. Sum per informal investor in 2015 and 2021.

The backgrounds of Finnish informal investors showed large regional differences, with South Finland having the lowest number of informal investors. Gender also mattered; men invested more often than women. The highest-income group clearly invested more often than the others, and the oldest age group invested less often than the others. There was also a difference in the education; people with master’s or equivalent degrees were most often informal investors (Figure 28).

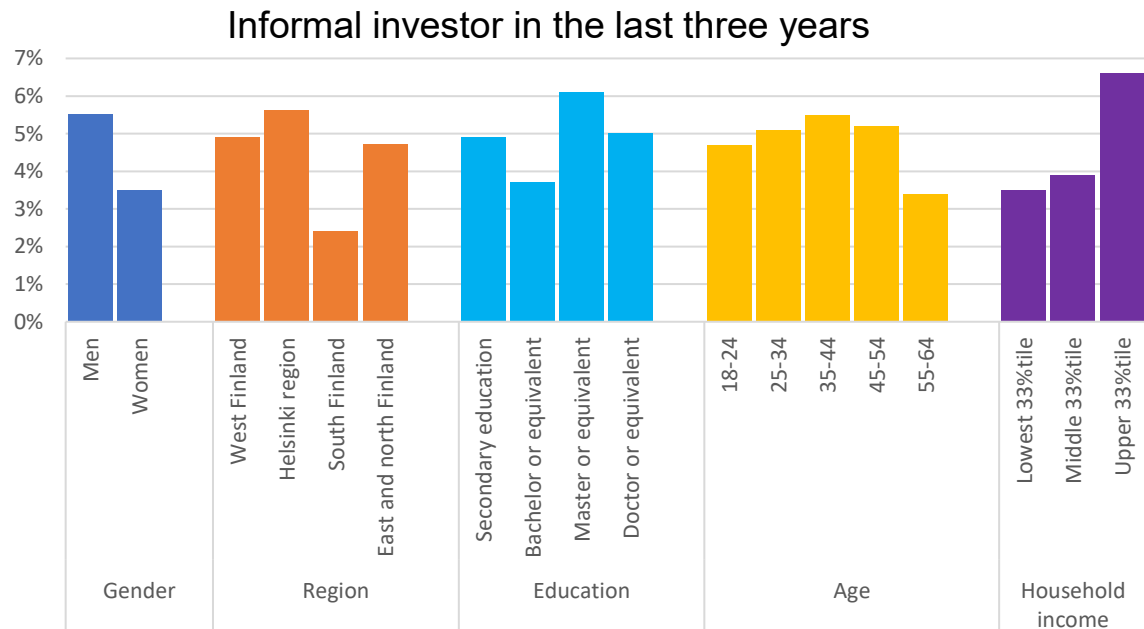


Figure 28. Informal investors in the last three years in different respondent groups categorised according to the five key background variables (gender, NUTS-2 region, education, age, and household income).

5. Entrepreneurial activity in Finland

Highlights

- *In Finland, the TEA rate increased from 6.6% to 7.9% between 2015 and 2021, and there was a significant gap in TEA activity between women and men. The Netherlands set a good benchmark for Nordic countries by doubling the country's TEA activity after 2015 and achieving better gender equality.*
- *The proportion of EBOs has decreased slightly after 2015 in all the comparison countries. The backgrounds of EBOs showed large gender and age gaps, but also clear differences in household income and region. The underrepresented groups among the EBOs were women, the youngest, those with the lowest incomes and those in the Helsinki region.*
- *Enterprise growth was measured according to job creation expectations. In Finland, more than half of the TEA entrepreneurs expected to provide no jobs in five years. In the Netherlands, the TEA entrepreneurs were more growth-oriented than in the other comparison countries. Finland also had the lowest number of early-phase or established entrepreneurs who expected high growth. Growth expectations have decreased in Finland since 2015.*
- *Finnish established entrepreneurs were the least active exporters in this comparison. The Finnish TEA entrepreneurs expected to generate slightly more exports than its Norwegian counterpart but fell behind the Netherlands and Sweden.*
- *The most popular TEA respondents' motivational factors in Finland were 'to earn a living because jobs are scarce' (almost 50% of respondents) and 'to make a difference in the world' (40% of respondents). The most common EBO motivations in Finland were 'to earn a living because jobs are scarce' (over 60% of respondents) and 'family tradition' (over 40 % of respondents). In contrast, in Sweden, the most common motivation was 'to build great wealth' for both early-phase and established entrepreneurs.*
- *Finnish entrepreneurs, especially those in the early phase, prioritised environmental and social sustainability over economic growth more than those in the comparison countries.*

5.1. Total early-phase entrepreneurial activity TEA

TEA is defined in GEM (2011) as a person with a nascent enterprise than has not paid salaries yet, or the owner-manager of a business which is less than 3.5 years old (in terms of paid salaries). In Finland, the percentage of early-stage entrepreneurs in the adult population (the TEA rate) has increased from 6.6% to 7.9% between the years 2015 and 2021 (Figure 29). The TEA rate in the Netherlands was clearly higher, and Norway's TEA rate was clearly smaller than Finland's and Sweden's TEA rates. Interestingly, all of the comparison countries were roughly equal in 2015, but the differences increased over the subsequent six years.

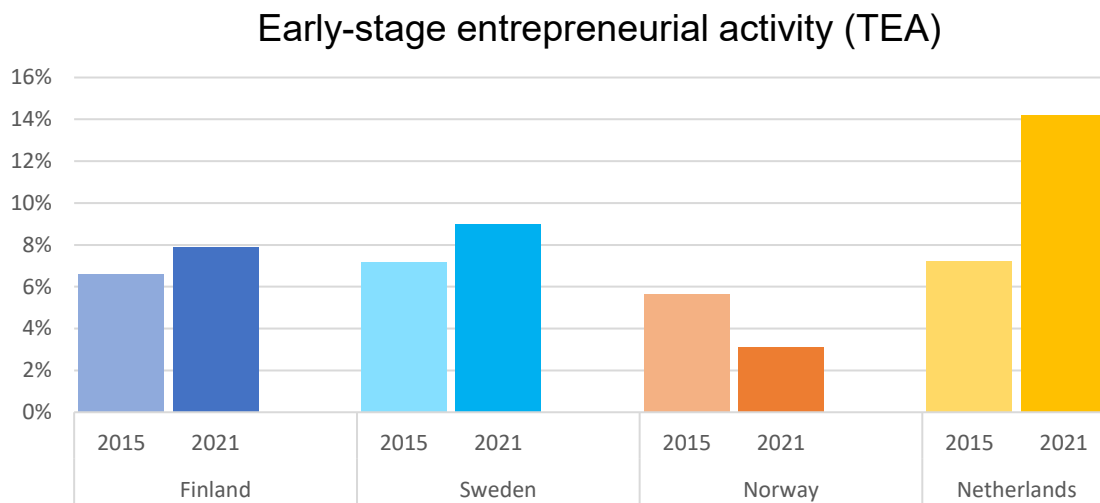


Figure 29. Comparison of the early-stage entrepreneurial activity among the adult populations.

In the global TEA rate comparison, Finland ranked thirteenth of the nineteen Level A countries. The Netherlands ranked sixth among the level A countries, and Canada and Saudi-Arabia had the highest Level A TEA rates, comprising nearly 20% of the adult population. Also, the United States, the United Arab Emirates and Qatar had TEA rates exceeding 15%. Extending the comparison to all GEM countries, highest TEA rates were found in developing countries, (the Dominican Republic at over 40% and Sudan at over 30%). At the other end of the scale, Poland had the lowest TEA rate in comparison, and Norway had the second lowest (GEM, 2022).

The men’s TEA rate in Finland was 9.4%, compared to the women’s 6.4% (Figure 30). Sweden and Norway had an even larger gender gap, whereas the Netherlands seemed to have achieved greater equality. The most common sectors for promoting TEA were government, health, education, social services, primary production, and professional services (Table 1).

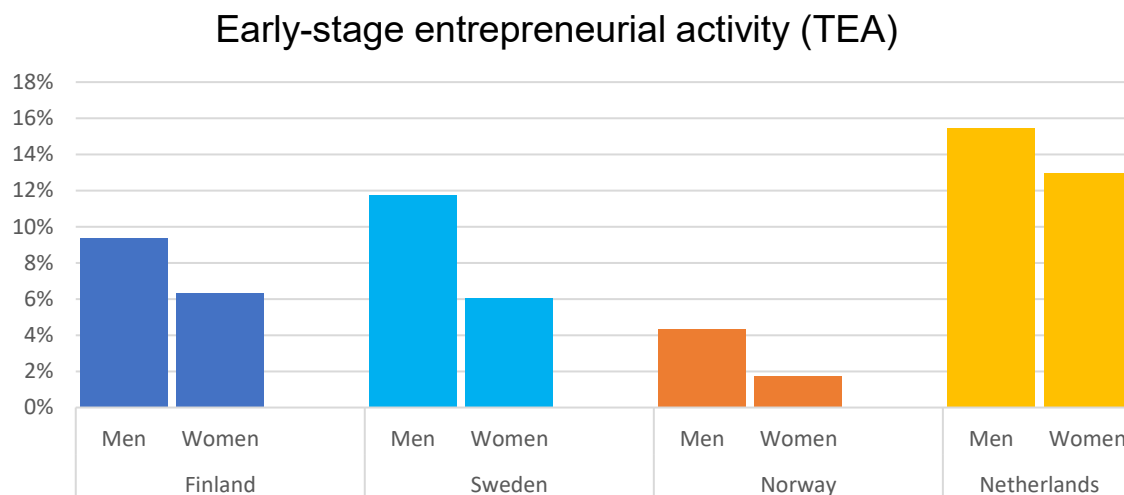


Figure 30. Comparison of the gender differences in early-stage entrepreneurs in the adult populations in 2021.

Table 1. Largest sectors promoting early-phase enterprises in Finland 2021 based on the APS sample.

Largest sectors promoting TEA in Finland	No. of answers
Government, health, education, social services	29
Agriculture, forestry, fishing	21
Professional services	21
Retail trade, hotels and restaurants	14
Mining, construction	13
Manufacturing	10

More men than women were starting a business, according to this survey (Figure 31). Early-stage entrepreneurship was highest among 25–34-year-olds but decreased as age increased. Those with higher incomes, master’s degrees or location at eastern and northern Finland showed higher TEA rates. The number of early-stage entrepreneurs in Finland’s APS sample was 147. When interpreting the background variables, please note that the classes are not evenly distributed for TEA respondents; some of the classes (e.g. people with the highest education or youngest age) have only a small number of representatives (9, and 11, respectively).

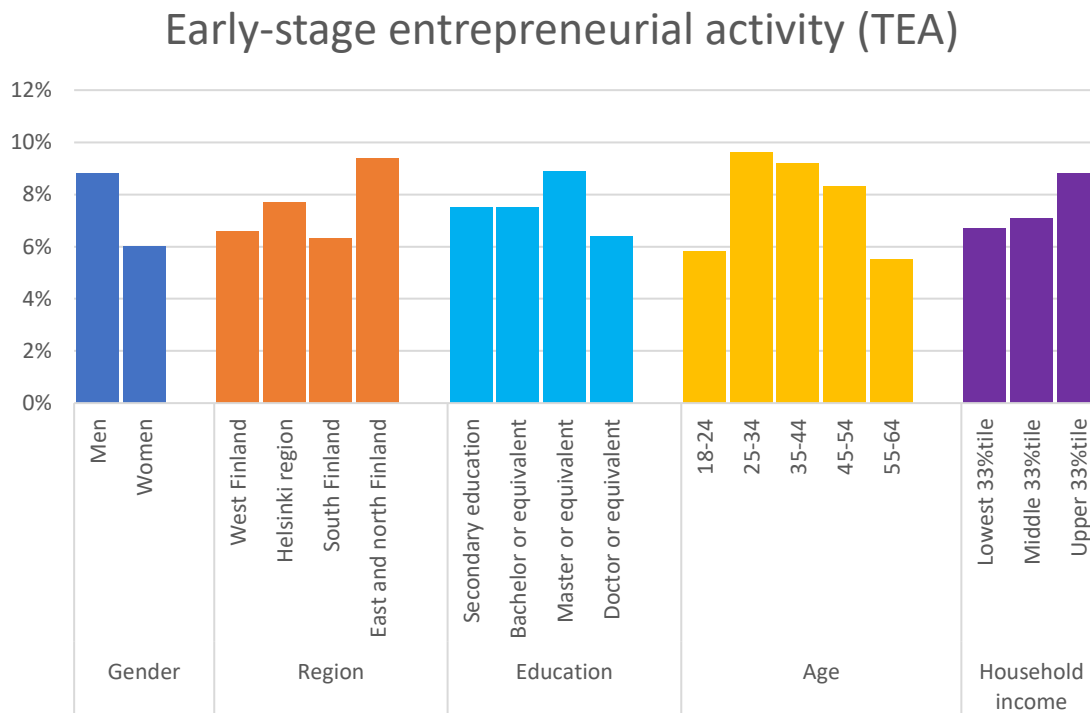


Figure 31. TEA in different respondent groups categorised according to the five key background variables (gender, NUTS-2 region, education, age, and household income).

5.2. Established business owners, EBOs

Business owners were defined as ‘established’ in the GEM context when their businesses were older than 3.5 years in terms of paid salaries. Nine per cent of the Finnish respondents in this survey were EBOs. The percentages of EBOs in GEM surveys have declined across all the comparison countries since 2015 (Figure 32). Finland had the highest proportion of EBOs in the 2021 survey compared to Sweden, Norway, and the Netherlands. The gender gap was clearly visible in all the comparison countries, but it was slightly smaller in Sweden (Figure 33).

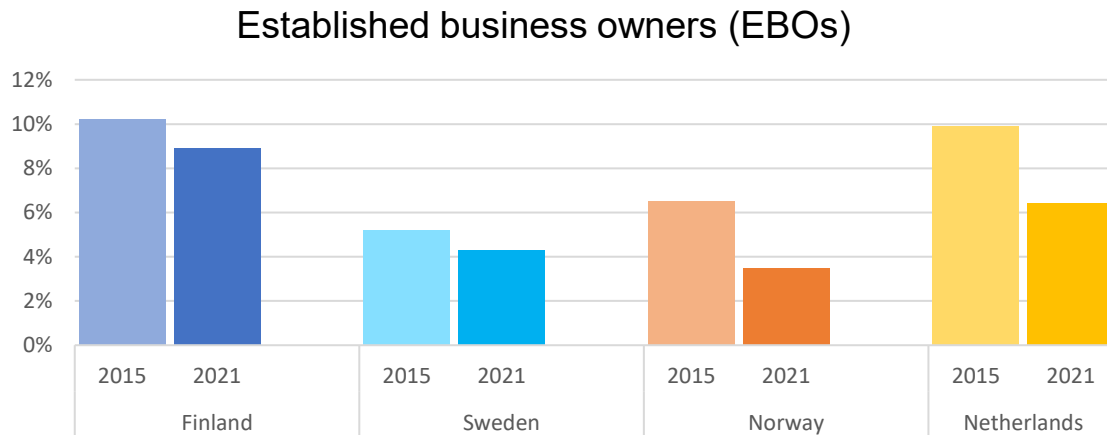


Figure 32. Comparison of the EBO proportions among the adult populations.

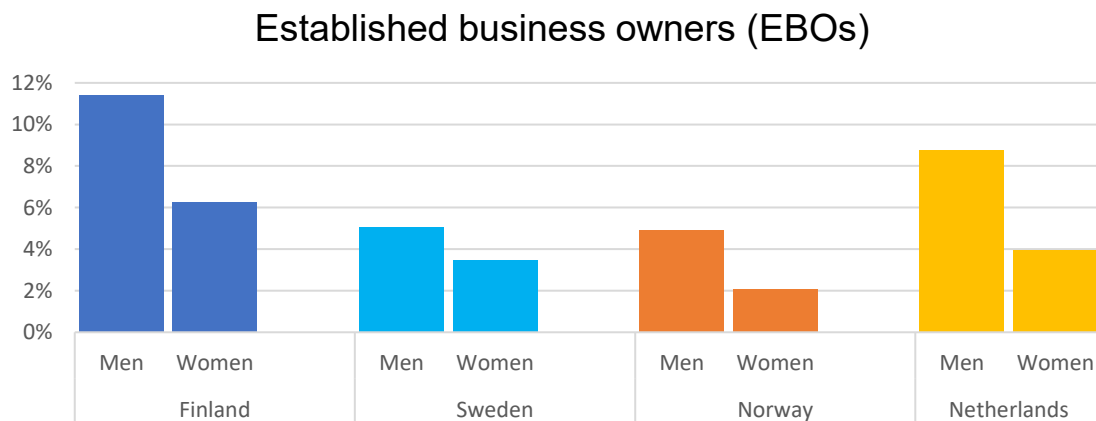


Figure 33. Comparison of the proportions of the EBO gender differences in the adult populations in 2021.

The EBO rates did not align with the TEA rates. Finland was one of the few countries with a higher EBO rate than TEA rate. Also, the Republic of Korea, Slovenia, Greece, Spain, and Poland had higher EBO than the TEA rates in their adult populations. Although the Republic of Korea ranked first with an EBO rate of over 15%, of the level A countries, Finland, United States and Canada followed with slightly less than 10% rates. Among all countries, also Greece, Poland, Kazakhstan, Turkey, Latvia, and Guatemala also had their EBO shares exceeding 10% (GEM, 2022).

In Finland, there were 197 EBOs in this survey. Again, more men (13%) than women (7%) were classified as EBOs (Figure 34). Age also is played a significant role; the two youngest age groups had the lowest number of entrepreneurs. Also, the highest household income groups had greater shares of EBOs. Interestingly, also regional differences were pronounced; the Helsinki region had the smallest proportion of EBOs, while East and north Finland and West Finland had the largest proportions. The largest sector with established businesses in this survey was primary production (Table 2).

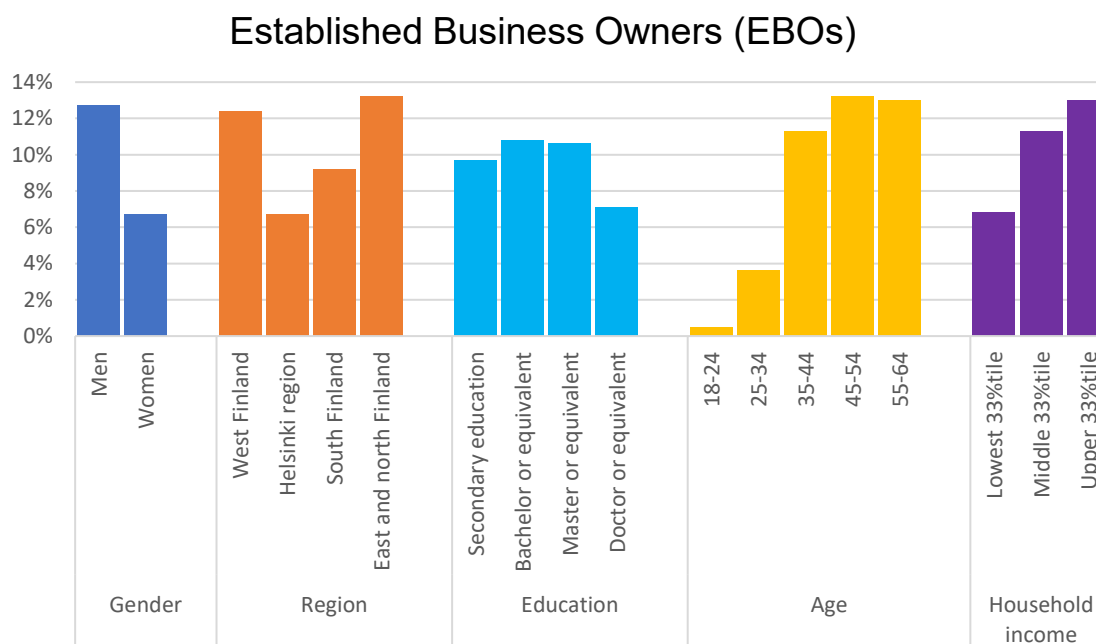


Figure 34. EBOs in different respondent groups categorized according to the five key background variables (gender, NUTS-2 region, education, age, and household income).

Table 2. Largest sectors with EBOs in Finland's 2021 APS sample.

Largest sectors with EBOs in Finland	Nr. of answers
Agriculture, forestry, fishing	59
Professional services	24
Government, health, education, social services	23
Mining, construction	22
Manufacturing	15
Retail trade, hotels & restaurants	15

5.3. Growth in early-phase and established enterprises

Enterprise growth was measured according to job creation expectations in two different ways. Figure 35 shows the TEA entrepreneurs job creation expectations. The TEA rate presented in figure 30 serves as a comparison here. Although the TEA rate in Finland was 7.1% of the adult population, 3.9% of the adult population expected to provide any jobs in five years and 0.2% of the adult population expected high growth (i.e. to provide more than 19 jobs in the next five years). The TEA rate in Sweden was 9% —higher than in Finland, but with the same percentage expecting to provide any jobs in five years. In Norway, the TEA rate was 3.1% and 2.5% expected to provide any jobs in five years. With Norway’s lower TEA rate, the majority of the TEA entrepreneurs expect to provide jobs, which was distinctive pattern compared to Finland and Sweden. The entrepreneurs in the Netherlands had clearly larger growth expectations compared to Finland, Sweden, and Norway. The Netherlands’ TEA rate is highest in this comparison (14.2%), and also majority of the TEA entrepreneurs expected to provide any jobs in five years (12.5%). The proportion of the adult population with high-growth expectations was over 2% in the Netherlands.

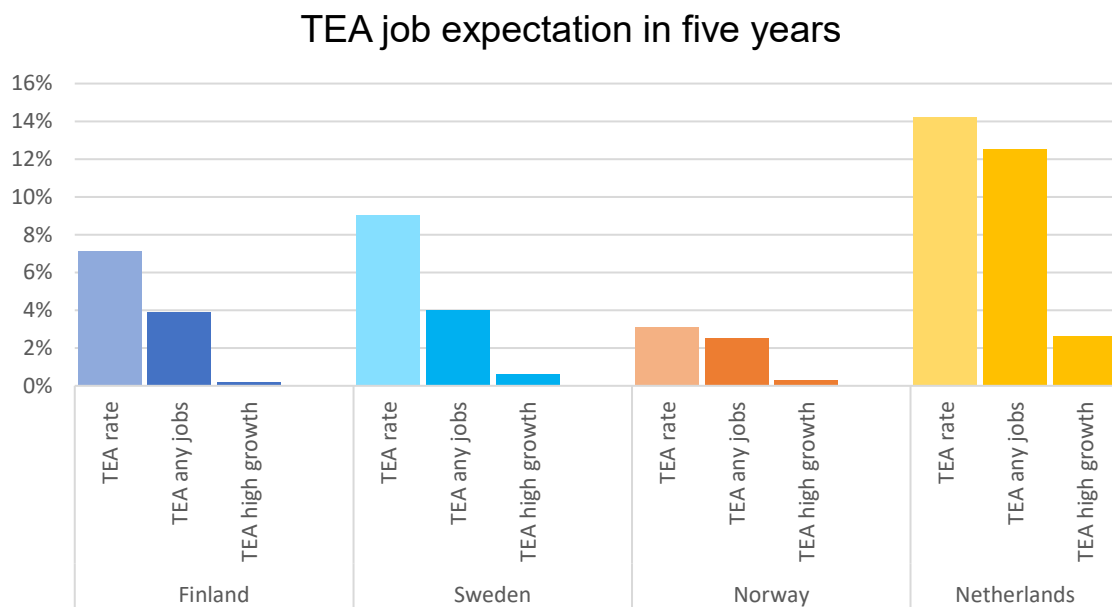


Figure 35. Percentages of adult populations having TEA activity and job creation expectations. The first bar, the TEA rate was presented earlier in section 5.1. The second bar describes TEA expectations to create jobs within five years. The third bar presents TEA with high-growth expectations, defined as more than 19 jobs within five years in this survey.

Compared to 2015, TEA entrepreneurs' growth expectations have notably increased in the Netherlands, but have decreased or remained static in the other countries. All the comparison countries were roughly at the same level in 2015. In Finland, creating any jobs expectation was 4.2% in 2015 and is 3.9% in 2021. The high-growth expectations in Finland decreased from 0.7% in 2015 to 0.2% in 2021.

Figure 36 shows a comparison of early-stage and established entrepreneurs' business growth expectations. For this question, GEM defined growth as expecting to offer 50% or 10 more jobs in five years. Finland ranked last in this comparison. Generally, all early-stage entrepreneurs expected more growth than established entrepreneurs, and Finland and the Netherlands had the largest percentage differences.

A comparison of answers to these questions in 2015 and 2021, especially in Finland, showed that TEA entrepreneurs' high-growth expectations decreased from 14.5% to 6.8%, while in the Netherlands, they increased from 15.7% to 21.8%. The high-growth expectations among Finnish established entrepreneurs followed patterns opposite to those in Sweden, Norway, or the Netherlands. In Finland, the high-growth expectations decreased from 3.5% to 2.9%, those in Norway and Sweden doubled among EBOs, and those in the Netherlands were five times larger in 2021.

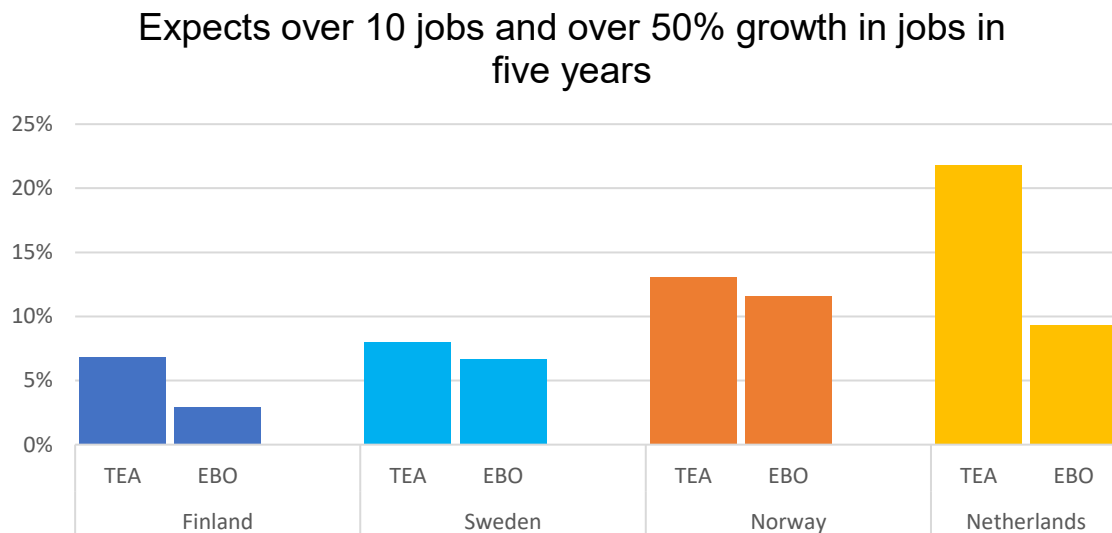


Figure 36. Proportions of TEA and EBO who expected 10 more jobs, and over 50% growth in jobs, in five years.

5.4. Exports in early-phase and established enterprises

Early-phase and established entrepreneurs were asked about their enterprises' export plans, 78% of the TEA entrepreneurs in Finland did not expect to generate any revenue outside the country, but 7% expected to earn 70–100% of their revenue from abroad. TEA entrepreneurs in the Netherlands had the highest export expectations, with Sweden also having slightly higher expectations and Norway having lower expectations than Finnish TEA entrepreneurs (Figure 37).

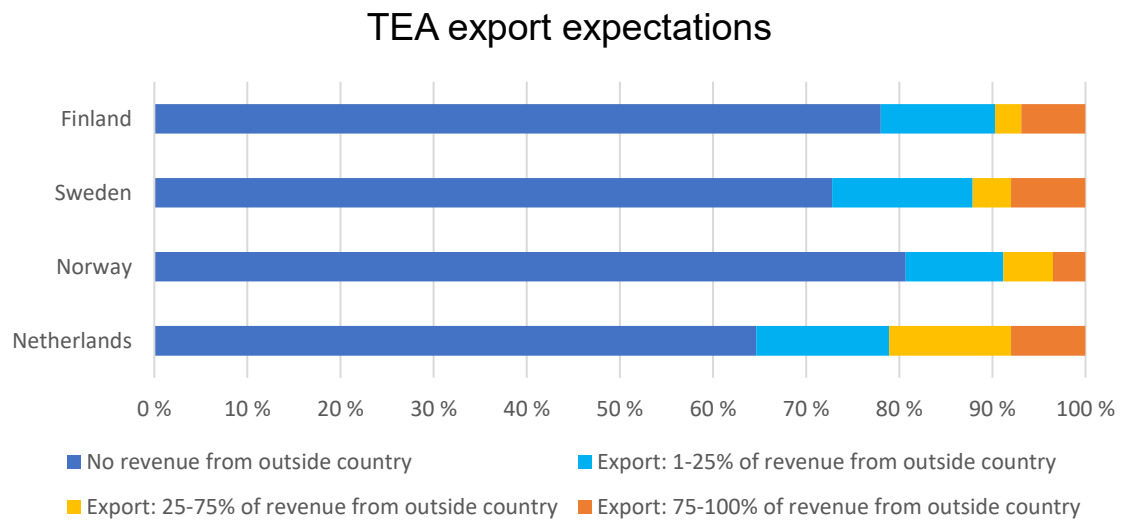


Figure 37. Export plans comparison within TEA.

The exports among Finnish established entrepreneurs lagged behind the comparison countries to some extent. Only 2% of Finnish established entrepreneurs reported 75-100% revenue generated by exports, and 80% had no revenue from exports (Figure 38).

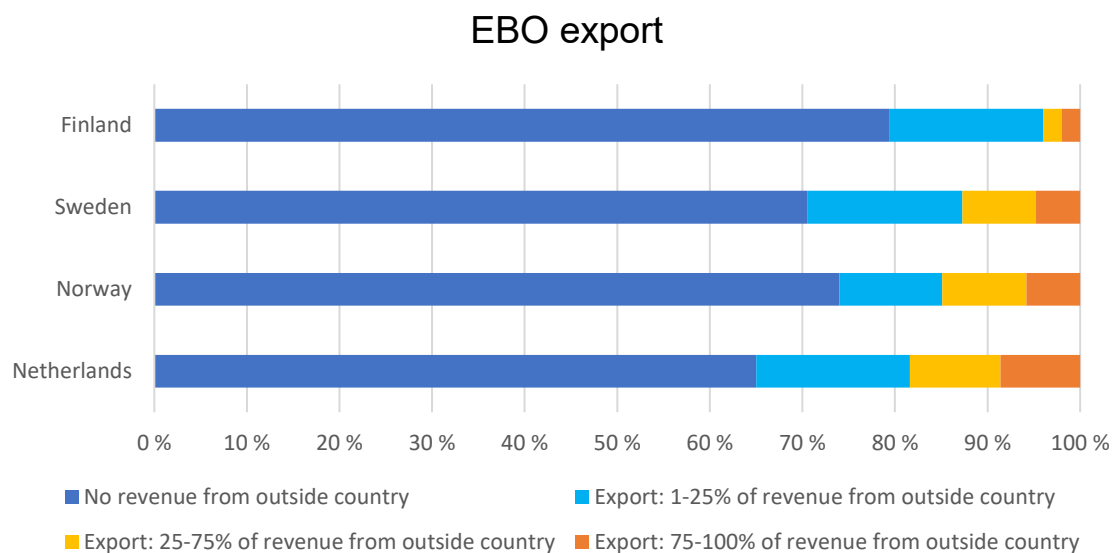


Figure 38. Comparison of exports generated by EBOs.

5.5. Entrepreneurial motivations

Early-phase and established entrepreneurs we asked whether four given motivational factors applied to them. In Finland, ‘to earn a living because jobs are scarce’ was the most common motivation, agreed with almost half of the TEA entrepreneurs. In Sweden, ‘to build a great wealth’ was most common motivation, but it motivated only one-third of the Finnish TEA entrepreneurs. In Finland, ‘to make difference in the world’ was the second strongest motivation with 40% support from the respondents. It was the most popular motivation in the Netherlands and was also important also in Norway and Sweden. (Figure 39.)

EBOs’ motivational factors mostly followed the same pattern as previously described for TEA entrepreneur motivations, but the percentages were slightly smaller. The two exceptions in Finland were ‘to earn living because jobs are scarce’ and ‘family tradition’, which had greater importance to EBO compared to the TEA (Figure 40).

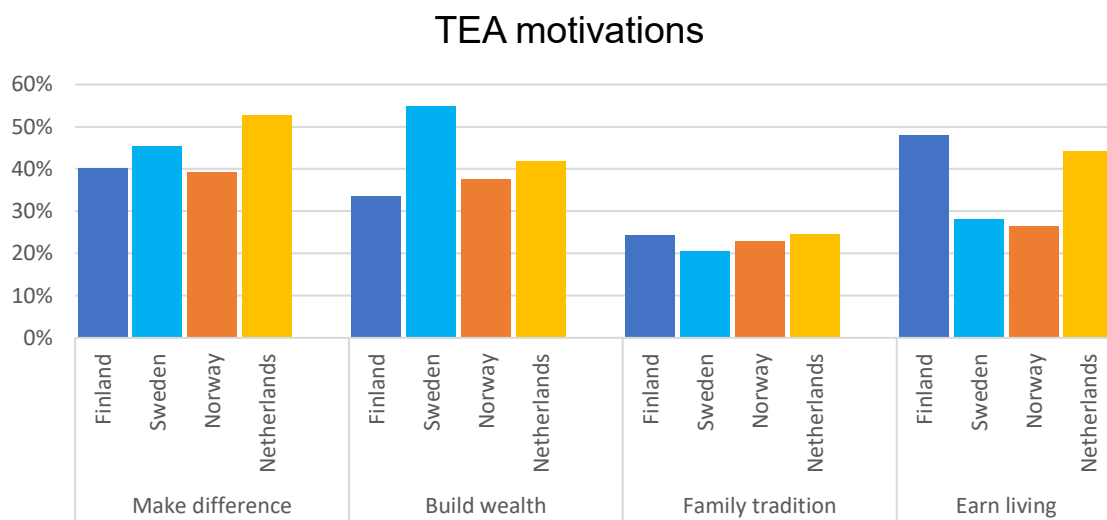


Figure 39. TEA motivations in Finland, Sweden, Norway, and the Netherlands.

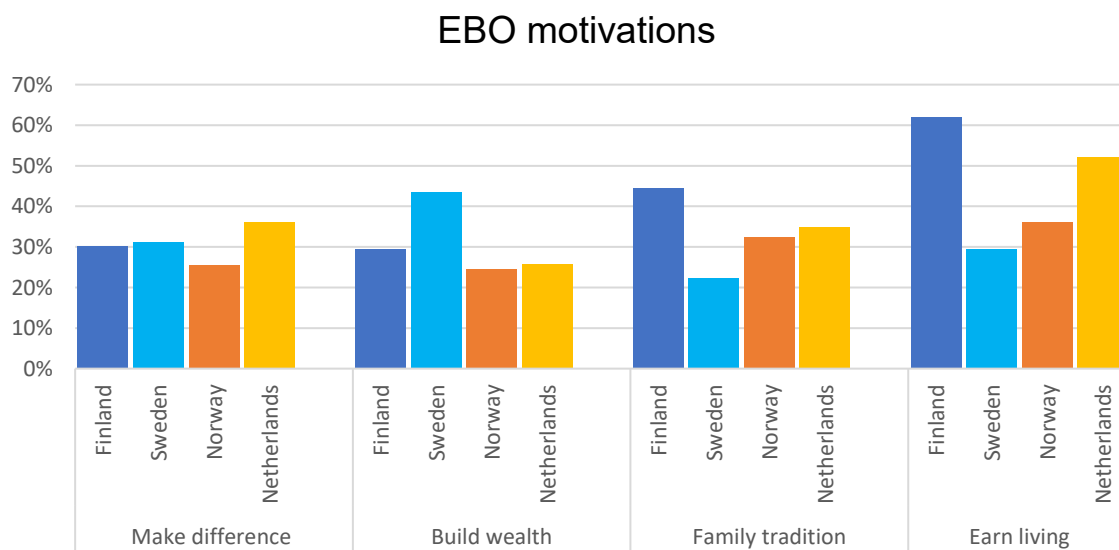


Figure 40. EBOs’ motivations in Finland, Sweden, Norway, and the Netherlands.

We combined the early-stage and established entrepreneurs' background variables with different motivations to achieve a larger sample. 'To make a difference in the world' motivated more people with higher education, women, younger age groups, and medium-income groups. There were also large regional differences, with South Finland having the largest number of entrepreneurs and West Finland the lowest who aimed to make a difference (Figure 41).



Figure 41. TEA and EBO who recognised 'making a difference in the world' as their entrepreneurial motivation in different respondent groups categorised according to the five key background variables (gender, NUTS-2 region, education, age, and household income).

‘Building great wealth or a very high income’ clearly motivated more men than women. Regional differences were also visible in Finland, Helsinki region had the highest percentage. Additionally, the highly educated respondents were most motivated, and the oldest were least motivated to build a great wealth. Moreover, the higher the income, the higher this motivation (Figure 42).

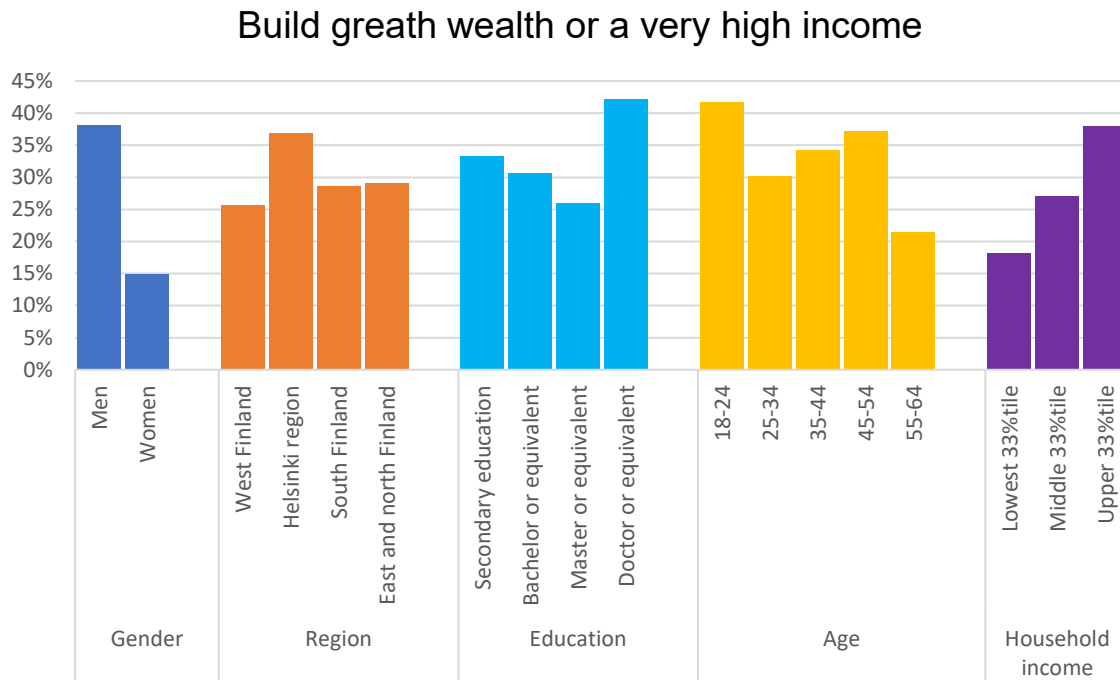


Figure 42. TEA and EBO who recognised ‘building great wealth or a very high income’ their entrepreneurial motivation in different respondent groups categorised according to the five key background variables (gender, NUTS-2 region, education, age, and household incomes).

Based on this survey, entrepreneurial family traditions applied more to men than to women. Family tradition motivation was more common outside the Helsinki region and among those with lower education. Also, the oldest and the youngest respondents were more likely agree with this motivation (Figure 43).

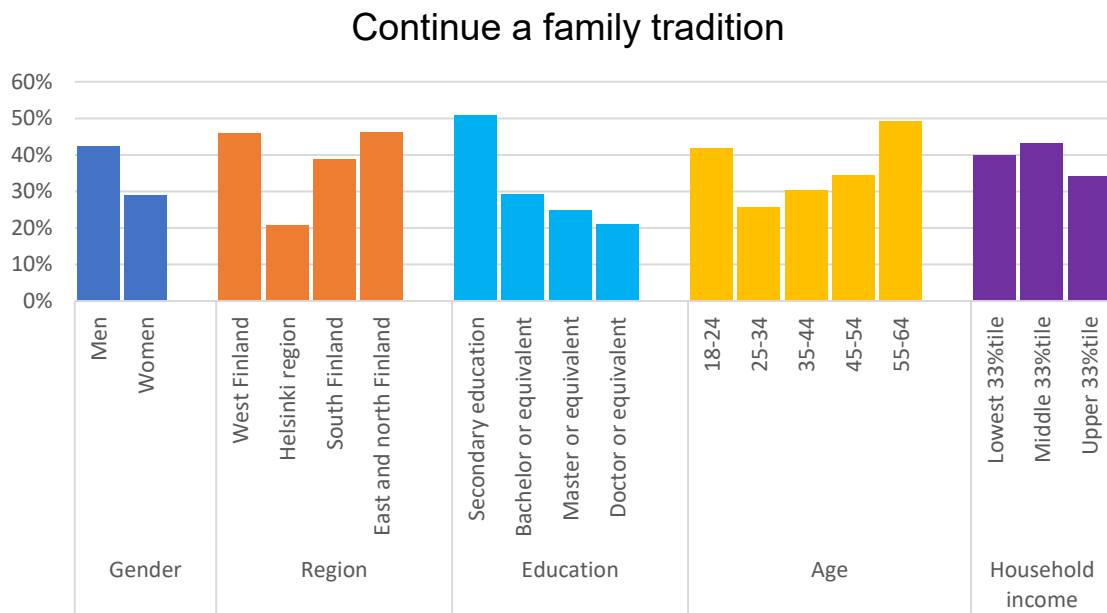


Figure 43. TEA and EBO who recognised 'continuing a family tradition' their entrepreneurial motivation in different respondent groups categorised according to the five key background variables (gender, NUTS-2 region, education, age, and household incomes).

The motivation to ‘to earn living because jobs are scarce’ increased with lower education and lower income. There is also a clear upward trend with increasing age. Regionally, ‘to earn living because jobs are scarce’ was the most common motivation in East and North Finland. There is no gender difference in this motivation (Figure 44).

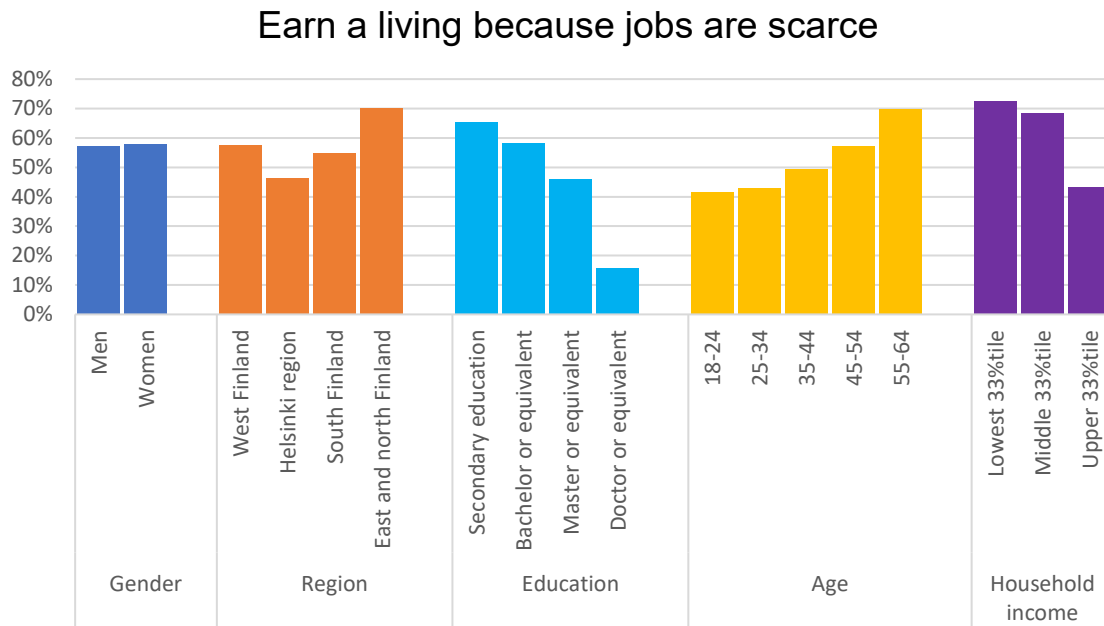


Figure 44. Early-stage and established entrepreneurs who recognise ‘earn living because jobs are scarce’ their entrepreneurial motivation in different respondent groups categorised according to the five key background variables (gender, NUTS-2 region, education, age, and household incomes).

5.6. Early-phase and established entrepreneurs' attitudes towards UN sustainability goals

The GEM survey also asked entrepreneurs about their attitudes towards UN sustainability goals. Finnish entrepreneurs, who answered this question, prioritised environmental and social impacts more than those in the comparison countries. Also, the Finnish TEA prioritised these values more than Finnish EBO's (Figure 45.)

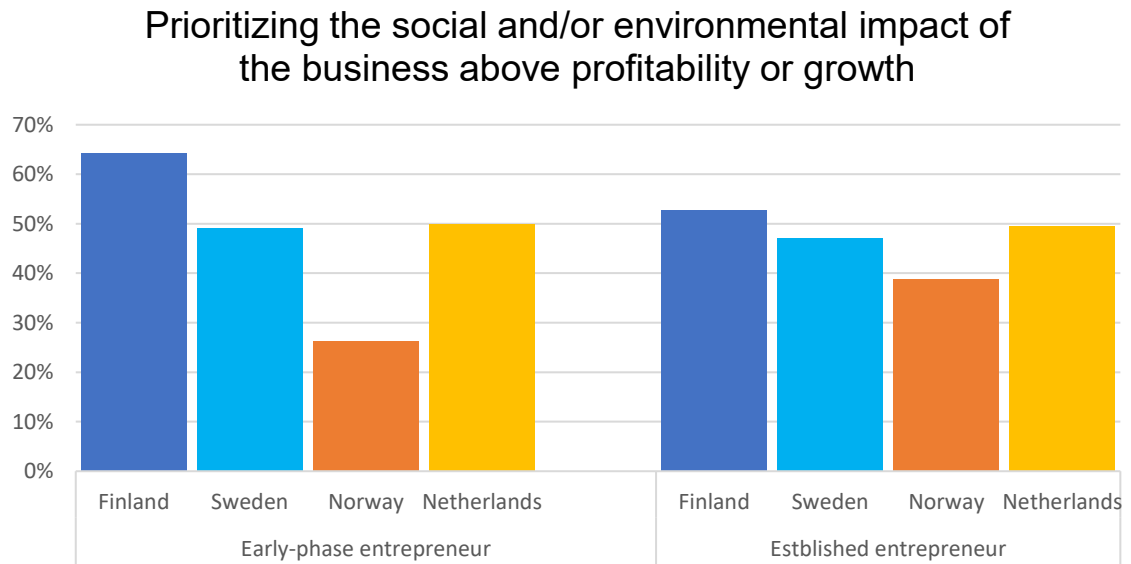


Figure 45. TEA and EBO attitudes towards UN sustainability goals.

6. COVID-19 pandemic policies and dynamics in entrepreneurship

This section considers all COVID-19 pandemic-related questions in the NES and the APS.

6.1. National experts' views to COVID-19 pandemic's impact on entrepreneurial conditions

Figure 46 shows national experts' views on the COVID-19 pandemic's impact on the entrepreneurship frameworks in Finland, Sweden, Norway, and the Netherlands. Digitalisation and teleworking progressed and received more support due to the pandemic in Finland, Norway, and the Netherlands than in Sweden. Governments measures to avoid a significant decline in new businesses seemed most effective in Norway and the Netherlands but not so effective in Sweden and Finland. The growth of gig economy as a start-up driver and business model due to the pandemic was highest in the Netherlands. Prioritisation of environmental protection in companies and the green agenda due to the pandemic was the lowest rated item in all four questions in all the comparison countries, with Norway having the highest rating.

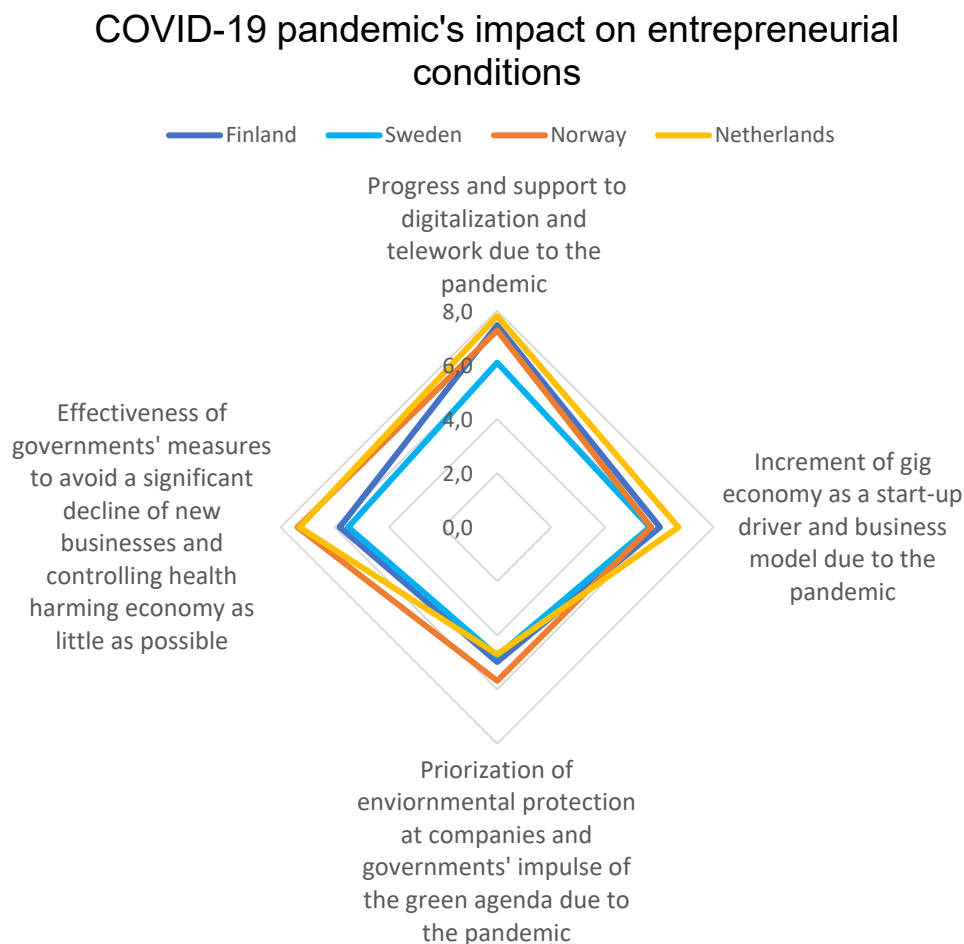


Figure 46. National experts' views on the effect of the COVID-19 pandemic on the entrepreneurship framework in Finland, Sweden, Norway, and the Netherlands on a scale from zero to ten.

6.2. Early-phase and established entrepreneurs' views on pandemic impacts

Early-phase and established entrepreneurs were asked about their opinions of the government's response to the pandemic (Figure 47). The results supported with the experts' views, Finland and Sweden ranked lowest in this comparison in both groups. The entrepreneurs in Norway and the Netherlands were slightly more positive about their governments' actions, in line with the national experts' views in the previous subsection.

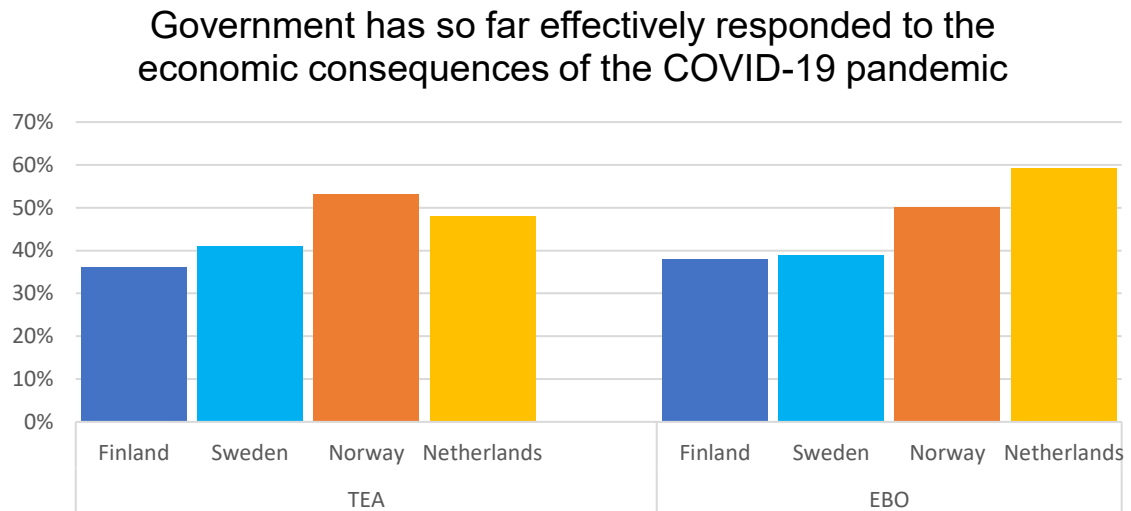


Figure 47. Early-phase and established entrepreneurs' views on their governments' responses to the pandemic.

Entrepreneurs were also asked whether they had found new business opportunities they wanted to pursue due to the pandemic (Figure 48). Finland ranked lowest in this comparison; less than 30% of the TEA and EBOs identified new opportunities. In comparison, almost 60% of TEA in the Netherlands reported finding new business opportunities.

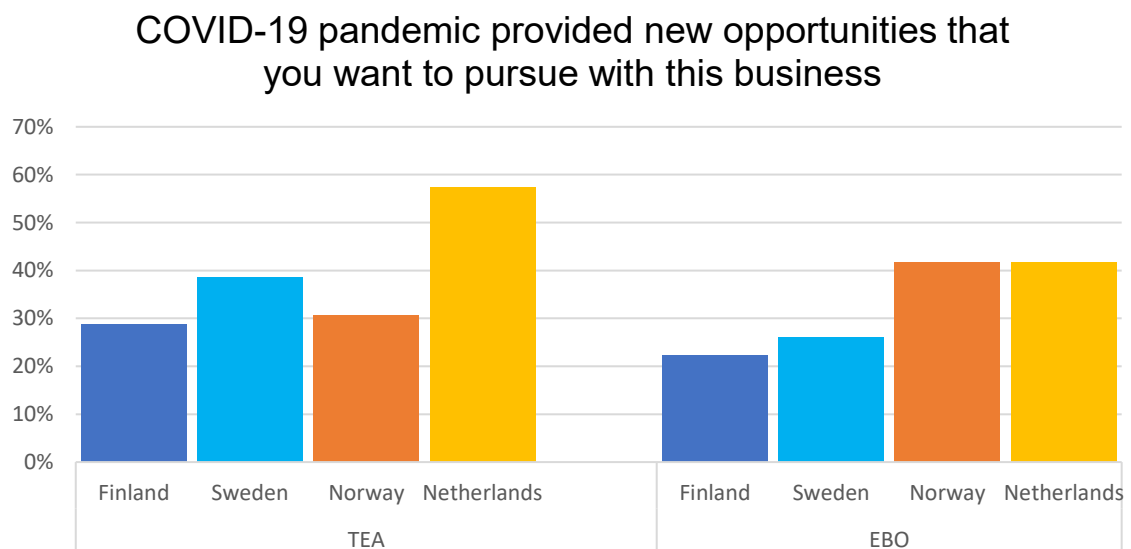


Figure 48. Early-phase and established entrepreneurs' views on new business opportunities due to the pandemic.

Early-phase and established entrepreneurs reported changes in their digital technology use due to the pandemic (Table 3. Comparison of early-phase and established entrepreneurs' views on the pandemic's impact on the use of digital technologies. Table 3). In Finland, fewer than 20 % had adopted or enhanced digital technology use, with established entrepreneurs slightly less likely to do so than early-phase entrepreneurs. Forty per cent of Finnish entrepreneurs had already introduced digital technologies. Also, more than 40% of Finnish entrepreneurs stated that their businesses could function without digital technologies, but 21% of established and 32% of early-phase entrepreneurs in Finland expect that businesses would use more digital technologies in the next six months.

Compared to the other countries, Finnish entrepreneurs had lowest proportion of business making use of new digital technologies due to the pandemic, and about 40% of them had already used digital tools before the pandemic. In the other countries, the proportion of entrepreneurs who did not need digital technologies was smaller than in Finland.

Table 3. Comparison of early-phase and established entrepreneurs' views on the pandemic's impact on the use of digital technologies.

In response to the coronavirus pandemic, is your business making use of digital technologies for selling your product?		Finland %	Sweden %	Norway %	Netherlands %
Yes – we adopted digital technologies in response to the coronavirus pandemic	TEA	3.7	8.05	13.1	15.7
	EBO	4.0	8.4	21.2	7.2
Yes – we enhanced the initial plans you had with new or improved digital technologies	TEA	16.3	16.1	14.7	27.7
	EBO	14.0	14.9	18.6	20.1
No – we already planned a range of digital technologies before the coronavirus pandemic	TEA	40.1	50.6	27.2	32.4
	EBO	41.3	49.4	37.7	46.6
No – our business can function without digital technologies	TEA	39.9	25.3	44.9	24.1
	EBO	40.7	27.3	22.6	20.1

Early-phase and established entrepreneurs were also asked about their plans for digitalisation in the next six months. Finnish entrepreneurs did not have as many plans to make more use of digital tools as other countries' entrepreneurs. In all the comparison countries, early-phase entrepreneurs answered 'yes' more often than established entrepreneurs (Table 4).

Table 4. Comparison of early-phase and established entrepreneurs' views on their expectations of using digital technologies in next six months.

Do you expect your business will use more digital technologies to sell your product or service in the next six months?		Finland %	Sweden %	Norway %	The Netherlands %
Yes	TEA	32.2	34.3	44.7	41.0
	EBO	22.4	26.3	44.4	20.5
Maybe	TEA	46.9	45.8	52.0	43.7
	EBO	60.4	58.7	55.6	67.0
No	TEA	20.9	19.9	3.3	15.4
	EBO	17.2	15.1	0.00	12.5

7. Discussion

The entrepreneurship framework in Finland has developed positively since the previous GEM NES in 2016, based on the evaluation of national experts. Finland's strong points are the availability and access to entrepreneurial financing, entrepreneurship education, R&D transfer, physical infrastructure, and women's entrepreneurship compared to Sweden, Norway, and the Netherlands. Moreover, when comparing economics at the global level, Finland ranks first in entrepreneurial financing, entrepreneurial education in school and physical infrastructure, and third in R&D transfer (GEM, 2022). Finland's scores for entrepreneurial financing and education have increased notably since 2016. However, entrepreneurial education at school received a score of 6.1 (out of 10), so there is still room for improvement. Questions asked of Finnish national experts revealed that the education system in Finland encourages creativity, self-sufficiency, and personal initiative, but pays little attention to business creation, entrepreneurship, and market economic principles.

In contrast, the weak points in Finland relate to cultural and social norms and the societal support. For instance, developing a culture that encourages entrepreneurial risk-taking and supports individual success through personal efforts deserves more attention. However, there have also been some positive developments regarding this topic since 2016.

Although the NES findings ranked Finland first for the women's entrepreneurship support compared to Sweden, Norway, and the Netherlands, the APS gave a different view. According to the APS findings, the systemic gender gap clearly exists in Finland across all investigated topics. Therefore, greater efforts to support women's entrepreneurial activity would decrease the gender gap and promote a more equal entrepreneurship culture in Finland. The literature explained the gender gap according to many factors; differences in motivations and intentions for entrepreneurship, access to finance, levels of entrepreneurship skills, networks, and social attitudes towards female and male entrepreneurs (Henry et al., 2022).

The APS asked a few questions to investigate the entrepreneurship potential, which are compared to previous APS from Finland, 2015, and for selected countries: Sweden, Norway, and the Netherlands. Notably, the percentage of adults expecting to start a business in the coming years decreased slightly after 2015 in Finland, but it doubled in the Netherlands, and also increased in Sweden. This is a worrying trend. Besides fewer women than men expecting to start a business, increasing age tends to lead to fewer intentions to start a business.

Fear of failure preventing people from starting a business has increased in Finland since 2015 and was the highest in this comparison in 2021, although it declined slightly in the Netherlands. In Finland, women reported significantly more fear than men, whereas in the comparison countries, there was no such difference between women and men. The fear of failure is an integral part of entrepreneurship, entrepreneurs may fear that they will be unable to earn a living or fulfill their company commitments (Cacciotti & Hayton, 2015). Moreover, entrepreneurs may fear losing clients, not being paid, not delivering on time, losing control of cash flow, and not having enough free time to spend for example, with family (Cacciotti & Hayton, 2015, p. 185).

The respondent's claim having the knowledge and skills required to start a business have increased in all the comparison countries since 2015, but there is a gender gap, women thought they had fewer skills than men in all comparison countries. This, together with a fear of failure preventing people from starting a business and the question of informal investing, were the three entrepreneurial potential items that may explain some of the

women's lower entrepreneurial activity. The other questions measuring the entrepreneurial potential: seeing good conditions to start a business, knowing an entrepreneur and the ease of starting a business did not show such an evident gender gap.

The proportion of adults seeing good conditions for starting a business in the next six months increased after 2015 across all comparison countries. Finland was the lowest ranked country in this comparison. Interestingly, there were notable regional differences: respondents from the Helsinki region saw the best conditions for starting a business. Furthermore, higher education led to more people seeing better conditions for starting a business. A clear majority, 70% of Finnish adults thought it would be easy to start a business; however, this was smaller percentage than in Sweden, Norway, and the Netherlands.

Since 2015, informal investing in Finland has increased in terms of investors and the invested sum per investor. However, in Sweden, the percentage of informal investors was three times higher, and the average invested sum was significantly smaller. The reason for this may be the popularity of crowdfunding in Sweden.

In Finland, the TEA rate increased from 6.6% to 7.9% in 2015–2021. In Finland, there was a significant gap between women's and men's TEA rates. However, compared to the 2015 situation in Finland (Suomalainen et al., 2016), men's TEA rate has stayed at 9% whereas women's TEA rate has increased from 4% to 6%. The Netherlands has set a sound benchmark for Nordic countries by doubling its TEA rate since 2015 and achieving better gender equality.

The proportion of EBOs has decreased slightly after 2015 across all comparison countries. The EBOs' backgrounds showed large gender and age gaps, but also clear differences in household income and region. The underrepresented groups among entrepreneurs were women, the youngest age groups, and the lowest income groups. East and North Finland and West Finland had higher proportions of EBOs than the two other regions, South Finland and the Helsinki region. In this survey, the most common sector for established entrepreneur respondents was primary production.

The Finnish EBOs were the least active exporters in this comparison. However, export expectations were slightly higher among Finnish early-phase entrepreneurs, who ranked third after the Netherlands and Sweden. More than 20% of Finnish early-phase or established entrepreneurs had export activities or expectations.

Enterprise growth was measured according to job-creation expectations. In Finland, 4% of the survey respondents had early-stage entrepreneurial activity and expected to offer jobs within the next five years, but this was less than half of the all early-stage entrepreneurs. Moreover, the high-growth expectations (of more than 19 jobs in five years) in Finland were close to zero among the survey respondents. In the Netherlands, the TEA entrepreneurs were more growth oriented than in other compared countries. Furthermore, when asking early-stage and established entrepreneurs about their expectations of offering 10 more jobs and achieving over 50% growth in jobs, Finland ranked last among the comparison countries. Compared to 2015, TEA expectation to create at least one job decreased slightly in Finland, and the high growth expectation has decreased from 0.7% in 2015 to 0.2% in 2021. These results align with the findings of the recently published SME Barometer study (Kuismanen et al., 2022), which indicated a declining pursuit of growth among Finnish companies in recent years. Based on the findings, the export and growth ambitions of Finnish entrepreneurs need more encouragement and support.

The most common TEA motivational factors in Finland were 'to earn a living because jobs are scarce' (almost 50% of respondents) and 'make a difference in the world' (40% of

respondents). The most popular EBO motivations in Finland were ‘to earn a living because jobs are scarce’ (over 60% respondents) and ‘family tradition’ (over 40% of respondents). In contrast, the most favoured motivation in Sweden was ‘to build great wealth’ for both early-phase and established entrepreneurs.

Finnish entrepreneurs, especially early phase entrepreneurs, prioritised environmental and social sustainability over economic growth more than entrepreneurs in comparison countries.

Based on the data, both national experts and entrepreneurs thought that government measures to combat the COVID-19 pandemic were more successful in Norway and the Netherlands than in Finland and Sweden. Entrepreneurs were also asked about the pandemic’s impact on digitalisation and their digitalisation expectations over next six months. Entrepreneurs in Finland did not use new digital technologies more extensively due to the pandemic than those in Sweden, Norway and the Netherlands. Interestingly, 40% of the Finnish entrepreneurs stated that their businesses could function without digital technologies.

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ISSN 2489-3501 (printed)
ISSN 2814-4406 (electronic)
ISBN 978-952-62-3496-0 (printed)
ISBN 978-952-62-3497-7 (electronic)