



Statistics Finland 

SELF-EMPLOYED PERSONS IN FINLAND 2017

Hanna Sutela — Anna Pärämänen

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Helsinki 2020

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Cover graphic: Shutterstock
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ISBN 978-952-244-632-9 (pdf)

Helsinki 2020

Foreword

This report sums up the key findings of a survey titled Self-employed persons in Finland 2017. It was Statistics Finland's first survey conducted with a large population sample that included all types of self-employed workers – self-employed persons in agriculture, employer entrepreneurs and self-employed persons without employees alike.

The report broadly examines self-employed persons' labour force status and working conditions: how they became self-employed, what types of growth prospects enterprises have, and what difficulties or obstacles to growth self-employed persons experience in their entrepreneurial activities. The report also discusses self-employed persons' incomes, networking, and the incidence of so-called combined work. One of the report's chapters focuses on experimental statistical analysis; it produces an estimate of the size of the class dependent contractor created in the International Classification of Status in Employment in the Finnish labour market and describes the special features of this class. Hanna Sutela, Senior Researcher at Statistics Finland, participated in the ILO task force on the Classification of Status in Employment.

The survey consisted of two parts: Eurostat's ad-hoc module on self-employment included in the 2017 EU Labour Force Survey (EU-LFS) as well as national questions. Senior Researcher Anna Pärnänen from Statistics Finland was part of the Eurostat task force working on the data content specified by Eurostat. The national questions were considered by a dedicated expert body. Its members were Satu Nivalainen from the Finnish Centre for Pensions, Merja Kauhanen from the Labour Institute for Economic Research, Janne Makkula/Petri Malinen from the Federation of Finnish Enterprises, Joonas Miettinen from the Confederation of Unions for Professional and Managerial Staff Akava, Pirjo Nikkilä from the Finnish Innovation Fund Sitra, Päivi Järviniemi, Kari Alanko and Hanna-Maria Urjankangas from the Ministry of Economic Affairs and Employment, Kari Hämäläinen from VATT Institute for Economic Research, Petri Rouvinen from the Research Institute of the Finnish Economy, Simo Kaleva from the Finnish Institute of Occupational Health, and Viveka Tschamurov from the Social Insurance Institution. Additionally, Harri Hellsten from the Federation of Finnish Enterprises put his expertise related to self-employed persons' social security at the expert body's disposal.

The national part of the survey was funded by the Ministry of Economic Affairs and Employment, the Finnish Innovation Fund Sitra, the Finnish Centre for Pensions and the Finnish Institute of Occupational Health.

The survey was conducted by Statistics Finland Senior Researchers Anna Pärnänen, *D.Soc.Sc.*, and Hanna Sutela, *D.Soc.Sc.* Planning Officer Pekka Ruotsalainen and Senior Statistician Olga Kambur assisted with the processing of income data and data set compilation. The interviews were carried out by Statistics Finland's interview organisation. The layout of the publication was created by Hillkka Lehtonen. I would like to extend my warmest thanks to all those mentioned above and, in particular, to the respondents interviewed for the survey.

Helsinki, December 2018

Jari Tarkoma

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1 Introduction

Self-employment has attracted increasing interest both in Finland and at the EU level in recent years. While it has been seen as playing an important role in increasing the employment rate, this interest has also been encouraged by structural changes in self-employment and labour law issues associated with it as the boundaries between self-employment and paid employment are blurring. The structural change is associated with a decline of self-employment in agriculture and its rise in other industries, which appears to be taking place across Europe (Eurofound 2017).

At the political level, the discussion has become polarised. On the one hand, self-employment is associated with enthusiasm and a buzz, and it is regarded as the harbinger of new growth essential for the viability of Finland's national economy. Self-employment is expected to offer a viable alternative to paid employment: encouraging self-employment has been hailed as a way of supporting innovation and improving the employment rate. This is also associated with the idea that increasing numbers of people are looking for independence and possibilities for self-regulation in their work and a freedom of deciding where and when they want to work, for which self-employment gives good opportunities. However, many employees now also see a greater degree of freedom and more features similar to self-employment in their work, especially in professional occupations.

On the other hand, concerns have been expressed over self-employment – it can also be seen as having its flip side. Rather than always being embraced by choice, self-employment may represent the only possibility of earning an income in a tougher labour market. Neither does self-employment always mean independent entrepreneurial work; in terms of its level of autonomy, it may be rather similar to paid employment, however without an employment relationship and the security brought by it when the same work is now being contracted out to a self-employed worker. In these cases, the employee's legal position is often ambiguous, and we might talk about bogus self-employment. This phenomenon has been explained as something that offers employers a way of avoiding their obligations and improving cost-effectiveness.

Another concern linked to self-employment is the uncertainty of a self-employed person's income. Questions of the effectiveness of social security and, in general, of how much the self-employed know about issues related to their social security are also relevant in this context. Shortcomings in this area may result in a poor level of social security, for example, regarding pensions. Additionally, self-employed persons' wellbeing and coping have been increasingly discussed, especially in relation to struggling farmers.

A large variety of images is thus associated with self-employment, both positive aspects and problems. However, relatively little information is available on this group as a whole. While data on employees' working conditions have been collected comprehensively and systematically for the information needs of working life actors and political decision-makers (Lehto & Sutela 2008, Sutela & Lehto 2014),

population-based data on self-employed persons are not so readily available (see however Heinonen et al. 2006, Akola et al. 2007).

A few years ago, the European Commission also became alert to the lack of research evidence, and especially EU level comparison data. Eurofound, or the European Foundation for the Improvement of Living and Working Conditions, which is subordinate to the European Commission, has in recent years for its part responded to these information needs related to self-employment (Eurofound 2017, Eurofound 2013).

The need to produce more up-to-date statistics on labour market changes and to monitor them also underpinned the revision of the International Classification of Status in Employment: the statistical classification adopted by the UN's International Labour Organization ILO in autumn 2018 uses a division into independent and dependent work and contains a new class placed between paid employment and self-employment, through which the organisation wishes to make this phenomenon more visible (ILO 2018a).

As a response to the growing information needs, the European Commission selected self-employment as the theme of the so-called ad hoc module of the Labour Force Survey carried out in all EU countries in 2017. This was the first time more comprehensive information on self-employment was collected at the EU level. The more detailed contents were specified and the questions were worded by a task force which met at Eurostat and in which Statistics Finland had a representative.

Information on self-employment in Finland is also needed at the national level, however. Consequently, Statistics Finland decided to add national questions to the ad hoc module specified by Eurostat in the Labour Force Survey of 2017. The result was the survey titled *Self-employed persons in Finland 2017*, which thus consists of two parts.

Firstly, it comprises the questions defined by Eurostat, which were used in the same form in all Member States and which consequently produced comparable data between the EU countries. Some of the Eurostat questions were addressed to employees to produce data that allow certain comparisons to be made between employees and the self-employed. As Eurostat published the findings of different EU countries as late as December 2018, it was unfortunately not possible to include much information on these comparisons in this report.

Secondly, the information needs were defined at the national level. These information needs and the wordings of the questions were considered by an expert body convened to work on this project. However, the limited space available for new questions had to be taken into account in its work. The ad hoc module on self-employment was part of the general data collection for the Labour Force Survey, and the time spent on the interviews could not be extended excessively.

In addition to Statistics Finland, the data collection was funded by the Ministry of Employment and the Economy, the Finnish Innovation Fund Sitra, the Finnish Centre for Pensions and the Finnish Institute of Occupational Health. The purpose of the study was to produce information on the work situation, working conditions, growth prospects, networking and incomes of self-employed persons operating in Finland. All in all, *Self-employed persons in Finland 2017* is a survey of self-employed persons' working conditions that offers a broad range of information on

the situation of various types of self-employed persons. This is the first population-based interview survey that covers all types of self-employed workers in Finland. It also provides a good foundation for considering future information needs.

This report contains the key findings of the survey.

Methodology and contents of the survey

Self-employed persons in Finland 2017 was carried out as an interview survey in 2017. The study covered the following themes: 1) pathways to self-employment, 2) working as self-employed, 3) working conditions, 4) growth prospects and networking, 4) health and continuing to work, and 5) social security and incomes. For more detailed information on the survey's methods, response rate and non-response, see Appendix 2.

The interview survey sought to find answers to questions that have sparked discussion. To what extent is self-employment involuntary/forced, and to what extent a preferred form of employment? And what is it like to work as self-employed: how typical is dependence on one client, and how much say do self-employed persons have regarding the pricing of their work? Taking the employment perspective into account, the growth potential of the self-employed and obstacles to providing employment were studied. And how satisfied are self-employed persons with the different aspects of their working conditions in other respects: working times, reconciliation of work and family life, work engagement, their possibilities of exerting influence? All of these elements influence a person's health and wellbeing – and thus also their willingness to continue working.

The aspects listed above are all essential factors in terms of both the overall employment rate and future pension expenditure.

Report structure

The report begins by discussing structural changes in the labour market in the context of forms of employment in the 2000s – how and in what type of employment relationships did Finnish people work some twenty years ago, and how have these aspects changed by the present day? This section, or Chapter 2, also elucidates various concepts related to self-employment and their differences.

Chapter 3 describes the structure of self-employed persons and provides information on their occupational, educational and family structures. It also presents findings concerning the numbers of those doing so-called combined work and the length of careers in self-employment.

Chapter 4 examines individuals' pathways to self-employment. Among other things, it provides estimates on the incidence of involuntary self-employment and explores different pathways to self-employment. It also throws light on respondents' labour market status before they became self-employed.

Chapter 5 discusses issues related to self-employed work, including growth prospects, networking and difficulties associated with work as self-employed.

1 Introduction

Chapter 6 examines self-employed persons' financial situation, Chapter 7 focuses on their working conditions, and Chapter 8 moves on to the theme of health and continuing to work. Self-employed persons' experiences of and information needs related to social security are examined in Chapter 9.

As an exception to the others, Chapter 10 deals with experimental statistical analysis rather than labour market data lending itself to statistical generalisations. It introduces the ILO's new International Classification of Status in Employment and, inspired by it, tests the operationalisation of the new statistical class, *dependent contractor*, using data produced by the survey *Self-employed persons in Finland 2017*.

The concluding Chapter sums up the key findings of the survey.

2 Changes in labour market structure in the 2000s and different concepts of a self-employed person

The findings of this report are mainly based on the results of an ad hoc survey titled *Self-employed persons in Finland 2017* conducted in connection with the Labour Force Survey. The survey produces new information about all self-employed workers - those in the agricultural sector, employer entrepreneurs and self-employed persons without employees alike - and thus provides a fairly extensive response to the information needs related to the self-employed.

Before looking at the findings, we should examine the general picture of labour market structure and its changes in the 2000s. We also need to establish what we already know about self-employed persons based on Labour Force Survey data. What type of a group are we referring to when we talk about self-employed persons in Finland?

We will also elucidate the concepts related to self-employed persons used in this report. In many places, confusion is created by partly overlapping and partly differentiating concepts, including self-employed without employees, sole entrepreneur and freelancer. How do these groups differ from each other? The essence of statistics lies in classifications, and this is why we need to analyse the differences between the concepts and their uses.

This Chapter describes changes in the labour market regarding different employment relationships and self-employment in the 2000s. It also examines different concepts related to the self-employed and their differences. The figures presented in this Chapter are based on the annual averages of Statistics Finland's Labour Force Survey.

Why such a multitude of concepts?

The statistical classification of professional status in Statistics Finland's Labour Force Survey is based on how the respondents described themselves in the Labour Force Survey interview (for the wordings of the questions, see Appendix 1 and Pärnänen & Sutela 2011). No additional questions are used to check the professional status reported by the respondent in the interview, for example, by asking if the interviewee has an entrepreneur's business ID, a trade name or a freelancer's tax card. Neither is the information provided by the respondent checked in any administrative registers, for instance, by verifying if the interviewee has an employment relationship covered by insurance, or if they have received entrepreneurial income. The respondent is assumed to be the best expert regarding their own situation, and the information obtained in the interview is sufficient. Employer entrepreneurs are separated from

2 Changes in labour market structure in the 2000s and different concepts of a self-employed person

other self-employed persons by asking if the interviewee has paid labour force, but no other details of the employment status are asked for.

Two ways of classifying self-employed persons are used in this study. The first method divides self-employed persons into three classes:

- 1) self-employed in agriculture
- 2) employer entrepreneurs
- 3) self-employed persons without employees.

The group of **self-employed persons in agriculture** includes self-employed persons working in agriculture, forestry and fishing, both those with and without employees. Approximately 17 per cent of self-employed persons in agriculture had paid labour force in 2017. In this respect, the classification is partly inconsistent; those with paid labour force in agriculture could also be grouped with employer entrepreneurs. However, the attributes of the agriculture and forestry industry so strongly define the situation of self-employed persons in agriculture that those in their number who are employers appear to have more features in common with the self-employed in agriculture than with employer entrepreneurs in other industries. This justifies the use of the industry rather than employer status as the basis of classification.

The group **employer entrepreneurs** contains employer entrepreneurs in all other industries besides agriculture and forestry. As employer entrepreneurs are classified those self-employed persons and own-account workers who have paid labour force.

The group **self-employed persons without employees** consists of sole entrepreneurs, own-account workers, freelancers and grant recipients in industries other than agriculture and forestry who do not have paid labour force. What the members of this group have in common is the absence of a paid employment relationship and not having paid labour force.

The aforementioned group of **self-employed persons without employees** has certain sub-groups that should be described in greater detail. *Sole entrepreneurs* are persons identified as self-employed who have no paid labour force but who may have co-owners. *Own-account workers* often work under a trade name without paid labour force and frequently also without fixed premises, selling their competence. *Freelancers* may work in different ways; either against a fee or a salary through their own enterprise or trade name, or in an employment relationship. Freelancers have a freelancer's tax card and, as a rule, several clients. *Grant recipients* have received a grant for artistic or research purposes. For example, while a researcher supported by a grant may have working facilities at a university, they do not have an employment relationship with that university.

Qualitative interviews that preceded the *Self-employed without employees 2013* study showed that the boundaries between the different groups were sometimes experienced as quite blurred. Little difference was seen between a sole entrepreneur and an own-account worker, for instance, and for many, freelancer meant a type of professional identity. Additionally, a person's status could vary during the year, for example, between a grant recipient and a freelancer, without necessarily having any greater importance for the person themselves. (Pärnänen & Sutela 2014.)

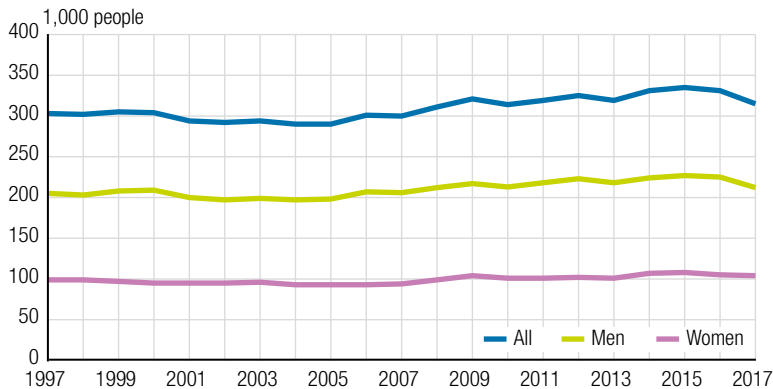
Consequently, all of these groups are classified as **self-employed without employees** for the purposes of this report. When using the term self-employed persons, an effort has been made to differentiate between conventional farming entrepreneurship and sole entrepreneurship in other occupations and industries. The latter also includes forms of employment that are difficult to classify accurately as self-employment or paid employment, such as freelance work and work supported by a grant.

Another classification used in this report is the dichotomy of 1) **employer entrepreneurs** and 2) **self-employed persons without employees** widely used by Eurostat. In this classification, self-employed persons in agriculture have been placed in one of the two classes depending on whether or not they have paid labour force. Following this method, the class self-employed persons without employees thus includes self-employed persons with no paid labour force in *all* industries, including agriculture. The class employer entrepreneurs respectively includes all self-employed persons with paid labour force, regardless of their industry. This classification is ideal when the employer status is a factor that defines and explains the situation. Some of the questions in the survey *Self-employed persons in Finland 2017* were thus only addressed to self-employed persons without employees and others only to employer entrepreneurs.

Temporal changes in self-employment and employees' employment relationships

The number of self-employed persons in the Finnish labour market has remained relatively stable over the last few decades (Figure 2.1), ranging between just under or over 300,000. The number of self-employed persons was the lowest in the early years of this millennium in 2004–2005, or around 290,000. In the peak year of 2015,

Figure 2.1
Self-employed in Finland in 1997–2017, 1,000 persons.
Labour Force Survey, Statistics Finland



2 Changes in labour market structure in the 2000s and different concepts of a self-employed person

there were 335,000 self-employed persons in Finland. More men than women make their living as self-employed workers. Throughout the review period, the number of self-employed women has been more or less one half of the number of men, or approx. 100,000.

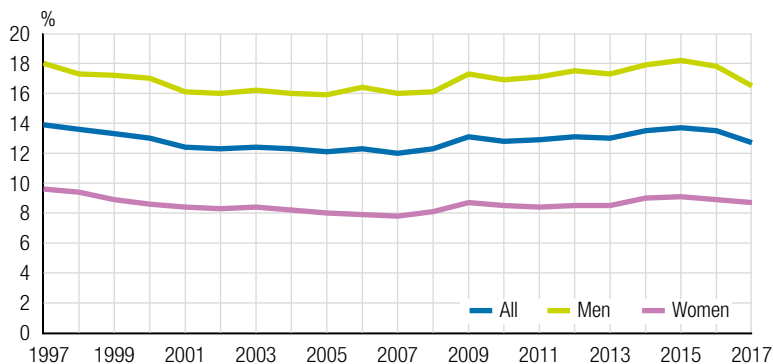
The share of the self-employed in all employed persons has also remained stable, peaking at 13.9 per cent in 1997 and reaching its lowest figure of 12 per cent in 2007.

The share of self-employed workers among employed men was as high as 18.2 per cent in 2015, whereas its lowest figure was 15.9 per cent in 2005 (Figure 2.2). Women work as employees more often than men. Among women, the share of self-employed workers was as low as 9.6 per cent of all employed women even in the peak year (1997) of the period of scrutiny. At its lowest, this figure was 7.8 per cent of all employed women (2007).

When looking at the overall employment rate, changes in self-employment have thus not been particularly significant. Employees remain the strongly predominant group in Finnish society. However, structural changes have taken place within self-employment.

Figure 2.3 shows the changes in the number of self-employed persons in the three groups, or self-employed persons in agriculture, self-employed persons without employees and employer entrepreneurs in 1997–2017. As we can see in the Figure, the number of self-employed persons showed a growing trend up till 2016, in which year it peaked at 183,000. In 2017, however, this figure had dropped more or less to its 2014 level, or 171,000. Compared to 1997, it has grown by approx. 52,000 during the review period. The number of self-employed persons in agriculture, on the other hand, has declined steadily. Whereas self-employed persons in agriculture numbered 102,000 as late as in 1997, their number had dropped by almost one half to 56,000 twenty years later. Little change has taken place in the number of employer entrepreneurs over the last two decades.

Figure 2.2
Share of self-employed among the employed by gender in 1997–2017, age group 15 to 74, %. Labour Force Survey, Statistics Finland

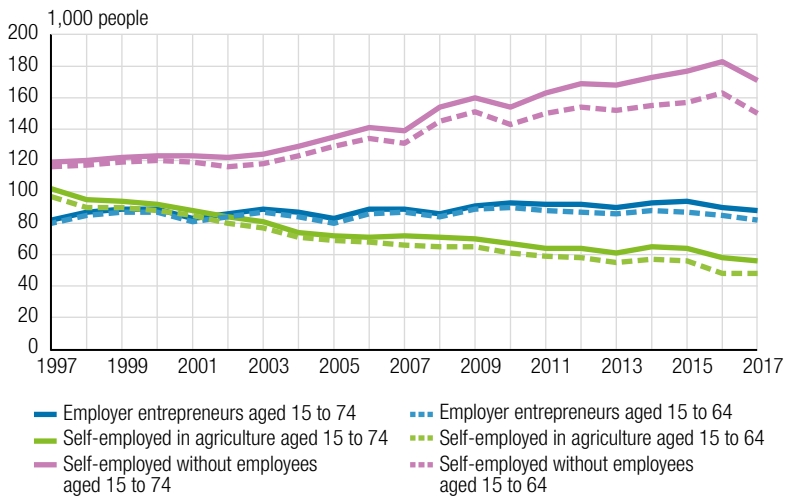


Self-employed persons thus work less frequently in agriculture and more often in other industries as sole entrepreneurs, freelancers and own-account workers: in other words, self-employed persons without employees.

The figures cited above concern those aged between 15 and 74. If we look at the age group 15 to 64, the numbers of self-employed persons would be around 10,000–20,000 smaller, depending on the year (Figure 2.3).

Figure 2.3

Self-employed in agriculture, employer entrepreneurs and self-employed without employees in Finland in 1997–2017, age groups 15 to 64 and 15 to 74, 1,000 persons. Labour Force Survey, Statistics Finland



A transformation in the labour market?

To obtain a more comprehensive idea of the role self-employment plays in the Finnish labour market, we also need to examine the changes having taken place as part of the overall labour market structure.

When looking at changes in the labour market, it is always a good idea to examine both the numbers and proportions. The numbers show how many people are concerned. Consequently, the focus is on numbers when, for example, a new legislative provision or the total amount of a future expenditure item are considered: how many people would the act in question concern, or what effect would a change in social security have on expenditure? Proportions, on the other hand, indicate structural changes in the labour market: are the forms of employment about to be transformed radically, or is a more moderate change under way?

2 Changes in labour market structure in the 2000s and different concepts of a self-employed person

Table 2.1 illustrates different forms of employment in Finland in 2000 and 2017. When interpreting the Table, we should note that the total number of the employed has increased by 138,000 between 2000 and 2017¹.

In 2017, the majority of the employed were employees, in full-time continuous employment relationships no less, exactly as they were in 2000. The number of people in so-called typical employment relationships of this type was greater by 52,000 in 2017 than in 2000. At the same time, the number of self-employed persons has increased by 48,000 and the number of those working part time (in a continuous or fixed-term employment relationship) has increased by as much as 90,000 (see also Lukkarinen 2018).

There has been a reduction in the number of not only self-employed persons in agriculture but also those in fixed-term full-time employment and unpaid family workers.

Some may even find these figures startling. A change is in the air: the increase in part-time work and the number of self-employed persons can be considered a clear labour market trend.

If we examined their proportions, however, a more moderate development is revealed. In some ways, the structure of the labour market has remained the same, and even surprisingly unchanged, in the 2000s, to the extent that about two thirds continue to work in a continuous full-time paid employment relationship as employees. However, their share had decreased by 1.5 percentage points to 63.5 per cent in 2017.

Table 2.1
Employed persons' forms of employment in 2000 and 2017,
age group 15 to 74. Self-employed persons in Finland 2017,
Statistics Finland

	2000	2017	2000	2017
	N	N	%	%
Continuous full-time paid employment (incl. other paid employment)	1,519 000	1,571,000	65,0	63,5
Fixed-term full-time paid employment	256,000	245,000	10,9	9,9
Continuous part-time paid employment	166,000	232,000	7,1	9,4
Fixed-term part-time paid employment	76,000	100,000	3,3	4,1
Self-employed in agriculture, forestry and fishing	92,000	57,000	3,9	2,3
Employer entrepreneurs in other industries	89,000	88,000	3,8	3,6
Self-employed in other industries	102,000	121,000	4,4	4,9
Own-account workers and freelancers* in other industries	21,000	50,000	0,9	2,0
Unpaid family workers in an enterprise or a farm	15,000	10,000	0,6	0,4
Total	2,336 000	2,474 000	100	100

* 2017 incl. grant recipients, approx. 2,000

1 As from 2011, it has been possible to break down the group *self-employed persons in other industries* in greater detail. Grant recipients were added to the different response options in the Labour Force Survey form. It thus became possible to break down self-employed persons' different forms of employment by separating own-account workers, freelancers and grant recipients into their own groups. In 2017, there were 38,000 own-account workers, or 10,000 more than in 2011. The number of own-account workers peaked at approx. 41,000 in 2016. The number of freelancers has remained at approx. 10,000 for the last six years, whereas the number of grant recipients has fluctuated between 2,000 and 3,000.

The greatest growth has been recorded in the percentage of those doing part-time work, with self-employed persons hard on their heels. In 2017, the latter accounted for 6.9 per cent of the employed. The decrease in the proportion of self-employed persons in agriculture precisely matches the increase in the proportion of self-employed persons in the employed.

Figures 2.4 and 2.5 illustrate the changes in different forms of employment as numbers and proportions. In these graphs, the classes *self-employed in other industries* and *own-account workers and freelancers in other industries* in Table 2.1 have been combined to form a single class of *self-employed without employees*.

Figure 2.4

Change in forms of employment, absolute figures in 2000–2017, employed persons aged 15 to 74. Labour Force Survey, Statistics Finland

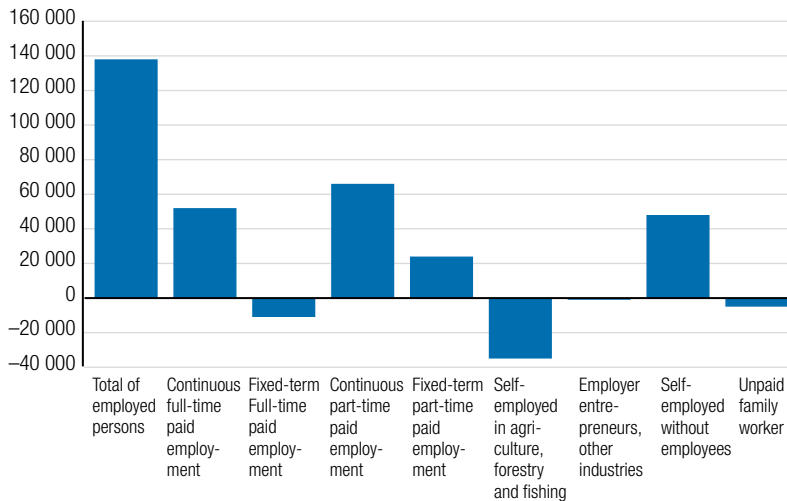
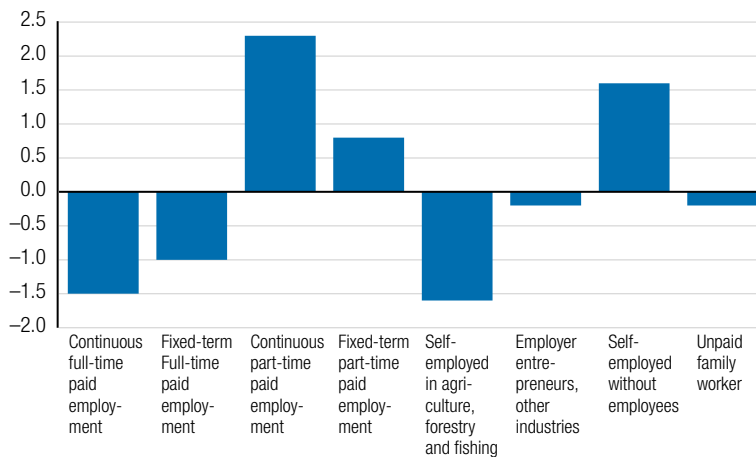


Figure 2.5

Change in forms of employment, in percentage points in 2000–2017, employed persons aged 15 to 74. Labour Force Survey, Statistics Finland



Permanence in the labour market – a change in the air?

In this Chapter, we have discussed different concepts related to self-employed persons and their definitions, and described labour market changes over the last two decades or so.

Quite a number of concepts for self-employed persons are used in labour market statistics, and they partly overlap. Self-employed person in agriculture, employer entrepreneur, sole entrepreneur, self-employed person without employees, freelancer, own-account worker...all these will come up when we examine self-employment in labour force statistics. It thus appears that statisticians should sharpen their focus on the way the concepts are used. However, the recently adopted revision of the International Classification of Status in Employment introduces an interesting change. For more information, please refer to Chapter 10. (Also see Sutela 2018). This significant revision will also have a bearing on the concepts used for self-employed persons and their content.

The various forms of employment are of interest to many, as the status of a worker – whether a self-employed person or an employee – is significant in many contexts, including taxation, occupational health care or, for instance, social security. In this respect, the changes in the labour market have been rather moderate. Little change has taken place in the number of self-employed persons in the last twenty years or so, and both their number and their share of the employed have remained relatively unchanged. A clear change has been seen in the structure of self-employed persons, on the other hand: there has been a growing trend in the number of self-employed persons without employees, whereas the number of self-employed persons in agriculture has declined. The growing number of self-employed persons without employees thus is a clear labour market trend, in addition to an increase in part-time work.

In other respects, relatively small-scale changes only have taken place in the forms of employment; full-time continuous paid employment continues to be the form of employment embraced by the majority of employed persons in Finland. The increase in part-time work and numbers of self-employed persons, as well as the reduction in the share of full-time paid employment by approx. one and a half per cent over twenty years indicate, however, that some type of a change is in the air – maybe a hidden trend to which statisticians should be alert.

3 Structure of self-employed workers

In this Chapter, we describe the data set used in the survey and look at the structure of self-employed workers as a body by their gender, age, education, industry and family structure. We also investigate the length of their careers in self-employment and so-called combined work.

The data set *Self-employed persons in Finland 2017* contains 2,803 self-employed persons aged between 15 and 74, of whom 1,869 are men and 934 women. They can be further subdivided into self-employed persons in agriculture (17%, n=509), employer entrepreneurs in industries other than agriculture, forestry and fishing (26%, n=761) and self-employed without employees in industries other than agriculture, forestry and fishing (53%, n=1,533). In this classification, all those working in agriculture, forestry and fishing have thus been included in self-employed persons in agriculture, regardless of whether they have paid labour force or operate mainly on their own.

In connection with the data collection, some of the questions on the interview questionnaire were also put to employees. For the part of these questions, comparisons can be made between the responses of self-employed persons and employees. The data set consists of 22,501 respondents who were employees. Some of the questions were also put to unpaid family workers, of whom the data set contained 113.

In this report, we mainly examine the data by comparing self-employed persons in agriculture, employer entrepreneurs and self-employed persons without employees to each other. It should be noted that when self-employed persons in agriculture are defined based on their industry in this way, their number contains both employer entrepreneurs (17%) and self-employed persons without employees (83%).

In connection with some themes, we take a closer look at the group of self-employed persons without employees using the same five-category classification based on occupational structure and socio-economic group (Appendix 1) that was used in Statistics Finland's report *Self-employed without employees in Finland 2013* (Pärnänen & Sutela 2014). In these cases, when we restrict the examination of the *Self-employed persons in Finland 2017* data to respondents aged between 15 and 64, which was the age group used in the study *Self-employed without employees in Finland 2013*, a temporal comparison of the findings can be carried out between 2013 and 2017.

The gender division in the data is a rather good match with self-employed persons' gender division at the population level, and the same applies to the age and education structure. A weighting coefficient has been applied to the findings presented in this publication to ensure that they correspond to all employed persons.

Self-employed persons by gender and age

As a group, self-employed persons are clearly more male dominated than employees. Two self-employed persons out of three were men, while one in three was a woman in 2017. Self-employed persons in agriculture and employer entrepreneurs were particularly male-dominated groups, in which only one out of four was a woman. The gender division of self-employed persons without employees was slightly more even, and this also applies to unpaid family workers – even if women also represented a minority in these groups.

In the age structure of self-employed persons, older age groups are more predominant than among employees. Very few self-employed persons are young people aged under 25. While almost one third (31%) of employees were aged under 35 in 2017, this figure for self-employed persons was 15 per cent. More than one out of three (35%) of self-employed persons were aged between 55 and 74, whereas more than one out of five employees had reached this age (22%). The age distribution of unpaid family workers is polarised: on the one hand, this group included young people who presumably helped in their parents’ enterprise, and on the other, spouses who had already reached retirement age. (Table 3.1.)

Table 3.1
Structure of self-employed persons, unpaid family workers and employees by gender, age and level of education, %
Self-employed persons in Finland 2017 and Labour Force Survey 2017,
Statistics Finland

	Self-employed in agriculture	Employer entrepreneurs	Self-employed without employees	Unpaid family workers	Self-employed total (excl. unpaid family workers)	Employees
Gender (%)						
Men	75	74	61	61	67	50
Women	25	26	39	39	33	50
Total	100	100	100	100	100	100
Age (%)						
15–24	(2)	(1)	(3)	38	2	10
25–34	8	12	16	..	13	21
35–44	19	26	19	..	21	23
45–54	30	31	23	..	27	25
55–64	28	25	25	..	24	20
65–74	14	7	13	32	11	2
Total	100	100	100	100	100	100
Education (%)						
Basic level	17	14	13	44	15	12
Secondary level	57	42	44	37	46	42
Third level	26	44	43	19	41	46
Total	100	100	100	100	100	100
Total	56,000	88,000	172,000	10,000	315,000	2,147,000
N in the data set	509	761	1,533	113	2,916	22,501

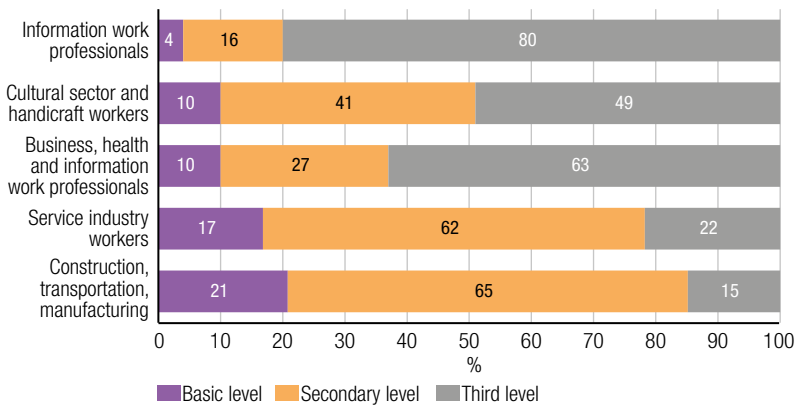
.. = Results not published due to the small number of observations

() = Due to the small number of observations, the data in brackets are indicative only

All in all, self-employed persons' education structure showed slightly lower levels of education than employees'. However, there were major differences between the three groups of self-employed persons in 2017. Of self-employed persons in agriculture, only slightly more than one out of four (26%) had tertiary level education, whereas the share of employer entrepreneurs and self-employed persons without employees who had tertiary level education, or more than 40 per cent, was almost on par with employees. Unpaid family workers had the lowest level of education, and more than 40 per cent of them had only completed basic education at the most, while fewer than one out of five had a tertiary level qualification. This finding is to a great extent explained by the group's age structure.

The largest group of self-employed persons, which showed a growing trend in the 2000s, is self-employed persons without employees (see Chapter 2). More than one half of all self-employed persons were self-employed without employees; in other words, they worked as sole entrepreneurs or in an entrepreneurial manner without paid labour force in industries other than agriculture in 2017. When examining self-employed persons without employees, the heterogeneous nature of this group should be taken into account, which is particularly visible in the level of education. If we look at them by occupational group, information work professionals mainly had a high level of education, whereas service industry workers and workers in the construction, transport and manufacturing industries contain many persons with basic education. (Figure 3.1.)

Figure 3.1
Education structure of self-employed without employees, %.
Self-employed persons in Finland 2017, Statistics Finland



Size of employer entrepreneurs' enterprises

Before moving on to self-employed persons' industrial structure, we should take a quick look at the size of employer entrepreneurs' enterprises.

Statistics Finland keeps many types of statistics on the numbers of enterprises and self-employed persons. Some of the data are obtained directly from respondents, including the Labour Force Survey data on which this report is based, or by

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making inquiries with enterprises. Some are obtained from administrative registers maintained by different authorities. Due to methodological differences, the numbers of the self-employed and enterprises are slightly inconsistent in different statistics. (See Katainen 2017.)

All statistics show, however, that enterprises operating in Finland mainly are relatively small. According to the Labour Force Survey, 69 per cent of employer entrepreneurs had at most five employees, 16 per cent had 6 to 10, eight per cent had 11 to 20, and four per cent had 21 to 50 employees. A few per cent of the employers had more than 50 employees in 2017.

Self-employed persons in agriculture with employees were more likely to have at most five employees (87%) than employer entrepreneurs in other industries. The enterprises of female employer entrepreneurs were more typically very small with at most five employees (73%) than the enterprises of their male counterparts (68%).

In other words, only 15 per cent of employers on average had more than 10 employees in 2017.

Industrial structure

In this section, we will look at the industrial structure of self-employed persons based on Statistics Finland's Standard Industrial Classification of 2008. All self-employed persons working in agriculture, forestry or fishing have been classed here as self-employed in agriculture. Self-employed persons without employees and employer entrepreneurs, on the other hand, represent a number of different industries, as seen in Table 3.2.

Table 3.2
Industrial structure, self-employed by gender and type, %
Self-employed persons in Finland 2017, Statistics Finland

	All self-employed	Men	Women	Self-employed in agriculture	Employers	Self-employed without employees
A Agriculture, forestry and fishing	18	20	14	100		
C Manufacturing	7	8	5		11	7
F Construction	13	19	3		19	15
G Wholesale and retail trade	10	10	12		16	11
H Transportation and storage	5	7	(2)		10	5
I Accommodation and food service activities	3	2	4		6	2
J Information and communication	4	5	(2)		5	4
K Financial and insurance activities	1	1	(1)
L Real estate activities	1	1	(1)		2	1
M Professional, scientific and technical activities	14	13	15		15	18
N Administrative and support service activities	4	4	5		6	5
P Education	1	1	(2)		(2)	2
Q Human health and social work activities	7	3	14		4	11
R Arts, entertainment and recreation	5	4	7		..	9
S Other service activities	6	2	15		3	10
Total	100	100	100	100	100	100

.. = Results not published due to the small number of observations

() = Due to the small number of observations, the data in brackets are indicative only

Employer entrepreneurs' activities are strongly concentrated in a few key industries, the most important ones of which are construction, wholesale and retail trade as well as professional, scientific and technical activities. Almost one half of the employer entrepreneurs operated in these three industries. Approximately one out of ten operated in manufacturing, and one out of ten in transportation and storage.

The industry was also linked to enterprise size. Of employer entrepreneurs operating in accommodation and food service activities, approximately one out of four had more than 10 employees in 2017, whereas this share for all employer entrepreneurs was 15 per cent. This share was also greater than average, or approximately one out of five, for employers in administrative and support service activities, construction, and information and communication.

The industrial structure of self-employed persons without employees was more diverse than that of employer entrepreneurs. The largest industries were professional, scientific and technical activities (including architects, graphic designers, translators, consultants, accountants) and construction. In total, one out of three self-employed persons without employees worked in these industries. Approximately one out of ten worked in wholesale and retail trade, approximately one out of ten in human health and social work activities, one in ten in arts, entertainment and recreation, and one in ten in other service activities.

The activities of self-employed men concentrated in certain industries more clearly than self-employed women's activities. In 2017, self-employed men worked above all in agriculture, construction, and professional, scientific and technical activities. These industries accounted for 52 per cent of all self-employed persons in total. Of women, 12 per cent to 15 per cent worked in each of the following industries: professional, scientific and technical activities, human health and social work activities, other service activities, agriculture and forestry, and wholesale and retail trade. (Table 3.2.)

In other words, self-employment as a whole concentrates in certain industries. Employees' industrial structure shows a more even distribution than is the case for self-employed persons. In a few industries only, the share of employees working in them exceeded 10 per cent in 2017: human health and social work activities (18%), manufacturing (14%), and wholesale and retail trade (11%).

Occupational structure of self-employed persons without employees

Regarding employer entrepreneurs and self-employed persons in agriculture, an examination by occupational group yields little information. Of self-employed persons in agriculture, 92 per cent worked in agricultural and forestry occupations in 2017, with an additional eight per cent working in transportation industry occupations, such as forestry machine entrepreneurs. A large share of employer entrepreneurs, on the other hand, use the professional title of managing director, regardless of the industry in which they work.

The occupational structure of self-employed persons without employees, on the other hand, is rather diverse. See Table 3.3 for the largest individual occupation

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Table 3.3

Most common occupations of self-employed without employees in 2017, persons. Labour Force Survey. Classification of Occupations 2010

26	Legal, social and cultural professionals	20,000
51	Personal service workers	19,000
71	Building and related trades workers, excluding electricians	18,000
33	Business and administration associate professionals	12,000
83	Drivers and mobile plant operators	12,000
21	Science and engineering professionals	10,000
24	Business and administration associate professionals	10,000
52	Sales workers	10,000
53	Personal care workers	7,000
34	Legal, social, cultural and related associate professionals	7,000
72	Metal, machinery and related trades workers	7,000
32	Health associate professionals	6,000

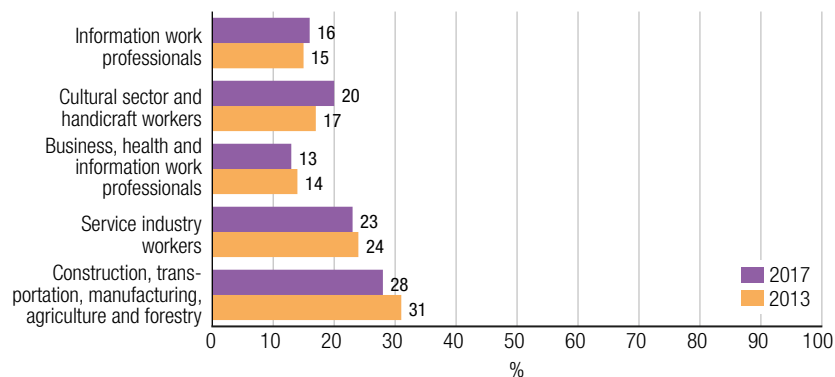
classes of self-employed persons without employees at the two-digit level of the Classification of Occupations 2010. The largest class was *Legal, social and cultural professionals*. This class includes such occupations as journalists, translators, visual artists, musicians, and actors as well as lawyers, psychologists, sociologists and anthropologists. Almost equally large classes were *service and sales workers* (including hairdressers, beauticians, guides) and *building workers*.

Self-employed persons without employees thus account for more than one half of all self-employed persons, and their group is rather heterogeneous. A closer examination of this group becomes possible when it is divided into subgroups based on occupational structure and socioeconomic position. This five-class grouping was used in Statistics Finland's report *Self-employed without employees in Finland 2013* (Pärnänen & Sutela 2014). For a description, see Appendix 1.

As we found in Chapter 2, there has been a growing trend in the number of self-employed persons without employees in the last twenty years. Compared to 2013, their occupational structure has also changed to some extent. The share of cultural and handicraft occupations has increased somewhat, while the share of all self-

Figure 3.2

Self-employed without employees, occupational structure, 2013 and 2017, aged 15 to 64, %. Self-employed persons in Finland 2017, Statistics Finland

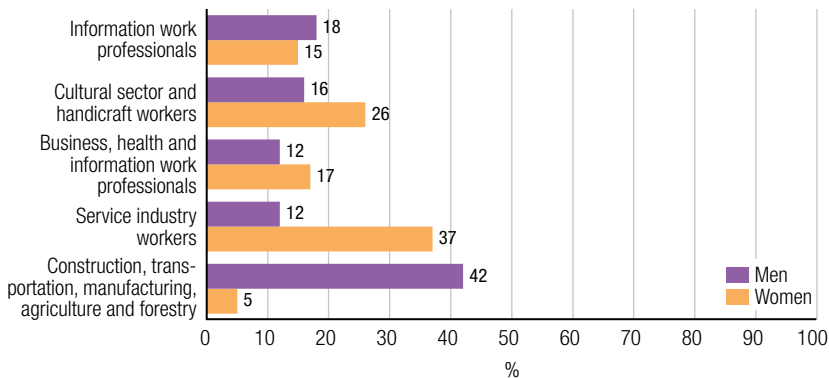


employed persons without employees working in transportation and manufacturing occupations has decreased slightly. (Figure 3.2.)

The occupational structure of self-employed persons without employees is highly segregated by gender. In 2017, more than 40 per cent of the men worked in construction, transportation and manufacturing occupations, whereas this share for women was as low as five per cent. The most important occupational groups for women were service worker occupations (including hairdressers, shop keepers, massage therapists) as well as cultural and handicraft occupations. (Figure 3.3.)

Figure 3.3

Occupational structure of self-employed without employees by gender, 2013 and 2017, aged 15 to 64, %. Self-employed persons in Finland 2017 and Self-employed without employees in Finland 2013, Statistics Finland



Self-employed persons' family status

Approximately four out of five self-employed persons were married, cohabiting or living in a registered partnership in 2017 (self-employed in agriculture and employer entrepreneurs 81%, self-employed without employees 74%). Approx. one out of ten was unmarried (self-employed in agriculture 12%, employer entrepreneurs 10%, self-employed without employees 12%). Of self-employed persons without employees, 10 per cent were divorced or separated, whereas this figure was seven per cent for employer entrepreneurs and five per cent for self-employed persons in agriculture.

In all, 44 per cent of entrepreneur households had children aged under 18 living in them at least some of the time. Self-employed persons in agriculture (48%) and employer entrepreneurs (51%) were more likely to have children in their households than self-employed persons without employees (38%).

Of self-employed persons living with an intimate partner, 76 per cent had a spouse who worked: this share was 79 per cent for self-employed persons in agriculture, 82 per cent for employer entrepreneurs and 72 per cent for self-employed persons without employees. Self-employed women had a spouse who worked (83%) more often than self-employed men (73%). As the data covers self-employed persons up to the age of 74, the share of retired spouses was relatively large, or 13 per cent.

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Previous studies have found a cumulative tendency in labour market statuses: the spouse of an unemployed person is also unemployed more often than average, the partner of a person working in an atypical employment relationship does fixed-term, part-time or on-demand work more often, and self-employed persons have spouses who are self-employed more often than employees (e.g. Ultee, Dessens & Jansen 1988, Virmasalo 2002, de Lange, Wolbers & Ultee 2012, Sutela 2013, Pärnänen & Sutela 2014).

The cumulative nature of labour market statuses is also seen in the *Self-employed persons in Finland 2017* data set when the figures are compared to employees aged 15 to 64 who responded to the Quality of Work Life Survey 2013. Self-employed persons' spouses are clearly less often employees (50%) than employees' spouses (70%), and self-employed clearly more often (26%) than employees' spouses (9%). Of self-employed women's spouses, 41 per cent were employees, while 43 per cent were self-employed; of self-employed men's spouses, 55 per cent were employees, whereas 18 per cent were self-employed. While the age groups differ in this comparison of two data sets, they clearly indicate that self-employment concentrates in the same intimate partner relationships.

In other words, entrepreneurship appears to cumulate in the same households. This cumulation becomes even more obvious when we look at different classes of self-employed persons: there is a high probability that the spouses of self-employed persons in agriculture share this status; the spouses of employer entrepreneurs are many times more often employers than the spouses of self-employed persons in agriculture or self-employed workers without employees; and self-employed persons without employees are the group most likely to have spouses who also are self-employed workers without employees (Table 3.4). In many cases, we may assume that employers and their employer spouses are partners in the same enterprise, whereas the spouses of self-employed persons in agriculture are often likely to work on the same farm.

Table 3.4

Spouse's labour market status, self-employed by gender and type, %.
Self-employed persons in Finland 2017, Statistics Finland

	Total	Employee	Self-employed in agriculture	Employer	Self-employed without employees	Family leave, own household	Pension, illness	Unemployed, student, other
All	100	50	9	6	11	4	13	7
Men	100	55	4	6	8	6	12	9
Women	100	41	15	11	17	..	13	3
Self-employed in agriculture	100	33	42	..	(3)	(4)	13	4
Employer entrepreneurs	100	58	..	14	9	5	7	6
Self-employed without employees	100	52	..	4	15	3	16	9

.. = Results not published due to the small number of observations

() = Due to the small number of observations, the data in brackets are indicative only

Combined work

In the Labour Force Survey, the employed were classified as either employees, self-employed persons or unpaid family workers depending on their main occupation in the week of the survey. However, reality is not always as straightforward as statistics. The *Self-employed without employees in Finland 2013* survey showed clearly that a significant share of self-employed persons without employees received their income from a patchwork of different sources. Approximately one out of five self-employed persons without employees had also worked as employees in the past 12 months. (Pärnänen & Sutela 2014.)

Individuals may alternate between periods of paid employment and self-employment, or a person who mainly works as an employee may have a secondary job as a self-employed worker – or vice versa. Paid employment and work for profit may sometimes be difficult to classify into a main job and a secondary job, as the person may experience them as being of equal value: they may work with different statuses even in the course of a single day.

The study *Self-employed persons in Finland 2017* gave us an opportunity to investigate from different perspectives how common employment in which different statuses are combined is among different groups of self-employed persons and employees. We used the data on main and secondary jobs in the week of the survey obtained in the Labour Force Survey as well as data collected in the *Self-employed persons in Finland 2017* survey on whether a self-employed person had had paid employment or an employee had done self-employed work in the last 12 months.

Altogether 11 per cent of self-employed persons in agriculture, seven per cent of employer entrepreneurs, and six per cent of both self-employed persons without employees and employees responded 'yes' when asked in the Labour Force Survey whether they had had more than one job in the *week of the survey*. Of all self-employed persons, a total of seven per cent had had at least two jobs in the week of the survey, with similar shares for men and women. Typically, they had had two jobs, whereas in some rare cases, the number of jobs could be up to three or four.

The secondary jobs of employees also comprised paid employment slightly more often than self-employed work. Of those self-employed persons without employees who had had at least two jobs, more than a half reported that their secondary job was paid employment, and fewer than one half said that it was self-employed work. On the other hand, employer entrepreneurs' secondary job was clearly more often also self-employed work rather than paid employment. It was similarly more typical for self-employed persons in agriculture to have a secondary job comprising self-employed activities rather than paid employment.

In other words, the figures discussed above only described the situation in the week during which the Labour Force Survey was conducted. We additionally asked self-employed persons if they had worked as employees, and employees if they had worked as self-employed, freelancers or grant recipients *in the past 12 months*. When the reference period is extended in this way, we also get a better idea of occasional work carried out as secondary or additional jobs or working with different statuses at different times.

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This approach increased the proportions of those who had had several jobs compared to when the question was limited to the week of the survey. Approximately one out of ten (11%) self-employed persons said they had also worked as employees in the 12 months preceding the survey. This was slightly more common among the self-employed without employees (14%) than self-employed persons in agriculture (10%) or employer entrepreneurs (8%). There was little difference between the genders (men 11%, women 12%).

If a self-employed person had worked as an employee in the past 12 months, we further asked them which of the following statements was a better description of their situation: *I am mainly self-employed but I also have a secondary job as an employee* or *I combine self-employment, paid employment and/or work supported by a grant to variable degrees*. When a person finds it difficult to identify either self-employment or paid employment as their main form of employment and reports that they work in these roles to variable degrees, we refer to this situation as *combined work* in this report.

Of the respondents who had worked as employees in addition to self-employed work, 69 per cent (men 67%, women 71%) reported that self-employed work was their main form of employment, whereas paid employment was only a secondary job. In all, 29 per cent of the men and 28 per cent of the women (total for both genders 29%) who had worked as employees in addition to self-employed work reported, however, that they combined both types of employment to variable degrees, without identifying either as their actual main job. This identity based on combined work was more common among the self-employed without employees (32% of those who had worked as employees) and self-employed persons in agriculture (31%) than among employer entrepreneurs (16%).

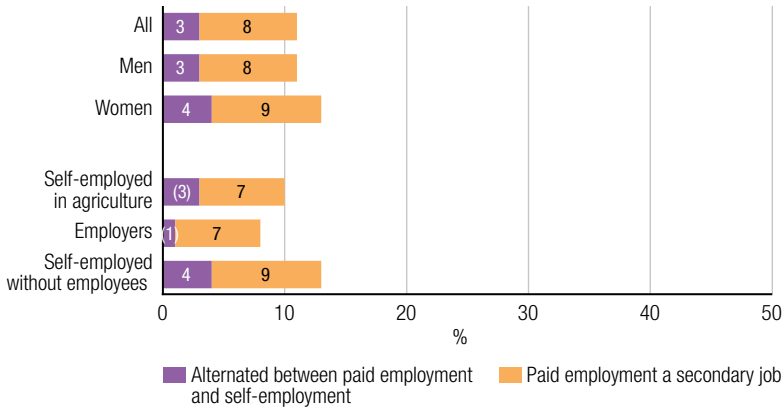
Working as an employee in addition to self-employed work is the most common among young self-employed persons and becomes less common with age. While 22 per cent of self-employed persons aged under 35 reported having also worked as an employee in the past 12 months, this share for persons aged over 55 was seven per cent. Variable combinations of paid employment and self-employment were also more typical for young people: this was the case for 36 per cent of those aged under 35 and 19 per cent of those aged over 55 who had worked as employees in addition to self-employed work.

In proportion to all self-employed persons, these figures mean that approximately three per cent of all persons who were classified as self-employed in the Labour Force Survey of 2017 could be described as doing combined work rather than self-employed work as their main job. (Figure 3.4.) They did self-employed work and worked as employees to variable degrees, without being able to identify either as their main form of employment. Additionally, eight per cent of all self-employed persons had worked as employees occasionally or as a secondary job in the previous 12 months.

The share of those engaged in combined work was the greatest among self-employed persons aged under 35 (8%); this figure dropped to four per cent for those aged 35 to 44, three per cent for persons aged 45 to 54, and around one per cent for self-employed persons aged over 55. Four per cent of self-employed persons without employees, three per cent of self-employed persons in agriculture, and approx. one

Figure 3.4

Have done combined work in the past 12 months, self-employed by type and gender, %. Self-employed persons in Finland 2017, Statistics Finland



() = Due to the small number of observations, the data in brackets are indicative only

per cent of employer entrepreneurs felt they combined self-employment and paid employment to variable degrees. Combined work was the most common among young self-employed persons in agriculture aged under 35 (13%) and young self-employed persons without employees (8%).

Employees were asked a similar question about whether they had done self-employed work in the past 12 months. In this group, combining different professional statuses was not quite as common as among self-employed persons: six per cent of employees had also done self-employed work in the past 12 months, men (8%) more often than women (5%). While differences between age groups were not large, this phenomenon was the most frequent in the age group 35 to 44 (8%).

If an employee had also done self-employed work, it was most often a secondary job (84%). As few as 14 per cent of employees who had also done self-employed work felt they were combining paid employment and self-employment to variable degrees.

In proportion to all employees, these figures mean that approximately one per cent of persons classified as employees in the Labour Force Survey 2017 reported that they combined self-employment and paid employment variably as combined work. There was little or no difference between the age groups in this respect. In addition, five per cent of employees had done self-employed work as a secondary job in the past 12 months.

By combining these data, we can conclude that approximately one per cent of all the employed aged between 15 and 74, or some 30,000 people, worked in self-employment and paid employment to variable degrees in 2016–2017 without being able to identify clearly either as their main form of employment. In the Labour Force Survey statistics, they have been classified as either employees or self-employed persons depending on their situation during the specific week in which the survey was carried out. In this study, we refer to them as combined workers.

This fluctuation of statuses between self-employment and paid employment is challenging in terms of the current social security legislation, in particular.

Time worked as self-employed and years of gainful employment

In the *Self-employed persons in Finland 2017* survey, the respondents were asked about the number of years they had been in gainful employment during their lives (either as employees, self-employed persons or unpaid family workers) and, on the other hand, the number of years they had worked as self-employed in their main job.

A few per cent of the respondents classified as self-employed reported that entrepreneurial work had at no time been their main job (men 2%, women 3%). This corresponds to approx. 7,000 people. When we take a closer look at this group, we see that it mainly comprises self-employed persons without employees who work for less than 20 hours a week. The majority of them were aged over 55, and as many as one half were on an old-age pension. Another typical case in this group were students aged under 35, who accounted for approximately one out of five of all persons classified as self-employed for whom self-employment had at no time been their main job.

In general, few people become entrepreneurs right at the beginning of their careers. In the case of as few as nine per cent of all respondents who were self-employed, the number of years for which self-employed work had been their main job equalled the total number of years in gainful employment. The share of these persons who started out directly as entrepreneurs was the greatest (20%) among self-employed persons in agriculture, whereas eight per cent of employer entrepreneurs and six per cent of self-employed persons without employees appeared to have begun their careers directly as entrepreneurs.

For the averages of the number of years for which the respondents had been in gainful employment and for which self-employed work had been their main job by self-employed type and gender, see Tables 3.5 and 3.6. On average, self-employed workers' years in gainful employment exceeded their years of doing self-employed work as their main job by 12. It appears that self-employed persons in agriculture had become self-employed earlier than other self-employed persons: on average, they had been in working life for eight years, employer entrepreneurs more than 12 years and self-employed persons without employees more than 13 years longer than they had been working as self-employed.

In 2017, self-employed men had been in gainful employment on average three years longer than women. On the other hand, men appear to have become self-employed at a slightly earlier stage of their careers than women: men's careers as entrepreneurs had been on average 3.3 years longer than women's.

The total career lengths of self-employed persons in agriculture were, on average, roughly three years longer than other self-employed workers', partly due to the age structure of this group, in which the older age groups predominate. The difference regarding the number of years for which the respondents had been self-employed as their main job was even greater than this, however. The entrepreneurial careers of self-employed persons in agriculture were on average over seven years longer

Table 3.5

Average number of years in gainful employment, self-employed by gender and type, years. Self-employed persons in Finland 2017, Statistics Finland

	Self-employed in agriculture	Employer entrepreneurs	Self-employed without employees	Total
Men	22.6	15.5	14.8	16.6
Women	20.7	13.4	11.7	13.3
Total	22.1	15.0	13.6	15.5

Table 3.6

Average number of years with self-employment as the main job, self-employed* by gender and type, years. Self-employed persons in Finland 2017, Statistics Finland

	Self-employed in agriculture	Employer entrepreneurs	Self-employed without employees	Total
Men	31.1	27.2	28.2	28.5
Women	27.7	26.8	24.6	25.5
Total	30.3	27.1	26.8	27.5

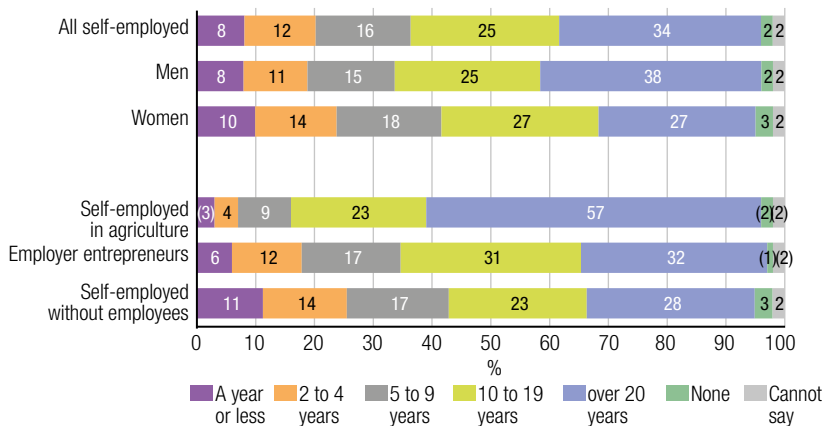
* Excluding those not doing self-employed work as their main job

than those of employer entrepreneurs and over eight years longer than those of self-employed persons without employees.

On average, self-employed persons working in Finland in 2017 had rather long careers in self-employment behind them. Approximately one out of three had been self-employed for over 20 years, and among farmers, this applies to more than one out of two. Only a few per cent of self-employed persons in agriculture had been self-employed for less than two years, whereas this proportion for self-employed persons without employees was 11 per cent. (Figure 3.5.)

Figure 3.5

Years of self-employment as the main job, self-employed by gender and type, years. Self-employed persons in Finland 2017, Statistics Finland



() = Due to the small number of observations, the data in brackets are indicative only

The length of the career in self-employment naturally depends on the person's age. Of self-employed persons aged under 25, altogether 42 per cent had only been doing self-employed work as their main job for less than two years; additionally, one out of ten said that self-employed work had not (yet) been their main job at any time. In the age group 25 to 34, the share of such 'novices' was 23 per cent, and in the age group 35 to 44, it was 11 per cent. We should note, however, that even in the age group 65 to 74, a few per cent were persons who had been self-employed for at most one year or less during their careers. In addition, nine per cent of the older age group said that self-employed work had not been their main job at any time.

A closer examination of the oldest age group among the self-employed reveals some interesting details. In 2017, 13 per cent of all self-employed persons aged between 65 and 74 appeared to be persons who had been employees during their actual careers but who, after retirement, had to some extent continued working as self-employed. Their proportion was less than two per cent of all self-employed persons aged between 15 and 74, or some 5,000 people. As they had completed at least one hour of gainful employment in the week of the survey, they were classified as self-employed in the Labour Force Survey – mainly as self-employed persons without employees but also self-employed persons in agriculture. This group also contained a small number classified as employer entrepreneurs. The respondents themselves, almost without exception, identified retirement as their main activity. The members of this group were highly selected: four out of five (80%) had a tertiary level qualification. Frequent job titles in this group included doctor, psychotherapist or consultant, but also farmer or forestry entrepreneur. The gender division was similar to the division of all self-employed persons: two out of three were men. The regular weekly working hours of most, if not quite all, retired persons who were self-employed were rather short.

An interesting additional observation is that more than one half of those who worked as employer entrepreneurs in 2017 had started off without paid labour force and transitioned to self-employment gradually. This question was put to all employer entrepreneurs, also those working in agriculture. It was more typical for self-employed persons in agriculture who had employees at the time of the survey (72%) than for employer entrepreneurs in other industries (50%) to have started self-employed activities without paid labour force. It was slightly more common for men (55%) than women (46%) who had employees to have started as self-employed without paid labour force – in other words, having been an employer from the start was more typical for the relatively small group of women who had employees.

When we look at this question from the perspective of industrial structure, we can see that starting off directly as an employer entrepreneur was the most common among employers who worked in manufacturing, wholesale and retail trade and human health and social services. Starting as a self-employed person without employees was the most common for employer entrepreneurs who, at the time of the survey, worked in agriculture, construction, arts, entertainment and recreation, education, and administrative and support service activities.

Many differences between types of self-employment

In this Chapter, we have examined the structure of self-employed workers of each type by gender, age, education and industrial structure, and also compared the self-employed to employees. We also looked at the incidence of combining self-employment and paid employment as well as the duration of self-employed workers' careers in self-employment.

Compared to employees, self-employed persons are a highly male dominated and, on average, older group with a lower level of education. The industrial structure of their activities is clearly less diverse than in employees' work. Combining self-employed and employee statuses is more typical for them than for employees.

The tendency of similar employment statuses to cumulate in intimate partner relationships was also confirmed by the *Self-employed persons in Finland 2017* data set: a self-employed person is clearly more likely than an employee to have a spouse who is self-employed, and furthermore, the probability that an employer entrepreneur's partner is an employer entrepreneur, a self-employed person in agriculture has a spouse with the same status, and a self-employed person without employees is in a relationship with another self-employed person without employees is higher than average.

However, there are clear differences between types of self-employment. Self-employed persons in agriculture stand out from the others as the oldest in their age structure, and they have worked in gainful employment and as self-employed for a higher than average number of years. They also appear to have become self-employed at an earlier stage of their careers than employer entrepreneurs or self-employed persons without employees. One out of five in this group had started their career directly as self-employed. Self-employed persons in agriculture are a highly male-dominated group, and their average level of education is lower than in other groups. Of young self-employed persons in agriculture aged under 35, a total of 13 per cent can be characterised as doing so-called combined work: in their gainful employment, they combine self-employment and paid employment in a variety of ways.

The gender division of self-employed persons without employees is more even than in other groups, even if the majority of them are also men. Their industrial structure is more diverse than among employer entrepreneurs. The share of those working in cultural and handicraft occupations and as information work professionals among all self-employed persons without employees aged between 15 and 64 had increased in 2017 compared to 2013. Self-employed persons without employees are more likely to combine self-employment and paid employment than other groups.

The relative proportion of persons aged under 35 is larger among the self-employed without employees than in the other groups of self-employed persons. This partly explains the fact that self-employed persons without employees have on average cumulated fewer years in gainful employment and as self-employed than self-employed persons in agriculture or employer entrepreneurs. While eight per cent of self-employed persons without employees appear to have entered the

labour market directly through self-employed activities, on average they have moved from paid employment to self-employment in a later stage of their careers than the other groups. Combined work is more typical for self-employed persons without employees than for others classified as self-employed.

Employer entrepreneurs are an equally male-dominated group as self-employed persons in agriculture, and an equally large share of them has completed tertiary level education as among self-employed persons without employees. In terms of age structure, the middle age groups are strongly predominant among employer entrepreneurs. They have clearly fewer years in gainful employment and in self-employment behind them than the self-employed in agriculture, but clearly more than the self-employed without employees. Almost one half of employer entrepreneurs work in construction, wholesale or retail trade, or professional, scientific and technical activities. Employer entrepreneurs are less likely to have combined paid employment with their self-employed work in the past 12 months than self-employed persons in agriculture or self-employed persons without employees.

These differences between the structures of different self-employed worker types should be remembered as we move on to look at the features of self-employed work from different perspectives.

4 Pathway to self-employment

How do you become an entrepreneur? What kind of a pathway leads you to a situation where you set up an enterprise or a trade name, or decide to become a self-employed person in agriculture or work as a freelancer? Multidisciplinary research on self-employment has proven that a number of factors are at play in the decision to become self-employed: *personal characteristics*, *background factors* as well as *situational factors*.

Personal characteristics refer to such properties as risk-orientation, tolerance of uncertainty, goal-orientation, responsibility and determination. Self-employed persons have been found to possess these characteristics more often than others, even if the very same attributes can also be found in employees. (Parker 2004.)

As the most important *background factor* has been highlighted *prior work experience* in a small enterprise or a family business, in which the person has gained practical knowledge about enterprising. Competence, expertise and client networks acquired in paid employment also play a role in venturing to become self-employed. (Giacomin et al. 2011, Parker 2004, Huuskonen 1992.)

Situational factors refer to factors in an individual's surroundings. They may be associated with the general societal situation, including the employment situation, or personal, such as being pushed onto the path of self-employment after a divorce. Situational factors can be divided into *push and pull effects*. Push effects include the factors listed above, whereas pull effects include coming across a good opportunity. (Dawson et al. 2012.)

In their research, Heinonen et al. (2006) found discovering an attractive business opportunity and experiencing self-employment as a natural next step on their careers as important pull effects of self-employment. Being offered an opportunity to be self-employed was also an important factor.

Push effects include dissatisfaction with your job, paid employment that does not match your education, and the ending of an employment relationship. As other push effects emerged, for example, the experience that self-employment was the only way of finding employment in your field or location. (Ibid.)

In addition to the aspects discussed above, institutional factors, including the regulation of industries, also affect the decision to become self-employed (Fuentelsaz et al. 2015, Angulo-Guerro et al. 2017, Muehlberger 2007).

In this report, we examine pathways to self-employment in the light of situational and, to some extent, background factors, while the effects of personal characteristics on the decision to become self-employed are ignored.

Voluntary or not?

For some time now, research on self-employment has made the distinction between becoming self-employed *out of opportunity* and *out of necessity* (e.g. Binder & Coad 2013, Muehlberger 2007, Kautonen 2007). The former describes a situation where an individual is interested in self-employment and gravitates towards it actively and

willingly. The latter refers to a situation where a person has become self-employed against their will because no paid employment was available, or the work was outsourced to self-employed workers.

In practice, the situation is not always as black and white as this. Both push effects (e.g. lack of paid employment) and pull effects (e.g. an entrepreneur's freedom and independence of the work) affect the decision to become self-employed. In many cases, it would be an over-simplification to interpret this decision as being involuntary or made out of necessity, even when lack of paid employment has given the impetus to it. For example, if paid employment in the person's field might be available in another location but they are unwilling to move, self-employment is not purely involuntary. After all, self-employment in this case enables the person to live in the location of their preference. (Hytti & Heinonen 2011.)

In the survey *Self-employed without employees in Finland 2013*, we conducted qualitative interviews to obtain information on pathways to self-employment to support the design of the survey form. The interviews indicated that it was rather difficult for the respondents to identify the reasons for becoming self-employed categorically as being motivated either by necessity or opportunity. Often both types of reasons applied. On the one hand, paid employment may not have been readily available, and on the other, self-employment was seen as having its silver lining. For many, this was about choosing between two alternatives that each were attractive in their different ways, whereas others felt it was rather a case of having gravitated towards self-employment. For some it to a great extent happened by chance, as a suitable opportunity presented itself just at the right juncture of their careers.

In the survey *Self-employed without employees in Finland 2013*, we consequently concluded that when looking at the pathway to self-employment, in addition to necessity and entrepreneurial orientation, drifting towards self-employment or grasping an opportunity should be included as another category.

Different types of self-employment and pathways to self-employment

Different types of self-employed persons appear to have followed different pathways to self-employment, even if similarities can also be found.

In the survey *Self-employed persons in Finland 2017*, the pathway to self-employment was explored through the question *Which of the following reasons describe why you first became self-employed in your current job?* To begin with, the respondent selected among the listed reasons all those that were relevant to their situation. In further questions, the respondent was asked to pick the main difficulty. This question was used in all EU countries.

The response options corresponded to three categories of pathways to self-employment: 1) *out of necessity*, 2) *by drifting and grasping an opportunity* or 3) *through entrepreneurial orientation*.

Figures 4.1. and 4.2 show the factors cited as one reason for embarking on the path of self-employment by gender and self-employed type. The most frequently picked options were *a suitable opportunity presented itself* and *it is the usual practice*

Figure 4.1

Factors affecting the decision to become self-employed by gender, %. Self-employed persons in Finland 2017, Statistics Finland

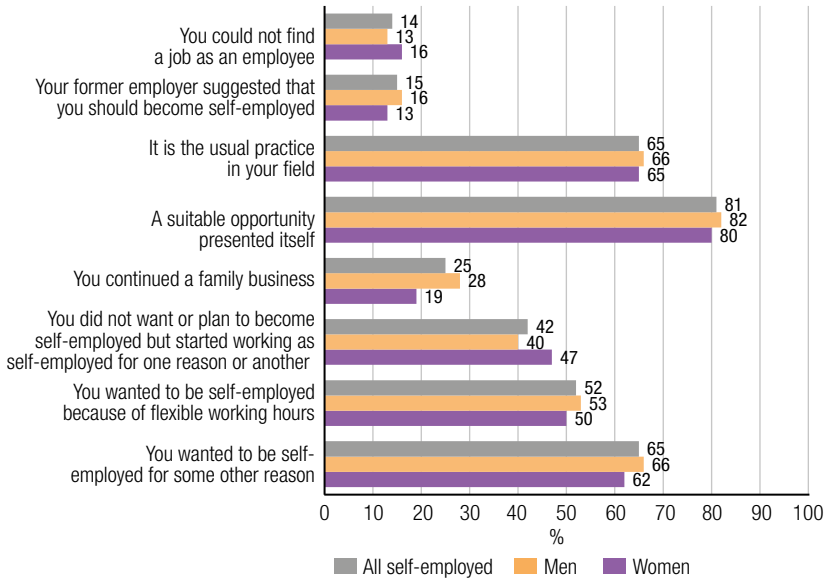
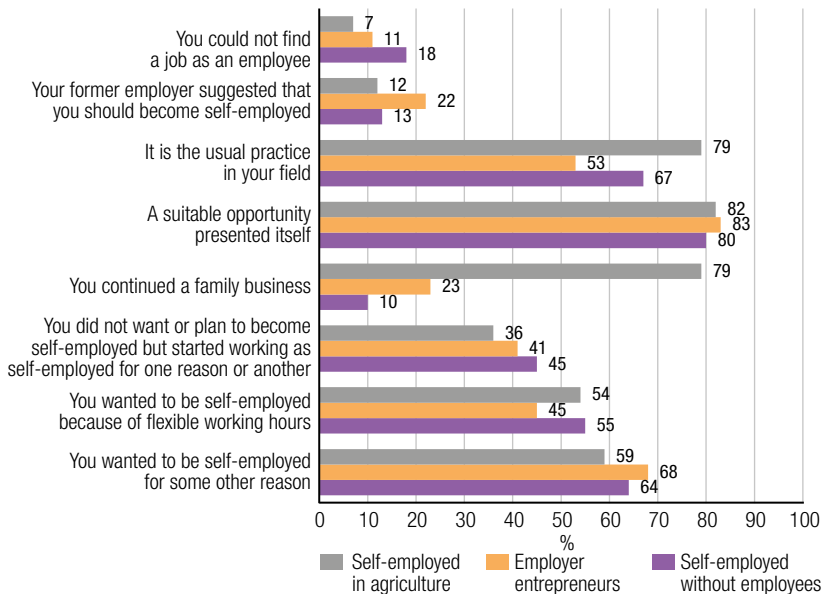


Figure 4.2

Factors affecting the decision to become self-employed by self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



4 Pathway to self-employment

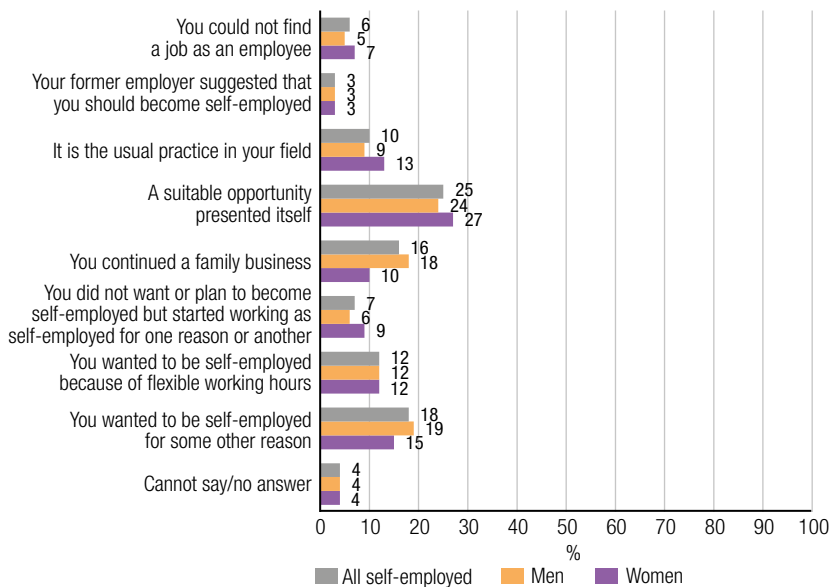
in your field. The last option is not mentioned as the **main** reason by very many respondents (Figure 4.3) even if, for a large number of respondents, it appears to have been one of the factors playing a role. A similar reason was flexible working hours, which was mentioned as one reason for becoming self-employed by as many as one half of the respondents. However, only one out of ten cites this as the main reason. It is likely that this option also reflects the freedom associated with self-employment in general rather than only the working hours. Understandably, for many self-employed workers it is an important factor that encouraged them to try self-employment.

Self-employed persons in agriculture differ from the others in that the majority of them cite *I continued a family business* as one reason for embarking on a career in self-employment (79%). A much smaller proportion of employer entrepreneurs (23%) and self-employed persons without employees (10%) mentioned this as one of the factors. Similarly, as many as 22 per cent of employers cite their former employer proposing that they should become self-employed as one reason, whereas approximately ten per cent fewer self-employed persons without employees and self-employed persons in agriculture selected this reason. Self-employed persons without employees (18%) stressed inability to find a job as an employee as a reason for becoming self-employed more frequently than the other groups (employers 11%, self-employed in agriculture 7%).

Gender differences were minor. Our attention is mainly drawn to the fact that men were more likely to cite continuing a family business as the reason, whereas

Figure 4.3

Most important reason for becoming self-employed, self-employed by gender, %. Self-employed persons in Finland 2017, Statistics Finland



women said more frequently that they had gravitated towards self-employment “for one reason or another” even if this is not what they originally wanted or planned.

Figure 4.3 shows the distribution of responses by all respondents by gender concerning the **main** reason for becoming self-employed. Clearly the most common individual reason was that a suitable opportunity presented itself. For quite a few, it was above all about wanting to become self-employed (18%) or continuing a family business (16%). On the other hand, relatively few gave inability to find a job as an employee (6%) or the fact that their former employer outsourced the work (3%) as the primary reason.

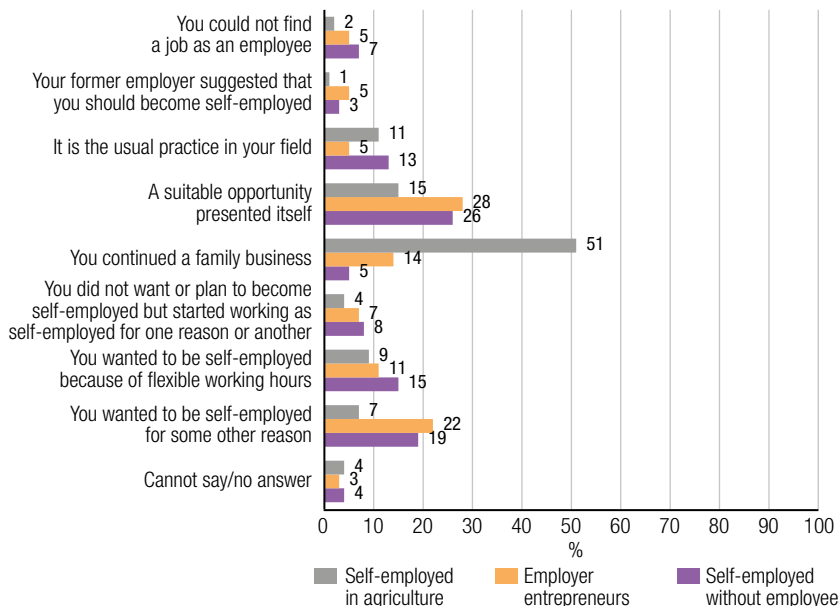
There was little difference between the genders, except in continuing a family business, which was cited as the main reason for becoming self-employed clearly more often by men (18%) than women (10%). Contrary to what we might expect, flexible working hours as the primary reason for becoming self-employed was not selected by women more often than men. In this context, self-employment was thus not seen as a way of facilitating the reconciliation of work and family life by women.

However, this general finding warrants a closer look at the level of different groups.

First of all, it is important to examine the reason for becoming self-employed by self-employed group (Figure 4.4). This reveals that self-employed persons in agriculture stand out clearly among the other groups. For more than one half of them, continuing a family business was the most important reason to be making a living as self-employed. This was the primary reason for a considerably smaller

Figure 4.4

Most important reason for becoming self-employed, self-employed by self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



group among employer entrepreneurs (14%), and among self-employed persons without employees, only 5 per cent cited continuing a family business as the main reason. This finding is not surprising as such; inheriting a farm and continuing its operation is, of course, frequently associated with self-employment in agriculture. Similarly, if the person's parents or other family members have had an enterprise that also hires other employees, they are likely to be more willing and under more pressure to continue its operation than if the family's enterprising activities had been limited to self-employment without employees. The occupational structure of self-employed persons without employees, including the large share of those working in the cultural sector, probably partly explains the low number of those who continued a family business in this group.

While the pathway to self-employment in agriculture was different from the other groups, the main reasons for becoming self-employed were quite similar for employer entrepreneurs and self-employed persons without employees. Approximately one half of employer entrepreneurs initially operated without paid labour force, which is why the similarities with the findings concerning self-employed persons without employees make sense. For both self-employed persons without employees and employer entrepreneurs, the reasons for becoming self-employed have included a suitable opportunity presenting itself and wanting to be self-employed. The third most common reason for self-employment was, as mentioned before, continuing a family business for employer entrepreneurs, and a wish to have flexible working hours for self-employed persons without employees. In the latter group, the flexibility of enterprising was the most important reason for selecting this career path for 15 per cent.

Three pathways to self-employment

To obtain a clearer and more usable general idea of people's reasons for embarking on a pathway to self-employment, we need to analyse the responses further.

In this section, the response options have been grouped according to whether becoming self-employed was 1) a choice made out of necessity, 2) motivated by a clear desire to become an entrepreneur, or 3) to a great extent the result of chance and an opportunity presenting itself.

We regarded becoming self-employed as a choice made out of necessity if the most important reason picked by the respondent was one of the following: *You could not find a job as an employee*, *It is the usual practice in your field* or *Your former employer proposed that you become self-employed*.

Similarly, if the respondent selected the option *You wanted to be self-employed because of flexible working hours*, *You wanted to be self-employed for other reasons* or *You continued a family business*, they were classified as being entrepreneurially oriented. We interpreted continuing a family business as a desire to work as self-employed even though in some cases, of course, the person may have made this decision out of duty or under pressure.

If the respondent selected the option *You did not want or plan to become self-employed but it just happened for one reason or another* or *A suitable opportunity presented itself*, self-employment is explained by drifting and a chance.

The findings indicate that approximately one out of five (19%) became self-employed *out of necessity*. Rather than being the result of entrepreneurial orientation or a goal-oriented plan, self-employment was selected because no paid employment was available and the respondent had to make a living in some other way. This group's situation is described by outsourcing and self-employment as practices of the field.

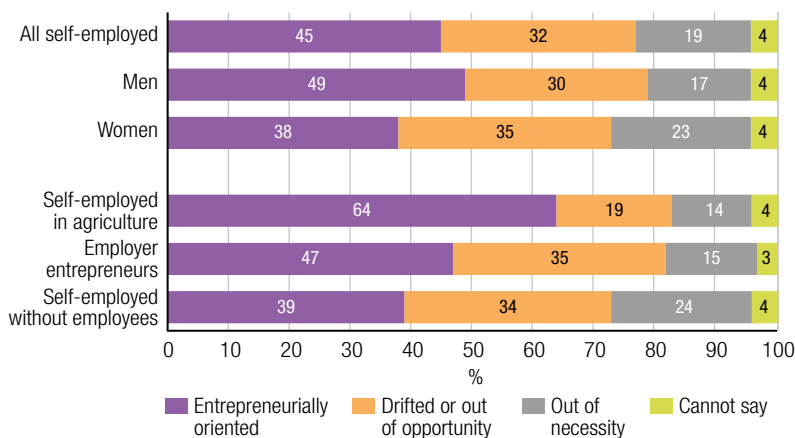
In all, 46 per cent of all self-employed persons genuinely followed the pathway to self-employment as a personal choice. For them, self-employment was above all a desirable form of employment, a planned and more or less goal-oriented choice. They were clearly *entrepreneurially oriented*.

For the remaining 45 per cent, the reason was something between these two opposites – about grasping an opportunity that presented itself rather than goal-oriented entrepreneurial orientation or necessity. Another possible interpretation is that a personal interest in becoming self-employed was more important overall than selecting this form of employment out of necessity as, once they came across an opportunity, they did seize it.

The situations of the various self-employed groups had their differences. Self-employed persons without employees had the highest relative proportion of those who became self-employed out of necessity (23%), whereas self-employed persons in agriculture had the highest rate of those who had chosen to be self-employed (64%). The latter finding is to a great extent explained by the fact that one half of self-employed persons in agriculture cited continuing a family business as the main reason for their self-employment. (Figure 4.5.)

Figure 4.5

Pathway to self-employment, self-employed by gender and type, %
Self-employed persons in Finland 2017, Statistics Finland 2017



Women (23%) had become self-employed out of necessity more often than men (17%). Approximately one half of men and over one third of women were clearly entrepreneurially oriented.

Labour market status before self-employment

When we look at the reasons for choosing self-employment, we should also take into account the initial situation in which individuals are making their choices. Considering self-employment and the risks associated with it is quite different if your labour market status is stable than if it is unstable.

For those with a very stable labour market status, taking risks may be more difficult on the one hand – as they have more to lose – but, on the other hand, it is also easier than for those whose situation is very uncertain over all. It may be easier because a person in a stable position is likely to have more resources, both financial and mental, to start an enterprise than someone in an unstable situation.

The labour market status before self-employment is also interesting in the context of the discussion about so called “forced self-employment”. This concept came to light in public debate during the recession of the early 2000s; it was believed that the growth in the number of self-employed persons without employees could be explained by the fact that people become self-employed involuntarily if there is no paid employment or if employers outsource paid employment as self-employed work.

Within the framework of the discussion on self-employment out of necessity, it is interesting to note that most self-employed workers in 2017 had had a secure labour market status before becoming self-employed. Approximately 60 per cent had been employees with no particular threat of unemployment. However, less than one out of five (19%) had been either unemployed or an employee at risk of unemployment. This situation had been the most common for self-employed persons without employees (21%). (Figure 4.6.)

Unpaid family workers were also asked about their labour market status. For them, it was more typical than for other self-employed persons to have studied or cared for children before becoming self-employed, which is easily understood.

When we look at the respondent’s labour market status before self-employment and seek to determine whether the motivating factor for becoming self-employed was necessity, choice or chance, the results are as follows: approximately one out of three (34%) of those whose labour market status was insecure had become self-employed out of necessity. Of those whose labour market status had been secure before they became self-employed, only 14 per cent said they had taken this step out of necessity. This share was approximately one out of four (26%) for respondents who had either studied, cared for a child or done something else before becoming self-employed. (Figure 4.7.)

Figure 4.6

Situation before becoming self-employed, self-employed and unpaid family workers by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland

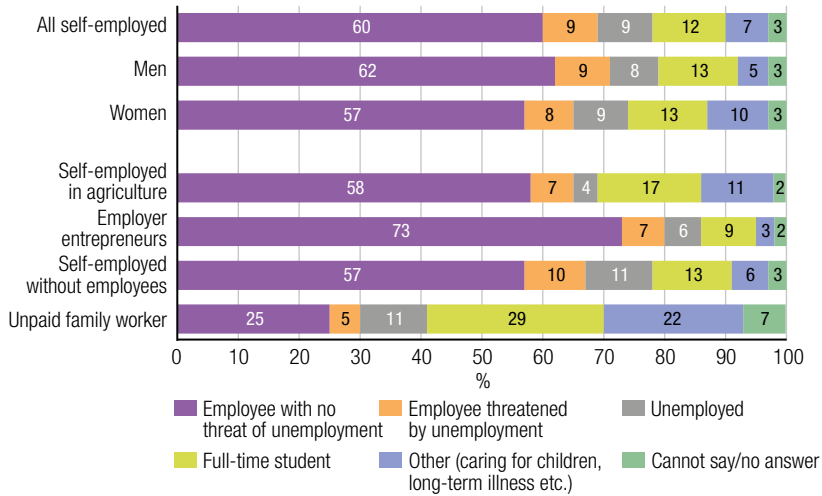
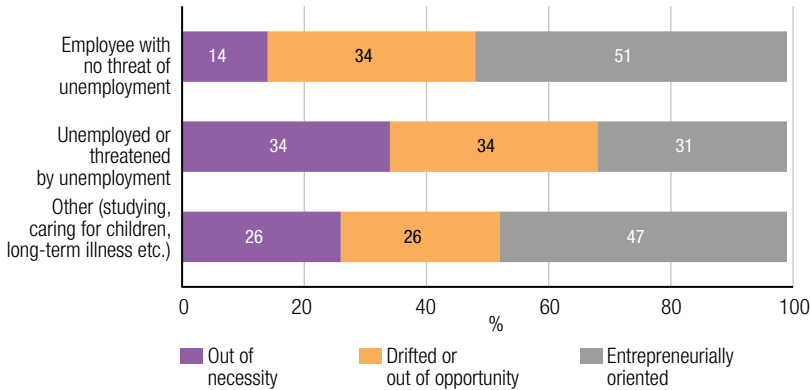


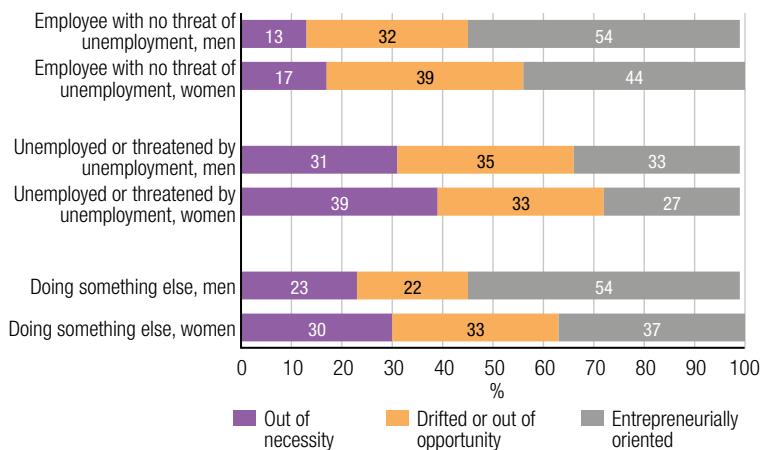
Figure 4.7

Pathway to self-employment by labour market status prior to self-employment, %. Self-employed persons in Finland 2017, Statistics Finland



Regardless of the initial situation, men were entrepreneurially oriented more often than women. In other words, even when the respondent was unemployed or at risk of losing their job, men were more likely to become self-employed out of choice (33%), whereas doing so out of necessity was emphasised among women (39%). (Figure 4.8.)

Figure 4.8
 Pathway to self-employment by labour market status prior to self-employment and gender, %. Self-employed persons in Finland 2017, Statistics Finland



Preference for paid employment

The respondents were also asked directly if they would prefer to work as employees in their current jobs. The findings were in line with the figures discussed above.

The majority (84%) of self-employed persons preferred to be self-employed rather than employees. Only 11 per cent of the respondents would have preferred to be employees, while five per cent could not say. Women (15%) were more likely to express preference for employee status than men (9%). A slightly smaller share of employer entrepreneurs (9%) would have preferred paid employment compared to self-employed persons without employees (13%) and self-employed persons in agriculture (12%) (Figure 4.9). Young people aged between 15 and 24 were slightly more likely (17%) to prefer employee status, whereas in the older age groups, this share varied from 9 to 13 per cent.

Preference for paid employment over self-employment is one thing, but the possibility of actually finding paid employment is quite a different matter. What possibilities would self-employed persons in general have of finding paid employment in the same job? This question was not put to employer entrepreneurs.

Approximately two out of five (38%) self-employed persons without employees believed they had good possibilities of finding paid employment, one quarter felt their possibilities were reasonable, and fewer than one third said they were poor (Figure 4.10). As many as 40 per cent of self-employed persons without employees in agriculture considered their possibilities poor. This is likely to be explained by the respondent's idea of finding paid employment "in the same job". Understandably, this would be more difficult in agricultural work than in other occupations. Men experienced their possibilities of finding paid employment as clearly better than women.

Figure 4.9

Preference for self-employment or paid employment, self-employed by gender and type, %. Self-employed persons in Finland 2017, Statistics Finland

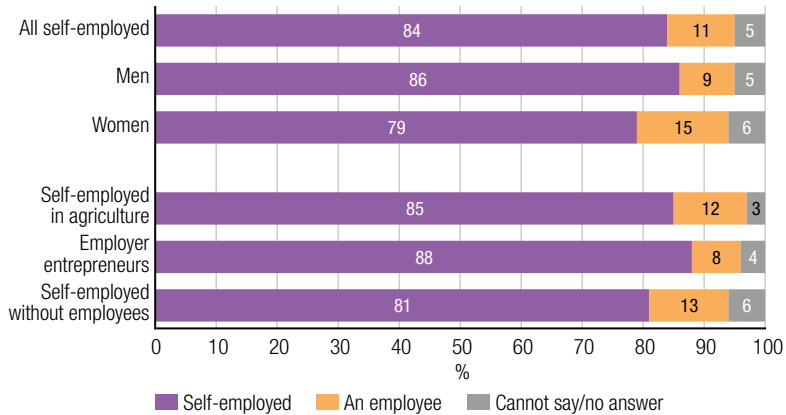
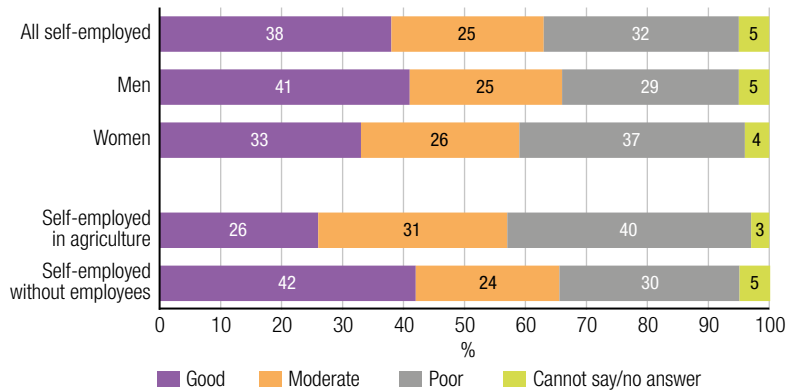


Figure 4.10

Experienced possibilities of finding paid employment in the same job, self-employed without employees by gender and self-employed type Self-employed persons in Finland 2017, Statistics Finland



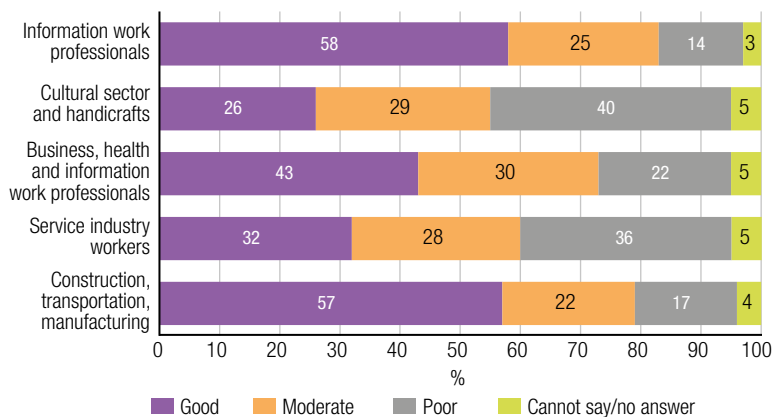
The *Self-employed without employees in Finland 2013* study revealed great variations in the labour market statuses of self-employed persons without employees: some had plenty of work and a secure income, while others continuously struggled with an income they found insufficient. It is thus interesting to look also at the possibilities of self-employed persons without employees felt they had of finding jobs as employees by occupational group.

Figure 4.11 shows that those who worked in the cultural and handicraft sector and service industry workers were more likely than others to experience their possibilities of finding paid employment as poor. In this respect, the responses of those working in the cultural and handicraft sector and in agriculture were almost

identical. Information work professionals and workers in the construction and transportation sectors, on the other hand, found their possibilities better than others.

Not unexpectedly, the respondents' assessments of their possibilities of finding paid employment were linked to their age. Almost one half of self-employed persons without employees aged under 40 considered their possibilities of finding paid employment good. While this share decreased to 46 per cent in the age group 40 to 49, a clear drop was only seen among those aged over 50; in the age group 50 to 59, 35 per cent and in the age group 60 to 69, only 27 per cent found their possibilities good. On the other hand, this share in the oldest age group could be considered surprisingly large.

Figure 4.11 Experienced possibilities of finding paid employment in the same job, self-employed without employees by occupational group, %. Self-employed persons in Finland 2017, Statistics Finland



Self-employment is the preferred form of employment for most

In this Chapter, we have sought to establish how many self-employed persons have become self-employed out of choice, and how many have ended up as self-employed involuntarily due to insecure labour market status and out of necessity.

The majority of the self-employed had ended up making a living in this manner by choice or by grasping an opportunity that presented itself, as if by chance, as self-employment had seemed a feasible way of operating in the labour market at a certain point on their careers.

Consequently, those who became self-employed out of necessity were a minority. Fewer than one out of four of all self-employed persons felt this applied to them. This situation was more common for women than for men, and more common for self-employed persons without employees than for self-employed persons in agriculture or employer entrepreneurs. Based on the results we can

conclude that in 2017, approximately 60,000 people in Finland, or 2.4 per cent of the employed, were self-employed out of necessity.

The majority of self-employed workers had decided to pursue the career of their choice while in a secure position in the labour market, as approximately 60 per cent had worked as employees without a risk of unemployment before becoming self-employed. However, fewer than one out four had been unemployed before starting self-employed activities, or they had been employees at risk of losing their jobs. This starting point was more typical for self-employed persons without employees than for the other groups, and more common for women than men.

Most self-employed persons without employees in agriculture and in other industries considered their possibilities of finding paid employment in the same job either good or reasonable. Approximately one out of three found their possibilities poor. This was more typical for self-employed persons in agriculture than for self-employed persons without employees in other industries.

The findings show that individuals mainly become self-employed out of choice. In 2017, only one self-employed person out of ten would have preferred to work as an employee in the same job.

4 Pathway to self-employment

5 Self-employed work – growth prospects, methods of growth and difficulties in work as self-employed

When we talk about self-employment, two key themes often come up: growth prospects and the difficulties associated with self-employment.

Enterprises' willingness to grow, especially by increasing their staff numbers, is a topic of interest as enterprises' growth prospects are linked to a higher employment rate. The more employees are hired by enterprises of all sizes, the faster the growth of employment. Even if growth oriented, some enterprises find themselves unable to grow regardless of their efforts to do so. In principle, however, no growth is possible unless the enterprise is willing to grow.

The growth prospects regarding staff numbers were thus also investigated in this survey, while also taking into account the use of subcontractors and other types of networking. Sharing work through subcontracting offers a possibility of passing on some of the work to others if the self-employed person or the enterprise cannot respond to the demand on their own. Subcontracting may also be used to obtain competence that the self-employed person has insufficiently or not at all. Networking, on the other hand, means a practice where self-employed persons share work, pass on orders to each other and, for example, work on joint projects.

Being self-employed is not always easy, and self-employed work is associated with its own difficulties and obstacles. Gathering information about these difficulties is necessary in order to offer self-employed persons assistance on the one hand and to eliminate obstacles to self-employment where possible on the other.

In this Chapter, our focus is on growth prospects and difficulties in work as self-employed. However, we will begin by examining the number of business partners.

Number of business partners

In the Labour Force Survey, respondents are classified as self-employed based on their own report, and as employers are defined those who have paid labour force. Whether a respondent has paid labour force or not, they may have one or several business partners. In that case, they work together but without an employer-employee relationship.

In total, 36 per cent of the respondents had a business partner. While employer entrepreneurs had business partners more often (61%) than other self-employed persons, surprisingly many self-employed persons in agriculture also had a partner (40%). It is probable that the partners of self-employed persons in agriculture were often their spouses (cf. Chapter 2). Self-employed persons without employees had business partners less often than the other groups (21%).

5 Self-employed work – growth prospects, methods of growth and difficulties in work as self-employed

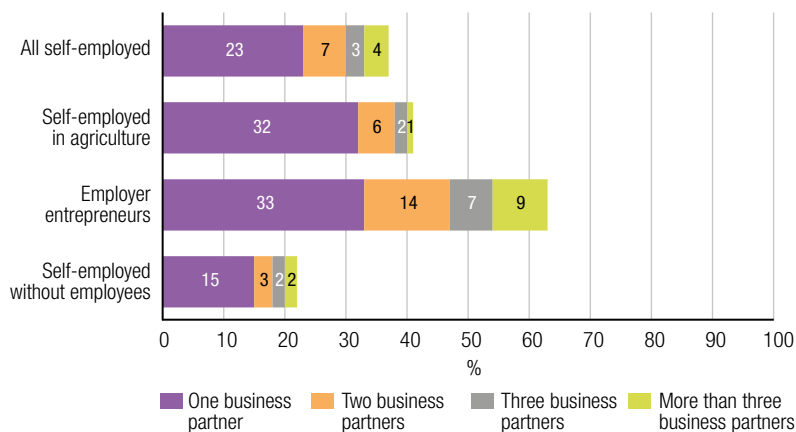
Those who did have partners mostly only had one (64%). More than one out of five (27%) had two or three business partners. Employer entrepreneurs were more likely than others to have more than one business partner: more than one half (53%) of employer entrepreneurs who had business partners had only one partner, whereas this share was 80 per cent for self-employed persons in agriculture and 69 per cent for self-employed persons without employees.

For these shares in proportion to all self-employed persons, see Figure 5.1. In other words, 15 per cent of all self-employed persons without employees had one and seven per cent had several business partners. Of all employer entrepreneurs, 33 per cent had several partners, and as many as 30 per cent had more. While self-employed persons in agriculture were almost as likely to work with one partner (32%) as employer entrepreneurs, only nine per cent of them had several partners.

Approximately two per cent of sole entrepreneurs reported that they worked through a cooperative. Of the self-employed persons in agriculture who had no paid labour force, four per cent worked through a cooperative, while this share for self-employed persons without employees was two per cent.

Figure 5.1

Working with business partners, share of all self-employed by self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



Growth prospects

A precondition for increasing the employment rate is creating more jobs. Jobs can only be created if enterprises need and want to hire new employees. Information on enterprises' growth prospects is thus important in terms of employment growth.

Approximately one out of four self-employed persons (26%) had considered hiring one or several employees over the next 12 months (Figure 5.2). Employer entrepreneurs (56%) showed clearly the greatest willingness to hire new employees, whereas only 14 per cent of self-employed persons without employees were planning to recruit their first employee. Of self-employed persons in agriculture, 19 per cent considered hiring more employees. Consequently, few self-employed persons

without employees were planning to increase their employee numbers. In the case of self-employed persons in agriculture, this share can be considered unexpectedly large when we take into account the special features of this industry and its association with family farms.

The growth-oriented enterprises are rather diverse regarding their industries. Among self-employed persons without employees, those working in *construction* and *professional, scientific and technical activities* were more likely than the others to consider hiring an employee. The latter industry comprises such fields as architectural and engineering services but also translation, photography and tourism services.

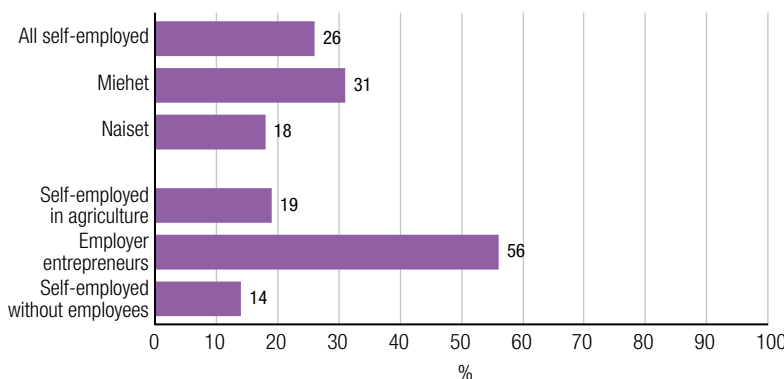
Employer entrepreneurs work in more or less the same growth-oriented industries: persons working in *construction* and in *professional, scientific and technical activities* were those with plans to hire. Growth-oriented employer entrepreneurs were also found in trade and in the information and communication industry. (Figure 5.3.)

Men showed more willingness to hire new employees than women. This finding is to a great extent explained by the fact that employer entrepreneurs are men more often than women, and those who already are employers have a lower threshold for recruiting a new employee than those with no paid labour force. However, men's greater interest in expanding the enterprise is also seen among self-employed persons without employees. Almost one out of five men who were self-employed without employees (18%) had considered hiring an employee, whereas this share for their female counterparts was as low as seven per cent.

As we already found in Chapters 2 and 3, of self-employed persons in agriculture 17 per cent were employers – or, the other way around, 10 per cent of employer entrepreneurs worked in agriculture. Consequently, in this context we should look at the willingness to hire employees by comparing employers with sole entrepreneurs. However, if self-employed persons in agriculture are included

Figure 5.2

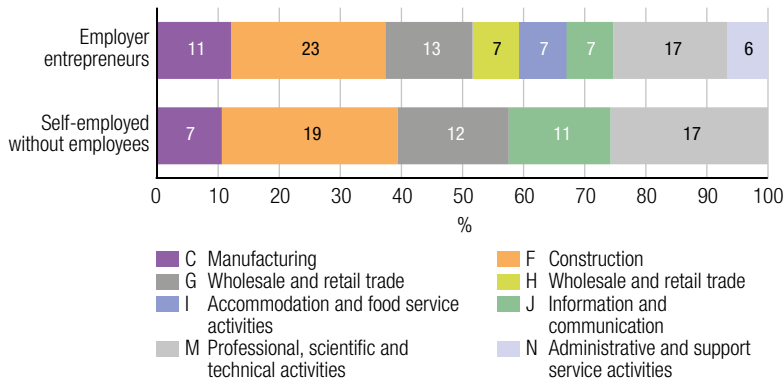
Has planned to recruit one or several employees in the following 12 months, self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



5 Self-employed work – growth prospects, methods of growth and difficulties in work as self-employed

Figure 5.3

Planning to increase their employee numbers by industry and self-employed type (excl. self-employed in agriculture), %. Self-employed persons in Finland 2017, Statistics Finland



in sole entrepreneurs and employer entrepreneurs, the shares of those willing to hire employees change little compared to the data in Figure 5.1. Of all employer entrepreneurs, including those working in agriculture, 54 per cent had planned to hire an employee in the following 12 months. For sole entrepreneurs without employees (including in agriculture), this figure was 14 per cent.

Obstacles to hiring

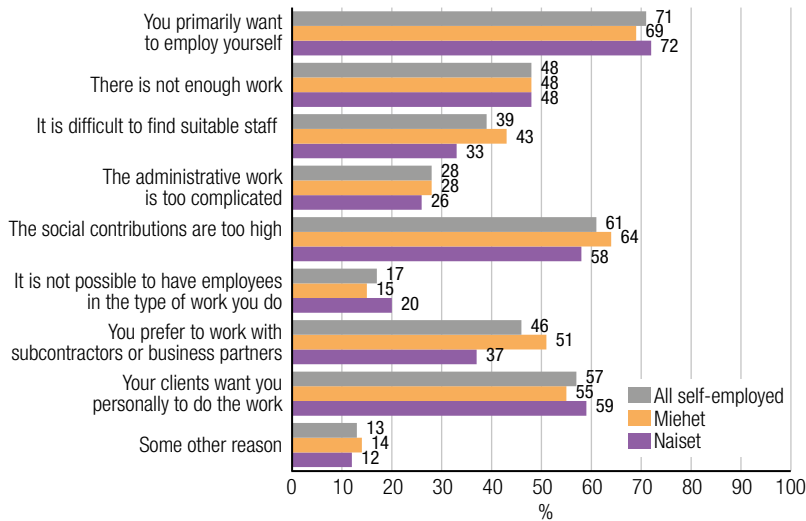
The majority of employer entrepreneurs would thus have been willing to recruit even more employees, whereas self-employed persons without employees and self-employed persons in agriculture had a very different situation. What reasons keep self-employed persons without employees from hiring? And why are self-employed persons in agriculture operating without paid labour force?

The following question was put to the respondents in the *Self-employed persons in Finland 2017* study: *You mentioned earlier that you have no paid labour force. Do the following reasons affect this situation?* After this, eight different reasons in total were listed, of which the respondents could pick the ones most relevant to them. The respondent was then asked to pick the main reason among the factors they had cited. They could also give some other reason than one of the options offered to them as an open-ended response.

The most common reasons for the unwillingness to hire of self-employed persons who had no paid labour force at the time of the survey were that they primarily wanted to only employ themselves, the high social contributions, and the fact that the clients want the self-employed worker personally to do the work. Additionally, more than 40 per cent of self-employed persons without employees had picked the options *there is not enough work* and *I prefer to work with subcontractors and business partners* as reasons for not hiring employees. (Figure 5.4.)

Figure 5.4

Reasons for not recruiting, all cited reasons, self-employed without paid labour force by gender, %. Self-employed persons in Finland 2017, Statistics Finland



When we look at this issue by type of self-employed person, the following observations are made: For self-employed persons in agriculture and self-employed persons without employees, the same factors are to a great extent emphasised as reasons for not hiring, or *You primarily wish to only employ yourself* and *The social contributions are too high*. In addition, as many as 65 per cent of self-employed persons without employees selected as one factor the client’s preference for having the work done by them personally. Preference for working with subcontractors or business partners was also clearly more common for self-employed persons without employees than among those working in agriculture. Not having enough work, on the other hand, was emphasised slightly more often by self-employed persons in agriculture than self-employed persons without employees. (Figure 5.5.)

We should also look at the **main** reason that keeps self-employed persons without employees or sole entrepreneurs in agriculture from recruiting employees (Figure 5.6). Only wanting to employ oneself was selected as the main reason the most often. High social contributions and not having enough work came next. The fact that the clients wanted a specific person to do the work also came up in the case of self-employed persons without employees. This group contains a relatively large number of cultural professionals, including journalists, musicians and actors, which is likely to explain the finding.

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Figure 5.5

Reasons for not recruiting, all reasons cited, self-employed with no paid labour force by self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland

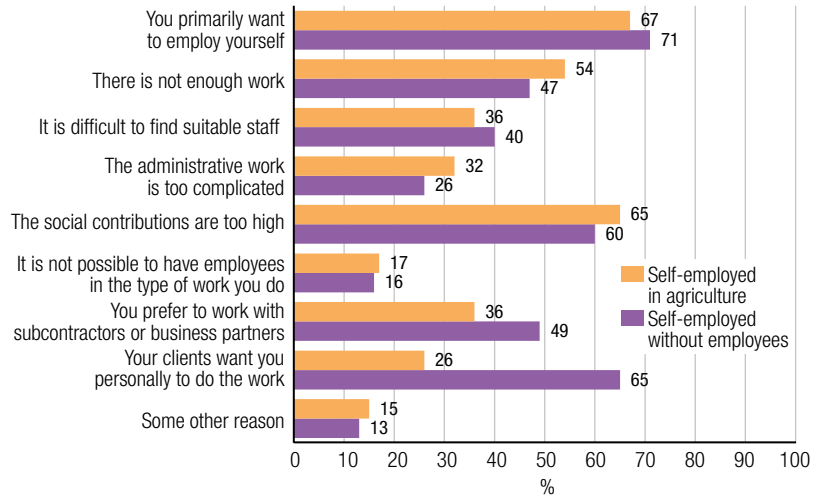
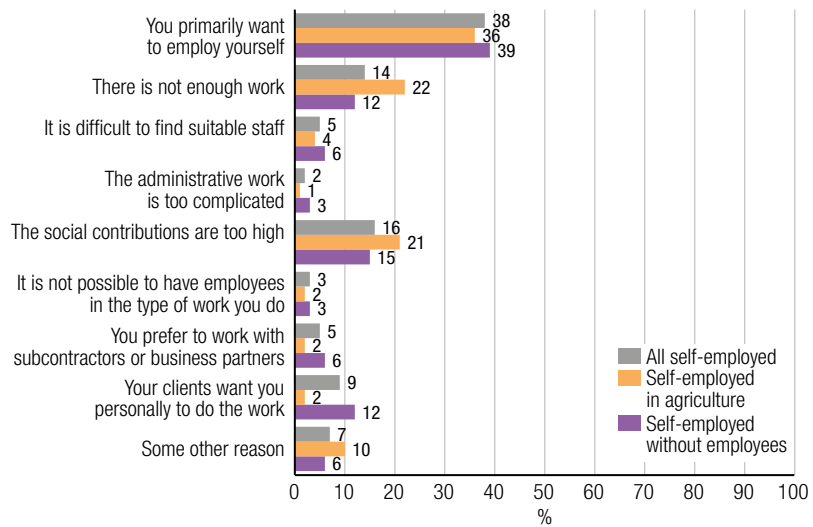


Figure 5.6

Main reason for not recruiting an employee, self-employed with no paid labour force by self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



Recruitments and subcontracting

If we focus our attention on those growth-oriented self-employed persons who had plans to hire, we should also ask what types of recruitments they were considering. Different enterprises may have different recruitment needs. Some self-employed persons might be looking for an employee with a long-term commitment, others are only seeking a summer worker as a substitute for permanent employees or themselves during the holiday season. In other words, are they offering an employment relationship valid until further notice or a job in fits and starts?

Of those who had plans to recruit employees, 40 per cent would only hire them for a fixed term or on a temporary basis. However, a relatively large share were looking for employees for either a permanent employment relationship (31%) or both a fixed term and a permanent employment relationship (28%).

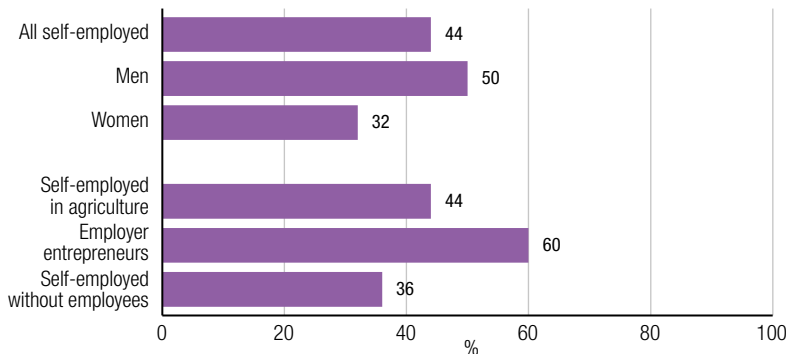
Another way of facilitating the expansion of the enterprise is using subcontractors. In this case, the enterprise grows through networking: rather than expanding their activities through increasing the number of employees when demand goes up, the self-employed person subcontracts some of the work to another self-employed worker or enterprise.

Using subcontractors thus is relatively common: approximately 44 per cent of the self-employed used subcontractors at the time of the survey (Figure 5.7), and almost all of them, excepting a few per cent, intended to continue doing so. Using subcontractors was more common for men than women, and particularly common for employer entrepreneurs.

We will next look at different pathways to growth in the bigger picture: how many self-employed persons were planning to both recruit and use subcontractors – and were they intending to hire employees for a permanent or a fixed-term employment relationship (Figure 5.8)?

Figure 5.7

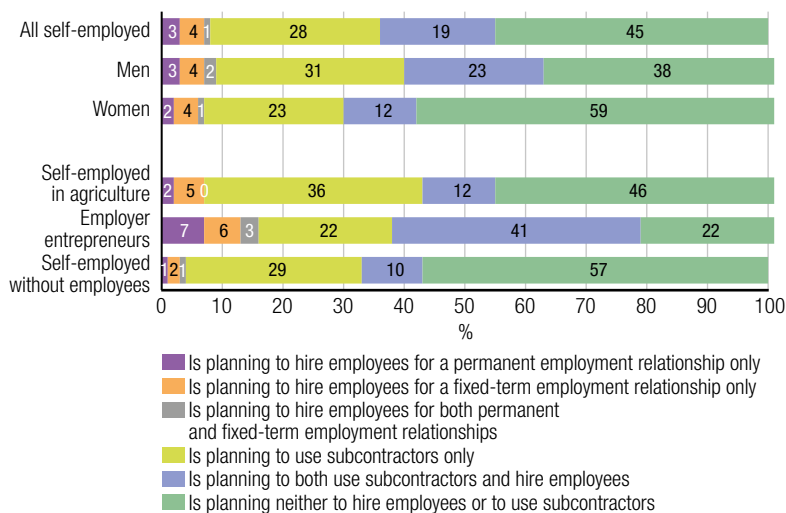
Use of subcontractors, self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



5 Self-employed work – growth prospects, methods of growth and difficulties in work as self-employed

Figure 5.8

Plans to recruit employees or use subcontractors, self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



The results show that planning to only use subcontractors was more common (28%) than planning to only recruit employees (19%). Fewer than one out of ten of all self-employed persons planned to recruit employees for either a fixed-term or a permanent employment relationship but did not plan to use subcontractors. Men were planning to both use subcontractors and recruit employees more often than women.

Clear differences come up when the findings are examined by self-employed type. Employer entrepreneurs stood out in that as many as 41 per cent were planning to both use subcontractors and recruit employees. This share was approximately one out of ten in the other groups. Roughly one out of three self-employed persons in agriculture and self-employed persons without employees planned to only use subcontractors.

Reasons for hiring

The study also analysed the factors that had influenced employers' decision to become employers and the reasons self-employed persons without employees had for considering the recruitment of an employee. We should remember that more than one half of employer entrepreneurs had started out as self-employed without employees (see Chapter 3). For the combined responses of employer entrepreneurs and growth-oriented self-employed persons without employees, see Figures 5.9 and 5.10.

Figure 5.9

Factors affecting the respondent's interest, or lack of interest, in expanding their business in the future, self-employed by gender, %. Self-employed persons in Finland 2017, Statistics Finland

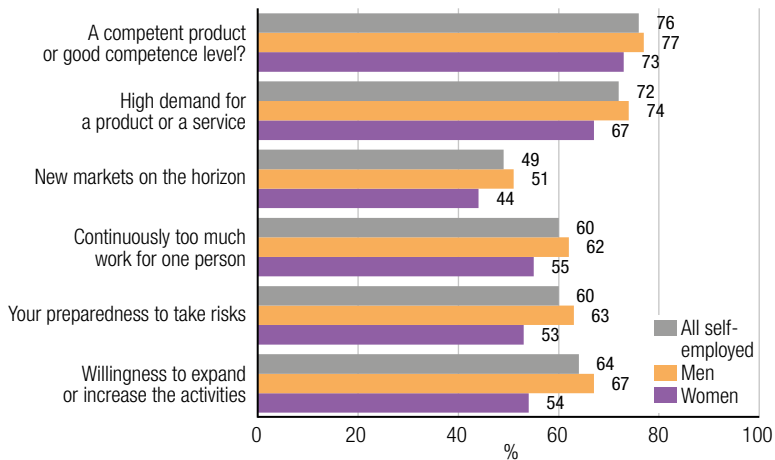
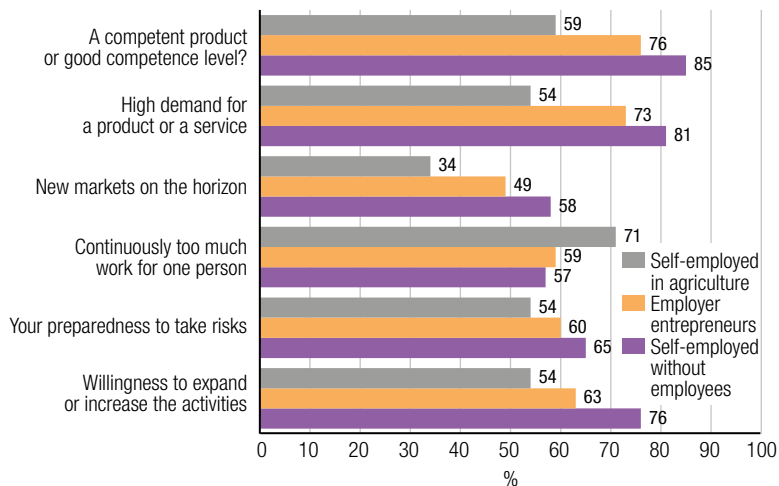


Figure 5.10

Factors affecting the respondent's interest, or lack of interest, in expanding their business in the future, self-employed by self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



The respondents could pick the reasons that had influenced their decision to expand their self-employed activities among a selection of options. As the figure shows, a number of factors came into play. Reasons that were mentioned clearly the most often were a competitive product or a good level of competence, or high demand for the product or service. The least influential factor behind the expansion of, or willingness to expand, the enterprise was finding new market areas.

Whereas the responses of employer entrepreneurs and self-employed persons without employees were rather similar, self-employed persons in agriculture stood out. For the latter group, the fact that there was too much work for just one person predominated as the reason for their willingness to expand. In their case, a competitive product or high demand were less important reasons for expansion. This is likely to describe the situation of self-employed persons in agriculture: the product is no different from other similar products in the market, and the demand is also relatively stable. Growth orientation is thus explained by an excessive workload, another indication of which is the great number of self-employed persons in agriculture who struggle to cope (Chapter 7).

Growth prospects

On the whole, self-employed persons were not unwilling to seek growth in 2017. Approximately one half reported that they had a keen interest or some interest in expanding their self-employed activities (Figure 5.11). Employer entrepreneurs were more often growth-oriented than the other entrepreneur groups (57%). The least growth-oriented group was self-employed persons in agriculture, even though 42 per cent of them also wished to expand their activities, at least to some extent. (Figure 5.12)

Growth does not mean the same thing for everyone. For some it means growth in staff numbers, which was examined above, others understand it as an increased cash flow, whereas yet others may see it as an opportunity to take time off (Lindström 2018, Achtenhagen et al. 2010). However, the question describes willingness to seek growth in the self-employed activities, whether aiming for small or large goals.

Figure 5.11

Interest in expanding their business, self-employed by gender, %.
Self-employed persons in Finland 2017, Statistics Finland

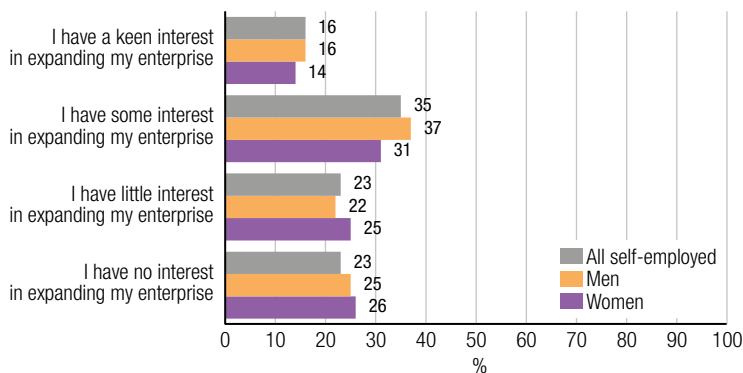
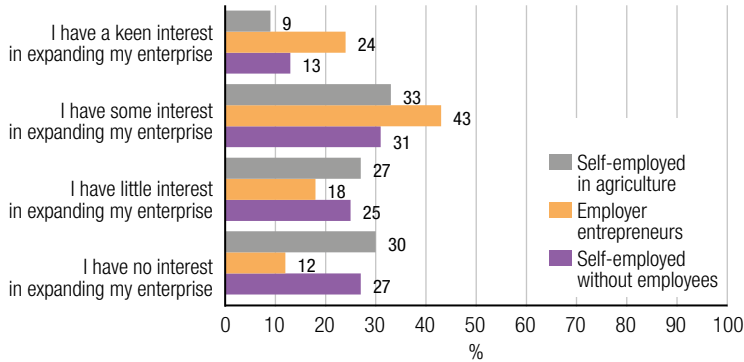


Figure 5.12

Interest in expanding their business, self-employed by self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



Growth through networking

In the context of growth potential, in both the current survey and the previous one, *Self-employed without employees in Finland 2013*, we mainly looked at the willingness of self-employed persons to hire employees. We should note, however, that growth can also take place across a network. When there is too much work for one person, rather than recruiting an employee the self-employed person may pass on work to another self-employed worker, either by means of subcontracting or by persuading a new business partner to join them.

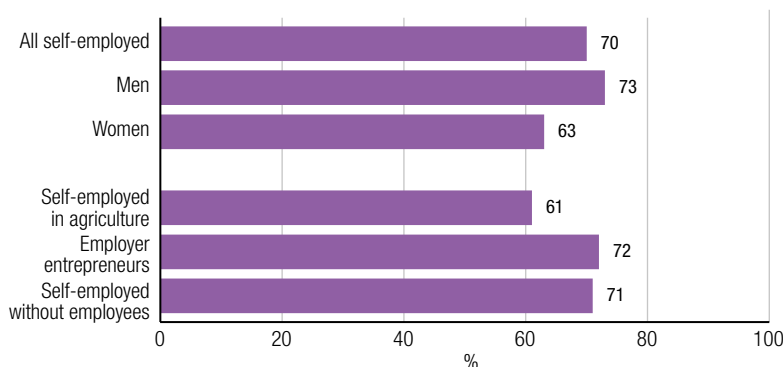
As we have seen above, subcontracting was very common for the self-employed in 2017. Growth through networking, on the other hand, contains the idea of operating as a network. If a self-employed person has too much work or ideas concerning new sources of income, they can both share the work and develop the ideas further together with other self-employed workers, also without an actual subcontracting relationship. In the survey *Self-employed persons in Finland 2017*, the majority (70%) of self-employed persons reported that they pass on orders to each other, share the work or develop joint projects (Figure 5.13.). It is slightly more common for men to engage in these networking practices than for women, and more typical for employer entrepreneurs and self-employed persons without employees than for self-employed persons in agriculture.

It thus appears that self-employed persons are creating networks of reciprocity. This is certain to not only benefit the business activities but also create social support networks, especially for those working alone, and help the self-employed cope with their daily work.

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Figure 5.13

Cooperate with other self-employed persons (pass on orders to others, share work, develop joint projects), self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



Difficulties in work as self-employed

It is only natural that self-employment should be associated with its specific difficulties. The *Self-employed without employees 2013* survey revealed that entrepreneurs' difficulties are frequently associated with an insecure income. The patchwork-like nature of their incomes, or scraping money together from many different sources as well as periods when they had no income, resulted in uncertainty and difficulties with planning the future and their time use. In some cases, income-related difficulties were associated with difficulties in accessing financing.

The *Self-employed persons in Finland 2017* survey also studied difficulties in self-employed work, this time including all self-employed persons. The difficulties were surveyed by asking the following questions: *Now I will list some possible difficulties in your work as self-employed. Have you encountered any of the following difficulties in your self-employed work in the past 12 months?* Eight options were then read out to the respondents. The respondents were also able to describe some other difficulty besides those listed by the interviewer in an open-ended response. To begin with, the respondent selected all those that were relevant to their situation among the listed factors. In further questions, the respondent was asked to pick the main difficulty. If the respondent was unable to select any of the listed options and they also did not cite any other difficulties, we interpreted this to mean that they had no difficulties.

The good news is that approximately one out of five (18%) of the respondents had no particular difficulties in their self-employed work. In other words, they were unable to identify any particular difficulty that they would have encountered in the past year.

The remaining over 80 per cent had encountered some difficulties, however. When we examine the difficulties that were mentioned among others, as the most common ones emerged periods of financial hardship and unreasonable bureaucracy. This had been at least one of the difficulties experienced by approximately 40 per

cent of the self-employed. Additionally, more than one out of three mentioned lack of influence on setting the price of their product or service. (Figure 5.14.)

This particular difficulty was emphasised in the case of self-employed persons in agriculture (80%) (Figure 5.15). Periods of financial hardship were mentioned the most often by self-employed persons without employees. Employer entrepreneurs were troubled by unreasonable bureaucracy and the clients paying late or not at all more often than the others.

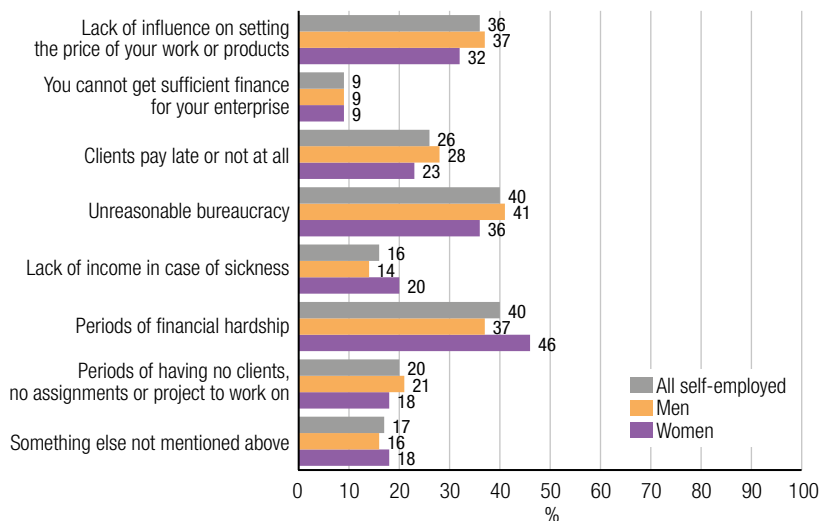
This question offered the respondents an opportunity to report also other difficulties than those listed. Three key themes emerged in the open-ended responses.

Firstly, the respondents were worried about their coping: there was too much work, and the respondent struggled with lack of time and time management problems. Secondly, the shortage of skilled labour and difficulties in recruiting competent employees emerged. Thirdly, many considered the shortage of work or clients, tough competition and the ensuing lack of profitability and financial problems as a difficulty. The last-mentioned situation was associated with fluctuations in and unpredictability of their income.

Otherwise issues related to legislation and bureaucracy were mentioned relatively often in the open-ended responses, as well as high taxes, VAT practices and the complexity of taxation. The first-mentioned difficulties referred to both applying for various permits and certificates and to issues related to employment and working time legislation. The difficulty of taking holidays and the respondent's state of health were also mentioned.

Figure 5.14

Difficulties experienced by the self-employed, all difficulties cited, by gender, %. Self-employed persons in Finland 2017, Statistics Finland



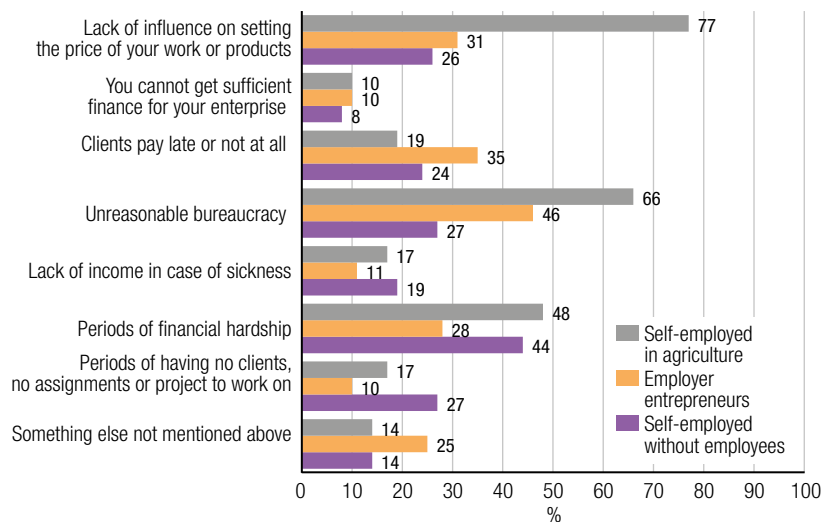
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Many of the self-employed had encountered a number of difficulties but which one, in the final analysis, was the **main** difficulty? When examining the entire body of the self-employed, 17 per cent reported as the main difficulty in their self-employed work lack of influence on setting the price of their product or service. Unreasonable bureaucracy and periods of financial hardship also emerged as the main difficulty. It was more typical for women than men to experience periods of financial hardship. (Figures 5.14 and 5.16.)

There were obvious differences between the difficulties experienced by different types of self-employed persons. Self-employed persons in agriculture stood out in that as many as 45 per cent of them experienced lack of influence on setting the price of their work or product as the main difficulty. For employer entrepreneurs, the main difficulty was unreasonable bureaucracy. For self-employed persons without employees, on the other hand, periods of financial hardship and periods without clients were predominant as the main difficulties. It is interesting to note, however, that the highest number of respondents with no particular difficulties was found among self-employed persons without employees. (Figure 5.17)

Inability to get finance did not appear to be a very common problem associated with self-employment (Figure 5.18): only approximately one respondent out of ten reported that they had not received financing for their self-employed activities even if they had needed it. While the differences between the types of self-employed persons in access to financing were minor, greater differences were related to the share of respondents who had needed financing. One half of self-employed persons without employees did not even need financing, whereas an equally large share of self-employed persons in agriculture had both applied for and received financing.

Figure 5.15
Difficulties experienced by the self-employed, all difficulties cited, by self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



5 Self-employed work – growth prospects, methods of growth and difficulties in work as self-employed

Figure 5.16

Difficulties experienced by the self-employed, the main difficulty, self-employed by gender, %. Self-employed persons in Finland 2017, Statistics Finland

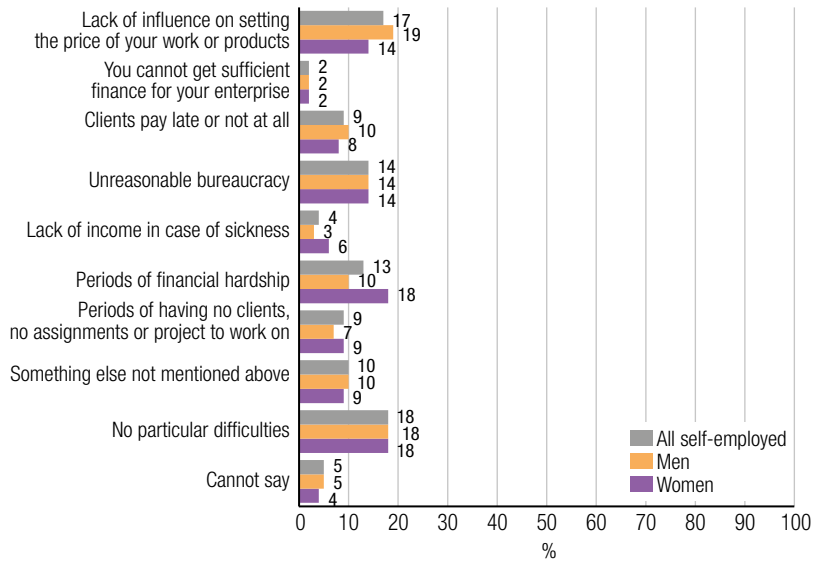
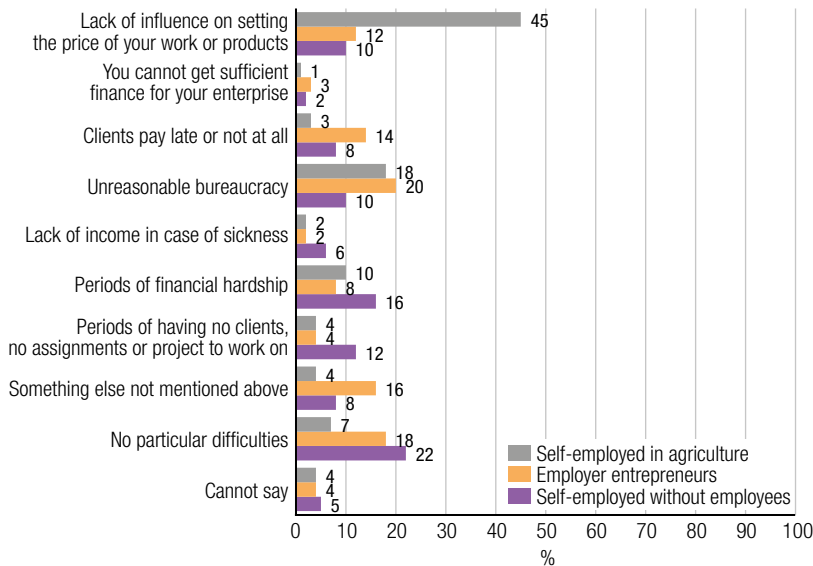


Figure 5.17

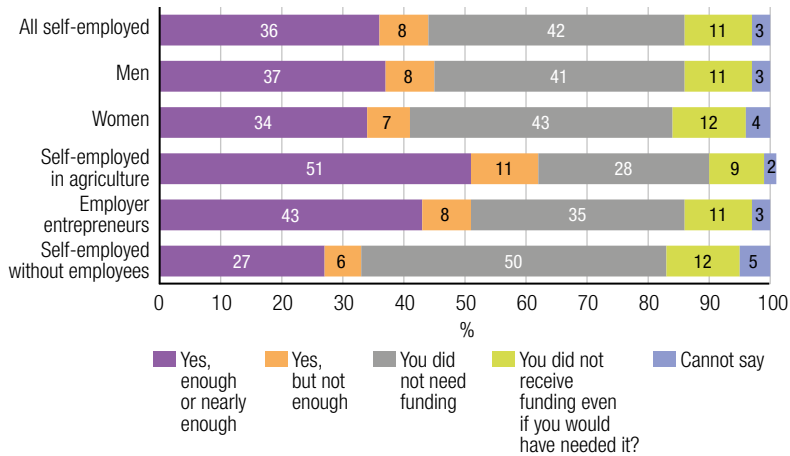
Difficulties experienced by the self-employed, the main difficulty, self-employed by self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



5 Self-employed work – growth prospects, methods of growth and difficulties in work as self-employed

Figure 5.18

Access to sufficient financing for business activities, self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



This is a good illustration of the different situations faced by the self-employed groups. Whereas it is difficult for self-employed persons in agriculture to operate in their occupation without financing and capital, self-employed persons without employees need little capital to launch their activities. Many self-employed persons engaged in professional activities or working in the cultural sector, for instance, can make a start with moderate financial inputs.

Employer entrepreneurs the most interested in growth, lack of influence on prices as a difficulty

In this Chapter, we have discussed self-employed persons’ plans, growth prospects and use of subcontracting, and difficulties in self-employed work.

Approximately one self-employed person out of four had planned to hire one or several employees. Employer entrepreneurs had plans to recruit employees considerably more often than the other self-employed groups. The threshold for recruiting appears to be lower if you have already hired even one employee.

We welcome the finding that, even if the share of self-employed persons without employees who are planning to hire is low (14%), some of them do have plans to recruit employees, however. After all, if these plans were realised, this would mean over 20,000 new jobs. When we include employers (56%) and self-employed persons in agriculture (19%) who are planning to recruit, should these plans work out, it would mean at least 84,000 new jobs in total if every one of them hired one employee.

The most important reasons that keep self-employed persons without employees from hiring were primarily wanting to just employ themselves, high social contributions, and the fact that there was not enough work for several persons.

In addition to hiring employees, work may also be shared through subcontracting. This indeed was relatively common: approximately four out of ten respondents used subcontractors at the time of the survey, with employer entrepreneur leading the way. However, using subcontractors was also rather common for self-employed persons without employees and self-employed persons in agriculture.

Subcontracting may be considered one form of networking. The self-employed appear to be networking in other ways, too: the majority worked together with other self-employed persons by passing on orders to them, sharing work or developing joint projects. While they compete against each other, self-employed persons also appear to support each other, and these practices are likely to have also positive effects on their business.

Self-employed work also has its difficulties. They include periods of financial hardship, unreasonable bureaucracy and lack of influence on setting the price of the work or service. Lack of influence on setting the price was particularly common among self-employed persons in agriculture, whereas unreasonable bureaucracy was the main difficulty for employer entrepreneurs and periods of financial hardship for self-employed persons without employees. Interestingly, self-employed persons without employees reported more often than others that they had experienced no particular difficulties in their self-employed work in the past year. Open-ended responses brought up concerns over coping at work, difficulties with recruitments and problems associated with profitability.

In general, the polarisation of self-employed persons in terms of growth came up: approximately one half of them were growth oriented, whereas the other half had little interest in expanding their business. While interest in expanding the enterprise was found in all groups, it was the most prominent among employer entrepreneurs.

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6 Financial situation

In this Chapter, we will look at self-employed persons' financial situation from a number of different perspectives. We will first examine their placement in income deciles and quintiles based on register data. We will then see how the self-employed themselves experience their financial situation and sufficiency of work as well as their possibilities of influencing the price of their work. We are also interested in the extent of their clientele.

Income deciles

Earlier research findings have shown that self-employed persons' income levels are to some extent polarised: the deciles with the highest and the lowest incomes both contain great numbers of the self-employed (e.g. Pärnänen & Sutela 2014, see also Okkonen 2011). Entrepreneurs are not a homogeneous group, however, and there are great differences in their financial situations. This heterogeneous nature should be taken into account when looking at the income distribution.

We will begin by exploring the incomes of self-employed persons and different self-employed groups in the light of the income deciles. To allow comparisons, we will also include the income distribution of employees. We will mainly look at this issue at unit level; our specific interest lies in the income earned by the self-employed persons themselves, with less attention being paid to household incomes. The data were obtained from register-based total statistics on income distribution combined with data from the Labour Force Survey 2016. The register data for 2017 were not yet available as this report was written.

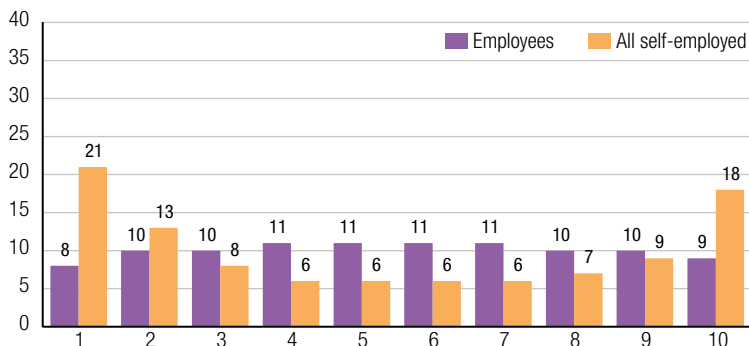
The scrutiny included the disposable money income, which consists of wages and salaries, entrepreneurial and property income, and current transfers received. Any current transfers paid (taxes) were deducted from this gross income. The examination was restricted to persons classified as employed in the Labour Force Survey. The data set was also limited to the age group 15 to 74 to ensure correspondence in terms of age with the survey *Self-employed persons in Finland 2017*.

The income levels of self-employed persons and different self-employed groups as well as their incomes compared to other employed persons can be investigated by looking at their placement in income deciles. In the examination based on deciles, all employed persons were ranked according to their personal disposable money income and divided into ten groups of equal sizes. The first decile thus contains the 10 per cent with the lowest incomes, and the tenth decile the 10 per cent with the highest incomes among the employed. The line between the fifth and the sixth decile is the income median with equal numbers of persons both above and below it.

Figures 6.1–6.4 show the income distributions by income deciles for employees, all self-employed persons, and the different self-employed types according to their disposable income. As the Figures show, employees' income distribution is significantly even, as the majority of them belong to the middle deciles. Less than 10 per cent of employees are found in both the highest and the lowest income decile.

Figure 6.1

Employees and all self-employed persons by income decile in 2016, %.
Income distribution statistics and Labour Force Survey, Statistics Finland



Among self-employed persons, on the other hand, a greater spread is in evidence; approximately 20 per cent of them belong to the lowest decile and the same proportion to the highest decile. (Figure 6.1.)

The income distributions of self-employed persons in agriculture and self-employed persons without employees are similar: approximately one out of four belongs to the lowest income decile, whereas more than one out of ten are found in the highest income decile. All deciles in between each contain less than 10 per cent of all self-employed persons. (Figures 6.2 and 6.3.) The income decile distribution of employer entrepreneurs is quite different – a good third are found in the highest income decile (Figure 6.4).

As may be expected, the averages and medians of the disposable income of each group show clear differences, and both the median and the average for employer entrepreneurs is clearly higher than for all other groups. The large difference between the average and the median indicates, however, that the income spread within this group is great. (Figure 6.5).

Figure 6.2

Self-employed without employees by income decile in 2016, %.
Income distribution statistics and Labour Force Survey, Statistics Finland

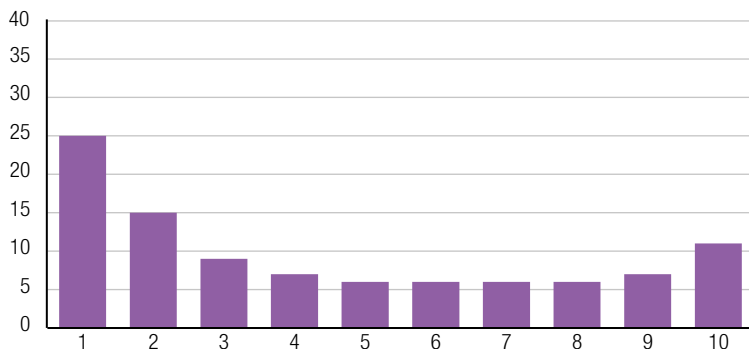


Figure 6.3

Self-employed in agriculture by income decile in 2016, %.
Income distribution statistics and Labour Force Survey, Statistics Finland

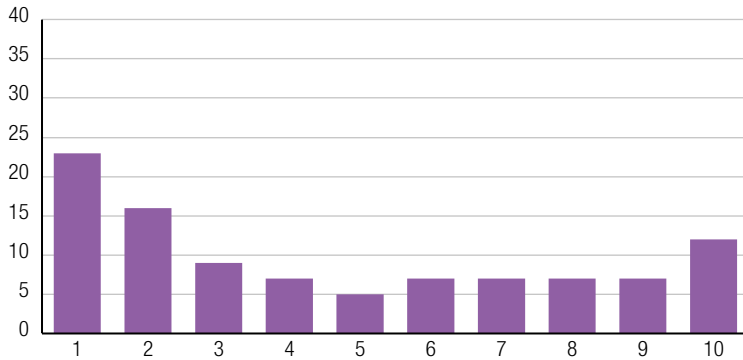


Figure 6.4

Employer entrepreneurs by income decile in 2016, %.
Income distribution statistics and Labour Force Survey, Statistics Finland

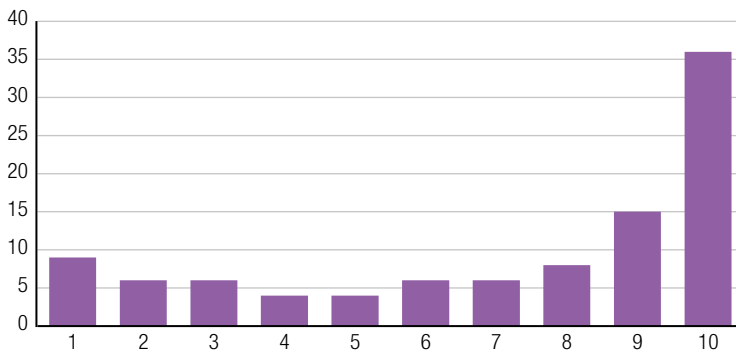
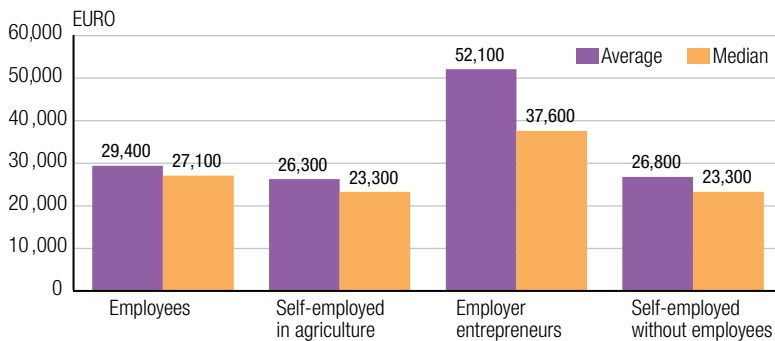


Figure 6.5

Averages and medians of employees' and self-employed persons' disposable income, EUR, 2016. Income distribution statistics and Labour Force Survey, Statistics Finland



The income distribution should also be examined by gender. For this purpose, the employed have here been divided into five equally large groups, or income quintiles.

As Figure 6.6 shows, men are found in the highest income quintiles more often than women. This is partly explained by the fact that a larger share of men than women are employer entrepreneurs with a high income. However, similar gender differences in the income distribution also persist when we look at the types of self-employed persons separately. Among self-employed persons in agriculture, self-employed persons without employees and employer entrepreneurs alike, women find themselves in the highest income quintile less often and in the lowest quintile more often than men. Of male employer entrepreneurs, for instance, more than one half (54%) belonged to the highest income quintile, whereas this share for women was 42 per cent. On the other hand, 13 per cent of male employer entrepreneurs and one out of five of their female counterparts (20%) belonged to the lowest income quintile.

Figure 6.6
Self-employed persons' income quintiles by gender in 2016, %.
Income distribution statistics and Labour Force Survey, Statistics Finland

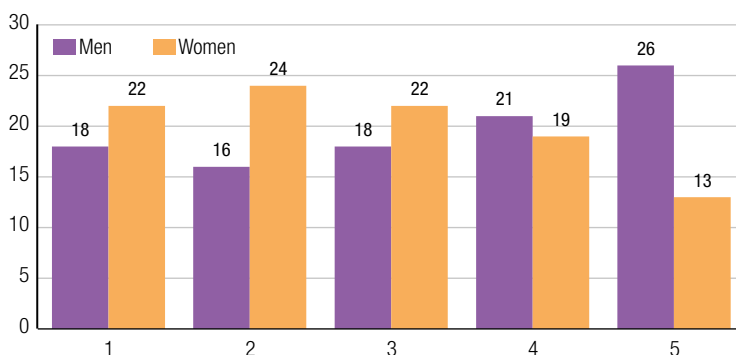
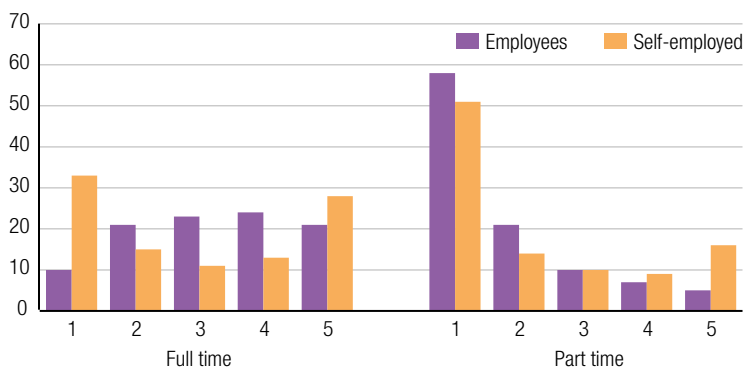


Figure 6.7
Full-time and part-time self-employed persons and employees by income quintile in 2016, %. Income distribution statistics and Labour Force Survey, Statistics Finland



Self-employed persons work part time more often than employees. This is naturally also reflected in the groups' income distributions. We should thus also take a look at the income distributions of self-employed persons and employees who work full time.

The spread of self-employed persons' incomes between the highest and lowest income quintile also persists when we focus exclusively on full-time workers. The income distribution of employees, on the other hand, shifts towards the highest income quintiles when those working part time are excluded. In the case of employees, the amount of work they do – at least when it comes to full-time or part-time work – is reflected more clearly in their income levels than in the case of the self-employed.

Above, we looked at the income distribution based on the individual's income. It is interesting to find out, however, what self-employed persons' income distribution is like when the total household-dwelling unit's¹ income is taken into account. Do their spouses' earnings balance out for self-employed persons' low or high income?

The income distribution changes somewhat when we also take the household-dwelling unit's income and placement in the income distribution into account. For example, only 43 per cent of self-employed persons in agriculture who belong to the lowest income quintile would belong to this quintile if the household-dwelling unit's total income were taken into account. In other words, the majority of self-employed persons in agriculture who belonged to the lowest quintile based on their personal income moved to one of the higher quintiles when the total income of the household-dwelling unit was considered. Consequently, in 57 per cent of these cases, the other members of the household-dwelling unit had a higher disposable income than the respondent, thus making up for the respondent's low income.

Of the self-employed persons without employees and employer entrepreneurs in the lowest income quintile, 39 per cent remained in the lowest income quintile when the household-dwelling unit's total income was examined. This indicates that they had a partner with a higher income even more often than self-employed persons in agriculture who belonged to the lowest quintile. When making these comparisons, however, we should remember that relatively few of the employer entrepreneurs belonged to the lowest income quintile to begin with.

Most of those belonging to the highest income quintile based on their personal income (79–85% depending on the group) also belonged to that quintile when the total income of the household-dwelling unit was taken into account. This was not unexpected, as the subjects themselves already had a high disposable income.

1 When examining incomes, it is more usual to use the household as the unit, rather than the household-dwelling unit as we do here. Roughly defined, the difference between a household-dwelling unit and a household is that the former comprises all those living at the same address. A household, on the other hand, is formed of all those persons who live together and have meals together or otherwise use their income together. In most cases, a household-dwelling unit and a household consist of the same persons, however.

Experienced financial situation

The income level alone is not sufficient to paint a full picture of self-employed persons' financial situation. The experienced financial situation is also affected by a number of other factors.

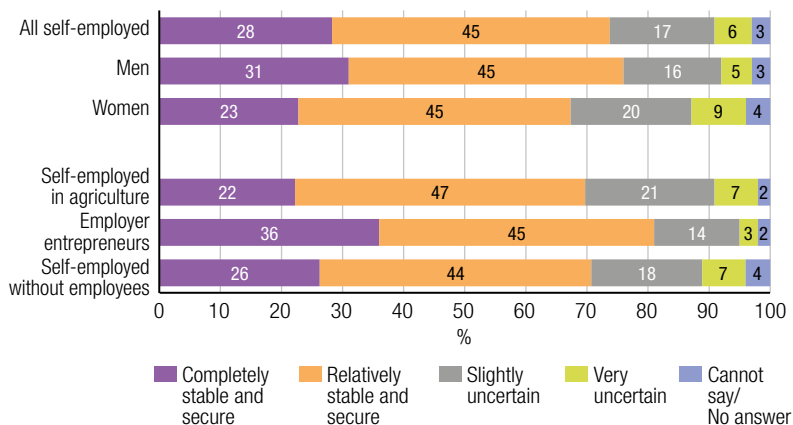
Figure 6.8 illustrates self-employed persons' experiences of the stability of their financial situation in 2017. On a positive note, almost three out of four self-employed persons felt that their financial situation in self-employment was completely or relatively stable and secure. However, clear differences were found when this situation was examined by self-employed type, gender and age.

Employer entrepreneurs had a stable and secure financial situation more often than the others: more than one out of three felt their situation was completely stable and secure. When we also include those who found their situation relatively stable and secure, this share went up to 80 per cent of employer entrepreneurs. On the flip side, approximately one out of five employer entrepreneurs felt that their financial situation was somewhat uncertain in 2017.

The experiences of self-employed persons in agriculture and self-employed persons without employees were somewhat similar regarding experienced financial stability. However, slightly fewer self-employed persons in agriculture felt their financial situation was completely stable and secure (22%) and slightly more found their situation uncertain (28%) than among self-employed persons without employees (26% and 25%). On the other hand, self-employed persons without employees were more often than the other groups unable or unwilling to answer the question concerning financial stability.

Men experienced their situation as self-employed more stable than women: 76 per cent of male entrepreneurs found their financial situation at least relatively stable and secure, whereas this share was 68 per cent for women. Almost one out of ten women (9%) experienced their situation as extremely uncertain, while this share for men was five per cent.

Figure 6.8
Stability of financial situation, self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



Regardless of the type of their self-employment, women experienced their financial situation as relatively or very uncertain more often than men. This applied particularly to self-employed persons in agriculture (women 38%, men 24%) and self-employed persons without employees (29% vs. 23%), but women (19%) were also more likely to experience uncertainty than men (16%) among employer entrepreneurs.

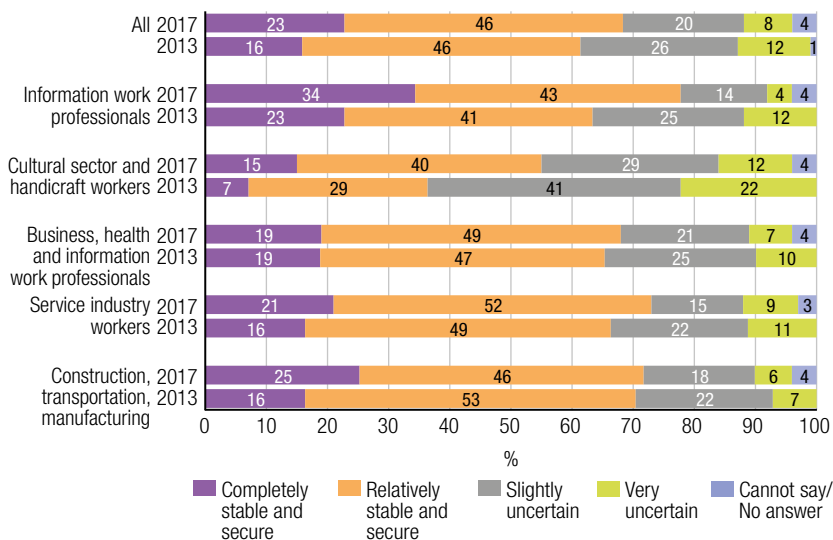
Correspondingly, the proportion of those who found their situation fully stable and secure was 16 per cent for women but 25 per cent for men among self-employed persons in agriculture; 32 per cent for women and 37 per cent for men among employer entrepreneurs; and 21 per cent for women and 29 per cent for men among self-employed persons without employees.

The experience of financial stability was also associated with age. The share of those who experience their financial situation as completely stable and secure increases by 10-year age group: 21 per cent of the youngest self-employed persons aged under 25 found their situation stable, whereas this share was 45 per cent for those aged over 65.

The *Self-employed without employees in Finland 2013* survey clearly brought up the great variations in different occupational groups' experiences of their financial situation among self-employed persons without employees: those working in cultural and handicraft sector occupations experienced their situation as clearly more uncertain than the others. A similar comparison can be made using the *Self-employed persons in Finland 2017* data. When we restrict the examination to those aged between 15 and 64, we can also compare the results temporally with

Figure 6.9

Stability of financial situation, self-employed aged 15 to 64 by occupational group, %. Self-employed without employees in Finland 2013 and Self-employed persons in Finland 2017, Statistics Finland



The findings are slightly different from those shown in Figure 6.8 due to difference in age groups

the data going back to 2013 from the *Self-employed without employees in Finland* survey. (Figure 6.9.)

The improvement in the general economic and employment situation between 2013 and 2017 is also reflected in the experiences that self-employed persons without employees have of the stability of their financial situation. The share of those who find their financial situation as self-employed completely stable and secure has increased by seven percentage points, while the share of those experiencing uncertainty has decreased correspondingly. The share of those experiencing their situation as stable and secure has increased clearly in all occupational groups, except in the fields of trade and health and among information work professionals.

The situation of self-employed persons without employees working in the cultural sector and handicraft occupations appeared to be particularly fraught with financial uncertainty in the 2013 survey, and it continues to be so when compared to other groups of self-employed persons without employees. However, there has been a particular increase in the share of those who experience their financial situation as stable in this very group compared to 2013. This probably is a sector particularly exposed to the fluctuations of economic cycles – when consumers have little money, purchases of cultural services and craft products are unlikely to be prioritised. In the same vein, the demand for the services and products provided by those working in trade and health and by information work professionals would appear to be the least sensitive to economic cycles.

Work situation

In the *Self-employed persons in Finland 2017* survey, self-employed persons without paid labour force were asked about the workload they had mainly had in the past 12 months. Employer entrepreneurs were similarly asked about the workload of their enterprise. Figure 6.10 combines the responses of these two groups.

More than one half of the self-employed felt that they or their enterprise had had a suitable amount of work in the past 12 months. Approximately one out of ten (9%) had had too little work, whereas 14 per cent had had too much. One out of five found it difficult to answer this question as their work situation had varied so much in the past 12 months. Interestingly, there was no difference between the genders in this respect.

Certain differences between self-employed groups could be observed, however. While more than one half in all groups felt that they had had a suitable amount of work as a rule, it was more typical for farmers than for the other groups to have too much. Correspondingly, it was clearly less typical for them to report that they did not have enough work. Having too much work was the least common among self-employed persons without employees. For fewer than one out of five in all groups, the workload varied so much that they could not give a straightforward answer to the question concerning the sufficiency of work.

The improvement in the general economic situation also becomes apparent when the situation of self-employed persons without employees aged between 15 and 64 is compared to their situation in 2013 (Figure 6.11). The number of those

Figure 6.10

Workload mainly too small, suitable or excessive in the past 12 months, self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland

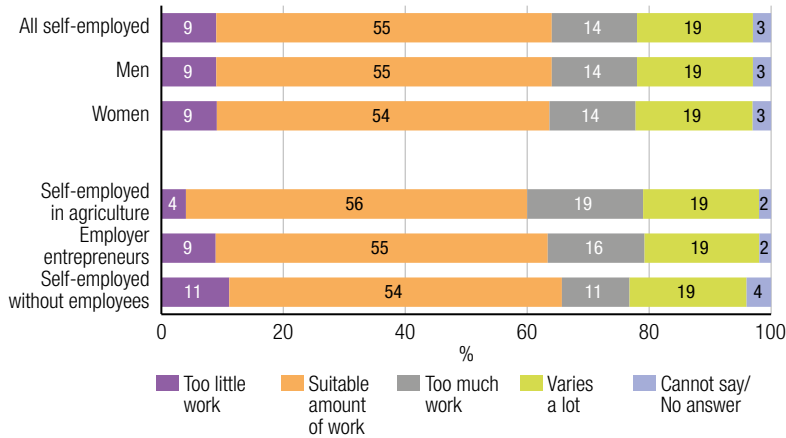
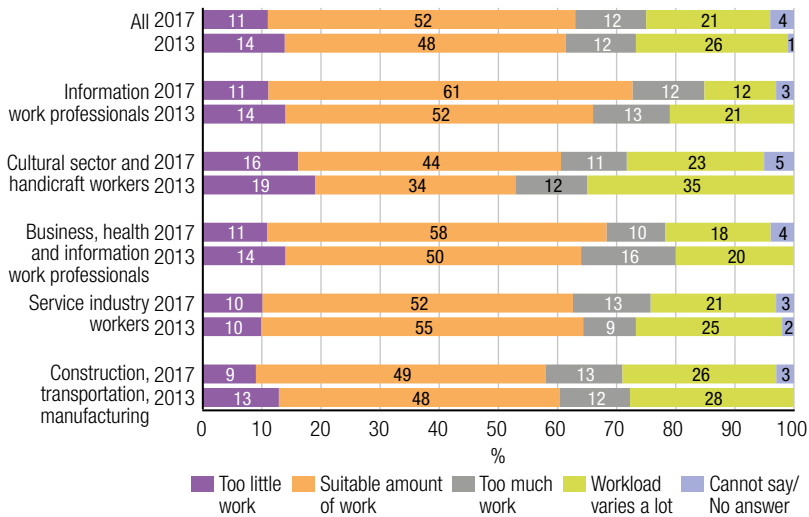


Figure 6.11

Workload in the past 12 months, self-employed persons without employees aged 15 to 64 by occupational group, %. Self-employed without employees in Finland 2013 and Self-employed persons in Finland 2017, Statistics Finland



The findings are slightly different from those shown in Figure 6.10 due to difference in age groups

who had had insufficient work in the past 12 months has decreased somewhat, whereas there has been a corresponding increase in the share of those who had a suitable workload. This is particularly obvious among information work professionals and those working in the cultural sector and handicraft occupations.

Slightly fewer self-employed persons without employees than before reported great fluctuations in their workload.

We should note, however, that the workload is not a straightforward indication of financial stability, even if there is some correlation between these dimensions. Approximately three out of four self-employed persons who had too much work as a rule said their financial situation as self-employed was stable and secure. Regardless of the excessive workload, however, approximately one out of four of them (23%) considered their financial situation to be uncertain.

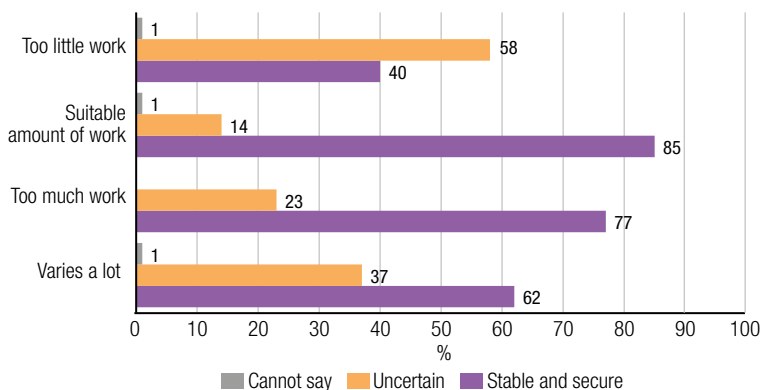
Similarly, 58 per cent of those who had had too little work in the past 12 months experienced their financial situation as uncertain – but 40 per cent felt that, regardless of insufficient work, their financial situation was stable and secure.

The most obvious correlation was observed between financial uncertainty and great fluctuations in the workload: of those who had great fluctuations in their workload, 37 per cent experienced financial uncertainty as self-employed. However, 62 per cent of this group also found their financial situation stable and secure. Uncertainty was the most common, and correspondingly the feeling of financial security was the least common, in the group who had a suitable workload. (Figure 6.12.)

Regardless of their workload, women experienced financial uncertainty more often than men: 65 per cent of the women and 55 per cent of the men with too little work found their financial situation uncertain. Even when they had an excessive workload, almost one third of women (32%) experienced financial uncertainty as self-employed, whereas this share for men was approximately one fifth (19%).

In the group whose workload had fluctuated greatly, 42 per cent of women and 34 per cent of men experienced uncertainty. Financial uncertainty was slightly more

Figure 6.12
Stability of financial situation, self-employed by workload in the past 12 months, % Self-employed persons in Finland 2017, Statistics Finland



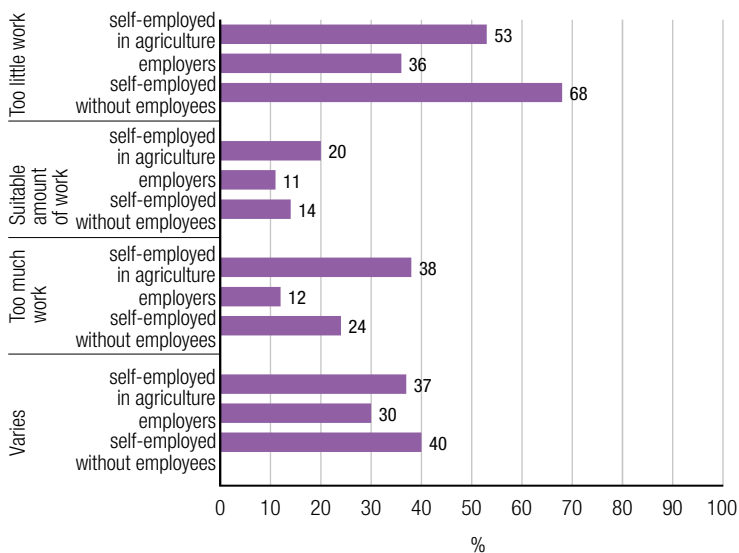
familiar for women (17%) than men (13%) even when they felt they had a suitable workload.

While there are differences between the self-employed types, there also are similarities. Figure 6.13 shows how an uncertain financial situation was above all linked to having too little work and great fluctuations in the workload in all groups. In this situation, approximately one third of even employer entrepreneurs experienced their financial situation as uncertain, whereas their share was slightly more than 10 per cent when they had a suitable or excessive workload.

Among self-employed persons in agriculture, the significantly large share of those who experienced uncertainty even when they had too much work is striking. Additionally, one out of five in this group also experienced uncertainty when the workload was considered suitable. It is likely that this finding is associated with the labour-intensive nature of farming and the other special features of this industry: seasonal tasks must be carried out if you intend to stay in business, whether you already have buyers for your product or not. One in four out of overworked self-employed persons with employees in other industries also consider their financial situation uncertain. This may be an indication of a situation where they, to make sure that work will also be available in the future, cannot turn down work offered to them, or a weak position in negotiations concerning the price of the work.

Figure 6.13

Financial situation uncertain, self-employed by self-employed type and workload, % Self-employed persons in Finland 2017, Statistics Finland



Influence on pricing the work

Some of the questions in the survey were only addressed to sole entrepreneurs. Consequently, they were also responded to by self-employed persons in agriculture with no paid labour force. Some questions were only put to employers. They were also responded to by the 17% of self-employed persons in agriculture who had paid labour force and who were included in employer entrepreneurs in these analyses.

When discussing the findings related to these questions, we should thus remember that self-employed persons without employees and employer entrepreneurs both contain self-employed persons in agriculture.

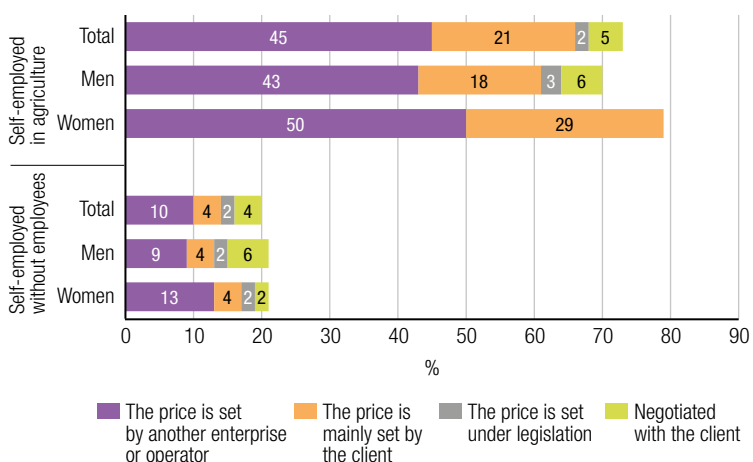
One of the questions only directed at self-employed persons without employees concerned their possibilities of influencing the pricing of their work. Approximately two out of three (65%) in this group felt they were as a rule able to set the price of their product or service themselves, and there was little difference between the genders in this respect (women 67%, men 64%).

However, the difference between self-employed persons in agriculture and other self-employed persons without employees was significant. Whereas only one out of four (26%) of self-employed persons in agriculture with no paid labour force felt they could as a rule price their work themselves, this was true for three out of four other self-employed persons without employees (75%).

A further question revealed that of all self-employed persons in agriculture with no paid labour force, almost one half could not price their products themselves, as the prices were set by another enterprise or operator; approximately one out of five of these respondents could not set their prices as the price was primarily set by the client, a few per cent reported that the prices were set under legislation, and approximately five per cent negotiated on the prices with the client.

Figure 6.14

Setting of the price obtained for the product or service, self-employed without paid labour force by gender, %. *Self-employed persons in Finland 2017, Statistics Finland



A relatively typical situation for self-employed persons in agriculture is that their products are sold in bulk to a large food supply chain, which delivers the products to end consumers through retail outlets. In this case, the farmer rarely has room for negotiating on the price at which their produce is purchased: the chain acting as a go-between then sets the retail prices of the products and collects its share of the profits. It is likely that this situation is reflected in the great share of responses stating that the price is set by another enterprise or operator given by self-employed persons in agriculture. On the other hand, a self-employed person in agriculture may also have responded the client sets the price unilaterally if they have interpreted the options to mean that the chain in question is the client rather than another enterprise or operator.

Interestingly, the most typical situation for those self-employed persons without employees who felt they could not price their work themselves was also that the price was set by another enterprise or operator – in other words, the price was not determined by the client, and neither was the price negotiated with the client.

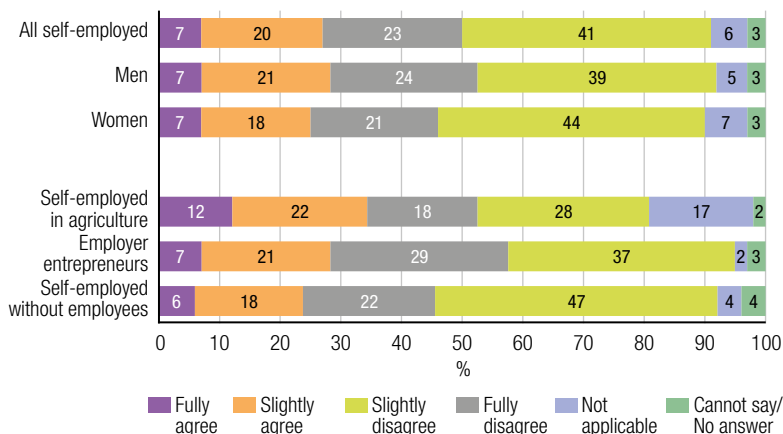
Another observation worthy of notice is that among both self-employed persons in agriculture and other self-employed persons without employees, men had more control over pricing their work than women. Even when they felt that, as a rule, they could not set the price of their work themselves, it was more common for men than for women to nevertheless negotiate on the price with the client.

The statement *To make sure that I can get work, I have to set the price of my service or product too low*, was put to self-employed persons without employees, and the statement *To ensure that my enterprise gets work, I have to set the price of the products or services too low* was put to employer entrepreneurs.

The group of self-employed persons in agriculture contained a greater share of those who felt they had to set the price of their work too low to guarantee that they would have work in the future. On the other hand, one respondent in this group

Figure 6.15

To make sure that I get work/that my enterprise gets orders, I have to set the price of products or services too low, self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



out of six responded *Not applicable* to this statement – almost all of these were respondents who had previously reported that another enterprise or operator, or the client, set the price of their work unilaterally. In this case, the question about “pricing” was apparently not considered relevant if the respondent had no say on the price received for the products.

Had the question been worded differently, for instance *I have to sell my product or service for a price that is too low*, we may presume that this group’s responses would have been even more steeply divided, as 90 per cent of these self-employed persons in agriculture who responded *Not applicable* reported in their responses to another question concerning difficulties in self-employed work that they had not had sufficient control over the pricing of their work or products in the past 12 months. (See Chapter 5.)

While employer entrepreneurs appear to enjoy a more stable situation in many respects than self-employed persons without employees, the former group experienced more often than the latter that they had to set the prices of their products or services too low. This was experienced more often by men than by women.

There was a link between the price of the products or services mainly being set by another enterprise or the client and the self-employed person’s experience of setting the price of their work too low in order to get work. When we look at the self-employed persons whose work was priced by another enterprise or the client, the experience of selling their work at too low a price was twice or three times more common among them (15%, *fully agree*) than among those who could price their work themselves (6%), where the price of the work was set under legislation (5%) or who negotiated on the price of their work with the client (8%).

It should be noted, however, that 46 per cent of those who reported that the price of their work was determined by another enterprise, operator or client did not feel they had to set the price of their work too low in order to get work opportunities (*somewhat disagree or totally disagree*).

Number of clients

As part of the survey, the respondents were asked about the number of clients they had worked for or sold their products to in the past 12 months. If there had been more than one client, they were asked if they had received at least 75 per cent of their income from one client.

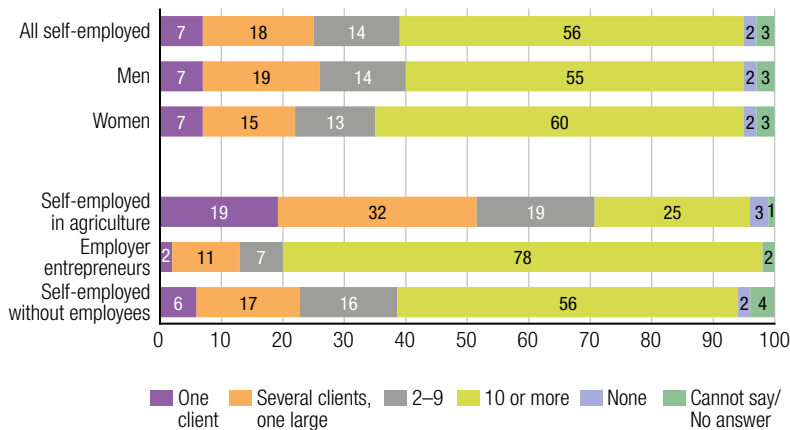
Clear differences are observed between the self-employed types in this respect. Approximately one out of five self-employed persons in agriculture only had one client. Additionally, one out of three mainly depended on one dominant client for their income. In other words, one half of this group were in practice financially dependent on one large client. (Figure 6.16.)

Less than one quarter of self-employed persons without employees depended on one dominant client, and this situation only applied to 13 per cent of employers. It was more typical for employer entrepreneurs than for the other groups to have had a larger number of clients during the year, or at minimum 10.

The difference between women and men was not major in this respect, even though men did have only one (dominant) client slightly more often than women.

Figure 6.16

Number of clients in the past 12 months, self-employed by gender and self-employed type, % Self-employed persons in Finland 2017, Statistics Finland



A few per cent of the respondents said they had not had a single client in the past 12 months.

The number of clients alone does not give an indication of how vulnerable the business activity is. The qualitative interviews conducted for the survey *Self-employed without employees in Finland 2013* showed that one large, reliable client who pays regularly may be a better alternative than an income stream coming from several clients, in which case the work related to administrating and invoicing orders may be experienced as a burden.

In terms of the vulnerability of the business activities, the self-employed person's status in market negotiations may be a more decisive factor than the number of clients: for example, if a self-employed person possesses such outstanding professional competence or a good product that clients almost compete for their services, losing even a major client is not a financial disaster as it is easy find new clients to replace them.

This is why the self-employed persons who had one (dominant) client in the *Self-employed persons in Finland 2017* survey were also asked about how easy or difficult it would be to find another client to replace the current one.

This would have been the easiest for self-employed persons in agriculture who had one (dominant) client. More than a half (54%) said that finding a new client would be easy or relatively easy. In all, 42% per cent of self-employed persons without employees also felt that finding a new client would be at least relatively easy. For those few employer entrepreneurs who only had one dominant client, losing this client would have been a bigger blow than for other self-employed persons: only less than one third said that finding another client would be easy.

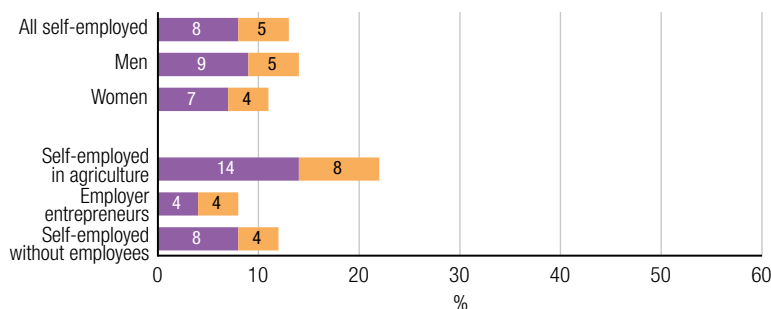
There was little or no difference between the genders in this respect: 43 per cent of women and 45 per cent of men would have considered finding another principal client relatively easy, whereas 54 per cent of women and 51 per cent of men would have found it difficult.

Figure 6.17 illustrates this correlation in proportion to all the self-employed of each type and all self-employed women and men. If the vulnerability of a self-employed person's situation is measured by whether or not their income consists mainly of a single client's orders and whether it would be difficult to find another client to replace the current one, self-employed persons in agriculture appear to be in the most vulnerable position. This situation applied to more than one out of five (22%) respondents in this group. On the other hand, only eight per cent of employer entrepreneurs were in an equally vulnerable position.

For a more detailed discussion on the financial dependence of self-employed persons without employees, see Chapter 10.

Figure 6.17

Replacing the dominant client would be difficult, self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



Self-employed in agriculture have the worst financial situation, employers the best

In this Chapter, we have looked at self-employed persons' financial situation from different perspectives: their placement in income deciles and quintiles based on register data from 2016 and their personal experiences of their financial situation.

Self-employed persons' income distribution is polarised. Based on their disposable income, approximately one self-employed person out of five belongs to the lowest income decile, and approximately one out of five to the highest decile. In the income distribution of self-employed persons in agriculture and self-employed persons without employees, the lower deciles are emphasised, whereas employer entrepreneurs find themselves more frequently in the highest income decile. The average disposable income of employer entrepreneurs is considerably higher than the median, however, which indicates that the spread of incomes in this group is great.

Income differences between the genders are also major. One out of four self-employed men but only slightly over 10 per cent of women belong to the highest income decile. The financial situation of self-employed persons with lower incomes is often balanced by a partner with a higher income. More than one half of the self-

employed in the lowest income quintile move to higher quintiles when we look at the total income of the household-dwelling unit.

Three out of four self-employed persons found their financial situation as self-employed at least relatively stable and secure in 2017. Regardless of the type of self-employment, this was more common for men than for women. More than one half of the self-employed reported having a suitable amount of work in the past 12 months; on the other hand, the workload of almost one out of five had fluctuated to the extent that it was difficult for them to assess whether it was suitable or not. Lack of work or great fluctuations in the workload appeared to be associated with experiencing financial uncertainty to a greater degree than average. On the other hand, many of those who had too much work also experienced financial uncertainty.

Self-employed persons in agriculture experienced their financial position as the least stable of the three groups, even if the difference to other self-employed persons without employees is not major. The overall situation of self-employed persons in agriculture is quite unique: having had an excessive workload in the past 12 months was more typical for them than for the others – and regardless of this, they could experience their financial situation as uncertain. For this group, not being able to price their work themselves appeared to be the rule rather than the exception, as the prices were set by an outside enterprise or operator, or the client. This group also experienced more often than others that they had to set the price of their work too low to be able to work in the future. More than one half of self-employed persons in agriculture operated in a situation where they only had one client, or they received at least 75 per cent of their income from one large client. On the other hand, more than one half of them felt that it would have been easy to find another client to replace the current one.

While self-employed persons without employees found their financial situation slightly more stable and secure than their counterparts in agriculture, they were left far behind employer entrepreneurs in this respect. Experiences of the stability of their financial situation varied among self-employed persons without employees: the most stable situation was experienced by information work professionals, while the most uncertain situation was faced by those working in the cultural and handicraft sectors. In general, however, the financial situation of self-employed persons without employees appeared to have improved in almost all occupational groups compared to 2013. As few as approximately one out of four self-employed persons without employees felt they had to set the price of their work too low in order to get work opportunities, which is less than among other self-employed types. Similarly, fewer than one out of four in this group had a single client, or one dominant client (accounting for more than 75% of their income). For the majority, replacing the current dominant client would have been difficult.

A larger share of employer entrepreneurs than the other self-employed types consider their financial situation stable and secure. For employer entrepreneurs, it was rather rare to only have one client, or one dominant client: in most cases they had at least 10 clients. On the other hand, employer entrepreneurs are the very group for whom replacing the one dominant client would have been difficult much more often than for the other groups.

7 Working time and conditions

In this Chapter, we will take a closer look at self-employed persons' working times and conditions and, where possible, compare them to employees' working conditions.

Self-employed persons' excessively long working days usually come up in discussions about the working times of the self-employed. Self-employed persons' working hours or their maximum length are not regulated under the Working Hours Act in the same way as employees' working times in an employment or public-service employment relationship. The exception is the transportation industry, where 48 hours has been set as the maximum working time of self-employed drivers. This makes self-employed drivers the first and so far the only group among the self-employed whose working hours are regulated in Finland.

It is true that self-employed persons' average regular working time is clearly longer than employees' working hours. In 2017, self-employed men worked on average three hours a week more than male employees, whereas self-employed women worked two hours longer than female employees.

The groups with the longest weekly working hours are employer entrepreneurs with approximately 46 hours on average and self-employed persons in agriculture, who work almost 45 hours a week. The average weekly working hours of self-employed persons without employees were clearly shorter, or 35 hours a week on average, which is on average one hour less than employees' normal weekly working hours.

While they thus work longer hours than employees on average, self-employed persons' working hours are clearly polarised, which is not the case for employees. On the one hand, self-employed persons had an 'excessive' working week of over 40 hours more often than employees in 2017; on the other hand, rather short working weeks were also more typical for the self-employed than employees.

As seen in Figure 7.1, more than 40 per cent of all self-employed persons extended their working week beyond 40 hours but, on the other hand, almost 30 per cent only worked less than 35 hours a week. These figures for employees were 11 per cent and 19 per cent; 70 per cent of employees but only 27 per cent of self-employed persons had a working week of 35 to 40 hours.

Table 7.1

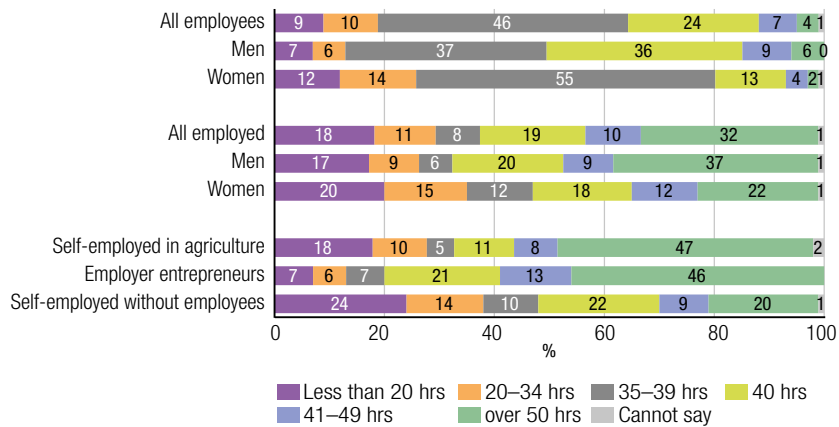
Regular weekly working time, employees and self-employed persons by gender, hours/week. Self-employed persons in Finland 2017, Statistics Finland

	Total	Men	Women
Employees	36.2	37.9	34.6
Self-employed	39.8	41.3	36.6
Self-employed in agriculture	44.6	44.5	44.9
Employer entrepreneurs	45.9	46.8	43.3
Self-employed without employees	35.0	36.5	32.6
Unpaid family workers	17.5	18.6	16.0

Figure 7.1

Regular weekly working time, self-employed and employees by gender and self-employed type, hours/week.

Self-employed persons in Finland 2017, Statistics Finland



As shown by the average weekly working hours, self-employed persons in agriculture and employer entrepreneurs, in particular, worked longer hours: almost one half said they did at minimum 50 hours a week. On the other hand, short working weeks were also not uncommon among self-employed persons in agriculture, as 28 per cent of them only worked less than 35 hours a week. The greatest share of those doing shorter hours was found among self-employed persons without employees; one out of four (24%) in this group worked less than 20 hours and 14 per cent worked 20 to 34 hours a week. However, the share of those with excessively long weekly working hours was also greater among self-employed persons without employees than among employees.

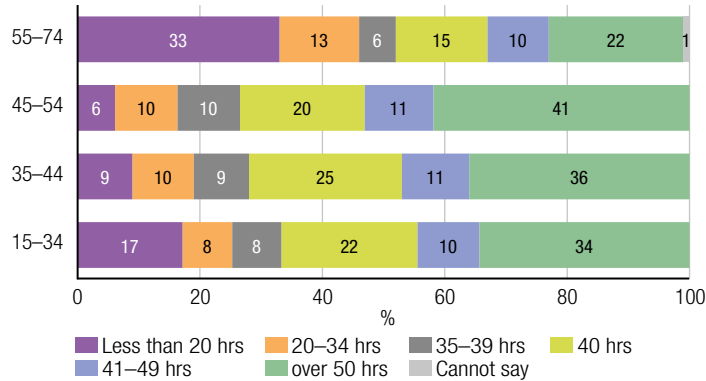
The length of the working time is associated with age. The working hours show a particularly clear polarisation among the oldest entrepreneurs aged over 55 on the one hand, but also among the youngest aged under 35 on the other. One third of the older self-employed persons only worked less than 20 hours a week, and almost one half in total (47 per cent) worked less than 35 hours a week in 2017. However, more than one out of five (22%) in this age group also worked at least 50 hours a week.

One out of four self-employed persons aged under 35 (25%) worked less than 35 hours a week, whereas one out of three (34%) worked at least 50 hours. Self-employed persons aged between 45 and 54 are going through the most intensive phase of their careers: more than 40 per cent of them worked at least 50 hours a week, and only 16 per cent had weekly working hours of less than 35 hours. (Figure 7.2.)

Twenty-one per cent of the self-employed reported that they worked part time in 2017, or 25 per cent of women and 20 per cent of men. This share varies greatly by self-employed type, however: 22 per cent of self-employed persons in agriculture, nine per cent of employer entrepreneurs and 28 per cent of self-employed persons without employees worked part time. The share of employees who work part time was 16 per cent (women 21%, men 10%) in 2017. Almost all unpaid family workers, approximately 90 per cent, reported that they worked part

Figure 7.2

Regular weekly working time, self-employed by age, hours/week.
Self-employed persons in Finland 2017, Statistics Finland



time. If the share of those working part time is calculated on the basis of the total for self-employed persons and unpaid family workers, a method that is followed in some cases, the share of self-employed persons working part time increases to 24 per cent. (See also Lukkarinen 2018.)

Weekend, evening and night work

The self-employed are more likely to work at weekends and in the evenings than employees. Working on Saturdays and Sundays in the past four weeks had been particularly common for self-employed persons in agriculture. (Figures 7.3 and 7.4.)

Figure 7.3

Has worked on a Saturday in the past 4 weeks, self-employed and employees by self-employed type, hours/week.
Self-employed persons in Finland 2017, Statistics Finland

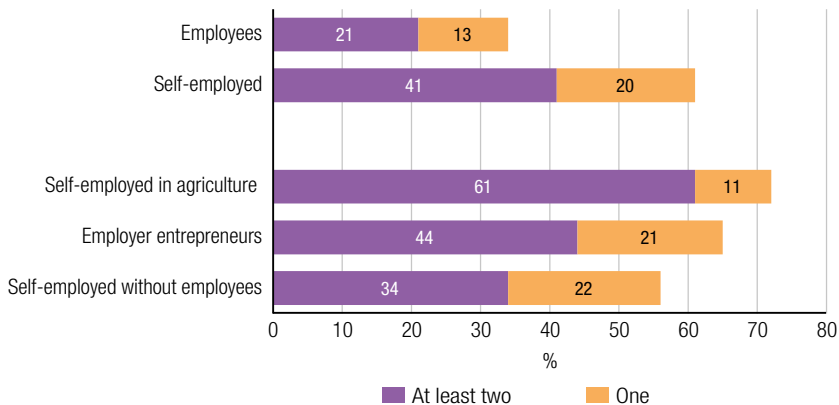
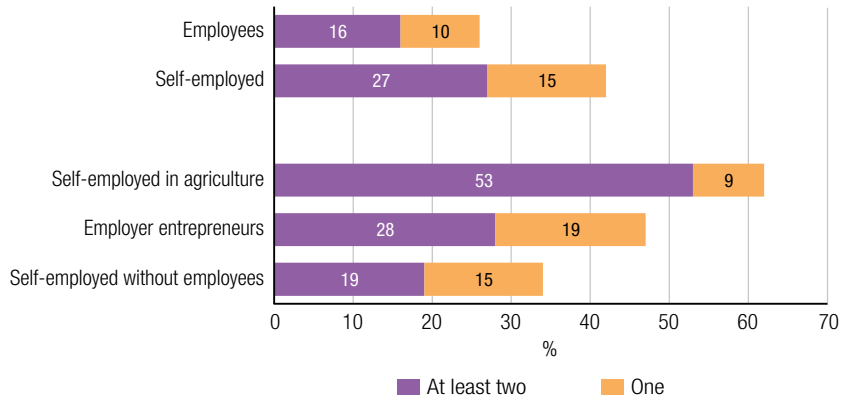


Figure 7.4

Has worked on a Sunday in their main job in the past 4 weeks, self-employed and employees by self-employed type, hours/week. Self-employed persons in Finland 2017, Statistics Finland



Working on Saturdays and Sundays was somewhat more common for female than male employees, whereas for self-employed persons, this situation is reversed: men were more likely to have worked on Saturdays (62% at least on one Saturday) and Sundays (46% at least on one Sunday) than women (59% and 39% respectively). The fact that self-employed persons in agriculture frequently work during weekends contributes to this result, as they are highly male dominated as a group. Interestingly, however, it was even more common for women than for men among self-employed persons in agriculture to work at weekends.

While working in the evenings was the most common for employer entrepreneurs, self-employed persons in agriculture and self-employed persons without employees were not too far behind them. We should note, however, that for self-employed persons in agriculture, evening work had mostly been regular, whereas in the other groups, it had occurred from time to time. (Figure 7.5.) It had been equally common for women (64%) and men (65%) to work in the evenings, at least from time to time, in the past four weeks.

In the incidence of night work, or work carried out between 11 p.m. and 6 a.m., the difference between employees and the self-employed was minor. For employees, however, night work had more typically been regular than for self-employed workers, as it was more typical for the latter group to have done night work from time to time in the past four weeks. In the case of employees, it is likely that one of the reasons for this situation is a high incidence of regular shift work, whereas for the self-employed, it was more about occasionally stretching the working day until the early hours. Among the self-employed, working at night was more typical for men (17% at least from time to time) than for women (11%).

Figure 7.5

Has worked in the evenings in their main job in the past 4 weeks, self-employed and employees by self-employed type, hours/week.
Self-employed persons in Finland 2017, Statistics Finland



Figure 7.6

Has worked at night in their main job in the past 4 weeks, self-employed and employees by self-employed type, hours/week.
Self-employed persons in Finland 2017, Statistics Finland



Possibilities of influencing the work

‘The entrepreneur’s freedom’, or ‘being your own boss’ has traditionally been associated with self-employment in opposition to paid employment, in which the terms of employment are set by the employer or the supervisor. According to Statistics Finland’s Quality of Work life Survey, however, employees’ possibilities of influencing different aspects of their work have also improved over the long term, excluding their ability to influence the pace of the work (Sutela & Lehto 2014). More and more frequently, we also talk about self-management in paid employment.

In the *Self-employed persons in Finland 2017* survey, self-employed persons, employees and unpaid family workers were all asked if they could influence the content of their work, the order of tasks and the schedules of their work. While the possibility of influencing your work is a sliding concept rather than a dichotomy – it is likely that we can all influence some aspects of our work, at least to some extent – the options set by Eurostat in this survey were simply yes or no.

As expected, the findings show that self-employed persons can influence the content of their work and the order in which they completed their tasks more often than employees. Differences between these groups came up especially regarding the number of those who felt they could influence the content of their tasks. It is worth noting, however, that more than two out of three employees also felt that they could influence the content of their tasks, and four out of five could influence the order in which they completed the tasks. (Figures 7.7 and 7.8.)

Figure 7.7
Can influence the content of their tasks, employees and self-employed by self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland

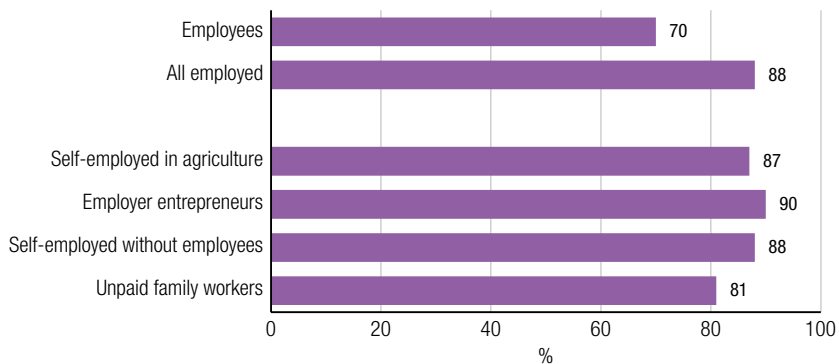
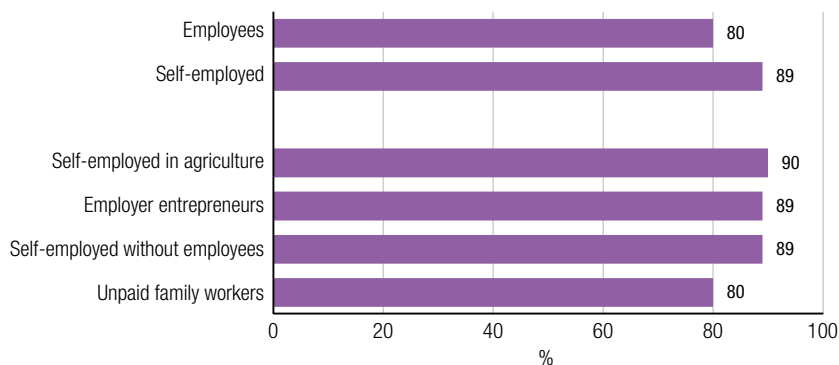


Figure 7.8
Can influence the order in which they complete their tasks, employees and self-employed by self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



The differences between self-employed groups were minor regarding the number of those who felt they could influence aspects of their work; regardless of the type of self-employment or gender, approximately 90 per cent found they could influence their work. Unpaid family workers could influence their work slightly less often than actual self-employed persons. However, they had more possibilities of influencing the content of their work than employees.

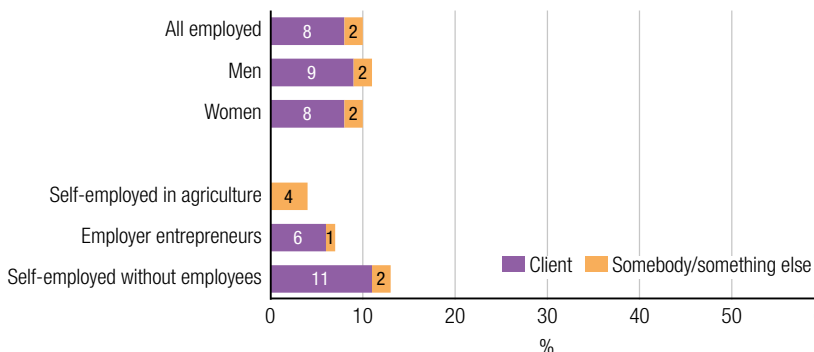
Among the self-employed, there was little or no difference between the genders in the number of those who felt they could influence the content of their work or the order of tasks. Examined by gender, the differences between employees and unpaid family workers in the share of those who felt they could influence their work order were also minor. However, male employees reported more often (75%) than female employees (68%) that they could influence the content of their tasks. This also applied to unpaid family workers (men 83%, women 77%).

Self-employed persons were also asked if they could decide the start and end times of their working day themselves. 89 per cent of entrepreneurs (men 88%, women 90%) could do so. However, 11 per cent (men 8%, women 9%) said that the start and end times were determined by the client, and two per cent said that they depended on some other factor, such as the weather.

Clear differences can be observed between the self-employed groups: self-employed persons without employees have the least room for manoeuvre considering their working times, as more than one out of ten in this group has the start or end times of their working day decided by the client. Almost all self-employed persons in agriculture could make their own decisions concerning their working times – and in the few cases where this was not true, the working times depended on some external factor, presumably weather, rather than the client. (Figure 7.9.)

Figure 7.9

Self-employed persons who do not decide the start and end times of their working day, share of all self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



In Eurostat’s ad hoc module, this authority of the client to decide the start and end times of the working day was used to define the so-called dependent self-employed. For more information on this issue, see Chapter 10.

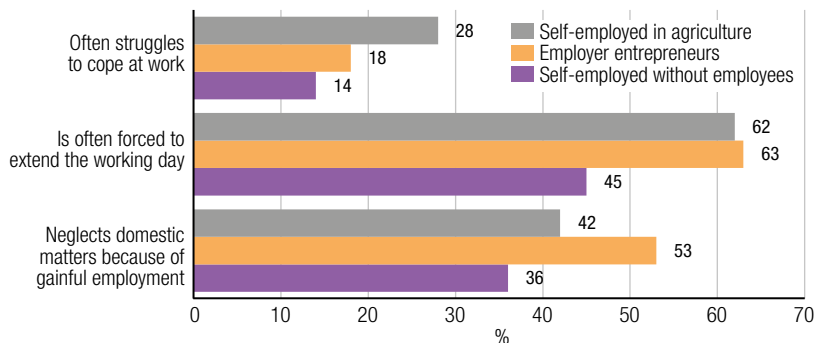
Work stress

The survey *Self-employed persons in Finland 2017* contained a few statements that charted experiences of self-employed work from the perspective of work stress on the one hand and work engagement on the other. In Figure 7.11, the findings are also compared to employees’ experiences, as similar statements were put to employees aged between 15 and 64 in Statistics Finland’s Quality of Work Life Survey, most recently in 2013 (Sutela & Lehto 2014). While this comparison gives an indication of differences between self-employment and paid employment, we must remember that the employees’ figures describe respondents aged between 15 and 64 and the figures for the self-employed concern persons aged between 15 and 74; additionally, the years covered by the surveys are different.

There were clear differences between the types of self-employed persons in how they experience self-employed work (Figure 7.10). Almost one out of five (18%) self-employed persons reported that they often struggled to cope at work in 2017. These problems were almost equally common for employees in 2013 (16%). Self-employed persons in agriculture (28%) were the group clearly struggling the most with coping at work. Of self-employed persons without employees, 14 per cent often encountered difficulties with coping at work, but within this group, the shares varied from 10 per cent for information work professionals to 17 per cent in the cultural and handicrafts sector and 16 per cent in construction, transportation and manufacturing.

Over 60 per cent of both self-employed persons in agriculture and employer entrepreneurs often had to extend their working days to complete their tasks. Fewer among self-employed without employees, or fewer than one half, reported that they had to extend their working days often, but differences between occupational groups were again considerable within the group: this problem affected roughly one out

Figure 7.10
Work stress, self-employed by self-employed type, fully or somewhat agree, %.
Self-employed persons in Finland 2017, Statistics Finland



of three (35%) of information work professionals and one out of two among those working in construction, transportation and manufacturing occupations. Clearly fewer employees, or more than one out of three, faced this situation than self-employed persons.

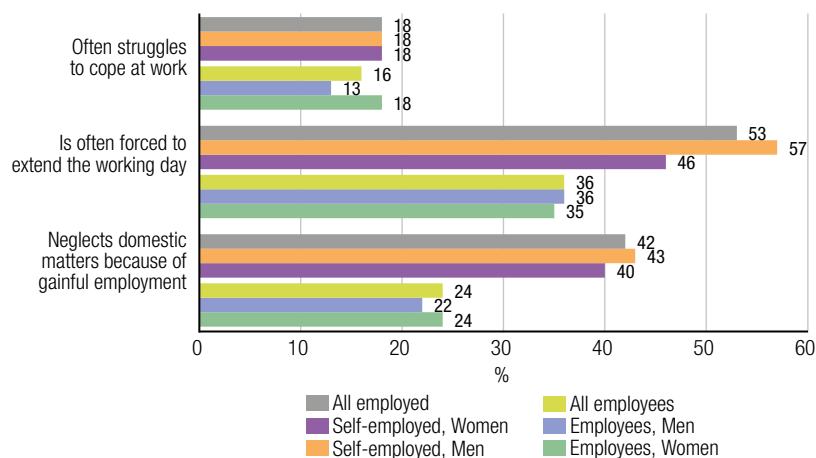
The feeling of neglecting domestic matters was clearly more familiar for the self-employed (42%) than for employees (24%). In the latter group, the share of those who felt this way has remained at approximately a quarter throughout the 2000s. Among employer entrepreneurs, the experience of neglecting domestic matters was considerably more common than among the other self-employed groups. Among self-employed persons without employees, those working in construction, transportation and manufacturing occupations stand out as a group who feel they are neglecting domestic matters more often than the others (47%); 40 per cent of service industry workers also felt this way. In this respect, information work professionals were similar to employees: approximately one out of four (24%) felt they neglected domestic matters.

When we examine these statements by gender, interesting differences between the self-employed and employees come up. It was clearly more common for self-employed men than women to extend their working days, while among employees no gender correlation was found in this respect in 2013. However, female employees experience problems with coping at work clearly more often than their male counterparts, whereas this difference was not observed among the self-employed. Self-employed men felt they were neglecting domestic matters slightly more often than self-employed women, whereas these roles were reversed among employees. (Figure 7.11.)

Some age-dependent differences come up in these experiences. Difficulties with coping were to some extent more common among self-employed persons aged under 35 (18%) and in the age group 35 to 54 (20%) than among self-employed

Figure 7.11

Work stress, self-employed and employees by gender, fully or somewhat agree, %. Self-employed persons in Finland 2017 and Quality of Work Life Survey 2013, Statistics Finland



workers aged over 55 (15%). The youngest group among the self-employed, or those aged under 35, reported that they were forced to extend their working day slightly more often (61%) than those in the age group 35 to 54 (57%) and clearly more often than self-employed persons aged over 55 (44%). The feeling of neglecting domestic matters, on the other hand, was more common for the middle age group, or those aged 35 to 54 (51%) than for self-employed persons aged under 35 (45%) or over 55 (29%).

Thus, similar statements were put to employees aged 15 to 64 in Statistics Finland's Quality of Work Life Survey, most recently in 2013. At that time, approximately one out of four (24%) of employees felt they were neglecting domestic matters because of paid employment – this share has changed little throughout the 2000s – and more than one third (36%) extended their working days in order to complete their tasks. Feelings of neglecting domestic matters and extending working days were thus not equally common for employees as for self-employed persons, for whom these shares were 42 per cent and 53 per cent in 2017. On the other hand, the share of employees who struggled to cope at work (16%) differs little from the same proportion among the self-employed (18%). This comparison gives an indication of the differences between self-employment and paid employment, although we should remember that the employees' figures describe respondents aged between 15 and 64, while the figures for self-employed persons describe those in the 15 to 74 age group. (Sutela & Lehto 2014.)

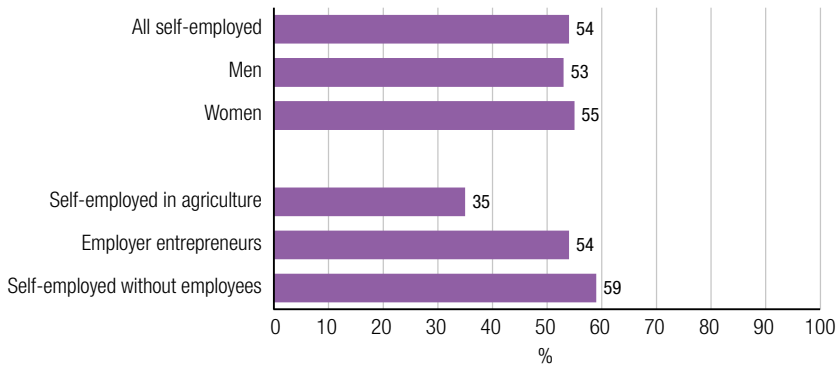
Employees' right to holidays is regulated under the Annual Holidays Act. Under this Act, annual holiday must be granted as an uninterrupted period unless this is not possible for work continuity reasons. The Finnish Institute of Occupational Health stresses that in the interest of the employee wellbeing, an uninterrupted holiday period of at least 2 to 3 weeks is recommended.

Self-employed persons take holidays if they feel they have the time and patience and they can afford it. While more than one half of both employer entrepreneurs and self-employed persons without employees reported that they had been able to take an uninterrupted holiday of at minimum two weeks in the past 12 months, only one out of three self-employed persons in agriculture had managed to do so. There was little or no difference between the genders in this respect. (Figure 7.12.) Those aged over 55 have the best track record when it comes to taking a holiday of at least two weeks (61%), whereas in the younger aged groups, only one out of two had managed to do so.

While self-employed persons without employees would appear to have the best possibilities of taking holidays, these possibilities greatly depend on the person's occupation. Of information work professionals, 77 per cent had been able to take holidays for an uninterrupted period of at least two weeks, whereas only 47 per cent of those working in construction, transportation and manufacturing had managed to do so. For service industry workers, this share was 54 per cent, while it was approximately 60 per cent for the other groups.

Figure 7.12

Has been able to take an uninterrupted holiday of at least 2 weeks in the past 12 months, self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



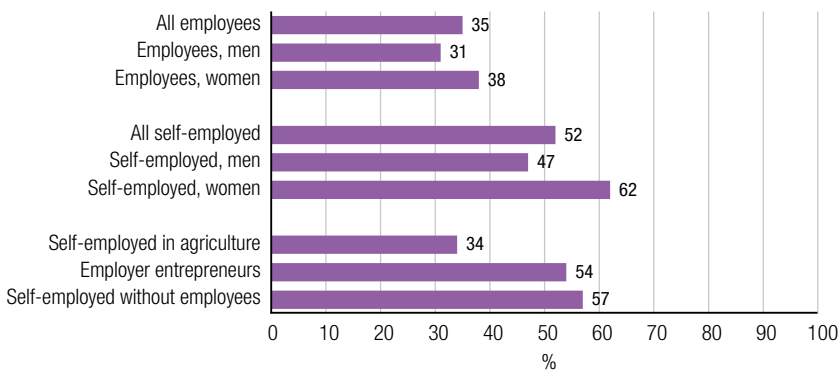
Work engagement and job satisfaction

As we have seen, there are differences between the self-employed person types regarding how stressful they found their work. They also differed in their job satisfaction and enthusiasm for their work.

What stood out was that, of self-employed persons in agriculture, only slightly more than one third report feeling enthusiastic about their work, whereas more than 50 per cent of employer entrepreneurs and self-employed persons without employees had an enthusiasm for their work. (Figure 7.13.) The responses of self-employed persons in agriculture thus are similar to the findings of the Quality of Work Life Survey from 2013, in which 35 per cent of employees aged 15 to 64 felt they were enthusiastic about their work (Sutela & Lehto 2014.)

Figure 7.13

Is enthusiastic about their work, self-employed and employees by gender and self-employed type, fully agree, %. Self-employed persons in Finland 2017 and Quality of Work Life survey 2013, Statistics Finland



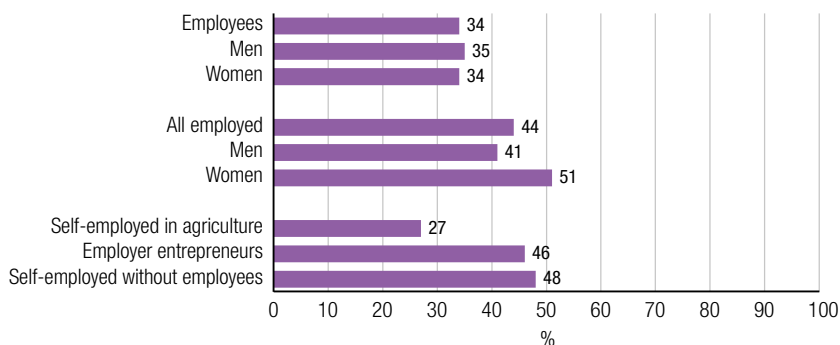
Interestingly, self-employed women reported slightly more often (62%) than self-employed men (47%) that they had an enthusiasm for their work. This was observed particularly among self-employed persons without employees, in which group 69 per cent of women and 50 per cent of men experienced work engagement when measured in this manner. Female employer entrepreneurs were also enthusiastic about their work more often (61%) than their male counterparts. Among self-employed persons in agriculture, the situation was reversed (women 31%, men 35%). Young self-employed persons aged under 35 (64%) were enthusiastic about their work more frequently than the other age groups – in the older age groups, this share was approximately 50 per cent.

The heterogeneous nature of self-employed persons as a group also came up in the context of this question. The share of those enthusiastic about their work exceeded 60 per cent among information work professionals (62%), those working in the cultural and handicraft sector (66%) and service industry workers (64%). This share was less than 50 per cent for those working in trade and health and for information work professionals (48%) and those working in construction, transportation and manufacturing (45%).

In the *Self-employed persons in Finland 2017* survey, employees and unpaid family workers were also asked about their job satisfaction. In general, self-employed persons appear to be more satisfied with their jobs than employees: of all self-employed persons, 44 per cent said they were highly satisfied with their current job, whereas this share for employees was 34 per cent. In particular, there was a major difference between self-employed women (51%) and female employees (34%). (Figure 7.14.)

In general, it was interesting to observe that while gender is not linked to job satisfaction among employees and unpaid family workers, among the self-employed, women are clearly more satisfied than men. This is true for all self-employed groups: of men who work as employer entrepreneurs or self-employed persons without employees, 44 per cent were highly satisfied with their jobs, whereas these shares for women were 53 per cent and 54 per cent. Among self-employed persons in

Figure 7.14
Highly satisfied with their jobs, employees and self-employed by gender and self-employed type, Self-employed persons in Finland 2017, Statistics Finland



agriculture, however, the gender difference was smaller: 26 per cent of men and 29 per cent of women were highly satisfied with their jobs.

Differences between the self-employed groups were also great in other respects. Employer entrepreneurs were almost as satisfied with their jobs as self-employed persons without employees (46% and 48%), whereas only slightly more than one out of four (27%) of self-employed persons in agriculture felt highly satisfied with their jobs. As we have seen, this share was even lower than among employees. In the same vein, one out of ten (10%) of self-employed persons in agriculture said they were highly or quite dissatisfied with their jobs, while this share was four per cent for employer entrepreneurs, five per cent for self-employed persons without employees and seven per cent for employees.

The heterogeneous nature of self-employed persons without employees as a group can also be seen in the sphere of job satisfaction. The largest shares of those satisfied with their jobs were found among information work professionals (59%), whereas the lowest shares of those who were highly satisfied, or 40 per cent, were found among self-employed persons without employees working in construction, transportation and manufacturing.

The youngest and oldest self-employed persons had the highest levels of satisfaction with their jobs. The share of those who were highly satisfied was 49 per cent among self-employed persons aged under 35 and 47 per cent in the age group over 55. Between these two extremes in the age group 35 to 54, this share was as low as 40 per cent.

Self-employed persons in agriculture the most stressed, self-employed women the most satisfied

In this Chapter, we have discussed the length of self-employed persons' working week, the timing of their working hours, work stress as well as work engagement and job satisfaction. We also looked at their possibilities of influencing aspects of their work. Where applicable, findings concerning the self-employed have been compared to employees' results.

On average, self-employed persons put in longer weekly working hours than employees. However, their working hours show a strong polarisation: more than 40 per cent of them work over 40 hours a week, whereas almost 30 per cent work less than 35 hours. As employees typically have a working week of 35 to 40 hours (70%), this average working week only applies to 27 per cent of the self-employed. Part-time work is more common among the self-employed than among employees. Compared to employees, self-employed persons also work more often during so-called atypical working hours, or during weekends, in the evenings and at night.

On the one hand, self-employed work appears rather stressful compared to paid employment, but on the other, the self-employed are enthusiastic about their work and satisfied with their jobs more often than employees. Self-employed persons have more influence on the content and order of their tasks than employees or unpaid

family workers. Good possibilities of influencing their work was something that all self-employed persons have in common, but in many other respects, clear differences are observed between the self-employed types.

Employer entrepreneurs have the longest typical weekly working hours, or approximately 46 hours a week. Almost one half of employer entrepreneurs work at least 50 hours a week, and short working weeks of less than 35 hours are less common for this group than for other self-employed persons or employees. Doing weekend work is not as common for employer entrepreneurs as it is for self-employed persons in agriculture, but more common than for self-employed persons without employees, to say nothing of employees. Employer entrepreneurs are often forced to extend their working day, and they feel they are neglecting domestic matters because of their paid employment more often than the other groups. Employer entrepreneurs are clearly more enthusiastic about their work and more satisfied with their jobs than employees or self-employed persons in agriculture – almost equalling self-employed persons without employees in this respect.

The working weeks of self-employed persons in agriculture were nearly as long as employer entrepreneurs' weeks, on average almost 45 hours. Less than one half of them work at least 50 hours a week. Working at weekends is particularly common among self-employed persons in agriculture. Their situation appears to be more stressful in many respects than that of other self-employed persons: they struggle more often to cope at work, and they have less opportunities to take holidays. Compared to other self-employed persons, enthusiasm about their work or job satisfaction appear to be something only enjoyed by a select few self-employed persons in agriculture.

The weekly working hours of self-employed persons without employees are shorter than those of other self-employed workers, or 35 hours on average. Even employees work longer hours than this. More than one out of three self-employed persons without employees work relatively short hours, or less than 35 hours a week. Approximately one out of five works at least 50 hours a week, which is a small share compared to other self-employed persons – but a large proportion compared to employees. Working on Saturdays or Sundays or in the evenings is less common for self-employed persons without employees than for the other self-employed groups, however more common than for employees. Compared to other self-employed workers, self-employed persons without employees are the most satisfied with their jobs and enthusiastic about their work, and they appear to have the best opportunities for taking an uninterrupted holiday of two weeks. At a closer look, however, the group of self-employed persons without employees is very heterogeneous, and their experiences related to work stress and work engagement, for instance, vary greatly between different occupational groups.

Self-employed men report more often than self-employed women that they are forced to extend their working day, but otherwise there is little or no difference between the genders when it comes to experiences of work stress. However, self-employed women are considerably more enthusiastic about their work and satisfied with their jobs than men. Self-employed women's enthusiasm about their work and job satisfaction stands out when these results are compared to female employees' experiences, in particular.

8 Health and continuing to work

Discussions about wellbeing at work to a great extent focus on employees. Employers and supervisors are expected to know how to look after and promote their employees' and subordinates' wellbeing at work: employers have a statutory duty to organise occupational health care for their employees.

Self-employed persons are on their own in this respect, too: no-one looks after their health and coping at work if they do not manage it themselves. In recent years, however, self-employed persons' wellbeing at work has attracted increasing attention in public discussion, and different actions and projects to promote it have been launched, for example, by the Finnish Institute of Occupational Health.

In addition to the human perspective, self-employed persons' wellbeing is linked to the national economy, efforts to extend careers, employment rates and public health in the same way as employees' wellbeing. This is why self-employed persons' wellbeing at work is not only a personal but also a societal matter.

Work ability

In the *Self-employed persons in Finland 2017* survey, the respondents' work ability was measured using the so-called work ability index originally developed by the Finnish Institute of Occupational Health: the respondents were asked to assess their work ability on a scale of 0 to 10. According to the instructions issued to the respondents, the highest possible rating for their work ability was 10, and if they were completely unable to work, the rating was 0.

The respondents used the entire range of ratings in their responses, although as few as seven per cent of all self-employed persons gave their work ability a score of 0 to 6, whereas more than one half put their work ability at 7 or 8. Almost one out of four gave their work ability the full score of 10 points.

Women were more likely to give their work ability full 10 points (28%) than men (21%). Only 13 per cent of self-employed persons in agriculture gave their work ability the best possible rating, whereas approximately one out of four employer entrepreneurs and self-employed persons did so. Self-employed persons in agriculture also gave a low rating for their work ability more frequently than the other groups. In total, self-employed persons without employees rated their work ability even slightly higher than employer entrepreneurs. (Figure 8.1.)

If we calculate the averages for these scores, they also indicate that women rated their work ability higher than men, self-employed persons without employees rated their work ability slightly higher than employer entrepreneurs, and the self-perceived work ability of self-employed persons in agriculture was particularly low. (Table 8.1.)

Among self-employed persons in agriculture, no gender differences came up in the work ability ratings, while among self-employed persons without employees and employer entrepreneurs, the average for women's self-assessed work ability was higher than men's.

Figure 8.1

Self-perceived work ability on a scale of 0 to 10, self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland

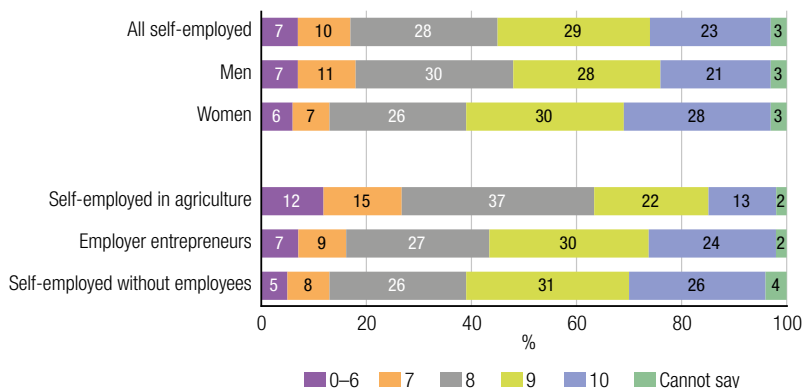


Table 8.1

Self-perceived work ability on a scale of 0 to 10, self-employed by gender and self-employed type, average. Self-employed persons in Finland 2017, Statistics Finland

Total self-employed	8.2
Men	8.1
Women	8.4
Self-employed in agriculture	7.5
Employer entrepreneurs	8.2
Self-employed without employees	8.4

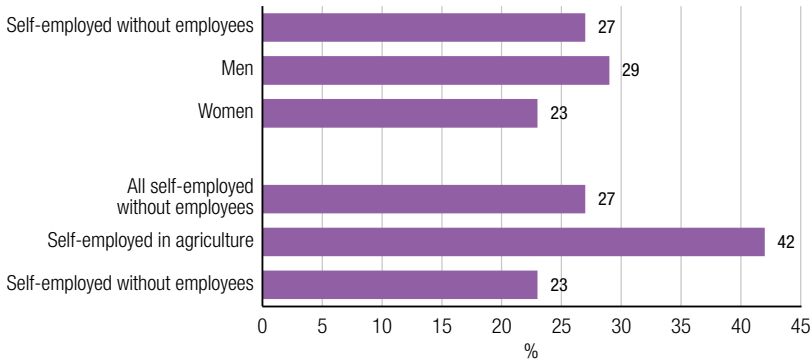
The assessments of self-perceived work ability were closely linked to the respondent’s age. While the average rating for self-perceived work ability decreases steadily from 9.2 points for those aged under 25 to 8.1 points in the age group 55 to 64, it increases slightly (8.2) in the oldest age group of 65 to 74. While as many as 37 per cent of self-employed persons aged under 25 rate their work ability at 10, this share drops to 16 per cent in the age group 64 to 74. In the age group under 25, few rate their work ability at lower than 8 points, but of those aged over 55, roughly ten per cent give their work ability no more than 6 points.

Organisation of occupational health care

The purpose of occupational health care is to promote the prevention of illnesses and accidents, maintain employees’ health and work ability, and contribute to making sure that the working environment is healthy and safe. The employer is obliged to organise occupational health care services for those of their workers who have an employment relationship. These services may also include medical care and health care services. Employers can organise the occupational health care services themselves or outsource them to a private service provider together with other employers.

Figure 8.2

Has organised occupational health care for themselves, all self-employed without paid labour force by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



If self-employed persons wish to avail of occupational health care services, they have to personally organise them. Some of their costs are reimbursed by the Social Insurance Institution.

More than one out of four self-employed persons operating without paid labour force had purchased occupational health care for themselves. This was clearly more common among self-employed persons with no paid labour force in agriculture, and more common among men than women. The fact that a larger share of self-employed persons in agriculture are men does not explain the gender difference, as women in this occupation had purchased occupational health care services clearly more often (52%) than men (38%). The opposite was true for self-employed persons without employees: men (26%) had organised occupational health care for themselves more often than women (18%).

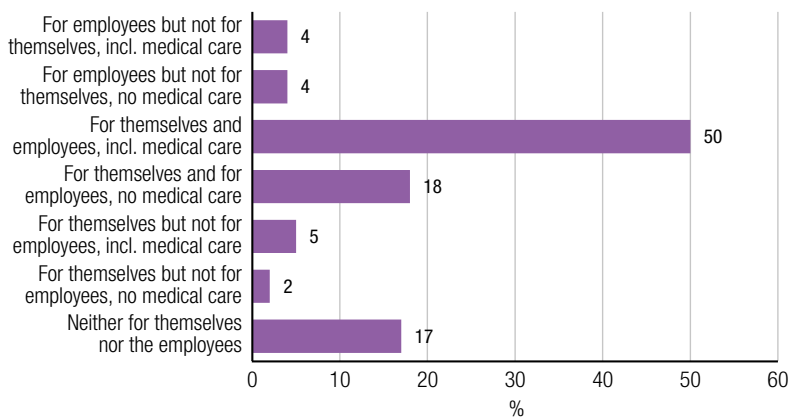
While organising preventive occupational health care services for their employees is a statutory duty for employers, including medical care services in them is voluntary. In the *Self-employed persons in Finland 2017* survey, employer entrepreneurs were asked about how they had organised their enterprise's occupational health care services.

One half reported that they had organised occupational health care services, also including medical care, for both themselves and their employees. Fewer than one out of five had organised primary occupational health care services for both themselves and their employees, however not medical care services.

Additionally, a total of eight per cent said they had organised occupational health care for their employees but not for themselves; in one half of these cases, occupational health care also included medical care services.

In other words, a total of 76 per cent of the self-employed reported that they had organised occupational health care services for their employees, and the majority had also organised these services for themselves. On the flip side, this means that approximately one out of four had not organised occupational health care for their employees – albeit that some of them had organised the services for themselves.

Figure 8.3
 Organisation of occupational health care, employer entrepreneurs including the agricultural sector, %. Self-employed persons in Finland 2017, Statistics Finland



This finding is interesting, considering that organising occupational health care for the employees is an employer’s statutory duty, regardless of the nature or duration of the employment relationship or the size of the workplace. However, it is not completely unexpected. A Finnish Institute of Occupational Health study (Palmgren et al. 2015) revealed that of enterprises employing fewer than 50 people, 27 per cent had not organised occupational health care for their employees at the time of the preliminary survey in 2013; however, this share had dropped to 20 per cent in an intervention study conducted in 2014. The most common reasons for small enterprises not organising occupational health care services for their employees were the high cost of these services and the use of other health services. One out of seven small employer entrepreneurs did not even know about their duty to organise occupational health care services for their employees.

In the *Self-employed persons in Finland 2017* survey, women and men as employer entrepreneurs were more or less equally likely to have organised occupational health care services for their employees. However, it was slightly less common for these services to include medical care in women’s than in men’s enterprises. Of female employer entrepreneurs, 50 per cent had organised occupational health care services that included medical care for their employees, and 26 per cent had only organised occupational health care but not medical care services. These figures were 55 per cent and 20 per cent for men.

Examined by the number of employees, enterprises that had organised no occupational health care for their employees most commonly were the smallest businesses with no more than five employees. One out of three (32%) employers in these enterprises had not organised occupational health care services for their employees. In enterprises with 6 to 10 employees, nine per cent of the employers had neglected to organise occupational health care services for the employees. In practice, almost all larger employers had organised at least primary level occupational health care services for their employees. When we look at

all enterprises with no more than 50 employees, 28 per cent did not provide occupational health care services.

The organisation of occupational health care services that included medical care for the employees was linked to enterprise size. The share of enterprises organising these services was 84 per cent of workplaces with 21 to 50 employees, and slightly less of workplaces larger than this. However, almost one half (48%) of the very smallest employers (1 to 5 employees) had organised occupational health care services that included medical care for their employees.

Self-employed persons who had not organised occupational health care even for themselves were also more commonly found among small employers: 30 per cent of employer entrepreneurs with at most five employees did not themselves have access to occupational health care services, and 14 per cent of those who had 6 to 10 employees had neglected to arrange these services for themselves.

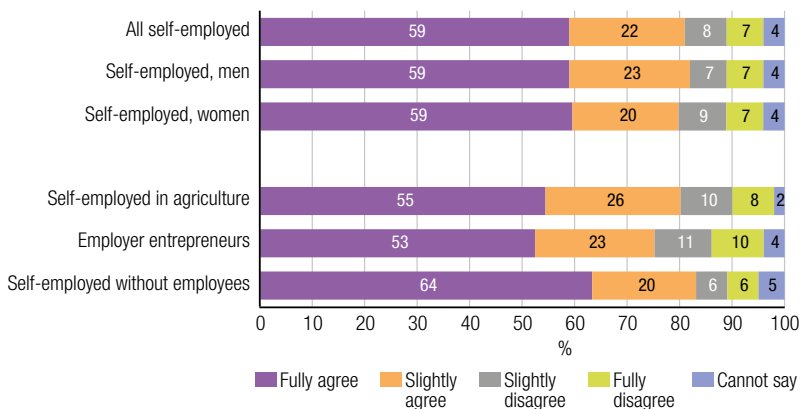
Willingness to continue working until retirement age and beyond

Extending careers is one of the key policy objectives in Finland. In the *Self-employed persons in Finland 2017* survey, all self-employed persons aged 50 to 67 were asked if they would and could keep working until retirement age and even continue to work past this age.

Initially, the statement *I would like to continue working until retirement age* was put to the self-employed in this age group. Of all respondents in this age group, six per cent said that the statement was not applicable to their situation. Almost all of those who gave this response were aged at least 60, and in practice, in most cases it meant that they already had officially retired. These *not applicable* responses were thus excluded from the examination below.

Figure 8.4

Willingness to continue working until retirement age (excl. "not applicable"), self-employed aged 50 to 67 by gender and self-employed type, %.
Self-employed persons in Finland 2017, Statistics Finland



There was little or no difference between women and men in the share of those who were willing to continue in their jobs until they reached retirement age. Three out of four self-employed persons wished to do so. Self-employed persons without employees showed the greatest willingness to continue working, especially when we look at the number of *fully agree* responses. While self-employed persons in agriculture of all self-employed groups were the one to experience the greatest problems related to work stress and they had the lowest level of job satisfaction (see Chapter 7), they included slightly more of those who were willing to continue at work than the group of employer entrepreneurs.

When we examine the findings by age, a sharp divide in the willingness to continue working can be seen between self-employed persons aged over and under 60: the older age group was more likely to display willingness to continue working than those aged under 60 (Figure 8.5). This group is likely to be selected, as in the oldest age group, many of those who were unwilling to continue working until retirement age had already dropped out of working life.

The statement *My health will allow me to keep working until I reach retirement age* was also put to the respondents. When we again exclude from the analysis those who responded *Not applicable*, or respondents who probably already were on old-age pension (6%), we can see that there was no gender difference in the shares of those who believed their health would allow them to work until retirement age (Figure 8.6), regardless of the fact that women assessed their work ability to be slightly better on average than men. Almost nine out of ten self-employed persons aged over 50 believed that their health would allow them to work until retirement age: two out of three said they fully agreed with the statement, and approximately one out of five said they slightly agreed. Only eight per cent did not believe that they could, for health reasons, continue working until retirement age, and six per cent could not or would not express their opinion regarding this statement.

While self-employed persons in agriculture displayed greater willingness to continue working until retirement age than employer entrepreneurs in the previous statement, clearly fewer in the former group believed that their health would allow

Figure 8.5 Willingness to continue working until retirement age (excl. "not applicable"), self-employed aged 50 to 67 by age, %. Self-employed persons in Finland 2017, Statistics Finland

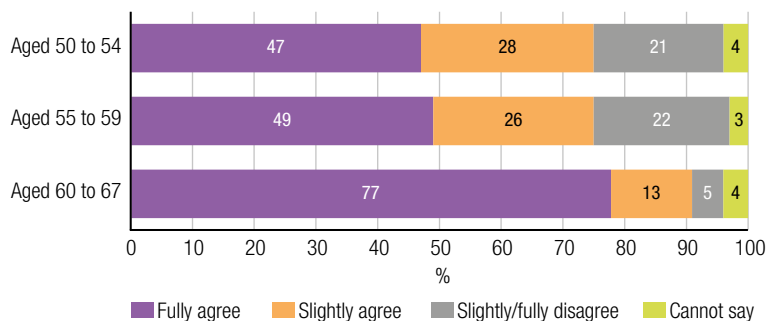
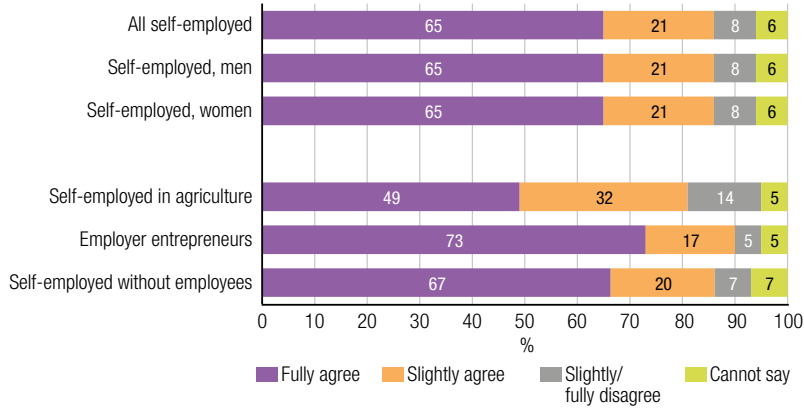


Figure 8.6

Believe their health will allow them to keep working until retirement age (excl. "not applicable"), self-employed aged 50 to 67 by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland

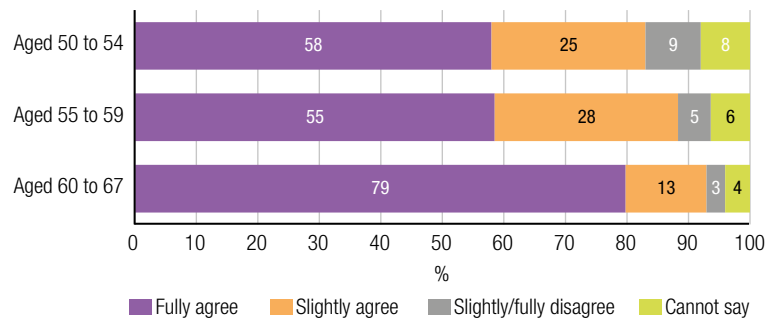


them to keep working until that time. This is also associated with the lower scores farmers gave for their self-perceived work ability. Employer entrepreneurs had the highest level of confidence in their health, and self-employed persons without employees came a good second.

The analysis by age group brings up the same phenomenon as in the willingness to continue working until retirement age: those self-employed persons whose health had allowed them to work past their 60th birthday had a higher level of confidence in remaining healthy until retirement age (Figure 8.7). This phenomenon has probably also been affected by the respondents being a selected group, as those who had serious health problems no longer were in the work life at this age. If we only look at the age group 65 to 67, in practice everyone believed their health would allow them to work for the shortish period that remained before they reached

Figure 8.7

Believe their health will allow them to keep working until retirement age (excl. "not applicable"), self-employed aged 50 to 67 by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



retirement age. However, the number of respondents in this age group was too small in the data set to present the age group's findings as a class of their own.

Due to their life situation, it was also impossible for the oldest respondents who probably already were retired to express an opinion on whether they thought they would have enough work until retirement age. When we exclude the five per cent who responded "not applicable", clear differences come up between the self-employed types in the shares of those who believed there would be enough work.

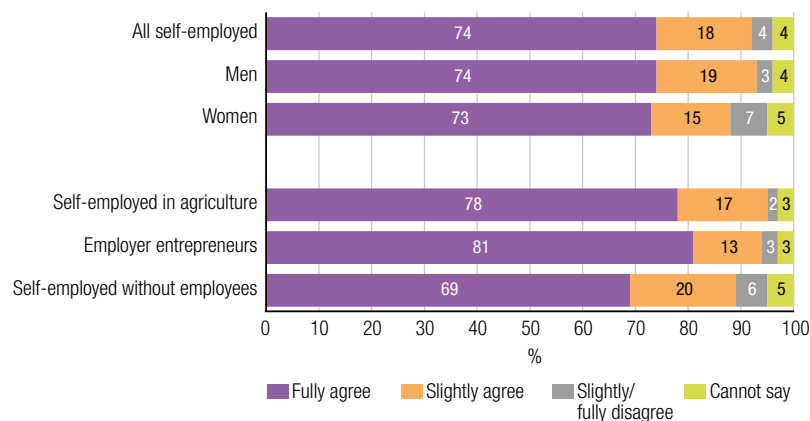
The results of men and women are again surprisingly similar, especially when we look at the share of those who responded *fully agree*. Almost three out of four appeared to be rather sure that they would have enough work until retirement age. On the other hand, fewer women than men responded *fully agree*. The share of those who do not believe they will have enough work until retirement age is also clearly larger among women (7%) than men (3%).

Self-employed persons without employees and employer entrepreneurs have little doubt about the sufficiency of work. However, the share of those who believe there will be sufficient work is slightly smaller among self-employed persons in agriculture than in the other two groups.

When examined by age group, the findings related to this statement are quite similar to the results of the previous statements, or willingness to keep working until retirement age and confidence in being healthy enough to do so: among those aged over 60, almost all respondents believe that as they have had sufficient work up till now, they will also have enough until retirement age (Figure 8.9).

Finally, all respondents aged over 50 were asked if they thought they would continue or had continued working after retirement age and invited to give the reason for their plans to continue or unwillingness to do so. Approximately two out of five respondents said they planned to continue or continued working because

Figure 8.8
Believe they will have enough work until retirement age (excl. "not applicable"), self-employed aged 50 to 67 by gender and self-employed type, %.
Self-employed persons in Finland 2017, Statistics Finland



they wanted to. This was slightly more common among self-employed men than women. Women’s plans or decisions to continue working were slightly more often than men’s influenced by their financial situation: they could not afford to stop working. In total, however, only six per cent of the respondents cited financial considerations as a crucial factor for their willingness to continue working in this question. Men said slightly more often than women that they would continue if there were enough work – in total, this option was selected by 15 per cent of the respondents. Five per cent felt that their health would not allow them to continue

Figure 8.9

Believe they will have enough work until retirement age (excl. "not applicable"), self-employed aged 50 to 67 by age, %. Self-employed persons in Finland 2017, Statistics Finland

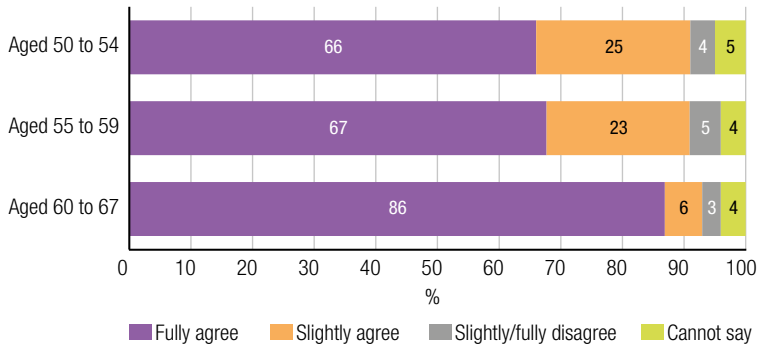
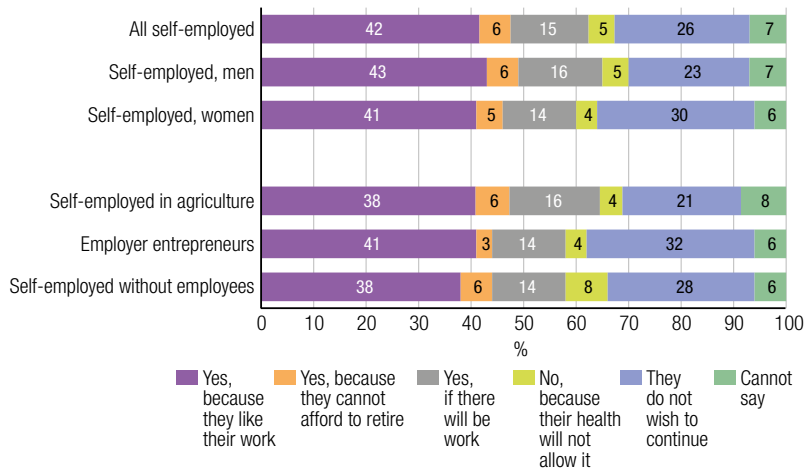


Figure 8.10

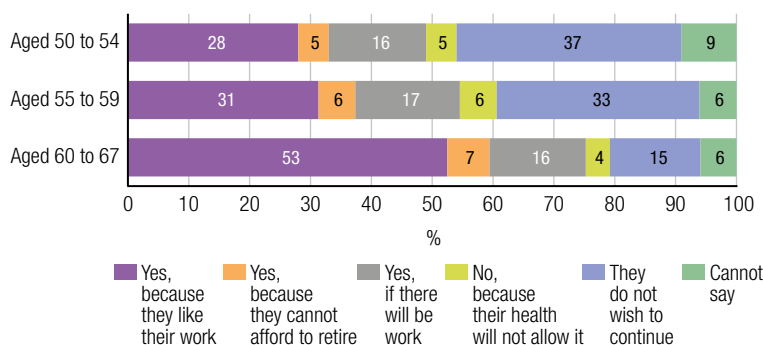
Believe they will continue working past retirement age, self-employed aged over 50 by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



working past retirement age. The only clear gender difference emerged in the share of those who did not wish to continue working past retirement age: this was clearly more common for women than for men.

When we analyse the findings by age group, we see that the greatest difference in responses given by those aged under and over 60 concerned willingness to continue working. More than one half of those aged over 60 said they wished to continue working past retirement age, whereas 15 per cent announced that they would not wish to do so. On the other hand, only fewer than one in three entrepreneurs aged 50 to 59 was willing to continue working when on old-age pension, and more than one third did not wish to continue working. Regarding other response options, the age-related differences were relatively minor. In Figure 8.11, the age group 65 to 74 is missing as the figures for the response options are too small to be reported, excepting the first one. In this age group, 80 per cent said that they continued (planned to continue) working while on old-age pension because they wished to do so.

Figure 8.11
Believe they will continue working past retirement age, self-employed aged over 50 by age, %.
Self-employed persons in Finland 2017, Statistics Finland



Older self-employed persons the most willing to continue working

Increasing attention has been focused on self-employed persons’ work ability, health and wellbeing at work in the 2000s. Self-employed workers’ health and work ability should thus not be seen as something that only concerns them personally, as their coping at work also has societal impacts. The goals of extending careers are relevant to all employed persons, not only employees.

Occupational health care services play an important role in preventive maintenance of work ability. Employers have a statutory duty to organise occupational health care for their employees; these services may also include medical care services. However, self-employed persons can choose whether or not to organise occupational health care for themselves.

The *Self-employed persons in Finland 2017* survey showed that only slightly more than a quarter of the self-employed had organised occupational health care for themselves, men more often than women. On the other hand, three out of four employer entrepreneurs were covered by occupational health care services. Almost an equally large share had organised occupational health care services for their employees. Nearly all of larger enterprises with more than 20 employees had organised occupational health care services, which in most cases also included medical care.

Approximately one out of four employers, mostly in the very smallest enterprises, had not organised occupational health care for their employees. We should note that while almost one third of the employers in smallest enterprises with no more than five employees had thus completely neglected the organisation of occupational health care services, one half had also included medical care in the occupational health care services provided for their employees. Previous studies have revealed that it is not unusual for employers in small enterprises to be even unaware of their obligation to organise occupational health care for their employees.

Self-employed persons in agriculture without paid labour force have organised occupational health care services for themselves twice as often as other self-employed persons without employees. Self-employed persons in agriculture gave their work ability a clearly lower rating than other self-employed persons on a scale of 0 to 10. The share of those who believed their health would allow them to keep working until retirement age was also clearly smaller among respondents aged over 50 in this group than in the other groups. Self-employed persons in agriculture were also less likely than the other groups to believe that there would be sufficient work for them until retirement age.

It is thus interesting to note that regardless of this, self-employed persons in agriculture expressed their willingness to continue working until retirement age more often than employer entrepreneurs. These findings beg the question of to what extent this willingness was affected by financial viewpoints, or wanting to continue working because they could not afford to stop. On the other hand, self-employed persons in agriculture also believed they would continue working past retirement age more often than employer entrepreneurs or self-employed persons without employees, and financial necessity did not come up in this context to a significant degree.

Employer entrepreneurs assessed their work ability as better than self-employed persons in agriculture but slightly poorer than self-employed persons without employees. Employer entrepreneurs believed more often than the others that their health would allow them to work until retirement age, and also that they would have sufficient work until retirement age. On the other hand, they expressed willingness to keep working until retirement age slightly less often than the other self-employed groups. Employer entrepreneurs also contained the highest share of those who did not wish to keep working past retirement age.

Self-employed persons without employees were covered by occupational health care services clearly less often than self-employed persons in agriculture without paid labour force. However, they gave a higher rating for their work ability than the other self-employed groups and believed clearly more often than self-employed persons in agriculture that their health would allow them to work until retirement age. While

self-employed persons without employees were not quite as confident that there would be sufficient work for them until retirement age as employer entrepreneurs, the difference to self-employed persons in agriculture was clear in this respect: self-employed persons without employees believed that there would be sufficient work for them clearly more often than farmers.

Differences between age groups emerged clearly regarding the statement that concerned willingness to continue working until retirement age and the possibility of continuing, taking the respondent's health and sufficiency of work into account. Respondents aged over 60 were clearly more often both willing and, in their opinion, healthy enough to continue working until retirement age, and they also believed there would be sufficient work clearly more often than self-employed persons aged 50 to 59. This may be explained by the group being selected: it is likely that in the group of self-employed persons aged over 60, many of those whose health or work situation would not allow them to continue working for long had already dropped out of working life. Self-employed persons aged over 60 who continued working also displayed a strong willingness to go on working past retirement age.

9 Effectiveness of social security

Self-employed workers' social security

Social security is needed to secure a person's subsistence in situations where they are prevented from earning an income due to lack of work, old age, illness or parenthood. The extent of self-employed persons' social security, especially pension security, and the sufficiency of the benefits has sparked plenty of discussion in recent years. The self-employed have control over the level of their pension security and thus also their sickness and parental allowance amounts, as the levels of all social security benefits for a self-employed person are determined on the basis of the earned income reported by them for the purposes of their self-employed person's pension insurance policy (YEL insurance). In practice, some self-employed persons are underinsured in proportion to their real income, in which case such benefits as their pension and sickness allowance may remain low.

Self-employed persons are obliged to take out a mandatory self-employed person's insurance policy (YEL insurance) if they are aged between 18 and 67, their estimated earned income is at minimum EUR 7,656.26 a year (at 2018 level), they are self-employed for an uninterrupted period of at least four months, and they are not covered by other pension legislation. A calculated earned income corresponding to the value of their work input is determined for a self-employed person for the basis of their pension insurance contributions and the amount of their future pension payout.

Rather than being directly determined on the basis of the enterprise's profits or taxable income, the calculated earned income is mainly based on the self-employed person's own estimate of the value of their work input. Under the law, as earned income shall be notified the amount that the self-employed person would receive if they were working as an employee in a similar job. The estimated earned income notified at the beginning of self-employment can be adjusted later, however not retroactively. The YEL insurance contributions are based on the earned income, and they are tax deductible.

Grant recipients should take out a statutory MYEL pension policy if the grant period exceeds four months and the grant amount is at minimum EUR 1,276.04 a year.

Self-employed persons in agriculture are insured under the farmers' insurance scheme (MYEL), which provides them with a pension, accident insurance and eligibility to sickness allowance.

The self-employed are entitled to all benefits referred to in the Health Insurance Act and benefits paid over a rehabilitation period. The earned income specified for the YEL insurance affects not only the amount of the self-employed person's future old-age pension but also the level of their sickness and parental allowances. For the purposes of the sickness allowance, the waiting period for self-employed persons insured under the YEL scheme is the day on which they fall ill.

Should they wish, the self-employed can also take out a statutory accident insurance policy, which is optional for self-employed workers. Any payments for

loss of earnings made from the accident insurance are determined on the basis of the annual earned income agreed upon when the insurance was taken out. The annual earned income should in most cases equal the earned income used as the basis of the YEL insurance, however at least the minimum annual earned income referred to in the Employment Accidents Insurance Act.

The amount of a self-employed person's disability pension is also based on the YEL work income.

A jobseeker whose main job has been self-employed work or who has been self-employed may be entitled to unemployment security if they cease their self-employed activities completely or these activities are regarded as having become a secondary job.

An unemployed person is entitled to unemployment benefit if they have fulfilled the employment condition before the start of the period over which the benefit is paid. A self-employed person meets this condition if they have worked as self-employed for at least 15 months over the preceding 48 months. A precondition for entitlement to earnings-related unemployment benefit is that the person has been a member of a self-employed persons' unemployment fund for at least 15 months and, during this period, has met the employment condition for the self-employed.

The earnings-related benefit amount is based on the amount of earned income for which the self-employed person has insured themselves with the unemployment fund. Two unemployment funds dedicated to self-employed persons operate in Finland: Suomen yrittäjien työttömyyskassa SYT and the Unemployment Fund for Entrepreneurs and the Self-Employed AYT. Unemployed persons who do not fulfil the employment condition or whose right to unemployment benefit has expired at the end of the maximum period are entitled to labour market subsidy. A self-employed person may also be entitled to a general housing allowance and social assistance even if they continue their enterprising activities.

In the survey Self-employed without employees in Finland 2013, it emerged that many self-employed persons without employees felt completely excluded from any social security. They believed that social security was only available for them if they ceased their self-employed work completely. This situation was experienced as unfair. (Pärnänen & Sutela 2014).

As we have seen above, the self-employed do have access to social security. As they are to a great extent responsible for funding their own social security benefits, however, a more detailed examination of their views and experiences of their social security is warranted.

Need for and use of social security

As a rule, the respondents in the Self-employed without employees in Finland 2013 survey had little knowledge of their rights and possibilities associated with social security. Experiences of self-employed persons' lack of social security and unequal position compared to employees also came up. (Pärnänen & Sutela 2014.) One of the conclusions of this survey thus was that information activities related to social

security should be intensified, targeting not only self-employed persons without employees but all self-employed workers.

The Self-employed persons in Finland 2017 survey focused on the effectiveness of social security; in other words, whether self-employed persons had needed some benefits and how their needs had been responded to.

Figure 9.1 shows the distribution of responses to the question Have you or would you have needed some social benefit in the last 12 months, including unemployment benefit, sickness allowance, social assistance or housing allowance? This question was only put to sole entrepreneurs, meaning self-employed persons in agriculture without paid labour force and other self-employed persons without employees.

In general, most self-employed persons in agriculture and self-employed persons without employees had not needed any benefits (72%). Approximately one out of ten had needed and also received benefits. However, fewer than 15 per cent would have needed support but either had not applied for it, or had applied but not received it. The number of these cases was higher among self-employed persons without employees and women than among self-employed persons in agriculture or men.

The results may be considered positive as such: more than eight out of ten self-employed persons either had not needed support at all, or if they had, had also received it. In the light of these findings, social security appears to be rather effective. However, attention should also be paid to those self-employed persons, approximately 15 per cent, who had failed to receive support.

With reference to pension security, the survey examined self-employed persons' ideas of how adequate their pension security levels were. This question was put to all self-employed persons and unpaid family workers. Only one half felt that the payments they were making would give them adequate pension security (Figure 9.2). One out of three said their contributions were not large enough, and approximately

Figure 9.1

Have you or would you have needed some social benefit in the last 12 months, including unemployment benefit, sickness allowance, social assistance or housing allowance, self-employed without employees by gender and self-employed type, %.

Self-employed persons in Finland 2017, Statistics Finland

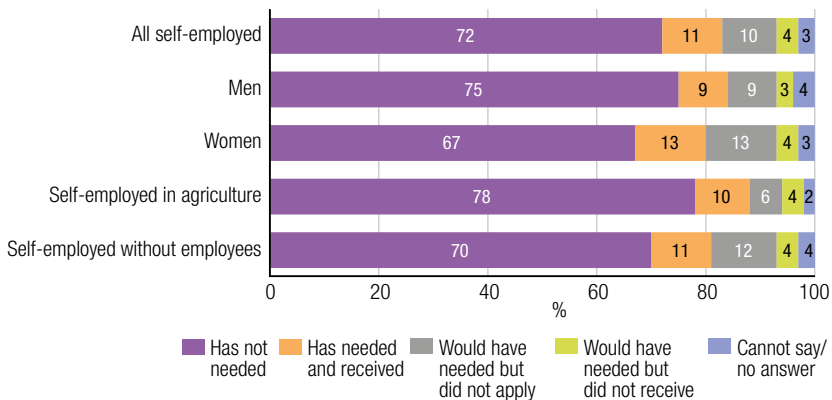
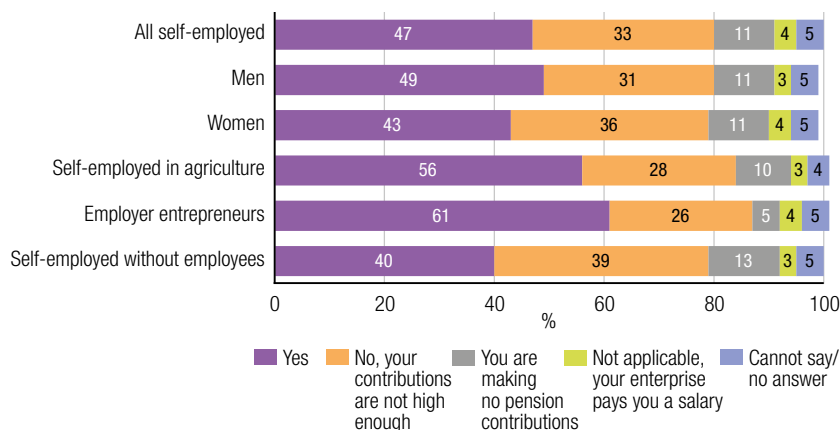


Figure 9.2

Feel their pension contributions are sufficient, self-employed by gender and self-employed type, %. Self-employed persons in Finland 2017, Statistics Finland



one out of ten paid no pension contributions. In the latter group, almost one half were aged either under 18 or over 67 and the obligation of taking out pension insurance did not apply to them, and almost one half were unpaid family workers. For some of the remainder, their entrepreneurial income could be so low that they did not have to pay pension contributions.

Consequently, the majority of the self-employed obliged to pay pension contributions did so, but one third did not make sufficient payments. Why not?

This question was addressed to self-employed persons who felt their pension contributions were too small or who did not pay any contributions, even if they should have done so. The respondents could select several reasons for this. Figures 9.3 and 9.4 examine the findings regarding self-employed persons aged between 18 and 67. The figures are given in proportion to all self-employed persons, also those who felt their pension contributions were sufficient.

As the most common reasons for insufficient or non-existent pension contributions were cited the respondent's inability to make large payments and the fact that they intended to work while receiving a pension. Another relatively common reason was the view that they would not receive a sufficient pension anyway. In this respect, women's and men's responses were similar. (Figure 9.3.)

Among self-employed persons without employees, inability to make larger contributions and an intention to work while receiving a pension were stressed as reasons more often than in the other groups. Self-employed persons without employees also had a private pension insurance policy more often than other self-employed persons. (Figure 9.4.)

We were also interested in finding out if self-employed persons would need more information about the impacts of their pension contributions on the amounts of different social security benefits. In total, one out of five would have liked more information about at least some benefit. Self-employed persons in agriculture (25%)

Figure 9.3

Reasons for not making sufficient pension contributions, self-employed aged 18 to 67 and unpaid family workers by gender, share of all self-employed and unpaid family workers, %. Self-employed persons in Finland 2017, Statistics Finland

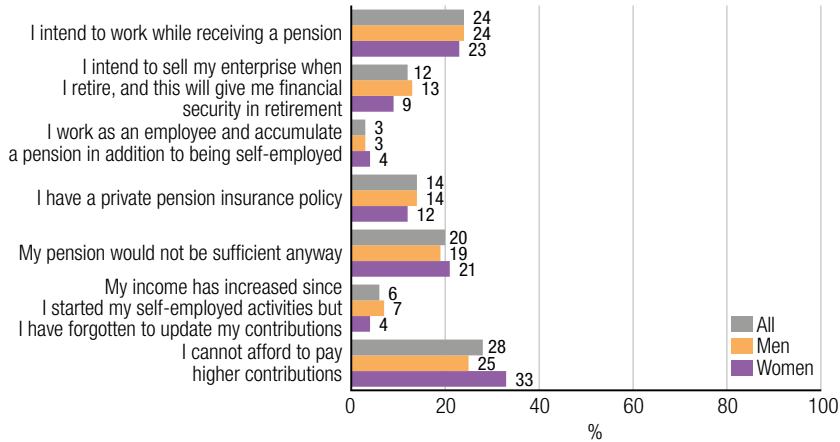
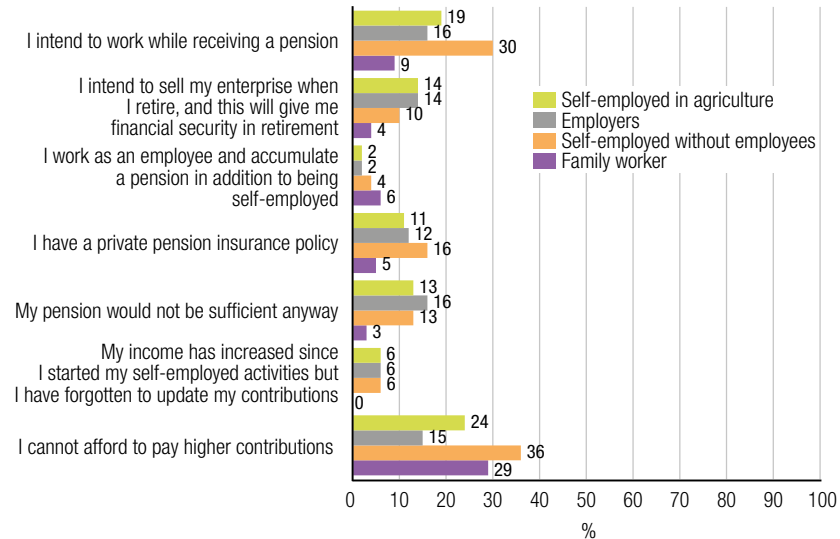


Figure 9.4

Reasons for not making sufficient pension contributions, self-employed aged 18 to 67 and unpaid family workers by gender and self-employed type, share of all self-employed and unpaid family workers, %. Self-employed persons in Finland 2017, Statistics Finland



were slightly more likely than employer entrepreneurs (17%) or self-employed persons without employees (17%) to say they needed more information. Women would have liked additional information more often than men (23% vs. 19%).

The topic on which the greatest number of respondents would have liked more information was their contributions' impacts on the old-age pension amount, followed closely by information needs related to sickness allowance and disability pension. Women would have liked more information about all benefits slightly more often than men (Figure 9.5). When analysed by self-employed type, there were little or no differences between the groups' needs for additional information, even if self-employed persons in agriculture would have liked more information about old-age pensions, in particular, more often than the other groups. (Figure 9.6).

Figure 9.5

Would need more information about how the self-employed person's insurance contributions influence the amounts of different social security benefits, self-employed by gender, %.

Self-employed persons in Finland 2017, Statistics Finland

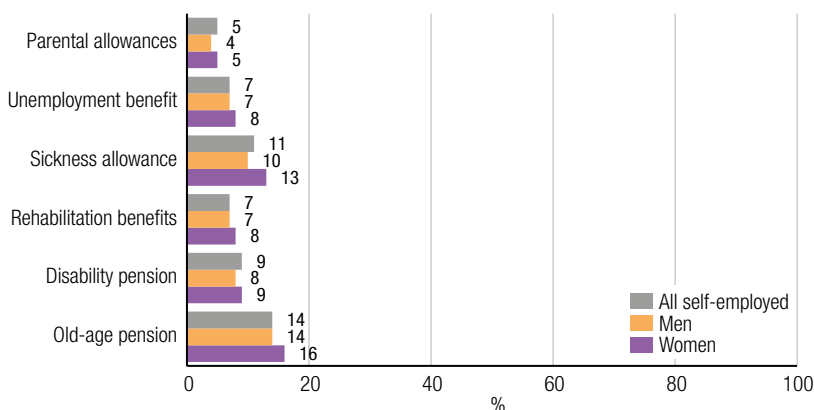
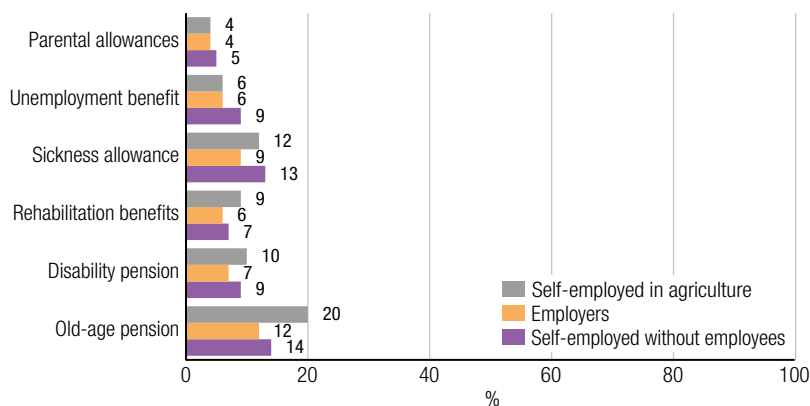


Figure 9.6

Would need more information about how the self-employed person's insurance contributions influence the amounts of different social security benefits, self-employed by self-employed type, %.

Self-employed persons in Finland 2017, Statistics Finland



Parental leaves

Parental leaves, which in Finland include maternity and paternity leave, parental leave and child home care allowance, are another form of social security. Self-employed persons' inability to take family leaves to the same extent as employees is often talked about. Self-employed work ties the self-employed person up, and the enterprise cannot necessarily survive if the person is absent for a longer period.

Approximately 44 per cent of self-employed persons had children living at home. The children lived with the respondent either permanently (39%), some of the time (4%) or both and (1%). In all, 61% of these parents, or 82,000 persons, had been self-employed at the time their youngest child was born. More than one out of two (56% or approximately 46,000 persons) had taken leave as the child was born, whereas fewer than one half had not (Figure 9.7).

As expected, clear gender differences were found with respect to taking family leaves. Approximately one half of self-employed women who had a family had been self-employed as their youngest child was born, whereas this share for men was 67 per cent. A clearly higher share of women than men had taken leave as their youngest child was born – however, there were also women who had not done so (Figure 9.7). Approximately one out of four female entrepreneurs (24%) had not taken leave as their child was born, either. For men, this share was more than one out of two. There was little or no difference between self-employed types in this respect. As a comparison, we can note that in the 2013 Quality of Work Life Survey, 75 per cent of all employees had taken family leaves during their careers (Sutela & Lehto 2014).

Of those self-employed persons who had taken family leaves, more than one half felt they had been able to take leave for as long as they wanted (Figure 9.8). However, it was more common for men than women to say that they could not stay on family leave for as long as they wanted. This also applied to employer entrepreneurs as compared to other types of self-employed persons.

In general, we can say that among the self-employed, making use of family leaves does not appear to be something that even mothers take for granted, and that among

Figure 9.7

Took family leave as their child was born, share of all self-employed with children living in the home who had been self-employed at the time their youngest child was born, %. Self-employed persons in Finland 2017, Statistics Finland

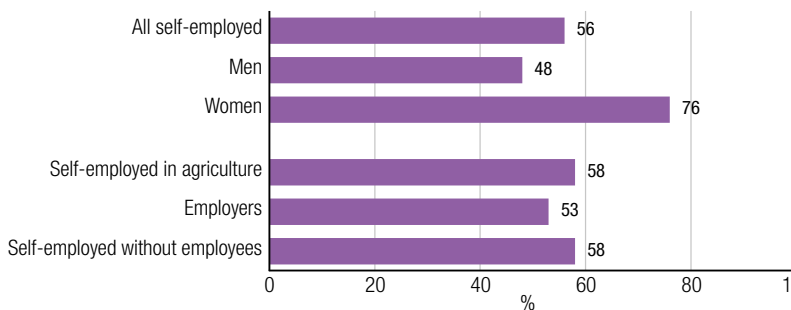
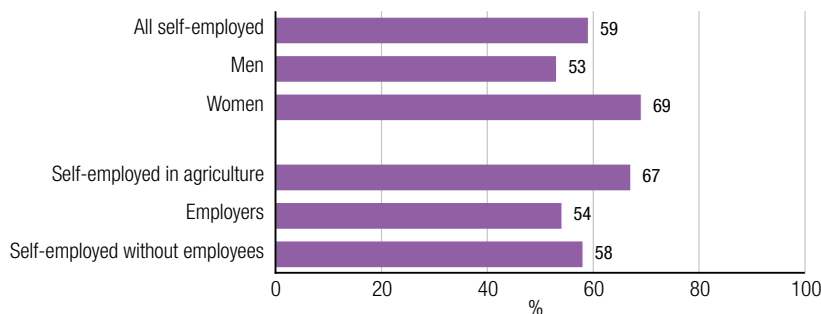


Figure 9.8

Was able to stay on family leave for as long as they wanted. Share of self-employed who had been self-employed and taken family leave as their youngest child was borne by gender and self-employed type, %
Self-employed persons in Finland 2017, Statistics Finland



those who had taken family leave, four out of ten would have liked to stay on leave for longer than they were able to.

Few takers for parental leaves

In this Chapter, we have discussed some aspects related to social security from self-employed persons' point of view. In total, relatively few entrepreneurs who had no paid labour force had needed any type of social security. As a rule, those who needed a form of support had also received it. However, approximately 15 per cent felt they had needed a form of support but either had not applied for it or, despite applying, had not received it.

Approximately one third of self-employed persons and unpaid family workers, or some 100,000 people, felt that the self-employed person's pension contributions paid by them were not sufficient. The most important reasons for this were feeling unable to pay larger pension contributions or planning to continue working while receiving a pension.

Working while receiving a pension may, of course, be considered a good idea from a number of perspectives. Relying on it is something of a risk, however, as the person's health or other life situation may not necessary allow them to work, and people tend to develop more health problems with age. In terms of pension security, it is thus a cause for concern that such a large proportion of the self-employed, or about one third, did not feel they were making sufficient pension contributions in 2017.

Taking parental leave is also relatively uncommon among the self-employed and especially self-employed men, of whom fewer than one half had taken leave when their youngest child was born. One out of four mothers who were self-employed at the time their youngest child was born had also not taken parental leave. In the same vein, of those who had taken family leave, four out of ten had not been able to stay on leave for as long as they wanted.

10 Dependent contractors – self-employment without independence?

The middle ground between self-employment and paid employment has been discussed frequently in recent years, also in Finland. In 2011, the government of the day appointed a tripartite working group led by the Ministry of Economic Affairs and Employment, or the so-called Trend task force, with the purpose of monitoring trends in the diversification of employment. The task force's mid-term report (Ministry of Economic Affairs and Employment 2012) noted that the number and relative share of the employed who were sole entrepreneurs or working in entrepreneur-like activities had increased clearly in the 2000s but that there was little or no information about this group.

On the initiative of the Trend task force, Statistics Finland completed the survey titled *Self-employed without employees in Finland 2013* in an attempt to fill in the information gap. Based on the findings of this survey, the Trend task force concluded in its final report that creating a third category between an employment relationship and self-employment in legislation would not serve a purpose. However, particularly the social security system should be developed to address better the special situation of persons who work in the middle ground between self-employment and paid employment, or who alternate between these employment statuses. (Ministry of Economic Affairs and Employment 2015.)

In international literature, work in the grey area between self-employment and paid employment has, among other things, been referred to as *bogus/false/fake/dependent self-employment* (e.g. Thörnqvist 2014, Kautonen 2010, Behling & Harvey 2015, Williams & Lapreyre 2017, Williams & Horodnic 2018). In some European countries, this phenomenon has also been addressed in the legislation and social security system by recognising it as a specific form of employment (Eurofound 2017, see also Ministry of Economic Affairs and Employment 2013).

In Finland, the term bogus self-employment (*näennäisyrittäjyys*) is perhaps the most common and well-established word to describe this diverse phenomenon which to some extent remains vague at the conceptual level. The concept of bogus self-employment has generally been used to refer to situations where a person works without an employment relationship against a fee or entrepreneurial income – thus carrying the so-called entrepreneurial risk – whereas in reality, the criteria for an employment relationship are fulfilled, and the person's situation is closer to the subordinate position of an employee than a self-employed worker's freedom or possibility of making a business profit. In this case, the self-employed person has no control or autonomy regarding such aspects as the work process, working times or the place of work. Control over the work process, which is comparable to an employer's right of direction, is in the hands of the client. (See also Chapter 2.)

Another typical feature of the situation described above is often that the person only has one client or customer. In some cases, a former employer has outsourced work that was previously carried out as paid employment to the person under a

contract: the same tasks are performed by the same person, only without the social security and the other perks of an employment relationship. A number of labour law issues emerge in these cases, and we should consider if they comprise ‘genuine’ entrepreneurship.

Bogus self-employment should not be confused with the discussion about *forced self-employment* (see Chapter 4) or self-employment out of necessity. The majority of those who are self-employed out of necessity and in lack of paid employment are likely to be so-called genuine self-employed persons: in their case, the entrepreneurial risk is associated with the freedom and authority of self-employment, even if they would prefer to work as employees. Similarly, bogus self-employment does not as a basic premise mean that the person would have been forced into this situation against their will; the concept rather highlights the labour law aspects of this form of having work carried out (see also Penttilä 2014).

In Statistics Finland’s survey *Self-employed without employees in Finland 2013*, almost one out of ten respondents (9%) in the age group 15 to 64 agreed with the statement *The word bogus self-employment describes my situation*. This share was the highest among those working in the cultural sector and handicraft occupations (14%).

However, the *Self-employed without employees in Finland 2013* survey to some extent left it unclear how the respondents had understood the concept of bogus self-employment: there was a correlation between identification as bogus self-employed and the respondent’s experience of self-employment only being a temporary form of finding work for them. Approximately one per cent of all self-employed persons without employees had one dominant client, who was specifically their former employer. Based on these findings, we could argue that bogus self-employment is a rather marginal phenomenon in Finland. (Pärnänen & Sutela 2014.)

Revision of the International Classification of Status in Employment

The new questions brought up by the diversifying forms of employment are being discussed around the world. In the report on self-employment of the European Foundation for the Improvement of Living and Working Conditions (Eurofound 2017), self-employed persons are divided into five different groups based on their special characteristics. One of these groups has been termed ‘concealed self-employed’ as the situation of persons in this group typically resembles paid employment, especially in terms of its dependence and lack of autonomy. This group accounts for approximately eight per cent of all self-employed persons in Europe; in the Nordic countries, their share remains below five per cent of all self-employed workers.

An effort has also been made to respond to the European Commission’s information needs related to self-employment by adding an ad hoc module to the European Union Labour Force Survey 2017. This is the same ad hoc module that was expanded with national questions in Finland, thus getting together the data set for the *Self-employed persons in Finland 2017* survey. While the ad hoc module was

themed on self-employment in general, one of its goals was gathering information on the incidence of so-called *dependent self-employed* in European countries.

A key problem in studying this theme was the difficulty of forging an unambiguous definition for the concept of *dependent self-employed*. The natural consequence of this is that the concept is difficult to operationalise in a measurable form on a survey questionnaire.

The ad hoc module of Eurostat's Labour Force Survey concluded by defining as dependent self-employed those persons who identified themselves as self-employed or own-account workers, who had no paid labour force, who received at minimum 75 per cent of their earned income from one client, and where the client decided the start and end of the working day. The start and end of the working day being decided by the client was regarded as being comparable to the employer's right of direction in this context.

The Classification of Status in Employment is the statisticians' tool for describing the structure of the labour market and the diversification of employment relationships and forms of employment. The currently used International Classification of Status in Employment (ICSE-93) from 1993 follows a dichotomous division into paid employment (employees) and work carried out for self-employment income (employers, own-account workers, members of producers' cooperatives, contributing family workers).

However, ICSE-93 with its five classes is no longer regarded as being adequate for describing today's labour market. In particular, disambiguation has been called for regarding work that does not lend itself to straightforward classification in the dichotomy of self-employed person/employee. At the International Conference of Labour Statisticians of 2013 (the 19th ICLS), a decision was thus made to update the classification.

The new International Classification of Status in Employment (ICSE-18) was adopted at the 20th International Conference of Labour Statisticians in October 2018 (ILO 2018a). The large-scale introduction of this classification is likely to take years, of course, but even at the level of principle, this revision is a big step towards a better understanding of labour market diversification and making different forms of employment visible.

The new Classification of Status in Employment is structured around two alternative classification methods. One of these is based on *type of authority* and the other on *type of economic risk*. (Figure 10.1.)

The selection of the classification method depends on the context: the method based on the type of authority is considered to be more suitable for social statistics, including labour market statistics, whereas the method based on the type of economic risk is better suited for economic statistics, such as those related to the national economy.

The type of authority classification divides the employed into two main classes: *independent and dependent workers*. As independent workers are regarded self-employed persons, employers and paid managing directors who co-own the enterprise in which they work – in other words, persons who have the authority to make strategic decisions concerning their workplace without being accountable for

Figure 10.1.

Two parallel classification systems of the International Classification of Status in Employment of 2018 (ICSE-18-A and ICSE-18-R)

<p>ICSE-18-A: TYPE OF AUTHORITY</p> <p>Independent workers</p> <p>A. Employers:</p> <ul style="list-style-type: none"> 11 – Employers in corporations 12 – Employers in household market enterprises <p>B. Independent workers without employees</p> <ul style="list-style-type: none"> 21 – Owner-operators of corporations without employees. 22 – Own-account workers in household market enterprises without employees <p>Dependent workers</p> <p>C. Dependent contractors:</p> <ul style="list-style-type: none"> 30 – Dependent contractors <p>D. Employees:</p> <ul style="list-style-type: none"> 41 – Permanent employees 42 – Fixed-term employees 43 – Short-term and casual employees 44 – Paid apprentices, trainees and interns <p>E. Contributing family workers:</p> <ul style="list-style-type: none"> 51 – Contributing family workers
<p>ICSE-18-R: TYPE OF ECONOMIC RISK</p> <p>Workers in employment for profit :</p> <p>F. Independent workers in household market enterprises:</p> <ul style="list-style-type: none"> 12 – Employers in household market enterprises 22 – Own-account workers in household market enterprises without employees <p>C. Dependent contractors:</p> <ul style="list-style-type: none"> 30 – Dependent contractors <p>E. Contributing family workers:</p> <ul style="list-style-type: none"> 51 – Contributing family workers <p>Workers in employment for pay</p> <p>G. Owner-operators of corporations:</p> <ul style="list-style-type: none"> 11 – Employers in corporations 21 – Owner-operators of corporations without employees <p>D. Employees:</p> <ul style="list-style-type: none"> 41 – Permanent employees 42 – Fixed-term employees 43 – Short-term and casual employees 44 – Paid apprentices, trainees and interns

Source: ILO 2018a

them to other parties. Dependent workers include employees, contributing family workers and, as a new statistical category, the group of dependent contractors.

The classification based on economic risk to a great extent resembles the ICSE-93, which is currently in use. It divides the employed into those working for pay and those who receive their income as profit. The category of those working for pay includes employees and managing directors who are paid a salary

by the enterprise (partly) owned by them, and those who work for profit include employers, own-account workers, contributing family workers and dependent contractors.

In other words, the revisions adds to the classification as completely new features not only the conceptual division into dependent and independent workers but also the class of dependent contractors. The introduction of this class represents a wish to give more visibility to employment that previously remained in the grey area between paid employment and self-employment.

In the conclusions of the International Classification of Status in Employment 2018, (ILO 2018a) a dependent contractor is defined as follows:

Dependent contractors are workers who have contractual arrangements of a commercial nature (but not a contract of employment) to provide goods or services for or through another economic unit. They are not employees of that economic unit, but are dependent on that unit for organization and execution of the work, income, or for access to the market. They are workers employed for profit, who are dependent on another entity that exercises control over their productive activities and directly benefits from the work performed by them.

The definition and operationalisation of the dependent contractor category turned out to be the most challenging task in the revision of the Classification of Status in Employment. While the revision was being prepared, the concept and its operationalisation were tested in a number of countries, including Finland. As key factors in the testing emerged the dimensions of so-called *operational dependence* – for instance, the client determines where, how and with what tools the work is performed – and, on the other hand, *economic dependency*.

Test results obtained in different countries showed that the criteria used to define operational dependency, on the one hand, and economic dependency, on the other, reached two different groups. In other words, there was little overlap between the groups, and they thus clearly represented two different dimensions. (ILO 2018b.)

The work to produce an operational definition for the dependent contractor category included in the ICSE-18 classification will continue in a near future under the leadership of the ILO. Eurostat is also planning to set up a task force to work on this theme in 2020.

Operational and economic dependency in the data set

While no jointly agreed operational definition for the statistical concept of dependent contractor exists as yet, we set out to test our ability to measure the dependency or independence of self-employed work using the *Self-employed persons in Finland 2017* data set as far as possible. We were interested to find out to what extent and in what ways self-employed persons experiencing dependency differ from other self-employed persons regarding the characteristics of their work – or if they do. Is the difference between them and the other self-employed so obvious that, in the Finnish circumstances, it would be justified to talk about a completely new group of workers, or does this phenomenon mainly only concern developing countries?

We will proceed to examine dependency in self-employed work through the two dimensions of dependency defined earlier in this Chapter. On the one hand, we will use Eurostat’s definition of dependent self-employed from 2017 to describe operational dependency and, on the other hand, combine variables describing the respondents’ financial situation on the *Self-employed persons in Finland 2017* survey questionnaire to capture the dimension of *economic dependency*.

The *Self-employed persons in Finland 2017* data set contained 1,954 respondents identifying themselves as self-employed persons in agriculture without paid labour force or other self-employed persons, own-account workers, freelancers or grant recipients who did not have paid labour force. At population level, this means approximately 218,000 people. Measured by any criteria, the majority of this group could certainly be described as ‘genuine’ self-employed persons. However, some of them are likely to be those who, in the new International Classification of Status in Employment, could be described by the term *dependent contractor*.

Of all self-employed persons without paid labour force in the *Self-employed persons in Finland 2017* data set, four per cent met the criteria for dependent self-employed used in the ad hoc module of Eurostat’s Labour Force Survey 2017: they either had one client or one dominant client (at least 75 per cent of their income came from this client), and the client decided the start and end times of the working day. In other words, this group can be referred to as experiencing *operational dependency*. At population level, they accounted for approximately 8,000 people, or 0.3 per cent of the employed.

In this Chapter, *economic dependency* has been analysed through three criteria:

- 1) a self-employed person without paid labour force has only one or one dominant client
- 2) the client or a third party unilaterally sets the price paid for the product or service
- 3) it would be rather or extremely difficult to find a replacement for the client.

Five per cent of self-employed persons without paid labour force fulfil all three criteria at the same time. At the population level, this corresponds to approximately 12,000 people, or about one half of a per cent of all employed persons. (Table 10.2.)

In the *Self-employed persons in Finland 2017* data set, too, operational and economic dependency appear to be almost completely separate dimensions with little or no overlap. Consequently, the finding was similar to those obtained in other

Table 10.1

Share of those who are operationally and economically dependent of all self-employed persons without paid labour force, %. Self-employed persons in Finland 2017, Statistics Finland

	N in data set	Share of self- employed without employees, %	Share of the employed, %	N in population
Operationally dependent	70	3.7	0.3	8,000
Economically dependent	105	5.4	0.5	12,000

This statistics are experimental and, due to the small number of observations, the results are indicative and cannot be generalised.

Table 10.2

Different forms of dependency on the client, share of all self-employed without paid labour force, %, Self-employed persons in Finland 2017

	No economic dependency	Economic dependency
No operational dependency	92%	5%
Operational dependency	3%	0.50%

This statistics are experimental and, due to the small number of observations, the results are indicative and cannot be generalised.

countries that tested the concepts (ILO 2018b). Only 10 per cent of those who were classified as operationally dependent also met the criteria for economic dependency. Correspondingly, 14 per cent of those classified as economically dependent also experienced operational dependency.

Table 10.2 shows the different groups' relative proportions of all self-employed persons without paid labour force as a four-fold table: those who experience operational or economic dependency only, those who experience both types simultaneously, and those who, based on the criteria used here, are independent of their clients both operationally and economically. The latter group contained most self-employed persons without paid labour force, or 92 per cent.

Operational and financial dependency: group structure

In this section, we will compare operationally dependent and economically dependent self-employed persons without employees (including farmers) to all self-employed persons without employees. As Table 10.1 shows, the total number of observations in the groups of both those experiencing operational dependency and economic dependency is rather small, and the group sizes are not sufficient to enable statistically reliable analyses at a more accurate level. However, our objective here is merely to experiment with the usefulness of the concepts of operational and economic dependency as factors that differentiate self-employed groups, rather than to produce official labour market statistics. We will thus compare the groups where applicable, keeping in mind that the findings are indicative and cannot be generalised statistically.

The group structures differ somewhat from each other and in relation to all self-employed persons without employees. The share of those aged under 35 is remarkably large among those experiencing operational dependency compared to the other groups, even if the proportion of those aged over 55 also is larger than average. The age distribution is thus polarised to some extent. There were fewer respondents among this group who define themselves as employed as their main occupation (77%) than among all self-employed persons without paid labour force (83%), whereas the shares of those identifying themselves as pensioners (16%) or students (6%) are higher than among all self-employed persons without employees (12% and 2%).

Table 10.3

Gender, age and education structure of the self-employed without paid labour force, operationally and economically dependent and all self-employed without employees, %, Self-employed persons in Finland 2017, Statistics Finland

	All self-employed without employees	Operationally dependent	Economically dependent
Gender			
Women	36	33	42
Men	64	67	58
Age			
15–29	27	16	17
30–49	30	49	43
50–74	44	34	40
Education			
Basic level	14	16	14
Secondary level	47	55	52
Tertiary level	39	29	34

This statistics are experimental and, due to the small number of observations, the results are indicative and cannot be generalised.

Almost the opposite is true for those who are economically dependent, as it is the middle age group used in this analysis, or 35 to 54, that stands out with its large share. The share of those who identify being employed as their main occupation (89%) was thus higher than among all self-employed persons without employees, the share of pensioners was correspondingly smaller, and the share of those who considered themselves to be full-time students was a few per cent, or similar to all self-employed persons without employees. The large share of women in comparison to the other groups also stands out as a characteristic of economically dependent self-employed persons.

Both groups, and especially the operationally dependent self-employed, contain clearly a smaller share of respondents with tertiary level education and, correspondingly, a larger share of respondents with a secondary level education than the group of all self-employed persons without employees.

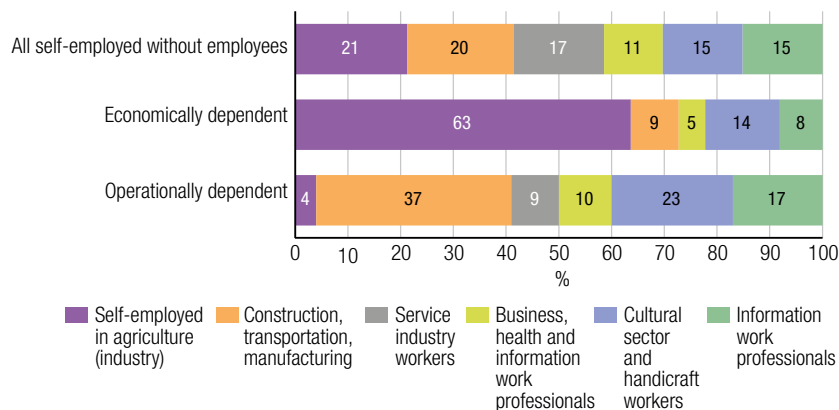
Clear differences are observed between the groups regarding the content of their work. An analysis by industrial class shows that self-employed persons in agriculture were overrepresented in the group of economically dependent self-employed persons: 64 per cent of this group were farmers. A similar result was also obtained in other countries where the dimension of economic dependency was tested on the ILO’s request (2018b).

Figure 10.2 illustrates the shares of operationally and economically dependent ones among self-employed persons in agriculture without employees and other self-employed persons without employees by dividing the latter group into five occupational categories (see Appendix 1). The Figure shows that after self-employed persons in agriculture, the next largest group among economically dependent self-employed persons without employees are those working in the cultural sector and handicraft occupations. A more detailed examination at the three-digit level of the Classification of Occupations 2010 reveals that in this data set, almost one out of ten economically dependent self-employed persons without employees belonged

Figure 10.2

Distribution of self-employed persons who are operationally or economically dependent between the agricultural sector and the occupational groups of other self-employed persons without employees, %.

Self-employed persons in Finland 2017, Statistics Finland



The statistics are experimental and, due to the small number of observations, the results are indicative and cannot be generalised.

to the occupational class of authors, journalists and linguists, whereas this class accounted for approximately three per cent of all self-employed persons without employees in 2017.

Among those who were operationally dependent, construction, transportation and manufacturing occupations were prominent. This group mainly consisted of transportation sector employees, and more precisely heavy truck and bus drivers. Working in cultural and handicraft sector occupations is more common among the operationally dependent group than among all self-employed persons without employees.

The picture becomes even clearer if we approach this issue from a different angle. Operational dependency was more common than average in this data set among those working in construction, transportation and manufacturing occupations (6%), and especially among transport labourers (11%). A high share (6%) was also found among information and communications technology professionals, more precisely among science and engineering professionals.

The share of those who were economically dependent was three times as high as the average among self-employed persons without paid labour force working in agriculture and forestry (16% or approximately 7,000 people).

As those working in agricultural and forestry occupations account for a significant proportion of economically dependent self-employed persons without employees, it is interesting to examine the share of the economically dependent including only other self-employed persons without employees and excluding those working in agriculture.

Three per cent of other self-employed persons without employees, or approximately 5,000 people, belonged to the economically dependent group based

on the definition used in this report. This share was the largest, approximately five per cent, among those working in the cultural and handicrafts sector. Excluding self-employed persons in agriculture, the gender structure of the economically dependent group was now more even in the data set: one half were women and one half men. More than one half had tertiary level education.

Pathway to self-employment and preference for paid employment

Could we then conclude that the situation of so-called bogus self-employed, or dependent contractors, is fraught with more problems than what self-employed persons without employees experience in general? Or does operational and economic dependency not have an impact on how the groups experience their situation as self-employed workers? In this section, we will examine the ways in which these groups differ from each other and all self-employed persons without employees regarding various characteristics of their work.

To begin with, we look at the pathway to self-employment, or the main reason for becoming self-employed. For the operationally dependent group, the most common reason had been a suitable opportunity presenting itself, similarly to all self-employed persons without employees. As the second most common main reason was cited wanting to become self-employed because of flexible working hours and the fact that self-employment was the usual practice in the respondent's field. These were also cited as the most common reasons by all self-employed persons without employees.

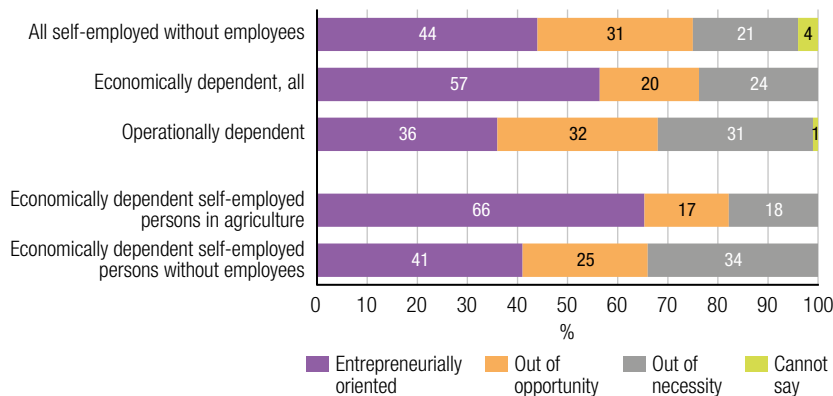
Compared to all self-employed persons without employees, however, for approximately one out of ten of the operationally dependent self-employed, the predominant main reason for becoming self-employed was the fact that this was proposed by their former employer, whereas this option was selected as the main reason by as few as three per cent of all self-employed persons without employees. It was also more common for the operationally dependent group to have ended up as self-employed without specifically planning to do so.

On the other hand, continuing the family business had been twice as common for those who were economically dependent (39%) as for all self-employed persons without employees (15%). The factor underpinning this finding is the strong predominance of self-employed persons in agriculture in this group. Remarkably few (11% vs. 24%) in this group cited as their main reason for becoming self-employed that a suitable opportunity had presented itself. If we then only examine the other self-employed persons without employees who are economically dependent, in other words exclude those working in agriculture, not being able to find a job and the former employer proposing that the respondent become self-employed are highlighted as clearly more common reasons than average.

As the situations of self-employed persons in agriculture and other self-employed persons without employees are so clearly different in this respect, Figure 10.3 also shows the figures separately for these groups when looking at the pathway to self-

Figure 10.3

Pathway to self-employment, self-employed without paid labour force by economic and operational dependency, %. Self-employed persons in Finland 2017, Statistics Finland



The statistics are experimental and, due to the small number of observations, the results are indicative and cannot be generalised.

employment based on a division into three groups, or entrepreneurially oriented – self-employed out of opportunity – self-employed out of necessity (cf. Chapter 4).

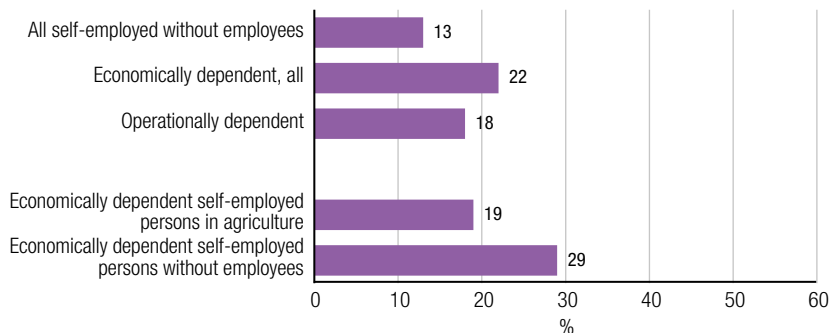
We can see that one out of three self-employed persons without paid labour force in the data set who were economically dependent and one out of three of all self-employed persons without paid labour force who were operationally dependent had become self-employed out of necessity, whereas this share for all self-employed persons without employees was approximately one out of five. Based on this categorisation, the highest share of entrepreneurially oriented respondents were found among economically dependent self-employed persons in agriculture, mostly because continuing a family business was included in this category.

The factor that links those who are operationally and economically dependent as compared to all self-employed persons without employees is their greater preference for paid employment: in both groups, approximately one out of five would have preferred to work as an employee to being self-employed. This share for all self-employed persons without employees was 13 per cent. Excluding farmers, among “other” self-employed persons without employees who were economically dependent, the share of those who would have preferred paid employment was almost 30 per cent. (Figure 10.4.)

The operationally dependent respondents felt that their possibilities of finding paid employment in their occupation were good slightly more often than average (43% vs. all self-employed persons without employees 38%). Fewer than average of those who were economically dependent considered their possibilities of finding paid employment good (26%). This share changes little even if self-employed persons in agriculture are excluded. Those who were economically dependent experienced their possibilities of finding paid employment poor clearly more often (39% all, 47% self-employed without employees excl. farmers) than those who were

Figure 10.4

Would prefer to work as an employee rather than a self-employed worker, self-employed without paid labour force by operational and economic dependency, %. Self-employed persons in Finland 2017, Statistics Finland



The statistics are experimental and, due to the small number of observations, the results are indicative and cannot be generalised.

operationally dependent (24%) or all self-employed persons without paid labour force (32%).

Combined work (see Chapter 3) was not specifically more or less common for those who were operationally or economically dependent than it was for all self-employed persons.

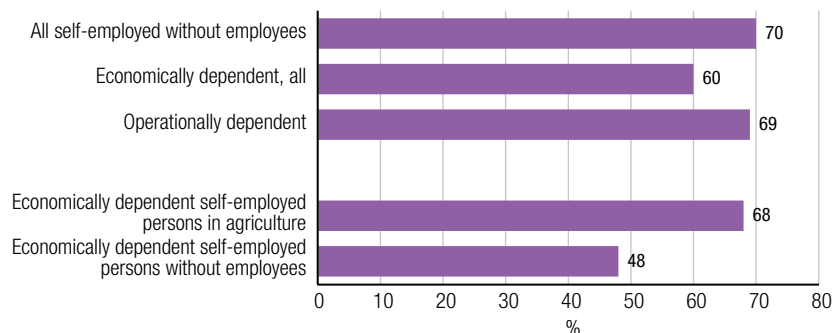
Financial situation in self-employed work and work stress

And to what extent was operational or economic dependence associated with experiences of an uncertain financial situation? Figure 10.5 shows that whereas the share of operationally dependent respondents who felt their financial situation as a self-employed worker was completely or relatively stable and secure differed little or not at all from this share among all self-employed persons without employees, it was low among those who were economically dependent compared to the other groups. Especially the share of those whose situation was completely stable and secure remained very small among the economically dependent respondents – however, this number is not included in the Figure due to the small number of observations. When this group is further divided into economically dependent self-employed persons in agriculture and other economically dependent self-employed persons without employees, we see that the latter group experiences their situation as the most difficult. On the other hand, twice as large a share of economically dependent self-employed persons in agriculture (14%) compared to all self-employed persons without employees (7%) felt their situation was very uncertain.

In view of these findings, it is interesting that those who were operationally dependent appeared to say more often than average (15% vs. 10%) that they had too

Figure 10.5

Experience their financial situation in self-employed work as completely or relatively stable and secure, self-employed without paid labour force by operational and economic dependency, %. Self-employed persons in Finland 2017, Statistics Finland



The statistics are experimental and, due to the small number of observations, the results are indicative and cannot be generalised.

little work – in other words, regardless of experiencing their financial situation as rather stable.

For those who were economically dependent, the opposite tends to be true: fewer than average felt they had too little work, while more than average (18% vs. 13% of all self-employed persons without employees) felt they had too much work. It was also typical for those who were economically dependent to find it difficult to estimate their workload as the situation fluctuated greatly (25% vs. 19%).

The economically dependent group's large workload again reflects that fact that this group is dominated by farmers. When we restrict our examination to other economically dependent self-employed persons without employees, 15 per cent felt they had too little work, approximately one out of ten felt they had too much, and 30 per cent reported that their work situation varied so much that it was difficult to answer. We must again remember that these shares are only indicative due to the small number of observations.

Further light can be shed on this finding concerning the link between an uncertain financial situation and excessive workload, which may sound illogical, when we look at the responses to the statement To make sure I can get work, I have to set the price of my service or product too low. Of those who were operationally dependent and all self-employed persons without paid labour force, one out of four (25%) said they agreed with this statement. On the other hand, 40% of those who were economically dependent said they agreed with it. This share was the same for both self-employed persons in agriculture and other self-employed persons without employees who were economically dependent. It is worth noting, however, that 29% of economically dependent self-employed persons in agriculture responded Not applicable to the statement concerning low prices. Apparently, many of them found the statement logically impossible in their case, as rather than pricing the products themselves, the price was set unilaterally by the food chain that was

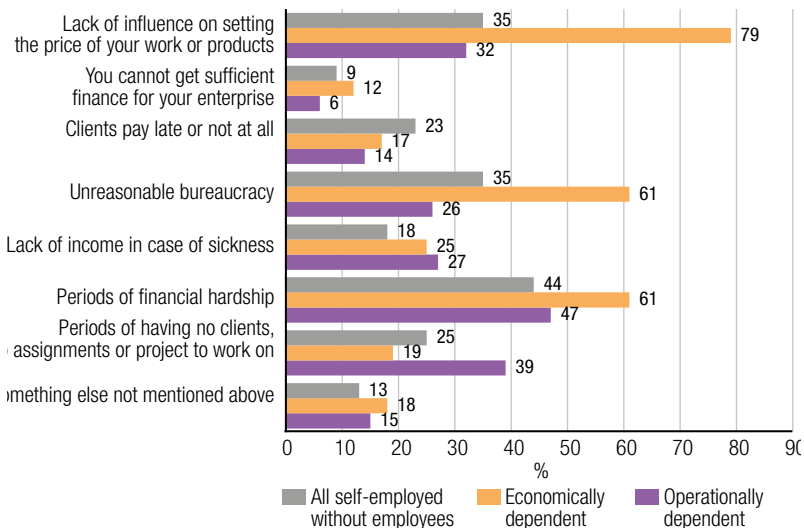
their client. The share of Not applicable responses was even higher among these economically dependent self-employed persons in agriculture than it was among all self-employed persons in agriculture (see Chapter 6). As a comparison, we can note that five per cent of those who were operationally dependent responded Not applicable to this statement.

Lack of influence on setting the prices of products and services also came up when the respondents were asked about difficulties in their self-employed work in the past 12 months. When looking at these difficulties, first of all we find that different difficulties are highlighted for different groups. Figure 10.6 shows all difficulties in self-employed work that were cited.

As a particular difficulty faced by operationally dependent self-employed persons without employees were emphasised periods when they had no clients, assignments or projects to work on. They had also experienced periods of financial hardship and lack of income in case of sickness more often than all self-employed persons without employees on average.

For the economically dependent self-employed workers, on the other hand, lack of influence on setting the price of their work, unreasonable bureaucracy and periods of financial hardship were emphasised. Practically all economically dependent self-employed persons in agriculture cited as a difficulty the lack of influence on setting the price of their work, whereas this difficulty was only mentioned by one half of

Figure 10.6
 Difficulties experienced in self-employed work in the past 12 months, self-employed persons without paid labour force by operational and economic dependency, %.
 Self-employed persons in Finland 2017, Statistics Finland



The statistics are experimental and, due to the small number of observations, the results are indicative and cannot be generalised.

the self-employed without employees. Unreasonable bureaucracy was a difficulty faced particularly by self-employed persons in agriculture in this group, and not so much by the other self-employed without employees. However, both self-employed persons in agriculture and other self-employed persons without employees who were economically dependent were equally familiar with periods of financial hardship. For economically dependent self-employed persons without employees, periods of having no client, no assignments or project to work on also emerged as a difficulty.

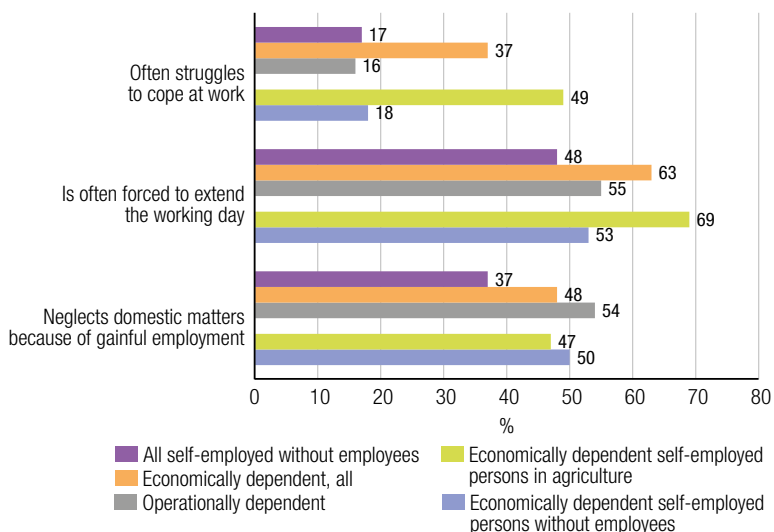
What both those who are operationally dependent and those who are economically dependent have in common is that for these groups, delayed payments or non-payments were experienced as a difficulty less often than average.

For problems with coping at work (37%) and being forced to extend their working days (63%) experienced by economically dependent self-employed persons without employees, see Figure 10.7. These shares, which are clearly different from the figures for other self-employed persons without paid labour force, are naturally partly influenced by the fact that farmers predominate the economically dependent self-employed workers in this group. The corresponding figures for other economically dependent self-employed persons without employees are slightly more moderate, while they still differ from the figures for those who are operationally dependent and all self-employed persons without employees: eight per cent struggle to cope, and 53 per cent say they are often forced to extend their working day.

Figure 10.7

Work stress, fully or slightly agree, self-employed without paid labour force by operational and economic dependency, %.

Self-employed persons in Finland 2017, Statistics Finland



The statistics are experimental and, due to the small number of observations, the results are indicative and cannot be generalised.

It was slightly less common for those who were operationally dependent to be forced to extend their working days than it was for those who were economically dependent but, however, clearly more common than for self-employed persons without employees on average. Those who were operationally dependent were, in particular, troubled by feelings of neglecting domestic matters – even if they did not have children at home any more often than the other groups.

Possibilities of exerting influence, work engagement and job satisfaction

It is also interesting to see to what extent especially those who were operationally dependent felt they could influence different aspects of their work – as the very concept of operational dependency refers to less authority.

The findings do show that operationally dependent self-employed persons without employees felt they could influence the content of their tasks less often (71%) than those who were economically dependent (81%), even if this share was also lower for those who were economically dependent than for all self-employed persons without employees (88%). What makes the finding interesting is the fact that in this respect, those who are operationally dependent have the closest resemblance to employees, of whom 70 per cent also felt they could influence the content of their tasks in the Quality of Work Life Survey of 2013 (Sutela & Lehto 2014, also see Chapter 7).

Regarding the order of completing the tasks, those who are operationally dependent would seem to have even slightly less influence (76%) than employees in 2013 (80%) (Sutela & Lehto 2014, also see Chapter 7). This share was also smaller among those who were economically dependent (83%) than among all self-employed persons without employees (89%).

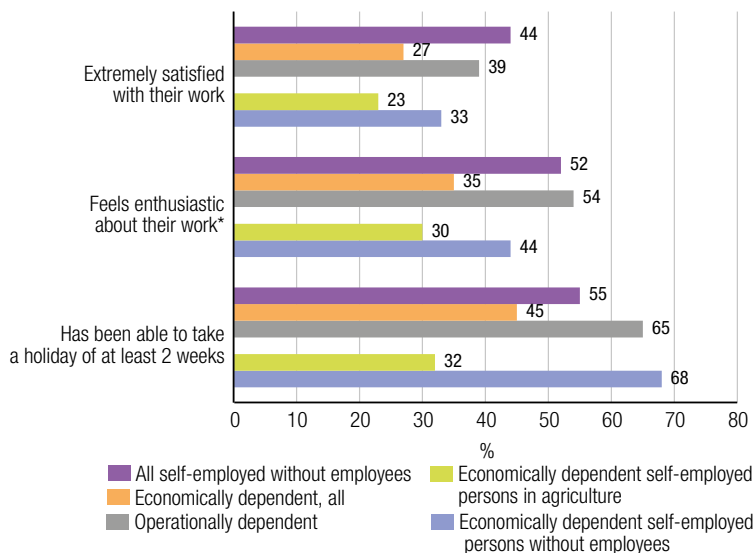
On the other hand, operationally dependent respondents were the group whose members had found it easier than the other groups to take uninterrupted holidays for at least two weeks in the past year. They also experienced work engagement and enthusiasm for their work more often than all self-employed persons without employees. (Figure 10.8.)

For those who were economically dependent, on the other hand, taking an uninterrupted holiday of at least two weeks (45%) as well as enthusiasm for their work (35%) were a rather rare treat compared to those who were operationally dependent or all self-employed persons without employees. However, these figures are again reduced by the fact that this group is dominated by self-employed persons in agriculture. Excluding farmers, almost 70 per cent of economically dependent self-employed persons without employees had been able to take an uninterrupted holiday, and more than 40 per cent said they felt enthusiastic about their work.

While those who were operationally or economically dependent differed from each other in many respects as groups, what they had in common was a lower share of those highly satisfied with their jobs than in the group of all self-employed. This applies particularly to those who were economically dependent, of whom only slightly more than one fourth (26%; 23% for self-employed persons without

Figure 10.8

Work engagement, job satisfaction and possibility of taking holidays by operational and economic dependency, self-employed without paid labour force. Self-employed persons in Finland 2017, Statistics Finland



* fully agree

The statistics are experimental and, due to the small number of observations, the results are indicative and cannot be generalised.

employees in agriculture, 33% for other self-employed persons without employees) said they were highly satisfied with their jobs. However, the share of those who were highly satisfied was smaller also among operationally dependent respondents (38%) than among all self-employed persons without employees (44%).

Farmers account for a large share of economically dependent self-employed workers

Conventionally, genuine self-employment has been associated with a financial risk but also a possibility of making a profit and the freedom to 'be your own boss'. An entrepreneur's freedom is a relative concept, of course: legislation may impose marginal conditions on the work and products or services, and the schedule and pricing of the work can be negotiated with the client. On the other hand, today many employees also have increasing control over aspects of their work. Sometimes employers may feel highly dependent on the work input of key personnel members they have hired, and these persons thus have better possibilities for negotiating on their employment conditions and the pricing of their work.

However, a frequent topic of discussion is that in Finland as well as globally, work is also carried out where the criteria for an employment relationship can be regarded as being fulfilled even if, formally, the work is contracted out to a self-employed person. The need to recognise such work in the middle ground between paid employment and self-employment in statistics has become increasingly apparent. One key goal of the International Classification of Status in Employment adopted by the ILO in autumn 2018 thus is making visible this work, which at the moment falls outside official labour market statistics. For this purpose, the classification contains a new employment status, or dependent contractors.

In this Chapter, we explored ways in which the Self-employed persons in Finland 2017 data set could be used to measure operational or economic dependency on the client in work classified as self-employment. The size of the data set limits the possibilities of presenting findings that can be generalised statistically, and consequently, this was above all an exercise in experimental statistics. The findings presented in this Chapter should thus only be taken as an indication.

As metrics for operational dependency, or control exerted by the client that is comparable to an employer's right of direction, the definition employed in Eurostat's 2017 ad hoc module was used: the self-employed person receives at minimum 75 per cent of their self-employment income from one client who decides the start and end times of the working day. Approximately four per cent of all self-employed persons, or less than 0.5 per cent of the employed, fulfilled these criteria. This corresponds to approximately 8,000 people at population level.

Based on the data used for this report, we defined economic dependency as a situation where a single dominant client unilaterally sets the price of the work, and replacing the current client would be difficult. The share of the group formed following this method among all self-employed persons was approximately five per cent, or approx. 12,000 people, corresponding to approx. half a per cent of all employed persons. It should be noted that the majority in this group are self-employed persons in agriculture.

The two sub-groups formed using these criteria mainly consist of different persons – in other words, there was little overlap between the dependencies that were measured. This finding is in line with the conclusions made in other countries (ILO 2018b).

When we compared the two groups to each other and to all self-employed persons, the following indicative findings were obtained:

What the groups have in common appears to be that the share of those who became self-employed out of necessity appears larger than average for self-employed persons without employees. The share of those who would have preferred to work as employees rather than self-employed workers was also large compared to all self-employed persons without employees. Similarly, the share of those highly satisfied with their jobs was smaller in both groups than among self-employed persons without employees on average. They appeared to have less influence on their work content and order of tasks than other self-employed persons without paid labour force, whereas those who were operationally dependent resembled employees in this respect. Other common features were lack of income in case of sickness and periods of financial hardship, which were emphasised as difficulties associated with self-

employed work more often than among the average self-employed persons. Delayed payments or non-payments, on the other hand, were a less common problem for these groups than for other self-employed persons without employees. Being forced to extend their working days and feelings of neglecting domestic matters were more familiar for these two groups than for self-employed persons without employees on average. In both groups, those working in the cultural and handicraft sectors were overrepresented in proportion to all self-employed persons without employees.

Differences were also found. The special feature of those experiencing operational dependency was that this group included many transportation sector workers. The operationally dependent respondents differed little from the average for all self-employed persons without employees in whether or not they found their financial situation fully or relatively stable, enthusiasm for their work, or difficulties with coping. Those who were operationally dependent also believed in their possibilities of finding paid employment more often than self-employed persons without employees on average. The age structure of this group was polarised, and compared to all self-employed persons without employees, the group contained a higher share of those who said studying or retirement were their main occupation rather than gainful employment.

Of these two groups, those who experience economic dependency appear to be in the most disadvantaged position in the light of most of the indicators used: they experienced their financial situation as self-employed workers as the most uncertain, they were the most often forced to set the price of their work too low, they experienced more difficulties than others in their self-employed work, they struggled the most to cope at work, and they were forced to extend their working days more often than the others. Fewer of them were satisfied with or enthusiastic about their jobs, and their possibilities of taking uninterrupted holidays for at least two weeks appeared poorer than in the other groups. They also experienced their possibilities of finding paid employment in their occupation poorer than the other groups.

Almost two thirds of the economically dependent self-employed persons in the data set were agricultural and forestry entrepreneurs. At first sight, this finding may come as a surprise for many. In discussions on work carried out against an entrepreneurial income or a fee in which the client has the authority to set the price of the work almost unilaterally and the worker's negotiating position is weak, especially self-employed persons without employees working in the cultural sector, journalists and translators have typically come up.

As such, however, the large share of self-employed persons in agriculture is not particularly surprising. The Finnish food chain is strongly concentrated around a handful of major players who have a great power to determine the price paid to the producer and the price for which they sell on the product. In this setup, the self-employed person often is in a weak negotiating position; their situation also fulfils the third criterion used to define the concept of a dependent contractor, or a third party who benefits from the self-employed person's work. The share of self-employed persons in agriculture has also been large in other countries where the dimension of economic dependency has been tested on the ILO's request, for example, in Denmark (ILO 2018b).

On the other hand, self-employment in agriculture and forestry has so many features specific to this industry that in further work on implementing the ILO's Classification of Status in Employment, it should certainly be considered if self-employed persons in agriculture should be handled separately from other self-employed persons experiencing economic dependency. The examples discussed in this Chapter, too, indicate that the situations of self-employed persons in agriculture without paid labour force and other self-employed persons without employees experiencing economic dependency differ clearly from each other in certain respects.

The experiment carried out using the Self-employed persons in Finland 2017 data set showed that, at least to some extent, it is possible to identify self-employed person's dependency on their clients based on survey data, whether we are talking about so-called operational dependency associated with the organisation of work and work processes, or economic dependency on the client linked to a weak negotiating position. This way, it was possible to single out two groups, both of which fulfilled specific criteria in relation to each other and other self-employed persons without employees.

The indicators used were not necessary optimal for this purpose, and no claims regarding the incidence of bogus self-employment in Finland, for example, can be made based on these findings. However, the findings provide interesting food for thought in the context of further work on the operationalisation of the dependent contractor concept, which is about to be launched in the ILO and Eurostat.

Summary

This survey studied aspects of self-employed persons' labour market status and working conditions. The findings concern all self-employed persons – self-employed persons in agriculture, employer entrepreneurs and self-employed persons without employees alike.

While the number of the self-employed has remained relatively stable throughout the 2000s, a clear change has taken place in their structure. The number of self-employed persons in agriculture has declined to almost one half, whereas the number of sole entrepreneurs – or self-employed persons without employees – has shown a growing trend.

We may presume that the increase in the number of self-employed persons without employees is underpinned by changes in certain industries, such as the transformation of the media sector (Official Statistics of Finland: Finnish Mass Media 2013) or more widespread subcontracting in the construction sector (Confederation of Finnish Construction Industries RT's Labour force survey 2014). Background factors to the dropping numbers of self-employed persons in agriculture have included Finland's accession to the European Union, increasing farm sizes, difficulty of finding anyone to take over a farm as the large age groups reach retirement age, changes in foreign trade, and the challenging weather conditions of the last few years.

On the other hand, there has been little or no change in the number of employer entrepreneurs. This may to some extent be explained by so-called growth by networking. When there is too much work for one person, rather than recruiting an employee the self-employed person may pass on work to another self-employed worker, either by means of subcontracting or by persuading a new business partner to join them. The way enterprises organise their work has changed; the re-organisation involves outsourcing and subcontracting of work. This vertical growth relying on networks may in part explain the growth in the number of the self-employed without employees and the static numbers of employer entrepreneurs.

Regardless of these structural changes, self-employment remains a strongly male dominated form of employment. There has been little change in the share of women in all self-employed workers.

All in all, any assessments of self-employment should be based on understanding that it is always tied to the prevailing situation in the labour market and phases of the economic cycle. Choices concerning becoming self-employed, being an employer and ceasing enterprising activities are made in the societal context determined by the economic situation, political decisions and institutional marginal conditions. Ultimately, however, self-employment is about an individual's preferences and possibilities of living according to them.

This report focuses on the perspective of self-employed workers themselves, rather than the enterprises. The findings of the study *Self-employed persons in Finland 2017* can be summed up as follows:

Self-employment is mainly the preferred form of employment for most

In research literature and public discussion, the pathway to self-employment has often been seen as a dichotomy; people either wish to become self-employed (*self-employment out of opportunity*) or they have taken it up involuntarily because there was no paid employment (out of necessity).

However, this dichotomy often is too clear-cut to describe the pathways to self-employment. Qualitative interviews conducted for the study *Self-employed without employees in Finland 2013* showed that it is often difficult for respondents to identify the extent to which they ended up as self-employed out of choice and to what extent it happened out of necessity. On the one hand, the situation may have been associated with lack of options as no paid employment was available. On the other hand, they also regarded self-employment as having its bright sides, including the famous entrepreneur's freedom, which served as a pull effect. Chance also played a significant role for many: had an opportunity not presented itself at the right moment, things might have gone otherwise. This fact was taken into consideration when designing the interview form for the survey *Self-employed without employees in Finland 2013*.

In the survey *Self-employed persons in Finland 2017*, we approached the background factors of self-employment using the same division into three categories.

Firstly, a group of *entrepreneurially oriented* persons could be distinguished among the self-employed, which accounted for approximately 45 per cent of the self-employed in 2017. They had become self-employed in a goal-oriented manner and specifically preferred this form of employment. We also included those who continued a family business in this group.

For the second group, chance played a part in their ending up as self-employed. In this report, we refer to them as those who *drifted into self-employment or seized an opportunity*, with emphasis on the latter reason. This group accounted for 32 per cent of the self-employed.

As a third group, we distinguished those who became self-employed *out of necessity*, which comprised approximately 19 per cent of the self-employed. For this group it was typical that not being able to find a job as an employee or self-employment being the usual practice in the respondent's field influenced strongly their decision to become self-employed. This share was clearly higher for self-employed persons without employees than for employer entrepreneurs or self-employed persons in agriculture, and clearly higher for women than for men.

Based on the results we can conclude that in 2017, approximately 60,000 people in Finland, or 2.4 per cent of the employed, were self-employed out of necessity. Approximately two thirds of this group were self-employed without employees in other fields than agriculture, and they could also be described using the concepts *involuntary self-employment* or *forced self-employment*. However, we concluded that in this survey, the concept self-employed out of necessity provides a better description for the group. The term 'involuntary' contains the assumption that the work is being done against the person's will, which is not true for this group. The survey *Self-employed without employees in Finland 2013* already showed that a strong

work ethic and professional pride are typical of the self-employed as a group. They also feel proud to be coping even if they sometimes struggle with both their work and financial hardship.

The question about the main reason for becoming self-employed was included in the survey as part of Eurostat's ad hoc module 2017 in all EU Member States as well as in Norway, Iceland, Switzerland and Turkey.

A suitable opportunity presenting itself was the most common main reason for becoming self-employed at the EU level as well as in most Member States, and indeed also in Finland. Interestingly, the share of those who became self-employed out of necessity is clearly higher at the EU level (28%) than in Finland (19%).

The finding of the *Self-employed persons in Finland 2017* survey, according to which self-employment in Finland mainly is a choice made willingly or the result of chance, is supported by the fact that most self-employed persons had been in a stable labour market position before pursuing their selected career path in self-employment. Approximately 60 per cent had worked as employees with no threat of unemployment before becoming self-employed. Fewer than one out four had been unemployed before becoming self-employed, or employees at risk of losing their jobs. This initial situation was more typical for self-employed persons without employees than for the other groups, and a more common background factor for women than men.

Approximately one out of ten self-employed persons in Finland would have preferred to work as employees rather than self-employed workers in their jobs in 2017. In this respect, the shares of self-employed persons without employees and self-employed persons in agriculture were higher than the share of employer entrepreneurs, and once again, preference for paid employment was more common for women than for men. In total, however, the share of those who would have preferred paid employment was slightly lower in Finland than in the EU Member States, on average (16%) (Eurostat 2018b).

Many differences between types of self-employment

Compared to employees, self-employed persons are a highly male dominated and, on average, older group with a lower level of education. The industrial structure of their activities is clearly less diverse than in employees' work.

However, there are clear differences between types of self-employment. Self-employed persons in agriculture stand out from others as the oldest in terms of their age structure and with the lowest level of education, and they have worked in gainful employment and as self-employed workers for a higher number of years than average. They also appear to have become self-employed at an earlier stage of their careers than employer entrepreneurs or self-employed persons without employees.

The gender structure of self-employed persons without employees is more even and their occupational structure more diverse than among employer entrepreneurs; the former group also contained more young people aged under 35 than the other self-employed groups. The share of those working in cultural

and handicraft occupations and information work professionals among all self-employed persons without employees aged between 15 and 64 had increased in 2017 compared to 2013.

In terms of age structure, the middle age groups are strongly predominant among employer entrepreneurs. Almost one half of employer entrepreneurs work in construction, wholesale or retail trade, or professional, scientific and technical activities.

The tendency of similar labour market statuses to cumulate in intimate partner relationships was also confirmed by the *Self-employed persons in Finland 2017* data set: a self-employed person is clearly more likely than an employee to have a spouse who is self-employed, and furthermore, the probability that an employer entrepreneur's partner is another employer entrepreneur, a self-employed person in agriculture has a spouse with the same labour market status, and a self-employed person without employees is in a relationship with another self-employed person without employees, is higher than average.

One per cent of the employed do combined work

In the Labour Force Survey, the employed were classified as either employees, self-employed persons or unpaid family workers depending on their main occupation in the week of the survey. However, reality is not always as straightforward as statistics. The *Self-employed without employees in Finland 2013* survey showed clearly that a significant share of self-employed persons without employees received their incomes from a patchwork of different sources. Approximately one out of five self-employed persons without employees had also worked as employees in the past 12 months. (Pärnänen & Sutela 2014.)

Individuals may alternate between periods of paid employment and self-employment, or a person who mainly works as an employee may have a secondary job as a self-employed worker – or vice versa. Paid employment and work carried out against a fee may sometimes be difficult to classify into a main job and a secondary job, as the person may experience them as being of equal value: they may work with different statuses even in the course of a single day. A situation where a respondent finds it difficult to identify either self-employment or paid employment as their main employment is referred to as *combined work* in this report.

Combined work was done by approximately three per cent of all those who were identified as self-employed and approximately one per cent of those classified as employees in the Labour Force Survey 2017. In other words, they alternated between self-employed work and paid employment to variable degrees, without being able to identify either as their main form of employment. Additionally, eight per cent of all self-employed persons had worked as employees occasionally or as a secondary job in the previous 12 months, whereas five per cent of employees had done self-employed work as a secondary job.

By combining these data, we can conclude that approximately one per cent of all the employed aged between 15 and 74, or some 30,000 people, alternated between

self-employed work and paid employment to variable degrees in 2016–2017, without being able to clearly identify either as their main form of employment. In the Labour Force Survey statistics, they have been classified as either employees or self-employed persons depending on their situation during the specific week in which the survey was carried out. This fluctuation of statuses in employment between self-employment and paid employment is particularly challenging in terms of the current social security legislation.

Employer entrepreneurs the most interested in growth, lack of influence on prices as a difficulty

Information on growth prospects is important from the perspective of employment. In this respect, the findings of the survey *Self-employed persons in Finland 2017* are rather positive.

In 2017, approximately one out of four of all self-employed persons had planned hiring one or several employees in the next 12 months. More than one half of employer entrepreneurs were planning to hire, but so were also 14 per cent of the self-employed without employees. Approximately one out of five self-employed persons in agriculture had considered hiring an employee. If all these plans were to be realised, this would mean over 80,000 new jobs.

The most important reasons that kept self-employed persons without employees from hiring were that the respondent primarily wanted to employ themselves, high social contributions, and the fact that there was not enough work for several persons.

In addition to hiring an employee, work can also be shared through subcontracting, which indeed is relatively common in Finland. Approximately four out of ten self-employed persons used subcontractors in 2017, and almost all intended to also use subcontractors in the future. While using subcontractors was the most common among employer entrepreneurs, it was also rather common for the self-employed without employees and self-employed persons in agriculture.

More than one third of the self-employed had a business partner. This was more often true for employer entrepreneurs than for the others, but more than one out of five self-employed persons without employees also reported having one or several business partners.

However, networking also appears to occur among the self-employed by other means besides subcontracting or having associates. The majority said they worked together with other self-employed persons by passing on orders, sharing work or developing joint projects.

While they compete against each other, self-employed persons also appear to support each other, and these practices are likely to have positive effects on their business. In an EU level comparison, Finland emerges as a country where networking between the self-employed is more common than in any other Member State – although this phenomenon is also particularly common in Norway and Iceland. In a European comparison, Finland, Sweden and Denmark also come up as

countries where the self-employed are planning to use subcontractors clearly more often than in the other countries. Consequently, extensive cooperation between self-employed workers appears to be a particularly Nordic phenomenon. (Eurostat 2018a, Eurostat 2018b.)

On the whole, the polarisation of self-employed persons when it comes to expanding the enterprise came up in the survey *Self-employed persons in Finland 2017*: approximately one half of them were growth-oriented, whereas the other half had little interest in expanding their business activities. While interest in expanding the enterprise was found in all groups, it was the most prominent among employer entrepreneurs.

Self-employed work also has its difficulties. In particular, these difficulties include periods of financial hardship, unreasonable bureaucracy, and lack of influence on setting the price of the work or service. The last-mentioned situation was highlighted for self-employed persons in agriculture, whereas unreasonable bureaucracy came up as a difficulty facing employer entrepreneurs, and periods of financial hardship and periods with no clients were cited by self-employed persons without employees. Open-ended responses brought up concerns over coping at work, difficulties with recruitments and problems associated with profitability.

In total, one out of five self-employed persons said they had not experienced any particular difficulties in their self-employed work in the past 12 months. Interestingly, in this comparison Finland comes at the bottom of the list in EU countries. Italy and Greece were the only countries with a lower proportion of self-employed workers than Finland who had not experienced any particular difficulties in their self-employed work. (Eurostat 2018a, Eurostat 2018b.)

Lack of influence on setting the price of the work and periods of financial hardship came up as the main difficulties facing the self-employed in Finland compared to the EU average. On the other hand, such difficulties as delayed payments or non-payments or lack of income in case of sickness did not appear to be as central problems associated with self-employed work in Finland as they were in the EU countries on average. (Eurostat 2018a.)

Self-employed in agriculture have the worst financial situation, employers the best

Both an examination of income distributions and subjective questions about their financial situation reveal that the self-employed are a heterogeneous group. Self-employed persons' income distribution is strongly polarised. Based on their disposable income, approximately one self-employed person out of five belongs to the lowest income decile, and approximately one out of five to the highest decile. In the income distribution of self-employed persons in agriculture and self-employed persons without employees, the lower deciles are emphasised, whereas employer entrepreneurs find themselves more frequently in the highest income decile.

Income differences between the genders are also major. One out of four self-employed men but only slightly over 10 per cent of women belong to the highest income decile. The financial situation of self-employed workers with lower incomes

is often balanced by a partner with a higher income, however. More than one half of the self-employed in the lowest income quintile move to higher quintiles when we look at the total income of the household-dwelling unit.

Three out of four self-employed persons found their financial situation as self-employed at least relatively stable and secure in 2017. Regardless of the type of self-employment, this was more common for men than for women. More than one half of the self-employed reported having a suitable amount of work in the past 12 months; on the other hand, the workload of almost one out of five had fluctuated to the extent that it was difficult for them to assess whether it was suitable or not. Lack of work or great fluctuations in the workload appeared to be associated with experiencing financial uncertainty to a greater degree than average. On the other hand, some of those who had too much work also experienced financial uncertainty.

Self-employed persons in agriculture experienced their financial position as the least stable of the three groups, even if the difference to self-employed persons without employees is not major. For this group, not being able to price their work themselves appeared to be the rule rather than the exception, as the prices were set by an outside enterprise or operator, or the client; setting the price of the work too low in order to find opportunities to work was common. More than one half of self-employed persons in agriculture operated in a situation where they had only one client, or they received at least 75 per cent of their income from one large client.

The experiences that self-employed persons without employees reported concerning the stability of their financial situation varied by occupational group: the most stable situation was experienced by information work professionals, while the most uncertain situation was faced by those working in the cultural and handicraft sectors. In general, however, the financial situation of self-employed persons without employees appeared to have improved in almost all occupational groups compared to 2013. Fewer than one out of four self-employed persons without employees had only one client, or one dominant client (more than 75 per cent of their income), and the majority would find it difficult to replace their current client.

Employer entrepreneurs considered their financial situation the most stable and secure compared to the other self-employed groups. They usually had at least 10 clients. On the other hand, those employer entrepreneurs who depended on one client would have found it more difficult than the other groups to replace that client.

Self-employed activities being mainly dependent on one dominant client is clearly more common in Finland than in the EU countries on average (Eurostat 2018a).

Self-employed persons in agriculture the most stressed, self-employed women the most satisfied

On average, self-employed persons put in longer weekly working hours than employees. However, their working times are strongly polarised: working weeks of over 40 hours, on the one hand, and weeks of less than 35 hours, on the other. Part-time work is thus more common among the self-employed than employees.

Compared to employees, self-employed persons also work more often during so-called atypical working hours, or during weekends, in the evenings and at night.

On the one hand, self-employed work appears rather stressful compared to paid employment, but on the other, the self-employed are enthusiastic about their work and satisfied with their jobs more often than employees. Self-employed persons have more influence on the content and order of their tasks than employees or unpaid family workers.

The situation of self-employed persons in agriculture appears to be more stressful in many respects than that of other self-employed workers: they struggle more to cope at work, and they have less opportunity to take holidays than the other groups. Compared to other self-employed persons, enthusiasm about their work or job satisfaction appear to be something only enjoyed by select few self-employed persons in agriculture.

Compared to other self-employed workers, self-employed persons without employees are the most satisfied with and enthusiastic about their work, and they appear to have the best opportunities for taking holidays. At a closer look, however, the group of self-employed persons without employees is very heterogeneous, and their experiences related to work stress and work engagement, for instance, vary greatly between different occupational groups.

Self-employed men report more often than self-employed women that they are forced to extend their working day, but otherwise there is little or no difference between the genders when it comes to experiences of work stress. However, self-employed women are considerably more enthusiastic about their work and satisfied with their jobs than men. Self-employed women's enthusiasm for their work and job satisfaction stand out particularly when these results are compared to female employees' experiences.

In a European comparison, self-employed persons' job satisfaction is lower than average in Finland. In this respect, Finland is clearly behind the other Nordic countries, or Sweden, Denmark, Norway and Iceland. (Eurostat 2018b.)

Older self-employed persons the most willing to continue working

Self-employed persons' health and work ability are not something that only concern them personally, as their coping at work also has societal impacts. The goals of extending careers are relevant to all employed persons, not only employees.

Employers have a statutory duty to organise occupational health care for their employees, and these services may also include medical care services. However, self-employed persons can choose whether or not to organise occupational health care for themselves.

Only slightly over one out of four self-employed persons without paid labour force, but three out of four employer entrepreneurs, had organised occupational health care for themselves in 2017, men more often than women.

Approximately three out of four employer entrepreneurs had also organised these services for their employees. Failure to organise services for the employees

mainly concerned the smallest employer entrepreneurs. Previous studies have revealed that it is not unusual for employers in small enterprises to even be unaware of their obligation to organise occupational health care for their employees.

Self-employed persons in agriculture rated their work ability as clearly poorer than the other self-employed groups. Fewer respondents aged over 50 among the self-employed in agriculture than among the other groups believed their health would allow them to keep working until retirement age. While this group also reported uncertainty over having enough work until retirement age more often than others, they also displayed a greater willingness to work until retirement age and also during their retirement than the other self-employed groups.

Employer entrepreneurs believed more often than the others that their health would allow them to work until retirement age, and also that they would have sufficient work until retirement age. However, employer entrepreneurs had the highest share of those who did not wish to keep working past retirement age. This group's favourable financial situation probably also affects the results; they do not need to keep working in order to have a sufficient income.

Compared to the other self-employed groups, self-employed persons without employees had the best self-perceived work ability.

Few takers for parental leaves

Social security and, in particularly, basic security, comes to rescue in Finland in situations where an individual cannot earn an income by working. The survey explored some aspects related to social security.

In total, few self-employed persons said they had needed a social benefit in the past 12 months. However, approximately 15 per cent of the self-employed without employees felt they had needed a form of support but either had not applied for it or, despite applying, had not received it.

A finding related to pensions gives more cause for concern. Approximately one third of self-employed persons and unpaid family workers, or some 100,000 people, felt that the self-employed person's pension contributions paid by them were not sufficient. The most important reasons for not paying enough were feeling unable to pay larger pension contributions or planning to continue working while receiving a pension.

Taking parental leave also appears to be relatively uncommon among the self-employed, and especially self-employed men, of whom less than one half had taken leave when their youngest child was born. One out of four women who were self-employed at the time their youngest child was born had also not taken parental leave. Of those who had taken family leave, four out of ten had not been able to stay on leave for as long as they wanted.

Farmers account for a large share of economically dependent self-employed workers

Conventionally, genuine self-employment has been associated with a financial risk but also a possibility of making a profit and the freedom to 'be your own boss'. An entrepreneur's freedom is a relative concept, of course: legislation may impose marginal conditions on the work and products or services, and the schedule and pricing of the work can be negotiated with the client. On the other hand, today many employees also have increasing control over aspects of their work. Sometimes employers may feel highly dependent on the work input of key personnel members they have hired, and these persons thus have better possibilities for negotiating on their employment conditions and the pricing of their work.

However, in Finland as well as globally, work is also carried out where the criteria for an employment relationship can be regarded as being fulfilled even if, formally, the work is contracted out to a self-employed person. The need to recognise such work in the middle ground between paid employment and self-employment in statistics has become increasingly apparent.

Consequently, the ILO's International Classification of Status in Employment was revised in autumn 2018 to ensure that, among other things, this type of employment that is currently excluded from official labour market statistics could be made visible in the future. For this purpose, the classification contains a new status in employment, or *dependent contractors*. The efforts aiming to operationalise the concept, or turn it into a form that can be measured, are still ongoing. The work carried out so far already shows, however, that key dimensions in the definition of the concept *dependent contractor* include the person's operational dependency on the one hand, and their economic dependency on their client on the other.

Through an exercise in experimental statistics, we examined the extent to which the *Self-employed persons in Finland 2017* data set is suited for measuring operational or economic dependency related to work classified as self-employment. The size of the data set does not allow the presentation of findings that can be statistically generalised, and the findings discussed in this report should be understood as indicative only.

As a metric for *operational dependency*, or control exerted by the client that is comparable to an employer's right of direction, the definition employed in Eurostat's 2017 ad hoc module was used: the self-employed person without employees receives at minimum 75 per cent of their self-employment income from a single client who decides the start and end times of the working day. Approximately four per cent of all self-employed persons without paid force, or less than 0.5 per cent of the employed, fulfilled these criteria. This corresponds to approximately 8,000 people at population level. At the EU level, the respective share of all self-employed persons without paid labour force was three per cent in 2017, with a share as high as over 10 per cent in Slovakia (Eurostat 2018b).

Based on the data used for this report, we defined *economic dependency* as a situation where a single dominant client unilaterally sets the price of the work,

and replacing the current client would be difficult. The share of the group formed following this method among all self-employed persons without paid labour force was approximately 5 per cent, or approx. 12,000 people, corresponding to approx. half a per cent of all employed persons.

The two sub-groups formed using these criteria mainly consist of different persons – in other words, there was little overlap between the dependencies that were measured. This finding is in line with the conclusions made in other countries (ILO 2018b).

Some of the factors that the two groups appeared to have in common were that among them, the shares of those who became self-employed out of necessity and those who would have preferred paid employment were greater than average for self-employed persons without paid labour force, whereas the levels of their job satisfaction and their influence on different aspects of their work were lower than for the other self-employed groups. Of these two groups, those who experienced economic dependency appeared to be in a more disadvantaged position than those who experienced economic dependency measured by most of the indicators used in the survey.

In both groups, those working in the cultural and handicraft sector were overrepresented in proportion to all self-employed persons without employees. Another special feature of those experiencing operational dependency was that this group included many transportation sector workers. On the other hand, two thirds of those who were economically dependent turned out to be self-employed in agriculture and forestry.

Considering the definition of the concept used in this study, the strong overrepresentation of self-employed persons in agriculture among those who were economically dependent is not particularly surprising on closer scrutiny. The Finnish food chain is strongly concentrated around a handful of major players who have a great power to determine the price paid to the producer and the price for which they sell on the product. In this equation, the self-employed person often is in a weak negotiating position; their situation also fulfils the third criterion used to define the ILO concept of a *dependent contractor*, or a third party who benefits from their work. The share of self-employed persons in agriculture has also been large in other countries where the dimension of economic dependency has been tested on the ILO's request, for example, in Denmark (ILO 2018b).

On the other hand, self-employment in agriculture and forestry has so many features specific to this industry that in further work on implementing the ILO's Classification of Status in Employment, it should certainly be considered if self-employed persons in agriculture should be handled separately from other self-employed persons experiencing economic dependency. The examples discussed in this report, too, indicate that the situations of self-employed persons in agriculture and self-employed persons without employees experiencing economic dependency differ clearly from each other in certain respects.

The indicators used were not necessary optimal for this purpose, and no claims regarding the incidence of bogus self-employment in Finland, for example, can be made based on these findings. However, the findings provide interesting food for

thought in the context of further work on the operationalisation of the dependent contractor concept, which is about to be launched in the ILO and Eurostat.

Conclusion

Approximately 315,000 people, or approx. 13 per cent of the employed, were classified as self-employed in the Labour Force Survey of 2017. In this report, we have attempted to provide as versatile and comprehensive a picture of this group's situation as possible using the available *Self-employed persons in Finland 2017* data set and on the given schedule.

The Finnish body of self-employed workers is highly heterogeneous. It includes employer entrepreneurs – most of whom only employ a few people while some have dozens or even hundreds of employees – and self-employed persons working in agriculture and forestry as well as self-employed persons without employees who work as sole entrepreneurs or in an entrepreneur-like manner.

Self-employed persons without employees account for more than a half of all self-employed workers. This group is so heterogeneous that it could provide ample material for a separate study of its own, as the survey *Self-employed without employees in Finland 2013* showed. In this report, however, we have for the most part found it necessary to discuss the self-employed as a single group.

Rather than identifying self-employment as their main form of income, a small number of those classified as self-employed in the statistics combine self-employment and paid employment to variable degrees. In this study, we refer to them as combined workers.

The group classified as self-employed also contains persons who can be highly dependent on their clients, either operationally or economically, and in their case, the ideas of entrepreneur's freedom and possibility of making profits are called into question. The number of older persons who have retired from their jobs as employees and who continue to work part time as self-employed workers in their retirement among those classified as self-employed also appears to be increasing.

A European comparison shows that self-employment in Finland is characterised by networking, or working together with other self-employed persons. While one self-employed person out of four was thinking about hiring employees in 2017, expansion in an enterprise's activities is not necessarily channelled into hiring new employees, and subcontracting is a common way of balancing out the workload.

For most self-employed workers, self-employment is a preferred form of employment, and has been from the beginning. The share of those who are self-employed out of necessity is smaller in Finland than in EU countries on average, and the same applies to the share of self-employed persons who would prefer to be employees.

On the other hand, self-employed persons operating in Finland report difficulties encountered in their self-employed work more often than their European counterparts on average. The level of job satisfaction of self-employed persons working in Finland is also lower than the EU average – and the difference

is particularly great when compared to self-employed workers operating in the other Nordic countries.

In the light of this study, the situation of self-employed persons in agriculture appears particularly difficult. Their stress levels are great, they feel little enthusiasm for their work, and their job satisfaction is at a low level compared to the other self-employed groups. Compared to others, their financial situation seemed more uncertain, and their economic dependency on their client was more obvious.

While only slightly more than one out of ten employed persons in Finland is self-employed, this group is an important part of the labour market as a whole. In terms of overall employment, the decisions made by this group play a particularly important part in the jigsaw of employment, growth and productivity, in which the input of each individual plays a role.

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Appendix 1

Labour Force Survey questions defining employment status and occupational classification of self-employed persons without employees used in the report

Labour Force Survey questions defining employment status

The following questions concern your main job.

T4. In your (main) job, are you:

1. an employee
2. self-employed in agriculture (including forestry, horticulture etc.)
3. other self-employed worker (not in agriculture)
4. an own-account worker, freelancer or grant recipient
5. working on a family member's farm without pay, or
6. working in a family member's enterprise without pay?
7. other
8. Cannot say

If T4=4

Are you:

1. an own-account worker → T5
2. a freelancer, or → T5
3. a grant recipient? → T5

If T4=2, 3, or 4

T5. Do you have paid labour force?

1. yes
2. no

Occupational classification used for self-employed persons without employees

Raportissa on käytetty itsensätyöllistäjien tuloksi analysoitaessa seuraava ammattiluokitusta.

When analysing the results for self-employed persons without employees, the following occupational classification was used.

1. Information work professionals

In this group, the largest individual occupational groups were management and organisation analysts (mainly consultants), systems analysts, psychologists and advertising and marketing professionals. The group also contained medical doctors, veterinarians, lawyers, scientists, software developers and professionals of many different fields.

2. Cultural professions and handicraft workers

The greatest individual occupational groups are musicians, singers and composers, journalists, graphic and multimedia designers, translators, interpreters and other linguists, photographers and visual artists. This group also includes garment designers, jewellery and precious metal workers, other handicraft workers, broadcasting and audio-visual technicians, architects and athletes, fitness and recreation instructors and programme leaders, and sports coaches, instructors and officials.

3. Business, health and information professionals

The greatest individual occupational groups are physiotherapists, commercial sales representatives, trade brokers, as well as accounting associate professionals. The group also contains such occupations as estate agents, insurance representatives, property managers, general secretaries, dental technicians, nurses and travel guides.

4. Service workers

The most common occupation in this group is hairdresser. Other common occupations were shop keeper, massage therapist or practical rehabilitation nurse, beautician, cleaner, private childminder, and home service worker. The group also contains cooks, restaurant service supervisors or shift managers, building caretakers, food service counter attendants, and bakers, pastry-cooks and confectionery makers.

5. Construction, transportation and manufacturing workers

The largest individual groups in this occupational class are house builders, heavy truck and lorry drivers, car, taxi and van drivers, carpenters and joiners, motor vehicle mechanics and repairers, plumbers and pipe fitters, and earthmoving plant operators.

Appendix 2

Data collection and response rate

An ad hoc module themed on self-employment was added to the Labour Force Survey of 2017. The target group of the ad hoc module included all employed persons, or employees as well as all self-employed persons and unpaid family workers.

In addition to information content specified by Eurostat, national additional questions were included in the ad hoc module. The number of national additional questions addressed to the self-employed was some 45 in total.

The questions were formulated in cooperation with a number of parties who were members of the expert body. The Finnish Innovation Fund Sitra, the Finnish Centre for Pensions and the Finnish Institute of Occupational Health contributed to funding the data collection.

The data were collected in connection with the ad hoc module of the Labour Force Survey 2017. The data collection took place between 1 January 2017 and 12 January 2018 as telephone interviews.

In the sample were included the target persons who, in the selected 27 rotations of the Labour Force Survey interview, were classified as employed. Of the 27 rotations selected for the sample, the additional questions were asked directly at the end of the Labour Force Survey interview of the 5th rotation, or target persons who participated in the Labour Force Survey for the last time (12 rotation groups).

To the self-employed persons in the remaining 15 rotation groups (rotation groups 1 and 2), the following question was put before moving on to the ad hoc module questions: *"This year, the Labour Force Survey includes questions addressed separately to self-employed persons. Is it OK if I continue with these questions related to self-employment?"*

This question was not put to employees, as only seven questions were addressed to them. An exception to the usual ad hoc design, in which the ad hoc questions are only put to respondents in the 5th rotation group, was thus made in the sample selection design. Additional rotation groups were included in the sample to increase the data set size especially regarding self-employed persons.

Among the employees included in the sample, almost one hundred per cent (99%) of all employees who responded to the Labour Force Survey responded to the ad hoc module questions, or 22,501 employees in total.

Of those who responded to the Labour Force Survey in 2017, 3,496 self-employed persons and unpaid family workers were included in the sample. Of them, 2,916 responded to the ad hoc module. The response rate was 83.4 per cent for the self-employed persons and unpaid family workers who were part of the Labour Force Survey target group.

The size of the final data set was 25,417 respondents, of whom 2,803 were self-employed, 113 unpaid family workers (total for self-employed and family workers 2,916) and 22,501 were employees. Weighting coefficients were used to ensure that the findings correspond to the population shares of these groups.

In this connection, it was not estimated how the non-response of Labour Force Survey would have impacted the response rate, if it would have been included. For the quality description of the Labour Force Survey, see Statistics Finland's website (https://www.stat.fi/til/tyti/laa_en.html).

Appendix 3

Self-employed in Finland 2017 survey questionnaire

Statistics Finland:
Anna Pärnänen
Hanna Sutela
Population and Social statistics

Please provide a reference to the original source of the question if you use its wording in other surveys.

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKA1	For how many years in total have you been in gainful employment as an employee, a self-employed person or an unpaid family worker in your lifetime (since you turned 15)?	Dropdown menu: none (97) less than a year (0) → number of years 1 y – 60 y	If T4=2,3,4 (Question T4 is a question contained in the basic module of the Labour Force Survey used to define the respondent's employment status)	All self-employed workers, not including unpaid family workers		Means gainful employment, paid employment and working in your own or a family member's enterprise, also unpaid work. Include work done during holidays or while a student, or work that was part of studies. However, try and deduct family leaves from the years in gainful employment. Part-time work: if the number of weekly hours has been small (e.g. 5 to 20 hrs/week), the duration of the work should be converted into months/years corresponding to full-time work. Very few hours (less than 5 hours/week) or working on a very occasional basis should not be included, however. A rough estimate is good enough.
AHKA2	For how many of these years have you been a self-employed worker or an unpaid family worker as your main job?	Dropdown menu: none (97) less than a year (0) → number of years 1-50	If T4=2,3,4	All self-employed		Self-employment as the main job means here that self-employed work was the respondent's main form of gainful employment. However, the respondent may themselves have experienced such occupations as studying or child care as their main occupation, while self-employment has been a secondary job. In this context, self-employment is nevertheless regarded as the main job.
AHKY1_intro	What factors influenced your decision to become self-employed in your current job:		If T4=2, 3, 4	All self-employed	Q1_ReasonSE/ REASSE	
AHKY1a	1. You could not find a job as an employee?	1=yes 2=no 8=no answer 9=cannot say				
AHKY1b	2. Your former employer suggested that you should become self-employed?	1=yes 2=no 8=no answer 9=cannot say				

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKY1c	3. It is the usual practice in your field?	1=yes 2=no 8=no answer 9=cannot say				
AHKY1d	4. A suitable opportunity presented itself?	1=yes 2=no 8=no answer 9=cannot say				
AHKY1e	5. You continued a family business?	1=yes 2=no 8=no answer 9=cannot say				
AHKY1f	6. You did not want or plan to become self-employed but started working as self-employed for one reason or another	1=yes 2=no 8=no answer 9=cannot say				
AHKY1g	7. You wanted to be self-employed because of flexible working hours?	1=yes 2=no 8=no answer 9=cannot say				
AHKY1h	8. You wanted to be self-employed for some other reason?	1=yes 2=no 8=no answer 9=cannot say				
AHKY2	Which one of these (repeat the information) was your main reason for becoming self-employed?	The most important factor	If T4=2, 3, 4	All self-employed	Q1_ReasonSE/ REASSE	
AHKY3	Before you became self-employed/an unpaid family worker as your main job, were you:	1=unemployed 2=an employee with no threat of unemployment 3=an employee threatened by unemployment 4=a full-time student 5=or did you do something else (cared for children at home, had a long-term illness etc.)?	If T4=2,3,4 OR if T4=5,6	All self-employed persons and family workers		Self-employment as the main job means here that self-employed work was the respondent's main form of gainful employment. However, the respondent may themselves have experienced such occupations as studying or child care as their main occupation, while self-employment has been a secondary job. In this context, self-employment is nevertheless regarded as the main job.

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKY4	In addition to your self-employed work, have you at times also worked as an employee or a grant recipient in the past 12 months?	1=yes 2=no 8=no answer 9=cannot say	If T4=2, 3, 4	All self-employed		
AHKY5	Which of the following describes your situation better:	1=I am mainly self-employed but I also have a secondary job as an employee OR 2= I combine self-employment, paid employment and/or work supported by a grant to variable degrees?	If AHKY4=1	Self-employed who have a secondary job as an employee or grant recipient		
AHPS1	In addition to your work as an employee, have you at times also done self-employed work or been a freelancer or grant recipient in the past 12 months?	1=yes 2=no 8=no answer 9=cannot say	If T4=1	All employees		
AHPS2	Which of the following describes your situation better:	1=I am mainly an employee but I also do self-employed work as a secondary job OR 2= I combine paid employment, self-employment and/or work supported by a grant to variable degrees?	If AHPS1=1	Employees who have a secondary job as a self-employed person or grant recipient		
AHYY1_intro	You mentioned earlier that you have no paid labour force. Do the following play a role in this situation:		If T4=2,3,4 and T5=2	Self-employed without employees	Q1_NoEmployees/ REASNOEM	
AHYY1a	You primarily want to employ yourself	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2	Self-employed without employees	Q1_NoEmployees/ REASNOEM	
AHYY1b	There is not enough work	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2	Self-employed without employees	Q1_NoEmployees/ REASNOEM	
AHYY1c	It is difficult to find suitable staff	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2	Self-employed without employees	Q1_NoEmployees/ REASNOEM	

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHYY1d	The administrative work is too complicated	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2	Self-employed without employees	Q1_NoEmployees/REASNOEM	
AHYY1e	The social contributions are too high	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2	Self-employed without employees	Q1_NoEmployees/REASNOEM	
AHYY1f	It is not possible to have employees in the type of work you do	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2	Self-employed without employees	Q1_NoEmployees/REASNOEM	
AHYY1g	You prefer to work with subcontractors or business partners	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2	Self-employed without employees	Q1_NoEmployees/REASNOEM	
AHYY1h	Your clients want you personally to do the work	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2	Self-employed without employees	Q1_NoEmployees/REASNOEM	
AHYY1i	Some other reason?	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2	Self-employed without employees	Q1_NoEmployees/REASNOEM	
AHYY2	Which one of these (repeat the information) is the main reason?	The most important factor	If T4=2,3,4 and T5=2	Self-employed without employees	Q1_NoEmployees/REASNOEM	
AHKY6	Do you have business partners or co-owners?	1=yes 2=no 8=no answer 9=cannot say		All self-employed	Q1_Partners/BPARTNER	
AHKY7	How many business partners or co-owners do you have?	Number of partners	AHKY6=1	If business partners or co-owners		Not including the person themselves
AHKY8	Do you otherwise work together with other self-employed persons, for example, by passing on orders, sharing work or developing joint projects?	1=yes 2=no 8=no answer 9=cannot say	T4=2, 3, 4	All self-employed	Q2a_Partners ja Q2b_Partners / BPARTNER	

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKY9	Have you planned to hire one or several employees in the next 12 months?	1=yes 2=no 8=no answer 9=cannot say		All self-employed	Q1_PlanEmploy_a/ PLANEMPL	
AHKY10	Have you planned to hire:	1=permanent employees 2=fixed-term or temporary employees 3=both permanent and temporary employees?	AHKY9=1	If the person has planned to hire employees	Q1_PlanEmploy_b/ PLANEMPL	If the respondent says they are planning to hire part-time employees, it is important to know if these employees have a permanent or fixed-term employment relationship
AHKY11	Are you using subcontractors?	1=yes 2=no 8=no answer 9=cannot say		All self-employed		Refers to purchases of both products and services.
AHKY12	Are you planning to use subcontractors in the next 12 months?	1=yes 2=no 8=no answer 9=cannot say	Jos AHKY11=2	All self-employed	Q2_PlanEmploy/ PLANEMPL	
AHKY13	Do you also intend to use subcontractors in the next 12 months?	1=yes 2=no 8=no answer 9=cannot say	Jos AHKY11=1	All self-employed	Q2_PlanEmploy / PLANEMPL	
AHTA1	Did you start your enterprising activities as a self-employed person without paid labour force?	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=1	For employers		
AHTA2_intro	Have the following factors influenced your willingness to expand your self-employed business in the past or in the future?		If T4=2,3,4 and T5=1 OR if AHKY9=1	An employer or sole entrepreneur who intends to hire employees		Refers to increasing both the turnover and staff numbers
AHTA2a	1. A competitive product or good competence level?	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=1 OR if AHKY9=1	An employer or sole entrepreneur who intends to hire employees		

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHTA2b	2. High demand for a product or a service?	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=1 OR if AHKY9=1	An employer or sole entrepreneur who intends to hire employees		
AHTA2c	3. New markets on the horizon?	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=1 OR if AHKY9=1	An employer or sole entrepreneur who intends to hire employees		
AHTA2d	4. Continuously too much work for one person?	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=1 OR if AHKY9=1	An employer or sole entrepreneur who intends to hire employees		
AHTA2e	5. Your preparedness to take risks?	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=1 OR if AHKY9=1	An employer or sole entrepreneur who intends to hire employees		
AHTA2f	6. Willingness to expand or increase the activities?	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=1 OR if AHKY9=1	An employer or sole entrepreneur who intends to hire employees		
AHTA3	Does your enterprise mainly operate in the domestic or an overseas market:	1=domestic market 2=overseas market 3=both and?	If T4=2,3,4 and T5=1	Employer		
AHTA4	Have you thought about expanding your activities to an overseas market in the next few years:	1=yes, probably 2=yes, possibly 3=no?	If AHTA3=1	If operating in the domestic market		
AHY2_intro	What factors influenced your decision or plan to use subcontractors rather than hire employees?					

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHYY2a	1. Subcontracting gives me access to competence I would otherwise not have	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2 and AHKY11=1 or AHKY12=1	If sole entrepreneur and uses or is planning to use subcontractors, not those who are planning to hire		
AHYY2b	2. I will avoid making certain investments	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2 and AHKY11=1 or KY12=1	If sole entrepreneur and uses or is planning to use subcontractors		
AHYY2c	3. I use subcontractors to clear order backlogs	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2 and AHKY11=1 or AHKY12=1	If sole entrepreneur and uses or is planning to use subcontractors		
AHYY2d	4. Continuously too much work for one person?	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2 and AHKY11=1 or AHKY12=1	If sole entrepreneur and uses or is planning to use subcontractors		
AHYY2e	5. Willingness to expand or increase the activities through subcontracting?	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2 and AHKY11=1 or AHKY12=1	If sole entrepreneur and uses or is planning to use subcontractors		
AHKY14	Which of the following claims best describes your situation?	1=I have a keen interest in expanding my enterprise 2=I have some interest in expanding my enterprise 3=I have little interest in expanding my enterprise 4=I have no interest in expanding my enterprise	If T4=2,3,4	All self-employed		Refers to increasing either the staff number or turnover

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKY15	Have you obtained financing for launching or expanding your self-employed activities:	1=yes, enough or nearly enough 2=yes, but not enough 3=you did not need financing 4=you could not obtain financing even if you would have needed it?		All self-employed		Refers to a bank loan, a start-up grant or other financing, for example from Tekes.
AHKY16_intro	Now I will list some possible difficulties in your work as self-employed. Have you encountered any of the following difficulties in your work as self-employed in the past 12 months:		If T4=2,3,4	All self-employed	Q1_Difficulties/ SEDIFFIC	
AHKY16a	0. Lack of influence on setting the price of your work or products	1=yes 2=no 8=no answer 9=cannot say				
AHKY16b	1. You cannot get sufficient finance for your enterprise	1=yes 2=no 8=no answer 9=cannot say				
AHKY16c	2. Clients pay late or not at all	1=yes 2=no 8=no answer 9=cannot say				
AHKY16d	3. Unreasonable bureaucracy	1=yes 2=no 8=no answer 9=cannot say				
AHKY16e	4. Lack of income in case of sickness	1=yes 2=no 8=no answer 9=cannot say				
AHKY16f	5. Periods of financial hardship	1=yes 2=no 8=no answer 9=cannot say				

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKY16g	6. Periods of having no clients, no assignments or project to work on	1=yes 2=no 8=no answer 9=cannot say				
AHKY16h	7. Something else not mentioned above	1=yes 2=no 8=no answer 9=cannot say				
AHKY16i	8. Which?	Open-ended response	If AHKY16h=1	If some other difficulty		
AHKY17	Which one of these was the main difficulty (read out the information)?	Two statements in AHK-Y16a-AHKY16h to which the person responded 'yes'. If no 'yes' responses, AHKY17=cannot say. If one 'yes' response, write it down directly as the response to AHKY17				
AHYY3	Do you obtain or perform work through a cooperative?	1=yes 2=no 8=no answer 9=cannot say	If T4=1,2,3,4 and T5=2	Self-employed and employees		
AHYY4	How many clients have you had for whom you have worked or to whom you have sold your products in the past 12 months?	1=none 2=one 3=2 to 9 clients 4=ten or more?	If T4=2,3,4 and T5=2	Self-employed without employees	Q1_Clients / MAIN-CLNT	
AHTA5	How many clients has your enterprise had to whom you have sold products or services in the past 12 months?	1=none 2=one 3=2 to 9 clients 4=ten or more?	If T4=2,3,4 and T5=1	Employer entrepreneurs	Q1_Clients / MAIN-CLNT	
AHYY5	In the past 12 months, did at least 75% of your self-employment income come from one client?	1=yes 2=no 8=no answer 9=cannot say	If AHYY4= 3, 4, cannot say	If more than one client	Q2_Clients / MAIN-CLNT	
AHTA6	In the past 12 months, did at least 75% of your enterprise's income come from one client?	1=yes 2=no 8=no answer 9=cannot say	If AHYY5= 3, 4, cannot say	If more than one client	Q2_Clients / MAIN-CLNT	

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKY18	How easy would it be to replace this client?	1=extremely easy 2=relatively easy 3=relatively difficult 4=extremely difficult	If AHTA5=2 or AHTA6=1 OR AHYY4=2 OR AHYY5=1	If one client or at least 75% of income comes from one client		
AHYY6	How would you rate your possibilities of finding a job as an employee in your occupation:	1=good 2=moderate 3=poor?	If T4=2,3,4 and T5=2	Self-employed without employees		For example: If you are self-employed in agriculture, consider if you could do the same work as an employee or, if you are a shopkeeper, think of your occupation as a salesperson.
AHYY7	Have you or would you have needed some social benefit in the last 12 months, including unemployment benefit, sickness allowance, social assistance or housing allowance:	1=did not need 2=needed and received 3=would have needed but did not apply for it 4=would have needed but did not receive it?	If T4=2,3,4 and T5=2	Self-employed without employees		
AHKY19	Do you think your pension contributions are high enough:	1=yes 2=no, they are not high enough 3=you are making no pension contributions 4=not applicable, you pay yourself a salary?	If T4=2, 3, 4, 5, 6	All self-employed persons and unpaid family workers		
AHYY8_intro	Do the following factors influence the fact that your pension contributions are not high enough:		AHKY19=2,3			
AHYY8a	1. I cannot afford to pay higher contributions?	1=yes 2=no 8=no answer 9=cannot say	AHKY19=2,3			
AHYY8b	2. My income has increased since I started my self-employed activities but I have forgotten to update my contributions?	1=yes 2=no 8=no answer 9=cannot say	AHKY19=2,3			
AHYY8c	3. Your pension would not be sufficient anyway?	1=yes 2=no 8=no answer 9=cannot say	AHKY19=2,3			

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHYY8d	4. You have a private pension insurance policy?	1=yes 2=no 8=no answer 9=cannot say	AHKY19=2,3			
AHYY8e	5. You work as an employee and accumulate a pension in addition to being self-employed?	1=yes 2=no 8=no answer 9=cannot say	AHKY19=2,3			
AHYY8f	6. You intend to sell your enterprise when you retire, and this will give you financial security in retirement?	1=yes 2=no 8=no answer 9=cannot say	AHKY19=2,3			
AHYY8g	7. You intend to work while receiving a pension?	1=yes 2=no 8=no answer 9=cannot say	AHKY19=2,3			
AHKY20	What is the total income you reported for your YEL or MYEL insurance?	0-173,600		All self-employed		This refers to annual income. If the respondent does not pay YEL contributions, write down 00
AHKY21_intro	Would you need more information about how the self-employed person's pension contributions influence the amounts of different social security benefits?	1=yes 2=no 8=no answer 9=cannot say		All self-employed		
AHKY21	Which social security benefits in particular:		If AHKY21_intro=1			
AHKY21a	Old-age pension	1=yes 2=no 8=no answer 9=cannot say				
AHKY21b	Disability pension	1=yes 2=no 8=no answer 9=cannot say				
AHKY21c	Rehabilitation benefits	1=yes 2=no 8=no answer 9=cannot say				

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKY21d	Sickness allowance	1=yes 2=no 8=no answer 9=cannot say				
AHKY21e	Unemployment benefit	1=yes 2=no 8=no answer 9=cannot say				
AHKY21f	Parental allowances	1=yes 2=no 8=no answer 9=cannot say				
AHKY21g	Something else, what?	1=yes 2=no 8=no answer 9=cannot say				
AHKY21h	Other reason:	Open-ended response				
AHKY21i	None of the above	1=yes				
AH-KY21_1--AH-KY21_8	AHKY21a-AHKY21h responses					
AHY9	In the past 12 months, have you mainly had:	1=too little work 2=a suitable amount of work 3=too much work 4=or do you find it difficult to say because your work situation varies a lot?	If T4=2,3,4 and T5=2	Self-employed without employees		
AHTA6b	In the past 12 months, has your enterprise mainly had:	1=too little work 2=a suitable amount of work 3=too much work 4=or do you find it difficult to say because your work situation varies a lot?	If T4=2,3,4 and T5=1	Employer entrepreneurs		
AHKY22	Do you find your financial situation as self-employed currently:	1=completely stable and secure 2=relatively stable and secure 3=slightly uncertain 4=extremely uncertain?		All self-employed		

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHYY9b	As a rule, can you set the prices of the products or services you offer yourself?	1=yes 2=no 8=no answer 9=cannot say	If T4=2,3,4 and T5=2	Self-employed without employees		
AHYY9c	Why can you not set the prices yourself?	1=the prices are set by some other enterprise or operator 2=the prices are mainly set by the client 3=the prices are set under legislation 4=the prices are negotiated with the client	If AHYY9a =2	Self-employed without employees		
AHKA3	How satisfied are you with your current job:	1=highly satisfied 2=satisfied to some extent 3=not very satisfied 4=not satisfied at all?	tyvo=1	All employed	Q1_JobSatisfaction / JBSATISF	
AHKA4	Can you influence the content of your tasks?	1=yes 2=no 8=no answer 9=cannot say	tyvo=1	All employed	Q1_Autonomy / AUTONOMY	
AHKA5	Can you influence the order in which you complete your tasks?	1=yes 2=no 8=no answer 9=cannot say	tyvo=1	All employed	Q2_Autonomy / AUTONOMY	
AHKY23	Do you personally decide the start and end times of your working day?	1=yes 2=no 8=no answer 9=cannot say	Jos AHTA5=1 TAI AHYY4=1	All self-employed	Q1_Workinghours / WORKORG	
AHKY24	Are the start and end times of your working day decided by:	1=the client 2=someone or something else, including the weather?	If AHKY23=2	If the respondent does not decide their own working times	Q2_Workinghours / WORKORG	
AHKY25	Let's presume that the best possible points for your work ability are 10, and the rating is zero when you cannot work at all. How would you rate your work ability at the moment?	0 to 10	If T4=2, 3, 4, 5, 6	All self-employed persons and family workers		

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHYY10	Have you organised occupational health care for yourself?	1=yes 2=no 8=no answer 9=cannot say	If T4=2, 3, 4 and T5=2	Self-employed without employees		Also refers to situations where the respondent has taken out a private health insurance policy for themselves
AHTA7	Have you organised occupational health care services:	1=for yourself as a self-employed worker but not for your employees 2=for yourself as a self-employed worker and also for your enterprise's employees (as part of an occupational health care contract concluded by your enterprise) 3=for your enterprise's employees but not for yourself 4=you have not purchased occupational health care services?	If T4=2, 3, 4 and T5=1	Employer entrepreneurs		
AHKY26	Do these occupational health care services also include medical care?	1=yes 2=no 8=no answer 9=cannot say	If AHYY10=1 or AHTA7=1, 2, 3	All self-employed persons who have occupational health care		If you fall ill, you can visit an occupational health care doctor or nurse
AHKY27_intro	To what extent do the following statements describe your work		If T4=2, 3, 4	All self-employed		
AHKY27a	I often struggle to cope at work:	1=fully agree 2=slightly agree 3=slightly disagree 4=fully disagree? 5=not applicable	If T4=2, 3, 4	All self-employed		
AHKY27b	I often have to extend my working day to get the work done:	1=fully agree 2=slightly agree 3=slightly disagree 4=fully disagree? 5=not applicable	If T4=2, 3, 4	All self-employed		

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKY27c	I feel enthusiastic about my work:	1=fully agree 2=slightly agree 3=slightly disagree 4=fully disagree? 5=not applicable	If T4=2, 3, 4	All self-employed		
AHKY27e	I feel I neglect domestic matters because of my gainful employment:	1=fully agree 2=slightly agree 3=slightly disagree 4=fully disagree? 5=not applicable	If T4=2, 3, 4	All self-employed		
AHKY27fa	To make sure that I can get work, I have to set the price of my service or product too low	1=fully agree 2=slightly agree 3=slightly disagree 4=fully disagree? 5=not applicable	If T4=2, 3, 4 and T5=2	Self-employed without employees		
AHKY27fb	To ensure that my enterprise gets work, I have to set the price of products or services too low	1=fully agree 2=slightly agree 3=slightly disagree 4=fully disagree? 5=not applicable	If T4=2, 3, 4 and T5=1	Employer entrepreneurs		
AHKY28	I have been able to take an uninterrupted holiday of at least two weeks in the past 12 months	1=yes 2=no 8=no answer 9=cannot say		All self-employed		
AHPS3	Would you rather work:	1=as an employee 2=as self-employed?	If T4=1	Employees	Q2_Preference / PREFSTAP	
AHPS4	Would you rather work:	1=as self-employed 2=or as an unpaid family worker?	If T4= 5, 6	Unpaid family worker	Q3_Preference / PREFSTAP	
AHKA6	In the past 12 months, have you considered the possibility of earning an income as a self-employed person:	1=yes 2=no 3=I have already earned an income as self-employed?	If KA3=2	If not employed, information from the basic form		

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKA7	What is the main reason for you not working as self-employed regardless of this?	1=lack of a working business idea 2=poor social security 3=financial uncertainty 4=difficulty of obtaining financing 5=some other reason	If AHKA6=1			
AHPS5	What is the main reason for your not wishing to be self-employed as your main job:	1=you have not even thought about it 2=financial uncertainty 3=difficulty of obtaining financing for self-employed activities 4=too much stress, responsibility or risks 5=poorer social security than for employees 6=other reason?	If AHPS3=1 OR the respondent is not employed	An employee who would not like to be self-employed OR a respondent who is not employed		
AHPS6	What is the main reason for your not becoming self-employed regardless of your wishes:	1=financial uncertainty 2=difficulty of obtaining financing for self-employed activities 3=too much stress, responsibility or risks 4=poorer social security than for employees 5=other reason?	If AHPS3=2 or AHPS4=1	An employee who would like to be self-employed OR an unpaid family worker who would like to be self-employed	Q1_Obstacle / OBSTANCSE	
AHKY29_intro	To what extent are the following statements about going on old-age pension true for you?		If T4=2, 3, 4 and age >49	All self-employed and those aged 50 to 67	This introduction was dropped in Blaise	
AHKY29a	I would like to continue working until I reach retirement age:	1=fully agree 2=slightly agree 3=slightly disagree 4=fully disagree? 5=not applicable?	If T4=2, 3, 4 and age >49	All self-employed and those aged 50 to 67		
AHKY29b	My health will allow me to keep working until I reach retirement age:	1=fully agree 2=slightly agree 3=slightly disagree 4=fully disagree? 5=not applicable?	If T4=2, 3, 4 and age >49	All self-employed and those aged 50 to 67		

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKY29c	I believe there will be enough work for me until I reach retirement age:	1=fully agree 2=slightly agree 3=slightly disagree 4=fully disagree? 5=not applicable?	If T4=2, 3, 4 and age >49	All self-employed and those aged 50 to 67		
AHKY30	Do you think you will continue (or are you continuing) to work past retirement age:	1=yes, because I like my work 2=yes, because it is not financially possible for me to retire 3=yes, if there is enough work 4=no, because my health will not allow it 5=I do not wish to continue working?	If T4=2, 3, 4 and age >49	All self-employed and those aged over 50		
AHKY31	Would you rather work:	1=as an employee 2=or as self-employed?	If T4=2, 3, 4	All self-employed	Q2_Preference / PREFSTAP	
AHKY32	Could your company's product or service be sold or distributed digitally	1=yes we are/I am already doing so 2=yes, but we are/I am not doing so 3=we/I have not thought about it 4=it is not possible?	If T4=2, 3, 4	All self-employed		Among other things, selling refers to an online shop or some other digital application that facilitates sales or, for example, a system for making online appointments. The service is distributed digitally, for example, as an online study course. Merely having a website for the enterprise is not included.
AHKA8a_Intro	I have another question about digitalisation of work.			All		
AHKA8	In the past 12 months, have you worked or otherwise earned an income using the following platforms:	1=Airbnb 2=Uber 4=Tori.fi/Huuto.net 5=Solved 6=Other? 7=None of the above				
AH-KA8_1--AH-KA8_7	Responses selected to question AHKA8					
AH-KA8v01--AH-KA807	Responses selected to question AHKA8					
AHKA8b	Which?	OPEN-ENDED RESPONSE	If AHKA8=6			

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKA8c	What share of your earned income did you receive through this platform/these platforms (question mark removed here)	1=Most or all 2=about one half 3=about ¼ 4=less?	If AHKA8=1, 2 ,3 ,4, 5, 6			
AHKY33	I will now ask about your family situation. Are you: married, co-habiting or in a registered partnership, separated, divorced, widower/er or single?	1=married, co-habiting or in a registered partnership 2=separated 3=divorced 4=widow/er 5=single	T4=2, 3, 4	All self-employed, not including unpaid family workers	TYOL D1	If the 5th round, write down the information based on the domestic department form
AHKY34	Do you have children living in your household permanently or some of the time?	1=permanently 2=some of the time 3=both and 4=no	T4=2, 3, 4	All self-employed, not unpaid family workers	TYOL D2a	Children refer to your own or your spouse's biological, adopted or foster children. If the 5th round, write down the information based on the domestic department form
AHKY35	How many children?	Number	If AHKY34=1, 2, 3	If children	TYOL D2b	1...20
AHKY36	How old is the child?	Child's age	If AHKY34=1	If one child	TYOL D3	Give their ages from the youngest up, 1...20
AHKY36_1	How old is the youngest of the children?	Youngest child's age	If AHKY36=2-12	If two or more children		Allow those aged over 18
AHKY36_2	How old is the second youngest child?	Second youngest child's age	If AHKY36=2-12	If two or more children		Allow those aged over 18
AHKY36_3	How old is the third youngest child?	Third youngest child's age	If AHKY36=3-12	If three or more children		Allow those aged over 18
AHKY36_4	How old is the fourth youngest child?	Fourth youngest child's age	If AHKY36=4-12	If four or more children		Allow those aged over 18
AHKY36_5	How old is the fifth youngest child?	Fifth youngest child's age	If AHKY36=5-12	If five or more children		Allow those aged over 18
AHKY36_6	How old is the sixth youngest child?	Sixth youngest child's age	If AHKY36=6-12	If six or more children		Allow those aged over 18
AHKY36_7	How old is the next youngest child?	Seventh youngest child's age	If AHKY36=7-12	If seven or more children		Allow those aged over 18

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKY36_8	How old is the next youngest child?	Eight youngest child's age	If AHKY36=8-12	If eight or more children		Allow those aged over 18
AHKY36_9	How old is the next youngest child?	Ninth youngest child's age	If AHKY36=9-12	If nine or more children		Allow those aged over 18
AHKY36_10	How old is the next youngest child?	Tenth youngest child's age	If AHKY36=10-12	If ten or more children		Allow those aged over 18
AHKY36_11	How old is the next youngest child?	Eleventh youngest child's age	If AHKY36=11-12	If eleven or more children		Allow those aged over 18
AHKY36_12	How old is the next youngest child?	Twelfth youngest child's age	If AHKY36=212	If 12 children		Allow those aged over 18
AHKY37	Is your spouse working or doing something else?	1=working 2=doing something else	If AHKY33=1	If self-employed and has a spouse		If the 5th round, write down the information based on the domestic department form
AHKY38	Is your spouse:	1=an employee in a permanent employment relationship 2=an employee in a fixed-term employment relationship 3=an employer entrepreneur 4=a self-employed person in agriculture 5=a sole entrepreneur (other than in agriculture), own-account worker, freelancer or a grant recipient?	If AHKY37=1	If the spouse is working	TYOL D5b	
AHKY39	What is your spouse's main occupation?	1=unemployed, laid off without pay 2=on paternity or maternity leave, parental leave or child care leave 3=student 4=disabled/on disability pension/ has a long term illness 5=on some other type of pension 6=looks after own household 7=something else?	If AHKY37=2	If the spouse is not working		

No	Question	Options	Terms	Terms, open	AHM2017 question no/Variable	Instructions for interviewers
AHKY40a	Was self-employed work your main job at the time your child was born?	1=yes 2=no 3=not applicable	If AHKY35=1	All self-employed with one child		
AHKY40b	Was self-employed work your main job at the time your youngest child was born?	1=yes 2=no 3=not applicable	If AHKY35=2-12	All self-employed with several children		
AHKY41	Did you take family leave from work when your youngest child was born?	1=yes 2=no 3=not applicable	If AHKY40a=1 or AHKY40b=1	If the respondent was self-employed at the time the child/youngest child was born		Family leave refers to maternity leave, paternity leave, parental leave and child-care leave. Does not include taking annual leave.
AHKY42a	For how long were you on family leaves in total at the time your child was born?	Write down full years Write down full months 00=less than a month	If AHKY41=1	If the respondent has taken family leave		
AHKY42a_vv	Time spent on family leave, years					
AHKY42a_kk	Time spent on family leave, months					
AHKY43	Were you able to stay on family leave for as long as you wanted?	1=yes 2=no	If AHKY41=1	If the respondent has taken family leave		
AHKY44	Is it OK for Statistics Finland to contact you later and perhaps conduct a freely worded interview with you	1=yes 2=no	T4=2, 3, 4, only 5th rotation	All self-employed, not unpaid family workers, only the 5th rotation		

This publication sums up the key findings of the survey titled Self-employed persons in Finland 2017. It offers information about self-employed persons without employees, employer entrepreneurs and self-employed persons in agriculture, including their workload, working conditions and incomes as well as the effectiveness of social security. How does a person become self-employed? What are self-employed persons' incomes like? And to what degree are self-employed persons interested in expanding their businesses? These are some of the questions this publication seeks to answer by building a comprehensive picture of self-employed persons' labour market situation and self-employed work in Finland.