

## **The Transitional Development Of Entrepreneurship – Dialogue Between New Economic Activity, Work And Freedom**

KYRÖ, PAULA

*Research Professor of Entrepreneurship Education. School of Economics and Business Administration at University of Tampere, Korkeakoulunkatu 6, FIN-13100 Hämeenlinna, Finland*

Tel.: +3585004055208 - E-mail: [paula.kyro@uta.fi](mailto:paula.kyro@uta.fi)

### ABSTRACT

There is an increasing demand for studying entrepreneurial behaviour also from a national perspective. This is especially important for new independent nations as well as for those restructuring their economies. I suggest that entrepreneurship is a phenomenon gaining importance in transitions, rather than developing evolutionarily as Schumpeter declared (Schumpeter 1996a). Such transitions have taken place twice in the development of entrepreneurship at times when the ideas of freedom and the need for new kind of reality have been especially essential for society's success. Schumpeter and his followers focus on newness and innovativeness when explaining the nature and dynamics of entrepreneurship, perhaps overlooking the aspect of work and freedom. It is suggested here that both of these characterise an entrepreneurial process. These ideas will be then reflected on the developments in Finland. The difference and dialogue between these and their consequences became so obvious when Finland entered the post-modern transition which encourages me to suggest that these too should have their place in the entrepreneurship discussion. They might have actually given seeds for a new concept of entrepreneurial economy.

*Keywords:* Schumpeter, entrepreneurial economy, transitional approach to entrepreneurship, social history.

## **El Desarrollo de la Empresarialidad – Interaccion entre nuevas actividades economicas, trabajo y libertad**

### RESUMEN

Hay un incremento de la demanda sobre el estudio de la conducta empresarial desde una perspectiva nacional, ya que se trata de un aspecto relevante para la competitividad de las economías. El autor sugiere que el fenómeno cobra mayor importancia en las situaciones de transición y cambio y, es especialmente relevante para el éxito de la sociedad. Las nuevas actividades económicas, los aspectos del trabajo y la libertad son tres elementos que interactúan en el proceso de la empresarialidad, como ejemplo se utiliza el caso de Finlandia en la época de transición post-moderna, lo que podría dar lugar a un nuevo concepto de economía de la empresarialidad.

*Palabras Clave:* Schumpeter, economía de la empresarialidad, transición a la empresarialidad, historia social.

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## 1. THE TRANSITIONAL DEVELOPMENT OF ENTREPRENEURSHIP <sup>1</sup>

There is an increasing demand for studying entrepreneurial behaviour additionally from a national perspective. Globalisation brings nationalities and their social and economic solutions into a mutually-shared arena with a growing need for applying entrepreneurial practices. This is especially important for new independent nations, as well as for those restructuring their economies. **Entrepreneurship at a national level has been linked with economic development, liberalism and democracy. It has often been explained as an evolutionary process.**

This article, however, approaches entrepreneurship as a cultural phenomenon that has developed through transitions. The cultural approach offers us the possibility of **identifying entrepreneurial transitions** in the history of entrepreneurship. Such transitions have taken place twice in the development of entrepreneurship, at times when ideas of freedom and the need for a new kind of reality have been especially essential for society's success. (e.g. Barreto 1989, Casson 1982, Wilken 1979). The role of entrepreneurship **relates to change in its broad sense from two perspectives: on one hand it creates new practices, while on the other it breaks down old systems and institutions. Instead of being an evolutionary process, entrepreneurship can thus be regarded as a transitional phenomenon.**

When the developments in Finland are considered within this framework, it seems to pursue that the dynamics between human behaviour, freedom, work and welfare in the context of new practices are an essential constituent of the cultural process of entrepreneurship, rather than a dialogue between innovation and growth.

### 1.1. The methodology of social history – past for the future

These suggestions lead me inevitably to history, to find the answers to the questions from the past. As such it uses the latest developments of social history as a methodological base. The object of social history is society. Its aim is to produce explicit answers to contemporary questions. (Haapala 1989). Its main target has been industrialisation. The latest tendency is to position and study history in its cultural context and perspective. In this new phase culture in its broadest sense has replaced government. Instead of government and power, the emphasis has been placed on action, interaction and comparisons. Science is not independent of the cultural process, but rather constructing reality as a part of culture.

Conceptions can be approached historically from two perspectives; we can either take the concepts as they are defined now and apply them to history or we can regard

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<sup>1</sup> The main results presented in GEA Collage 3<sup>rd</sup> International Conference: Dynamic Entrepreneurship for the New Economy 2002, published in Conference proceedings

them as reflections of the time and place of their birth and approach them from their history as an interplay between science and reality. For example Baumol (1990) has used the first approach in his historical article of Entrepreneurship: Productive, Unproductive and Destructive. He defined first what entrepreneurship is and then found evidence from history in order to verify his hypotheses. I apply the second alternative and start from history. The development of scientific discussions has been followed through time as an interactive, discursive process between scientific descriptions and events in the environment. Such an approach is chronological and theoretical, at the same time reaching both the substance and the structure, even though more emphasis is put on the process than the structure (Haapala 1989, Topolsky 1976). The data consisted, on the one hand, of scientific theories, and on the other, incidents in reality.<sup>2</sup> In this context it should be pointed out that culture concerning entrepreneurship, as it is described here, is not worldwide, but implies instead Western civilisation.

Next I will first describe the idea of culture and then shortly present the essential findings from social historical study. Then I will reflect that framework on the developments in Finland. Regarding the data, I concentrate on the one hand on the available time series describing growth, employment, self-employed and the structural development of our economy, on the other on the historical writings about of the incidents in this process. These time series are easier to get than data concerning firms. Before the 1970's we actually have no statistics on firms, but only four sources of data concerning establishments. These consist of the 1909 statistics about manufacturing establishments, the 1913 statistics about craft establishments, and industrial statistics from manufacturing and trade establishments from 1953 and 1964.

## 1.2. The idea of culture

Even though the content and meaning of different explanations of culture are reflections of the time and place of their birth, culture can generally be regarded as referring to collectively created, accumulated history, a sort of heritage, which is transferred intentionally or unintentionally from the past to the present, and from the present to the future (e.g. Aaltio-Marjosola 1991, Keesing 1981 or Murphy 1989). As a life-long learning process and as a collectively created reality, culture is at the same time a collective and an individual process. In this process the models found most successful will be transmitted. Thus past models of behaviour are guiding our behaviour today, and our behaviour today will lay the bases for the future. When circumstances change, culture has to renew itself. This is difficult, since it has certain

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<sup>2</sup> The transitional framework used here is based on several studies more thoroughly described e.g. in Kyrö 1996, 1997, 2000 and further elaborated in different contexts Kyrö 1999, 2001. In this article I will present only the main conclusions.

stability (Aaltio-Marjosola 1992). It is constituted of collectively-created norms and behaviour, and it carries in itself an interpretation of the world.

Culture can be approached through a hierarchical order as circles (e.g. Hofstede 1991, for a broader approach see Kyrö 1996). The outermost circle involves nature (see Figure 1). The second circle consists of the culture of the era. It is a stream of ideas, which are typical to a certain period in time. Further following this line of thought, each nation has its own specific culture, which filters through the culture of the era and adapts it to each country's specific nature and habits. Smaller units like firms and other organisations follow this. Each of these applies national habits and rules in its specific way. These circles are interactive. For example Max Weber's and Joseph Schumpeter's ideas of entrepreneurs describe same phenomenon, even though they reflect quite different ideas of work. Weber describes his entrepreneur through Lutheran work ethics, while Schumpeter has chosen the metaphor of Don Quixote fighting against windmills. Schumpeter also underlined national diversity in the entrepreneurial process.

Cultural changes take often place through transitions. It is suggested here that actually the phenomenon of entrepreneurship is a product of such transition.

### 1.3. Two transitions of entrepreneurship

In the development of entrepreneurship we can identify two transitions - modern and post-modern - with modern time located between them (e.g. Dillard 1967, Beck & al. 1995, Harvey 1990, Turner 1990). The first, modern transition, took place at the beginning of industrialisation from the 18th to the beginning of the 20th century, when the traditional era finished. The descriptions of entrepreneurship followed the industrialisation and liberalisation processes from country to country. Since these processes are country-specific, this transition as a whole was relatively long. Out of the modern transition developed the modern era, which, for its part, started to draw to its close in the 1970's, when the post-modern transition occurred. These transitions are culturally constructed, complex processes closely relating to freedom at the individual, micro- as well as at the macro-level.

The scientific descriptions of entrepreneurship were born in France during the Enlightenment. At the end of the Middle Ages in France, two institutions, feudalism and the crafts system were coming to an end. Instead of hereditary, privileges and institutions, citizens started to demand freedom for trade and industry: in general, freedom to decide how to earn their living. (Dillard 1967, Lindeqvist 1905)

On the other hand, the new challenges of industrialism threatened the monopoly and the predictable and secure social order of the crafts system. Science started to model and describe this new environment. On the one hand its interests turned towards those new, unknown circumstances, while on the other hand it was harnessed to break old systems and behaviour. (Schmoller 1881, Weber 1969) The roots for this broader

approach in science can be found from the ideas of the French physiocrats during the 18th century. They opposed mercantilism, feudalism and the craft system. For them entrepreneurship referred to a farmer and farming in free circumstances. (<http://www.mtsu.edu/~tvs2/quesnay.html> 24.3.1999) A bit later entrepreneurship started to be applied to emerging industry. It started to refer to extraordinary human beings who, with freedom and responsibility for their own life, through their own efforts and thinking, created something new, which in turn generated economic progress. (e.g. Barreto 1989, Casson 1982, Wilken 1979).

Each phase, transition or era produced its own modifications of entrepreneurship according to its specific needs. In the transition from traditional to modern the focus was on the one hand the economic process at the macro-level, on the other hand, the extraordinary individual producing this process. The firm was not at that time the target of these descriptions, since the guild system tried to prevent the accumulation of capital e.g. through legislation, that prevented founding a company in Europe. The situation in the USA was easier in this respect.

In the modern era, when other conceptions of welfare started to dominate, explanations of economy were based on Adam Smith's ideas of free trade and the importance of expanding demand for an efficient economy. Smith thought that by expanding trade, it was possible to create work and thus satisfy citizens' needs. (Smith 1937) The growing demand and the separation of demand and supply created the illusion of an 'invisible hand' that was guiding the market. The human being as an actor was lost and the focus was on rational equilibrium from the macro as well as the micro-perspective. (Barreto 1989, Baumol & Blinder 1985, Bell 1981). Both the economy and society were enlarging their organisations and becoming detached from individual, human behaviour. The need for growth as well as institutional, collective and externally-organised rules and norms started to replace and subordinate human choices and small-scale practices. (Etzioni 1968, Zuboff 1988) When these ideals gained dominance, entrepreneurship was subordinated too and lost its role as a main creator of economic progress, starting to refer to small business management and ownership.

Schumpeter's most recent work described this development. He asserted that socialism would also eventually displace capitalism in Western democracies as a consequence of the superior performance of capitalism. He also identified the declining economic importance of the entrepreneur as one of the major forces in the economy. According to him, in this evolutionary process labour would dominate the political scene in the last stage of capitalism. His latest ideas on socialism, written the night before his death in 1949 were entitled 'The March into Socialism' (Schumpeter 1996b). He defined socialism as follows:

*I define (centralist) socialism as that organization of society in which the means of production are controlled, and the decision on how and what to produce and who is to get what, are made by public authority instead of by privately-owned and priva-*

*tely-managed firms. All that we mean by the March into Socialism is, therefore, the migration of people's economic affairs from the private into the public sphere... Freedom of consumers' choice and of choice of occupation may, but need not necessarily, be restricted in socialist societies'*

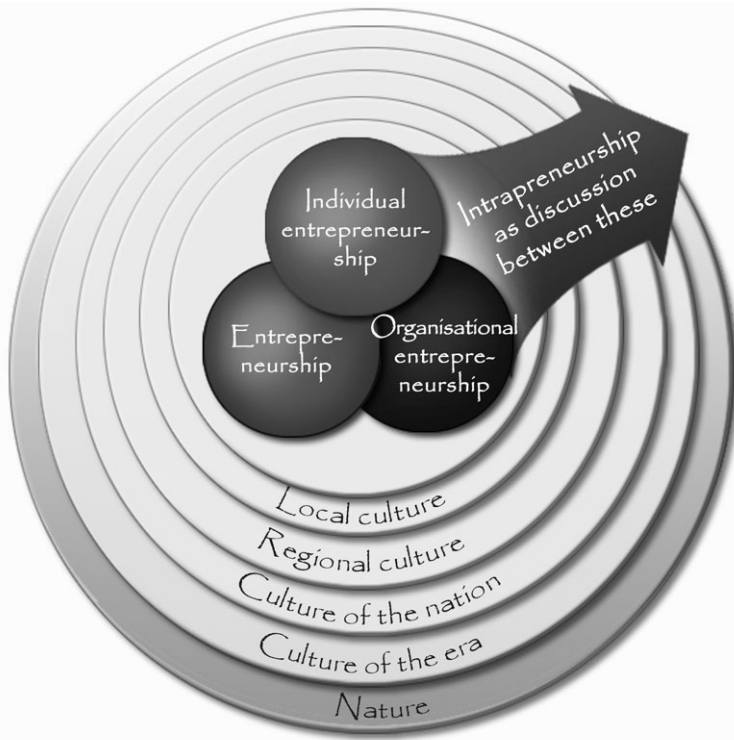
(Schumpeter 1996, 421).

Earlier he had already also claimed that by means of modern techniques and modern modes of organisation innovation would become more and more automated. Innovations would no longer be connected with the efforts and the brilliance of a single person. They were increasingly to become the fruits of the organised effort of large teams. This would be done most effectively within the framework of large corporations. (Schumpeter 1943). The core of Schumpeter's reasoning is thus on the one hand the development of technologically-oriented innovation and on the other hand the organisational mode of thinking and acting. Schumpeter described modern development from the perspective of innovation. The other, previously-defined aspects of entrepreneurship melted into that concept. Perhaps this is the shortage of his theory of business cycles that hinders its application to the current developments (Schumpeter 2005). I will reflect to this little bit further after describing the second, post-modern transition.

When the Western world met a decline in growth rates in the 1970's, followed by the notions of complexity and unpredictability, a new stream of discussions emerged (Piore & Sabell 1984). The discovery that actually new work was not being created by large organisations, but rather by small firms and organisations served to stimulate this discussion (e.g. Drucker 1986). There is much similarity between this discussion and that in France during the transition from traditional to modern. Again we are searching for new models for succeeding in new circumstances. In this post-modern transition, entrepreneurship has penetrated into e.g. organisational and learning theories with its original features, aiming to renew practices and to break up old systems. (Gibb 1993, Fiet 1999, Petrin 1991, Pinchot & Pinchot 1996).

Thus in the transition from modern to post-modern, entrepreneurship again found a new object, now a product of the modern era, the organisation, first under the concept of intrapreneurship and later as organisation entrepreneurship (Kyrö and Carrier 2005). Thus time itself has produced four different forms of present-day entrepreneurship: 1) The small enterprise, meaning the individual entrepreneur and his firm, 2) Organisation entrepreneurship, meaning an organisation's collective behaviour, 3) Individual, self-oriented entrepreneurship, meaning an individual's self-oriented behaviour and 4) Intrapreneurship referring to the interplay between individual and organisation entrepreneurship. These three forms and their relationship to each other are illustrated in Figure 1. Table 1 combines this transitional discussion according to the social historical method as a chronological and theoretical development combining substance and structure.

**Figure 1 Cultural approach to entrepreneurship  
( Kyrö 1996, 1997and 2005, Kyrö and Carrier 2005 )**



Henrekson and Jakobsson (2001) hint, that Schumpeter's opinion might have been different if he had foreseen this revival of entrepreneurship in the western countries. They draw their conclusion from the development of the Swedish economy. Reflecting to Schumpeter's ideas to my transitional approach I have to look into three directions; first into his original theory of business cycles, second into the form it took in his response to the critics towards the theory and finally his broader perspective to the economic development or perhaps more accurately expressed into the theory of the dynamics of the different forms of capitalism (Clemence 2003, Schumpeter 1996a, and 2005). The original explanation of business cycles leans on entrepreneurial behaviour and binds together an individual and the internal development of a business system. This is likely as Schumpeter claims its contribution. His responses and further arguments focus on the dynamics of the cycle as a contradiction to the equilibrium theory and as reflection to other cyclical theories. What actually happened is the fact that it was not any more the explanation of entrepreneurship, but as he expressed it "The entrepreneur is merely the bearer of the mechanism. And I have taken into account not of one factor of historical change, but of none" (Schumpeter 2005, xxv) I believe that

this argument reflects on how his ambition to develop a general theory of economic development parted his explanation from entrepreneurship, which is in focus in my transitional approach. Quoting his own words we should make a difference between the causes and effects. What he referred by effects might actually describe his own theory of business cycles that is the effect of the domination of equilibrium theory. From the beginning the equilibrium theory was an invention based on an abductive reasoning as also Schumpeter highlighted. It gave an idea of how economy might work under the free circumstances (Böhm-Bawerk 1890-91). Thus the difference between the transitional and the cyclical approach is that the latter was not meant to and thus does not explain other factors than the internal dynamics of the business system in the form it developed under the domination of the equilibrium theory during the modern era. The transitional approach reveals how the dialogue between reality and scientific theories moulds the reality. Thus science does not only describe, but creates reality. Accordingly the postmodern transition as I have tried to argue for, returns to his original ideas of entrepreneurship. It helps to make a difference between an economic development and entrepreneurial development. Entrepreneurial development has gained dominance only in transitions, in this respect it has turned out to describe changes as Schumpeter declared.

In “Capitalism, Socialism and Democracy” Schumpeter takes a broader approach to economic development and view it as the reflection of society’s development at large (Schumpeter 2000, 169). The important difference is that previously entrepreneurship meant to him same as capitalism and actually he tried to explain the general dynamics of capitalistic economy. Now he creates a new concept of “commercial capitalism”. The transitional approach reveals that actually this concept is, in short, the effect of the domination of equilibrium theory in economy, but not entrepreneurial economy. During the modern era entrepreneurship was in marginality and had only very minor impact on economy.

I think Schumpeter started to be uncertain of the power of an overall explanation of the capitalist economy. He abandons the concept of destruction and adopts the concept of transformation. (Schumpeter 2000, 162). He also starts to ponder in larger context the meaning of freedom, family values and other human social behaviours and turns his attention from business cycles close to what I mean by a transitional approach. Considering explanations of and for entrepreneurship I think the most important contribution is the difference he made between the umbrella concept of capitalism and a commercial capitalism as one of its forms. Commercial capitalism as a concept actually summarises the ethos of the modern era, the combination of organised life, economy as a rational equilibrium and a linear growth as an expectation and prerequisite for prosperity.

It is really pity that Schumpeter couldn’t experience the current transition and further developed the ideas he exposed in “Capitalism, socialism and democracy”, since seeds for thinking about freedom and responsibility might provide explanations



that would have guided us in the current transition. Unfortunately this short article does not give enough space to go through all these in details.

I believe, however, that focusing on larger cultural settings might have provided the concept of entrepreneurial development, as a contradiction to destructive, commercial capitalism, and further create the concept of entrepreneurial economy, which we lost in the modern time.

Still in the contemporary debates in science one can identify on the one hand the dialogue between firms and innovations and on the other hand the individual-oriented approach. The latter discussion focuses on new venture creation, new economic activities and innovativeness, in short on the core concept in Schumpeter's definition of entrepreneurship (e.g. Timmons 1994). Growth is often combined with the debate on newness or is taken as a measure of it (e.g. Davidsson, Delmar & Wiklund 2002, Venkataraman 1997). For example, Davidsson together with Delmar and Wiklund (2002) poses the question of whether entrepreneurship is growth or growth is entrepreneurship. They come to the conclusion that growth relates to entrepreneurship even though not all growth is entrepreneurial. In this context they refer to the organic growth of new economic activities and express their interest in expanding the concept from the firm to the social level. From a national perspective this poses such hypotheses as 'the higher the growth in new economic activities, the more entrepreneurial is the nation'. Basically the focus in this debate is on the dialogue between innovation, growth and firms.

On the other hand, discussion about the entrepreneur as an individual has left behind the biological interpretations and through behavioural theories has started to inquire into education as a discussion for supporting entrepreneurial behaviour (Gibb 1993). This indicates that human behaviour is at the core of entrepreneurship and that entrepreneurship itself is a cultural process. Carland & Carland (1991) support the idea of the essence of the human actor in an entrepreneurial process. The problem is how to combine individual actors, firms and the nation, or the macro-level in general, in order to understand entrepreneurial processes, since this is what is needed in the cultural approach. Culture is the product of human action, but so too are firms, activities and even nations. If we want to learn from the first transition, we return to the concept of freedom and to the right to create one's own realities. For firms the minimum requirement is the right to found and run a business. For individuals a similar requirement concerns their right to decide how to earn their living. For a nation it might mean independence and the right to organise its activities. These requirements are not, however, necessarily linked to each other. As Schumpeter said, e.g., the freedom of consumers' choice and of the choice of occupation may, but need not necessarily, be restricted in socialist societies, distinction, as he saw it, to capitalist or entrepreneurial societies. Also Hayek (1960) points out in 'The Constitution of liberty' the difference between collective freedom and individual freedom. Similar findings can be identified in studies of woman entrepreneurship (e.g. Kovalainen 1993). The problem of freedom and its

definition at different levels of the entrepreneurial process seems to me to be one of the essential problems in understanding this phenomenon. Therefore it is *suggested here that both of these debates are needed for the entrepreneurial process, and that not growth as such but rather the dynamics between freedom, work and welfare at the individual, firm and macro-level in the context of new practices are at the heart of the developmental process of entrepreneurship.*

Next I will make an effort to apply this transitional frame to the developments in Finland with its national features, keeping in mind the hypotheses drawn from growth and new economic activity as well as the problems of individual participation and freedom. The criteria for this choice were: 1) Finland is a Western industrialised country, where the history and theories under discussion are located. It has not, however, contributed to the theoretical foundations of entrepreneurship, since it only started to participate in the related scientific discussions in the 1970's. Therefore the assumptions concerning entrepreneurship have not been drawn from Finnish circumstances, 2) Its history as an independent nation is short, making the analysis easier, 4) Its GDP and GDP/capita started to increase rapidly from the 1860's onwards, and its growth has been faster than average in Europe; according to growth hypotheses, it can be assumed that its development contains entrepreneurial activities. It also has a time series of growth and its contributors since then, 5) Finally my own Finnish nationality gives me an insight into the country's development, as well as access to the Finnish data and publications necessary for conducting this study. The transitional development of entrepreneurship, with its comparison to Finland, is delineated in Table 1, presented after analysing Finnish developments.

## **2. THE TRANSITIONS OF ENTREPRENEURSHIP IN FINLAND**

Comparing the development in Finland to its western counterparts, we can draw the lines between transitions. It is suggested here that the modern transition started during the years of famine in the 1860's, coming to an end in the 1920's along with our independence. The modern era lasted till the 1970's, when a new, post-modern transition emerged. I have gathered the figures and events, on which my arguments are based, in Appendix 1.

### **2.1. The modern transition – towards independence and freedom**

Similar reforms to those taking place in France and England were also needed in Finland as a starting point for the modern transition. However, the development took place later and the transition was shorter than in many Western industrialised countries. It strongly relates on the one hand to our independence process, on the other hand to our dependency on agriculture and forestry. Instead of the industrialisation process,

the dynamics between these factors characterises our transition, leading us to rapid structural changes. Typical of these changes was that we rapidly adopted new practices, but that they were also quickly followed by the mode of institutional behaviour.

At the beginning of the 19<sup>th</sup> century our production was concentrated on grain farming, with almost all state income coming from land tax (Kaarela 1945, 349). The minor production from crafts and manufacturers had its market in Russia (Vehvilä & Castren 1951). The years of famine in the 1860's taught us that we should either redirect and diversify our agriculture or turn our attention towards industrialisation. What Finland actually did was both of these.

The process towards individual and firm-level freedom as well as structural changes started with legislation. Due to our autonomous position as a Russian province, we could already renew our legislation at the end of 19<sup>th</sup> century, before gaining our independence. Laws for the cessation of the craft system, the renewal of land ownership and freedom for trade and industry all took place within 20 years in the latter part of the 19<sup>th</sup> century. First the freedom to buy and sell land was granted in 1859, then the act concerning the guilds was abrogated in 1868 and finally the act allowing freedom of trade and occupations was passed in 1879. Freedom to travel about within the country was also allowed. The law relating to limited companies was passed in 1864, allowing capital accumulation for the needs of industrialisation. (Bergh 1891) Universal suffrage was granted in 1906. (Kaarela 1945, Koskinen 1999, Mantere & Sarva 1951, Vehvilä & Castren 1951)

Due to the development of iron ships, our previous main export article – tar - was no longer needed. However, the high demand for sawn timber already replaced it in the middle of the 19<sup>th</sup> century. Finland reacted rapidly to new demands by enacting legislation. In 1857 steam saw mills were allowed and in 1861 the industry was freed. Finland soon became the largest exporter of sawn timber in Europe. (Hjerppe 1989, Kaarela 1945, Mantere & Sarva 1951, Vehvilä & Castren 1951).

Improvements in farming by scientific methods started the structural change in agriculture towards the cattle industry. This was followed by the founding of dairies for increasing butter and cheese production. The relationship between cattle farming and crops changed rapidly. In 1910 cattle farming already accounted for almost a quarter of the agricultural production. A specific feature in Finland was the great number of tenant farmers. Their proportion was greater than in any other European country except England and Ireland (Mantere & Sarva 1951). Still, in 1901 77 per cent of our rural population was landless. In 1909 the law of tenancy was passed and in 1918, after the gaining of independence, a law was passed allowing tenant farmers to redeem their farms. The purchasing power of the rural population increased due to the demand for timber and dairy products. This created an expanding need for other industries. The composition of these was more diverse, consisting of glass, textiles and metal. (Hjerppe 1989, Kaarela 1945, Mantere & Sarva 1951, Vehvilä & Castren 1951)

The consequences of these legislative and rapid structural changes can be identified as an increase in growth rates. The values of GDP and GDP/capita increased faster than in other European countries. The increase was notable when compared to the period of Freedom. Since that time, Finland has followed the general growth developments in Europe. Also, as typical in transitions, fluctuations in the growth rate were remarkable. (Hjerpe 1989).

By analysing the structural changes in the growth contribution within economic activities as well as of employment, export and of the distribution of GDP, we can draw some conclusions about the nature and dynamics of this growth.

Between 1860 and - 1890, agriculture contributed most to growth (33 per cent) and its proportion of employment was highest (70-80 per cent). In the latter part of the transition both services and manufacturing took the leading position, both with a 1/3 share. Their affect on employment, however, was modest. The home market industry, measured by production and employees, was larger than the export industries. The dynamics between forestry and manufacturing emerges from the exports figures. In the first half of the transition, the forestry, wood and paper industries represented 37 per cent, wood occupying a leading position. In the latter part of the transition these together comprised almost 70 per cent of exports with 47 per cent being from the wood industry. Only in the 1920's, when the transition was over, did the paper industry start to replace wood. Farmers were needed as suppliers of raw material for the leading export industries. They for their own part needed money for improving their farms and finally for redeeming them.

The structural change also appeared in the make-up of factories and crafts. In the middle of the 19<sup>th</sup> century only 3.000 persons, mostly women and children, worked in 140 manufacturing firms, while about 18.000 men worked in crafts (Kaarela 1945). In 1913 we had 9.690 small craft establishments with, at a rough calculation 31.000 employees. In 1909 industry statistics identified about 4.500 factories. Even though 70 per cent of these were small, only 10 per cent of the largest firms employed more than 50 per cent of the employees (Kaarela 1945, 356).

The available time series indicate that during the modern transition the structural changes in Finland were rapid, and their contribution to growth was tremendous. The growth was generated by new activities within agriculture and manufacturing, not by expanding old production. This process related closely to the freedom of individuals and businesses. Due to Finland's natural resources there was a typical dynamics between agriculture, forestry and the manufacturing sectors. A similar process took place in Finland as occurred in France and e.g. in Germany. During the transition, feudalism and the craft system were broken up, and new models for prosperity were applied. The essential role of land in this process was quite obvious, as it was in France. Also the first modification of entrepreneurship, with its focus on the one hand on the economic process at the macro-level, and on the other hand on the extraordinary individual producing this process, seems to have come about in Finland with a strong direct and indirect contribution from the farmers. Additionally, the structure of

manufacturing establishments and their effect on employment indicate the structural change directed towards large-scale industries. It is hard to identify which factors, the freedom of individuals in farming, freedom granted for business leaders or the freedom in national level, affected most, since it rather seems to be the interaction of all of these, that created new economic activities and growth.

At the national level Finland was quick to recognise the opportunities arising from applying new knowledge and creating new combinations of resources as well as negotiating the necessary means and resources: in short, in showing the entrepreneurial qualities relating to new practices. These qualities also helped in its most remarkable entrepreneurial effort, i.e. the claiming of its independence in 1917 regardless of its geographical and political position. In common with democratic development in other countries, this was not only economical, but rather a wider cultural process involving national awareness, educational improvements and efforts towards equality. (Kaarela 1945, Kaarela 1945, Mantere & Sarva 1951, Vehvilä & Castren 1951)

On the other side of the coin, a paradox to the freedom gained, was the tendency to institutionalise practices. It took place voluntarily as well as through legal activities. Co-operatives were founded for processing, supplying and delivering. Local union corporatism and compulsory associations for entrepreneurs replaced guild corporatism. (Kauppinen 1992, Koskinen 1999). Two reasons for this can be speculated on. Firstly, for 800 years individual as well as national decision-making had been subordinated to a foreign power and to landowners. Secondly, it was realised that the achievement of independence, efficient farming, processing and improvements in working conditions required mutual efforts and negotiating power. The need for joint efforts was often motivated by 'the common good'. Either or both of these reasons indicate that institutional practices are deeply ingrained in the history of the national as well as the individual instinct for survival and existence.

After gaining independence, Finland left the modern transition in a dualistic situation from the perspective of entrepreneurship. On the one hand it had established the bases for a free society, trade and industries, but on the other hand it had created institutional bases for corporatism and legislative control. In this respect the development seems to differ from Schumpeter's ideas. These practices did not occur following the success of capitalism, but rather developed hand in hand with that. The ideas of both the Physiocrats and the Classical school seemed to create prosperity in Finland during the modern transition. This was also typical in other western European countries, since in transitions different ideas crisscross, giving seeds for the choices in the coming era.

## **2.2. The modern era 1920-1970 – goals in growth, stability and welfare**

During the modern era attention was focused on the one hand on growth and stability, on the other on independence and welfare. The Second World War sorely tried our developing economy and independence. 'After the Second World War

reparations, the need for resettlement, and the institution of wide spread regulation that was to last for many years were all millstones around the neck of the nation' (Hjerppe 1989, 51). Again joint efforts and individual sacrifices were needed in order to maintain independence. This strengthened the dialogue between institutionalisation and individual freedom. Despite these problems, or perhaps due to them, growth was still higher than during any preceding period. It was also higher than in other European countries (Kenwood & Loughheed, 1971). From entrepreneurship's perspective it is vital to understand what the structure of growth was, and how we attained it.

The growth contribution of the manufacturing sector remained quite stable at 39 per cent, while the contribution of both public and private services grew. The service and manufacturing sectors developed hand-in-hand rather than as alternatives to each other (Hjerppe 1989). The diminishing sectors were agriculture and forestry. Employment figures developed accordingly. The structural change from wood to paper became evident in export figures. In order to maintain and increase the competitiveness of the export industry, the government invested in infrastructure and supported the industry with several devaluations. Most of the taxes also came now from industry and trade.

Even though the proportion of small firms was notable, large units and the public sector created new work. This tendency continued throughout the modern era.

These figures indicate how the neo-classical, export and growth-driven dynamics started to dominate in Finland. The growth was still generated by new activities in industry and services. If growth and/or its innovativeness are the measure of entrepreneurship, the modern era in Finland is characterised by entrepreneurial activities. Finland also fulfilled the criteria of freedom at the national level. However, if we approach freedom from the perspective of individuals and try to delineate their possibilities to decide how to earn their living, create their own realities and take responsibilities related to these, the picture changes its colours.

Generating growth in services and the secondary sectors required centralised decision-making, macro-level support and intervention. Labour-market decisions were also more intensively subordinated to the labour unions. After the 1960's unionism developed faster in Finland than in most western countries. Both of these tendencies were often confirmed by legislation. (Kauppinen 1992) Practices at the small business level became more complicated and restricted. The rules and laws governing a one-man business were similar to those for a firm with 1.000 employees.

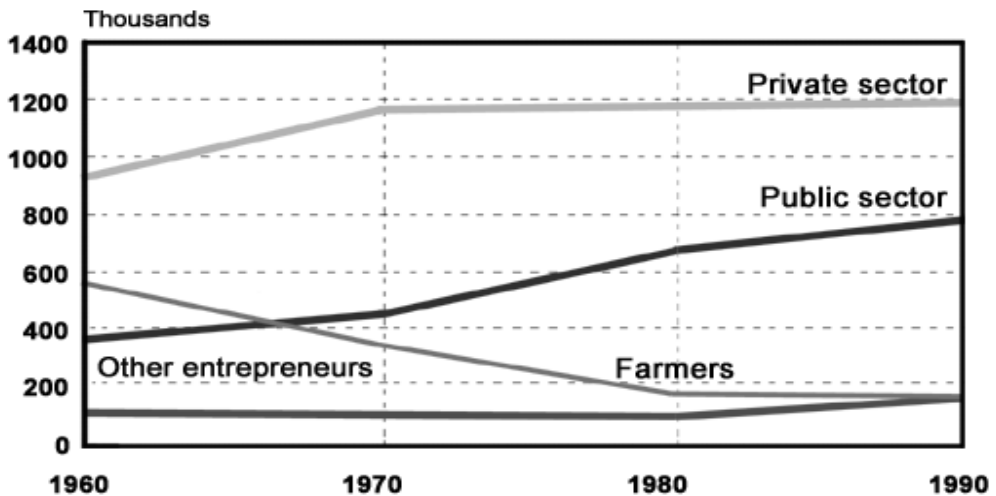
This intensified paradox between the goal of attaining increasing growth and individual freedom as well as firm-level freedom had still one other essential aspect. A notable part of the growth arose from the public sector services. These formed the cornerstone for Finland's welfare and equality efforts. Society started to take more responsibility for its citizens' welfare and to invest

in education. Women's participation in working life increased. In 1960 their proportion was more than 40 per cent in the private as well as in the public sectors. Their membership in labour unions was also larger than men's. (Kauppinen 1992). Investing in infrastructure supporting the main fields of the export industry also balanced the regional differences within the country. This indicates that the dialogue between large-scale industry with growth and institutionalised decision-making produced welfare and equality. In this respect the role of entrepreneurship losing its connection to macro-level prosperity was obvious in Finland, assuming that freedom together with human behaviour are among the criteria of entrepreneurship. The large number of small firms with a minor impact on the economy manifested similar development to those in other western industrialised countries. If we apply the growth hypotheses from a national perspective, the ideas of both Schumpeter and Davidsson, - namely, Schumpeter's definition of socialism and labour capitalism and Davidsson's idea of the relationship between growth and a new economic activity – seem to fit into that reality. The consequences of relying on these dynamics, however, became visible when the environment started to behave unpredictably and we had difficulties in maintaining growth and reasonable employment rates, in short, when we faced the circumstances of a new transition.

### **2.3. The post-modern transition – dialogue between equality, freedom and institutionalising**

The post-modern transition is characterised by sharp fluctuations in growth and employment figures. In the 1970's the growth rate in Europe slowed down and Finland followed this development, even with minor changes (Hjerpe 1989, 51). Towards the end of the 1980's the growth rate revived and almost overheated, turning to a severe depression at the beginning of 1990's with an over 20 per cent unemployment rate. The unemployment was the most severe in our history. The instigators of this development were the collapse of the eastern market and changes in the monetary market. Society faced severe difficulties in maintaining its social and educational services. The interesting issue is how it reacted to these problems.

A structural change took place within the growth contributors and also in the export figures. In export of goods the influence of our traditional combination of forestry, wood and paper diminished and was compensated with metal and other industries. Within growth contributors the share of the public services was essential. The essential changes for entrepreneurship can be demonstrated through the relationship between entrepreneurs and employees.

**Figure 2: Entrepreneurs and employees in Finland 1960-1990**

Source: Finnish population statistics 1985, 1990

Population statistics (Statistics Finland 1985, 1990) reveal that the number of farmers (including the statistical concept of unpaid family members) declined, while the number of other entrepreneurs was quite stable. In 1970 we had 400.000 farmers, 44 per cent of them being women. In 2000 the number of farmers was 105.000 with 40.000 women. The public sector seemed to create new work. At the same time women's proportion of the work force reached almost 50 per cent, in the public sector being 65 per cent. (Kauppinen 1992, 159). This took place in both rural and urban areas. On farms it was quite common for the wife to start working elsewhere. Even though the private sector employment seemed to be quite stable, there too the structural change emerged. The development was similar to that in other industrialised countries. Large firms reduced the number of employees, while new work was mostly created in small firms and also to some extent in middle-sized firms. (Kyrö 1999a).

The growth of labour unionism still intensified, reaching 87 per cent in 1989. 'We can speak about world record in speed and high. Sweden wins in highness but not in speed' (Kauppinen 1992, 100). The nature of corporatism changed too. Since 1968 it had developed towards social corporatism. The system was more centralised than previously. The negotiations took place between government, central employees' and employers' unions. (Kauppinen 1992). This was followed by increasing legislation applying not only to the labour market, but to other activities as well. The freedom relating to everyday practices at the business or firm level diminished, even though the importance of entrepreneurial behaviour and small businesses had been identified.

When firms met difficulties due to decreasing demand together with changes in the monetary market and the devaluation that followed these, this also threatened the



banking sector. Instead of supporting the survival of the firms, the government directed its support towards the banks, believing that as an institution they were capable of handling the problems, even though their risk taking had formed an essential part of the problem.

We suddenly experienced a new situation in which it was obvious that previous rules didn't work, export wasn't improving employment, and the proportion of public welfare services turned out to be too expensive. Kauppinen (1992) claimed in his dissertation that corporatism failed too in its basic task of guaranteeing stability in the labour market. These activities indicate how society in Finland started to apply, with intensifying energy, those practices and institutionalised behaviour that were deeply embedded in its culture. In trying too hard to take collective responsibility and control over incidents and individuals, it actually exacerbated the difficulties. The reverse effect was also seen when individuals and firms didn't behave as was expected. In this situation a new discussion concerning entrepreneurship emerged. This did not take place until the 1990's. The discussion was raised from several directions and it spread into different contexts. These concerned entrepreneurial challenges in its three forms; individual entrepreneurship, small business management and ownership as well as intrapreneurship. Finland started to allocate resources in order to create new innovative and internationally competitive industries, declared that it supported small business activities and started to restructure its public organisations. We have found a new export branch. Products and services in information technology tripled in exports between 1996-2000 and its influence on employment grew accordingly. (Statistics Finland 1989, 1995, 1996, 1997, 1998, 2001) Also the privatising processes related to it has been rapid. Educational resources have also been allocated to it. However, the generation of new structures for the public welfare services seems to be a far more difficult problem. In this respect the only model of professional behaviour we have is based on the publicly-controlled and instructed model.

If we compare these challenges to the modern era, Schumpeter's evolutionary theory meets difficulties. The diminishing role of entrepreneurship in economic development as well as development towards socialism as a consequence of the excellent results by capitalism seem to produce opposite outcomes. On the other hand, if we ponder the present situation from the perspective of the growth-oriented explanation of new economic activities, Finland has created a new branch leading to growth. At the same time, however, its employment is severely threatened due to its employment structure in the sector that is outside economic activities. In 1998 1/3 of all employees worked in the public sector and women's proportion of these was 68 per cent. Finland faces difficulties it has never met before. Both the explanation of private sector innovations and 'growth of new economic activities' seem inadequate for this problem, unless we expand it towards other than economic activities. Even then, however, we have a problem of how to do this as far as individuals and the state are concerned. This leads me to suggest that we should reconsider how to define entrepreneurship

in order to cope with this real-life situation. If we learn from the first transition, this means that entrepreneurship's role, as a macro-level phenomenon, is needed once again. Its cultural task in breaking old modes of thinking and behaviour and creating new solutions for citizens' welfare by generating the possibilities and freedom for that, doesn't sound bad at all. The cultural explanation offers us this possibility, since it helps us to realise the power of implicit collective behaviour and beliefs that is needed in cultural changes.

#### 2.4. Summary, conclusions and implications

I have gathered an overview of the essential findings of this excursion into the development of entrepreneurship in Table 1.

**Table 1. The development of entrepreneurship and its comparison to Finnish development**

DEVELOPMENT OF ENTREPRENEURSHIP	ENTREPRENEURSHIP IN FINLAND
TRADITIONAL ERA BEFORE 18 <sup>TH</sup> CENTURY - Class society, man's place in society was based on his class at birth	
ENTREPRENEURSHIP STARTED ITS JOURNEY IN SEMANTICS AS AN INDIVIDUAL - adventurer, risk taker, - project-based assignments from the Crown	
THE MODERN TRANSITION 18 <sup>TH</sup> CENTURY TILL THE SHIFT BETWEEN 19 <sup>TH</sup> AND 20 <sup>TH</sup> CENTURIES - feudalism and crafts system broke, liberalism and democracy as ideals	
THEORY BUILDING IN ENTREPRENEURSHIP STARTS ENTREPRENEUR AS AN INDIVIDUAL AND ENTREPRENEURSHIP AS A CREATOR OF ECONOMIC SUCCESS (macro level process) *breaks old models of behaviour and old systems, creates new ways of work and ownership *innovator, co-ordinator, special kind of observer, takes risk and responsibility for his own life, applies new knowledge	<b>1860-1920- towards independence and freedom</b> Attaining independence Craft system and feudalism broken up Laws for free trade and industry established Structural changes in agriculture and industries Dependency between land, forestry and industry High growth rates and expanding export The dialogue between small home market firms and large scale export Bases created for institutional decision making and corporatism

THE MODERN ERA 19 <sup>TH</sup> AND 20 <sup>TH</sup> CENTURIES –The dominance of large firms and organisations - homogenising democracy, order and unified culture, continuous growth and expanding market as idols, unhistorical era, rationality, efficiency, hierarchy, bureaucracy, control, diversification	
ENTREPRENEURSHIP AS SMALL BUSINESS MANAGEMENT AND OWNERSHIP, CONNECTION TO ECONOMICS (MACRO LEVEL) WAS LOST	1920-1970 goals in growth, stability and welfare Neoclassical ideal was successful in economy Growth, large-scale industry and export developed within few branches. Paper industry developed replacing wood Society's institutions developed and welfare services were created. Small firms and entrepreneurs had minor and diminishing role in economy
POSTMODERN TRANSITION 1970- Complex and polarised society – need for flexibility and creativity	
ENTREPRENEURSHIP three forms and again latent meaning in breaking old models and creating new culture 1)INDIVIDUAL ENTREPRENEURSHIP 2)SMALL BUSINESS MANAGEMENT AND OWNERSHIP 2) ORGANISATION ENTREPRENEURSHIP, meaning an organisation's collective behaviour, 3)INTRAPRENEURSHIP = interplay between individual and organisation entrepreneurship	<b>1970- onwards - dialogue between equality, freedom and institutionalising</b> Sharp changes in environment The importance of small firms and entrepreneurial behaviour identified Public institutions search for efficiency and entrepreneurial behaviour Society starts to commit itself to entrepreneurship in education Institutionalising intensifies, legislation increases New industry: information technology

The development of entrepreneurship in Finland seems to follow the transitional phases identified in other western industrialised countries. Its different forms can also be delineated within these transitions. Finland has reacted quickly to outside threats and opportunities and adopted new practices and conducted structural changes. A specific feature has also been the direct and indirect contribution of the farmers and the dependency on forestry. Until the post-modern transition the development was highly involved with our independency process. The dialogue between national freedom and the institutional behaviour needed for attaining and maintaining independence characterises our development. This paradox between entrepreneurial behaviour, equality and institutional, centralised and collective control seems to be our greatest challenge in the future.

Contemporary explanations of entrepreneurship seem to be too restricted for explaining the contemporary situation in Finland. Schumpeterian evolutionary development

also faces difficulties in the current situation. On the other hand, the definition of the growth of new economic activities excludes essential parts of the present situation. This encourages me to suggest that we learn from the past and extend the definition towards human behaviour and freedom at all three levels – individual, firm and society. The interaction between work and, freedom in the context of new economic activities seem to characterise development in Finland.

The problem, of course, in analysing such large historical phases concerns figures. Time series relating to firms are only reasonably well available since the 1970's. Arguments about the limits of transitions are always hard, since development concerns processes rather than events. In Finland the structural changes and the independence process lay the foundations that seem to mark these transitions. The reasoning, however, is not watertight in every respect, since thorough arguments would have required a more complex set of variables. Among these could be mentioned investments, living conditions, purchasing power and changes in financial markets, as well as a more detailed study of industrial structures, regulations, legislation and education.

## 2.5. Cultural transitional approach

The implications of this study can be approached from two perspectives: on the one hand it raises some theoretical questions and on the other some practical ideas.

At the beginning it was suggested that the contemporary scientific discussion, evolutionary explanation and the focus on newness and innovativeness, has overlooked freedom as an essential aspect of entrepreneurial behaviour. It was also suggested that both of these aspects were needed for the entrepreneurial process and that not growth as such but rather the dynamics between freedom, work and welfare in the context of new practices are at the heart of the developmental process of entrepreneurship.

The findings from Finland indicate that if growth is the indicator of entrepreneurship, Finland's performance since the 1860's has been most entrepreneurial. On the other hand, if innovativeness is the criteria for entrepreneurship, the structural changes in Finland indicate that growth has been generated with a new combination of activities. If, however, these criteria are complemented with freedom relating to both the individual and the business level, the situation changes, and it is possible to distinguish between entrepreneurial growth and innovativeness, and institutionalised and collectively controlled processes. The difference and dialogue between these and their consequences became so obvious when Finland entered the modern transition, that it encourages me in suggesting that these too should be explicitly included in the scientific debate. If development had been confined to the modern era, the evolutionary explanation would seem to be valid. The post-modern transition, however, revealed that Schumpeter's prediction should be reconsidered. The benefits available from the cultural approach brought forward this suggestion. It seems to me that a transitional explanation, that was verified in the Finnish context, gives us some tools to expand

the definition of entrepreneurship as well as to reach the macro-level needs in this respect. For that purpose the reflection to Schumpeter's late work provided a concept of entrepreneurial economy. However, to argue for it more comprehensively requires more rigour and thorough work than was possible in this article. It gives a challenge for future research.

From a practical perspective, while writing this article I realised how strongly institutionalised behaviour has put down its roots in Finland. It made me understand many incidents that previously seemed quite illogical. If this is true for me, it might give some ideas for somebody else in the middle of similar problems. On the other hand I believe that learning from history always gives better tools for facing and moulding the future. The transitional perspective produced as a dialogue between reality and scientific discussions also seems to give the space and flexibility needed for analysing and describing national characteristics. Thus it might provide an alternative as a framework for discussing the development of entrepreneurship in new or restructuring economies. Above all, however, to make a difference between destructive models of capitalism and those needed for solving the problems of current and future global development, is a sharing challenge for all of us.

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## Appendix 1 The development of entrepreneurship in Finland

	Modern transition – 1860-1920 – towards independence and freedom	Modern era 1920-1970 - goals in growth, stability and welfare	Post-modern transition 1970- dialogue between equality, freedom and institutionalising
Population 1000 1)	1747-3148 growth 80% 1,3/year	3148-4598 growth 46% 0,92/year	4598-5147 (1997) 12% 0,44/year
<b>FREEDOM AND INDEPENDENCE</b>			
	Years of famine 1860's World War I 1914-1918	World War II 1939-1945	Membership in European Union
Independence and freedom Freedom 1808	Independence 1917, recognised by Russia 1920 Freedom for trade, industry and occupations, law for tenancy 1909, Right to redeem farm 1918 Female suffrage 1906.		
Corporatism and social and labour market legislation 3)	Pre-industrial Guild corporatism Local Union corporatism 1905-1917	Managerial corporatism 1918-1939 State corporatism 1940-1955 - strong phase for social and labour market legislation Branch Union corporatism 1956-1967	Social corporatism since 1968- Labour market agreements become more complicated strong phase for social and labour market legislation during the shift of 1960's and 1970's New government directed policy at the end of 1980's
Union membership 9)	No statistics available	1920 under 10%, 1960 35%,	1970 near 60%, 1989 87%
Regulations and restrictions 4)	Compulsory entrepreneurs' Associations	1950 680 new laws, 1195 pages	1990 1400 new laws, 3000 pages 1993 1700 new laws, 4800 pages Price and rent regulations in the shift of 1960's and 1970's

NEW STRUCTURES AND PRACTICES								
Growth GDP 2)	1869-1890 1890-1913			1913-50, 1925-38 1950-74			1974-1982	
GDP	2.2	3.0		2.7	4.4	4.9	2.7	
GDP/capita	1.2	1.9		1.9	3.4	4.2	2.3	
Distribution of GDP 1) Year	1860 %	1880 %	1900%	1920 %	1940 %		1970 %	1980 %
Primary	62	56	49	47	25		10	9
Secondary	16	18	23	24	28		40	38
Wood and paper	1	3	5	7	3		7	7
Metal	2	3	3	3	6		8	9
Others	13	12	15	14	19		25	22
Services	22	26	28	30	46		50	52
Private	17	21	23	24	27		38	39
Public	5	5	5	6	19		12	14
Total	100	100	100	100	100		100	100
Growth contribution of economic activities 6)	1860-1890	1890-1913		1920-1938	1946-1960	1960-1974	1974-1985	
Agriculture	33	11		9	5	-1	3	
Forestry	6	17		7	1	0	2	
Manufacturing	24	31		39	39	39	33	
Construction	8	4		8	13	7	2	
Private services	25	32		32	36	43	40	
Public services	4	5		5	6	12	20	
Total	100	100		100	100	100	100	
Export (goods) 8)	1860 %	1880	1900	1920	1938	1960	1980	
Agriculture	26.8	27.2	17.8	2.8	10.1	5.0	1.7	
Forestry	7.7	5.3	11.0	6.1	9.0	6.8	0.6	
Wood	28.7	36.2	46.5	50.3	31.3	26.9	14.7	
Paper	37.2	8.7	11.3	37.3	41.7	42.2	29.8	
Metal	0.8	8.0	4.8	0.8	3.7	14.4	28.6	
Others	14.2	14.6	8.6	2.7	4.2	4.8	29.4	
Total %	100	100	100	100	100	100	100	
Forestry+wood+paper	73,6%	50,2%	68,8%	93,7%	82%	75,9%	45,1%	
WORK / EMPLOYMENT								
Unemployment 10)	1900 about 1%			Varies considerably			Highest in Finland's history	
Employment 5)	1860 %	1880 %	1900%	1920 %	1940 %	1960 %		
Primary	79	75	71	60	41	31		
Secondary	13	16	19	20	25	34		
Services private	6	8	10	15	19	26		
Services public	1	1	2	5	18	9		
Total %	100	100	100	100	100	100		
Total 1000	576.4	666.4	939.7	1138.7	1503.6	1890,5		
% of population	33%	32%	35%	36%	41%	43%		
Women/men %						1960 46/54	1985 50/50	
Public sector 1000						314	382 553 705	
Women%						40%	50% 60% 65%	

SELF-EMPLOYED AND THE STRUCTURE OF FARMS, ESTABLISHMENTS AND FIRMS									
Self-employed 1000 Non-farming industries Women/men % Share of economically active population						1960 113 29/71  5,5%	1970   5,5%	1985 114 30/70  5,1%	1990   6,5%
Farms 7) Farms 1000 under 25 hectares average size	1901 212 86%			1929 249 94%	1959 331 97%		1970 230 10h	2000 70 27h	
12)	Grain growing	change of crops to cattle over 23/71%							
The structure of establishments and firms	12) 140 manufac- turers 3000 mostly women and children	1909 13) Factories	1313 14) Crafts	1953 15)	1000		1974 17)	1000	
Size by employees		Estab.	Estab.	Estab.	Emplo.	Turno.	Firms	Emplo.	Turno.
0>10		70%	98%	85%	13%	8%	84%	10,4%	10%
10-100		24%	2%	13%	28%	31%	14%	19%	18%
100-500		5%		2%	31%	36%	1,9%	19,4%	20%
500<		1%			28%	25%	0,5%	51%	52%
Total %		100%	100%	100%	100%	100%	100%	100%	100%
Total		4517	9.690	27.121	391,9		44.054	846,7	
		10 % employed	Empl. about 31.000	16) 1964			1980 18) Firms		
0>10		more than 50%		78%	10%	6%	84%	12%	11%
10-100				18%	29%	30%	14%	21%	19%
100-500				3%	33%	37%	1,6%	18%	19%
500<				0,6%	28%	27%	0,4%	49%	51%
Total %				100%	100%	100%	100%	100%	100%
Total				24159	459802		46.667	832,8	
							1996 19) 94%	26%	18%
0>10							5,4%	24%	23%
10-100							0,5%	19%	21%
100-500							0,1%	31%	36%
500<							100%	100%	100%
Total %							203.358	1127,2	
Total									

1) Hjerppe 1989, 192-194, 2) Hjerppe 1989, 51, 3) Kauppinen 1992 4) Kyrö 1997, 16-17, 5) Hjerppe 1989, 264-270 6) Hjerppe 1989, 70, 7) Hjerppe 1989, 75, 8) Hjerppe 1989, 9) Kauppinen 1992, 100-104, 10) Kauppinen 1992, 123, 11) Hjerppe 1989, 215-230, 12) Kaarela 1945, 13) Teollisuustilasto 1912, 14) Suomen tilastollinen vuosikirja 1920, 15) Liikeryityslaskenta 1953, 16) Liikeryityslaskenta 1964, 17) Liikeryityslaskenta 1974 and 18) 1980, 19) Statistics Finland 1998

