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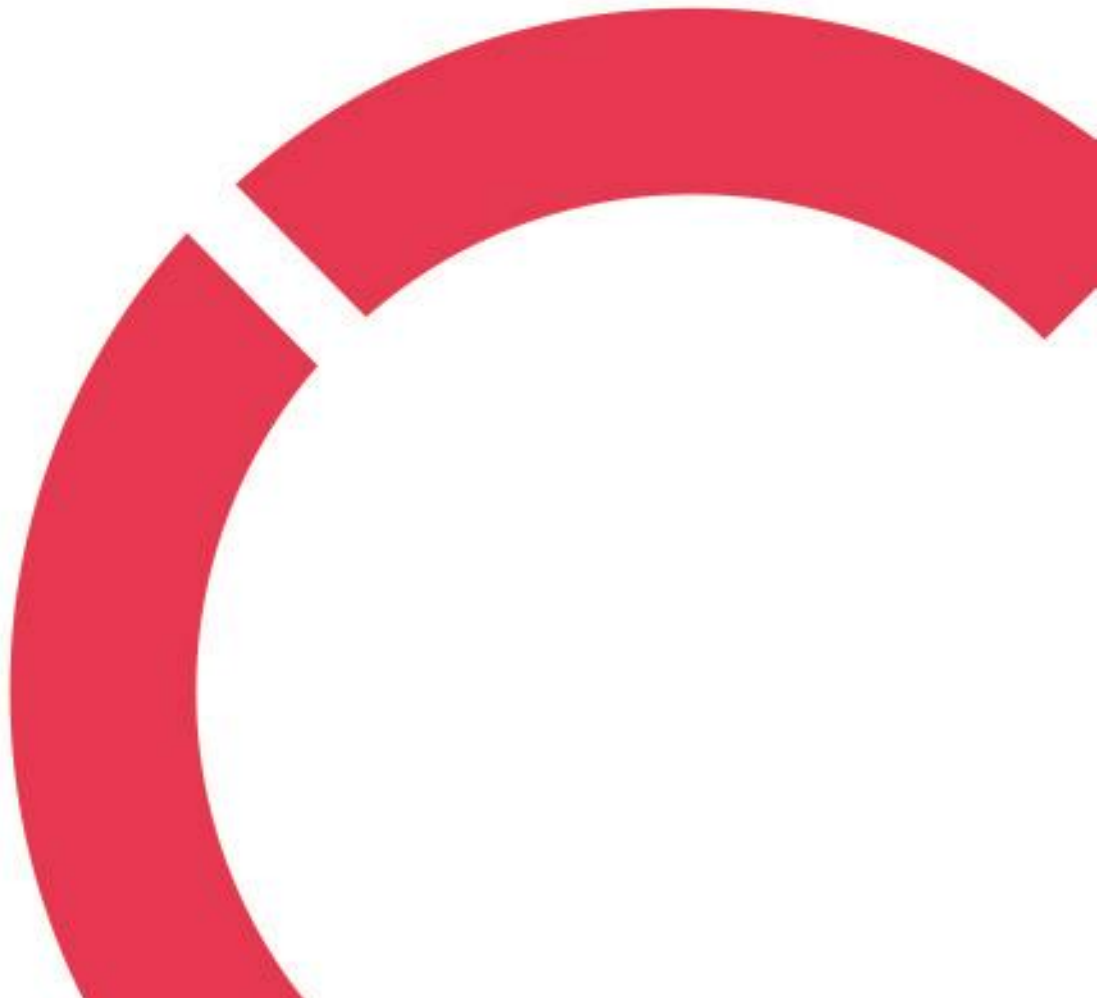
THE ROLE OF SMALL-SCALE BUSINESSES IN THE ALLEVIATION OF POVERTY IN FINLAND

Thesis

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ABSTRACT

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Name of thesis THE ROLE OF SMALL-SCALE BUSINESSES IN THE ALLEVIATION OF POVERTY IN FINLAND		
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<p>The research was aimed at evaluating the role of small businesses on poverty alleviation in Finland. It was meant to show that small business has its place in society. A quantitative research method has been used, where questions were asked in the form of open-ended and multiple-choice questions and was administered electronically to 50 small businesses and 32 responses employing between one and eight employees in Helsinki, then the results was collected and evaluated. The questionnaire was limited only to foreigners.</p> <p>The first chapter gives a global idea of how small business influence poverty through the creation of employment. A review of the theoretical base of the study makes up the second chapter, chapter three shows the method that has been used, and chapter four presents the research findings and results. The last chapter is made up of a summary, recommendations, conclusion, and limitation of the study.</p> <p>It was seen from the findings that small business has an impact on poverty alleviation, and the future of small-scale businesses in Finland appears bright and promising as long as entrepreneurs abide to all the laws being put in place by the government. As a result, it has been shown that small business is a necessity in every society as they contribute partially to the growth of the economy for development.</p>		
Key words Alleviation, Business, Role, Scale, Small, Poverty		

CONCEPT DEFINITIONS

GDP

Gross Domestic Product

NBCI

Nigerian Bank for Commerce and industries

SBA

Small Business Administration

SMEs

Small and Medium-Size enterprise

SMS

Small medium size

SWOT

Strengths, Weakness, Opportunity, and Threats

VTA

Value Added Tax

YTJ

Yritys-jäyheisotietujärjestelmä (company and community information system)

ABSTRACT
CONCEPT DEFINITIONS
CONTENTS

1 INTRODUCTION.....	1
2 SMALL BUSINESS IN DEVELOPED AND LESS DEVELOPED ENVIRONMENTS	3
2.1 Small Business in the less developed world.....	3
2.2 Small Business in the Developed World.....	4
2.3 The central situation of small business.....	7
2.3.1 Trade register in Finland	9
2.3.2 Rate of Value Added Tax	9
2.4 Various Forms of Small Enterprises	10
2.5 Reasons why people engage in small business	10
3 RESEARCH STRUCTURE AND TECHNIQUES	12
3.1 Research Design	12
3.2 Instrument for Data Collection.....	12
3.3 Sample and Sampling techniques	13
3.4 Method of Data analysis	13
4 PRESENTATION AND ANALYSIS OF DATA RESULT	14
4.1 Findings.....	14
5 SUMMARY OF FINDINGS, CONCLUSION AND LIMITATION	22
5.1 Recommendation.....	23
5.2 Conclusion.....	23
5.3 Limitation of the study.....	23
REFERENCES	25
APPENDICES	

FIGURE

Figure 1. The SBA leadership & Governance structure	6
Figure 2. SWOT analysis.....	18
Figure 3. The product or business life cycle.....	19

TABLES

Table 1. Nonfarm employer firms.....	8
Table 2. research questions.....	14
Table 3. research questions.....	15

Table 4. research questions.....15

Table 5. setup capital for small business.....16

Table 6. research questions.....16

Table 7. How entrepreneurs managed their business in Finland.....17

Table 8. The most operating line of businesses20

Table 9. research question.....20

1 INTRODUCTION

The current world has a great economic and social need that remains to be filled by independent business-like small businesses and entrepreneurship for the alleviation of poverty. Politicians and journalists now praise the achievements and opportunities of small business. Even the poorest segment has attached themselves to small income generating activities to enable them to alleviate household poverty, social and family stress.

To succeed in small business progress, men and women must generally execute good managerial skills and styles that differ clearly from those of big business. Educational background really matters but sometimes it doesn't depend on culture and the kind of business to be managed. The intentions of small business owners are diverse. They can probably be summarised as the desire for job security, power, and prestige. Many people today are becoming desperate, and they think that the easiest way to get out of this state is to create a small business that provides services to the community that could not be provided by big enterprises. Some have got bookkeeping offices, farms, provisional stores, restaurants, service businesses and hair dressing salons.

The creation of small business has not been easy for the owners, as they will have to go through some administrative procedures and some of the business activities demand for capital to start off which goes to reduce the number of small businesses that could have been created. Banks and other government agencies sometimes help to finance the operations of small businesses but sometimes, the lending rate of finance from banks and prepayment tax is too high. Some small businesses face poor conducive environment and lastly, the younger generation may be willing to form small businesses but might not know the type of activity to engage in. With the above problem, one is therefore forced to ask the following research questions. The researcher, wanted to know if the creation of small businesses improves the living standards of those who are engaged in them in Finland, the form of activities which are being carried out by these small businesses and if the business is being managed by the owners or an employed manager.

The main objective of the study is to determine the role played by small scale businesses in the alleviation of poverty in Finland, and the specific objective. The objectives are to identify some of the management strategies used by managers of small businesses and to find out whether the creation of small businesses has improved the living standard of those engaged in them.

I hope this study will bring up possible solutions and suggest strategies to alleviate poverty, which might include prepayment of taxes and a VAT return. The study was chosen so as to make known certain management strategies which are used by managers so as to provide information that will be of help for the upcoming small business and existing businesses and enlighten foreigners about the creation of small businesses and its role in the alleviation of poverty.

2 SMALL BUSINESS IN DEVELOPED AND LESS DEVELOPED ENVIRONMENTS

There are many studies on small-scale businesses and a few of the studies are in relation to development. The review of small businesses can be divided into two broad areas, which are the developed world and the underdeveloped world.

2.1 Small Business in the less developed world

According to Nzotta, Samuel and Amaechi (2019), entrepreneurship is defined as the ability to undertake management risk and investment by grabbing the opportunity when the need arises. Entrepreneur's also have an important role to play in the economic development of a country as they act as a motivational factor, especially in the creation of employment opportunities and the mobilisation of local resources in which they engage in. For a business to achieve its goals, they have to be innovative when it comes to creating marketing ideas and have some talented of leadership skills.

Entrepreneurs are known as risks takers because they have the duty of undertaking risks (Finrepo 2022). Here, small businesses only enter into small risk management because they want to be profitable and financially successful, but moreover, the growth of an entrepreneur depends on the ability and willingness to overtake high risks because the higher the risk, the higher the rate of turnover for the business, while the lower the risk, the lower the rate of turnover for the business. They should be able to make business-related decisions for the business because when it comes to risk taking either they win or lose. (Nzotta et al. 2019, p 2-5).

In the Nigerian aspect, small enterprises face many problems as they are known as the giants of Africa. Problems such as high competitions, revising of capital resources, the value of the country's currency, high taxes, high level of poverty because of low income, political issues, and lack of government support to sustain the growth process, technical progress, and the creation of a good working environment for the benefit of the people. (Nzotta et al. 2019, p 8.).

With such a big population and many international businesses in the country, small businesses tend to suffer the most. These problems act as barrier on their operation for more development and establishment. Thus, to enable the enterprise to perform their role efficiently and encourage their healthy growth and development, it is necessary for the government to assist them to overcome their problems. (Nzotta et al. 2019, p 8.).

For those reasons mentioned above, the federal government (decree No 51 1993.) of Nigeria initiated the idea of vocational training for all citizens who has obtained their Bachelor's degree (graduated) and doing their national youth service corps (NYSC) to undergo a fee vocational training during their service year to acquire self-employment skills. This is because the youth are the leaders of tomorrow and most entrepreneurs today acquire technical knowledge during their NYSC year, and the training is helping them to succeed in business. (NYSC Directorate Headquarters. 2017).

According to the Federal Government in 1986, the role of small-scale enterprises is important and the central claim for small scale enterprises in developing countries differs as they tend to have a different view about small businesses, as the is no better definition regarding small-scale business. A small business employing one to more persons, earning the annual turnover, having 1.00-naira investment capital, and with the stated limit is consider as small-scale enterprise (Nigeria Federal Government 1986.). Nigerian Bank for Commerce and industries (NBCI) was created by Act 22 in the mid-1973 by the financial government policy to help promote small-scale business. The Bank has the duty of disturbing the funds from the federal government. The funds were divided into two parts, and they consist of soft loans to be lent to SMSs business and expending loans for small industrialists on a very slow rate. (Small-Scale Industries in Nigeria. 1970-1986, p2-5, 6.).

2.2 Small Business in the Developed World

According to Dilger, the Small Business Act of 1953 defined small business as one that is independently owned and operated for profit and not dominant in its field. (Dilger 1953, p4.). In the U.S, a government agency known as SBA was created to assist counsel and protect the interest of small business uses annual scales and number of employees to measure small business and does so for specific industries. The SBA also makes some adjustments on inflation at least once in five years on an annual

monetary-based size standards in August 19,2019 (Dilger 1953, p5, 9). To meet the SBA qualification for a small business, retailing and services annual sales lies under \$ 7.5million, and manufacturing firms should have 500 or fewer employees (SBA. U.S, Basic requirement).

In the studies of small business in the American economy, the success of a small business depends on the spirit of the entrepreneur. SBA was created in the U.S to assist small businesses and entrepreneurs during hard and difficult moments of their operation to help develop the American economy (SBA. U.S, Open Government Plan, meet size standards, 2012-2014, Version 2.0, L2.). Small scale business plays a vital role in the economy, as half of the income earners in American are either business individuals or employed by a small business. There must be a clear view of government and business relation from all indications. The relationships need to be healthy at any given time after all the role of the government is to encourage private interest as well as general interest and it should be stated here that, the government relation with entrepreneurs is found on the premise of what is known as free economy establishment system. It is also clear that, the government must protect the system while creating approach for business growth in the economy. (U.S Open Government Plan, meet size standards 2012-2014)

The role of a government as the supporter and the protector of individual interest have always been a difficult one. It should be noticed that the government is sometimes accused of being partial at the same point. The SBA U.S (2012-2014.) continues to fight in order to support small businesses for the growth of the economy. The government as we all know represents the interest of the general public while business on its part is private and may belong to individuals or companies, therefore the question of understanding and accepting legitimate rights of both parties is of great importance (SBA U.S 2012-2014.).

We may ask what the business expects from the government and also what does the government expect from the business enterprise. The government will expect that all business enterprise respects the law, norms and values of the state, fair competition and individual business must pay their taxes, and also business houses must avoid polluting the environment as a result of their activities (Ingram 2019.). Business will expect the government to create a favourable business climate, low interest rate, maintain a stable economy, give tax incentives, protect life and property, and create an approach for business growth by granting loans as the SBA stands as the middleman to small business. (SBA. U.S, Open Government Plan 2012-2014, Version 2.0.).

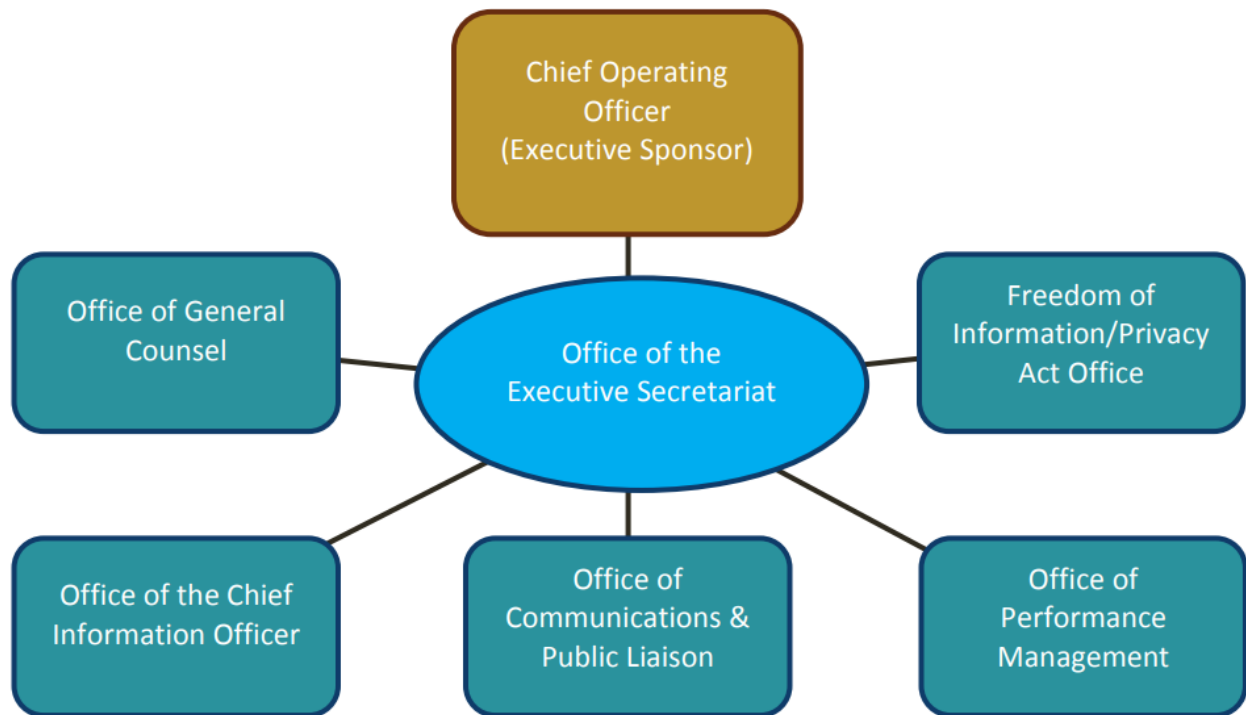


FIGURE 1. The SBA leadership & Governance structure (SBA. U.S, Open Government Plan 2012-2014, Version 2.0, p5).

Figure 1 illustrates the leadership and governance structure of SBA in U.S. As shown above, the executive sponsor is the chief operating officer in charge of implementing the open government plan, next is the office of the executive secretariat, followed by the office of the chief information officer, office of general counsel, office of the performance management and lastly the office of freedom of information. (U.S Open Government plan 2012-2014.)

As noticed earlier, governments all over the world are becoming increasingly interested in the contribution made by businesses. The government has put in place some measures to support small businesses in the economy. The states offer tax incentive with a view to encourage investments and also offers red card to deserving firms. Government and Business relations need to be friendly at any given time especially when there is something for both parties to achieve.

The government will experience economic growth, more employment opportunities will be created, more income will be generated through taxes and also witness more advances in technology. Of course, all of these benefits are of great interest to the state, it is for this and other reasons that the state may develop appropriate stabilisation policies (stabilization policy edited 18 November 2022), tax incentive, tariffs, import and export policies (SBA. U.S, Open Government Plan. Business USA, 2012-

2014, Version 2.0, p7), in order to achieve desired economic and social objectives. It could be worthwhile mentioning at this point that Japan has put in place solid business structure that permit business houses to keep more of their enemies close so as to create more investment and they have done this through accelerated depreciation tax credit and lower income taxes. Finland can also learn from this experience (Japanese Automobile Industry, 1904 – 2020.).

The following summarises the outline of the government business relations in Japan. It should be noted that Japan took a lead in the production of cars in 2000 in vehicle production in the world and other goals because of the following reasons. Japan's business community is well informed when it comes to development (Automotive industry in Japan, edited 7 February 2023, 17.), their labour force is better educated especially in the sciences and mathematics, the personal saving rate in Japan is high, more research and development is done, and social welfare benefits in Japan are low. The Japanese market economy is well developed which led them (Automotive industry in Japan, edited 13 February 2023, 26-30.) to be the third biggest in terms of nominal GDP and the fourth in Purchasing power parity (PPP). According to the world Bank in 2022, Japan's GDP per capital was \$49,000 (World Bank 2022).

2.3 The central situation of small business

A small business is also defined as mini business such as a personal or family grocery store. According to congressional research service (2022, p10, 22), there is no one correct definition of a small business, but many strategies have been put in place to determine which enterprise is eligible to be called small business through the creation of SBA in 1955s. A small business can be referred to as a manufacturing firm gaining some hundreds of dollars a year and employing few people. (Congressional research service 2022, p10, 22).

As easily said according to congressional research service (2022, p4-5, 15.), there is no one best definition of a small business. In 2019, United States nonfarm owners employed 128,898.227 people with a payroll amounting closed to \$7.23 trillion and in 2018 they had a payroll of 26.49 million from self-

employed firms, which analysed the growth of small businesses by putting entrepreneurs in a promising position in the future. Table 1 below revises U.S Census Bureau “Annual Business Survey: Employment Size of firm statistics for employer firms 2019.

TABLE 1. number of Nonfarm employer firms 2019 (U.S Census Bureau 2019)

Number of Employees	Number of Nonfarm Employer Firms	Cumulative Percentage of Total Number of Nonfarm Employer Firms
0-4 ^a	3,556,927	61.6%
5-9	959,641	78.3%
10-19	609,335	88.8%
20-99	532,972	98.0%
100-499	92,159	99.6%
500+	20,256	100.0%
Total	5,771,290	

Table 1 illustrates the statistics of “Nonfarm employer firms” 2019 in U.S and how the SBA defined small business. The table reviews a total number of 5,771,290 “Nonfarm employer firms” in U.S, with 61.6% employing between 0 to 4 workers, 78.3% employing between 5 to 9, 88.8% employing between 10-19, 98.0% employing between 20-99, 99.6% employing between 100-499 and 100% employing from 500 and more. It was this survey that the SBA used in 2019 to define small scale business so as to be eligible to the benefit that comes with operating as an entrepreneur. (Congressional research service 2022, p4-5, 15.)

According to Liberto (2022), a small enterprise is also a form of business with one person or a number of persons or a few individuals supplying the working capital (revenues) and acts as the business manager with high management responsibility and an important role to play in the growth of the economy development. SMEs have contributed massively to the growth of the U.S economy as small business takes in 99% of firms in the country (Liberto 2022.), which makes up to 43.5% of their total GDP and 4.8 million new job have been created from 1995 to 2020 with 39.7% private payroll in U.S. (Liberto et al 2022.). The Bolton committee (1971) defines a small enterprise as one which has a relatively

small share of capital and market, managed by its owners or part of its owners in a personalised way and is independent. (Kaynak & Harcar. 2017. Volume 26, P225.)

2.3.1 Trade register in Finland

It has been found that 59.6% of the businesses in Finland are independent and small, with 65.2% of employment and with a rise of 4.6% in 2018-2020 (SBA Fact Sheet – Finland 2019). Trade registrations is an important process that all small and medium size businesses in Finland must pass through. According to the YTT, the main aim for trade administration office is to document all important data concerning a new business (YTT 2022.), and this cannot be verified only by having a business ID but can be done through the administration tax control. A business ID given to a legal person is known as a permanency identity business code even if the owner sells the company or the company type changes by law, the code will not be affected. (YTT the business information system 2022).

2.3.2 Rate of Value Added Tax

According to Vero (2020), Value added tax is a mandatory fee to be paid by all active businesses operating. The 24% VAT rate is applied on most put on goods and services, the 24% is the general amount to be paid by customers for a goods and businesses owner to Vero calculated from their invoices. Other VAT reductions include 14% on groceries, food or restaurants but are not applicable to alcohol or tobacco products and 10% reduction on newspapers, physical exercise, books, film screenings and last but not the least pharmaceutical product (Vero 2020.). Having a good VAT report is very important when it comes to the law. For a business to be successful in Finland, they have to carefully plan their prices to be allocated on goods by making VAT inclusive which at the end falls back on their customers, that is why customers are king and they are always right to an extent. (Vero Finnish tax administration 2020.)

All active companies must pay their value added tax to Vero which can either be paid monthly, quarterly, or yearly depending on the business prepayment and VAT registration agreement form. However, before the VAT return there are some expensive deductions that can be made on transportation cost, feeding, internal bills and other working bills. Also, VAT return can also be released depending

on the business turnover for the year so as to encourage the growth of small businesses. (Vero Finnish tax administration 2020.)

2.4 Various Forms of Small Enterprises

According to European journal (2020), the various forms of small enterprises are directed into groups which are represented by the state and non-state in the form of private and mixed form of ownership. Non-state includes private-individuals and private-collection entrepreneurship (European Journal of Molecular & Clinical Medicine 2020.) Individual entrepreneurship which falls under the categories of self-employed, family businesses, hired labour etc is a form of business owned by an individual who is fully entitled to the profit earned by business or any losses the business incurs (European Journal of Molecular & Clinical Medicine 2020.)

A partnership company is an organisation legally permitted to carry on certain activities such as running a railroad or purchasing a newspaper and its owners are liable only for their investments in the partnership even if there are no sufficient fund to cover the losses if they incur (European Journal of Molecular & Clinical Medicine. 2020.)

A joint stock company is a legally permitted form of enterprise where there is a large number of shareholders who provide the capital in different amount, owned by shareholders, can sell, and buy shares freely and also has unlimited liability. (European Journal of Molecular & Clinical Medicine. 2020, Volume 7, P2-3).

2.5 Reasons why people engage in small business

People engage in small business because of the advantages they will get for operating as a small-scale business. According to the SBA U.S Open government plan (2012-2014) firstly, is to bring new product and services in the economy as small enterprise will add to the contribution to the economic growth.

Secondly, small-scale businesses will provide job opportunity and reduce unemployment for better living standard. According to U.S history, small businesses have created job opportunities where half of the countries employed works own a small business or are being employed by an entrepreneur for a better standard of living as small businesses created about 65% of net new private sector jobs in the U.S. (SBA U.S. Version 2.0. 2012 -2014 p 7-10.)

Small businesses focus on local needs that might not be offer by big business for example service firms and salon. Lastly, small businesses also provide new marketing techniques to both customers and big enterprises as they buy goods in bulk and retail the products to the consumers according to the researcher.

According to the FOXYpreneur, a relatable reason why some people want to become an entrepreneur (2016). Some people want to be independent because they have gained experience to become their own boss, some want to be creative and the need for creativity cannot be under look. Some people are not too educated to work for others while others are too educated to become an employee, and others cannot keep a job while others are too ambitious. (FOXYpreneur 2016.)

3 RESEARCH STRUCTURE AND TECHNIQUES

In this study, different types of methods were used to collect data from a particular source. Documentary analysis was made on previous works written by other writers on the same topic on small business management. This information was provided in the overview of small businesses in less developed world and developed world section of this work which served as a guide for the study of poverty alleviation.

3.1 Research Design

In this study, different types of methods were used to collect data from a particular source. Documentary analysis was made on previous works written by other writers on the same topic on small business management. This information was provided in the overview of small business in less developed world and developed world section of this work which served as a guide for the study of poverty alleviation.

The quantitative research method was used where questions were asked in the form of open-ended and multiple-choice questions, also making sure the questions are easy to understand. A questionnaire was used as a major tool for data collection to obtain information on the management of a small business and alleviation of poverty in Helsinki for the purpose (Brocoders 2022.). Data from this area will provide ideas on small business management of poverty alleviation.

3.2 Instrument for Data Collection

Data collection refers to the assembling of numerical and non-numerical information that has been gotten from a survey or for a research work in order to determine the findings. (Pedamkar 2022.). Primary and secondary methods have been used for data collection for this study.

Primary and secondary data were used. The primary was directly from the main source (fielded), which was gathered originally for the purpose of this research project. The data was collected with the help of a questionnaire. Up to 12 questions were formulated and 50 links from the questionnaire were administered to small businesses on a random selection.

Secondary data which has already been process and written for other purposes was used for this study and the content analysis of the documentary part of this research was undertaken on documents obtained from the libraries. (Formplus Blog, July 27.).

3.3 Sample and Sampling techniques

A questionnaire was formulated, compiled in webropol and the link was copied, administered electronically only to foreigners who are small business owners though a random selection. The link was sent through their phones and email address depending on which platform they were comfortable with. A Random sampling technique was used in the city centre of Helsinki and fifty questionnaires were administered and thirty-two responded to.

3.4 Method of Data analysis

The method used for data analysis is descriptive. 50 questionnaires were administered and 32 responded. All information obtained has been grouped on various headings. Mathematical methods were used in analysing the data from questionnaires. The result will be presented in a table from, and the numbers have also been analysed in a percentage format as it will be seen in the presentation below.

4 PRESENTATION AND ANALYSIS OF DATA RESULT

The aim of this chapter is to analyse the result that was obtained in field work for the study. The findings are linked to the objectives that were set before conducting the research for this study. According to the study, there was one main objective which was sub-divided into specific objective. So, in this chapter the results of the questionnaire will be seen in detail. This chapter is very important for this research work which is based on the questionnaire sent to owners of small-scale business. For better understanding, the researchers thought it necessary to state the principal (main) objective of the study once again.

4.1 Findings

The objective was to carry out an examination on how small businesses are set up to reduce poverty in Finland. The results will be presented with the use of tables and percent as shown below.

TABLE 2. Gender of respondents: (n-32)

	n	Percent
Male	27	84.4%
Female	5	15.6%

There were 32 respondents, 27 males with an average percentage of 84.4% and 5 females with an average percentage of 15.6% as shown in table 2 above. This result shows that there is more male operating as an entrepreneur than females.

TABLE 3. Age of respondents: (n-32)

	n	Percent
18 - 30	7	21.9%
30 - 50	25	78.1%
50 and above	0	0.0%

There were 32 respondents with 7 respondents age ranging from 18-30 with an average of 21.9%. 30-50, 25 respondents age from 78.1% and 50 and above 0 percent which shows that the majority of the respondents are between 30-50 years of age as seen in table 2 above.

TABLE 4. How was the opening of the business like? Respondents: (n-32)

	n	Percent
easy	19	59.4%
very easy	7	21.9%
difficult	3	9.3%
very difficult	0	0.0%
either easy or difficult	3	9.4%

Looking at the table 4 above concerning the requirement of opening a business which can be clearly seen that “easy” had the highest number of respondents 19 and an average percent of 59.4%, followed by “very easy” with 21.9% and 9.4% with either “easy or difficult”. This means that the owners of the small businesses found it “easy” when setting up their business in Finland which is a way of reducing poverty been set by the government so as to reduce the rate of unemployment by encouraging entrepreneurship which is the main objective of this study.

Although the majority said it was easy for them to open their business that does not end just in the opening because owning a business also comes with a lot of commitment to be successful, if not the business will experience bankruptcy in no time.

TABLE 5. Range for start-up capital for small business in Finland
number of respondents (n-32)

	n	Percent
0 - 5000	23	71.9%
5000 - 10000	6	18.7%
10000 - 15000	0	0.0%
15000 above	3	9.4%

Table 5 above shows that, the majority of the respondents start-up capital was between 0-5000 with a percent of 71.9% and 23 respondents, follow by 5000-10000 with 18.7%, with the least being 9.4% from 15000 above. This means that a small amount of money can be used as a start-up capital for a small business, while focusing on your goals and where you want to see yourself in the future no matter how small your capital might be because many big businesses today started small. It also shows that a small business creates new job at a fast rate and with a good business plan you can achieve a profitable business in order to reduce the rate of unemployment which is the objective of this study. According to the researcher, money should not be the only factor or main focus for a new entrepreneur or an old entrepreneur, but rather the management strategy or business plan should be the main focus because many businesses with high capital have collapsed recently due to mismanagement of funds and wrong marketing planed.

TABLE 6. Are you the manager of the business?
number of respondents:(n-32)

	n	Percent
Yes	30	93.8%
No	2	6.2%

Table 6 shows that 93.8% with 30 respondents manage the business themselves which means, most small businesses are being managed by the owners which is known as self-employment. They take control over the running of the business since the business is still growing for better management,

while 6.2% with 2 respondents are not the manager of the business that is, they employed an expert to help manage the business for them for better management as well. This result shows that the majority of small businesses in Finland are being controlled by the owners because they have knowledge in the business field which also plays a big role in this study.

As the result shows, the respondents are of two types, those who have employed others and those who have created employment for themselves (self-employment) which take us to the main objective of this study of poverty alleviation. This is one of the reasons for the existence of this research.

TABLE 7. How entrepreneurs managed their business in Finland
number of respondents: (n-24)

Responses
I manage the business myself and I try to satisfy my customers.
Ensuring that there's enough inventory, customers are satisfied, constantly instruct my sale person on important business practices and procedures.etc
I am an entrepreneur and managing most of my things my self. I have an accountant who is dealing my income and My taxes. My company is a delivering company. I have been dealing since 2019. My work is to deliver the ready parcel from the shop to customer. I always tries to deliver the parcel in right time.
I do all the day to day operation of the business as well as the financial/accounting management
I manage it by myself.
Managing it by my self, working hard to keep the company working.
I am the sole owner of the business, and takes appropriate accounting and sales. I have a book-keeper that does the professional accounting that determine's the amount of tax to be paid monthly and yearly.
I run the the business mostly during my free times in the evening. I do the inventory for sales and stocks, review customers feedbacks, send emails to customers etc.
A self employed, in partnership with a cleaning company who subcontract their customers to me for home and office cleaning .
I only manage how many hours I put in work everyday. I have an accountant that does the financial recordings.
I mange the business with the help of book kipper
Am in charge and make decisions alone
Very difficult
It's easy because I'm working himself
As it's a one person company (Toiminimi) By Making sure I'm making profit. Taking care of expenses and debts. Making sure work gets done
I MAKE SURE THE BUSINESS ACTIVITIES ARE ON TRACK ,ACCOUNTING ETC ARE ARE DONE EVERY TWO WEEKS .YEARLY ACCOUNTING ARE DONE .
I managed it with the help of my accountant
Comparing income to expenses and having an estimate put in hours to mark the require gross income that can deliver my estimated monthly net income .
Difficult
The main role of managing any business within Europe is to make sure it registered in the trade system, pay your Tax on time and control your VAT deducibles.
By determination
Proper bookkeeping
Yes
Yes

The above result in table 7 shows some of the management strategies which are used by managers to stay loyal to their customers in order to achieve their goal of profit maximization and also how their

paperwork are managed, which brings us to the first specific objective of this study which is to identify some of the management strategies which are used by managers of small businesses.

From the results, it can be seen that most of the owners managed their businesses alone with all office work or paperwork inclusive, others managed it themselves but also with the help of an accountant or a bookkeeper who handles reports on their income and taxes to be paid monthly, quarterly, or yearly. Others find it difficult to manage the business themselves. According to table 7, there are some management strategies or ideas used by managers to stay relevant to their customers, and to be on the safe side when it comes to government regulations so that their business can be profitable. This makes it easier for business owners to manage their businesses efficiently.

According to the questionnaire, there are some strategies being given by the respondents to help managed a business. Firstly, managers should try and satisfy their customers and deliver goods on time, also ensure that there is enough inventory in stock, making sure to review customers' feedback for amendments, always make sure to take care of expenses and debts incurred by the business on time and last but not the least, they should make sure that their business is registered under trade registration system so as to be able to trade Internationally so as to avoid complications, pay taxes on time and also control VAT deductions.

According to the result, managers should take note of their business or product life cycle and the stages should be part of their worries. Entrepreneurs should understand and use SWOT analysis. SWOT analysis stands for strengths, weakness, opportunity, and threats. Here, a business should be able to identify the internal and external factors that can affect a business.

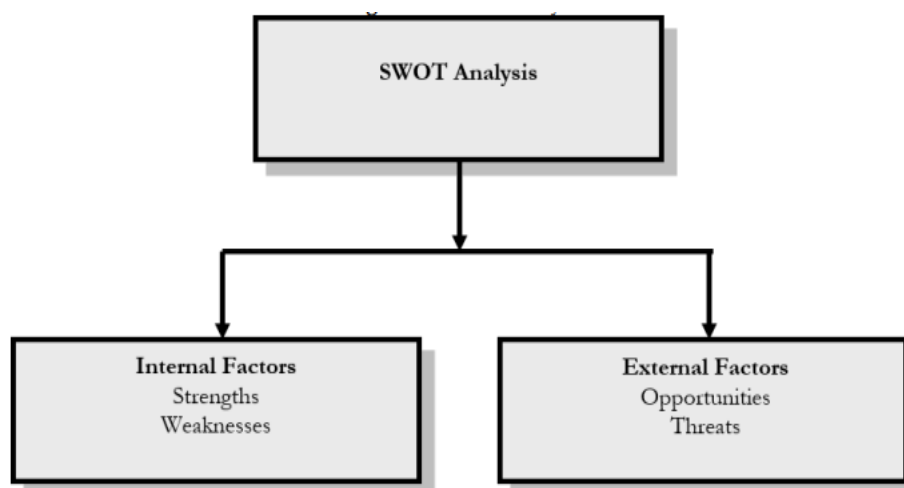
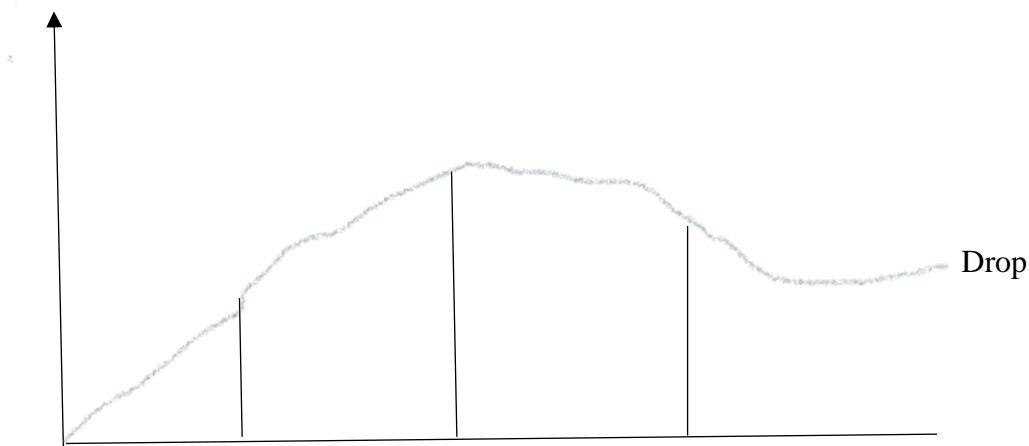


FIGURE 2. SWOT Analysis (Gurel 2017, p2, 995).

According to figure 2, strengths and weaknesses are the internal factors affecting a business. Strengths refers to what the business has done, own, the benefits of our product to the customers, our position with competitors and what makes the business different. Weakness refers to what the business lacks and what needs to be improved while opportunities and threats are the external factors affecting the business sure as new business deals for more profitability and the is a saying that goes, the higher the risk the higher the profit and vice versa, and threats like what the business competitors are up to and the economic problem, we should take note of for the business. (Gurel 2017, p2-12.).

It is very important for small business owners to know the life cycle of a business in order to know when the business or their product is in a decline stage. The life cycle of a product or a business are Introductory stage, growth, maturity, and the decline stage which will be illustrated below.



Stages: introduction growth maturity decline

FIGURE 3. Product or business life cycle (TWI what is a product life 2023).

Figure 3 above shows the different stages of a product life cycle from the introduction to growth, to maturity and to the decline stages right up to the point where the business drops which means there is a need for concern. The introductory stage is when the product is brought for the first time in the market and the next stage is the recognition phrase which is product awareness, follow by the point of no return which is the maturity stage and finally the product gets to a decline stage where the business starts dropping and will need a new strategy to keep it running. (Soto 2014, updated 2021)

TABLE 8. The most operating lines of businesses

Number of respondents (n-32)

	n	Percent
Retail Business	6	18.8%
Service Business	25	78.1%
Restaurant Business	1	3.1%
Saloon Business	0	0.0%

According to the questionnaire table 8 revealed that, service business has the highest number of responses with a percentage of 78.1% followed by retail business with an average percent of 18.8% and last but not the least restaurant business with a 3.1%. It can be clearly seen from the table that most respondents opened a small “service business” or company so as to reduce unemployment for better living standard for themselves and for those they employed. It can be seen that small “service business” is fast growing in Finland nowadays as foreigners engaged in them more.

TABLE 9. Has the opening of small business improved the standard of living?

	n	Percent
Yes	30	93.8%
No	2	6.2%

The results on whether the creation of small business has improved the standard of living of those engaged in them which will provide answers to the second specific objective. The objective was to find out whether the creation of small businesses has improved the living standard of those engaged in them. Looking at table 9 above it shows that the opening of a small business has improved the living standard of those that engage in it with a “Yes” percentage of 93.8% and a “No” percentage of 6.2%. Despite all the argument of small business management, small businesses still remain an important factor in the economy. Most of the foreigners here in Finland earn their living either through operating a small business or working for another person’s business.

It has also been revealed from the result that the majority of small businesses have been existing for over 2-3 years and above with an average of 68.7%. This shows that small businesses have their place in our economy because a business cannot operate this long if it is not meeting the needs or goals of profit maximisation which is a good sign for young entrepreneurs.

The result revealed what the future of small businesses looks like. Some small entrepreneurs think that the future of small businesses looks promising with a lot of potential, and an increase in the operating in Helsinki of those includes if well managed. Small businesses play a vital role in the economy because they provide affordable goods and services to the community. Moreover, despite the freedom of operating a self-owned business but it is sometimes very difficult as much time and commitment is being needed for proper management. On the other hand, there is the rise of other companies planning on setting up new small businesses around the economy.

The results also revealed that small businesses are creating new jobs at a faster pace because they employ many people that might be unemployed and since there is no specific qualification needed to begin operation. In some cases, small businesses owners need knowledge in bookkeeping, should be able to express themselves and be able to manage customers because customers are always right to an extent. So, for that reason, customers should be satisfied either directly or indirectly so as to survive and grow. A school dropout because of financial hardship can also be an entrepreneur or be employed, which in turn reduces the problem of unemployment in both cases. The fieldwork results also show that some foreigners in Helsinki do engage in small business.

Despite all this, others believe that the operation of small businesses will be reduced in the nearest future based on the speculation of some law amendment in regard to the pension paid by self-employed and prepayment taxes (Varma 2022.). The competition is high, chains of people with bigger capital are taking over the market fast. Despite the arguments, small businesses still have an important role to play in the economy because most people earn outside the management of their own business or have been employed by a business.

From the result gotten for this study, the future of small businesses in Finland looks promising if well management, planned and by following all the laws being set by the government on entrepreneur's operation. Although the prepayment tax and self-employed pension tax is too high, small businesses are getting somewhere in the future and has made great impact on the economy as a whole.

5 SUMMARY OF FINDINGS, CONCLUSION AND LIMITATION

The content of this study begins with the introduction. It provides a brief understanding of the subject of the research. The most important paragraph of the introduction was that which is concerned with the objectives of the work. This is because it tries to bring out what the researcher has had in mind before undertaking the study and what she intends to come out with after conducting the research.

The first chapter which is the introductory chapter, is followed by chapter two which is better known in academic research language as review of theoretical framework. This chapter is meant to give the research an insight of what has been written by other authors or writers on similar topics related to this study. It is sub-divided into headings and sub-headings to show the different headings of all material used in the study, the views of authors are reviewed here and towards the end of such reviews the writer of this work presents her own views in relation to this study. Chapter two of this study appears to be one of the most elaborate parts of this work if one considers the number of pages it occupies in this study.

As chapter two comes to an end, it is followed by chapter three which is known as research structure and techniques. Chapter three is aimed at providing the methods which have been used in the collection of data for the purpose of this research. This chapter is divided into three main parts which are data collection, sampling techniques and data analysis. As this chapter comes to an end, its content has been carried to chapter fourth which is the presentation of results from the findings.

Chapter four contains the result findings that were obtained from the research. This chapter present the findings in detail from the main objective to the specific objectives of the research. From the results, it revealed that the creation of small business has reduced the level of unemployment for those who have employed others and those who have created employment for themselves (self-employment). The second result shows that the creation of small business has improved the living standards of those engaged in them. Small businesses also remain an important factor in the society. This is what this chapter holds and last but not the least, conclusion, and limitation of the study.

5.1 Recommendation

Looking at the findings shown above, the following recommendations were obtained for both the government and small business owners. Firstly, an entrepreneur should look for a good accountant or a bookkeeper to help managed their paperwork in case of health problems. People should not be afraid to engage in small business and be prepared for change. Lastly the government should look into the prepayment tax paid by entrepreneurs and try to see if they can come up with another new measure to encourage small businesses through tax deductions. This is because the prepayment tax that is paid by small business owners is very high which tends to discourage many people from opening a business or a company in Finland, which in a long run will reduce the rate of entrepreneurship.

5.2 Conclusion

After the conducting of this research and based on the reports that were generated from the findings, there are some interesting conclusions from the researcher. Before undertaking this study on the role played by small businesses on poverty alleviation, the researcher had in mind that independence is the main driving factor that led people to engaging in the different forms of small business but after completing the research, it was made known to the writer that independence cannot be the only driving force to account for an engagement into small business. Financial freedom is also a driving factor for engagement. It is also very important for an entrepreneur to be educated, but if not too educated they should at least, have the technical skills or background of business so as to better manage the business. People should not be afraid when it comes to start-up capital. It should be noted that someone started from nothing but grow into something. With all the administrative challenges, entrepreneurs should not fail to adjust when it comes to changes because the world is evolving, and changing is bound to happen. They should not also fail to pay attention to their target market.

5.3 Limitation of the study

The limitation of this study was that of time management, transportation cost, and communication problems because some of the people or entrepreneurs met with the researcher could not speak nor understand English very well. Transportation cost here is about the money spent when moving from one business centre to another and making sure that all respondents are foreigners operating as a small

business in Helsinki. There also was a time management problem as the researcher had to wait for a long period of time for the questionnaire to be filled in so as to analyse the responses gotten from the questionnaires.

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Appendix

The Role of Small-Scale Businesses in the Alleviation of Poverty in Finland.

1 Sex

- Male
 Female

2 Age

- 18 - 30
 30 - 50
 50 and above

3 How was the opening of the business like?

- easy
 very easy
 difficult
 very difficult
 either easy or difficult

4 How much was your start-up capital?

- 0 - 5000
 5000 - 10000
 10000 - 15000
 15000 above

5 Are you the manager of the business?

- Yes
 No

6 If yes, how do you manage the business?

7 What type of business do you have?

- Retail Business
- Service Business
- Restaurant Business
- Saloon Business

8 Has small business improved your living standard in Finland?

- Yes
- No

9 How many people have you employed?

10 How long have you been operating?

- 0 – 1 year
- 1 – 2 years
- 2 – 3 years
- 3 years above

11 How does the future of small business look in your opinion?

12 Your email address so that I can send you the research result to help develop your business more.
