



# CRAFTS CODE

Interreg Europe



European Union  
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Development Fund

## Starttiraha income support for aspiring entrepreneurs

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# Starttiraha

**Starttiraha provides an entrepreneur a secure income for up to 12 months while getting a business up and running.**

# What issue does this practice address?

- Self-employment has grown over the last decade but entrepreneurship has remained stable.
- Starttiraha encourages new businesses and promotes employment.
- This grant provides an entrepreneur a secure income for up to 12 months while getting a business up and running.
- Due to the coronavirus pandemic, the maximum duration for Starttiraha income support grant was temporarily extended to 18 months.

# Preconditions for receiving the grant include:

- being a full-time entrepreneur
- having adequate capabilities for the intended business
- having potential for continued profitable operation
- the grant is necessary for the entrepreneur's survival
- the business is only started after the grant has been awarded

# Opportunities for creative sector work:

Because this program focusses on individuals, it can provide support for individual crafters and artisans who have few funding opportunities in Finland.

That the practice currently only supports full-time entrepreneurship is a limitation for craftspeople who may need to also work at a job to supplement their income.

# Application process

- Individuals first contact Enterprise Finland where they are offered guidance in applying for the grant and developing their business.
- TE Offices, ELY Centres and other organizations offer free training to assist individuals who wish to become entrepreneurs.
- Starttiraha is granted by the TE Office, or municipalities that have pilot employment programs, once the enterprise is judged a suitable option for the applicant to employ him/herself.

***maximum duration of starttiraha has been temporarily extended from 12 months to 18 for entrepreneurs who started in 2020 if there is a legitimate reason due to the Coronavirus epidemic. Self-employed people starting in 2021 do not have the possibility of an extended starttiraha period.***

## Starttirahan enimmäiskeston pidennys:

Starttirahan enimmäiskesto pidennetään väliaikaisesti 12 kuukaudesta 18 kuukauteen

Starttiraha myönnetään enintään kuuden kuukauden jaksoissa, yrittäjän tulee hakea starttirahan jatkoa TE-toimistolta

Muutos koskee niitä, joiden starttirahakausi on meneillään 1.5.2020 tai alkaa viimeistään 31.12.2020

Muutos on voimassa 31.12.2021 asti

TE-toimisto voi tehdä päätöksen 12 kk ylittävästä jatkosta 31.12.2021 saakka.  
Starttiraha voidaan maksaa päätöksen mukaisena myös lain voimassaolon päättymisen jälkeen.

# Challenges

- New business ventures entail many risks
- Crafts companies have few funding opportunities
- Satisfaction with application and payment processes has grown, but more harmonized practices are needed
- Need options to combine entrepreneurship and paid work and the 24% who run a business part-time

# Resources expended:

- For each individual entrepreneur, EUR 33.78 a day x 5 days per week (~700€/month) for up to 12 months, and currently extended to 18 months during the Coronavirus pandemic.
- Public services from several agencies extended to assist entrepreneurs in starting their businesses.

# Evidence of Success:

- Starttiraha income support grants back the development of new entrepreneurs and businesses as they provide a small basic income whilst developing and running a company during its first year of activity. This is especially beneficial for small companies.
- Customer Information System (URA) of the Employment and Economic Development Offices: 2011-2018, Starttiraha was granted to 35,516 people. Total amount of funding granted was EUR 223 million; the average funding per beneficiary was ~ EUR 6 290.

## Stakeholders

- TE-Services (public employment agency)
- Municipalities
- Enterprise Finland
- ELY Centres (economic development)
- Ministry of Economic Affairs and Employment

## Beneficiaries

- unemployed jobseekers
- those setting up as a full-time entrepreneur after a period in paid employment, education or domestic work
- part-time entrepreneurs planning to become full-time entrepreneurs
- And more indirectly, light entrepreneurship services companies, potential customers clients of the new businesses and local economies

# Transferability of the practice

- Requires combined skills and resources of a number of agencies and organizations that support and cultivate individual entrepreneurs.
- Focuses on individuals rather than partnerships or LLCs, etc.
- The money the individual receives is aligned with the basic income unemployment payment in Finland. Other countries may need to use other funding sources and models.



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# Thank you!

Information website:

<https://www.te-palvelut.fi/tyonantajalle/yrittajalle/al-oittavan-yrittajan-palvelut/starttiraha>

Questions welcome

[www.interregeurope.eu/craftscode](http://www.interregeurope.eu/craftscode)