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The Urban Lab of Europe !

# The Urban Growth-GSIP project Journal N° 2

*Project led by the City of Vantaa*



**JOBS & SKILLS  
IN THE LOCAL ECONOMY**

# THE GSIP PROJECT

The **GSIP** project interconnects growth and social responsibility pillars at company level. It aims to promote growth and competitiveness especially of companies in human intensive and routinely operated industrial sectors. It seeks to improve the level of education of the city's workforce by offering better training possibilities for low-skilled workforce, employees with outdated skills and unemployed persons.

The project will design, test, pilot and automate a model of “*Growth and Social Investment Pacts (GSIPs)*” for local private and public companies. An innovative core is to create a service model with motivating incentives for companies. By contributing to social development e.g. giving a job or training opportunity to an unemployed person a company earns an incentive for growth. The development process starts from the design with partner companies and tests of three GSIPs in authentic cases for genuine needs among the themes need for new skilled workforce, updating skills for employees and technological shift. GSIPs will be piloted in companies and finally automated for permanent use and scaling up with the help of big data and intelligent solutions.

## **Partnership:**

- Municipality of Vantaa
- Metropolia University of Applied Sciences
- Laurea University of Applied Sciences
- Etla - The Research Institute of the Finnish Economy
- Labour Institute for Economic Research
- Helsinki Region Chamber of Commerce
- ISS Services Ltd
- Infocare Ltd.
- Solteq Plc.
- Finnair Cargo Ltd.
- Vantti Ltd.

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# 1. EXECUTIVE SUMMARY

This is the second Journal of the EU (Urban Innovative Actions - UIA) funded *GSIP (Growth and Social Investments Pacts)* Project, one of the main instruments used by the City of Vantaa in Finland to develop a solid local jobs and skills agenda applying a *labour market innovation discourse* that interrelates innovation with inclusive business growth. It was compiled by the UIA Expert of the Project within the context of the Task B' "Capturing knowledge" (development of documentation and outputs that will capture and disseminate the lessons learnt and good practices for a wider audience) that UIA Experts shall perform during their activities.

The main aim of the UIA Initiative is to provide urban authorities across Europe with space and resources to test bold and unproven ideas addressing interconnected challenges and experiment how these respond to the complexity of real life. It relates to the topics that EU Member States, local authorities, NGOs, European and national associations of cities have identified within the frame of the *European Urban Agenda*. The *GSIP* Project is focused on the topic "*Jobs and skills in the local economy*", a key challenge for sustainable inclusive growth in Europe. It started in November 2018 and will continue till October 2021.

Journals produced by UIA Experts are the main written output analyzing the development of the Projects through the lens of seven key implementation challenges defined by the UIA Secretariat: Leadership; Public procurement; Organizational arrangements within the urban authority; Participative

approach for co-implementation; Monitoring and evaluation; Communication with target beneficiaries and users; Upscaling. The objective of the Journal is to make interested readers understand how an innovative and integrated urban project is overcoming the challenges related to its implementation.

This second Journal concerns the implementation of the *GSIP* Project during 2020. It summarizes the findings of a multi-level analysis of key Project deliverables (second and third Milestones Review Reports, thematic Reports, Work Packages) and first-hand experience of the Project life, as evidenced particularly during various web meetings between the UIA Expert, the Project Management Team and selected Project Partners.

The coronavirus (COVID-19) pandemic prohibited the planned study visit of the UIA Expert in Vantaa during the autumn of 2020. But no problems in the selection of data were created; the Project Management Team submitted all critical information about the implementation and communication activities, and responded with great enthusiasm to a structured questionnaire drafted by the UIA Expert to identify the Project's progress and performance.

The Journal has four thematic Chapters across a number of sections. The *first Chapter* identifies the key external challenge for the Project's implementation process during 2020 (i.e. the COVID-19 pandemic) and discusses its impact on both the Finnish and the Vantaa labour market. The *second Chapter* provides a brief presentation of the Project implementation progress during

2020, highlighting the major achievements and accomplishments. The *third Chapter* discusses the development of the Project through the lens of the seven implementation challenges and identifies lessons of interest to local leaders and urban practitioners. The *last Chapter* summarizes key learning points and presents the next steps during 2021.

The implementation of the Project during 2021 will be subject of the next issue of the Journal (Project Journal N°3), available at the end of 2021; more thematic focused aspects and cross-cutting dimensions shall be dealt with in other deliverables of the UIA Expert (Zoom-in and Web articles), published in the UIA Knowledge Lab (<https://uia-initiative.eu/en/knowledge-lab>).

## 2. THE COVID - 19 PANDEMIC: A KEY CHALLENGE FOR THE FINNISH LABOUR MARKET WITH STRONG IMPACT ON LOCAL JOBS AND SKILLS AGENDAS

The Coronavirus disease (COVID-19) is having a profound impact, with far-reaching implications for the way people live and work across Europe and the globe. Short-term effects, such as massive job losses in particular sectors, the application of reduced working hours and other measures to safeguard against redundancies, are already in place. Furthermore, there has been an immediate increase in the take-up of remote-work, telework and other e-services. Several months on, economies and societies are reopening with certain restrictions as people and businesses try to resume a new normal. At this juncture, however, it remains impossible to predict the long-term impact of this crisis on citizens and their families, countries and societies.

According to the most recent Eurostat estimates (September 2020), the seasonally-adjusted Gross Domestic Product (GDP) in the Euro Area has contracted by 11.8% in the second quarter of 2020, compared to the previous quarter (the GDP

decrease in the Euro Area amounted to 14.7% compared to the same quarter of the previous year), while the contraction in the EU was 11.4% during the same period (13.9% compared to the same quarter of the previous year). This decline was the sharpest observed since 1995.

Among the EU Member States, the largest GDP contractions for the second quarter of 2020 were reported in Spain (-18.5%), Croatia (-14.9%), Hungary (-14.5%), Greece (-14.0%), Portugal (-13.9%) and France (-13.8%). On the other side of the spectrum, the lowest declines of GDP were observed in **Finland** (-4.5%), Lithuania (-5.5%) and Estonia (-5.6%).

In addition, the social and economic consequences of the pandemic vary across countries. The labour impact is higher in particular in Spain, Italy, Cyprus, Ireland, Greece and (particularly for low income earners) **Finland** ([COVID-19 labour effects across the income distribution](#)).





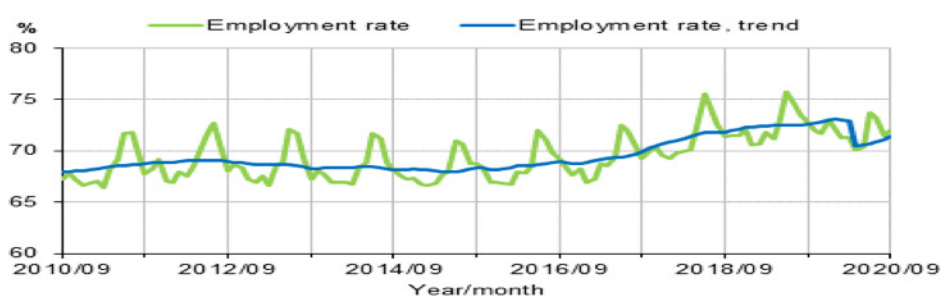
## A. The impact on jobs

The impact of the COVID-19 pandemic on the Finnish economy is strong. According to *Statistics Finland's Labour Force Survey*, the number of employed people was 35,000 lower in September 2020 than one year ago. There were 47,000 more unemployed than in September 2019. The trend of the employment rate was 71.4% and the trend of the unemployment rate was 8.4%.

At the end of September 2020, there were altogether 316,000 persons registered in accordance with the Employment Office Regulations as unemployed job seekers at the *Employment and Economic Development Offices*. **The number of unemployed job seekers was 90,000 higher than in September 2019.**

Unemployment grew in September 2020 from the corresponding period in the previous year in the areas of all *Centres for Economic Development, Transport and the Environment*: most in **Uusimaa (62%)**, Ostrobothnia (49%), Southwest Finland (44%) and Pirkanmaa (40%). The number of unemployed job seekers grew least in Kainuu (1%), South Savo (17%), North Karelia (18%), Southeast Finland (20%) and Central Finland (20%). At the end of September 2020, the number of persons fully laid off registered at the employment and economic development offices was 57,000, which was 48,000 more than twelve months earlier.

**Diagram 1. Employment rate and trend of employment rate 2010/09–2020/09, persons aged 15–64**



In September 2020, there were a total of 607,000 young people aged 15 to 24. Of them, 237,000 were employed and **40,000 unemployed**. Thus, the number of young people in the active population, i.e. the employed and unemployed in total, was 276,000. In September 2020, the unemployment rate for young people aged 15 to 24 stood at 14.3%, which was the same as one year previously. The trend of the unemployment rate among young people was 18%. The share of unemployed young people aged 15 to 24 among the population of the same age was 6.5%.

There were 1,388,000 persons in the **inactive population** in September 2020, which was 7,000 fewer than one year earlier. Of the inactive population, 125,000 persons were in disguised unemployment (persons outside the labour force who would like gainful work and would be available for work within a fortnight, but who have not looked for work actively in the past four weeks are counted as persons in disguised unemployment), which was 14,000 more than in September 2019.



## B. The impact on skills

According to the findings of the *Occupational Barometer* (based on estimates provided by *Employment and Economic Development Offices* regarding the near-term outlook for key occupations) published by the *Ministry of Economic Affairs and Employment* on 18 September 2020 ([Occupational Barometer: COVID-19 reduced the number of shortage occupations, trend unchanged in surplus occupations](#)), the impact of the coronavirus was obvious on occupations suffering from labour shortage, whereas no sudden changes have occurred in occupations with labour surplus.

31 occupations were defined as shortage occupations nationwide. At 60, the number of shortage occupations was clearly higher in the spring 2020, before the coronavirus epidemic. In the barometer conducted in autumn 2019, there were 52 shortage occupations. Of the 200 occupations included in the Occupational Barometer, 34 are now surplus occupations. The number of surplus occupations has increased since last spring, but the number started to grow before the coronavirus outbreak.

**Table 1. Types of shortage and surplus occupations**

Top 5 shortage occupations	Top 5 surplus occupations
<ol style="list-style-type: none"><li>1. Registered and public health nurses</li><li>2. Social work specialists</li><li>3. Speech therapists</li><li>4. General practitioners</li><li>5. Early childhood educators</li></ol>	<ol style="list-style-type: none"><li>1. General secretaries</li><li>2. Advertising and marketing specialists</li><li>3. Tailors, seamstresses, furriers etc.</li><li>4. Travel agency employees</li><li>5. Graphic and multimedia designers</li></ol>

The analysis of available Occupational Barometer data shows that there is a significant shortage of skilled labour, particularly in the health and social services sector. These occupations represent a bigger share of the top 15 shortage occupations than ever before. Even before the coronavirus crisis, relevant research showed that nurses and social work specialists were occupations in which several regions in Finland experienced a major labour shortage. However, the coronavirus epidemic did not significantly change the situation in occupations such as registered nurses and public health nurses.

The leading shortage occupations now also include programmers and application developers. New on the list of top 15 shortage occupations, representing the health and social services

sector, are bioanalysts and home care assistants, which are not very large occupational groups.

Changes in the list of top 15 surplus occupations have not been as dramatic as in shortage occupations. General secretarial occupations continue to show labour surplus. New on the list of top 15 surplus occupations are travel agency employees, hotel receptionists and electronics and automation installers. The creative industry continues to be strongly represented in the top surplus occupations.

**As far as the challenging issue of regional variations is concerned,** the number of shortage occupations has decreased especially in the construction sector, but there are significant regional differences. Although there is some

labour surplus in the food and beverage sector, some occupations continue to suffer from labour shortage. As the coronavirus epidemic progressed,

travel and tourism related occupations rose to the top of surplus occupations.

## 2.2 The Uusimaa regional context

On 25 March 2020 the Finnish Government released a statement of a lockdown in the *Helsinki-Uusimaa Region* (it concerns residents in the areas of Helsinki, Espoo, **Vantaa**, Hyvinkää, Järvenpää, Karkkila, Kauniainen, Kerava, Kirkkonummi, Lohja, Mäntsälä, Nurmijärvi, Pornainen, Sipoo, Siuntio, Tuusula, Vihti, Hanko, Inko, Raasepori, Askola, Myrskylä, Porvoo, Pukkila, Lapinjärvi and Loviisa), subject to extension if the circumstances require continued restrictions. The restriction of movement began on 27 March and the residents in Uusimaa were obliged to stay in the province.

On 15 April 2020, the Government repealed the movement restrictions between Uusimaa and other regions. The restrictions were lifted immediately. The decision to lift the restrictions was based on the assessment of the Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare concerning the development of the epidemic. However, the Government continues to recommend that all unnecessary travel, such as leisure travel, be avoided also within Finland. Other measures and restrictions to limit the epidemic and protect the population must also be continued and followed.

**But what is the social impact of the pandemic on the? This is a key question for national and international stakeholders interested to understand the external new framework of the GSIP Project, given that it may highlight major decisions about the treatment of target groups (both unemployed and employees) at high risk of economic inactivity and social exclusion<sup>1</sup>.**

- a) According to the sample-based *Labour Force Survey of Statistics Finland*, the unemployment rate declined by 0.5% in the *Helsinki-Uusimaa Region* during the first quarter of 2020. In January - March 2020, the unemployment rate in the *Helsinki-Uusimaa Region* was 6.1% and nationally 7.1%. But the situation worsened during the pandemic; the unemployment rate jumped to a record high of 16.7% during the second trimester of 2020 and among all the unemployed jobseekers, 42% had been temporarily laid off full-time.
- b) In addition, according to the findings of the *Occupational Barometer*, *Uusimaa* is the first Region in the list of shortage occupations with small variations from the national score.

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<sup>1</sup> It should be noted here that the Vantaa GSIP concept deals both with social and growth investment objectives:

- a) Social goals will be achieved through recruitment processes: creating and piloting *GSIPs* in different phases will provide 200 new jobs for unemployed persons and 30 apprenticeships;
- b) Growth investments goals will be achieved through vocational training processes for 700 persons: i. business management (consulting, coaching, market analysis, innovation management advice, investment plans etc.) and ii. employees (life learnings skills, sales skills, how to cope in change, degree studies, etc.).

**Table 2. Types of shortage occupations in the**

Category I	Category II	Category III
Air Conditioning and Refrigeration Mechanics Application Programmers * Audiologists and Speech Therapists Bricklayers and Related Workers Building and Related Electricians Building Caretakers Building Construction Labourers Carpenters and Joiners Child Care Workers Civil Engineers Cleaners and Helpers in Offices, Hotels and Other Establishments Commercial Sales Representatives Workers Construction Supervisors	Contact Centre Salespersons Dentists * Early Childhood Educators Employment Agents and Contractors Generalist Medical Practitioners Health Care Assistants Home-based Personal Care Workers Insulation Workers * Medical and Pathology Laboratory Technicians Medical Imaging and Therapeutic Equipment Technicians Motor Vehicle Mechanics and Repairers * Nursing Associate Professionals Nursing Professionals	Painters and Related Workers Plasterers Psychologists Roofers * Social Work and Counselling Professionals Social Work Associate Professionals Software and Applications Software Developers Special Needs Teachers Specialist Medical Practitioners System Analysts Telecommunication Engineers Translators, Interpreters Web and Multimedia Developers

\* = Great lack of jobseekers

## 2.3 The Vantaa local context

The Cities of Helsinki, Espoo and **Vantaa**, the *National Institute for Health and Welfare*, the *Hospital District of Helsinki and Uusimaa* and the *Regional State Administrative Agency of Southern Finland* established a regional metropolitan area *Coronavirus Coordination Group* on the 10th of September 2020. This Group applies the regional operating model of the *Ministry of Social Affairs and*

*Health*, and its aim is to strengthen the formation of a common situational picture and to coordinate and prepare regional and local measures.

The City of Vantaa adopted special measures on the COVID-19 situation and introduced inter alia a general Helpline for Vantaa residents and specific access points for Vantaa immigrants.

### Helpline for Vantaa residents

*Helpline 09 8395 0070 is meant for all Vantaa residents concerned about how the coronavirus affects their everyday life. The helpline serves Vantaa residents on weekdays 8–15.30. The service is primarily available in Finnish, Swedish and English. Email [korona@vantaa.fi](mailto:korona@vantaa.fi) will support the flow of information, if calling fails for some reason.*

Available data (*Ministry of Economic Affairs and Employment, 2020*) show that the impact of the COVID-19 pandemic on Vantaa economy is very strong. While 8% of the labour force were

unemployed (this was slightly lower than in the other five big cities in Finland) in October 2019, the situation has changed dramatically during the first semester of 2020.

**Table 3. A snapshot of unemployment in the**

City	March 2020	April 2020
Helsinki	12,1%	18%
Espoo	10,1%	15,4%
<b>Vantaa</b>	<b>12%</b>	<b>18,6%</b>
KUUMA municipalities	9,2%	13,9%

The number of unemployed job seekers (they include both laid-off and temporarily laid-off people, but not people who have been laid off on a part-time basis) surged by 84% from 2019 to 61,892 in Helsinki in June 2020, pushing the

unemployment rate almost eight percentage points higher than in June 2019. The ranks of the jobless swelled by 86% year-on-year in Espoo and **100% year-on-year in Vantaa.**

### 3. THE IMPLEMENTATION OF THE GSIP PROJECT DURING 2020

The *GSIP (Growth and Social Investments Pacts)* Project forms one of the main instruments to promote the City of Vantaa jobs and skills agenda using a *labour market innovation discourse* that interrelates innovation with inclusive business growth. It reflects the City of Vantaa key policy decision:

- to promote growth and competitiveness of local companies;
- to improve level of education of workforce and offer better training possibilities for low-skilled employees, employees with outdated skills and unemployed persons

through the design and implementation of a new, innovative and exceptional service and incentive model (*Growth and Social Investments Pacts - GSIPs*), as discussed in the Journal No.1 of the *GSIP* Project (<https://www.uia-initiative.eu/en/news/gsip-expert-journal-1-get-know-project-and-what-happened-first-6-months>).

**1. The first major Project achievement during 2020 was the full implementation of the No. 1 “Need for Skilled Workforce”**, based on the results of the three preliminary processes (initial design, validation and pilot implementation) during 2019. Given that the innovative scope of this model concerns the integration of social goals in local active employment programmes through a) recruitment processes for unemployed persons and b) apprenticeships for students<sup>2</sup>, it is well noticed that corporate interest about the

scope and objectives of the *GSIP 1 model* was high, particularly before the COVID-19 crisis.

- a) The model was designed according to the values and principles of the, defined as a process to develop new business models, products and services with customers, clients, trading partners and other stakeholders.
- b) The model was **validated** through co-creation workshops, interviews and tests in the five Project Partner companies, and included business and workforce analyses; incentive modelling frameworks (sources and combination of national and city level subsidies, social appreciation), recruitment programmes (services designed: counseling, workforce search via networks, education packages, apprenticeship), coaching (topics covered: corporate social responsibility and sales) and training programmes for managers and employees (topics covered: Communication, Customer insight, Supervisory work, Lean and MS Office).
- c) The **pilot implementation phase** focused on Vantaa based companies employing 10-200 people. Almost 90 companies were contacted by phone, approximately 47 companies were met and analyzed, from which 33 companies were involved in the testing process of the *GSIP 1 model*.

As a result of the *GSIP 1 model*, 41 companies have used the recruitment service offered by

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<sup>2</sup> The *GSIP* Project is expected to foster the labour market integration of unemployed persons through sound recruitment processes: creating and piloting *GSIPs* in different phases will provide **200 new jobs** for unemployed persons and **30 apprenticeships**.

the GSIP Project through direct meetings, phone and email, while more than 20 companies have asked for and received advisory and guidance services on apprenticeship, financial support or use of other service. In addition, almost 100 unemployed jobseekers have been contacted during recruitment events, at least 100 job

## A strong market message about the social role of apprenticeships

*"It is beneficial to us to get competent folks to work for us and to the employees, that they gain enthusiasm to study further in accord with their own interests. Studying also gives a person the benefit that they are always a step ahead of the others, when they have gained some competency and in-depth knowledge is acquired. The fact that now we have many apprenticeship students at the same time is only a good thing because they receive support from each other. In addition, mixing their work assignments with each other has been considered so that their competence would be further expanded. The cooperation with the GSIP Project has gone forward well and the system has been good and easy".*

Roope Sirén, CEO, YPR Yleinen Pohjarakennus Oy, ypr.fi

vacancies for specific categories of unemployed persons (i.e. migrants, partially disabled, low-skilled and long-term unemployed) were created, 47 new employment contracts were signed<sup>3</sup> and specific apprenticeships were offered by participating companies (<https://uia-initiative.eu/en/news/committed-activity-benefit-company>).

**2. The second major Project achievement during 2020 was the development of the No. 2 "Updating skills for employees"<sup>4</sup>,** subject again to three phases: initial design, validation through tests in the five Partner companies and pilot implementation in 20 Vantaa based companies employing 10-200 people.

In the beginning of the 2020, focus group discussions for skills analyses were planned and held with the five partner companies<sup>5</sup>. The goal was to collect insights from the managers and employees in order to find out what kind of competence development services would be useful for the company: what inspires to learn and, on the other hand, how to guide learning.

After the group discussions, individual in-depth interviews were set with selected employees from the group discussions. Altogether 14 employees from the Project partner companies Finnair Cargo, InfoCare and Vantti were interviewed in order to gather deeper information about motivation and barriers to learn.

Furthermore, a group discussion was held with the company leaders (altogether 8 participants from InfoCare, Vantti, ISS Services and Finnair Cargo). The theme was the same: motivation and barriers to learn; what makes a good learning

<sup>3</sup> This indicator shows that the overall GSIP concept is a solid paradigm of the advantages that the coordinated use of three key discourses (*sustainable growth, social investment, social pact*) may create during the design and implementation of local jobs and skills agendas, as discussed in the UIA Expert Web-article No. 2, available at: <https://www.uia-initiative.eu/en/news/how-may-policy-discourse-influence-local-jobs-and-skills-agendas-case-vantaa-gsip-project>.

<sup>4</sup> The key target groups of the *GSIP 2 model* are a) low-skilled employees and employees with outdated skills, b) higher qualified employees, managers, executives and entrepreneurs.

<sup>5</sup> For each day/company, two separate group discussion sessions were held: one for employees and one for managers. Both lasted around 1,5 hours. There were 2-7 company participants in each session.



environment; how the companies manage learning/training/guidance/support now, and how the GSIP Project can help them in the future regarding training options.

Based on the data analysis and lessons learnt in the *GSIP 1 model*, the following outputs were created:

- Adjusted Incentive Modelling;
  - Training programmes;
  - A guidance programme;
  - Apprenticeships programmes.
- a) ETLA and PT created a theoretical framework to support the development of the GSIP incentive model. Other Project Partners (mainly Laurea UAS and Metropolia UAS) used the framework to plan and test incentives that could attract local companies and individuals to participate in GSIP services. Moreover, the incentive framework has been used to collect and analyse observations and experiences of project partners that contribute to the improved final GSIP incentive model<sup>6</sup>.
- b) The provision of training services faced major difficulties due to the COVID-19 crisis. **But the Project Partners were flexible enough to re-consider timetables, methodologies and processes**<sup>7</sup>. As a response to the disruption, as well as to react to the urgent needs of SMEs, they initiated training activities earlier than planned. In practice, they contacted pilot companies by phone in March-April 2020 in order to get first-hand information about their immediate concerns and inquire about their needs for help. In addition, they aimed to raise a *support flag* and provide the interested,

most in need companies with **Executive coaching** (4 sessions, each 60 minutes). The aim of this coaching was to provide pilot SMEs (called also **partner SMEs**), professional help in the issues and themes relevant during difficult times of crisis and change. However, the ultimate goal for Executive coaching was to introduce the Project Growth and Social Investment pillars to SMEs. Each coaching was first outlined together with a coach and a project representative and second, with a coach and a SME representative.

Altogether, over 40 SMEs were contacted, mostly pilot companies that participated in the first *GSIP model* "Need for Skilled Workforce". 25 Executive coaching (in 25 SMEs) kicked off in April-June 2020. Two SMEs opted to hold their decision and some of these coaching initiatives started in August 2020. Altogether, the Project has initiated Executive coaching with 27 SMEs. Coaching themes range from communication to strategy building, sales management, boosting profitability, leadership and workload management. All Executive coaching covered all the project services. Laurea UAS and Metropolia UAS each have assigned one coach with earlier relevant professional experience to help five SMEs.

From an operational point of view, the following training programmes were designed and offered:

- Executive coaching
- Growth coaching for solving company-specific issues<sup>8</sup>
- Growth trainings
- Morning coffee webinars on topical themes.

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<sup>6</sup> It should be noted here that the second round of survey on the target companies was postponed from the spring 2020 due to the COVID-19 crisis.

<sup>7</sup> In this respect, training courses were organized in a more tailor-made approach than in the first *GSIP model*.

<sup>8</sup> The goal of Growth coaching is to provide SMEs with company-specific group training related to an identified challenge in the SME, in order to promote responsible growth.



## The innovative context of Morning Coffee Webinars

**When:** Aired in Zoom seven times, once or two times a week, for 30 minutes at time

**For whom:** Open for all public

**What:** Topical themes related to work, skills and competence development, such as possibilities of IoT technologies, management of diversity and online meeting practices

**Why:** To provide participants with relevant information of topical themes and consequently inspire people to learn more and develop their knowledge, as well as increase awareness and promote the Project scope and services

c) The modelling process utilized what was learned during the implementation of the first *GSIP model*. Both social investment and growth pillars have been built into the context

of **Guidance programmes**, defined as a tool for motivating and guiding employees to receive vocational training services.

## Project Specialist *Elina Salo* quotes:

*"The development of the Guidance programmes is performed by the City of Vantaa, Vantaa Vocational College Varia and the partner companies. The development work has been very business oriented. The development of the Guidance programmes began with discussions with our five partner companies. The purpose of these discussions was to develop the pilot guidance programmes based on the needs of each company and then to piece together the model of guidance programme. With business-oriented approach and co-creation we gained valuable information for development work".*

Guidance programmes include general information on vocational education/skills development services for employees with lower qualifications and apprenticeship training. Services take the form of initial discussions with SME representatives, kick-off events for employees and individual discussions. Events are accommodated to the needs for each SME. While plans are on-going to digitalize certain steps related to guidance on apprenticeship and

other educational opportunities, it has become clear that individual encounters and discussions require also person-to person communication.

d) **Apprenticeships programmes** were designed and implemented in parallel with Guidance programmes. They gave the opportunity to participating companies to attract young persons interested to combine study and realistic employment frameworks.

## 4. KEY GSIP PROJECT IMPLEMENTATION CHALLENGES AND LESSONS LEARNED

The implementation of the Project during 2020 was subject to a few challenges that have been identified and addressed in a rather efficient manner by the Project Partners. They are summarized as follows, using the methodological framework provided by the UIA Secretariat.

### a) Political and administrative (senior management) leadership

The commitment of the local policy leaders (Mayor, City Council and City Executive Board) is still very high and reflects their strong interest to promote the City of Vantaa jobs and skills agenda<sup>9</sup>. The thematic Deputy Mayors also follow the implementation of the Project and provide support when needed.

The development of this local agenda has received more attention during the COVID-19 crisis, as it is now evident that Vantaa's economy - driven in large part by the Helsinki airport and its associated businesses - will face strong challenges in the near future. During a press conference on 20 October 2020, the Mayor of Vantaa has sounded the economic alarm bell for her city, saying that the impact of coronavirus, in particular connected to the airport and travel restrictions, will be deeply damaging to the area.



*Vantaa Mayor Ritva Viljanen at press briefing, 20th October 2020*

The Mayor described it as a “horror picture” if flights don’t return to normal until 2024, as some analysts have predicted, and said the unemployment rate in Vantaa has doubled in the last year to 14.3% (September 2020). Her comments come as the national airline Finnair announced more job cuts: with 600 staff being made redundant in Finland, and a further 100 staff laid off overseas as it continues to make rapid changes to its business operations.

<sup>9</sup> This is validated from a policy point of view in the UIA Expert's Web-article No. 1 of the GSIP Project “Live from the Growth and Social Investments Pacts Project! An interview with the City of Vantaa Mayor Ritva Viljanen”, available at: <https://www.uia-initiative.eu/en/news/live-growth-and-social-investments-pacts-project-interview-city-vantaa-mayor-ritva-viljanen>.

## Mayor Viljanen quotes:

*"The Helsinki airport has directly or indirectly employed 100,000 people and the area is responsible for up to 4% of Finland's gross domestic product"*

*"In the worst case, Finnair is just the beginning and Vantaa's economy will collapse at the same time"*

Apart from the strong political commitment to the Project's narrative, the City of Vantaa succeeded in addressing two major challenges related to the change of senior policy and management leadership over the implementation process.

a) The first challenge concerns the change of senior policy leadership. Two members of the Project's preparatory team (i.e. the Head of Business Services and the Head of Employment Services) left the City of Vantaa and moved to other municipalities. This change had not any serious impact on the Project performance, given that the Project Steering Group, made up of Partners' leaders, took in a flexible way important decisions that supported the smooth implementation process of relevant activities.

b) The second - and most important - challenge concerns the change of senior management, given that two Project Managers left

consecutively the Project during March - May 2020. This created minor delays and small coordination issues, which were also addressed in a rather successful way by the Project Steering Group, before the appointment of the new Management Team.

### b) Public procurement

The City of Vantaa (acting as the Main Urban Authority of the GSIP Project) has used traditional public procurement procedures for the provision of public services in line with the EU acquis (*Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*) and national legal framework (for contracts below EU thresholds)<sup>10</sup>.

No reserved contracts<sup>11</sup> or innovation partnerships<sup>12</sup> models were used, while the

<sup>10</sup> The Directive 2014/24/EU applies to procurements with a value net of value-added tax (VAT) estimated to be equal to or greater than the following thresholds:

- (a) EUR 5,186,000 for public works contracts;
- (b) EUR 134,000 for public supply and service contracts awarded by central government authorities and design contests organized by such authorities; where public supply contracts are awarded by contracting authorities operating in the field of defense, that threshold shall apply only to contracts concerning products covered by Annex III;
- (c) EUR 207,000 for public supply and service contracts awarded by sub-central contracting authorities and design contests organized by such authorities; that threshold shall also apply to public supply contracts awarded by central government authorities that operate in the field of defense, where those contracts involve products not covered by Annex III;
- (d) EUR 750,000 for public service contracts for social and other specific services listed in Annex XIV.

<sup>11</sup> Under article 20 of the Directive 2014/24/EU, Member States may reserve the right to participate in public procurement procedures to sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons or may provide for such contracts to be performed in the context of sheltered employment programmes, provided that at least 30 % of the employees of those workshops, economic operators or programmes are disabled or disadvantaged workers.

<sup>12</sup> Under article 31 of the Directive 2014/24/EU, in innovation partnerships, any economic operator may submit a request to participate in response to a contract notice by providing the information for qualitative selection that is requested by the contracting authority. In the procurement documents, the contracting authority shall identify the need for an innovative product, service or works that cannot be met by purchasing products, services or works already available on the market. It shall indicate which elements of this description define the minimum requirements to be met by all tenders. The information provided shall be sufficiently precise to enable economic operators to identify the nature and scope of the required solution and decide whether to request to participate in the procedure.

## Project Coordinator *Minna Tuomi, Vantii*, quotes:

*“Through this project alone, we have met the employment targets set by the city for us. As a company who has real problems to find new work force, it’s been important to start thinking about new ways to recruit. Networking through the GSIP Project has created new recruitment channels and ways to support employment and be socially responsible”*

use of socially responsible public procurement processes (SRPP)<sup>13</sup> is under consideration, as it is already discussed during the implementation of the first *GSIP model* “Need for Skilled Workforce”<sup>14</sup>.

### c) Organisational arrangements within the urban authority (cross-department working)

The internal *Strategy Group*, established in April 2019 on the initiative by Deputy Mayor *Jaakko Niinistö* after a consultation with the Mayor, monitors the contribution of the GSIP Project to the city jobs and skills agenda, and promotes links of the Project with relevant initiatives delivered by other City of Vantaa Departments. This Group is responsible and applies internal co-ordination processes between the Mayor Office, Business Vantaa (Business Development

Services), Employment Services and the Vantaa Vocational College VARIA.

### d) Participative approach for co-implementation

Apart from the use of three interrelated models to advance the participation of internal and external stakeholders in the design and implementation of key activities during 2019 (as discussed in the Journal No.1 of the *GSIP Project*: <https://www.uia-initiative.eu/en/news/gsip-expert-journal-1-get-know-project-and-what-happened-first-6-months>), Project Partners re-affirmed during 2020 (even during the lockdown period in Vantaa: March – May 2020) the value of *Co-creation*<sup>15</sup> in designing vocational training and employment programmes.

<sup>13</sup> Public authorities can engage in socially-responsible public procurement by buying ethical products and services, and by using public tenders to create job opportunities, decent work, social and professional inclusion and better conditions for disabled and disadvantaged people.

Buying responsibly and ethically can also create incentives for entrepreneurs to commit to a more responsible and sustainable management of the production process and the employment of workers. This makes socially-responsible public procurement a strategic tool to drive social and labour policies forward in an effective manner. See in particular [https://ec.europa.eu/info/policies/public-procurement/support-tools-public-buyers/social-procurement\\_en](https://ec.europa.eu/info/policies/public-procurement/support-tools-public-buyers/social-procurement_en).

<sup>14</sup> See <https://www.uia-initiative.eu/fr/news/jaakkos-story-vantti-permanent-job-christmas-present>, where a specific reference to SRPP clauses is made: “Through public tendering, the City of Vantaa may include an employment obligation in its procurement. Vantti is one of the service providers who has employment criteria, they have to recruit people in vulnerable work situation every year”.

<sup>15</sup> T. Hirvikoski, L. Erkkilä, M. Fred, A. Helariutta, I. Kurkela, P. Pöyry-Lassila, K. Saastamoinen, A. Salmi and A. Äyväri (eds.), *Co-Creating and Orchestrating Multistakeholder Innovation*, Laurea UAS Publications No. 143, 2020, available at: <https://www.theseus.fi/bitstream/handle/10024/344909/Laurea%20Julkaisut%20143.pdf?sequence=5#page=253>.

**Marilla Kortessalmi, Project Manager for the Laurea UAS and Elina Taponen, Project Manager for the Metropolia UAS quote:**

*“Co-creation is a very practical approach to an innovative multi stakeholder project like GSIP is. However, the shared interests and objects for cooperation can be achieved only if the foundation of cooperation is solid. That is, in the beginning of the project, the criteria, practices and project goal should be processed thoroughly. It is also very important that shared understanding of the targets as well as sense making of selected strategies are co-created and repeatedly communicated”.*

**e) Monitoring and evaluation**

1. Due to the COVID-19 measures, the Project adopted on line processes for **monitoring and coordination of implementation activities** (Work Packages) performed at different levels:

- a) The City of Vantaa is responsible of the project management through Business Vantaa, which focuses on overall monitoring and coordination; consultative internal evaluation for supporting the Project to follow its objectives and reach its outputs; and capitalization (implemented together with the UIA expert)
- b) All Project partners are members of the Steering and the Executive Committee, acting as the main bodies for coordinating project activities
- c) A smaller team (Laurea UAS, Metropolia UAS, Varia, Vantaa Employment Services, the Helsinki Region Chamber of Commerce) participates in the *Implementation Working Group* meetings, which serve closer day-to-day planning and coordination.

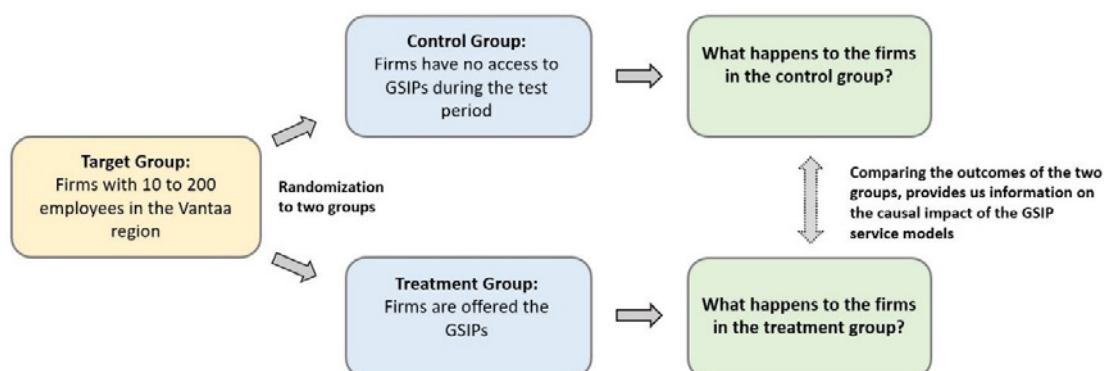
d) The Project Management Team is responsible for collecting and using standardized information to assess progress towards objectives, resource usage and achievement of results and impacts.

2. The Project has not adopted yet an **overall external evaluation model** (a systematic and objective assessment carried out by independent evaluators of an ongoing project, programme or policy, its design, implementation and results)<sup>16</sup>. The new Project Management Team has started to work on the design of an external of the Project.

3. Two Project Partners (ETLA and the Labour Institute for Economic Research) work in the evaluation of a key Project indicator (i.e. the impact of the three *GSIP models* on companies) through **randomized assessment setting**. In this context, participating companies are divided in two groups (the control and the comparison group) and researchers make evidenced based comparisons using questionnaires and public data sources.

<sup>16</sup> See in particular G. Schmid, J. O'Reilly and K. Schömann (eds.), *International Handbook of Labour Market Policy and Evaluation*, Cheltenham: Edward Elgar Publishing, 1997, J. Hughesand and B. Baumgartl, *Project Manager's Guide to Evaluation*, Wien: Navreme, 2005 and D. Card, J. Kluve and A. Weber, "Active labor market policy evaluations: a meta- analysis", *The Economic Journal*, 120:452–477, available at: <https://doi.org/10.1111/j.1468-0297.2010.02387.x>.

**Diagram 2. Exploring the impact of the on Vantaa companies**



#### f) Communication with target beneficiaries and users

The Communication Strategy with target groups<sup>17</sup> is implemented in a rather effective way - despite of the strong challenges created by the pandemic - by the following tools:

- A thematic website in Finnish<sup>18</sup>;
- Social channels on twitter (account: @@urbaaniakasvua) and youtube;
- The GSIP Project own blog;
- The first online keynote event ("Growth Clinic")<sup>19</sup>
- A magazine story;
- Articles published in the UIA Knowledge Lab<sup>20</sup>;
- A video about the implementation of the GSIP 1 model uploaded in the UIA Knowledge Lab<sup>21</sup>;



*Live from the Growth Clinic Event*

<sup>17</sup> The key communication target groups are:

- Vantaa based companies;
- Employers and employees active in the City of Vantaa;
- Organizations that provide skills and employment development services;
- Unemployed jobseekers;
- Students of the Laurea UAS and the Metropolia UAS.

<sup>18</sup> <https://urbaaniakasvua.fi/>.

<sup>19</sup> This event took place on 30 October 2020 with the aim to attract enrolling SME participants to pursue growth in their business operations. The main goal is rather simple: to inspire SME decision makers to take part and engage in competence development (learning and renewal), and further to commit interested focus group companies to get involved in the GSIP Project.

<sup>20</sup> All articles are available at: <https://www.uia-initiative.eu/en/uia-cities/vantaa>.

<sup>21</sup> This video is available at: <https://www.uia-initiative.eu/en/uia-cities/vantaa>.



## The context of the Project Communication Strategy

The new communication resource of MUA has had a positive effect supporting our work in e.g. marketing communication of Morning coffee webinars and especially publishing Growth Stories of our pilot companies. These edited stories serve as a marketing tool for our project personnel towards new prospective SMEs and makes our work visible. Pilot SMEs and their representatives are happy to tell their stories and share their learnings for the benefit of the Vantaa SME field.

- A Report with the Project learnings and (field) experiences (to be published in December 2020);
- Academic articles<sup>22</sup>;
- Articles on blogs;
- Articles in magazines and stakeholders' journals
- Articles in local newspapers;
- News releases.

### g) Upscaling

Project Partners continue to work in the upscaling process of the Project deliverables, particularly related to:

- the development and future use of *automated GSIPs* (they are defined in the Project Application Form as an “*automated data-driven future model for local authorities' business, employment and education services*”, which “*can assist and propose in which companies the biggest growth results will be achieved, who are the most potential target groups amongst employees, unemployed*

The design and use of *automated GSIPs* (Work Package No. 6) have been emphasized by Project Partners as the most important learning outcome, due to the *de facto operational complexities of the automated GSIP models* and their high financial value (over 30% of the overall Project's budget).

*or students, which coaching or training or recruitment programs will work the best and how to reach the best value for the public development investments”*) by all interested companies based in the Vantaa area

- the establishment of partnership agreements with other regional and transnational networks in the local jobs and skills domain.

From a policy learning point of view, the concept of *automated GSIPs* is more challenging than ever due to the anticipated impact of the COVID-19 pandemic on working conditions<sup>23</sup>, given that it may create a new tool for the **friendly use of a) digitalization processes in the development of**

<sup>22</sup> L. Erkkilä and M. Kortessalmi, “Co-creating value: Multi-stakeholder co-creation of lifelong education”, pp. 253-263, in T. Hirvikoski, L. Erkkilä, M. Fred, A. Helariutta, I. Kurkela, P. Pöyry-Lassila, K. Saastamoinen, A. Salmi and A. Äyväri (eds.), *Co-Creating and Orchestrating Multistakeholder Innovation*, Laurea UAS Publications No. 143, 2020.

<sup>23</sup> See in particular Eurofound, *Living, working and COVID-19*, COVID-19 series, Publications Office of the European Union, Luxembourg, 2020, available at: <https://www.eurofound.europa.eu/publications/report/2020/living-working-and-covid-19>.



**human resources strategies and b) well balanced remote-working and telecommuting models<sup>24</sup>.**

Across the globe, many organizations have shifted to remote-working models almost overnight. A remote-first setup allows companies to mobilize global expertise instantly, organize a project review with 20—or 200—people immediately, and respond to customer inquiries more rapidly by providing everything from product information to sales and after-sales support digitally. In effect, remote ways of working have, at least in part, driven the faster execution drumbeat that we're all experiencing in our organizations. And this step change in remote

adoption is now arguably substantial enough to reconsider current business models and highlight the value of vocational training initiatives with social investment and growth pillars.

In this respect, Project Partners have actually revised the original scope and timeframe of the WP6 and consider ways to develop relevant activities based on the capitalization process of the three GSIP models.

The following Table summarizes the findings of the risk assessment process in relation to the implementation challenges of the GSIP Project during 2020

**Table 4. The risk assessment process of the GSIP Project**

Challenge	Risk level	Observations
1. Leadership for implementation	Low	Strong commitment of the local policy leaders (Mayor, City Council and City Executive Board)
2. Public procurement	Low	Effective use of traditional public procurement procedures for the provision of public services
3. Integrated cross-departmental working	Low	Development of internal co-ordination processes between the Mayor Office, Business Vantaa (Business Development Services), Employment Services and the Vantaa <i>Vocational College VARIA</i>
4. Adopting a participative approach	Low	Project Partners used specific models to advance the participation of internal and external stakeholders in the design and implementation of key activities
5. Monitoring and evaluation	Medium	The design and implementation of an overall external evaluation model is still under consideration
6. Financial sustainability	Low	There have been no indications of financial concerns throughout the Project
7. Communicating with target beneficiaries	Low	The Communication Strategy with target groups is implemented in a rather effective way, despite of the strong challenges created by the COVID-19 pandemic
8. Upscaling	High	Project Partners have actually revised the original scope and timeframe of the <i>automated GSIPs</i> and consider ways to develop relevant activities based on the capitalization process of the three GSIP models

<sup>24</sup> Remote work and telecommuting are often used interchangeably, but there can be small differences between the two. Remote work suggests that the employee is just that—remotely located. Telecommuting, also called telework, can mean that the employee might be working on-site some of the time.

## 5. CONCLUSION AND NEXT STEPS

1. Despite the strong challenges of the COVID-19 pandemic and their impact on the broader Vantaa economy and social fabric, **the GSIP Project continues its journey as a flagship initiative of the City of Vantaa to develop a solid jobs and skills agenda during difficult times. Partners have invested time to mitigate the effects of the pandemic on the smooth fulfilment of their tasks and address problems not ever foreseen.**

2. The involvement of five Project Partner companies (**although two of them are inactive at the moment**) in the development of the *GSIP 2 model* became a great success, given that this process re-affirmed the **business- friendly narrative** of the Project, already confirmed during the implementation of the *GSIP 1 model*.

3. The **balance between social investment and growth pillars in active employment measures is a strong policy value of the Project.** The purpose of the social investment pillar is to support the low-skilled workforce at the individual level to increase their skills. This will give them the abilities to perform better at their work and strengthen their position in the local labour market. Adequate and up-to-date competence of the personnel is also a prerequisite for the company's growth. In addition, business growth can be supported by increasing the skills of business management, either through guidance and apprenticeship programmes or by referring them to other services as needed, such as training programmes.

4. Another key message that the Project provides to interested local policy leaders and stakeholders is that **remote coaching is a realistic option in human services programmes.** Working remotely

in teams brings all participants to the same level. In fact, Project Partners found out that it is easier to commit people to online meetings than face-to-face ones. They have also tried out hybrid models where several participants have gathered around one computer at the company premises to take part in a Guidance info webinar. This is something that needs to be established as an alternative, as it enables all to participate despite of their actual level of digital skills.

5. Discussions and experiments in partner companies highlighted that **the effective implementation of Apprenticeship programmes needs a tailor-made and co-operation driven process** between the employer, the employee and providers of training services. In principle, both the company's and an individual employee's needs should be at the starting point for the service. Then the adequate guidance and support can be provided and suitable apprenticeships training could be implemented.

6. During 2021, the *GSIP* Project **will capitalize the results of the and continue with the development of the "Technological Shift"**, subject again to three phases: initial design, validation through tests in Partner companies and pilot implementation in 20 Vantaa based companies employing 10-200 people.

7. The implementation of the Project during 2021 will be subject of the next issue of the Journal (Project Journal N°3), available at the end of 2021; more thematic focused aspects and cross-cutting dimensions shall be dealt with in other deliverables of the UIA Expert (Zoom-in and Web articles), published in the UIA Knowledge Lab (<https://uia-initiative.eu/en/knowledge-lab>).

Urban Innovative Actions (UIA) is an Initiative of the European Union that provides urban areas throughout Europe with resources to test new and unproven solutions to address urban challenges. Based on article 8 of ERDF, the Initiative has a total ERDF budget of EUR 372 million for 2014-2020.

UIA projects will produce a wealth of knowledge stemming from the implementation of the innovative solutions for sustainable urban development that are of interest for city practitioners and stakeholders across the EU. This journal is a paper written by a UIA Expert that captures and disseminates the lessons learnt from the project implementation and the good practices identified. The journals will be structured around the main challenges of implementation identified and faced at local level by UIA projects. They will be published on a regular basis on the UIA website.



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