VANTAA CIRCLE OF ASSOCIATIONS AS A SOCIAL INNOVATION

Combating unemployment: A Case Study on a New Form of Collaboration between Public Sector and the Third Sector in the City of Vantaa, Finland.

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Abstract

This article correlates with three contemporary EU-appeals: 1) the problem of unemployment, 2) social innovations, and 3) social investment for growth and cohesion.

The Vantaa Circle of Associations (Vantaan Järjestörink ry) emerged as a result of determined efforts to combat unemployment in the aftermath of the economic crunch during the 1990s in Finland. New ways were sought to deal with the crises, and the public authorities turned to unused and atypical methods. The third sector was suggested as one unexploited domain. To this effect, the original problems can be stated as: 1) how could the third sector associations be involved in the national re-employment programme? 2) What kind of assistance might these organisations need in order to re-employ the jobless? 3) How could public funds be utilized in an optimal way through non-profit organisations to combat unemployment?

The Vantaa Circle of Association was founded as one practical solution to these problems. Paradoxically, this non-profit organisation was initiated by the civil servants of the public sector in the City of Vantaa. The aim is to describe the elements, conditions, actions and social investments, which led to the creation of this non-profit organization. The benefits of new solutions which typify social innovations are discussed in the context of Value Framework of “meaningful innovations”.

The Vantaa Circle of Associations portrays a successful experiment of social investment that has led to the kind of social innovations that are needed in dealing with the troubles experienced by modern societies. In this case study many of the created values seem to correspond with the returns of social investments. The third sector has limited capacities to re-employ the jobless, however, the innovative approaches and procedures utilized by the City of Vantaa may generate ideas as to how non-profit organisations may be involved in activities to combat the unemployment problem in Europe.
1 Introduction

Many of the problems which challenged European countries in the 2010’s were experienced in Finland in the 1990’s when an unprecedented economic crisis impacted this Nordic country resulting in severe unemployment. New ways were needed to manage the crisis. This paper seeks to delineate the collaborative re-employment efforts involving local authorities, a university and non-profit organisations. Focus is on the development of the Vantaa Circle of Associations (Vantaan Järjestörinki ry) as one solution to combat unemployment. Ultimately the new organisational arrangement generated numerous benefits far beyond the expectations of the originators.

The City of Vantaa, where this social innovation emerged, is located next to the City of Helsinki, the capital of Finland. There are some 205000 citizens living in Vantaa. The city has gained a worldwide reputation as the home of Helsinki-Vantaa Airport, the largest airport in Finland. For the purposes of this article, the abbreviation “VCA” is used to represent the Vantaa Circle of Associations.

2 Background: contemporary EU-concerns

2.1 Social investment in the EU-agenda

The conception of social investment has emerged as an umbrella-theme for the various efforts to improve efficacy of social spending in the Partner Countries of the European Union. The European Commission states that “social investment is about investing in people. It means policies designed to strengthen people’s skills and capacities and support them to participate fully in employment and social life. Key policy areas include education, quality childcare, healthcare, training, job-search assistance and rehabilitation” [37].

In February 2013 the European Commission issued a communication titled “Towards Social Investment for Growth and Cohesion”. The document maintains that “welfare systems have contributed to improving social outcomes but are confronted with the consequences of demographic change and of the financial and economic crisis. The resulting pressure on public budgets and the risk of structural labour market shortage in the future reinforce the need to modernise social policies to optimise their effectiveness and efficiency, and the way they are financed” [7]. During the same month the European Commission also adopted the Social Investment Package, which “is the Commission’s guidance to Member States to modernise their welfare systems in response to Europe’s common challenges” [9].

Combating unemployment is one of the concerns of the Social Investment Package since it “seeks to strengthen people’s current and future capacities, and improve their opportunities to participate in society and the labour market” [37].
The 2013 edition of “Employment and Social Developments in Europe” affirms that “investing in jobs and people; improving labour market functioning; increasing the effectiveness and efficiency of tax and benefit systems; supporting transitions away from unemployment and poverty; and restoring economic convergence within the EMU all remain crucial priorities”. [10] Many of the above mentioned “crucial priorities” were considered when the Vantaa Circle of Associations was created.

2.2 Social innovations in the EU-agenda

At present, innovations are emphasised in the EU-agenda to a great extent. “The Innovation Union is one of the seven flagships announced in the Europe 2020 Strategy” [6]. The purpose of the Innovation Union is to “create an innovation-friendly environment that makes it easier for great ideas to be turned into products and services that will bring our economy growth and jobs” [41].

The importance of social innovations has also gained recognition in the EU-agenda. In 2010, the European Commission pointed out that “social innovation is an important field which should be nurtured. It is about tapping into the ingenuity of charities, associations and social entrepreneurs to find new ways of meeting social needs which are not adequately met by the market or the public sector. It can also be about tapping into this same ingenuity to bring about the behavioural changes which are needed to tackle the major societal challenges, such as climate change. As well as meeting social needs and tackling social challenges, social innovations empower people and create new social relationship and models of collaboration. They are thus innovative in themselves and good for society's capacity to innovate” [6].

The Commission emphasises that “Social Innovations should become a mainstream focus in the next generation of European Social Fund programme. Member States are encouraged to already step up efforts to promote social innovation through ESF. Starting 2011, the Commission will support a substantial research programme on public sector and social innovation” [6].

2.3 Defining social innovations

In 2013, in order to advance studies in social innovations, the Commission issued a Policy Review which was titled: “Social innovation research in the European Union: Approaches, findings and future directions” [29]. The review identified several definitions of which three were “selected because they cover multiple dimensions. They reflect a complex reality. They also operate on two registers: the results and the process. Social innovation is often used to delineate a changing reality in terms of both outcome and process. The three definitions herein have those particular features of social innovation. ‘Social innovations are new solutions that simultaneously meet a social need and lead to new or improved capabilities and relationships and better use of assets and resources. In other words, social innovations are good for society and enhance society's capacity to act.’ (Tepsie)
Social innovation ‘must be structurally aimed at meeting social need (social challenge); must involve a new or significantly improved product, process, marketing method, and/or organisational model.’ (Selusi) ‘Social innovation is a process where civil society actors develop new technologies, strategies, ideas and/or organisations to meet social needs or solve social problems’ (SPREAD)” [29].

Professor Elke den Ouden has defined social innovations from the value creating perspective. She indicated that: “Social innovations are defined as innovative activities and services that are motivated by the goal of meeting a social need. Social innovations are new concepts, adopted and utilized to resolve societal changes. Just as new products and processes are only considered to be ‘innovations’ when they become marketable, social innovations must bring a sustained benefit for their target audience” [8].

Social innovations may be determined by the relevancy of their impact. Den Ouden has put forth the concept of “meaningful innovations” which can be taken into consideration in assessing the impacts of innovations. The meaningful innovations should create value on multiple levels such as the individual user, organisation, ecosystem and the society at large (as depicted in diagram 1) [8], (Diagram 1). In this regards, the characteristics which typify Vantaa Circle of Associations as a social innovation are discussed in the section 5.3. of this article. Curiously enough, many of the benefits which typify social innovations seem, in this case study, to also represent diverse types of returns of social investment.

Diagram 1: Meaningful innovations: creating value on multiple levels of the Value Framework
3 The factors which led to the launching of Vantaa Circle of Associations

3.1 Economic crises in Finland in the 1990s

In order to understand the processes leading towards the social innovation explored in this case study, the focus needs to first be turned to the economic crises in Finland during the first half of the 1990s, and the unprecedented unemployment which followed the crunch. The rate of unemployment increased sharply from about 3% in 1990 up to 20% in 1994 [19]. Some 450000 jobs were lost during those years. For the period of 1991-1993 “more than 50000 new job seekers entered the unemployment offices each month” [24]. Indeed, these figures were high for a country with a populace of about 5 million at the time.

New ways were sought to handle the crises. In 1994 president Martti Ahtisaari appointed an expert group to find solutions to the unemployment problem. The former national conciliator, Matti Pekkanen, was named the chairman of the group (“Pekkanen Employment Working Group”). Numerous recommendations were drafted and also non-profit organisations were invited to play their part in the task of providing work for jobless. In fact, president Ahtisaari himself presented “ideas about the employment potential of the Third Sector” [30]. In addition to the domestic programmes, new policies and financial support for re-employment were considered when Finland joined the European Union in 1995.

The societal roles and responsibilities of the third sector were widely discussed in the aftermath of the economic crises [31]. According to the most optimistic view, the third sector organisations (TSOs) could employ the unemployed and could offer services more efficiently and more cost-effectively than the public sector. On the other hand, it was feared that somehow the society was transferring the employment responsibility to the associations [1].

The third sector organisations did not initiate the discourse concerning the re-employment scheme, the suggestions for broader involvement came from the public sector. Apparently, the third sector was not quite prepared to take additional responsibilities. The prospects for providing complementary employment opportunities or delivering public services were rather limited in the associations. Major hindrances in this task related to the nature of the non-profit status and the voluntary type of work, that is, associations relied on the input of volunteers and seldom had financial resources to spare. Moreover, it was pointed out that the associations were founded for some other functions, and not for re-employment or for providing public services. Some concerns related to possible negative effects on associations in cases where the re-employed persons were not truly motivated by the missions of the associations they were proposed to serve. Quite rightly it
was presumed that lack of commitment may lead to a decline of enthusiasm - the energy by which the non-profit sector hinges on.

On the other hand, it was recognised that the associations may offer meaningful job-placements and opportunities for fresh starts. For those at the verge of marginalisation, the associations could provide “soft landings”, supportive work environments and opportunities for skills development in order to re-enter the job market. On the whole, it was realised that the non-profit organisations could benefit from the re-employment policies since they could gain extra work-force to help in the never ending chores of charity work for example. Looking at the issue from an idealistic point of view, the re-employment agenda was to be a win-win situation for all parties concerned: government, municipalities, associations and the unemployed persons.

Naturally it was realised that the capacities of the third sector were limited in providing work opportunities to a large extent, however even a few new jobs were regarded precious during the time of economic crises. In 1996 the civil society organisations formed their own employment expertise group to consider feasibilities in the spheres of the third sector. [14] At least in number-wise the re-employment potential existed, although it has been difficult to establishing reliable figures about the associations which could have truly provide job openings. For example, during a 10 year period of 1994-2004, as many as 27490 new non-profit organisations were registered [34]. Altogether there were some 135000 registered associations in Finland in April 2014 [43].

At the time, social investments were considered as essential resources in helping combat unemployment. In order to enhance employability in general, the government authorities started to establish additional labour market subsidies in order to enhance prospects for re-entry to the job market. In 1998 a new form of subsidy, called “combined subsidies” (yhdistelmätuki) was introduced - subsequently renamed as the “wage subsidies” (palkkatuki). The subsidies were especially aimed to help those who had been without work for a longer period of time [15, 31]. The aid had dual function, on one hand the aim was to assist individuals to get and keep jobs, and on the other hand the purpose was to provide support for organisations which employed jobless. The third sector organisations in particular were encouraged to employ jobless with the help of these additional funds.

In retrospect, an apparent shift was occurring at the time as to how the non-profit sector was to be perceived. The developments following the economic crises have led to a situation in which the public authorities have more noticeably started to regard the non-profit organisations as service providers for municipalities. “The number of paid staff in third sector organisations (TSO) started growing rapidly in the aftermath of the economic crises of the 1990’s. In the mid 1990’s municipalities increasingly started sourcing their services to TSOs. Furthermore, TSOs started acting as partners of both national and local governments and European Union in
the fields of employment and social policy, which created new project based employment in the third sector” [31].

On the whole, the re-employment programme in collaboration with associations did not turn out as successful as anticipated. In 1996 the third sector offered 63000 full-time jobs [28] and in 2011 about 77000 [31]. According to a research project involving 47 Finnish municipalities in the early years of 2000 it was concluded that “local associations operating on an amateur basis have not lived up to the expectations placed on them in the mid-1990s as third-sector providers of employment. Just under one tenth of the associations participated in partnerships projects with the objective to employ the long-term unemployed and prevent exclusion” [16]. Nevertheless, the subsidised re-employment opportunities in third sector organisations have been recognised as beneficial, especially for those who have been unemployed for a longer period of time. Therefore, this type of job-placement process has now become a permanent feature in the Finnish re-employment scene [12, 18, 23]. Moreover, the need for new strategies and methodologies to advance collaboration between the municipalities and associations has been recognised in Finland [27]. Such cooperation seems to foster emergence of social innovations.

3.2 Encountering unemployment in the City of Vantaa

The City of Vantaa suffered from the economic crises in numerous ways. In 1991 only 20 persons had been unemployed longer than a year, however in 1995 such persons numbered 4568. Although the employment situation began to improve in the following years, the number of persons suffering from the long-term unemployment was still high in July 1998 affecting of some 3500 citizens. As the rate of unemployment remained consistently high, the ill effects of the unemployment spell became apparent in the increased of numbers of marginalized people [2].

As one of the decisive measures to combat sustained unemployment, the city officials at Vantaa began to find ways to involve non-profit organisations in employing jobless people. An initiative to launch an employment project was introduced in the fall of 1997 when the acting Minister of Labour, Liisa Jaakonsaari, visited Vantaa. During the following spring the city started a venture called “Vantaa Third Sector Employment Project” [1]. The initial aims of this undertaking were: 1) to create a re-employment model, 2) to develop a resource network, 3) to provide workers for the third sector organisations. Director Jaakko Vastamäki was the city officer responsible for initiating the project [21]. To reach these goals the city was willing to make extensive social investments.

In order to fathom the employment potential of the third sector, a research venture was launched on the city’s non-profit organisations. The purpose was to find out how many and what kinds of non-profit organisations existed in the City of Vantaa. Mr. Kari Ahlström was appointed to conduct the enquiry. The experts of the city’s
research and data department backed the investigation and a sort of “think-tank” advisory group was formed to assist in the assessment of findings and in further developmental efforts. As reported, the “think tank” group truly searched for new answers to the employment problem [21].

The preliminary investigation revealed that there were about 1800 registered associations located in the City of Vantaa, however it was presumed that the number of actively functioning associations was much lower. A questionnaire was prepared to search out the extent of job placement potential within the associations. The questions probed for what may be the hindrances for re-employment? What kind of work the associations could offer for the jobless? What kinds of resources they needed? Eventually, the questionnaire was mailed to 662 non-profit organisations of which 226 responded [1].

The research found that the third sector bodies in Vantaa portrayed diverse types of organisational formation such as foundations, cooperatives, associations, clubs and societies - representing countless fields of operation, functions and activities such as social and health care, cultural-, music-, youth-, sports clubs, trade unions, immigrant groups, etc. Most importantly, the “rainbow” of third sector organisations seemed to offer real employment potential and that with a great variety of work and opportunities for career development.

Furthermore, the research found that 114 associations needed more workers. The openings included 76 full-time jobs and 100 part-time jobs. These prospects were considered encouraging. On the other hand, the research also revealed that the most significant hindrance for offering jobs in associations was the lack of financial means, affecting some 92% of those who responded to the questionnaire. Although the financial resources of the associations were insufficient, it was assumed that perhaps some 150-200 third sector organisations were capable of providing job opportunities. Employment in the third sector now seemed feasible, since there were established labour market subsidies which could be utilized for re-employment. Yet, it was realised that a few hundred associations could not help much in accommodating the city’s 3500 long-term unemployed persons at that time [1].

The research efforts turned meaningful not only for the city officials, but for the non-profit organisations as well. Obviously, the questionnaire had served a promotional function as associations had a chance to learn about the city's plans to seek work opportunities for jobless in the third sector. Moreover, the investigation had had an important role in revealing what types of services should be offered to the associations in order to advance their capacities to employ. In short, the research laid the basis for the next stages of the city's employment project, that is, to create a re-employment model and to develop a resource network. Ultimately the investigation paved the way for the birth of Vantaa Circle of Associations as an instrument for more perpetual realisation of the city’s employment programme in
collaboration with the third sector [1]. These “seed social investments” bore fruits in time.

3.3 Launching of an association for associations

When the research work had been completed the city organised an information event. After reflecting on the results of the research the feasibility of further plans were considered. The “think tank” had realised that the re-employment agenda should be organised in true collaboration with the third sector. Thus it was announced during the information event that those associations which were interested in co-operation would be welcomed to continue on with further development opportunities dealing with mutual issues. Consequently, in January 1999 representatives of some 15 associations and a few city officials got together to form a support group for advancement of the third sector employment project.

The support group conducted a number of meetings and discussed the components of the re-employment model. The leaders of associations had a chance to consider the pros and cons of the re-employment issue and reflect upon the suggested responsibilities in the case of re-employment. They could also respond and express their own views with regards to the expectations derived from the city and society at large [2]. The basic mode of discussions concerning joint collaboration is evidenced in the work programme adopted by VCA. The outlooks were stated in the following way: “Co-operation, but on what terms? 1) Volunteer organizations must maintain their sovereignty! 2) Volunteer organizations must be allowed to concentrate on the operations they were originally started for! 3) Public sector must appreciate and support the basic work of volunteer organizations! 4) Co-operation between public sector and volunteer organizations must be based on trust and sincerity!” [3].

In considering the terms of co-operation it may be concluded that without taking actions to safeguard the legitimate rights of the associations, the representatives of the city may have not have been able to convince the associations to engage in a joint venture. This apparent respect towards the sovereignty of associations was worthwhile and ultimately paid off later on in the accumulation of mutual trust and development of excellent collaboration between the sectors, and most importantly, resulted in the increase of the social capital.

The mutual discussions consequently lead to consensus and the support group realised that in order to manage the jobs-potential, a new collaborative organisation was needed to function as a go-between the City of Vantaa and the non-profit organisations. The persons who actually proposed that a new organisation should be established were Kari Ahlström and his colleague Paula Myllymäki. Finally, in September 1999 Vantaa Circle of Associations was launched by 18 local associations and it was registered as non-profit organisation according to the Finnish Law (originally the name was “The Vantaa Work Circle”). The official status was granted in the year 2000. Those city officials and the leaders of non-
profit organisations, who were involved in the support group, became the first board members. Kari Ahlström became the first secretary working for the organisation until 2008, and Paula Myllymäki was elected the first treasurer of the association [2, 21].

The social mission is stated in the rules of Vantaa Circle of Associations so as to prevent marginalisation in its locality and foster actions to eliminate social exclusion as well as to improve general provisions for (re-)employment. The association works for the well-being and empowerment of marginalised persons and for general welfare of the vicinity [33].

Initially, the following tasks were seen relevant: “1) Consulting and informing volunteer organizations in matters important to them. 2) Encouraging co-operation between third sector, public sector and private enterprises. 3) Organizing education relevant to the volunteer organizations. 4) Defending the status of associations. 5) To prevent social exclusion and marginalization” [3].

The local non-profit organisations soon realised the overall value of this new association of associations and acquired membership in growing numbers. Consequently the initial role of the city officials diminished as the representatives of associations assumed more responsibilities. Ultimately VCA became an umbrella organization and at present there are 59 members – all are associations representing a great variety of the third sector efforts in the city of Vantaa [1, 21, 22, 44]. No individual persons are included as members. From the very beginning information was regarded as an important feature and the association started to publish “Rinki”-magazine four times a year.

Re-employment of the jobless was the initial reason for starting an association of associations. However, it has been later discovered that the new association fulfilled many other functions which were not on the original agenda. For example, the representatives of various non-profit organisations found each other as they contemplated their mutual issues. In the board meetings and in mutual undertakings the leaders of non-profit organisations have had a chance to meet their peers. Thus Vantaa Circle of Associations has become a structure to foster communication between the non-profit organisations. Moreover, VCA became the structure for communicating with the city. Apparently, it was also more convenient for the city to deal with the re-employment issues with just one association than with the multitude of them (diagrams 1 & 2). Of course this arrangement did not affect each association’s rights to deal individually with the city in matters important to them.
Diagram 2: the initial linkage between associations and the city in the re-employment scheme.

Diagram 3: restructured form of collaboration in the re-employment programme with the city.
The organisational arrangements originally developed in Vantaa were later transferred in a modified form to the City of Espoo, which is also located in the metropolitan area of Helsinki. The Espoo Association of Organisations (EAO) was established in 2004 and it resembles Vantaa Circle of Associations in many respects, however the member organisations come only from the social sector. It was deemed that in this way EAO may have better chances to get funding from the Finland’s Slot Machine Association, which is an important funder of the “social third sector” in Finland. Since Vantaa Circle of Associations accepts members from a great variety of non-profit organisations, theSlot Machine Association does not customarily provide funding for Vantaa Circle of Associations (excluding certain special cases e.g. launching of an internet platform or a project to empower immigrant groups).

4 The role of VCA in the non-profit re-employment agenda

4.1 Recruitment, career services and job placement

In the beginning of this new organisational set-up, the municipality made additional social investments and sponsored Vantaa Circle of Associations by providing office premises and the salaries for two persons. The appointed experts were Paula Myllymäki and Kari Ahlström (called hereafter in this article as VCA-experts). On one hand their task was to get VCA properly started and going. On the other hand, they were to launch a recruitment and re-employment programme with the purpose of finding job placements for the unemployed in the local non-profit organisations. Uniquely, these persons were working for both, the city and the associations. In this regard their work context resembled the intermediary functions of a culture broker.

As VCA-experts started to recruit suitable workers for non-profit organisations they experimented with unconventional approaches. Perhaps by today’s standards the efforts seem normal practice, however during the latter part of 1990s the methods were not so obvious in the employment agendas of municipalities. Indeed, a new model was created as how to recruit and train personnel for the associations.

The research had revealed that there was not adequate information about the available subsidies. When the new “combined subsidies” was introduced the VCA-experts had to first familiarize themselves with the rules and regulations attached to these subsidies and then learn how to present the complicated issues to the unemployed persons and to the representatives of associations.

Their specific target group included those persons who had been unemployed for a longer period of time and thus were entitled to benefit from the subsidies. In the fieldwork, new tactics in recruitment of the jobless were tried. For example, it was previously learned that there was a great number of unemployed persons who
really wanted to work, however they were not interested in the bureaucracy and the official dealings with the national employment office. The question was: how to find those unemployed persons who did not want to get officially registered?

The experts assumed a straightforward strategy, that is, they did not wait for the unemployed persons to contact them, instead they went out to search for potential candidates who could work in the associations. Actually, a new type of outreach was started. In finding their target audience, the experts posted information on advertisement boards of supermarkets and internet and newspaper advertising. And surprisingly, a great many people responded. In this way the experts were able to compile files of their own concerning the candidates who could be employed in the associations. These procedures enjoyed the unspoken consent of the public employment office which distributed the project’s brochure for potential participants [21, 2].

On the other hand, the experts established relationships with numerous associations who were willing to provide openings for the unemployed persons. Gradually the PR-work became easier when Vantaa Circle of Associations became more and more recognised as the mutual voice for non-profit organisations in the municipality. The experts gave counsel to the leaders of non-profit organisations with regards to the regulations involved in re-employment. They assisted in the paper work and offered their services on how to calculate and utilize the subsidies. An awareness raising telephone campaign was organised and newsletters concerning the re-employment agenda were sent to hundreds of local associations. A mutual interactive forum for the representatives of the public sector and the third sector was organised in the year 2000.

In practice, VCA-experts learned the problems which were involved in this type of work and developed appropriate solutions. In a way they became re-employment innovators without even realising the uniqueness of their work. By utilising the active recruitment approach they were preventing social exclusion and marginalisation. However, they encountered numerous disappointments, both on the part of the unemployed persons and from the part of those associations which were not sincerely committed to the re-employment programme. The experts learned that success in job hunting depends upon myriads of variables beyond the control of those who sought to reach the perfect end.

However, while working for both, the City of Vantaa and for Vantaa Circle of Associations, these two experts established many innovative practices. For example, the proactive model has widely been used in the other cities in Finland. Also, in their re-employment role they modelled the functions of the so called “work-coach”, a new expertise in assisting unemployed persons to get employed [2].

The work coach model emerged out of realisation of how those persons who had been unemployed for a longer period of time had become shy of taking initiatives.
In such cases the work-coach enters the scene early on and walks along assisting the unemployed person in various ways as needed. In 2000, a short term training event was organised by VCA to prepare more work-coaches. The event was attended by 14 participants. Later on a professional group of “work-coaches” have emerged in Finland. These work-coaches have ushered great numbers of unemployed persons to new jobs. Ultimately, the experimental approach and hard work proved also to be consequential for the success of Vantaa Circle of Associations and its emergence as a social innovation [2, 21].

Vantaa Third Sector Employment Project was organised in two stages and it lasted over three years during 1998-2001. In the latter part of the project the associations located in Vantaa had provided 69 jobs and 117 subsidised job placements. In addition, a number of persons were able to find jobs in the other sectors of the open job market. In this respect the re-employment efforts had paid off. On the other hand, the statistics of the project suggested that only about 10% of the associations can even temporarily offer permanent employment beyond the subsidised job placement. Yet the associations, in general, were willing to offer more permanent employment if only the funds could have somehow been secured for that purpose [2].

After the project, VCA continued with the employment function in collaboration with the non-profit organisations. In the following years the association helped a great numbers of unemployed persons to start new careers in the third sector or on the open job market. These persons exemplify the returns of social investment.

4.2 Social investments through training collaboration with a university

The research findings of the employment project had indicated that the staff members of non-profit organisations need training. Thus, one of the envisioned functions of Vantaa Circle of Associations was “to organise education relevant to the volunteer organisations”. The training efforts in this area started right in the beginning - during the preparatory period leading to the creation of VCA. Paula Myllymäki and Kari Ahlström contacted two educational institutions in the City of Vantaa and asked if the institutions were interested in training the personnel of non-profit organisations. Whereas one of these institutions declined the offer of collaboration, the other organisation accepted the challenge: the Vantaa Institute for Continuing Education at the University of Helsinki. Subsequently the various departments of continuing education in the University of Helsinki merged under the heading Palmenia Centre for Continuing Education, which name is used in the following discussion [42].

The invitation for collaboration came at the time when the institute was launching its own training programmes for the third sector. In designing curriculum for lifelong learning, the Palmenia Centre seeks to work in close collaboration with local stakeholder groups. Thus, the mutual benefits of co-operation with VCA were soon realised and the executives of this umbrella association were invited to be the
partners in the training undertakings aimed for the third sector organisations in the City of Vantaa. Eventually the institution developed various types of training programmes for the needs of associations. The topics included leadership, financial management, development of volunteer workforce, and so on. Fundraising was considered as an elementary subject because of its importance for all non-profit agenda. Thus, instruction on this topic was offered in all training courses [5].

Many of the board members of Vantaa Circle of Associations participated in one of the first third sector training courses offered by the university in 1999. By attending this course these leaders of local non-profit organisations were equipped with the latest knowledge on civil society. Since VCA occupied a central place in the network of local associations, these trustees had the chance to transfer the knowledge on the grass roots level amongst their peers and staff of various types of non-profit organisations in Vantaa. Correspondingly, through close cooperation with the associations, the academic planners at the university learned much about the existing training needs in the third sector. In mutual collaboration with their non-profit colleagues the planners considered the sort of curricula that could be advantageous for that sector [2].

In addition, one particular training course was developed especially for the unemployed person in order to train them to work in non-profit organisations. This training course, accompanied with practicum and subsidies, added new features to the third sector re-employment model. This combination of several enhancing components stretched the span of the subsidised re-employment path by up to about 18 months, this time period in itself advanced the prospects for getting permanent employment. VCA-experts assisted in designing the initial curriculum and functioned as work-coaches in implementation. Subsequently, this particular course was implemented seven times in Vantaa and five times in the City of Espoo with the collaboration of Association of Organisations [2]. The funding for this training venture was endowed by the Centre for Economic Development, Transport and Environment of Finland in collaboration with the employment offices of the City of Vantaa and City of Espoo. This financial backing represented an additional form of social investment.

Later on, based on the observations gathered during these initial training ventures, another course was developed by the Palmenia Centre to advance the employment process via the associations. The earlier experiences had given a clue that one link was missing in the employment process, that is, those persons who came to the associations for apprenticeships in the re-employment process, did not get adequate assistance in their search for permanent employment. Thus, the purpose of this particular course was to forge the “missing link” by enhancing counselling competencies of the third sector leaders so that they could truly support those who had come to their associations for work-placement. The aim was to prepare the leaders to walk along with the trainees all the way through the re-employment process. In the cases, where a permanent job seemed unattainable
in the given association, the leader’s responsibility was to assist the person in finding work in another association or from the open job market. The apprentice was not to be left to survive by his own [4].

In retrospect, all these aforementioned educational-types of social investments correlate to the present EU-ethos to strengthen “people’s skills and capacities” and seek to support citizens to “participate fully in employment and social life” [37]. The returns of these investments in lifelong learners were apparent in the empowered lives and well-equipped human resources.

4.3 The latter undertakings of Vantaa Circle of Associations

As the unemployment situation eased in Finland, Vantaa Circle of Associations assumed new functions. The close collaboration between the City of Vantaa and Vantaa Circle of Associations has continued embracing various mutual projects to train unemployed persons and find new jobs (e.g. “Topal-project” and “Telegraph-project”). In fact, the City of Vantaa has officially selected Vantaa Circle of Associations as one of the city’s strategic partners [32].

Information about available opportunities for voluntary work has become one of the main areas of services. A major step forward was taken in the launching of a mutual web-site for all the associations in the City of Vantaa (Vantaalla.Info). The portal provides contact information for about 800 associations. Through the portal, the local non-profit organisations can make announcements about their activities, services and happenings. Interestingly, the portal does not provide services for the associations only, however the City of Vantaa can use the platform to inform on the volunteer work organised by the city. This project was financed by the Finland’s Slot Machine Association during 2005-2008. Suve Pääsukene was hired to develop the web-site and later on she became the director of VCA [32].

Vantaa Circle of Associations has continuously focused on the emerging societal needs in the City of Vantaa. The new undertakings concern, for example, the capacity building of the immigrant non-profit organisations. To this end, the Monirinki-project (“Multi-Circle” project) was launched in 2006 [26, 44]. The aim was to empower the immigrant associations to become more vigorous and independent agencies. The project also assisted the immigrant associations to create services for the City with regards to information about the matters concerning adjustment and integration into Finnish society. Laterly, another project called the “Ferris Wheel”, was started in order to strengthen the practical methods that had been found helpful in the earlier Multi-Circle –project. Through this latter project, three sub-urban counselling offices were established for immigrants. In these counselling offices the immigrants in Vantaa can gain advice and concrete assistance from fellow immigrants who were trained in intercultural guidance. These centres offer services for many language groups. These activities have been supported by Finland’s Slot Machine Association [22, 39, 44].
Starting from 2013, Vantaa Circle of Associations has been in charge of the voluntary centre “Viola”. Some 45 associations, representing social and health sectors, use the premises as they provide services for their clientele. Annually about 13000 persons attend activities arranged by these associations in Viola facilities [45].

5 Sketching characteristics of social innovations

5.1 Determining social innovations by Value Framework

Genuineness of social innovations may be weighed by the extent they create value. “Just as new products and processes are only considered to be ‘innovations’ when they become marketable, social innovations must bring a sustained benefit for their target audience” [8]. The crucial indicators thus are the recognisable improvements and impacts which followed the innovative actions or organising.

In the following discussion the characteristics, which typify Vantaa Circle of Associations as a social innovation, are scrutinized by employing the proposition of “meaningful innovations” as put forth by Den Ouden (2012, p. 62) [8]. The aim of this exploration is to judge the capability of VCA to create value on multiple levels of the Value Framework, that is, what kinds of benefits may have been produced for 1) user (e.g. the unemployed person), 2) for organization (e.g. one of the associations), 3) for ecosystem (e.g. the infrastructure and network of hundreds of local associations), and 4) to society (e.g. the City of Vantaa).

5.2 Sequence of discussion

In considering Vantaa Circle of Associations from a value creation perspective, it seems necessary to consider the innovation scheme in two consecutive sections.

The section A: THE NECESSARY ELEMENTS FOR SUCCESS. The purpose is to suggest some aspects relating to the socio-economic conditions in 1990s which were conducive for a social innovation to emerge. In addition, the aim is to discern the decisive inputs, the types of social investments and innovative actions, which had an effect on the formation of Vantaa Circle of Associations. Thus, the “whys” and “what’s” needs to be considered. Why was the VCA created? What kinds of catalysts initiated the need to launch such an organisation? What were the essential elements which contributed for the creation of VCA?

The section B: MAKING AN IMPACT. The aim is to trace and determine the impacts which typify social innovation: what are the recognisable outcomes and benefits resulting from the functions of this new kind of association? Or more precisely: what kinds of values were created by the novel way of organising? What benefits were ingrained in the functions of Vantaa Circle of Association? To whom were the values created? In what ways have VCA impacted the society at large?
5.3 Section A: necessary elements, social investments and actions

Due to the economic crises of 1990s there was a demand for new ways of coping with unemployment. Consequently, the public authorities turned to unused and atypical resources. The third sector was suggested as one unexploited domain. To this effect, the original problems can be stated as: 1) how could the third sector associations be involved in the national re-employment programme? 2) What kinds of assistance these organisations may need in order to re-employ the jobless? 3) How could public funds be utilized in an optimal way through non-profit organisations to combat unemployment? Vantaa Circle of Association was born as a practical solution to these problems. In the emergence of this non-profit organisation the following elements, conditions and investments need to be recognised.

1. *The need.* Truly, a social need is a tremendous motivator for change. Something needed to be done to ease the grave unemployment situation! The civil society organisations are customarily started to respond to some new human needs. In Finland, the decade of the 1990s especially was the time of “needs” providing fertile ground for a social innovation to upsurge. As noted earlier, during 1994-2004 some 27490 new non-profit organisations were registered in Finland [34]. It would certainly make an interesting study to explore the causes for launching all these organisations, however in the case of Vantaa Circle of Associations the catalyst appeared to be the societal need.

2. *The expertise group,* formed by the president Martti Ahtisaari, had a decisive role in tackling the unemployment problem. The president held the third sector as an appropriate resource to aid the public re-employment programme. His stance was crucial! There is no higher authority in Finland to provide counsel than that of the president. In the case of Vantaa, the role of the acting Minister of Labour, Liisa Jaakonsaari, was consequential.

3. *Prudent civil servants.* The idea to launch Vantaa Circle of Associations to assist in the re-employment efforts was not invented by the representatives of the third sector organisations, but paradoxically, the concept was introduced by the civil servants of the public sector. Actually, the third sector itself had no need or vision for such an establishment. From the part of civil servants the organisational innovation encompassed extraordinary vision and an unorthodox approach. They boldly ventured out from their comfort zones to collaborate with non-profit organisations. Truly, it was most important that it was the civil servants of the city who initiated the organisational process of Vantaa Circle of Associations.

4. The employment *potential offered by non-profit organisations.* The promises seemed ample number-wise, however the reality was not as productive as initially anticipated. However, in 1990s there existed great varieties of associations, which could, and actually did, offer diverse types of job-placements for various kinds of people.
5. **Subsidies.** Some of the essential components for successful jobplacements were the labour market subsidies. These subsidies represented concrete forms of social investments.

6. **Research.** Investigation of the actual situation in the city of Vantaa disclosed the hidden potential existing in the local non-profit organizations. The survey also pinpointed the limitations concerning re-employment possibilities. Research efforts represented another type of input from part of the City yielding basic facts for blueprints and actions.

7. “**Think tank**” and collaborative discussion with support group: Vantaa Circle of Associations was born in creative group-work and brainstorming sessions of the “think tank” group, which sincerely wanted to improve the predicament in collaboration with the representatives of civil society. The efforts of the think tank were followed by further discussions with the support group involving co-operative and innovative persons exemplifying both the public sector and the third sector. The representatives of both sectors portrayed complementary know-how and expertise with hands-on experience regarding what it may be possible to achieve and what may not be achieved.

8. **Commitment and financial support** from the part of the City. The city provided office premises and sponsored two workers for rather a long time for the benefit of Vantaa Circle of Associations. For the success of a new type of organisational establishment, this kind of financial support provided consistency and dependability. These again were specific types of social investments.

9. **Collaboration with the university.** The training cooperation provided unprecedented juncture for comprehensive and user-friendly opportunities for knowledge transfer and lifelong learning for the staff of non-profit organisations as well as for the unemployed persons. Much time, effort and financial support was invested in the collaborative training activities.

**5.4 Section B: making an impact - benefits on multiple levels of Value Framework**

The purpose in this section is to observe the capacities of Vantaa Circle of Associations to create shared value on multiple levels of the Value Framework: 1) for user, 2) for organization, 3) for ecosystem and 4) for society. In each level the value seems to be of a different nature, however the value is somehow connected to or is resulting from the same original cause, that is, the Vantaa Circle of Associations. Some of the benefits may pertain to just one level of the framework, some values have a cross-sectorial quality and some others seem to encompass reciprocal gains. In this case study, many of the created values seem to correspond with the returns of social investments - demonstrable on those same four categories of the Value Framework.
5.4.1 Benefits for the user (level 1)

Career advancement and employment. First of all, Vantaa Circle of Associations has fulfilled its initial founding purpose for providing bridges from unemployment to employment. Originally, the endeavours were solely designated for the individual “user” – the unemployed person. The VCA-experts were able to create and combine a number of components which promoted personal opportunities for re-employment. However, by no means have the VCA-endeavours been perfect. In combating unemployment there have been loses and triumphs, and regrettably the good intentions failed in number of cases. Yet the system worked especially well for those persons who had been unemployed for a longer period of time and thus needed more comprehensive assistance and career services in order to be re-employed. Employment has a great value for the unemployed – measured in salaries or otherwise.

Access to lifelong learning 1) for the leaders of association, and 2) for the unemployed person. The university provided training undertakings in collaboration with Vantaa Circle of Associations brought numerous benefits for a great many people. Values were created as curricula were specifically designed to benefit individual persons belonging to both of these groups.

Leadership development. Collaboration of VCA with the university in education provided chances for the leaders of local associations to get state of the art training in third sector endeavour.

Enhanced employability of unemployed persons. The training courses provided access to the specific knowledge, skills development, guidance and assistance required for finding jobs. In addition, the training courses equipped the re-employed with the needed competencies in order to succeed in non-profit organisations. The persons learned additional skills while they worked in the associations. Job placement was effective especially when it was endowed with subsidies.

Peer support. For the persons re-employed the non-profit organisations are ordinarly recognised as supportive locations for a fresh start in life. The results of caring work environments were evidenced in the lives of many participants.

Social inclusion. Employment in the associations provided access to society, a sense of belonging, more secure lives and financial independence - as some returns for original investments.

5.4.2 Benefits for the individual organisation (level 2)

Capacity of an individual association was increased by the training efforts and re-employment programme. Those associations who participated in the re-employment programme gained assistance from new employees who were trained to work particularly in non-profit organisations. Many of the students became the instruments of knowledge transfer between training and work-place. In addition, the
benefits were realised as either relief for the work-load of the senior workers or perhaps as new resources for starting some new activities.

*Extended domain.* By employing jobless, many of the associations were able to enlarge their sphere of operation. On the other hand, they assumed new roles as employers and developed new competences in human resource management. The associations proved their worth and capabilities towards the public authorities. The associations which re-employed jobless could truly be regarded as constructive organizations for the society as a whole, that is, they had proven their worth beyond their own sphere of specialisations.

5.4.3 Benefits for the ecosystem – network of associations (level 3)

Vantaa Circle of Associations became a new applicable *communication structure* between the associations and the City. More than that, VCA became the structure for communication between the associations.

*Mutual respect.* Varying types of associations in the City of Vantaa have found each other through activities in the domains of VCA.

*United front.* As a large conglomerate Vantaa Circle of Associations has been able to gain more visibility and has been capable of exerting more influence than just one individual association. By presenting important issues of civil society towards public authorities and by defending the rights of all associations VCA has created value for the ecosystem.

*Networks and co-operation.* Continuous interactions between various kinds of associations on one hand, and collaboration with the public authorities on the other, have enhanced relationships between the sectors. Networking has been extended to include a university.

5.4.4 Benefits for the society - the City of Vantaa and beyond (level 4)

Vantaa Circle of Associations has created value for the City of Vantaa in numerous ways. The early investments providing the salaries of two VCA-experts have been rewarded by the *hundreds of jobs* created in the realm of the third sector, the jobs which may not have been realized without the efforts of VCA. With jobs have come more secure lives and *social inclusion*. These VCA efforts have aided the City’s programmes for fighting social exclusion and marginalization.

Re-employment efforts have resulted in increased numbers of *citizens who pay taxes*, that is, less consumers of social benefits and unemployment compensations. These too are returns for social investments.

Benefits in the increase of the *social capital and cohesion* in the City of Vantaa, that is, enhanced mutual trust between the citizens and various sectors of society.
5.4.5 Cross-sectorial and reciprocal benefits

A new organizational model. Quite interestingly, the social innovation called Vantaa Circle of Associations has been a solution - not only concerning the original need - re-employment of jobless, but a solution for many other needs in the society. The organisation is more than fit for the purpose. Some of the VCA-achievements have become beneficial on multiple levels: the individual user, the organisation, the ecosystem and the society at large in a truly sustainable way. For example, the web-site Vantaalla.Info is continually serving and informing all groups. Apparently, this association of associations continues to address the new emerging needs and thus continues to create values on multiple levels.

Transfer of social innovations. The organisational model of VCA was later adapted to function in the City of Espoo. The concept of "social innovation transfer" is related to the concepts of "technology transfer" and exchange of good practices. In social innovation transfer, the model, the whole system, is being replanted with the expectations to gain comparable results.

Another model was created for re-employment through non-profit organisations which included new innovative ways for recruitment of the unemployed person to work in associations. This model fostered re-employment by connecting the optimal use of subsidies to specific training.

The model for work-coaches has benefited the individual “users” as well as a great many associations. The original archetype has been modified and has become an accepted national model and applied far beyond the local spheres. The work-coaches have found new jobs for countless numbers of unemployed persons.

Sustainability. The many transferrable models which were created in the endeavours of VCA keep bringing good results continuously. The recent addition, the counselling scheme for the immigrant groups, assists in the city’s integration aspirations. The good goes on.

Extended knowledge transfer activities for the benefits of the third sector. Training co-operation was advantageous for the academic planners as they learned about the training needs in the associations. This new understanding created value when it was applied in curriculum development and implementation of training courses. In turn, the implementation of these innovative training courses has benefited a great many participants. These training developments are fascinating manifestations of two-way knowledge transfer which may result from social investments of educational means.

6. Conclusion

Vantaa Circle of Associations was not originally designed to be specifically a social innovation. The organisation was created in order to answer the need at hand, the
severe unemployment situation in Finland in the 1990s. The bold actions of the civil servants to make good of the re-employment agenda led to collaboration with the third sector and eventually to one appropriate solution of the problem. Yet this non-profit organisation was established as a result of various forms of social investments and many of its working methodologies also depended on social investments – of one type or another. Ultimately the actions, programmes and concrete investments created benefits on multiple layers of Value Framework typical for “meaningful innovations”. To some extent these intrinsic profits also represent the collective returns of social investments. “Social investment is about investing in people” [37].

Similar organizational innovations were realized in Finland during that same time period and a comparative study would probably reveal why some of them failed while others survived. As a case study, Vantaa Circle of Associations is an interesting example of an organization which survived and is still flourishing and as such, it can offer one model for considering the types of establishments which are needed in dealing with the ills of modern societies. Also the practical encounters of the persons in the middle of the innovation processes can provide encouragement for those who seek to contribute towards well-being of societies.

Interestingly, the vision of the president Ahtisaari was epitomized in the developments of Vantaa Circle of Associations. As noted, the third sector has limited capacities to re-employ jobless, however the innovative approaches and procedures utilized in the City of Vantaa may yield ideas as to how the non-profit organisations too may be summoned to combat the unemployment predicament in Europe.

The European Union is supporting the emergence of social innovations and has in this regards emphasised that such innovations are also needed in the area of public services. The Communication on Europe 2020 Flagship Initiative Innovation Union stated that “while there is no shortage of good ideas, social innovations are not yet producing the impact that they should. There must be more support for experimentation. Approaches that have clear advantages over current practice then need to be scaled up and disseminated. To achieve this, competent intermediaries, effective incentives and networks speeding up and facilitating mutual learning are needed. Across Europe, infrastructures of this kind already exist for business innovation, yet there are no equivalents for social innovation” [6].

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