Social Innovations and Employment through Public Procurement

Project - TPI211 (https://ec.europa.eu/esf/transnationality/TPI-211)

Country of submission:
Finland (FI)

Call for projects - Proxy:
FI 2016 Coordinated Call - ESF Call For Projects Concerning Transnational Cooperation

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Title in the national language:
Sosiaalisia innovaatioita ja työtä julkisilla hankinnoilla

Acronym or short denomination:
SIEPP

Measure under which the project is presented in English:
Employment

Measure under which the project is presented in the National language:
Työllisyys

Project submitted to the MA/IB responsible for the call:
Yes

Project lead organisation:
National Institute for Health and Welfare [1]

Languages spoken by the project team:
en
fi
sv

Themes:

Employment
Employability and labour integration
Labour mobility
Active inclusion in the labour market (incl. related social innovation)
Social criteria in public procurement, creating more open working environments and promoting equal, fair and decent recruiting practices
Development and dissemination of good practices and social innovation (e.g. social farming, job
coaching, service design)
Long-term unemployed people
NEETs
Apprenticeships
Traineeships
Migrants

**Project Idea summary:**
The main objective of the project is to increase the employment possibilities for individuals far from the labour market such as migrants, long-term unemployed, NEETs, people over 50 years of age and people with disabilities. In practice this is done by developing public procurement processes. The project enables the participating parties to develop innovative ways to use social criteria in public procurement in order to integrate and re-integrate individuals into the labour market. The project strengthens the knowledge and experiences in the participating municipalities to better take into account employment criteria in their public procurements.

**Problem addressed:**
Although Finland and Sweden differ in their current economic situation, it is still very clear that unemployment within certain groups such as young people, migrants and the disabled is high in both countries.

According to a recently published report Education at a Glance (EAG) by OECD, Finland has a severe problem with NEETs, young people aged 20 to 24 neither in employment nor in education or training. In 2005, the percentage of young men belonging to this group was 12.2 percent. Ten years later the number has grown to over 20 percent. At the same time, the number of long-term unemployed is three times higher now in March 2016 (122,600) compared to March 2009 (39,000). Long-term unemployment is growing especially quickly in big cities such as Helsinki and Vantaa and in age groups below 40 years. During the past year, Finland has also received a record high number of asylum seekers, and many of those granted an asylum face great difficulties in accessing the labour market.

In Finland the amount of money used through public procurement has been rising despite the ongoing economic difficulties facing Finland. At the same time, the role of the public sector as an employer for people in vulnerable labour market situation has diminished. There is a clear need to better utilise public procurement as an active labour market measure in order for people to become employed on the open labour market. Even today, there is still no strong link between politics and the wider economic strategies of municipalities. Procurement is still mainly seen as something separate from other economic actions and political decisions that municipalities take. Social criteria in public procurement make the bond between politics, economics and procurement visible and concrete.

In Holland and in the UK, public procurement has been widely used to support inclusive labour market policies. The EU supports the use of social criteria in public procurement, and this project is a good example of how EU countries can in practice work together for better public procurement.

In Finland, social criteria in public procurement and employment criteria in public procurement have not been applied on a wider scale. According to research, this is due to lack of information and experience. The project offers information and training to participating cities and organisations and supports them in successfully carrying out procurement processes with employment focus.

In Sweden, social criteria in public procurement in general and employment criteria specifically has been developed recently by the city of Gothenburg. In Sweden, the focus in this project will be on creating pathways to employment for migrants.

There is also a clear need for defining and enhancing the role of socially responsible actions taken by companies and other suppliers. This project will set up a common certificate that can be offered to suppliers taking on the challenge of employing people that face difficulties accessing the labour market.
Public procurement of tomorrow is more about buying effects than buying certain services or goods. Within this project there is a possibility to try new ways of buying the desired social impact, one way of doing this is by using social impact bonds (SIBs). The project also challenges public procurers to think more openly about the possibilities to use bonuses instead of sanctions and other supportive ways to increase companies’ willingness to develop their HR on a deeper level.

**Objectives:**
Connecting public procurement and employment is sensible, and by doing this it is possible to create pathways to the open labour market for individuals who are too far away to access it by themselves. The project makes it possible for partners with different stages of experience to exchange experiences and to learn from each other. Knowledge exchange between the EU countries is highly recommended when it comes to public procurement, as it is largely regulated by the same EU legislation.

The main objective of the project is to create work placements, apprenticeships, and practice placements for individuals in vulnerable labour market situation.

A sub-objective, and a means to achieving the main objective, is applying employment criteria in public procurement. The projects objective is to create a working transnational network that supports innovative development work on employment criteria.

Besides these main objectives there are common needs for all participating organisations such as developing better statistical follow-up mechanisms and to develop the impact assessment to make visible the economic outcomes of applying employment criteria. Strategical analysis of the labour market and the local employment situation in relation to upcoming procurements is an important objective to be able to better answer to the changing labour market situation and to use employment clauses wisely.

**Results and deliverables:**

- **Work placements, apprenticeships, internships for people far away from the open labour market.**
- Experiences and information regarding innovative new ways to apply employment criteria will be gained.
- New ways and partners for tackling the recruitment challenge will be researched.
- Report on the economic effects of employment criteria that includes visual case study data on the economic impact of employment for an individual.
- A common comparable set of statistical data collected in all participating organisations carrying out procurement pilots.
- A certificate to remark socially responsible suppliers will be co-developed with companies/suppliers.
- Strategical analysis of the labour market, local employment situation (in each participating organisation) and upcoming procurements.
- Well-functioning transnational partnership that continues to work after the project has ended.
- Website (examples, criteria, guidelines, discussion), videos, infographics, social media.

As a direct result of the project, there will be work placements, apprenticeships and internship placements for people far from the labour market. Experiences and information regarding innovative new ways to apply employment criteria will be gained.

New ways and partners for tackling the recruitment challenge will be developed.

A report on the economic impact the employment of employment criteria will be published.

**Experience and facilities available:**
International collaboration plays an important role in THL's activities. Close and continuous contacts with colleagues and institutes worldwide are indispensable to research and to development projects. THL's key co-operation partners are European Union, UN organisations, especially the WHO, several other organisations and research and expert institutes, and universities. THL is involved in co-operation with the Nordic countries and other Neighbouring Areas.
THL has broad and diverse know-how and experience from executing projects. At the moment there are some 60 EU financed projects led by THL. THL has also wide experience from carrying out ESF projects. THL has good modern facilities to host workshops and meetings. The unit of Equality and Inclusion has led or is leading the following projects that all have transnational cooperation as an integral part of the project execution.

- Jobs through Public Procurement 2015 – 2017 (ESF)
- ESPINNO2 - European service innovations for Southern Finland 2012 – 2013 (ESF)
- ESPINNO1 - European service innovations for Southern Finland 2009 – 2012 (ERDF)
- EMPAD - Empowering Adults with Mental Illness for Learning and Social Inclusion 2010–2012 (GRUNDTVIG)

The cities of Helsinki and Vantaa both have extensive experience from international collaboration. Both cities are involved in several transnational development networks such as Eurocities. City of Helsinki is also a member of Baltic Metropoles network and a member of International Regions Benchmarking Consortium IRBC.

**Expected partners and their roles:**
National Institute for Health and Welfare (THL) coordinates the project in Finland. THL is responsible for coordinating the transnational cooperation, organising the thematic workshops together with Swedish MA and other partners, study visits, mentoring partnerships and coordination of short exchange periods. THL’s role is also to coordinate and produce material for communication and PR purposes. THL is responsible for conducting the impact assessment report in close cooperation with the other participating organisations.

City of Helsinki and Vantaa are responsible for carrying out public procurements where employment criteria are applied. Helsinki and Vantaa are also responsible for actively taking part in the transnational development work. Cities of Helsinki and Vantaa have also the coordinator role in organising two transnational workshops.

The National Agency for Public Procurement in Sweden is responsible for the overall coordination of the transnational collaboration. Municipalities of Stockholm, Gothenburg, Helsingborg and Botkyrka are responsible to actively take part and contribute to the transnational cooperation.

**Indicative budget for transnational activities:**
€206314

**Activities:**
- Exchange of information and material
- Study visits
- Mobility of staff - sending
- Mobility of staff - receiving
- Comparative studies and benchmarking
- Joint development (of products, strategies, methods, etc.) with, or without, parallel testing and implementation

**Attachments:**
- [Overview on work packages SIEPP project](#)
- [All work packages in detail SIEPP](#)

**Target groups:**
- Unemployed
- Long-term unemployed
- Migrants
- Young people (under 25 years old)
- Older persons (over 50 years old)
Persons with mental or physical disabilities

End date of transnational activity:
Tuesday, 31 December, 2019

TCAs Involved In:
Social Innovations and Employment through Public Procurement [4]
Adaptation and implementation of social innovations for employment of marginalised groups through public procurement [5]

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Links

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